



SIGMA

Support for Improvement in Governance and Management

A joint initiative of the OECD and the European Union, principally financed by the EU

PUBLIC MANAGEMENT PROFILES OF WESTERN BALKAN COUNTRIES:

ALBANIA

(as of December 2003)

THE SIGMA PROGRAMME

The Sigma Programme — Support for Improvement in Governance and Management — is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the European Union, principally financed by the EU.

Sigma supports partner countries in their efforts to improve governance and management by:

- Assessing reform progress and identifying priorities against baselines which reflect good European practice and existing EU legislation (the *acquis communautaire*);
- Assisting decision-makers and administrations in building institutions and setting up legal frameworks and procedures to meet European standards and good practice;
- Facilitating donor assistance from the EU and other donors inside and outside Europe by helping to design projects, ensuring preconditions and supporting implementation.

Sigma's working partners are governments in:

- Most EU candidate countries — Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Turkey.
- Western Balkan countries — Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro / Montenegro, Serbia and Kosovo.
- Russia (under OECD financing).

The Sigma Programme has set its priorities to support reform efforts of partner countries in the following areas:

- Design and Implementation of Reform Programmes
- Legal Framework, Civil Service and Justice
- External Audit and Financial Control
- Public Expenditure Management
- Policy-making and Co-ordination Capacities, including Regulatory Management
- Public Procurement

For further information on Sigma, consult our web site:

<http://www.sigmaweb.org>

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1. Political Background

The first free post-communist parliamentary elections in Albania were held in March 1992. The Democratic Party won the largest number of votes and formed a coalition government. The President of the Republic was elected by the People's Assembly (Parliament) in April 1992. The second general elections in May 1996 again resulted in a victory for the Democratic Party. The results of these elections were questioned by the opposition parties and this led to public protests. Public unrest was also fuelled in early 1997 by the collapse of the "pyramid" investment funds, in which much of the population had deposited their life savings. The government was forced to resign in March 1997. A caretaker government, headed by a Prime Minister from the Socialist Party, was established to overcome the chaos that followed the collapse of the pyramid investment schemes and to prepare the country for elections. General elections took place in June/July 1997. Following these elections, the government was headed by Fatos Nano. In September 1998 this government was forced out and a new government was formed, headed by Pandeli Majko. This Government led the country during the difficult period of the war in Kosovo. After the war, in 1999, a new government took office with Ilir Meta as Prime Minister. This Government prepared the local elections in the country (held in 2000) which resulted in a victory for the socialists together with the left alliance known as the "Alliance for the State". The last general elections were organised in June 2001, resulting in a victory for the Socialist Party; Ilir Meta stayed Prime minister. The opposition declared that the elections had been manipulated. The international community acknowledged the elections, noting, however, that some problems will have to be addressed prior to the next elections by improving the election legislation.

The table below shows the distribution of the seats in the People's Assembly that resulted from the elections in June 2001:

Political subjects	Number of deputies elected directly in constituencies	Number of deputies in central proportional lists
Socialist Party (SP)	73	
Democratic Party +Union for Victory (DP + BF)	25	21
New Democratic Party (PDR)		6
Social Democratic Party (PSD)		4
Human Rights Unity Party (PMDN)		3
Agrarian Party (PA)		3
Democratic Alliance (PAD)		3
Independent	2	
Total	100	40

A new President had to be elected in 2002, after the expiration of President Meidani's mandate. Based on opposition claims of irregularities during general elections, and strongly supported by the international community, especially the Council of Europe, both the party in power and the opposition agreed to elect a "consensual" president who would be accepted by both. This consensual president, Alfred Moisiu, took office on July 2002.

In December 2001 Fatos Nano, the leader of the Socialist Party (he had resigned from all his functions in government and the party in 1998) initiated a "catharsis" movement to improve the governance in the country, as well as the situation within the party. This movement resulted in

the resignation of Ilir Meta, and brought back Pandeli Majko as the head of the Government in May 2002. He headed the Government for four months until the “consensual” President was elected, whereby he handed over the position to Fatos Nano, the present Prime Minister of Albania.

The Government headed by Mr. Fatos Nano was approved by the Parliament on 31 July 2002. The Government has 19 members, including the Socialist Prime Minister, Fatos Nano, one Deputy Prime Minister and Minister for European Integration, one Minister of State, and 16 other ministers. The ministerial portfolios are divided amongst the Socialists, except for the Ministry of Justice, which was given to the Human Rights Unity Party (PMDN), and Environment, given to the Agrarian party. One Deputy Minister in the Ministry for Local Government and Decentralisation is a member of the Democratic Alliance Party (PADS). The Deputy Minister of Defence belongs to the Social Democratic Party (SDP). The “The Alliance for the State” coalition created on 1997 is very fragile: the Social Democratic Party is excluded from it, and in October 2003, the Human Rights Unity Party (HRUP) formed a coalition – the URUP – with the Democratic Party. (As a result of this coalition the URUP won local elections in Himara, a municipality in southern Albania). In July 2003 the Deputy Prime Minister and Minister of Foreign Affairs resigned because he disagreed with the way the Prime Minister and Chairman of the Socialist Party was managing the government and the party. The Deputy Minister of Foreign Affairs is acting Minister; in addition there is an acting Minister of Public Order. The Prime Minister did not have the majority of votes in the Parliament, when he presented the replacement for the Minister of Foreign Affairs and dismissed the Minister of Public Order.

The next general elections are foreseen in June 2005.

The last local elections took place on 12 October 2003. The Socialist Party of Mr. Fatos Nano won the largest share of votes and triumphed in the biggest cities, but the margin of victory was narrower than in 2000 and the Socialists lost many seats, especially in the south of country.

Albania is a member of the United Nations, and is presently negotiating for membership in NATO and the EU. On 31 January 2003, EU officially launched the negotiations for a Stabilisation and Association Agreement between the EU and Albania. These negotiations are presently ongoing.

2. The Constitutional Framework

2.1 Constitutional Bases

Albania’s new Constitution was adopted by the People’s Assembly on 21 October 1998, affirmed by referendum on 23 November 1998 and entered in force after its promulgation by the President of the Republic on 28 November 1998.

The Parliament adopts laws which must then be promulgated by the President. The Council of Ministers issues Decrees, and other sub-legal acts.

The normative hierarchy is as follows:

- the Constitution;
- ratified international agreements;
- organic laws;
- simple laws;

- normative Acts of the Council of Ministers;
- normative Acts of ministries and other central institutions;
- Acts issued by the organs of local authorities.

Laws which regulate the organisation and operation of institutions stipulated by the Constitution, general and local elections, legal codes, etc, known as “organic laws”, need the approval of three-fifths of the members of Parliament to be approved.

Other laws which regulate different fields of activity, called “simple laws”, need to be approved by a simple majority of members of Parliament.

Normative Acts of ministries and other central institutions of the state are effective in the entire territory of the Republic of Albania within the sphere of their jurisdiction. Acts that are issued by the organs of local authorities are effective only within the territorial jurisdiction exercised by these organs.

2.2 Nature of the State

The Constitution of 1998 establishes Albania as a parliamentary republic and a unitary state, with a system of government that is based on the separation and balance of legislative, executive and judicial powers. Governance is based on elections that are free, equal, general and regular. The law constitutes the basis and the boundaries of the activity of the State.

Sovereignty in the Republic of Albania belongs to the people, who exercise sovereignty directly or through their representatives.

The economic system of Albania is based on a free-market economy: freedom of economic activity, as well as on private and public property.

2.3 Division of Powers

The governing system in the Republic of Albania is based on division and balance of powers between the legislative, executive and judicial system.

The People’s Assembly is the highest body of state power and the superior legislative body in Albania. The main responsibilities of the People’s Assembly include the power to:

- initiate revisions of the Constitution;
- adopt legislation;
- decide on referenda regarding the Constitution or laws of special importance;
- ratify or denounce international agreements;
- approve and control the state budget;
- approve laws to permit foreign military forces to be situated in, or pass through, Albanian territory, and to permit Albanian military forces to be sent abroad;
- declare a state of war or a state of emergency.

The President of the Republic is the head of state and represents the unity of the people.

The executive is represented by Council of Ministers and local government. The Council of Ministers exercises any state function that is not specifically assigned to another state body or to local government.

Judicial power is exercised by the High Court and courts of first and second instance.

The People's Assembly can create (through laws) new courts but not extraordinary courts.

3. Head Of State

3.1 Electoral Rules

The President is elected for a five-year term, and may be re-elected once. A candidate for president is proposed to the Assembly by a group of no fewer than 20 deputies. The President of the Republic is elected by secret ballot and without debate by a majority of three-fifths of the deputies. Only an Albanian citizen by birth who has been resident in Albania for no less than ten years and who has reached the age of 40 may be elected president.

The President is responsible to the Parliament. The President could be dismissed for breaking the rules as stated in the Constitution, or committing a penal crime. The proposal to dismiss the President can be forwarded by not less than one-fourth of the members of Parliament and should be supported by not less than two-thirds of the members of Parliament. The decision of Parliament must be sent to the Constitutional Court, to prove the impeachment charges. If they are proved, the Constitutional Court declares the dismissal of the President from his duties.

3.2 Main Responsibilities

At the beginning of a new Assembly and in every case of a vacancy, the President nominates the Prime Minister, on the proposal of the party or coalition of parties holding the majority of seats in the Assembly. If the Assembly does not approve the Prime Minister, the Assembly elects a new Prime Minister within 15 days. If this election fails, the Assembly must carry out a new election within seven days, and the President must appoint the elected candidate within seven days. If the Assembly fails to elect a new Prime Minister, the President must dissolve the Assembly within seven days.

The main constitutional powers of the President include the following:

- address messages to the Assembly;
- exercise the right of pardon;
- grant Albanian citizenship and permit it to be renounced;
- award decorations and titles of honour;
- on the proposal of the Prime Minister, appoint and withdraw plenipotentiary representatives of the Republic of Albania to other states and international organisations;
- accept letters of credential and the withdrawal of diplomatic representatives of other states and international organisations;
- sign international agreements according to the law;

- on the proposal of the Prime Minister, appoint the Director of the National Security Department;
- nominate rectors of universities on the proposal of their councils' representatives;
- set the date of elections for the Assembly and for organs of local self-governments, and of a referendum; and
- request opinions and information in writing from the directors of state institutions on issues that concern their duties.

In the exercise of his powers, the President of the Republic issues decrees.

3.3 Office of Head of State

The body established to support the President is called the Presidency. The structure of the Presidency is established by the President and is composed of the Secretary General, advisors to the President, and support staff.

The number of staff has to be approved in the yearly state budget by the Parliament.

All the advisory staff (advisors to the President as well as the Secretary General are considered civil servants) are replaced when a new President takes office, while support staff generally stays on.

The Office of the President is composed of 37 persons as follows:

Head of Cabinet	1
Advisors	8
Assistants to advisors	8
Chiefs of Sector	2
Specialists (support staff)	18

3.4 Head of State in Legislative Process

The President of the Republic promulgates the approved laws within 20 days. He has the right to a suspending veto, i.e. he may return a law once to the Assembly for review. The presidential decree for the review of a law loses its effect if a majority of all deputies vote against it.

4. Parliament

4.1 Electoral rules

The Code on Elections of the Republic of Albania regulates:

- general elections for the People's Assembly of Albania, local elections and referenda;
- organisation and functioning of election commissions;

- preparation and review of voter lists;
- determination of electoral zones;
- registration and financing of electing entities;
- media presentation of electoral campaigns;
- development and eligibility of referenda;
- voting procedures and issuing of voting results; and
- penal and administrative offences of the Code.

The Assembly is elected for four years and its mandate continues until the first meeting of the new Assembly.

Elections take place on the basis of a general, direct, free and secret vote. Citizens have the right to vote and be elected as deputies if they have reached the age of 18 by the date of the elections, have Albanian citizenship and have been permanently resident in Albania for no less than six months. In addition, they have to meet the requirements set in the Law on Genocide and Crimes against Humanity Committed in Albania during Communist Rule and in the Law on the Control of the Moral Figure of Officials and Other Persons Related to the Protection of the Democratic State. Citizens, who by a court decision, have been deprived of the capacity to act, and those in detention or serving a sentence in jail, are deprived of their electoral rights.

Elections are organised and run by electoral commissions, which include the Central Election Commission (CEC), Zonal Election Commissions (ZEC), Local Government Election Commissions (LGEC), and Voting Centre Commissions (VC). Election commissions are independent bodies subject only to law. Members of CEC, ZEC, LGEC, VC are nominated by proposal of political parties upon the rules set forth in the Election Law.

