Albania

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Capital: Tirana
Population: 3.2 million
GNI/capita: US$6,000

The social data above was taken from the European Bank for Reconstruction and Development's *Transition Report 2007: People in Transition*, and the economic data from the World Bank's *World Development Indicators 2008*.

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007	2008
Electoral Process	4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00	**4.00**
Civil Society	4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00	**3.00**
Independent Media	4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75	**3.75**
Governance*	4.75	4.25	4.25	4.25	4.25	n/a	n/a	n/a	**n/a**
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	4.25	4.00	4.25	**4.25**
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75	**2.75**
Judicial Framework and Independence	5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00	**4.00**
Corruption	6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00	**5.00**
Democracy Score	**4.75**	**4.42**	**4.25**	**4.17**	**4.13**	**4.04**	**3.79**	**3.82**	**3.82**

** With the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.*

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

Executive Summary

Since the end of the Communist regime in 1990, Albania has experienced major political, institutional, and socioeconomic changes. Breaking the barriers of a hermetically closed social order that was deeply apprehensive of the outside world was a dramatic achievement. The population at large was profoundly disillusioned by the country's slide into anarchy and crisis in 1997 that accompanied the difficult transition, but Albania has pulled through these challenges.

In 2006, Albania signed the Stabilization and Association Agreement establishing a new contractual relationship with the European Union. The country worked throughout 2007 to qualify for an invitation to join NATO in April 2008. Despite these positive achievements, Albania's transition to democracy and a market economy seems to be a rather long journey. Albania still faces problems organizing elections in accordance with international standards, although shifts in power have been increasingly peaceful. More attention must be paid to reforming the public administration, improving the business climate, reforming the judiciary, and enhancing the fight against corruption and organized crime by embracing a systemic and strategic approach. Above all, stronger efforts are needed to bring the public back to politics to build trust in democratic institutions as tools for transformation.

National Democratic Governance. During 2007, Albania's system of democratic governance suffered from the so-called "governmentalization of society" and a splintered opposition that failed to capitalize on this. The government moved to control independent institutions gradually. The most significant example was the blatant attitude against the Office of the General Prosecutor and the judiciary, both considered by the government to be obstacles in the fight against corruption and organized crime. Instead of proposing a package of measures on how to reform the judiciary, the government decided to remove the prosecutor general from office and create new ties between the ruling party and the Constitutional Court, the High Council of Justice, and the public procurement ombudsman through new appointments to these institutions. The local elections of February 18, 2007 were considered competitive but not fully in line with international commitments and standards. The election of the new President of the Republic took place within the constitutional framework but did not reflect a consensual process, which is lacking in Albanian governance. *The national democratic governance rating remains at 4.25.*

Electoral Process. Although anticipated as the "last year" of the electoral reform saga, which has hindered the democratization process in Albania's transition, 2007

proved to be the contrary. For the first time, elections were rescheduled owing to the failure of the major political parties to agree on amendments to the Constitution and the electoral code. The last-minute amendments, completed only 35 days before the elections, affected the electoral preparations and the process itself. The local elections, which according to the OSCE Office for Democratic Institutions and Human Rights "only partly met OSCE commitments," were followed by protracted litigation, with the final election results declared three months later. *Albania's electoral process remains at 4.00.*

Civil Society. Albania's civil society reflects a dominant culture imported from the donor community and an underdeveloped philanthropic culture domestically. Limited financial resources hamper the development of human capacities within the sector. However, unlike 2006, when many prominent civil society activists joined the governmental sector, 2007 saw civil society increase in vibrancy. Activists were involved in monitoring and communicating the results of the February 2007 local elections in real time via the Internet. This was a successful endeavor that ultimately increased the transparency of the electoral process. Civil society actors participated actively in discussions on important new laws, such as the Law on Gender Equality, the Law on the State Police, and the Law on Higher Education. *Albania's civil society rating remains at 3.00.*

Independent Media. The high number of daily newspapers and low number of sold copies indicate a fragmented market and poor business management among print media in Albania. Distribution infrastructure is also poor throughout the country. Financial resources and ownership structures continue to be a concern for the media market. The current legal framework, including the Law on Digital Broadcasting, is not fully implemented and does not reflect developments in the growing digital broadcasting market in Albania. The human resources and enforcement capabilities of the National Council on Radio and Television remain limited. The biggest media controversy in 2007 involved Top Media, a leading media group critical of the current government, which received a fine of €11 million (US$17.1 million) for tax evasion. Scant information was disclosed about the enforcement of the fine, which puts in question the objectivity of the government's action. Albania's independent media rating remains unchanged at 3.75.

