



# Needs Assessment Report

Albania

Updated 2011

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**TACSO**

**EuropeAid/127427/C/SER/Multi/5 – additional services**

**ALBANIA**

**NEEDS ASSESSMENT REPORT**

**Tirana**

**10 October 2011**

## INTRODUCTION

This study is one of eight country needs assessments of civil society capacities conducted as a preliminary activity within the EC-funded project Technical Assistance to Civil Society (TACSO) in IPA Countries (EuropeAid/127427/C/SER/Multi/5 – additional services), implemented by SIPU International, during the period August 2011-August 2013. An initial assessment was conducted at the beginning of the TACSO project, which served as a basis for TACSO 1 activities for the period 2009-2011. The reasoning behind the revised needs assessment is related to what TACSO 2 is expected to address as priority issues related to the legal and institutional framework for civil society including legislation, registration, consultation mechanisms and funding; working in strategic partnership programs with like-minded Civil Society Organisations (CSOs); strengthening the collaboration between the media and CSOs, etc. In addition, the revised report reflects the reforms and changes since August 2009 as well as the planned reforms (decisions to be implemented or new initiatives). It also contains specific proposals on the institutional issues to be addressed by TACSO 2.

The aim of the revised needs assessment is to provide a comprehensive assessment of civil society in Albania and the relevant working environment, including its strengths, weaknesses, and its impacts to date, as well as the challenges it faces to its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society mappings and evaluations, situation analyses, policy documents and country-specific academic literature, and a consultative stakeholder analysis carried out by means of focus groups, interviews and questionnaire surveys with civil society organisations (CSOs), government actors, donor organisations and other institutional players. The study is an integral part of the project's inception for TACSO 2 and it provides the premise for the majority of other project activities by serving as the basis of the development of the regional as well as national work plans to be implemented during the project's duration.

In line with the project's Terms of Reference and SIPU's technical proposal, the revised study understands civil society in the following two complementary ways:

1. All organisational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the public authorities and citizens. This definition clearly emphasises the associational character of civil society, while also accentuating its representational role. Civil society would include a variety of organisational types, including, NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trade unions and grassroots community groups (CBOs), etc.
2. A space for views, policies and actions supportive of alternatives to those promoted by the government and private sector. This definition places the emphasis on social inclusion, social and political pluralism and the rights of expression in developing a participatory democracy.

The paper is composed of four sections:

- Section one provides an analysis of the civil society environment and any reforms or changes since 2009, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support to civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities. Public perceptions and support to civil society and its various segments as compared to 2009, together with the official proposals on institutional issues are expected to be addressed by TACSO 2.

- Section two gives an overview of the main features of civil society: the types of organisations represented and their key organisational characteristics, the types of activities they carry out and their main sectoral interests, their geographical distribution and way they are structured within an overall civil society architecture. CSOs are assessed according to their technical, organisational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other actors including other CSOs, the government and the community, and material and financial stability and resilience.
- Section three summarises the main achievements of civil society to date, noting key milestone achievements and broader social impacts, and also identifies shortfalls in civil society performance, which is in need of strengthening and further development. It also provides an analysis on how to overcome such challenges in the future and how the project could assist in overcoming them, together with considerations on TACSO 2 downsizing direct capacity building to individual organisations.
- Section four draws up conclusions and sums up the most important institutional and organisational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for both the project's regional work plan and country-specific work plan.