The territory of the Republic of Albania is divided into 100 single-member electoral zones. The boundaries of the electoral zones may not be changed during the last six months of the Assembly's mandate.

Candidates can be presented through political parties and coalitions; however, also independent candidates may present themselves for election. Certain candidates have to resign from office before they can run as a candidate for the Assembly; this includes, for example, judges, prosecutors, military servicemen on active duty, staff of the police and of National Security, chairmen of municipalities and communes, prefects in the places where they carry out their duties, chairmen and members of electoral commissions, and high officials of the state administration.

The candidate who wins the largest number of valid votes of the voters who have taken part in the elections in a single-member zone is considered the elected deputy of that zone to the Assembly. When two or more candidates win an equal number of votes, a drawing of lots is organised to decide on the winning candidate. The drawing is organised by the Central Election Commission (CEC) in a public session with the participation of the candidates. Forty supplemental seats are allocated to political parties and coalitions of parties, in accordance with the results of the voting on elections day and according to the following rules:

1. Parties that win less than 2.5 per cent and coalitions that win less than 4 per cent of the valid votes in the whole country do not benefit from supplemental seats. In order to

establish the percentage of a coalition that submits a composed multi-name list, the total number of valid votes of the coalition is determined by adding up the votes obtained separately by each party or coalition in the proportional voting section of the ballot paper.

2. The number of valid votes won by each party or coalition meeting the respective threshold is divided by the sum of valid votes they have been obtained in the whole country, and the result is multiplied by 140. Each of these parties or coalitions is initially allocated a general number of seats equal to the whole number obtained by the above-mentioned calculation. The remaining seats are allocated to the parties/coalitions with the largest remainders. In case the remainders for the last seat are equal, lots are drawn.
3. In order to determine the number of supplemental seats to be allocated to each party or coalition, the number of seats won in single-member zones is deducted from the number of seats allocated to each party or coalition according to letter (b) of this article. If the difference is negative or zero, the respective party or coalition keeps only the seats won in single-member zones.
4. Notwithstanding point (b), if:
 1. (i) independent candidates are elected in one or more single-member zones;
 2. (ii) parties or coalitions that do not meet the respective threshold win seats in one or more single-member zones; or
 3. (iii) parties or coalitions that meet the respective threshold win more seats in single-member zones than they are entitled to on the basis of letter (b), then the following formula applies to the allocation of supplemental seats to parties or coalitions for which the difference according to letter (c) is positive:
$$N = (A - B) [40 / (40 + C)]$$
where N is the number of supplemental seats gained by each party or coalition, A is the number of seats allocated to each party or coalition according to letter (b), B is the number of seats they won in single-member zones, and C is the total number of seats won according to points (i), (ii), and (iii) of this letter (in the case of point iii, only the excess is added). Each of these parties and coalitions is allocated initially as many seats as the whole number obtained by this calculation. The seats that remain are allocated to the subjects with the largest remainders, in descending order. In case the remainders for the last seat are equal, lots are drawn.
5. Deputies are elected from the multi-name lists of parties or party coalitions according to their respective order;
6. If the number of candidates on a multi-name list of a political party or coalition is smaller than the number of seats to which that party or coalition is entitled according to this article, the unfilled seats are divided among the other parties and coalitions of parties that exceed the respective threshold in accordance with the following formula:
7. The number of valid votes won by each of the above parties or coalitions is divided by the total of the valid votes won by them, and the result is multiplied by the number of unfilled seats. A number of supplemental seats equal to the whole number that results from the above calculation is initially allocated to each of these parties or coalitions. The seats that remain are allocated to the parties or coalitions with the largest decimal remainders. If the decimal remainders for the last seat are equal, lots are drawn. The allocation of supplemental mandates to parties/coalitions is regulated in the election law.

4.2 Main Powers of Parliament

The People's Assembly (Parliament) is the highest body of state power and the only legislative body in Albania.

The Assembly has the authority to:

- elect the President of the Republic;
- approve the candidate for Prime Minister;
- review presidential Decrees regarding the appointment or dismissal of ministers;
- give its consent for the nomination of the members of the Constitutional Court who are appointed by the President of the Republic;
- remove judges of the Constitutional Court and the Supreme Court from office;
- give its consent for the nomination of the General Prosecutor;
- take the initiative for revisions of the Constitution;
- ratify and denounce international agreements in the areas of territory, peace, alliances, political and military issues; freedoms, human rights and obligations of citizens as provided in the Constitution; membership of the Republic of Albania in international organisations; the undertaking of financial obligations by the Republic of Albania; the approval, amendment, supplementing or repeal of laws; other international agreements;
- decide on referenda concerning the Constitution or Bills of special importance;
- set up investigation committees to review particular issues;
- approve the new budget within three months from the last day of the previous financial year, except when extraordinary measures have been decided (the Assembly may make changes in the budget during the financial year);
- elect the Governor of the Bank of Albania upon the proposal of the President of the Republic;
- appoint and dismiss the Head of the High State Control (Supreme Audit Institution) upon the proposal of the President of the Republic;
- ratify agreements between the state and religious communities;
- approve laws to permit foreign military forces to be situated in, or pass through, Albanian territory, as well permit Albanian military forces to be sent abroad;
- declare, upon the proposal of the President of the Republic, the state of war; decide on the use of general or partial mobilisation or demobilisation in the case of an external threat or when a common defence obligation derives from an international agreement;
- declare, in the case of danger to the constitutional order and to public security and upon the request of the Council of Ministers, the state of emergency for a part or the whole of the state territory; and
- approve laws ratifying international agreements to delegate to international organisations state powers for specific issues. The Assembly may decide that the ratification of such an agreement should be made through a referendum.

4.3 Internal organisation

The internal organisation of the Assembly is regulated in regulation, approved by the majority of all deputies.

The Assembly conducts its annual work in two sessions. The first session begins on the third Monday of January and the second on the first Monday of September. The Assembly may also meet in extraordinary session, if requested by the President of the Republic, the Prime Minister or by one-fifth of the deputies. The Chairperson of the Assembly, on the basis of a defined agenda, calls extraordinary sessions.

The Assembly elects and discharges its Chairperson. The Chairperson chairs debates, assures respect for the rights of the Assembly and its members, and represents the Assembly. The Chairperson is assisted by two Deputy Chairpersons elected by the Assembly.

The Bureau of the Assembly is composed of the Chairperson, Deputy Chairpersons, and Heads of parliamentary groups. The Assembly's Bureau holds weekly meetings to prepare and manage the Assembly's activities; it drafts and agrees on the work plan (calendar). This calendar is to be approved by the Assembly. All decisions of the Bureau are taken by consensus.

The Assembly elects standing committees and may also establish special/ad hoc committees. At present there are 13 standing committees, and one ad hoc committee (European Integration). Upon the request of one-fourth of its members, it may set up investigation committees. During the mandate of the present Assembly three investigation committees have been set up on the following issues: 1) pyramid schemes; 2) the activities of the National Security Institution; and 3) the activities of the Former Minister of Culture and Tirana Municipality.

The Assembly takes decisions by majority vote, if more than half of its members are present, except for cases where the Constitution calls for a qualified majority.

Meetings of the Assembly are open to the public. At the request of the President of the Republic, the Prime Minister or one-fifth of the deputies, meetings of the Assembly may be closed if a majority of all its members have voted in favour of it.

Parliamentary groups must consist of at least five deputies who belong to the same party or have the same political orientation. Some of the main rights of parliamentary groups are:

- to be represented in the meetings of the Chairperson and deputy chairpersons to decide on the parliamentary work plan;
- to be represented proportionately in all parliamentary committees; to request motions, interpellations; and
- to establish investigation committees.

Parliamentary committees play an important role in scrutinizing and preparing decisions for the plenary sessions. At present, the 13 permanent committees are as follows:

- Agriculture and Food
- Constitutional and Legal Issues
- Defence

- Economy, Finance and Privatisation
- Education, Culture, Science and Sport
- Foreign Policy and International Relations
- Human Rights and Minorities
- Immunity, Mandates and Regulation
- Industry, Transport, Public Works and Trade
- Labour and Social Problems
- Public Health and Environmental Protection
- Public Information (Mass Media)
- Public Order and National Security

Each committee has a chairperson, a deputy chairperson and a secretary. Decisions of parliamentary groups have a strong impact on the deliberations of the committees.

The structure and number of staff working for the Assembly is approved by Chairperson based on the proposal of Secretary General. The highest civil servant of the Assembly is the Secretary General.

The Assembly's staff fulfil advisory, informative, organisational and technical tasks.

The Assembly's staff structure, including political appointees, is as follows:

Director of Cabinet	1
Spokesperson	1
Advisors	2
Secretaries of the Head of the Assembly	2
Assistants to parliamentary groups	11
Deputy Heads	2
Secretaries of Deputies	2
Secretary General	1
Advisors of parliamentary groups	2
Director of Departments	5
Director of Directory	4
Assistants to parliamentary commissions (experts)	13
Chief of research sector and library	1
Chief of Sector (support staff)	6
Specialist (support staff)	41
Drivers	140

The Assembly counts 137 deputies, including the Deputies on additional mandates. The 100 Deputies elected directly in their constituencies have one assistant in their respective constituency, whose salary is paid by municipality.

4.4 Legal Status of Members of Parliament

The Members of Parliament (MP) represent the people and are not bound by any mandatory rule. MPs cannot exercise any other task or state duty besides membership in the Council of Ministers. MPs cannot exercise any other profitable activity whose source is public activity (central or local). The Member of Parliament has immunity guaranteed by Constitution. If any infringement of a deputies' commitment is reported, by initiative of the Chairperson of Parliament or one-tenth of its members, the case has to be sent to Constitutional Court, which takes the final decision. Members of Parliament are not controlled at Customs checkpoints.

4.5 The Legislative Process

A legislative procedure may be initiated by the Council of Ministers, any deputy of the Assembly or by at least 20 000 voters. A bill is introduced in the Assembly following the Assembly's programme of work and work plan.

The bill has to be discussed in respective parliamentary commissions before being sent to the plenary session.

Bills that may involve public expenditure for their implementation must always be accompanied by a report justifying these expenditures. If a bill with budgetary impact has not been proposed by the Government, the Council of Ministers must be asked for its opinion. If the Council of Ministers does not submit an opinion within 30 days, the bill passes for parliamentary scrutiny according to the normal procedure and may be approved without a government opinion.

Every bill is voted on three times: in principle, article by article, and in its entirety. To pass, a bill must be approved by a simple majority. There are, however, bills that require a three-fifths majority of all deputies (organic laws). These include bills affecting the laws on the organisation and operation of the institutions provided for in the Constitution; citizenship; general and local elections; referenda; legal codes; a state of emergency; the status of public servants; amnesty; and the administrative division of the republic.

The Assembly may, at the request of the Council of Ministers, review and approve a bill through an urgency procedure, but no sooner than one week from the beginning of the procedure of review. This procedure is not applicable to bills requiring a three-fifths majority of all deputies, with the exception of the Law on State Emergency.

The President of the Republic promulgates the approved bill within 20 days. He has the right of a suspending veto.

A law enters into force at the earliest 15 days after its publication in the Official Journal. In the case of extraordinary measures, a law may enter into force immediately if the Assembly so decides with a majority of all its members and if the President of the Republic gives his consent. Such a law has to be published as soon as possible in the Official Journal.

Subordinate legal acts are issued on the basis of laws. A law must authorise the issuance of subordinate legal acts and designate the competent organ, the issues that are to be regulated,

and the principles on the basis of which these subordinate legal acts are issued. The organ authorised by law to issue subordinate legal acts may not delegate its power to another organ.

The government introduces most of the laws passed by the Assembly. During the present legislature, the Parliament has passed 320 laws (2001 –2003), almost 99 per cent of them proposed by the Council of Ministers.

In the Albanian legal system there is no law regulating lobbying.

A legislative council to review the legal quality and impact of all legislation does not exist in the Parliament. However, the staff of the Assembly encompasses a small group of lawyers which provides legal advice to the Chairperson and the two deputy chairpersons. Moreover, the Committee for Constitutional and Legal Issues has members who are specialised in legal matters.