Local Democratic Governance. Since 1998, decentralization has become one of the major irreversible reforms in the country, with important implications for reforms in other areas. The broad consensus achieved to date and the high level of engagement suggests that there is a serious and solid political will to proceed with implementation of the reforms. After a tense relationship between the central and local governments in 2006, the political climate following the February 18, 2007 local elections could be characterized as one of cooperation. Jurisdiction over the Inspectorate of the Construction Police was transferred to the local governments, which are responsible for verifying that projects have gone through proper licensing

procedures. During 2007, legal and institutional measures were taken to transfer competences for the value added tax, local taxation, water supply, and sanitation from the central government to municipalities. *Albania's rating for local democratic governance remains at 2.75.*

Judicial Framework and Independence. Justice reform is one of the most serious and pressing problems for Albanian society. While the constitutional and legal framework for an independent justice system is in place, its organization and functioning have problems. Judicial proceedings are slow, court infrastructure remains poor, and prosecution is ineffective. The High Council of Justice needs to improve its system of appointing and evaluating judges to increase transparency. During 2007, the pace of reforms was slow, and in lieu of a clear strategy for building an efficient, professional, independent, and accountable judiciary, the government indulged in high rhetoric, blaming the justice system as the chief obstacle in the fight against corruption and organized crime. *The rating for judicial framework and independence remains unchanged at 4.00.*

Corruption. An anticorruption platform dominated the electoral campaigns and promises of the current government. Yet the European Commission's Albania 2007 Progress Report still considers corruption to be widespread and a serious problem in Albania. A series of measures were taken in 2007, including new legislation to simplify business registration and the introduction of the flat tax. However, the business climate is weak, and corruption is perceived as one of the factors that hinders economic development and investment. The most debated issue was the investigation by the Office of the General Prosecutor into the tendering procedures for a massive highway project connecting Durrës, the busiest port city of Albania, with Pristina in Kosovo. The investigation culminated with the prosecutor general's request to Parliament to lift the immunity of the former minister of public works, transport, and telecommunications, currently Albania's minister of foreign affairs, which Parliament agreed to do in the end. *The rating for corruption remains unchanged at 5.00.*

Outlook for 2008. In spring 2008, the NATO Summit in Bucharest will decide whether to invite Albania to join the organization in the near future. This decision is expected to have a crucial impact on the political stability of Albania and to affect the overall status of electoral and justice system reforms in the country.

Main Report

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	4.25	4.00	4.25	4.25

In 2006, Albania successfully concluded negotiations on the Stabilization and Association Agreement (SAA) with the European Union (EU). In Albania's post-SAA phase, 2007 was a crucial year to show political maturity by meeting required international standards for presidential and local elections.

Thanks to the mediation of then president Alfred Moisiu and international community backing, local elections were held on February 18, 2007. The center-left coalition succeeded in urban areas, including the capital. Edi Rama, leader of the Socialist Party, won his third consecutive mandate as mayor of Tirana in a race against former minister of the interior Sokol Olldashi from the ruling coalition. The center-right coalition won in areas that were traditionally considered strongholds of the Left. This showed an increased level of political maturity among the electorate but also a divided center-left opposition in some areas. On March 11, June 17, and September 23, 2007, three parliamentary by-elections were won by the Democratic Party. Although they were held in a polarized environment, they were conducted peacefully, but with irregularities verified by the Central Electoral Commission (CEC).

A three-fifths consensus among members of Parliament (MPs) is required to elect the president of the republic. The ruling party conditioned its participation in the consensus on the 2007 presidential election on the dismissal of the prosecutor general. This proposal led to the boycott of four parliamentary sessions by the opposition. On July 20, in the fourth round, the votes of six Socialist MPs, who acted against their parties' decision not to take part in the election, allowed the ruling coalition candidate, Bamir Topi, to receive 85 votes and become the next president.

