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COUNTRY PAPER

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List of Acronyms

AAA	Accra Agenda for Action
CSO	Civil Society Organisation
DAC	Development Assistance Committee
EU	European Union
GDP	Gross Domestic Product
GNI	Gross National Income
MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
ODA	Official Development Assistance
PCD	Policy Coherence for Development
PD	Paris Declaration on Aid Effectiveness
SDGs	Sustainable Development Goals
UN	United Nations
UNDP	United Nations Development Programme

1. Introduction

In view of future opening of accession negotiations – under Chapter 30 on External Relations¹ – Albania, *inter alia*, will need to define its policy on development cooperation and humanitarian aid along with developing relevant effective mechanisms in the field.

Since policies on development cooperation and humanitarian aid are mirrored in the *acquis communautaire*, accession countries will be required to transpose and apply the relevant legislation, and, following accession, successively engage in financing development assistance. For Albania, this translates into adapting from the position of a country recipient of Official Development Assistance (ODA) to becoming a donor country. Throughout this whole process, the meaningful involvement of Civil Society Organisations (CSOs) will prove to be essential.

In this context, the main aim of this *Country Paper* is to provide an overview of the past and current situation of the Government of Albania (GoA) and civil society engagement in development cooperation and its related activities, including humanitarian policy and assistance and development education activities – in order to contribute, as such, to a better understanding of Chapter 30 and to advocate for a meaningful involvement of civil society in this process.

The methodological tools employed for preparing this Country Paper comprised of a review of relevant literature and official documents accompanied with semi-structured interviews with key informants from the relevant governmental bodies and civil society representatives.

The paper is structured in six parts as follows: first, a short introduction is provided; second, the country profile of Albania is outlined, including its recent history and current socio-economic situation; third, the Albania and EU relations are explored; fourth, the history of development cooperation in Albania is analyzed; fifth, the enabling environment where civil society operates and its role in development cooperation is presented; and, last, conclusions and relevant recommendations are put forward.

¹ Chapter 30 encompasses EU's international activity. In the first part, it includes, common trade policy and bilateral agreements with third countries, whilst, under development policy, it deals with development cooperation and humanitarian aid.

2. Country Profile

2.1 Recent History

Albania is located in Southeastern Europe with a coastline at the Adriatic and the Ionian Sea, between Montenegro and Kosovo in the north, Macedonia in the east and Greece in the south.

Following the World War II, after very little experience with liberal regimes, Albania became a communist state under the strict dictatorship of Enver Hoxha. The country remained hermetically isolated from the rest of the world until its transition to democracy in 1991. In 1992, the very first pluralist elections took place, ending 47 years of highly repressive communist regime, and leading the country towards painful reforms towards a liberalized economy and state. In 1997-1998, the country fell into a brief state of anarchy, civil disorder and violence, also known as the Pyramid Crisis, where thousands of people battle riots demanding their money back because of failed financial schemes. The pyramid schemes swallowed up around two-thirds of the spare savings of Albanian families and counted for the half of the country GDP.² It took the intervention of the U.N. forces at the time to restore order and bring the country back to stability. In 1999, Albania accommodated nearly half a million Kosovars, who fled across the border upon the war with Serbia³.

After the ratification of the new constitution through a popular referendum in 1998, Albania entered the difficult path of the consolidation of the rule of law and progressive reforms. In 2006, Albania signed the Stabilization and Association Agreement (SAA) with the EU and in 2009 Albania joined the North American Treaty Organization (NATO). From 2014, Albania gained the candidate status for the European Union (EU) accession and currently is in the process of meeting the objectives set out in the five key priorities for the opening of accession negotiations.

2.2 Current Socio-Economic Situation

Albania has a current population of 2, 876, 591 inhabitants according to the latest data from the Albanian Institute of Statistics (INSTAT, 2017), residing in an area of around 28,7 thousand km². Approximately 53.4 % of the total population in Albania lives in urban areas, and around 46.5% lives in rural areas (INSTAT, 2012).

² Jarvis, Ch "The Rise and Fall of Albania's Pyramid Schemes" 2000; 37/1

³ Kondaj, R. "Management of refugee crisis in Albania during the 1999 Kosovo conflict" Croat Med J. 2002 Apr; 43(2):190-4.

The Albanian population remains among the youngest in Europe, with a median age of 34 years in 2015 (INSTAT, 2015), compared to the median age of the EU-28's population 42.4 years in 2015 (EUROSTAT, 2015). Despite a young age structure, population decline is a present phenomenon in the country, as in the rest of the Western Balkans, mainly related to changes in fertility rates and migration.