5. The Central Executive

5.1 Legal Bases of Executive Authority and Administration

The Constitution provides the main legal bases for the activity of the executive. It defines the basic structure and tasks of the government and of local authorities. The Law on the Organisation and Functioning of the Council of Ministers regulates the organisation and functioning of the Council of Ministers, the Prime Minister, the Deputy Prime Ministers, the Ministries and subordinated bodies, the Secretary General of the Council of Ministers, relations among these bodies and secondary legal acts that they issue.

The Assembly has approved a new Administrative Code. It covers, *inter alia*, the control of the organisation and functioning of public administration, decision-making in public administration and administrative procedures.

The Law on the Status of Civil Servants sets forth uniform regulations for entering the public service, establishment and termination of work relations, career advancement, and rights and duties of civil servants, with the aim of creating a professional, stable and efficient civil service.

The Law on the Right to Information for Citizens guarantees the right to information for citizens and their access to governmental activity, while the Law on Rules of Ethics in Public Administration defines the behaviour of public administration and the prevention of conflict of interests.

5.2 Composition and Powers of the Government (Council of Ministers)

The Council of Ministers consists of the Prime Minister, Deputy Prime Ministers, and ministers. It defines the principal directions of public policy and takes decisions upon the proposal of the Prime Minister or the respective ministers. The Council of Ministers may, in cases of necessity and emergency, approve normative acts that have the force of law. These acts lose force retroactively if the Assembly does not approve them within 45 days.

Ministers are appointed and dismissed by the President, on the proposal of the Prime Minister. Within the principal directions of general public policy, ministers direct, under their own responsibility, the actions for which they have competency. In the exercise of their powers, ministers may issue orders and instructions. Any person eligible to be a member of the Assembly

may be appointed as a minister. Members of the Council of Ministers enjoy the same immunity as members of the Assembly.

In special cases, according to the importance and problematic nature of the questions included in the agenda, deputies and persons who are judged necessary for the examination of the question may also be invited to take part in meetings of the government.

The Secretary General of the Council of Ministers takes part in meetings of the Council of Ministers, without the right to vote.

The Council of Ministers currently (December 2003) has 19 members, including the Prime Minister, who serves as Chairman, a Deputy Prime Minister, who is also the Minister of Governmental Coordination, a Minister of State in Prime Minister's office, and 16 ministers in charge of line ministries.

The Prime Minister presents to the Assembly for approval, within 10 days, the Government programme and the government ministers.

If a vote of confidence presented by the Prime Minister is refused by a majority of all the members of the Assembly, the Assembly elects another Prime Minister within 15 days. If the Assembly fails to elect a new Prime Minister, the President dissolves the Assembly. The same procedure applies if the Assembly approves a motion of no-confidence.

Ministers are appointed and dismissed by the President, on the proposal of the Prime Minister, within seven days.

The existing Prime Minister and ministers are obliged to remain in office until the appointment of a new Council of Ministers.

5.3 Division of Executive Power

The main responsibilities of the Prime Minister are the following:

- representing the Council of Ministers and chairing its meetings;
- conceptualising and presenting the principal directions of governmental policy and holding responsibility for it;
- assuring the implementation of legislation and the policies approved by the Council of Ministers;
- coordinating and overseeing the work of the members of the Council of Ministers and other institutions of the central administration of the state; and
- resolving disagreements between ministers.
- nominating the ambassadors
- exercising control in the field of security services and classified information;
- implementing the duties accorded by the President of the Republic for leading the Armed Forces.

In connection with the President of the Republic, the Prime Minister:

- submits reasoned proposals for the appointment to and discharge from duty of ministers, high political or civil functionaries of the public administration, in the foreign service or high military officials.

In connection with the Assembly, the Prime Minister:

- submits the composition of the Council of Ministers for approval;
- submits the programme of the Government for approval;
- submits confidence motions;
- responds to Parliamentary interpellations and answers deputies' questions; and
- submits the draft law on the state budget.

In coordination with the ministers and directors of central institutions, the Prime Minister:

- specifies the principal political and administrative directions of the activity of the ministries, regarding implementation of the Constitution, the laws, and other legal acts;
- coordinates and oversees the activity of the ministries,
- may suspend the application of general and acts of the ministers and call for a decision of the Council of Ministers on their full or partial repeal;
- takes the lead in the preparation and publication of public declarations if their content exceeds ordinary ministerial responsibilities;

The Prime Minister also:

- decides on the creation, composition and method of functioning of inter-ministerial committees;
- decides on the creation and composition of work groups to resolve, within a specific time, particular problems of a research or economic nature or the preparation of legal or sub-statutory acts.

In the exercise of his powers, the Prime Minister issues orders.

Each minister, within the framework of the government programme, directs and implements the policy within his area of responsibility. He may issue orders and instructions.

The substantive tasks of ministries and ministers are established by internal government agreement. Specific tasks, for example, the supervision of public institutions, may be attributed to a ministry by substantive legislation.

Non-ministerial central bodies usually have their missions defined by the legal act that establishes them.

5.4 The Office of the Government

The Law on the Functioning of the Council of Ministers determines a clear distinction between the Prime Minister's Office and the apparatus of the Council of Ministers.

The “Kryeministria” is an independent legal body, based on public law, that supports the activities of Council of Ministers, Prime Minister, Deputy Prime Minister and Ministers of State. The “Kryeministria” consists of:

- the cabinet of the Prime Minister;
- the cabinet of the Deputy Prime Minister;
- the cabinet of the Minister of State; and
- the central apparatus of the Council of Ministers.

The internal structure and number of staff of the “Kryeministria” are decided by order of the Prime Minister based on the proposal of the Secretary General.

The appointment and dismissal of cabinet employees are based on an order of the Prime Minister, by proposal of the Head of Cabinet. These employees are politically nominated.

Cabinet of the Prime Minister

The cabinet of the Prime Minister consists of the following (in all 25 persons):

- Director of the Cabinet;
- advisers;
- technical secretariat; and
- personal secretariat.

The structure, personnel organisation and duties of the cabinet of the Prime Minister, as well as the appointment and taking of disciplinary measures for these functionaries, are set by order of the Prime Minister.

Cabinet of the Deputy Prime Minister

The Deputy Prime Minister chairs the meetings of the Council of Ministers in the absence of the Prime Minister and with his prior authorisation. The cabinet of the Deputy Prime Minister consists of the following (5 persons):

- Director of the Cabinet;
- advisers; and
- personal secretaries.

Currently (December 2003) the Deputy Prime Minister performs also the duties of the Minister for European Integration. In this capacity he disposes of a cabinet for the Minister of European Integration (6 persons) and has the Department for European Integration (9 persons) under his/her responsibility.

The structure, personnel organisation and duties of the cabinet of the Deputy Prime Minister, as well as the appointment and taking of disciplinary measures for these functionaries, are set by order of the Prime Minister on the proposal of the Deputy Prime Minister.

Cabinet of the Minister of State

The cabinet of the Minister of State consists of the following (6 persons):

- Director of the Cabinet;
- advisers; and
- personal secretaries.

The structure, personnel organization and duties of the cabinet of the Minister of State, as well as the appointment and taking of disciplinary measures for these functionaries, are set by the Prime Minister, on the proposal of the Minister of State.

The Minister of State has the following organisational units under his responsibility:

- Department of Policy Development and Coordination (11 persons);
- Department of Public Administration, in charge of management of human resources development, structure of government, salaries in public administration, and coordination of administrative reform (17 persons);
- Anti-corruption monitoring unit, in charge to coordinate the anti-corruption process (6 persons);
- Unit for Implementation of a World Bank Project (4 persons); and
- Directorate of Information Technology (4 persons).

The Secretary General

The Secretary General is a civil servant at the highest management level in the Council of Ministers.

The Secretary General is appointed following the procedures provided in article 13 of the Law on the Status of Civil Servants No 8549, dated 11.11.1999. The Secretary General can be removed on the bases of articles 21, 24, and 25 of the above-mentioned law. The Secretary General is responsible for the administration, personnel and technical services within the apparatus of the Council of Ministers.

In particular, the Secretary General carries out the following functions:

- organises and oversees the good functioning of the meetings of the Council of Ministers;
- monitors and coordinates the annual programme of proposals that are submitted for examination to the Council of Ministers, and coordinates the general work programme with the legislative programme of the Assembly;
- directs the process of signature of decisions of the Council of Ministers and their dissemination;
- directs the due process and the evaluation of draft laws to be examined and approved by the Council of Ministers and ensures transmission to the Assembly;
- with the consent of the Prime Minister, the Secretary General may return draft acts if they are in conflict with the Constitution and with law;

- organises the legal service in the apparatus of the Council of Ministers;
- organises the service of documentation, dissemination of information, computerisation and the correspondence of the apparatus of the Council of Ministers;

The Secretary General has the following services under his responsibility:

- Department of Administrative Control, in charge of internal control of the public administration (7 persons);
- Department of Information (17 persons);
- Finance and Administrative Management Directorate (59 persons);
- Legal Department (9 persons);
- Directorate of Documentation (17 persons);
- Directorate of Personnel (3 persons); and
- Directorate of Classified Information (19 persons).

The main responsibility for inter-ministerial coordination and the preparation of meetings of the Council of Ministers lies with the Prime Minister and the Secretary General.

The “Kryeministria” has a total staff of 232 employees (in 2003).

5.5 Line Ministries

Ministries are established by government decision, to be approved by the People’s Assembly together with the Government Programme.

Each ministry is a separate juridical person. The organisation, functioning, and field of activity of the ministries are determined by a Council of Ministers decree upon the Minister’s proposal. The organisational structure and total personnel composition of a ministry are approved by the Prime Minister on the proposal of the minister, in conformity with the competencies, functions and field of activity that it covers. Internal rules and regulations of a ministry are determined in the internal regulations of ministries approved by the minister. The appointment and dismissal of politically nominated persons is done by order of the minister. Detailed rules for the organisation and functioning of every structure within a ministry are set by the minister.

At present, there are 16 line ministries:

- Agriculture and Food
- Culture, Youth and Sports
- Defence
- Economy and Privatisation
- Education and Science
- Finance
- Foreign Affairs
- Health

- Environment
- Justice
- Labour and Social Affairs
- Local Government and Decentralisation
- Public Order
- Industry and Energy
- Public Works and Tourism
- Transports and Telecommunication

As a general rule, each ministry has at least one deputy minister. In the present government, six ministries have two deputy ministers.

Each ministry has political units, i.e. the cabinets of the minister and the deputy minister(s), with staff who are political appointees. The technical units, staffed by civil servants, are divided into core functions and support functions. The latter functions include, in particular: personnel management, internal organisation, internal services, finance, legal affairs, foreign relations, protocol, programme management, and aid coordination.

Political support is given to ministers by their cabinets, deputy ministers, and sometimes by external advisors. The cabinets of the ministers are usually small, consisting of three to five people with the following positions: chief of cabinet, advisors and secretaries.

Usually, a ministry is divided into directorates, which are subdivided into sectors. If the sectors are large, they are further split into offices. In some large ministries, there are also general directorates above the level of directorates.

5.6 Central Non-Ministerial Bodies

In addition to the ministries, a number of other organisations play an important role in central government management. They are responsible for carrying out specific tasks in a given field of activity. These organisations are of lower rank than ministries, and most of them are subordinated to the Council of Ministers.

The creation, organisation, functioning and field of activity of central institutions under the Council of Ministers are set by separate laws. The organisational structure and staffing of a central institution under the Council of Ministers are approved by the Prime Ministers on the proposal of its director. The Council of Ministers appoints and discharges - on the proposal of the Prime Minister or the responsible minister (depending on the subordination of the institution) - the directors of central institutions. Central institutions under the Council of Ministers are juridical persons.

Central government institutions include:

- National Information Service, which acts as an intelligence service. It is directly subordinated to the President. Its head reports to the President and is appointed and dismissed by him.
- Academy of Sciences (subordinated to the People's Assembly);

- Albanian Telegraphic Agency (the official press agency);
- National Privatisation Agency;
- General Directorate of State Archives;
- State Reserves Directorate;
- Public Procurement Agency;
- Committee for the Restitution and Compensation of Property;
- Group of Supervision, which was created after the collapse of pyramid investment schemes and which controls the process of selling properties of companies that were considered pyramid investment schemes;
- Office of Real Estate Registration;
- General Directorate of Standards and Quality;
- General Directorate of Metrology and Calibration;
- Institute of Statistics;
- National Entity of Free Areas, in charge of promoting priority economic development zones with tax and other incentives.

Laws creating all of the above institutions specify their missions.

In addition to these bodies, there are other institutions that are considered part of the ministerial system, such as the General Directorate of Taxes or the General Directorate of Customs, General Directorate of Employment, General Directorate of Roads. Some of them carry out their activities based on laws specifying their missions.