Overall, parliamentary life in Albania has been dominated by interparty accusations and an acceleration of investigative commissions, leading to polarization and few tangible results. The most significant example of this is Parliament's failure to achieve progress on electoral and judicial reforms, which constitutionally need a broad political consensus.

In October 2007, the OSCE, together with the nongovernmental organization (NGO) European Movement in Albania, initiated a project to increase the role of Parliament in fulfilling Albania's SAA obligations by organizing policy forums with various stakeholders and constituencies in the country. However, it remains to be seen whether this initiative will strengthen the ties between Parliament and special interest groups or contribute to the improvement of policy making in Albania's EU-integration agenda.

The government has made it a priority to improve the functioning of Albania's market economy through reforms. Modernizing the fiscal system, reducing the informal economy, simplifying business registration through a "one-stop-shop" system, and reducing corruption are stated goals of these reforms. However, new legislation on tax fines was approved in April 2007 without consulting the business community, showing that the constitutional obligation to consult with interested groups prior to undertaking legislative initiatives is still lacking. The new law requires that a business pay a disputed tax figure, along with 15 percent of any penalty, before the business can file a legally allowed court appeal disputing the sum. This law, which was criticized by the business community, is not in line with EU practices.[1] An €11 million (US$17.1 million) fine imposed for tax evasion on Top Media, known for its criticism of the government, caused controversy in the media community, civil society, and opposition, which jointly organized protests against the ruling.

In October 2007, Prosecutor General Theodhori Sollaku asked Parliament to lift the immunity of then Minister of Public Works, Transport, and Telecommunications Lulzim Basha, regarding corruption charges involving the biggest infrastructure project in decades, the building of the Durrës-Morinë highway between Albania and Kosovo. The ruling coalition was reluctant at first,[2] but faced with political and public pressure from the opposition and media, it removed Basha's immunity on December 27, 2007. Simultaneously, Parliament initiated dismissal proceedings on Sollaku by setting up an investigative commission and accusing him of political bias; Sollaku was dismissed by President Topi on December 22.

On November 14, Minister of Justice Ilir Rusmali was forced to resign after his subordinate, General Director of Prisons Sajmir Shehri, disclosed in a press conference a recorded conversation of the brother of the minister asking for favors in a public tender for the renovation of a pre-detention facility in Durrës. Prime Minister Sali Berisha accepted Rusmali's resignation as setting a new positive precedent for Albanian democracy.

On the whole, national democratic governance in Albania in 2007 was characterized by the ruling coalition's tendency to control independent institutions (including the Constitutional Court, the Office of the General Prosecutor, the High Council of Justice, and the Office of the Public Procurement Ombudsman) through the appointment of figures closely linked with the ruling coalition, and the failure of a splintered opposition to capitalize on this trend.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007	2008
4.25	4.00	3.75	3.75	3.75	3.75	3.50	4.00	4.00

Albania's transition toward democracy has been accompanied by contested elections and accusations of electoral fraud from both sides of the political spectrum. The

last parliamentary elections held in 2005, which brought to power the center-right coalition led by the Democratic Party, met international standards and partially paved the way for concluding the SAA with the EU. In November 2005, the OSCE/Office for Democratic Institutions and Human Rights (ODIHR) issued a report on the parliamentary elections, with recommendations concerning voter lists, ID cards for voters, election management without political interference, and the disclosure of political party finances.

To address these issues before the local elections in 2007, an ad hoc parliamentary committee on electoral reform was set up in January 2006, but members failed to reach an agreement on changes to the electoral code. This had a negative impact on the elections. The main issues of disagreement related to the interim civil registry of electors and the use of birth certificates as voter identification. Similarly, Parliament's nomination of a CEC member on a proposal from the right wing provoked the opposition, which claimed that such a proposal should come from the left wing, in accordance with the electoral code.

Delays in amending the electoral code and the failure of political parties to cooperate with the CEC led to practical problems in organizing the local elections. In the absence of a political consensus, the president, honoring his constitutional obligation, set January 20, 2007 as the date for holding the elections. On January 13, upon the president's initiative, the political parties signed an agreement that opened the way for amendments to the electoral code. Following that, the president changed the date for local elections to February 18, 2007.