Moreover, Albania is considered to have one of the world's highest emigration rates, with -3.3 migrant(s)/1,000 population, with a total emigrant population of more than 1.25 million in 2016 (UN, 2016). In the recent years, there has been a massive emigration of Albanians in the EU countries as political and economic asylum seekers, mostly affected by lack of jobs within Albania. For the first time since 2001, there was a slight increase of the resident population in 2017, compensating the negative value of net migration.

Approximately 84.10% of the entire population is ethnic Albanian. The resident population by ethnic and cultural affiliation consists of three main ethnic minorities: Greeks (0.35%), Macedonians (0.07%) and Montenegrins (0.01%); and cultural minorities of Egyptians (0.3%), Aromanian (0.11%) and Roma (0.3%) (INSTAT, Census 2011). Overall the legal framework regarding Human Rights and the protection of minorities is in compliance with the EU standards. However, there is need for strengthening their implementation, particularly in the fields of property rights and the improvement of living conditions for the Roma and Egyptians communities. There are many challenges to overcome related to social inclusion, intimately linked to the overall economic and social development of the country.

The economic growth is anemic and it has managed to reduce poverty, but not to eradicate disparities among regions.

Albania is classified as a middle-income country, with an estimated Growth Domestic Product (GDP) of USD 12.9 billion (2017, estimate⁴). Its economy is composed by services (62.6 % of GDP), industry (15%) and agriculture (22.3%)⁵.

Till recently, the country's economic development was closely related to remittance flows, which according to the Bank of Albania in 2006 exceeded the foreign direct investments and were estimated to be twice as much as the development aid that the country received⁶. Since 2009, with the global financial crisis, the remittances were reduced in much lower levels, consisting today only 5.8 % of the country's GDP⁷ from 14 % of the GDP in 2006. However, during this time, the country has received international aid and strategic assistance, which has helped the economy to achieve some positive growth rates, despite the global economic crisis.

⁴ IMF World Economic Outlook 2016

⁵ Albania Economy Profile 2016. Available at: http://www.indexmundi.com/albania/economy_profile.html

⁶ Fullani, A. Remittances: An opportunity for growth. Available at: <http://www.bis.org/review/r060313b.pdf>

⁷ EC, Albania Report 2016.

Albania ranked 85th out of 188 in the 2016 Human Development Index and was on the official 2015 OECD DAC List of ODA Recipients, in the Upper Middle Income Countries and Territories classification⁸. Albania ranks 80th out of 138 countries in the latest Global Competitiveness Report 2016-2017, with most problematic factors for doing business related to corruption, tax rates, inadequately educated workforce, policy instability, etc.⁹. Albania's unemployment rate was 17.5 % for 2015, while the youth unemployment reached nearly 33.2% according to the Albanian Statistical Institute. Unfortunately, higher education qualifications do not match labour market needs in Albania and many young people in the country are unemployed, even though they have higher education diplomas¹⁰.

According to the latest data available, the poverty rate for Albania, estimated in 2012, is about 14.3%, which is the percentage of people who spent less than 4,891 Lek/month per capita, which is regarded as the absolute poverty line for Albania¹¹.

3. Albania and the European Union

3.1 Background of Albania-EU relations

The EU made its commitment to enlarge to the Western Balkans at the 2003 Thessaloniki Council, where Albania, along with other Western Balkans countries, was identified as a potential candidate for membership.

In June 2006, Albania signed the agreement of Stabilization and Association, which came into force in April 2009. This agreement replaced the former agreement with the European Economic Community on trade and commercial and economic cooperation, signed in May 1992. In December 2010, the visa facilitation agreement entered into force, allowing Albanian citizens to have visa free access to the Schengen Area. In 2009, Albania also submitted its formal application for accession. The European Commission presented an Opinion (in 2010), with the request of the European Council in regards of Albania's application for membership, assessing that Albania had still to meet 12 key priorities, in order to achieve a necessary degree of compliance with the membership criteria.

⁸ <http://www.oecd.org/dac/stats/documentupload/DAC%20List%20of%20ODA%20Recipients%202014%20final.pdf>

⁹ WE Forum "The Global Competitiveness Report 2016–2017", country profile Albania, pg. 94

¹⁰ See more at: European Commission "From University to Employment: Higher Education Provision and Labour Market Needs In the Western Balkans Synthesis Report", 2016

¹¹ UNDP "Human Development Report Albania", 2016

In October 2012, the Commission recommended that Albania be granted the EU candidate status, subject to completion of reforms, particularly in the areas of judicial and public administration reform. In June 2014, the European Council granted Albania candidate status.