5.7 Inter-ministerial Coordination

Inter-ministerial coordination is carried out through inter-ministerial committees and working groups.

Inter-ministerial Committees

Inter-ministerial committees are advisory organs of the Council of Ministers, which aim at the coordination and definition of economic policies, national security policies and social policies and other fields as judged necessary by the Council of Ministers. Meetings of inter-ministerial committees are usually chaired by the Prime Minister. In special cases, with the Prime Minister's approval the meetings can be chaired by the Deputy Prime Minister or the relevant minister. The committees examine questions relating to the preparation, implementation and evaluation of economic, social, and national security policies and other questions, and they also examine proposals for important draft laws and draft decisions. The committees draw up and propose the respective recommendations for the Council of Ministers. The creation, participation, field of activity and persons to be invited are defined by order of the Prime Minister.

The Committee on Economic Policy consists of the Ministers of Finance, Agriculture and Food, Economic Cooperation and Trade, Public Sector Economy and Privatisation, Public Works and Transport, and Local Government. The Governor of the Bank of Albania is also invited to take part in meetings of this committee. The Committee examines issues related to the formulation,

implementation and evaluation of economic policy, the preparation of the state budget, and macroeconomic reform. It scrutinises important bills and draft decrees that have a financial impact.

The Committee on Social Policy consists of the Ministers of Labour and Social Affairs, Finance, Health, Education and Science, Culture, Youth and Sports, Local Government, and the Minister of State of Legislative Reform and Relations with the People's Assembly. The Committee addresses issues concerning, *inter alia*, the formulation, implementation and evaluation of social policy, employment, social protection, social and health insurance, and professional training. It scrutinises important bills and draft decrees that have a social impact.

The Committee on National Security Policy consists of the Ministers of Public Order, Defence, Justice, Foreign Affairs, the Minister of State of Legislative Reform and Relations with the People's Assembly, the Minister of Euro-Atlantic Integration and the chairman of the National Information Service. The General Prosecutor and Head of the Supreme Court are also invited to participate in meetings of this Committee. The Committee considers matters concerned with public order, defence, foreign policy, and European integration, including the coordination and harmonisation of legislation. It scrutinises important bills and draft decrees that concern national security.

The Board for Institutional and Administrative Reform consists of the Ministers of Finance, Justice, Local Government and Decentralisation, Public Order, Minister of State and Prime Minister. The board addresses issues related to the implementation of the strategy of Institutional and Public Administration reform.

The Inter-ministerial Committee for Decentralisation of Local Government was set up in February 1999. Members of the committee are the Ministers of Local Government and Decentralisation, Finance, Justice and the Ministers of State, Education, Health. This committee addresses the issues related to the deconcentration and decentralisation process, preparation of respective laws, and the implementation of decisions taken.

The Inter-ministerial Committee for European Integration is the largest committee, and at present, one of most important. It consists of the Ministers of State for European Integration, Public Order, Foreign Affairs, Economy and Privatisation, Justice, Agriculture and Food, Environment, Culture, the Minister of State in the Prime Minister's Office and the Directors of the Public Procurement Agency, Department of Public Administration, INSTAT and the Committee of Standards. This committee addresses all issues related to the process of negotiations with EU in the field of democracy, rule of the law, economic development, decentralization, national security, and civil society participation.

In addition to members of the Council of Ministers such as the Minister of State in the Prime Ministers Office, Public Order, Justice, Finance, the Inter-ministerial Committee for Anti-Corruption is well placed to evaluate the anti-corruption process. This Committee is the monitoring board of anti-corruption and has as member contact points in each ministry, the general prosecutor office, the supreme audit institution, people's advocate, and the civil society network of fighting against corruption.

Working groups

Working groups are created in order to accomplish the fulfilment and coordination of the work; they assure the implementation of legislation and the policies approved by the Council of

Ministers for a set time or in relation to several fields of activity that are in the competency of the ministers and other central institutions. The creation, composition and definition of tasks of the inter-ministerial commissions is done by the Prime Minister, on his own initiative or on the proposal of the ministers, or by the minister for the respective ministry. Persons not employed in ministries may also be nominated as experts.

5.8 Governmental Preparatory Legislative Process

The Council of Ministers has approved “Council of Ministers Regulations” which define the ways in which legal acts should be prepared and presented to the Council of Ministers.

The Prime Minister and each Minister have the right to propose projects that will be examined by the Council of Ministers. The ministers exercise this right in their field of competence and responsibility, in line with the government strategy and programme. The Prime Minister may exercise this right in all policy areas, in particular if the right is not exercised by the appropriate minister. If the issues regulated by the draft act are related to activities which are under the competencies of more than one ministry, the initiative for its proposal is exercised jointly by the appropriate ministers. As a rule, by December of each calendar year and in any case within the deadline set by the Prime Minister, ministers submit to the Secretary General of the Council of Ministers a detailed draft legislative programme for the coming year

The Prime Minister coordinates the preparation of the governments’ legislative programme and proposes it for approval at the Council of Ministers’ meeting.

Before drafting a new act, the technical and legal departments elaborate a preliminary assessment of the intended act in which the following issues have to be addressed:

- goal and objectives to be achieved;
- compatibility with the legislative programme of the Council of Ministers as well as with the approved strategies, the government programme and the general governmental policy;
- compliance with the Constitution and current legislation;
- implementability of the draft act;
- budgetary expenses and the expected financial impact.

New bills are drafted under the responsibility of the legal department of the respective ministry. In coordination with the lead technical department the legal department, organises consultations with directors or specialists of directorates, sectors or entities as well as with civil society institutions whose activity is related with the objective and the implementation of the project. For the preparation of the draft acts, the legal department may request the opinion of other experts, within or outside the ministry (including civil society, business associations).

When the legal department of the ministry has finalised the draft and prepared the explanatory report, the economic evaluation report and the accompanying documentation, the minister has to approve the draft before it can be sent for formal consultation to other ministries and institutions. For formal consultation it is necessary that besides the draft law the following documentation is submitted: explanatory report, covering envisaged time of enforcement, goals and objectives that will be achieved, the preliminary legal evaluation, institutions in charge of the implementation,

financial effects of implementation, detailed expenses, savings, funding sources, at least for the first three years of implementation.

All draft acts, with no exception, are sent for an opinion to the Minister of Justice. In accordance with substance of the draft law, it is sent to the ministries that are or could be affected by the draft law (such as the Minister of Finance, Economy, Labour and Social Issues, the Department of Public Administration, etc.). There is a set time deadline for the presentation of the draft law, receiving opinions from the ministries and the conveyance to the Council of Ministers.

The Secretary General of the Council of Ministers may either decide to accept the draft proposal for discussion in the CoM or send it back for improvement.

At the meeting of the Council of Ministers the leader of the session presents the content and the objective of the draft law, asks the minister who proposed it for comments, and invites the opinions of other members of the Council. The CoM then may take one of the following decisions:

- to approve the act as it has been presented;
- to approve it with changes;
- to postpone the act for a later examination; or
- to reject the act.

The Secretary General of the CoM is responsible for the completion of the approved acts, the adjustment of the acts approved with changes and their submission to parliament.

The procedure is the same for drafting and adopting secondary legislation. The Secretary General of the CoM ensures the publication of all normative acts of the CoM in the Official Journal within the legal deadlines.

5.9 Executive Budgeting Processes

The state budget is the annual financial programme of the government. The state budget includes revenues collected from taxes, fees contributions, and revenues from public property; it includes all state expenditure.

The budget year is the same as the calendar year.

The preparation of the draft state budget is based on the requirements of economic development, an analysis of macroeconomic conditions, and the policies and regulations determined by the Council of Ministers and the Ministry of Finance.

In June of each year, the Minister of Finance reports to the CoM on the macroeconomic and fiscal situation of the current fiscal year. The Minister of Finance must also submit to the CoM proposals for directives and fiscal policy targets, and estimates on the main categories of revenues and appropriations for the coming budget year. Based on the decision of the CoM, the Minister of Finance must issue, by 10 July, a circular providing guidelines for ministries and other government agencies. This circular indicates policy objectives, key parameters to be used, and the procedures and timetable for the preparation of budget requests. The circular also indicates the total levels of appropriations for each budget institution. Budget requests have to be submitted to the Minister of Finance by 1 September. In the event of disagreement on the

proposed budget allocations between the Minister of Finance and line ministries, the Minister of Finance prepares a report to the Prime Minister for his final decision.

The Minister of Finance prepares a budget proposal for submission and approval by the CoM in October. The Prime Minister, on behalf of the CoM, submits the draft budget to the Assembly by 20 November. The Minister of Finance, on behalf of the CoM, presents the state budget to the Assembly, providing relevant details.

The Assembly may make changes to the draft state budget. The adopted state budget must be published in the Official Journal no less than 15 days after its approval.

If the draft budget is not approved by 31 December, the Council of Ministers approves and implements a provisional three-month budget starting the first day of the new year.

5.10 Advisory and Consultative Arrangements

Except for the Anti-Corruption Monitoring Group (ACMG), there are no other institutionalised forums that provide consultancy and advice to the Government.

The Anti-Corruption Monitoring Group consists of high-level civil servants representing various ministries and other state bodies. The representatives of NGOs are regularly invited and actively take part in the work of the ACMG (see chapter 10.2 – Combating Fraud and Corruption).

6. Executive Linkages

6.1 The Executive and the Presidency

As noted above (section 3.2), the President of the Republic plays only a limited executive role. The Constitution gives him the right to request opinions and information in writing from the heads of state institutions.

There are no formal means by which the Government and the Presidency communicate, and no unit exists in the Government to ensure relations with the Presidency. Informal communication is handled directly between the President and the members of the Council of Ministers or between their cabinets. The President has no statutory right to attend meetings of the Council of Ministers.

6.2 The Executive and Parliament

The formal way in which the Government communicates with the Assembly is through the Minister of State for Legislative Reform and Relations with the People's Assembly. This Minister is located in the Prime Minister's Office, and his staff is in close contact with the Assembly. They have to ensure that there is a continuous link between the Government and the parliamentary chairmanship; that draft laws in which the Government is particularly interested are scrutinised with priority; and that there is an ongoing communication between the executive and the parliamentary majority parties.

In practice, influence on the legislative timetable is often exercised through informal channels, for example through parliamentary groups.

Every member of the Council of Ministers has the right to take part in meetings of the Assembly and its committees, and must be given the floor whenever requested. The Assembly, on the other hand, has the right to ask the Prime Minister and any other member of the Council of

Ministers for written information or to appear before the Assembly for questioning. These requests must be answered within three weeks.

The heads of state institutions, on request of the parliamentary committees, are required to give explanations and information on specific issues relating to their activities, to the extent that the law permits.

The executive informs the Assembly of its activities mainly through interpellations and sometimes through reports, in particular if the law obliges the government to submit a regular report to the Assembly. The Assembly may also set up investigating committees to examine specific activities of the executive. Parliament set up such a commission to investigate the state budget funds used by the former Minister of Culture.

6.3 The Executive and Political Parties

Albania has a coalition government. The government programme and the distribution of the ministerial portfolios are based on the coalition agreement. Decision-making within the coalition is carried out in coalition meetings. As the members of the CoM are also leading members of the coalition parties, decision-making by the government and by the coalition are closely interlinked.

The Law on Political Parties (Law No. 8580, 17.2.2000) regulates the creation and management of political parties. The law states e.g. that "it is not permitted for a party to have as aim the use of violence". The use of media by political parties is regulated by this law, too.

The Law on Political Parties regulates in particular the funding of political parties. Based on this law, the state supports political parties from the moment they are created. For newly created parties, there is an immediate financial support of 100 000 *leks*. The funds allocated in the state budget for supporting political parties on an ongoing basis are divided up as follows:

- 70 per cent of this funding is divided equally among the parties based on the number of votes won in the last parliamentary elections, with no bottom boundaries. That means also a party that does not have a deputy in the assembly receives financial support for the votes received.
- 20 per cent is divided equally among parties having a parliamentary group.
- 10 per cent is divided equally among parties that have participated in two last parliamentary elections with national lists (which have presented their candidates in all electoral zones).

The state budget also provides financial support to political parties for national and local electoral campaigns based on criteria defined by the electoral laws.

Anti-constitutional activity of political parties is prohibited. The institution authorised to decide about anti-constitutionality of a political party is the Constitutional Court.

A political party has legal personality when it is registered.

