



UNIVERSITETI I TIRANËS  
FAKULTETI I DREJTËSISË



## Project

**Topic:** Corruption in public services - Funding of schools and universities

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## **Financing of schools-Corrupt elements**

The topic that I have dealt with is the financing of schools in the Republic of Albania and I have also reflected the corrupt elements that I have noticed during the drafting of this paper.

First of all, I am making a brief introduction, then I will move on to the concrete elements of corruption in the Albanian education system. The Albanian system of pre-tertiary education includes preschool education, basic education and higher secondary education. Only basic education is compulsory<sup>1</sup>.

From the literature on corruption in education systems, five main potential areas of corruption can be identified<sup>2</sup>:

- The policy process, including systems for accreditation/licensing and inspection/supervision of educational institutions.
- The personnel process within education (recruitment/management), including politically motivated appointments.
- The education process itself, including corruption involving teachers , students and/or parents within the teaching and learning process, both for assessment and examination procedures and results.
- Financing of the education sector, including the budget, flows and diversions of funds.
- Procurement at all levels, such as school construction , IT contracts, other educational equipment.

Financing comes from two main sources: a) the state budget (central budget); b) the local budget (from the budget of the Municipalities). Public pre-university education in Albania, at least during the last four years, is financed almost entirely from internal sources.

In many international reports, Albania has emerged as the country that finances less than all other countries in the region, affecting the quality of knowledge.

I want to dwell a little on the corrupt elements that are found in the reconstruction of schools, a field that carries many such elements in itself<sup>3</sup>.

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<sup>1</sup> [https://ëëë.arsimi.gov.al/ëp-content/uploads/2017/10/Ligji\\_Parauniversitar.pdf](https://ëëë.arsimi.gov.al/ëp-content/uploads/2017/10/Ligji_Parauniversitar.pdf)

<sup>2</sup> <https://ëëë.oecd-ilibrary.org/sites/7f73878b-en/index.html?itemId=/content/component/7f73878b-en>

<sup>3</sup> <https://acqj.al/school-reconstructions-in-tirana-problems-ëith-delays-and-unjustified-expenses/>

### **“Partizani” High school**

First, I want to address the high school “Partizani”, for which there has been a lot of fuss in the media. It turns out that the municipality of Tirana has organized the tender with the object "Reconstruction of the secondary school" Partizani". 13 economic operators participated in this tender and the winner was the AGRI CONSTRUCTION company owned by citizen Petrit Patushi. This company has offered the value of 162 238 067 new leke without VAT or about 2 million euro.

Since there is not much transparency regarding the tender, I have done a careful research of the offers of all the operators, it is noticed that one of the participating companies has offered convincingly less than the winner and yet it was not taken into consideration by the organizers of the tender. More specifically, the difference between the offer of the winning company and the offer of the other company is about 145 thousand euro. At best, this money is a pure economic loss for the institution of the Municipality of Tirana.

- Another thing that casts a shadow of doubt is the fact that the Municipality of Tirana signs a tender for the reconstruction of the high school building “Partizani”, but the company that won the 2 million euro tender declares that it is reconstructing the kindergarten building; “Lidhja e Prizrenit” to Paskuqan and not the school, casting a shadow of scandal over the procedures followed for this procurement. What stood out was the sign placed with the data and the deadline for the works, which did not match the area where it was located. The sign said that the object of the works is for reconstruction of kindergarten educational facilities “Lidhja e Prizrenit” Paskuqan.

- Another aspect has to do with the fact that even though the tender was announced as the winner on 27.01.2022 and that according to the information published in the Public Procurement Agency through the tender documentation that the duration of the contract or the deadline for project implementation is 12 months in the area they did not have started the works until May 2022 and certainly did not finish in time, leaving the students without school.

- The other fact is that the owner of the winning company is accused many times by the media for cooperation with important political figures and for corrupt tenders, specifically with the former minister of health Ogerta Manastirliu.

### **“Sami Frasheri” High school**

I also want to address the “Sami Frasheri” school, which received 6 million euros for its reconstruction. Making a comparison with EU funds, it is noted that he donated 765,000.00 euros from his funds. Even in this list, the high school "Sami Frashëri" is not included, but this school is included in the list of contracts signed by the Municipality of Tirana on 23.10.2020, with a value of 568,492,069 ALL without VAT, about 6 million euros. . This is a value for the

reconstruction of a single school, as much as the fund for the reconstruction and reconstruction of about 10 educational institutions financed by the European Union.

What is noticeable is that the "Sami Frashëri" school has been reconstructed several times and each time with a marked lack of transparency. It was reconstructed after the earthquake of 2019 and looked fine, until after a few months the students find it broken. It was the mayor of Tirana himself who, after the remodeling from the earthquake, said that the school lives for years, but no one expected that it would be destroyed after a few months.