The electoral changes only partly reflect the OSCE/ODIHR recommendations. The interim civil registry now allows citizens to register to vote in a different constituency from that of their residence using birth certificates. Article 154 of the Constitution was amended to increase the number of CEC members from 7 to 9 and the number of election commissioners of the ballot-counting groups from 7 to 14. The local elections went smoothly without major incidents, although the process of counting the votes did not meet the legal deadlines and the final results were not declared until three months later. According to the final report of the OSCE/ODIHR on June 5, 2007, the local government elections "only partly met OSCE commitments."

As revealed in the elections, voting with birth certificates, accompanied by two other documents, was a complicated procedure that created confusion in some cases. Electors did not have sufficient time to familiarize themselves with the voter lists. Simultaneously, the increased membership of the CEC and counting groups was not sufficiently justified, and political party interference often blocked the electoral process.

Moreover, Albania entered the local elections without a complete and accurate civil registry or identification documents in place. The setting up of a full, accurate, and computerized national civil registry, based on an accurate address system, is needed to avoid the use of birth certificates, which are prone to forgery. According to Minister of the Interior Bujar Nishani, "The preparation of identification documents with the inclusion of biometric data is expected to be realized in 2008."[3]

In May 2007, the Parliament created another ad hoc committee to complete the electoral reform, this time in view of the parliamentary elections due in 2009. The committee discussed how to make election structures apolitical, starting with the CEC and lower-level commissions, as well as how to better handle appeals and complaints.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007	2008
4.00	4.00	3.75	3.75	3.50	3.25	3.00	3.00	3.00

During the Communist regime, the concept of civil society was nonexistent in Albania. A form of collective association, although formally not under the umbrella of the Communist Party, was used as a political weapon by the regime and created a low regard for associations in public opinion. Seventeen years after the fall of communism, despite some positive achievements, Albania is still struggling to develop a vibrant civil society.

Freedom of assembly and association in Albania are guaranteed by the Constitution. The legal framework for civil society organizations is open and non-restrictive. Consequently, the creation of business associations, trade unions, professional associations, NGOs, and Chambers of Commerce are free of state intervention. However, after a weak year in 2006, when most prominent civil society activists joined the governmental sector, limited improvement was noticed in the third sector in 2007. Civil society activists were involved in discussions on important new laws, such as the Law on Gender Equality, the Law on the State Police, preparation for electoral reform, and the Law on Higher Education.

NGOs were engaged throughout the country in monitoring the February local elections, which featured online reporting of the results. The Open Society Foundation in Albania supported a joint initiative of two NGOs, Elections to Conduct Agency and MJAFT!, to communicate the election results in real time from 12 regions of the country. Activists from these organizations were stationed in the ballot-counting centers and reported periodically. This project increased the transparency of the process and communicated election results to citizens in record time. These were consistent with the final results officially published by the CEC three months after the elections.

In May 2007, a group of civil society representatives drafted a set of moral criteria for 2007 presidential candidates regarding corruption, cooperation with the Communist intelligence service, declaration of assets, and political loyalty. Unfortunately, this initiative was not adopted by political actors in the process of electing the new president in July.

In October, the government started a series of debates with civil society actors and special interest groups in connection with the draft Strategy on Development and Integration, slated for adoption in early 2008. The debate was structured in

three pillars: European and Euro-Atlantic integration, good governance, and social and economic development. However, it remains to be seen whether this strategy will be a conduit for civil society input to policy formulation. The government failed, however, to consult civil society actors on amendments to the Law on Nongovernmental Organizations, which were adopted by Parliament in October. According to these amendments, NGOs are not exempt from taxes on profit-making activities.

The civil society agenda in Albania continues to be donor-driven, and limited financial resources hamper the development of human capacities within the sector. The line distinguishing NGOs and consultancy firms is in some cases blurred. Civil society organizations still lack sustainable resources, organizational capacity, and advocacy skills.

The role of the media in promoting civil society organizations remains essential. Some examples of this are media coverage of the Transparency International report for Albania on corruption perceptions and MJAFT! reports monitoring the country's parliamentary life.

For the first time, the 2007–2008 state budget allocated some €1.5 million (US$2 million) for civil society, although by the end of 2007, no funds had yet been made available to civil society. The official procedure for allocating this budget to various initiatives is unclear, and there is a risk that funds will go to organizations closest to the government.