## **1. THE CIVIL SOCIETY ENVIRONMENT**

### **1.1 Legal framework – an analysis of relevant laws and financial regulations**

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On paper, the legal framework governing CSOs and their operations is favourable and in line with accepted international standards and regional practice. However, there is a lack of clear regulations associated with the key CSO law and its implementation which means that many procedures remain opaque. In particular, financial reporting and taxation are areas of uncertainty. There is a need to clarify the tax framework, under which the distinction between CSOs and profit-making businesses is insufficiently distinct, and also to provide additional tax benefits to the CSOs to benefit their longer-term sustainability. In setting out to achieve this, during the period 2009-2011 Soros Foundation together with Partners Albania, Co-Plan and IDRA undertook a series of consultations with CSOs, which resulted in the preparation of an Assessment Report on Fiscal Framework of Civil Society Organisations. This assessment provided a detailed overview of the key issues regarding the fiscal environment for NGOs in Albania and provided suggestions on how these issues should be solved. The Assessment Report was produced by the European Centre for non-profit Law Hungaria (ECNL) and clearly highlighted that there is confusion in Albania between the non-profit and profit-making organisations and economic activity as a concept. These terms should be clearly defined in the law by making clear differentiation between economic and non-profit activities and to what extent NGOs are allowed to engage in economic activity. The report also stated that a revision of the relevant provisions of the Civil Code and the NGO law may be required. The Assessment includes several issues related to the tax treatment of NGOs' income in Albania. There is a need to include a clear and expressive exemption from the income tax for grants in the NGO law (as well as in any tax laws that deal with NGO income taxation). This will terminate the possibility for different interpretations of whether grants are part of the non-profit activity of NGOs or not, and whether such grants are taxed or not. In addition, there is a need to make sure that the non-profit activity is not taxed with the income tax in any way, including by levying a tax on a positive result at the end of the year.

## **Law on non-profit Organisations**

CSOs currently operate under the Law on Non-profit Organisations (no. 8788), which was drawn up by the Government in close cooperation with CSO leaders over an extended four-year period of consultations. CSOs are defined as not-for-profit, membership-based **associations**, **foundations** for the management of financial capital and property, and **centres**, in effect or building-based associations. Albania is unusual in not requiring a minimum endowment for the registration of foundations, considerably easing their establishment.

Registration and regulation of trade unions, political parties and other forms of non-profit organisations lie outside this Law, and strictly speaking, are not part of this Law as they are not considered to be CSOs because their functioning and organisation is regulated through another law.

Key features of the Law on Non-profit Organisations, applying to all three CSO forms include:

- All natural and legal persons, including foreigners, may establish a CSO;
- Recognition of the right of individuals to establish informal, unregistered associations;
- Establishment of a procedure for international and foreign organisations to obtain legal entity status in Albania;
- Provision of a broad discretion to CSO founding members to structure the internal governance of organisations
- Provision of appropriate governance rules and measures to avoid conflicts of interest, to carry out conflict resolution and to ensure organisational self-determination;
- Permitting CSOs to engage in economic activities, including charging for services and products;
- Explicit recognition of the right of CSOs to receive grants and donations from any private or public person, Albanian or foreign;
- Establishment of a framework for the public financing of CSOs, opening the door to contracting CSOs' services by the government.
- Limiting the state power to close a CSO or otherwise interfere with its normal operations.

The procedures for registration of CSOs are considered clear and simple, but the requirement to register centrally at the District Court of Tirana has proved to set up some barriers for smaller grassroots organisations from outside of Tirana. In addition, in the course of the consultative meetings organised in three major regions of Albania, with 71 representatives of civil society organisations and local government units, CSOs expressed their concern regarding the tax obligations, which obliges non-profit organisations to have one full time staff member to pay all taxes in order to keep the CSO functional. Such an obligation has considerably reduced the number of active organisations in Albania for few of them can afford to meet such criteria.

## **Economic activities and profit tax**

Grants and membership dues are exempt from taxation.

CSOs are allowed to engage in economic activities in order to achieve “the purpose and object of their activities,” as well as to manage and maintain their property, as long as economic activities are not the CSOs' primary purpose. As the tax laws have not been amended in accordance with the Law on Non-profit Organisations, the financial regulations do not distinguish between CSOs and commercial

enterprises. Consequently, CSOs are liable to profit tax of all income on all economic activities on the same basis as other legal entities.

CSOs and any other legal entities which carry out public benefit activities, that are “religious, humanitarian, charitable, scientific and educational activities,” are exempt from tax, provided that the property or profits are not used for the benefit of the founders or members.