3.2 Albania's current accession process

Regular dialogue between Albania and the EU has continued through since the country was granted the candidate status. In 2016, the Commission recommended that Member States consider opening accession negotiations with Albania, strictly conditional in meeting the objectives set out in five key priorities for the opening of accession negotiations. In order for the EU to open accession negotiations, Albania has to fulfill the five conditions related to the implementation of the judicial reform and the vetting law; fight against corruption; fight against organized crime; implementation of the decriminalization law; and the electoral reform according to OSCE-ODIHR recommendations and free and fair elections.

According to the latest Report from the Commission (2016), Albania has made some steady progress related to the consolidation of the required reforms in addressing all of the five key priorities. In 2016, the Albanian government approved the 2015-2020 national strategy for development and integration, setting the strategic milestones for the next five years. In November 2016, the Albanian Government established a board on European Integration, composed of the Ministers in charge of the five key priorities, to upgrade coordination in the light of future opening of negotiations.

Albanian's steps toward the EU are strictly related to the consolidation of the justice system and the vetting process in evaluating judges and prosecutors. In July 2016 the parliament passed in unanimity the judicial reform package. However from 2016, the process has been stalled because of a polarized political life and lack of cooperation between the government and the opposition.

3.3 Preparation on development policy and humanitarian aid

Although membership negotiations with the EU have not started yet, Albania has begun to bring its national legislation into line with EU legislation in many areas. Nonetheless, regarding the field of humanitarian aid and development policy, the government has no official development policy and no relevant institutional structures responsible for development cooperation in place, and specific legislation on development policy and humanitarian aid has yet to be adopted. As a result, the country has not made much progress in this field and legislation remains at an early stage of alignment.

As the latest EC report notes, legislative changes in the field “remain at an early stage of alignment”.¹² The “National Plan for European Integration 2016-2020” takes notice that Albania will need to develop its own national policy and further build its institutional capacity in order to comply with EU standards.

Table 1. EC Reports on Albania’s progress in Development Cooperation and Humanitarian Aid 2011-2016

2011	2012	2013	2014	2015	2016
There is no progress to report in the areas of development policy and humanitarian aid.	Little progress can be reported in development policy and humanitarian aid. The Ministry of Foreign Affairs assigned one person to follow issues related to EU development policy and humanitarian aid.	N/A	There has been little progress in the area of external relations.	There were no legislative changes in development policy or humanitarian aid, which remain at an early stage of alignment.	No progress was made in alignment with the <i>acquis</i> in the area of development policy or humanitarian aid.
				In August, Albania approved a EUR 50 000 grant for humanitarian aid to alleviate flood damage in Tetovo.	The country needs to join the EU Civil Protection Mechanism. [M]ore efforts are needed to improve the capacity of the management groups, their technical secretariats and the Department of Development, Financing and Foreign Aid, which is the main coordinating body.

Source: EC Reports 2011-2016

Humanitarian aid and development policy is part of chapter 30 from the *acquis* chapters, related to external relations, which also includes trade and commercial policy. Overall, Albania remains moderately prepared in the areas of external relations. In 2016, it made some progress related to the ratification of the Trade Facilitation Agreement with the WTO. However, there is need to take other steps in aligning its legislation, strengthen capacities and coordination abilities. Likewise the other candidate countries in the region, Albania also needs to join the EU Civil Protection Mechanism.

¹² EC (November, 2015). Progress Report 2015 (pg. 70-71).

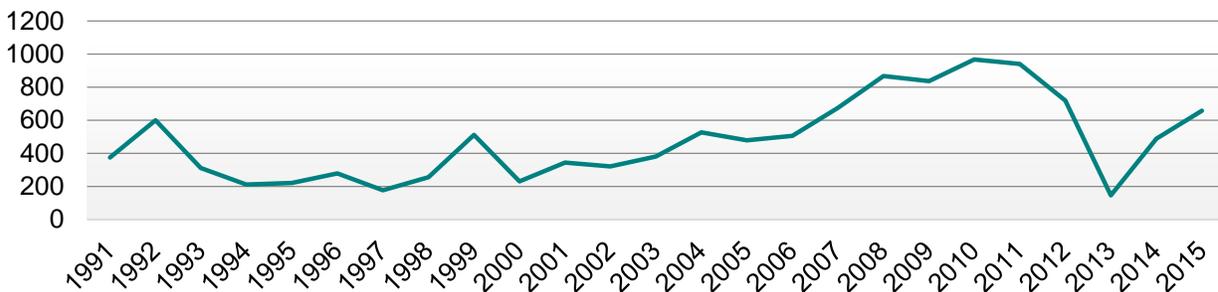
4. Development Cooperation in Albania

4.1 Albania as a recipient of Official Development Assistance

4.1.1 Overview of international assistance¹³ to Albania

After the fall of communism in 1991, the Albanian economy was completely disintegrated and the country faced existential needs, including a massive food shortage. In order to handle some of its most prominent problems, it was estimated that Albania would need at the time around US\$500 million worth of food, basic consumer goods, and materials for its factories¹⁴. Having no other choice, the country turned to the West for aid, and received immediate assistance from the United States, the European Community countries, particularly from its neighbors Italy and Greece, and also from Germany and Turkey. It is estimated that Italy alone provided more than US\$300 million in food, raw materials, and replacement parts¹⁵. Germany pledged assistance in health services, the drinking-water supply, and student housing.