Albanian legislation does not provide any fiscal incentives for NGOs involved in social services. Regarding independent media, a new journalist trade union was established to negotiate a collective contract with media owners. This is considered of paramount importance since the relationship between media owners and journalists is to a large extent not governed by labor law.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007	2008
4.50	4.25	4.00	4.00	3.75	4.00	3.75	3.75	3.75

Albania's Constitution guarantees freedom of expression and freedom of the press, and no criminal proceedings against journalists were reported in 2007. The government has made a commitment to press freedom, which is reflected in an order by the prime minister that government officials shall not bring defamation charges against journalists.

However, many media outlets are under the influence of political and economic interests. As Remzi Lani, executive director of the Albanian Media Institute, put it: "In the case of Albania, the media equation encompasses a variety of problems related to the market, the relations between media owners and government, media transparency and ownership, the relations between journalists and media owners, lack of investigative journalism, and editorial independence."[4]

The current legal framework does not safeguard journalistic independence from the pressure of media owners. Yet since May 2007, legislation is pending in Parliament to remove prison sentencing for defamation, based on a draft prepared by the Albanian Media Institute and the Justice Initiative. Bringing Albania's legislation on defamation in line with European standards has been a continuous recommendation by the EU and is included as a short-term priority in the revised European Partnership for Albania.

The government prepared a draft Law on Digital Broadcasting that was approved on May 28, 2007. Though it was not signed by the president, it became effective after the legal waiting period for action by the president. The law takes into account suggestions from the European Commission and the Council of Europe regarding pluralism and transparency.

The Albanian media market is saturated but fragmented, as evidenced by the high number of daily newspapers and low number of copies sold. There are 27 national dailies with fewer than 100,000 copies sold altogether—an imbalance for a country with 3.5 million people. Newspaper distribution is poor throughout Albania; consequently, print media do not regularly reach areas that are far from the capital.

According to the National Council on Radio and Television (NCRT), Albania has 85 television and 49 radio broadcasters. There are three national public television broadcasters, including Albanian Radio Television, and two national public TV broadcasters, TV Klan and TV Arbëria. In spite of the number of broadcasters, local media continue to be sensational and focused on celebrity news, rather than substantive or political content.

Financial resources and ownership structures in the media market continue to be a concern. None of the media mentioned above has ever declared bankruptcy, although generally speaking, most of them do not generate income. They are used more by their owners to gain influence. A study entitled *Indicator of Public Interest* published in August 2007 by the Media Plan Institute (based in Sarajevo) shows that Albanian Radio Television (the former state television broadcaster) serves the interests of the government, while other broadcasters primarily serve the interests of their owners.[5]

In September 2007, the Parliament adopted new legislation that increased membership of the NCRT and the steering council of Albanian Radio Television with experts suggested by the parliamentary opposition. It remains to be seen whether this amendment will increase the confidence of political actors and operators in the NCRT, which in the past has been accused of bias and licensing media close to the government. The NCRT is a regulatory and monitoring body, but it has shown little capacity to fulfill its responsibilities; during past years, three chairpersons have been replaced or forced to resign.

In May 2007, the NCRT began a campaign to close down media outlets broadcasting outside their licensed areas, yet it failed to take action against nationwide broadcasters similarly in breach of license. The operators concerned accused the NCRT of selectively targeting those media that were critical of the

government. The fine imposed on Top Media for tax evasion stirred a heated debate in the media community, political circles, and civil society, which considered this action an attack on independent media. The fine had not yet been enforced as of year's end.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007	2008
n/a	n/a	n/a	n/a	n/a	3.25	2.75	2.75	2.75

In the Albanian Constitution, Article 13 reflects the requirements of the European Charter of Local Self-Government by stating that "local government in the Republic of Albania is founded upon the basic principle of decentralization of power and is exercised according to the principle of local autonomy." Legislation on the organization and functioning of local government serves as a basic tool in expanding this principle by recognizing the existence of different identities and communities in Albania. Since 1998, decentralization has become one of the major irreversible reforms in the country. The broad consensus achieved to date and the high level of political engagement suggest that there is a serious and solid political willingness to proceed with the implementation of reforms.[6]

Albanian local government consists of 373 local units: 65 municipalities in urban areas and 308 communes in rural areas. The municipalities and communes have representative councils, which are elected by the population through a proportional system and closed lists. The mayors and heads of communes are directly elected by the population through a majority system. There are 12 regional councils, which comprise the mayors and heads of communes of the municipalities and communes within their boundaries, as well as representatives of the municipal and communal councils in proportion to their respective populations.