The High State Control (Supreme Audit Institution) is in charge of controlling the financial activity of political parties, not only on the part of the budget financed by the state budget, but also on donations earned in other ways. The High State Control has the right to control the financial activity of political parties before and after elections

6.4 The Executive and Civil Society

. NGOs play an important role in the process of preparing new legislation, and often take the initiative to organise discussions or consultations, but government institutions may also initiate consultations. Consultation with most groups is voluntary rather than mandatory. Some groups, however, such as the associations of employers and trade unions, have the right to be consulted based on the rules regulating tripartite relations between the government, employers and employees.

Consultations may take different forms, such as roundtables, workshops, seminars or meetings.

The preparation of the draft Constitution provides a good example of consultation with interest groups and associations. The Constitutional Commission of the Assembly, the Ministry of Legislative Reform, and the Administrative Centre for the Coordination of Assistance and Public Participation (ACCAPP), supported by the OSCE, worked jointly with national and international institutions to organise public participation in the constitutional drafting process. For example, they organised public meetings to collect comments on the draft. Hundreds of suggestions from the public were scrutinised and more than 50 changes were made to more than 45 articles of the draft Constitution. In total, the Constitutional Commission amended more than 25 per cent of the articles of the draft Constitution on the basis of public suggestions.

6.5 The Executive and the Media

The government informs the mass media about its activities mainly through press conferences, press releases, press declarations and interviews. Government institutions primarily responsible for media relations are the Department of Information in the Council of Ministers (replacing the Ministry of Information in 1999), the spokesperson of the Prime Minister, and the spokespersons of individual ministers. However, the only persons authorised to officially inform the press about government activities is the spokesperson of the Prime Minister.

Communication with the media and the public is not yet very sophisticated. E-mail and the Internet are not yet widely used, and information circulates mainly by fax. One relevant government Website is www.keshilliministrave.gov.al.

7. Deconcentration and Decentralisation

7.1 Deconcentrated State Administration

Central government is represented at the local level by prefects in 12 prefectures. Each prefecture has three or four districts under its jurisdiction.

The government appoints prefects. The prefects have two main tasks: to guarantee, if necessary by filing complaints with the district court, the legality of the administrative decisions made by local authorities; and to coordinate the activities of bodies in charge of state services at the local level.

The prefect issues decisions and orders within the framework of these competencies.

Each prefecture has an Administrative Council chaired by the prefect and composed of the presidents of the district councils within the jurisdiction of the prefecture and the heads of the state services in the prefecture. The Council meets at least once every three months. Its

decisions are binding for the units in charge of state services in the prefecture, and they are implemented through the prefect's cabinet.

Some ministries maintain deconcentrated offices in municipalities and districts. These ministries include: Agriculture and Food; Culture, Youth and Sports; Education and Science; Finance; Health; and Labour and Social Affairs.

The directorates of these ministries work separately from the structures of municipalities and districts, performing functions of the ministries within the respective territories. Although the directorates are physically integrated in the municipal and district offices, they are in fact part of the respective ministries. The staff of the directorates is considered to be staff of the respective ministry, appointed and dismissed by the relevant minister. Labour Code rules are applied for their hiring and dismissal. However, salaries are paid by the district, which uses the budget allocated for fulfilling the tasks of the respective ministry.

7.2 Regional Self-government

The Constitution establishes regions as units of local government. A region is composed of several basic units of local government with traditional, economic and social ties and mutual interests. Its task is to develop and implement regional policies, and to harmonise them with state policy. The representative organ of the region is the Regional Council, which consists of the chairpersons of the communes and municipalities and members elected from the ranks of the municipal councils in proportion to the population they represent. The Regional Council has the right to issue orders and decisions with general obligatory force for the region.

The regional government covers the same territory as the current prefecture.

7.3 Local Self-government

With regard to local authorities, there is a Law on the Organisation and Functioning of Local Authorities. The organisation and functioning of local self-government are based on the principles of independence, local autonomy and decentralisation.

According to the Constitution, local government consists of communes, municipalities and regions. The commune is the smallest unit of local government; it may consist of several villages or a small town. Municipalities are created in cities. In communes and municipalities, smaller administrative units may be created which then serve only part of the territory. Several municipalities and communes that are geographically connected form regions. At present, based on the Law on Administrative and Territorial Division of Local Self-government, there are 309 communes and 65 municipalities in Albania. The municipality of Tirana is divided into 11 municipality units.

Local government bodies act according to the principle of local autonomy, and the relations between the bodies of local government units and their relations with central government bodies are based upon the principles of subsidiary and collaboration for solution of common problems. In carrying out their activities, the bodies of local government units respect the Constitution, the laws and sub-legal acts for their implementation.

The representative body of a local authority is the Council. Its members were elected for four years in direct general elections by secret ballot. Under the new Constitution, they will be elected for three years term. The executive organ of local authorities consists of the head (commune), the mayor (municipality) and the chairperson (district). The heads of communes and mayors are

elected for four years in direct general elections by secret ballot, while the chairmen of districts are elected by the Council, also for four years. The chief executive may have one or more deputies. Under the Constitution, the chief executive will be directly elected for three years.

The head, mayor or chairman can only be dismissed by decree of the President of the Republic, if he takes action against the Constitution, severely violates the law or endangers the public order.

The size of the Council is defined in the Law on Local Government Elections.

Under the Constitution, communal and municipal councils:

- regulate and administer in an independent manner issues within their jurisdiction;
- exercise the rights of ownership, administer in an independent manner the revenue generated, and also have the right to exercise economic activity and commerce;
- have the right to collect and spend revenue as required for the exercise of their functions;
- have the right, in compliance with the law, to establish local taxes and their level;
- establish rules for their organisation and functioning in compliance with the law;
- create symbols of local government and local titles of honour;
- undertake actions for local issues through the organs defined by law;
- have the right to form associations and joint institutions with one another for the representation of their interests, to co-operate with local units of other countries, and to be represented in international organisations of local authorities; and
- issue regulations, decisions and orders.

The head or mayor represents the commune or municipality, directs the local administration and is responsible before the Council for its proper functioning. Some of the main tasks of the head or mayor are:

- to report to the Council every six months or whenever necessary on the economic and social situation of the commune or municipality;
- to prepare the annual draft budget and submit it for approval to the Council;
- to direct the local public services;
- to prepare the structure and define the number and salaries of public servants of the Council administration, for approval by the Council; and
- to appoint and dismiss the personnel of the commune or municipality.

A typical administrative structure of a commune or municipality includes the following units:

- Archives
- Land Registry
- Legal Office

- Office of Commerce
- Office of Culture, Youth and Sports
- Office of Education
- Office of Finance
- Office of Foreign Relations
- Office of Personnel
- Office of Public Health and Environmental Protection
- Office of Public Relations
- Office of Public Works
- Office of Registration of Population
- Office of Social Welfare
- Office of Supporting Services
- Secretary of the Council
- Urban Development Office
- Veterinary Service Office

A head or mayor may create additional functions or join two or more functions within one office.

Approximately 85 per cent of the local government budget consists of state subsidies and about 15 per cent of local resources. Local government revenues encompass:

- local tax revenues, including taxes provided by law to local government;
- transfers in compliance with the approved state budget;
- domestic and external grants centrally administered by the Ministry of Finance;
- other revenues paid to local government in accordance with law; and
- loans from the central government.

The Ministry of Finance has the right to inspect the records of revenues and expenditures of local authorities given by the state budget.

There are three national associations of local authorities in Albania corresponding to the communal, municipal and district levels. Their mission is to provide a forum for local authorities to explore common issues, to represent their members' interests to the central government, to exchange information with similar associations around the world, and to provide services for their members.

Local elections took place on 12 October 2003. The official results are published on the Central Electoral Commission website: www.cec.org.al.

8. Personnel Management

8.1 Legal Bases and Principles of Public Employment

The main legal bases on which public employment is based are the Labour Code and the Law on the Status of Civil Servants. The Labour Code serves as the legal foundation for most of the public service and for the private sector. Some sectors of the public service are covered by special legal regulations, for example the armed forces, the police and the judiciary. In 1996, the Assembly approved the first Civil Service Law. This law applies now for politically nominated persons only.

In November 1999 the Assembly approved a new Law on the Status of Civil Servants. This law regulates only a special category of public employees, civil servants, who number approximately 5 000 (in central and local administration) out of a total of 109 172 public employees. Civil servants work in the higher posts of the most important public institutions.

Positions in ministries, from the Secretary General of the Council of Ministers and the highest level of civil servant (Secretary General in ministries) to specialists in ministries and local self government (lowest level) are considered civil servants. The management of these categories of employees is based on the provisions of the Law on the Status of Civil Servants. Other public employees, such as teachers, doctors, nurses, as well as support staff in central and local administration, are considered to be public employees, and their management (human resources) is based on the provisions of Labour Code.

The main principles governing the civil service are professionalism, independence, integrity, political impartiality, transparency, service to the public, career continuity, responsibility and correctness in the implementation of the law. The law provides, *inter alia*, for tenure to prevent politicisation and to ensure equal opportunities, and stipulates open competition and a merit-based system for recruitment and career development. The Civil Service Law is completed by all subsidiary legislation and implemented.

8.2 Personnel Management

The Department of Public Administration (DOPA) at the Prime Minister's Office is the central body in charge of developing personnel policy. It has drafted the decrees concerning the personnel management system, which were approved by the CoM.

The implementation of personnel policy is centralised. The bodies that deal with these issues are the Department of Public Administration for the central administration and the personnel departments in the independent administrations (in municipalities and districts). The personnel management of public administration is to be supervised by the Civil Service Commission, which is a separate, independent body accountable to parliament.

The Department of Public Administration:

- develops, implements and oversees the implementation of the government's policies on the civil service and other personnel issues:
- prepares an annual report on the general situation of the civil service and presents it to the government;

- exercises any competency on personnel matters not expressly attributed by law to the institutions of the central administration;
- prepares for Council of Ministers job classification and job assessments and modifications thereto, on the proposal of the interested ministry or institution, and with the approval of Ministry of Finance; and
- prepares and publishes general guidelines, procedures, manuals and common forms on:
 - description, classification, and evaluation of job positions for civil servants;
 - recruitment, selection, promotion, lateral transfer, disciplinary measures, and performance appraisal of Civil Servants.

The recruitment procedures are based on this law and Council of Ministers decrees for recruitment, promotion and lateral transfer of civil servants. A person who fulfils the following general requirement is eligible to be hired in the civil service:

- is an Albanian citizen;
- has the full capacity to act;
- fulfils the legal requirements concerning educational background and has the requisite professional capacity for the job in question.

Recruitment is carried out by means of open competition based on merit. In the central administration the announcement of the competition is made by the DOPA at the request of the interested agency. In the independent institutions (including local self-autonomous entities), the announcement is made by the personnel department. The announcement must be published in several newspapers at least 45 days before the date scheduled for competition. The announcement includes a list of general and specific criteria to be met by the candidates, including the areas of knowledge to be assessed as part of the competition

The competition proceeds in three phases:

- *Phase 1:* Selection of the candidates who fulfil the general and specific requirements set forth in the announcement of the competition as only these are permitted to take part in the examination phase. This phase is carried out by the DOPA (personnel unit in independent agencies).
- *Phase 2:* Examination. The DOPA establishes ad hoc committees composed of five members: one representative of the DOPA (personnel units in independent institutions), two relevant representatives of the institution or central or local public administration that proposed filling the vacant position, and two professors from the faculty of the field in question or two distinguished experts in that field. The ad hoc committee produces a short list of the three best candidates. The examination results count for 70 per cent of the candidate's total score, while qualifications, professional experience and the particular aptitudes of the candidates count for 30 per cent.
- *Phase 3:* Final selection of candidates. The direct superior, i.e. the person to whom the candidate will have to report has the right to chose one of the three candidates presented by the ad hoc committee. Appeals with regard to the conduct and results of the competition are filed with the Civil Service Commission within 30 days of the

publication of the results. If an appeal is successful, the candidate is proposed to the institution for the next available position and level.

There is no centralised system in place for preparation and training for civil service candidates. In 2001 the government established the Training Institute of Public Administration (TIPA) aimed at training existing civil servants. A programme for training of new entrants in civil service is under preparation. Training is financed mainly by external donors. The Training Institute is presently supported by the state budget only for staff salaries.