Figure 1. Total Aid to Albania, 1991-2015 (ODA+OOF+Private)



Source: OECD Database

Note: Data refer to current prices (in US Dollar, millions); the flows are reported for all donors total.

As a result, over the period 1992-1996 (see figure 1), Albania received €1.430 billion in total aid from DAC countries, majority of which (68%) was in form of official grants¹⁶. Additionally to the vital assistance in the first years of transition, the foreign aid had also long-term goals in assisting the country towards the difficult trail of democratization and market economy.

¹³ ODA refers to grants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent). In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are in general not counted. Read more here: <http://www.oecd.org/dac/stats/dac-glossary.htm#Grant>

¹⁴ Albania: A Country Study. Washington: GPO for the Library of Congress, 1994.

¹⁵ Ibid.

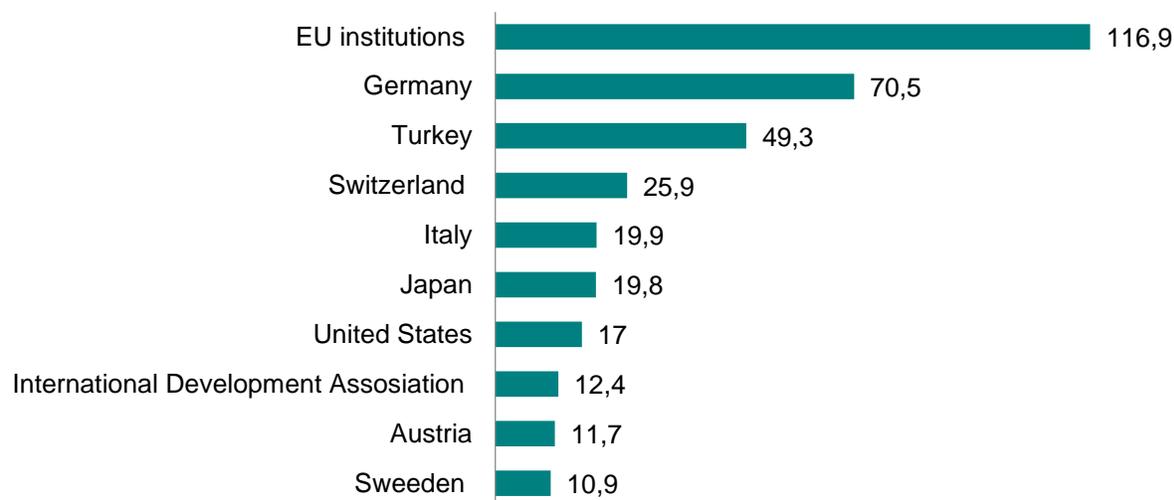
¹⁶ OECD Albania Country Assistance Evaluation 2000.

Albania has received foreign assistance, in both forms: from grants (monetary and in-kind assistance) and from soft loans. In the 2000-2010 period, total foreign assistance given to Albania amounted to € 3.71 billion euros, from which (58%) was in form of grant, levels of which have mounted between €240-405 million per year since 2000¹⁷.

During the 2009-2010 period, the foreign assistance provided by multilateral donors as loans overcame the total assistance provided as grants. In 2008, Albania achieved the middle-income status, due to its economic growth and progressive performance, and advanced from the IDA-s zero-interest rates loans to IBRD lending, giving positive signal to investors and the financial markets. In this period, the vast bulk of loans came from multiple donors and was oriented towards democratization and rule of law, economic development, infrastructure, energy, health education and social development.

In the recent years, there has been a decrease in development assistance to Albania. In the 2011-2015 period, official development assistance given to the country was € 1.613 billion euros¹⁸. Despite all the boost foreign aid gives to the economic and social development in Albania, on the other side, it has ulterior implications in increasing the country's public debt. Currently, Albania has the second highest public debt in the region 72.2%, after Serbia (76.8%)¹⁹.

Figure 2. Gross disbursement of ODA by donor in 2015



Source: OECD Database

¹⁷ External Assistance to Albania, Progress report 2009-2010, Department of Strategy and Donor Coordination.