Additionally, there are a number of state services that conduct their activity at the local or regional level. The central government is represented in regions by the prefects. Their main mission is to guarantee sovereignty, constitutional order, and protection of public health and to manage, supervise, monitor, and coordinate the activity of state institutions at the local level.

The legal framework provides that local governments are financed by revenues collected from local taxes and fees, funds transferred from the central government, and funds derived from shared national taxes. Local government authorities are authorized to borrow funds for public purposes in a manner that is consistent with law. However, no such law had been adopted in Parliament as of the end of 2007.

The state budget for 2006–2007 introduced a new method of transferring unconditional funds, which were usually kept by line institutions at the central level and primarily included infrastructure projects. Investments in educational and social programs do not fall under unconditional transfers, since they are considered to be

shared responsibilities between the central and local governments. On the contrary, conditional transfers to fund investments are not transparent or predictable and generate significant regional disparities.[7]

After a tense relationship between the central and local governments in 2006, the political climate that followed the local elections of February 18, 2007, could be characterized as one of cooperation. During 2007, legal measures were taken to transfer competences for the value added tax, local taxation, water supply, and sanitation from the central government to municipalities. However, no implementing measures had been adopted by the government by year's end.

Upon request from the municipality of Tirana, the Constitutional Court[8] found the powers of the Construction Police and the Council for Regulation of Territory of the Republic of Albania (CRTA) to be in conflict with the constitutional and European principles of autonomy and decentralization, and the Parliament adopted a new law in May 2007. According to this law, the Construction Police were transformed into an inspectorate under local government jurisdiction, and the composition of the CRTA was changed in favor of local government representation. Besides the mayor and the representative of the minister of public works, three members of the CRTA will be elected by the majority in the municipal council, three others by the minority, and one member by three-fifths of the municipal council.

However, the process of defining the geographic scope and competences of regional authorities, based on recommendations of the Congress of Local and Regional Authorities of the Council of Europe, had not been finalized by the end of 2007. The allocation of financial resources and tasks between central and local governments as well as among municipalities remains unbalanced. Yet on the whole, 2007 was a year of moderate progress in transferring responsibilities from central to local authorities.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007	2008
5.00	4.50	4.50	4.25	4.25	4.50	4.25	4.00	4.00

Though reforms in the Albanian justice system are crucial for the country's development, and serve as a guarantee for proper implementation of the SAA, these reforms continue to be quite slow. The main concerns include the independence and accountability of judges, appointment procedures and performance evaluations, unclear division of competences, slow judicial proceedings, and lack of transparency.

Legal reform of the justice system has had mixed results. For instance, the 2006 amendment to the Law on the High Council of Justice aimed to eliminate conflict of interest among members of the High Council of Justice, but it failed to

address other important issues facing the institution. The amendment to the Law on Organization and Functioning of the Ministry of Justice in March 2007 simply eliminated the names of departments in the organizational charts of the ministry, leaving substantial issues unaddressed.

The most significant events during 2007 were the reorganization of district courts, the dismissal of Prosecutor General Theodhori Sollaku, and the draft of the Law on Judicial Power, which was still pending in Parliament at year's end. The draft law provides for the creation of administrative courts, transparent assignment of cases, and improvements in the career structure of judges. Contrary to the existing law, the new draft requires that appointed judges be graduates of the School of Magistrates in order to increase professionalism among judges.

The draft law fails to address the division of competences between the two inspectorates of the High Council of Justice and the Ministry of Justice. However, regarding disciplinary proceedings and the discharge of judges, the draft law is considered an improvement over existing legislation. Furthermore, the draft law specifies the criteria and procedures for appointing court chairmen and provides a list of their duties.

One of the most disputed decisions in the judicial system was the reorganization and reduction of district courts from a total of 29 to 21 in an effort to increase court efficiency and transparency. According to the National Strategy for the Development and Integration, reorganization of the courts should increase both efficiency and transparency of trials and provide the necessary space and infrastructure within the courts. However, the reorganization raised serious problems because there is a constitutional guarantee for the continuous employment of judges. In the reorganizations, 24 judges—along with many administrative staff—lost their jobs.