Another fact is that the mayor declared that the funds with which the "Sami Frashëri" school was being reconstructed came from the EU, while the European Union denies this.

The questions posed in this case are why the tender procedure for the reconstruction of the Sami Frashëri school is not public and why the Albanian government costs a school about 5-6 million euros, while the EU costs about 700 thousand euros?

I want to close with a speech by the head of the state's high control, who explains that the reconstruction of schools in Tirana was carried out in a conflict of interest and in violation of the law. The high control of the state has discovered that there is a connection between the builder and the supervisor, which brings uncertainty in the monitoring of the works. Also, the calculation of costs according to the report was done incorrectly and with economic damage. In the last report in 2021, it is found that the analysis of the construction costs in schools and kindergartens is incorrect and with a damage of 51 million lek only for the first half of the year<sup>4</sup>, and it is understood how much is the bull for the whole year and in whose pockets do these go.

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<sup>4</sup> Shehu Arben, Kryetar i Kontrollit të lartë të Shtetit, 2021

## **1.Financial transparency in higher education institutions**

In recent years, the Albanian state has undertaken an initiative to ensure control and transparency in higher education institutions through the publication of an instrument for achieving this goal, namely the University Transparency Portal "u-transparenca.al". The University Budget Transparency Portal has mission to open the allocated budget, expenditures and investments realized and planned. Problems related to this portal have been found, which from the verifications carried out by the Civic Resistance team it has resulted that, over the years this portal did not contain data on the costs at the university or rectorate level but only data at the faculty level, which made it difficult for students to understand the total costs of the university and the expense ratio for how their money is spent. In the 2022-2023 monitoring period from the u-transparency portal, all information, decisions, lecturers' CVs and procurements, which are provided for in the Decision of the Council of Ministers, have been deleted<sup>5</sup>.

### **1.Corruption in the financing of higher education institutions.**

Corruption in financing of higher education institutions in Albania appears mainly in the form of misuse of funds, where embezzlement, bribes and misuse of public funds may be involved. Added to corrupt practices such as nepotism or favoritism that can affect the distribution of funds in universities, enabling influential individuals to secure positions and contracts without merit, therein leading to the decrease in quality of education offered. Another aspect in which corruption extends, includes the allocation of research grants and funding related to academic projects.

These ways of showing corruption in practice will be seen in some concrete cases encountered in public universities in the Republic of Albania, these ones, respectively in the audit reports exercised by the Albania Supreme Audit Institution (ALSAI) or the monitoring reports conducted by the Civic Resistance, in different academic periods.

Initially, at the University of Medicine, Tirana from the final audit report of ALSAI, December 2023<sup>6</sup>, it results that:

- UMT, for the fees of study programs, has not carried out a methodology for their calculation until September 2023. The fees applied by UMT are based on a reference to the hypothetical costs of the coherent year, taking the basis of the previous year's expenses. It results incompatibility with specific legislation on higher education.

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<sup>5</sup> Raport Monitorimi, Universitetet në Sitën e Trasparencës Financiare, Viti Akademik 2022-2023, Qëndresa Qytetare, Friedrich Ebert Stiftung, <https://qq.com.al/index.php/2023/11/15/univeritetet-ne-siten-e-transparences-financiare/>.

<sup>6</sup> High State Audit, Final Audit Report conducted at the University of Medicine, Tirana, December 2023, <https://panel.klsh.org.al/storage/phpS8bPh4.pdf>.

- In the FSHMT, of the University of Medicine, Tirana, in most cases there is no complete justification documentation regarding the identification of fuel costs.

- In the consolidated financial statements of the University of Medicine, Tirana, for the Faculty of Medicine the value of the account under the heading "State of circulating inventory" account 31 "Materials", as well as under the rubric "Long-term material assets", account 214 "Electrical installations, machinery and equipment as well as 218 "Economic inventory" account, their net accounting value is unrecorded with the physical value.

- Economic damage was found in one case in the amount of about 5 thousand euro and the use of funds in three cases in the amount of about 35 thousand euro.

- Also, from the audit of the implementation of the procurement procedure with the object: "Reconstruction of the rectorate halls and the roof of UMT", we note that a bidder company has been declared winner, which has the value of the significantly higher bid compared to the other two bidders, furthermore does not meet the criteria for selection, causing damage with negative effect on the amount 3thousand euro.

At the University of Medicine, Tirana, we are mainly in terms of the use of public funds, as well as in favor of contractors during the contract implementation phase.