¹⁸ OECD-DAC for 2011-2015 data

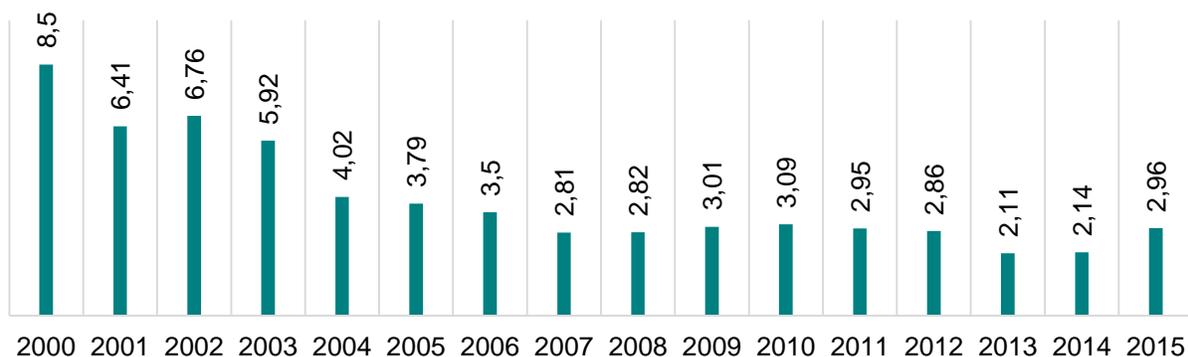
¹⁹ IMF, world economic outlook database, 2016 published version

More than 35 bilateral and multilateral donors have operated in Albania over the past years, among which the EU, the World Bank, UN agencies, Germany, Italy, Switzerland and Japan have been the most active ones. Additionally, international financing institutions – the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Central European Bank (CEB) and the World Bank – have provided loans for the development of the Albanian economy.

Against this backdrop, the European Union is the largest multilateral donor. From the European Community assistance alone, Albania benefited €1.020 million over the period 1991-2001, of which € 85 million were loans from the European Investment Bank²⁰. Overall, between 1999 and 2013 the EU committed over €853 million to Albania. From 1999 to 2006, Albania benefited from EU CARDS programme, which in 2007 was replaced by the Instrument for Pre-Accession Assistance (IPA) programme. Under this program Albania benefited from two components: the transition assistance and institution building, and cross-border cooperation, receiving a total allocation of approximately €594 million, from which €82 million were dedicated to the national programme. Previous IPA assistance in the sector was provided for the Public Administration Reform, notably for strengthening the capacities in a number of crucial areas such as Public Finance Management, including taxation and customs administration, public procurement, etc.

Under IPA II, Albania will benefit from a total indicative allocation of €649.4 million of EU assistance from 2014-20. The Commission adopted the 2014-20 country's strategy in August 2014. IPA II will address fundamental issues in the areas of rule of law, democracy, economic governance and public finances, to support reforms and investments in the light of the integration process.

Figure 3. ODA disbursements as a share of GNI (%)



Source: OECD Database

Note: Data refer to current prices; the flows are reported for all donors total.

²⁰ EC Press Release, Brussels, 20 December 2001

International assistance flows vary in terms of their contribution in the recipient economies, as figure 3 – showing the share of ODA flows in gross national income (GNI) in a timeline from 2000-2015 – reveals. The inflow has experienced a steady downward trend from an equivalent to almost 9% of GNI in 2000 to 3% in 2015.

4.1.2 Institutional arrangements for aid coordination

As early as 1994, Albania had established the Department of Economic Development and Donor Coordination, part of Council of Ministers. In close collaboration with the Ministry of Finances, the department set priorities for public investments and use of budgetary funds for this purpose, including funds derived from foreign aid. It designed the three-year program of the national strategy on priority investments (Medium Term Budget Program) and policies related to foreign aid.

In 2005, the Department of Strategy and Donor Coordination (DSDC) was formally established as an integral part of the Council of Ministers of Albania, aiming to target external assistance towards national priorities. The DSDC, in close collaboration with the Ministry of Finances and the Ministry of European Integration, and other line ministries and institutions, determined strategic priorities and fund allocations. The GoA approved in 2005 the Integrated Planning System, which defines the procedures of coordination for the foreign assistance. In 2012, the Ministry of Foreign Affairs (MFA) assigned a person to follow issues related to EU development policy and humanitarian aid. In 2014 it was substituted by the Department for Development Programming, Financing and Foreign Aid set up in the office of the Deputy Prime Minister to ensure that budget allocation, donor funding and strategic business investment are consistent with government priority objectives.