The European Assistance Mission to the Albanian Justice System (EURALIUS) made recommendations concerning a three-step strategy for the organization of courts, but these guidelines were ignored by the Ministry of Justice.[9] The strategy features, as step one, the smooth integration of small courts into branches of bigger courts while preserving full jurisdiction; step two, reducing jurisdictions of court branches to certain criminal cases and small contested civil cases; and step three, closing the court branches at a specified time for each district court.

According to a EURALIUS report in November 2007, in just two months after the implementation of Albania's own reorganization project, workloads increased in central courts, efficiency was reduced, and costs increased owing to the frequent traveling of judges, secretaries, and case files.[10] Judicial infrastructure remains poor, and most courts lack adequate courtrooms, archives, and equipment.

At the beginning of 2007, the High Council of Justice approved a new system for evaluating judges, developed with assistance from the Council of Europe. The system was applied only in Durrës and Elbasan district courts during the year, but will be expanded gradually to all district and appeals courts in Albania.

In October 2007, on the request of 28 MPs from the ruling majority, a second investigation commission was established in connection with the discharge of Prosecutor General Theodhori Sollaku. The first attempt to discharge Sollaku was

unsuccessful owing to then President Alfred Moisiu's refusal to sign the discharge decree. President Moisiu maintained there were insufficient constitutional grounds for taking such action. The Constitutional Court, which was asked by the prosecutor general to rule on the constitutionality of the parliamentary investigation, upheld its previous decision, saying that "the Parliament has no competence to check and evaluate the decision of the prosecutors in concrete cases."[11]

However, the July 2007 election of President Bamir Topi, who previously served as leader of the parliamentary group of the Democratic Party, was considered a second chance for the ruling party to discharge the prosecutor general. The opposition boycotted the second committee, considering it biased, but on November 5, Parliament voted for the second time for the prosecutor general's dismissal. According to Spartak Ngjela, an MP who used to be one of the more distinguished leaders of the right-wing coalition and a former close aide of Prime Minister Berisha, "The dismissal of the prosecutor general is an attempt of the prime minister to control independent institutions."[12] On November 22, President Topi discharged Sollaku, and Parliament approved Ina Rama as the new prosecutor general on the president's proposal.

The history of Albanian prosecutors general since the fall of the Communist regime abounds with dismissals, resignations, and judgments by the Constitutional Court that have never been enforced.[13] Yet, overall relations between the government and the High Council of Justice have improved with the election of President Topi and the replacement of High Council of Justice deputy chairman Ilir Panda with Kreshnik Spahiu.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007	2008
6.00	5.50	5.25	5.00	5.25	5.25	5.25	5.00	5.00

An anticorruption platform made up the bulk of the electoral campaign of the current government led by Prime Minister Sali Berisha. Yet more than two and a half years since this coalition came to power, corruption is widespread in Albania and continues to be a serious problem.

The main commitments undertaken to fight corruption are improving the legislative framework; increasing professionalism, transparency, and efficiency in public administration; aligning public procurement legislation and practices with the EU *acquis*; and reducing the list of officials with immunity. The government has implemented the United Nations Convention Against Transnational Organized Crime, and the criminal code is in line with the Council of Europe Criminal Law Convention on Corruption (though civil legislation needs to be brought into line with the Council of Europe Civil Law Convention on Corruption). The High Inspectorate for Declaration and Audit of Assets made some progress on enforcing

asset declaration obligations, although there is no proper investigative mechanism within this institution. Out of 3,500 persons who are under legal obligation to declare their assets and private interests, only 87 failed to meet this obligation.

Progress has been made in computerizing business registration with the so-called "one-stop shop" established in September 2007. However, the costs of starting and closing a business in Albania remain relatively high, and corruption is perceived as one of the factors that hinders economic development and investment.

A special corruption and economic crime unit was established within the Office of the Prosecutor General that has led to the arrest of a number of high-level officials. In September 2007, nine officials were arrested on corruption charges, including the deputy minister of public works, transport, and telecommunications and the general director of road construction, in connection with key public tenders for the reconstruction of national roadways.