The civil servant has the following duties: to know, respect, implement and act in accordance with the Constitution, the Administrative Procedures Code and the other laws and regulations; to provide to the general public, interested parties and public institutions such information that is required, with the exception of state secrets, confidential information for internal use only, in accordance with laws and regulations; to respect working hours and use them only for the fulfilment of their official duties; to improve their professional capabilities and to take part in training activities to this end, not to seek or accept any moral or material gain in the fulfilment of their obligations, with the exception payments and other benefits accorded to them by performing their official task; not to undertake work or other activities that present a conflict of interest with, or hinder the performance of, their official duties, and to inform the institutions where they are employed of any gainful activity carried out outside of their official duty; not to use government property for private gain; to bear full responsibility for the legality of their activities during the fulfilment of their duties; not to go on strike and not to behave in a manner that is inconsistent with the rules of ethics.

The civil servant has the following rights: to have a guaranteed job in the civil service, to be promoted and transferred laterally, to be protected by the state in performance of his/her duties, to work and exercise other lawful activities beyond his or her duties and outside of working hours if such activities do not present a conflict of interests with his/her duty; to form and be a member of trade unions and professional organisations; to take part through trade unions or representatives, in the decision-making process relating to working conditions; to be a member of a political party, but not of its central steering committees; to take paid annual leave and special leaves as decided by the CoM; to enjoy health benefits, to receive supplementary compensation and be reimbursed for expenditures for work outside working hours and official travel; to work with approval and authorisation of the Ministry of Foreign Affairs and the clearance of his/her personnel director, for international organisations or for foreign governments; to be trained in relation to his or her job on a regular basis at the expense of the State.

9. Administrative Oversight and Control

9.1 Internal Oversight and Control

A Directorate of Administrative Control exists in the Prime Minister's Office. This directorate is in charge of monitoring the performance of public administration.

Moreover, an Administrative Code has been adopted, which makes it possible to regulate administrative activity, increase its efficiency and democratise the relations between public administration and citizens. The aims of the Administrative Code are:

- to control the organisation and functioning of the public administration and increase its efficiency;

- to regulate the decision-making process within the public administration, so that decisions will be fair, legal and appropriate;
- to guarantee to interested parties the right to information and participation in the administrative process;
- to ensure transparency in administrative actions; and
- to minimise bureaucratic obstacles by putting the public administration in direct contact with the citizens.

In February 2003, the Parliament approved the Law on Internal Audit in the Public Sector. This law defines the remit, objectives, principles, organisation, functioning and responsibilities of internal audit in the public sector. Internal audit in the public sector is based on the principles of legality, independence, impartiality and secrecy. The law on internal audit is based mainly on international audit standards, namely the standards on professional practices of internal audit taken from the Institute of Internal Auditors (IIA). In addition, there exist instructions on their implementation, approved by the Minister of Finance and proposed by the General Director of Audit.

The objectives of internal audit in the public sector are:

- To obtain in an independent way a reasonable security for the dignity of the public institution, in order to improve the activity of the institution and the productivity of the systems of internal control, while using systematically the best practice.
- The examination, evaluation and generation of recommendations for the systems of internal control and transactions related to:
 1. internal risks of management control;
 2. the efficient and effective usage of financial and human resources;
 3. the grade at which the results of the programmes of the audited institution fulfil its objectives;
 4. the compatibility of the activity of the audited subject with the current legislation;
 5. the accuracy in the completion of financial and management data, and their usage in support of decision-making.

The internal audit bodies are:

- the Committee of Internal Audit;
- the General Directorate of Internal Audit at the Ministry of Finance; and
- the internal audit units in the ministries and other public institutions.

9.2 External Audit and Control

The High State Control is the supreme institution of economic and financial control. It is subject only to the Constitution and the law. The Head of the High State Control is elected and dismissed by the Assembly upon the proposal of the President of the Republic. He is elected for seven years, with the right to re-election.

The High State Control supervises:

- economic activity of state institutions and other state juridical persons;
- use and preservation of state funds;
- use of state funds transferred to local government;
- financial activity of political parties;
- economic activity of juridical entities of which the state either owns more than half of the quotas or shares, or guarantees their debts, credits and obligations.

The High State Control submits to the People's Assembly:

- regular reports on the implementation of the state budget;
- its opinion of the CoM report on public expenditure for the previous financial year, before it is approved by the Assembly;
- information on the results of controls, whenever requested by the Assembly; and
- an annual report on its activities.

The Head of the High State Control may be invited to participate and speak in the meetings of the CoM, if questions related to its functions are reviewed.

The Head of the High State Control enjoys the immunity of a member of the Supreme Court.

9.3 Public Redress

Many institutions of central and local government have offices dealing with public complaints. The public may present complaints in written form or may directly speak with the public servant in charge. Complaints may go to the head of the institution or to the relevant directorate, which then has to respond to the interested citizen. If the citizen is not satisfied, he can appeal to an institution at a higher level and, after that, institute court proceedings.

The Code of Administrative Procedures provides the general principles of administrative proceedings, which may also be instigated by citizens. The interested party has to formulate a claim that must contain the name of the organ to which it is addressed; the name of the complainant; explanations and facts related to the complaint; its legal bases; a clear statement of the remedies the complainant expects; the date of the complaint; and the complainant's signature. Administrative proceedings are supposed to terminate within three months.

The People's Advocate (national ombudsman) defends the rights, freedoms and lawful interests of individuals against unlawful or improper actions, or failures to act, of the organs of the public administration, on the request of an interested party.

Every individual or NGO claiming to have rights, freedoms and interests violated by administrative institutions has the right to complain to the People's Advocate and ask for his intervention. After receiving a request for intervention, the People's Advocate may:

- accept or decline to scrutinise the issue;

- send a reply to the interested party setting out the course to be followed in order to resolve the problem; or
- delegate the issue to the competent organ.

In all cases, the People's Advocate must inform the interested party within 30 days from the day the complaint was received.

The People's Advocate presents an annual report to the Assembly. He also reports to the Assembly on its request, and may request the Assembly to hear on matters he considers important. The People's Advocate has the right to make recommendations and to propose measures, if he observes violations of human rights and freedoms by the public administration. Public organs and officials are obliged to present to the People's Advocate all documents and information he requests.

The Supreme Court, the courts of appeal and the courts of first instance exercise judicial power. At present, there are no specialised administrative courts, but the ordinary courts have special sections for administrative and financial cases. Individuals may also appeal to the Constitutional Court in matters concerning administrative cases, but only after they have exhausted the normal court procedures.

The Civil Service Commission (CSC) is the independent institution charged with the supervisory responsibility over the management of the civil service at all the institutions falling within the civil service. It is the administrative resort for appeals in matters related to the civil servant. The Civil Service Commission resolves individual appeals of decisions concerning recruitment, probationary periods, promotions, lateral transfers, appraisals, disciplinary measures and the rights of Civil Servants. The Civil Service Commission is also in charge of monitoring the civil service in all institutions under the scope of the Law on the Status of Civil Servants. When irregularities are uncovered, the CSC shall warn the incumbent, giving up to two months to correct the illegality. At the expiration of this term, the CSC can take the matter to the Court.

10. Specific Topics

10.1. Public Procurement

Public procurement activity is based on the Law on Public Procurement (PPL) (Law No.7971, adopted on 26 July 1995). The last amendment to this law was made in 2003. The amendment consists of a change on tender evaluation procedures, as well as the status of the Public Procurement Agency. The PPL and secondary acts regulate the procurement of goods, construction and services and their objectives are: to encourage the economic and effective usage of public funds; to encourage competition in procurement among the candidates for the supply of goods, construction and services; to secure equal and non-discriminatory treatment for all the candidates that take part in the procurement; secure integrity, political trust, and transparency in public procurement. The procurement rules are obligatory for all public entities in Albania. These rules are not obligatory in cases of international agreements the state enters into, even if the agreement includes a specific provision for delivering equipment. The National Bank of Albania has a special provision for procurements in its own law.

The Council of Ministers designs and announces the detailed rules of procurement.

The Public Procurement Agency (PPA) is the central body, the legal, public and budgetary unit answerable to the Prime Minister which has the following competences: to present proposals

related to the rules of procurement to the Council of Ministers; to encourage and help in the qualification of the civil servants of the central and local bodies that deal with public procurement; and to design and publish a Public Procurement Bulletin that is used for the publication of invitations to tender and other announcements related to public procurement. The selection of a bulletin distributor is done through a procurement procedure. The distributor provides the bulletin in all interested agencies in the country. PPA makes available lot of procurement information on its website (www.app.gov.al).

The Public Procurement Agency publishes in the Public Procurement Bulletin the list of those who have made offers and have been excluded from participating in public procurements (at the beginning of each year); prepares the standard documents that will be used in relation to public procurement; gives instructions and according to needs, advice and help to the contracting entities that undertake a procurement procedure; presents a yearly report to the Council of Ministers in relation to the general functioning of the public procurement system; inspects, to the degree that it judges necessary, the documents and the minutes of the contracting entities, in order to verify their implementation according to this law; makes the administrative evaluation of grievances, as foreseen in chapter VIII of the Public Procurement Law; collaborates with international institutions and other foreign entities for cases related to the public procurement system; plans and coordinates foreign technical help in the field of public procurement; prepares and announces the Central Register of Procurement Forecast and the Central Register of Procurement Realization; encourages and supports the usage of international technical standards for the preparation of technical specifications and keeps continual relations with the National Directorate of Standardisations.

The Director of the Public Procurement Agency is nominated, released from duty, and discharged by the Prime Minister. Civil servants, directors and specialists of the Public Procurement Agency comply with the foreseen provisions of the Law on the Status of Civil Servants, while other employees comply with the provisions of the Labour Code.

The Prime Minister appoints a consultative inter-ministerial group made of representatives of the main contracting entities of central and local bodies, who give advice and opinions on the general functioning of the public procurement system and on the proposals that the Public Procurement Agency will present for evaluation at the Council of Ministers.

The law guarantees equal treatment for all companies, national or foreign. Physical or legal persons may not be excluded from participation in public procurement because of their nationality. By decree of Council of Ministers No.335 dated 23.6.2000, there are three types of procurement procedures: open tender, limited tender, and request for quotation. In addition to these, article 19 of the Law on Public Procurement stipulates the procedures for direct procurement.

The procurement entity, at the beginning of each year, according to the deadlines set by the rules of public procurement, brings to the Public Procurement Agency the yearly plan of procurements for publication in the Public Procurement Bulletin.

The law, the rules of procurement, and all the instructions of the Public Procurement Agency are open to the public and this openness is systematically respected.

The Prime Minister has defined instructions for the standard documents of tenders and the procedure for the evaluation of grievances for the organized tenders. The procedure sets deadlines for presentation of the grievance, its evaluation and the response.

Training courses have been organised for procurement officers working in the Public Procurement Agency, as well as in ministries and other institutions. A programme to include a special course on procurement in Training Institute of Public Administration is under preparation.

In cases of complaints about tender evaluation committees, the Public Procurement Agency has the competency to inspect the documents as well as tender proceeding minutes by asking tender evaluation committees to send tender documents. The Agency has also the right to inspect tender procedure documentation where problems have been identified.

During year 2002 the Public Procurement Agency received 481 appeals:

- In 137 cases tender procedure was suspended. The PPA was asked to scrutinise full documentation. As result, in 91 cases the decisions of tender evaluation entity have been considered appropriate. In two cases the procedure has been returned for reappraisal. The tender evaluation entities are asked to correct notified mistakes. In 52 cases the procedures have been suspended, and the repetition of all the process has been requested. Out of the 137 cases the PPA has suggested to heads of institutions disciplinary measures against the responsible person in six cases, and in 28 cases, the penalty for administrative breaching has been given to the responsible persons.
- In 172 cases complaints were not considered.
- In 64 cases tender evaluation entities were asked to modify tender documentation.
- In 33 cases tender evaluation entities are asked for information on responses to claimants.
- 75 complaints were addressed to the PPA for non-distribution of tender documentation to subjects willing to participate. In these cases tender evaluation entities were asked to follow the Law on Provisions on Transparency and Non-discrimination of Firms in the Tendering Process.

10.2 Combating Fraud and Corruption

Public authorities as well as civil society recognise that corruption is affecting the activity of most Albanian institutions, undermining the democratic and economic development of the economy. Surveys carried out with the support from the international community show that the judiciary, customs, the Privatization Agency, and health service are among the most corrupt. However corruption is also a problem in the tax administration and in the field of public order (police).

It is considered that the most common form of corruption in Albania is bribery. Surveys also show that it is very common that private enterprises pay bribes to public officials to avoid taxes and regulations, or that court and arbitrage decisions are being bought.