Albania signed the Paris Declaration on Aid Effectiveness in 2005 and subsequently adopted an Aid Effectiveness Agenda. In a joint cooperation with the Donor Technical Secretariat, Albania prepared the Harmonization Action Plan (HAP) in November 2009, which serves as a monitoring tool for the Paris Declaration. From 2010, Fast Tracking Initiative on Division of Labour was launched in Albania, as an added value to the existing coordination mechanisms established by the GoA, where the government and the donors will coordinate the process, through an appropriate division of labour among them. At the sector level, there are sector working groups (SWGs) created, including the Donor Focal Point, the Lead Donor under FTI DoL initiative, and Line Ministries or other GoA Institutions.

4.2 Albania as a donor of development and humanitarian assistance

As previously mentioned, Albania is essentially an aid recipient country, and it has neither a policy framework, which encompasses international assistance, nor a legislative framework and respective administrative structures in the field of development cooperation and humanitarian aid.

Pursuant to law Nr. 9900, date 10.04.2008 “On the State Material Reserves”,²¹ it only provides limited ad-hoc aid to non-EU countries on an individual case basis – mainly in response to natural disasters or civil emergencies following The latest example, in 2015, when 50, 000 EUR were transferred to the Macedonian Ministry of Finance as humanitarian aid to the people affected by the floods in Tetovo.²²

Albania also offers a modest contribution in peacekeeping operations, ranked 110 in the world²³. Albania’s primary contribution to peacekeeping is derived through its NATO membership or through strategic collaboration with the UN, NATO or other partners, as it lacks a modernized defense structure or economic capacities. However, in the recent years the country has been focused on its internal security reforms.

As the country gets closer to the EU, it will have to contribute more to EU-led crisis management operations in the future. It will have to adopt a legal framework to offer humanitarian assistance to non EU-countries and civic protection to Member States, in accordance to the EU humanitarian aid instrument, adopted by the Union under Regulation 1257/96²⁴. The change from recipient to donor of external assistance will require that Albania improve the administrative structures and its ability to participate in the decision-making process of EU, for planning and implementing development and humanitarian assistance.

As relevant political commitments in the field, Albania endorses and adheres to the Busan Partnership for Effective Development Co-operation, the Paris Declaration and AAA (Acra Agenda for Actions), and the new 2030 Agenda for Sustainable Development (including the Sustainable Development Goals – SDGs).

Following the adoption of “2030 Agenda for Sustainable Development” in September 2015 at the UN Sustainable Development Summit, UN member states started from January 1, 2016 the process of implementing SDGs. The main structure leading the localization process of the SDGs through coordinating and guiding the process of SDGs is the Strategic Planning and Development Unit, within the Department for Development, Financing and Foreign Aid, in the

²¹ <http://dprmsh.gov.al/ligji-per-dprmsh/>

²² National Plan for European Integration 2016-2020.

²³ Peacekeeping Contributor Profile: Albania. Available at: <http://www.providingforpeacekeeping.org/2015/03/30/peacekeeping-contributor-profile-albania/>

²⁴ See more at: Regulation 1257/96. Available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Ar10001>

Prime Minister's Office. Important actors in this process are also INSTAT, MFA and UN Agencies in Albania. An Inter-Ministerial Committee for the achievement of SDGs was established with the aim of providing guidance for the goals achievement, and for ensuring harmonization of SDGs with the national strategic framework.²⁵

In October 2016, the Government of Albania and UN Agencies signed the Programme of Cooperation for Sustainable Development 2017-2021, which entered into effect on 1 January 2017.²⁶ The Programme is designed to support Albania in translating the SDGs and the objectives of the National Strategy for Development and Integration 2015-2020 into actions. Under this Programme, the four priorities for the country include: governance and rule of law, social cohesion, economic growth, labour and agriculture, and environment and climate change.

Public discourse on development cooperation is scarce.

5. Civil Society in Albania

5.1 Overview of civil society

CSOs in Albania predominantly operate in the areas of human rights, gender and women's issues, youth, minority rights, environmental issues, and the promotion of democracy and good governance. For the most part, CSOs are located in the capital and in few large towns, with CSOs in rural areas and remote communities being underdeveloped and facing organizational and human resources bottlenecks.

Key basic data regarding the civil society sector are still not publicly available. There were reportedly 8449 registered CSOs in 2014, from which 2427 active.²⁷ In 2015, the sector has shown moderate growth, with 368 new organizations registered with the tax authorities out of 489 registered in the Tirana Court of First Instance.²⁸ CSOs engage an estimated total of 7505 employees amounting to 0.72% of total employment in the country. The proportion of total CSOs income to national GDP is the lowest across the Western Balkans and Turkey region (0.25%).²⁹

²⁵ Prime Minister Order No. 63 of 12 May 2017.