Both officials came from the ranks of the Christian Democratic Party (CDP), which entered into the governing coalition after the February 2007 local elections. The leader of the CDP, who is now minister of health, considered the arrests to be attacks from segments of the Democratic Party in an effort to damage the reputation of the growing CDP.

In October 2007, Prosecutor General Sollaku asked Parliament to lift the immunity of then minister of public works, transport, and telecommunications Lulzim Basha, accused of corruption involving the Durrës-Morinë highway project between Albania and Kosovo. The government entered into a contract with a construction company without a secured project, as required by Albanian legislation on public procurement. The ruling coalition considered the prosecutor general's request politically motivated and was reluctant to lift Basha's immunity. But faced with political and public pressure from the opposition and the media, Parliament decided to lift Basha's immunity on December 27, 2007 (although Sollaku was already discharged in November).

On November 7, 2007—the day after the release of the Albania Progress Report by the European Commission, which considered Albania to have widespread corruption[14]—the anticorruption unit within the Office of the General Prosecutor arrested the secretary general of the Ministry of Labor and Social Affairs on corruption charges involving a public tender for the reconstruction of the ministry building.

According to Transparency International's Corruption Perceptions Index, Albania continues to be perceived as the most corrupt country in the Western Balkans region, but there are improvements in terms of worldwide ratings: Albania's score improved from 2.6 in 2006 to 2.9 in 2007 (on a scale of 1 to 10 where 10 indicates the lowest levels of perceived corruption.)

The financial transparency of political parties remains an issue. According to the Constitution, political parties are under an obligation to declare their financial sources. Although the electoral code empowers the CEC to collect political party financial declarations, the CEC lacks the proper mechanisms to investigate them.

In January 2007, the government approved rules of public procurement that complement the newly approved Law on Public Procurement. The Public Procurement Agency also approved bid standard documents, complying with the new legislation. These new procedures are steps toward full alignment of Albanian legislation and practice with the EU *acquis*. However, the current system does not guarantee impartiality on review procedures, marking a clear deviation from SAA obligations. The Public Procurement Agency remains responsible for decisions on complaints. The establishment of the public procurement ombudsman, elected by the Parliament on a proposal from the government, has not yielded the desired results owing to insufficient independence and lack of executive powers.

On the whole, 2007 showed that even the current government, which came to power on an anticorruption platform, is not immune to corruption. A more systematic and strategic approach is needed in fighting corruption by putting in place systems of accountability in the administration and judiciary and by increasing transparency.

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1 *Albania 2007 Progress Report*, Commission of the European Communities, Brussels, November 6, 2007, p. 29.

2 On November 8, 2007, the Committee on Mandates and Immunities asked further clarifications from the prosecutor general—in essence, considering his request as unacceptable.

3 Report submitted by Minister of Interior Bujar Nishani to the Parliament, on November 1, 2007.

4 Interview with Remzi Lani, executive director of Albanian Media Institute, November 8, 2007.

5 See, Ilda Londo, "Reporting in line with specific interests of TV Stations" pp. 41–42 in "Indicator of Public Interest" available in the magazine on media developments in South East Europe at www.mediaonline.ba and South East European Network for Professionalization of Media at at www.seenpm.org.

6 Francis Conway and Sabina Ymeri, *Albania Decentralization Status Report, Local Government and Decentralization in Albania Program*, USAID, Washington, D.C., 2007, p. 1.

7 Ibid., p. 8.

8 See Judgment of the Constitutional Court No. 29, dated December 21, 2006.

[9] See EURALIUS recommendations on different models of reorganization of district courts available at www.euralius.org.

[10] See EURALIUS Report on the impact on reorganization of district courts available at www.euralius.org.

[11] See Judgment of the Constitutional Court No. 26/2006 available in English language at: www.gjk.gov.al.

[12] Statement made by Member of Parliament Spartak Ngjela, November 5, 2007, plenary session on dismissal of the prosecutor general, Albanian Parliament; also Interview with Spartak Ngjela, TV Vizion Plus, November 5, 2007.

[13] See, Judgments of the Constitutional Court No. 75/2002, No. 76/2002, No. 18/2003, No. 26/2006.

[14] *Albania 2007 Progress Report*, Commission of the European Communities, Brussels, November 6, 2007, p. 10.