The Albanian government considers the fight against corruption as one of its main priorities. In 1997 the government started discussions on formulating a programme against corruption. With strong support from the international community, surveys on the corruption in Albania were carried out and, as from February 1998, a Steering Group composed of high-level government officials was established as an inter-ministerial coordinator. A conference on corruption was organised by the Steering Group in July 1998 during which the government initiated a national programme against corruption.

Since 2000 Albania has been participating in the Stability Pact Anti-corruption Initiative (SPAI), which covers countries from South-eastern Europe. Specific programmes for the promotion of anti-corruption measures are run by the Council of Europe and USAID. The active participation of the Albanian government underlines its commitment in this respect. With the government decision approving the action plan to the fight against corruption, adopted in 1998, the government launched for the first time an official reform programme against corruption. Following extensive input from several international organisations, this action plan has since been revised and updated a number of times. (The last time was the approval of the government action plan against corruption in June 2003). The anti-corruption strategy of the Albanian government is reflected in the National Anti-corruption Plan (known as The Matrix) which takes the form of a matrix comprising a comprehensive set of measures in several areas. The National Plan is a multidisciplinary instrument comprising various public bodies and, to some extent the business sector. "The Matrix" is considered a living document, and is continuously monitored and updated.

The main priority fields of the last national programme are:

- law enforcement;
- prevention of corruption;
- public participation and education; and
- good governance.

Bodies and institutions in charge on the fight against corruption are:

- The Governmental Commission of the Fight against Corruption: The main task of this high-level body headed by Prime Minister and responsible to the Council of Ministers is to define and revise the Anti-corruption National Plan, and to monitor its implementation.
- The Anti-corruption Monitoring Group (ACMG), consisting of high-level civil servants representing various ministries and other state bodies concerned by the National Plan (The Matrix): The work of this body is particularly aimed at coordinating the implementation of The Matrix, and thus depends on the cooperation of other state bodies. The work of the ACMG is coordinated by the Minister of State to the Prime Minister and supported by Permanent Unit of Civil Servants within the structure of his office.
- The contact points network established in various institutions/ministries to serve as interlocutors between them and ACMG.
- NGOs interested in cooperating in the fight against corruption are regularly invited to the meetings of the ACMG and take an active part in this work.

The Law on the Declaration and Control of Assets, Financial Obligations of Elected Persons and Some Civil Servants, approved by the Parliament on 10 April 2003, regulates the declaration and control of wealth, the legality of the sources for its creation, the financial obligations for elected persons, civil servants, their families and people related to them. According to the Penal Code, refusal to declare brings the loss of function and punishment. When the declaration is refused by those who have been elected or those with immunity, the General Inspector (the body responsible for the control of declaration of assets) informs the Parliament and, in some cases, the superior body of the body the person in question belongs to. In all cases of refusal, 30 days after the announcement to the responsible body, the General Inspector is obliged to make public the cases of refusal of declaration. The information given in the declaration is public according to

the Law on the Right to Information on Official Documents. The declarations of the members of the Nano government are published on the government page on the internet

In recent years priority has been given to the update of legislation in order to make it comply with international standards. Legal reforms against corruption have taken a preventive approach, to a large extent aiming at public administration in general and at the criminal justice in particular. New laws on the functioning of the High Council of Justice, the Prosecution, on notaries and bailiffs etc. have been enacted accordingly. However, the reform has to a large extent also focused on the criminalisation and penalisation of corruption activities. The important legislation in this respect is contained in the Criminal Code and the Criminal Procedures Code. The Albanian Criminal Code contains several provisions concerning corruption offences and other offences which are closely connected to corruption, including active and passive bribery. Some of the provisions have recently been amended or changed to comply with international instruments and the prevailing legislation in Albania. The relevant offences are: proposals for remuneration made to officials holding public office, remuneration to officials holding public office (active bribery), abuse of office, misuse of state contributions, illegal benefiting from interests, breaching the equality of participants in public bids or auctions, asking for a bribe, and receiving a bribe (passive bribery).

Moreover, there are special offences in the area of corruption, namely if corrupt activities are done by officials belonging to particularly exposed areas, such as officials in the law enforcement system or in the criminal justice system. Money laundering by legal persons is qualified as an administrative offence, which is punishable with a fine.

10.3 Access to Public Information

The Official Journal issues all legislation approved by Parliament and government. Each citizen has the right to ask for information from any public institution/ministry and receive a response. Many ministries and other central institutions have their own website and online address publishing data, information, and other publications about their own activities.

Law No. 8503, 30 June 1999, the Law on the Right to Information about Official Documentation regulates the right of citizens to be informed about official documents as well as the duties of public authorities in that regard.

Every person has the right to ask information on official documents without being obliged to explain the reasons for this request.

The public authority is obliged to provide information regarding official documents. In cases where the official information is restricted by law, the public authority is obliged to declare in a written form the reasons, and the rules to be followed by the citizen in order to obtain this information.

Citizens have the right to be informed about personal data of public functionaries, within the limits of their duty.

This law provides the time frame for public officials to respond to citizen's request, as well as the right of citizens to go to court if their requests are not fulfilled or not fulfilled on time. The People's Advocate is responsible for monitoring the implementation of this law.

10.4 Rights of Minorities

There is no special treatment for minorities in Albania. The minorities (there is no official data on the number) enjoy the freedom of education in their own language, and cultural and economic activities.

There is no special law for minorities in Albania. However, the Albanian Parliament has ratified the Council of Europe Framework Conventions on the Rights of Minorities. The Ministry of Foreign Affairs also has a special directorate dealing with minority issue.

10.5 E-Government

Information technology for improving and facilitating the work of the government has been used in a fragmented manner, and used differently by different state institutions. The use of information technology for delivering services (public and private) is still very limited. A legal framework regulating the use of information technology as well as e-government does not exist in Albania. In 2002 the Government, supported by different donors, initiated the process of drafting the National Strategy of Information and Communication. The goals of this strategy are to exploit the potential in order to promote human development in the country, to support growth and sustainable development, and to increase living standards for the whole population. Information and Communication Technology (ICT) could be used to create employment, to improve working conditions, and to motivate highly-educated individuals to stay in the country. National and local circumstances will be an important factor to be considered for the development of the Information Society in Albania. The strategy was approved by a government decree in June 2003. This strategy presents the main goals and priorities for Albanian e-government.

The government also approved the road map for strategic actions of the ICT strategy. There is a website (www.ictd.org.al) to inform the public for the development of this initiative

11. Managing European Integration

Diplomatic relations between the European Union and Albania were established in 1991. In May 1992 the Agreement for Free Trade was signed, including a common declaration on political dialogue, which entered into force in December 1992. In 1996 Albania was close to signature of a new contracting agreement with the EU, paving the way towards a classical association agreement, but the contested parliamentary elections of May 1996, together with a serious financial crises in the country, caused the failure of new initiatives in this regard. New developments in the Balkan region and the disappearance of former Yugoslavia, associated with new emerging states, pushed the EU towards the adoption of a policy for Balkan states, a "regional approach". The General Matters Council at the time set up the main political and economical conditions, that the countries of the Balkan region should comply to continue and strengthen their relations with EU. Some of the points were: respect for democratic principles, freedom and human rights; strengthening of rule of law; respect for and protection of minorities; development of a market economy; and regional cooperation.

In May 1999, the European Union adopted a new initiative for five Balkan Countries – Albania, the former Yugoslav Republic of Macedonia, Croatia, Bosnia-Herzegovina, and the Federal Republic of Yugoslavia – known as the Stabilisation and Association process. The aim of this process is to establish closer relations amongst Balkan countries and the EU through Stabilisation Association Agreement (SAA).

In November 1999, the European Commission presented a feasibility report on the SAA, which concluded that Albania did not fulfil the conditions for signing an Agreement with the EU. In November 2000, a meeting of all region countries involved in the SA process was held in Zagreb. At that meeting the EU declared its commitment to intensify the collaboration with Albania by creating a High-Level EU-Albania Commission. The aim of this Commission was to evaluate Albanian capacities to assume the obligations of an SAA with the EU. The Commission concluded that, in addition to the work that needed to be done to fulfil the obligations of an SAA on the Albanian side, the opening of negotiations is the best way to maintain the pace of reforms and economic development of the country. The negotiations were officially opened by EU President Romano Prodi on 31 January 2003 in Tirana. The General Framework of the Stabilisation and Association Agreement is based on four pillars:

- political dialogue and regional cooperation;
- trade disposition concerning progressive liberalisation of trade till the creation of a free trade zone;
- community freedoms;
- cooperation in priority fields, mainly justice and internal issues.

11.1 The Institutional Framework of EU-Related Policy-Making

The Inter-ministerial Committee for European Integration is the highest institutional body in charge for monitoring and leading of integration process in Albania. This Committee is headed by the Prime Minister and is composed of ministers and other heads of central institutions. The Committee meets twice per month, and elaborates main issues concerned European Integration.

The Minister of State for Integration and the Integration Department (executing structure, which depends on the Minister of State for Integration) coordinate and monitor the stabilisation and association process, as well as the preparatory process and implementation of the SAA strategy. In addition, they coordinate the EU-Albania working groups and monitor the activity of Albanian working groups in the framework of SAp. The Department of Integration negotiates, coordinates and monitors also the implementation of the CARDS programme.

The Negotiating Team is chaired by the Minister of State for European Integration, the highest authority of the negotiating process. The Negotiating Team is composed of representative of all ministries, and central institutions. The Negotiating Team coordinates and monitors the implementation of SAp activities in each institution.

The Ministry of Foreign Affairs, General Directorate for Euro-Atlantic Cooperation, is responsible for promoting, and asking for support for signing an SAA with Albania, at high political levels in EU. Within the foreign policy framework, the Minister of Foreign Affairs is in charge of strengthening and improving the political dialogue with member states and others to support the Stabilisation and Association process.

The Ministry of Justice, Directorate for Approximation of Legislation, is responsible for the coordination, monitoring, and implementation of the process of adaptation and harmonisation of Albanian legislation with EU legislation. An inter-ministerial working group has been created to support the process of approximation of legislation.

Common structures EU - Albania, and monitoring instruments:

The Common Consulting Group (EU–Albania Task Force) is the most important common structure. It monitors the progress made in sectoral reforms such as:

- stability of institutions guaranteeing democracy, respect and protection of minorities rights, relations with neighbours;
- functioning of the market economy, privatisation of strategic sectors of the economy, improvement of the taxation system and strengthening capacities in facing market competition within EU; and
- increasing capacities to meet the obligations for full membership including political, economic, and monetary union.

The EU-Albania Committee, a monitoring structure, was established in 1992 on the basis of the Trade and Cooperation Agreement. This Committee monitors the progress in the fields of trade and economy.

The European Commission Report is another monitoring instrument. These reports (April 2002, and March 2003) present all aspects of the country situation, including politics and the economy, as well as recommendations for the coming one-year period.

In May 2002 the Government approved the Strategic Plan for Monitoring the SAA Process. The main goal of the Plan is - through determining the vision, the strategic goals, the functional objectives and the respective variables - firstly to clarify the role and the duties of each participant in this integration process, and secondly, to achieve the understanding, the commitment and the dedication of all participants in this strategic project. The Strategic Plan includes a visionary section, containing strategic objectives, as well as an operational section covering in detail the activities for achieving these objectives. The Plan divides the process of integration into three key stages:

1. *The short term stage – up to the entering into negotiations.* The relevant materials are the reports of EU and The Task Force for Albania, which clearly define the tasks and activities to be carried out at this stage.
2. *The mid term stage – the period of negotiations,* which have been drafted taking into account the EU proposals and the criteria of the Copenhagen Summit (1993): political criteria; economic criteria; and the capacity to accomplish the obligations of membership.
3. *The long term stage – signing the agreement and implementing it.* This stage will transform the document into a National Strategy of Albania's European Integration.

11.2 Managing the Approximation of Laws

Until now, the process of approximating national legislation to EC law has been conducted by the Ministry of Justice, assisted by the Council of Europe. The Directorate for the Approximation of Legislation in the Department of Codification in the Ministry of Justice is expected to move shortly into the Ministry for European Integration (the law authorizing this move has been passed by the Parliament in the end of 2003). At the moment, legislation is being reviewed and corrected and new legislation being drafted in conformity with the new Constitution, while observing the standards defined in the basic documents of European and Euro-Atlantic institutions.