²⁶ Programme of Cooperation for Sustainable Development, UN Sustainable Development Framework 2017-2021. Available at: <http://www.un.org.al/editor-files/file/POC2021EnSig.pdf>

²⁷ BCSDN (December, 2015). Report on the economic value of the non-profit sector in the countries of the Western Balkans & Turkey.

²⁸ As pointed out in the 2015 Monitoring Matrix Country Report for Albania. The Court of First Instance in Tirana is the only state authority in charge of the registration of CSOs in Albania. However, in order to be 'active' CSOs have to register to the General Directorate of Taxation.

²⁹ BCSDN (December, 2015).

As regards public perception of civil society, latest data from December 2016, show that only 46% of Albanians are trustful towards CSOs,³⁰ suggesting that CSOs need to step up work towards achieving greater transparency, accountability and visibility of their activities.

The viability of the sector continues to be hampered by the lack of a diversified funding base and low organizational capacities.

5.2 Enabling environment of civil society

5.2.1 Legal environment

The legal framework regulating the establishment and dissolution of Albanian CSOs includes the Law on Nonprofit Organizations (2001), the Law on the Registration of Nonprofit Organizations (2001) and the Civil Code (1994). The Law on the Registration of CSOs poses various barriers for local CSOs related to the centralization at the capital of the processes of registration, dissolution or statutory changes. Moreover, the procedures are also lengthy and expensive and involve dealing with an administration generally not specialized on legal issues.

The regulatory framework for the basic legal guarantees of the freedoms of expression and the right to organize and/or participate in peaceful assemblies is in line with international standards³¹.

Moreover, over the last years, the legal environment for CSOs operation has shown improvements with the passing of some laws involving the new and improved laws on the right to information³² and on the notification and public consultation³³ in 2014, followed by the law on the establishment of the National Council for Civil Society (NCCS)³⁴ in 2015, and the laws on volunteerism³⁵ and social enterprises³⁶ in 2016.

However, against this backdrop, certain areas still remain problematic, These areas include apart from the centralization of the registration process, the legal and fiscal treatment of CSOs, public funding at the national and local level, philanthropy, and availability of data on the sector.

³⁰ IDM Albania (2017). Opinion Poll: Trust in governance.

³¹ USAID CSO Sustainability Index Reports and Monitoring Matrix Country Reports for Albania..

³² Law nr.119/2014 "On the Right to Information".

³³ Law nr.146/2014 "On Public Notification and Consultation".

³⁴ Law nr.119/2015, date 6.11.2015 "On the Establishment and Functioning of the National Council for Civil Society (NCCS)".

³⁵ Law 45/2016 "On Volunteerism".

³⁶ Law 65/2016 "On Social Enterprises in the Republic of Albania".

5.2.2 Financial sustainability

Financial sustainability remains the chronic challenge of civil society in the country. The sector is generally fragmented, overly dependent on foreign donor funding, and lacking a diversified funding base.

Public funding is insufficient and procedures for fund allocations require clarification and unification throughout the public administration to increase efficiency and transparency.³⁷ The Agency for the Support of Civil Society (ASCS) remains the main source of government funding to the sector. The Agency was established in 2009,³⁸ with the mission of encouraging the sustainable development of civil society via offering financial assistance to the sector. Since 2009, the financial amount allocated by the Agency has not seen an increase and the financial support for institutional development has been lacking.

Private donations continue to be limited because of non-conducive fiscal tax rules and other regulations discouraging individual donations and poorly incentivizing corporate ones.³⁹ In-kind donations are more frequent than financial donations and are mainly targeted to marginalized people and to offer relief for natural disasters.⁴⁰ Data show that philanthropic activity is more developed in the financial and insurance sector, information and communication sector, and mining and quarrying industry.⁴¹ According to the CAF World Giving Index (2016), 22% of Albanians reported donating to charities in 2015, compared to 27% in 2014 and 17% in 2013.

Since 2015, as an alternative funding source, CSOs, inter alia, individuals and public institutions are eligible to receive funding through lottery proceeds. The number of CSOs engaging in economic activity is also very limited.

5.2.3 Relations with the government

The Road Map for Albanian Government Policy Towards a More Enabling Environment for Civil Society Development⁴² approved in 2015 serves as a strategic document in guiding government policies towards creating an enabling environment for the sector. The Road Map covers nine priority areas, including public funding, government-CSO cooperation, the legislative framework for the registration and operation of CSOs, the development of

³⁷ EC (November, 2015). Progress Report 2015.

³⁸ Law Nr. 10 093, date 9.3.2009 "On The Organization And Functioning of the Civil Society Support Agency".