Further, at the Polytechnic University of Tirana, the audit report<sup>7</sup> highlights these violations:

- From the audit of the procedures with the object "Information service of the activity and documentation of the teaching secretariat", for years, 2014, 2015, 2016" it resulted that this service was obtained for the needs of UPT, by the same economic operator. The audit concludes that in the case of the same service, the value of this service has increased without any argument from year to year, and specifically for 2014, the economic operator was liquidated for the value of 1 million 600 thousand euro without VAT, for 2015 where the service was performed with the value of 1 million 855 thousand euro without VAT and for 2016 Its value has increased to the amount of 1million 918 thousand euro without VAT, in total where the service has cost about 5 million 373 thousand euro without VAT.

In addition, we will reflect other corruption cases recorded in various public universities in the Republic of Albania.

From the monitoring report for 2020-2021<sup>8</sup> , which coincides with the Covid-19 pandemic, due to which learning was conducted remotely (online), it turns out that universities have instated unjustified and unnecessary expenses, namely:

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<sup>7</sup> High State Audit, Final Report "On Audit of Legality and Financial Regulation at Polytechnic University, Tirana, December 2017, [https://www.klsh.org.al/content\\_pdf/260?page=1](https://www.klsh.org.al/content_pdf/260?page=1).

- Although the buildings have stood empty during the full academic year, 6 universities<sup>9</sup> have spent significant sums of 332 000 Euros on their heating. In particular, the University of Shkodra has purchased 51 500 Euros of gasoil for heating buildings.
- Public universities have instated high spending on buying chancellors and office furnishings, but have not made details of the goods purchased transparent. UPT spent 410 000 Euros on office furnishings without publishing their details, while the University of Tirana has used almost all of the budget of this voice 73 100 euros to buy A4 papers.
- Despite this academic year being conducted remotely, four out of 6 monitored universities have described significant distances by spending fuel on cars. UPT has spent 50 500 Euros on tollona fuel in just three months during the period October – December 2020.
- Empty buildings have been preserved in staggering numbers during a calendar year. The University of Tirana spent 555,250 Euros on guards and 236 200 Euros on security cameras. UPT has paid 20 600 Euros for the security of the university's wealth, while the University of Elbasan, which manages a lower number of buildings, has spent nearly double the amount of other district universities for guarding.
- The transactions carried out in the subcategory "Investments" are noted some suspicious purchases in function of the teaching process such as the purchase of a portrait in the value of 5 thousand euro from the Polytechnic University of Tirana or a piano from the University of Shkodra in the value of about 7 thousand euro.

During the academic year 2022-2023<sup>10</sup>, the following cases were detected in the monitoring report:

- Despite spending 170,000 Euros in 2019 for the requalification of the faculty of history and philology, the University of Tirana has spent another 283 800 Euros on building maintenance and surrounding environment, where only FHF and FEUT result in a surrounding wall.
- According to the Decision of the Council of Ministers no. 177, 2019 all public institutions must conclude a contract with the state-owned company Illyrian Guard Sh.a for the security of their buildings, while the University of Elbasan has concluded the contract with UEVI -2015 shpk.

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<sup>8</sup> Monitoring Report, Analysis of Financial Performance of Public Universities in Albania, Academic Year 2020-2021, Citizen Resistance, Friedrich Ebert Stiftung, <https://qq.com.al/index.php/2021/10/26/analiza-e-shpenzimeve-financiare-te-universiteteve-publike-ne-shqiperi/>.

<sup>9</sup> University of Tirana (U.T) University "Aleksandër Xhuvani" Elbasan (U.E), "Fan S. Noli" University of Korça (U.K), University "Aleksandër Moisiu" Durrës (UAMD), University "Luigj Gurakuqi" Shkoder (U.SH), Polytechnic University of Tirana (UPT).

<sup>10</sup> Monitoring Report, Universities in the Financial Transparency Site, Academic Year 2022-2023, Civic Resistance, Friedrich Ebert Stiftung, <https://qq.com.al/index.php/2023/11/15/univeritetet-ne-siten-e-transparences-financiare/>.

- One of the investments that is obvious for the high figure spent in UPT is the renovation of the Silvano Pedrollo hall in the interior of the rectorate in the value of 221 000 Euro. The Resistance team has closely observed the hall and has pointed out that the hall despite being in good infrastructure condition, a high-figure investment has been made. What is noticed by students and monitors in the field, this hall is only subject to a painting and small intrusions on the walls, which casts doubts about misuse of the available fund.

- The University of Tirana has spent on a series of goods purchases that cast doubt on misuse of student fees money, where we can emphasize the purchase of gold and silver for students 45 900 Euro, printer ink and paper A4 160 000 Euro and detergents 103 100 Euro.



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