11.3 Implementing the *acquis communautaire*

Implementation of the *acquis communautaire* is part of the job of the Approximation of Legislation Directorate (until 2003 in the Ministry of Justice). This directorate has the task of viewing all existing legislation and determining whether or not it is compatible with the *acquis communautaire*. It also ensures that all new legislation passed by the Parliament is compatible with the *acquis communautaire*. In Albania this work is at the very beginning stages.

11.4 Managing Technical Assistance

Since the early 1990s Albania has benefited from extensive cooperation and assistance programmes for strengthening democratic values from international organisations such as the Council of Europe, the European Union, the OSCE, the World Bank, as well as individual states.

The Ministry of Economy and Privatisation is the high official institution coordinating all international assistance through the Programming Directorate. The technical assistance provided by the European Union is assisting the country in implementing the Stabilisation and Association process with European Union. It is presently coordinated by the Department of European Integration in the Ministry of European Integration, headed by the Deputy Prime Minister and the Minister for European Integration.

12. Plans for Reform and Modernisation

The Government has approved a Strategy of State Institutional and Administrative Reform. With this Institutional and Public Administration Reform Strategy the Government has committed itself to monitor the whole reform programme and to ensure that there are institutional capacities to implement the reforms. This strategy focuses on the following elements:

- establishment of the rule of law and democracy;
- encouragement of political dialogue focused on policy objectives within the country; and
- country stabilisation – politically, economically and socially.

The Government is currently re-evaluating the role of the state; this is essentially the assessment and evaluation of responsibilities according to type (policy-making, legal framework, supervision, implementation, and necessary services), sectors and sub-sectors. Based on this assessment it is intended to identify the kind of institutional arrangements that will best suit the carrying out of these responsibilities, while taking into account the social and economic conditions of the country.

The elements of the reform process are as follows:

- improvement of the work of the government organisation;
- strengthening of law drafting capacities;
- management of public finances;
- development of audit and control;
- civil service reform and human resource management;
- juridical system reform;

- financial inspectorate reform;
- reform in the Albanian police;
- local governance; and
- development of citizenry and civil society;

In January 1999 the Inter-ministerial Board for Institutional and Public Administration Reform was created, chaired by the Prime Minister, and including as members the Ministers of Finance, Justice, Local Government and Decentralisation and the Director of the Department of Public Administration. The Board has the following competencies:

- based on the government programme, to compile and define the priorities on institutional and public administration reform;
- to support coordination and encourage inter-institutional co-operation;
- to supervise the development of the reform process in terms of the implementation of standards and procedures, and to publish the results; and
- to co-operate with donors to the institutional reform and inform them of the implementation of the reform.

The DOPA is the secretariat to this Board.

13. Key Statistics

13.1 Budgetary Data

The following data are taken from the state budget for 2001, and 2002 year including Middle term Budgetary Framework.

The figures are in 1 000 Leks.

			Plan 2001	Mid Term Budgetary Framework 2002	2002	
	<i>TOTALI TE ARDHURAVE</i>	Factual 120,637	141,777	154,473	158,025	TOTAL REVENUE
II.	Te ardhura tatimore gjithsej	84,060	95,500	108,036	112,800	Total Tax Revenue From Tax Offices /Customs V.A. T & Turnover Tax
II.1	Nga Tatimet dhe doganat	82,745	93,900	105,886	109,800	Profit Tax Excise Tax Small Business Tax Personal Income Tax
1	Tatimi mbi vleren e Shtuar	38,121	44,410	50,495	51,076	
2	Tatimi mbi Fitimin	8,115	8,700	9,198	11,000	
3	Akcizat	9,153	11,210	13,229	13,600	
4	Tatimi mbi Biznesin e vogel Tatimi mbi te Ardhurat Personale	1,641	2,300	2,628	2,800	
5	Taksa Nacionale dhe te tjera	4,590	5,650	6,570	6,600	
6	Taksa Nacionale	7,576	8,100	8,870	9,800	National Taxes and others
6.1		5,099	6,100	7,227	8,000	National Taxes

6.2	Takse solidariteti	1,793	1,200	986	1,000	Solidarity Tax
	Te tjera ne dogane plus lojra					Other Customs
6.3	fati	684	800	657	500	+Tax on Gambling
7	Taksa Doganore	13,548	13,530	14,895	14,924	Customs Duties
	Te ardhura nga Pushteti					Revenues from
II.2	Lokal	1,315	1,600	2,150	3,000	Local Gov.
	Tatimi mbi Pasurine	190	400	850	400	Property Tax
	Taksa lokale	1,126	1,200	1,300	2,600	Local Taxes
	Te ardh Buxh. Pavarur					Social Insurance
III.	(kontribute)	20,053	22,985	26,437	26,087	Contrib.
1	Sigurimi Shoqeror	18,523	21,135	24,200	24,051	Social Insurance
2	Sigurimi Shendetsor	1,530	1,850	2,237	2,036	Health insurance
IV.	Te ardhura Jotatimore	16,524	23,292	20,000	19,138	Nontax Revenue
	Tran.Fitimi nga Banka e					Profit transfer from
1	Shqiperise	10,225	11,300	10,000	8,900	BOA
	Te ardhura nga					Income of budgetary
2	Inst.Buxhetore	4,829	8,417	6,500	6,738	institutions
3	Divident + te tjera	1,469	3,575	3,500	3,500	Other/not allocated
	<u>TOTALI I SHPENZIMEVE</u>	170,620	196,311	211,313	213,652	TOTAL
						EXPENDITURE
I.	Shpenzime Korrente	133,321	142,108	153,257	155,601	Current
						Expenditures
1	Personeli	33,240	41,230	40,570	42,245	Personnel
	Paga	25,820	32,598		31,755	Expenditures
	Kontributi per Sigurime					Wages
	Shoqerore	7,420	8,632		8,090	Social insurance
	Rezerve per rritjen e pagave				2,400	contributions
2	Interesat	29,572	23,758	24,500	24,115	Interest
	Te brendshme	28,870	21,900	21,500	21,015	Domestic
	Te Huaja	703	1,858	3,000	3,100	Foreign
	Shpenzime Operative					Operations &
3	Mirembajtje	19,284	18,671	22,873	20,970	Maintenance
4	Subvecionet	5,242	7,717	5,378	5,886	Subsidies
5	Shipenz Sig. Soc. e transf					Social Insurance
	te tjera	31,375	35,712	38,952	39,936	Outlays
	Sigurime Shoqerore	28,948	32,662	35,263	36,100	Social insurance
	Sigurime Shendetsore	2,427	3,050	3,689	3,836	Health insurance
	Local Government					Local Government
6	Expenditure	6,027	6,470	10,984	12,500	Exp.
	Buxheti lokal (Granti)	4,595	4,870	8,834	9,500	Local Budget
	Buxheti lokal (Te ardhurat e veta)	1,433	1,600	2,150	3,000	(Grant)
						Local Budget (Local
						revenues)
7	Shpenzime te tjera	8,580	8,550	10,000	9,950	Other
	Pagesa e papunesise	1,919	1,700	1,700	1,700	expenditures
	Ndihma Ekonomike	6,661	6,850	8,100	8,250	Unemployment
	Subvecion te Pastrehet	0	0	200		insurance benefits
II.	Fondi Rezerve dhe	0	6,454	6,751	5,300	Reserve
						Social assistance
						Housing subsidy

	kontigjence					Fund/Contingency Capital
III.	Shpenzime Kapitale	36,274	44,739	51,305	52,751	Expenditures
	Financimi Brendshem	18,749	21,239	22,220	26,251	Domestically Financed
	Nga Buxheti		0	0	24,062	From the budget
	Nga te ardhurat e veta		0	0	2,189	From its revenue
	Local Budget Capital Grant			1,473	0	Local Budget Capital Grant
	Financimi Huaj	17,525	23,500	27,612	26,500	Foreign Financed
	Kosto Int. te ristruktur. te Bankes	1,025	3,010	0	0	Cost of Bank Restructuring
IV	DEFIÇITI	-49,984	-54,534	-56,840	-55,627	Deficit
	FINANCIMI DEFIÇITIT Brendshem	49,984	54,534	56,840	55,627	Financing (Cash) Domestic
	Te ardhura nga Privatizimi	8,932	12,400	13,275	11,153	Privatization Receipts
	Te tjera	18,012	15,413	18,000	16,063	Other
	I Huaj	23,040	26,721	25,565	28,411	Foreign Development (gross)
	Per zhvillim	17,525	23,500	27,612	26,500	Budget Support and
	Mbeshtetje per Buxhetin dhe te tjera	6,515	4,640	1,653		Other
	Nga e cila mbeshtetje per buxhetin	4,659	4,640	1,653	5,211	of which Budget Support
	Ripagesat	-999	-1,418	-3,700	-3,300	Repayments
	KAPITUJT KRYESORE					Main indicators
	Financimi i Brendshem i Defiçitit	26,943	27,813	31,275		Domestically financed deficit
	Te Ardh.Brend. minus Shp.Brend	-32,459	-31,034	-27,755		Domestic revenues-dom. exp.
	Defiçiti Pergjithshem	-49,984	-54,534	-56,840		Overall Balance

13.2 Personnel Data

The total number of public personnel is 109 172. The civil service encompass 5050 persons (1 750 in central administration and 3 300 in local administration). This figure includes five department directors, 21 director-generals, 196 directors of directorates, and 1 528 experts (specialists). All other public employees are covered by the Labour Code or other specific legislation.

The total number of 109 172 persons in public employment includes 22 800 army and police personnel and 3 500 staff working for customs and tax services, and forest control. The ministries have the following number of employees, including the headquarters and all institutions depending on the budget of each ministry:

Agriculture and Food	1 300
Culture, Youth and Sports	1 070
Defence	9 000
Economy	191
Education and Science	44 300
Finance	450
Foreign Affairs	177
Health	21 400
Justice	2 200
Labour and Social Affairs	1 350
Local Government and Decentralisation	2 170
Industry and Energy	398
Territory and Tourism	405
Transports and Telecommunication	1 260
Public Order	13 800
Environment	100

The central non-ministerial institutions have the following number of employees:

Academy of Sciences	620
Agency of Public Procurement	25
Albanian Telegraphic Agency	118
General Directorate of Metrology and Calibration	90
General Directorate of Standards and Quality	25
General Directorate of State Archives	120
General Directorate of State Reserves	300
Institute of Statistics	135
National Entity of Free Areas	7
National Information Service	1 400
National Privatisation Agency	55

Office of Land Registration	242
Supreme Audit Institution	150
Central Budget Office for Judiciary	1 140
Constitutional Court	30
INSTAT	155
School for Magistrates	17
National Centre of Cinematography	10
Institute for Rehabilitation of Politically prosecuted persons	50
High Inspectorate of Justice	15
The office of People's Advocate (Ombudsman)	45
Civil Service Commission	28
Central Elections Commission	45
State Advocate	22
High Inspector for declaration of Assets of elected persons and high civil servants	28

The average salary for public sector in Albania is around 22 000 leks per month. As the result of civil service reform in general and salary reform in particular, the salaries of civil servants has been increased consistently by year 2001. The lowest level of salary (junior expert) is 29 000 leks per month and the highest one (Secretary General in Council of Ministers) is 119 000 leks per month. This salary structure is already implemented for civil servants in ministries as well as in municipalities.

14; Internet links

President – <http://president.al>

Parliament – <http://www.parlament.al>

Central Election Commission – <http://www.kqz.org.al>

Constitutional Court – <http://www.gjk.gov.al>

Supreme Court – <http://www.gjykataelarte.gov.al>

General Prosecutor's Office – <http://www.pp.gov.al>

Government – Department of Information – <http://www.keshilliministrave.al>

Ministry of Finance – <http://www.minfin.gov.al>

Ministry of Foreign Affairs – <http://www.mfa.gov.al>

Ministry of Defence – <http://www.mod.gov.al>

Ministry of Public Order – <http://www.mpo.gov.al>

Ministry of Culture, Youth and Sport – <http://www.mkrs.gov.al>

Ministry of Agriculture and Food – <http://www.mbu.gov.al>

Ministry of Public Works – <http://www.mpp.gov.al>

Ministry of Industry and Economy – <http://www.mepp.gov.al>

Ministry of Education and Science – <http://www.mash.gov.al>

State Audit Institution – <http://pages.albaniaonline.net/klsh>

Institute of Statistics – <http://www.instat.gov.al>

Bank of Albania – <http://www.bankofalbania.org>

Albanian Foreign Investment Promotion Agency – <http://www.anih.com.al>