³⁹ Law nr,7892, date 21.12.1994 "On Sponsorships".

⁴⁰ USAID CSO Sustainability Index Report 2015.

⁴¹ Partners Albania. Philanthropic Activity of Enterprises in Albania, second survey, 2016.

⁴² The Road Map for Albanian Government Policy Towards a More Enabling Environment for Civil Society Development.

volunteering, and financial reporting and tax treatment of CSOs, and outlines concrete actions for each.

Over the past years, institutional mechanisms alongside new laws and regulatory practices have been introduced to regulate the cooperation between CSOs and state institutions. Nevertheless, as the 2016 EU Progress Report for Albania points out, there is still a need for closer cooperation and coordination at all levels of government with parliamentary and civil society platforms.

In 2015, the Parliament adopted the law for establishing the National Council for Civil Society (NCCS)⁴³ with the aim of institutionalizing the cooperation and permanent dialogue between the government and CSOs. The NCCS is comprised of thirteen civil society and thirteen government representatives – selected during 2016 –and is chaired by the Minister of Social Welfare and Youth, while ASCS acts as its technical secretariat. However, NCCS held its first informational meeting in June, but was not officially constituted until February 2017.

In 2015, also the National Council for European Integration was established with the aim of promoting and guaranteeing inclusiveness in the EU-related reform process. Despite civil society presence and participation in the Council meetings, EU Progress Reports for Albania (2015, 2016) note that civil society has yet to take an active role.

To this end, an adequate implementation of the now existing mechanisms remains the recurring obstacle in practice for exploiting these cooperation mechanisms⁴⁴.

Furthermore, the new laws adopted in 2014 on the Right to Information⁴⁵ and on the Notification and Public Consultation⁴⁶, provide ample opportunities for increasing CSOs engagement in decision-making and impactful advocacy along with improving the sector's public image. However, central and local government bodies are not adequately implementing these laws, and still pass laws and strategies without consulting relevant stakeholders.⁴⁷ For example, while the number of public hearings and consultations has increased, CSOs continue to be worried about the impact of these mechanisms. Also, as regards public perception on the issue, 45% of Albanians believe that suggestions coming from civil society and interest groups on draft laws are not taken into consideration.⁴⁸

⁴³ Law nr.119/2015, date 6.11.2015 "On the Establishment and Functioning of the National Council for Civil Society (NCCS)".

⁴⁴ EC (November, 2015). Progress Report 2015.

⁴⁵ Law nr.119/2014 "On the Right to Information".

⁴⁶ Law nr.146/2014 "On Public Notification and Consultation".

⁴⁷ 2016 Monitoring Matrix Country Report for Albania.

⁴⁸ IDM Albania (2017). Opinion Poll: Trust in governance.

5.3 CSOs involvement in development cooperation

Thus far Albanian CSOs involvement in the field of development cooperation is limited only to regional projects supporting awareness raising on the development agenda and capacity building activities.⁴⁹

6. Conclusion and recommendations

To date, Albania has made limited progress in aligning with the *acquis* in the area of development cooperation and humanitarian aid – with no relevant policy, legal and institutional frameworks in place. The country will need to develop its own national policy in the field and further build its institutional capacity so as to comply with EU standards. However, throughout this whole process – starting from the alignment, involvement in accession negotiations for Chapter 30 and eventual transition from a recipient of Official Development Assistance (ODA) to a donor country – the meaningful contribution and involvement of an informed civil society remains paramount. In addition, political and public support will prove to be vital, too.

What can the government do?

- Draft a strategic document for development policy and humanitarian with defined aims, principles, priorities, instruments and roles and responsibilities.
- Internalize the lessons learned from the regional experience of V4 countries in establishing effective structures for the provision of development and humanitarian aid.
- Envision concrete opportunities for the facilitation and inclusion of national and local civil society in the EU accession process.
- Ensure an enabling environment for civil society operation, focusing on the financial viability of the sector and its involvement in the decision-making processes.
- Increase public awareness on development cooperation and development education activities.

How can the CSOs become involved?

- Participate in or/and implement regional projects in cooperation with CSOs from the region and beyond with track record on development issues – in order to increase capacity building and raise awareness of local CSO on international development.

⁴⁹ The regional project “Western Balkan CSOs for Global Development” supported by Austrian Development Agency and SlovakAid.

- **Initiate national platform building processes that would firstly focus on SDGs, as a common ground between multiple and varied partners, instead of development issues – in order to find a common ground and a stronger advocacy voice.**
- **Engage in activities with different stakeholders (state authorities, local CSOs, churches, media etc.) to raise public awareness and to facilitate public debates on international development and SDGs – in order to build support and take the citizens on board from the beginning.**