CSOs are also explicitly permitted under the Law on Non-profit Organisations to raise income from their assets by means of investments, and the renting and sale of property. Income from these activities is also subject to standard tax.

Over the years, there has been considerable confusion surrounding the implementation of the above tax regulations. Tax-exempt CSOs are required to possess a tax code and report to the tax authorities in the same way as profitable businesses and non-exempt organisations.

### **Deductibility of Charitable Contributions**

Businesses which pay a standard profit tax may claim back tax on donations (classed as a business “sponsorship”) to CSOs of up to four percent of taxable income. For individual “traders” who pay small business taxes, tax may be deducted on donations of up to one percent of taxable income. This incentive remains, to all intents and purposes, notional as businesses have only made use of it on very rare occasions. Not only is the law not widely known and understood among the business community, but corporate philanthropy also remains in its earliest stages of development in Albania (see section 1.2).

Albania is one of the few countries in the region which provides no tax incentives for individuals to give charitably.

### **Value Added Tax**

CSOs are not required to register for VAT and thus they are exempt from charging VAT on their services. Otherwise they are liable to pay VAT at the full 20 percent rate on all services and products they themselves buy.

In 2008, the Government introduced arbitrary changes to the tax law, without consultation with civil society, which was in direct contradiction to the measures set out in the Law on Non-profit Organisations. These required CSOs to pay 20 percent VAT on all donations received and service contracts, thus significantly undermining the sector’s ability to carry out activities in a sustainable and cost-effective way. CSOs launched a vigorous campaign to have the amendment revoked, to which the Prime Minister responded in early 2009 by forming a working group, consisting of representatives from both the Ministry of Finance and civil society, to review the whole issue of taxation of NGO grants and earned income.

The same attempt, commissioned by SOROS Albania happened in July 2010, when the Prime Minister committed to seriously look at this question. Nevertheless, the very long process of holding the elections for local government in May 2011 put this initiative again under the shadows and the situation remains practically unchanged.

In addition to the specific issue of VAT, civil society strongly advocated to the full harmonisation of all tax regulations with the provisions of the Law on Non-profit Organisations and a separation of CSOs’ not-for-profit economic activities from normal commercial activities, in order to clarify both tax and reporting obligations.

While the Ministry of Finance has so far not responded to the majority of civil society proposals, the principle of grants and donations free of VAT has been re-instated as mentioned in the previous section.

## 1.2 Donors and funding opportunities

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In general, the current funding opportunities for civil society in Albania are insufficient to meet its financial needs (USAID 2009). The situation has not changed for the follow-up period. Thus, CSOs in Albania remain largely dependent on international donor assistance. In common with most countries in the region, bilateral donors have reduced their support to the country, including civil society, and some have even left. Denmark, previously an important supporter of civil society strengthening and the media, ceased its support to CSOs in 2008, after the completion of an eight-year regional Neighbourhood Programme. The Netherlands, while still providing small grants to CSOs, have reduced their engagement and are restructuring and slimming down their MATRA programme. A number of major programmes supporting CSO activities, such as the World Bank's Social Service Delivery Project have ended, while other donors, such as USAID are delivering support for areas of concern to civil society, such as the promotion of democracy, strengthening governance and the fight against corruption, directly to the Albanian government and public institutions.

The EC, with the responsibility to support Albania's progress towards European integration by means of the Instrument for Pre-accession Assistance (IPA), is now the single most important foreign donor to civil society. The current Multi-annual Indicative Planning Document (MIPD) 2011-2013 maintains and underlines that support to civil society remains a priority area of EC intervention in Albania. This is particularly due to strengthening the third sector and its integration with all sectors of the MIDP in particular in the fields of environment, justice and home affairs, public administration reform and social development. Acknowledging the importance of civil society being able to play its role in a participatory democracy, the MIPD states that the civil society development in Albania remains generally weak. Local NGOs require training to adapt to present conditions, to strengthen their capacities and to participate in the European integration process. It is also necessary to encourage the freedom of association, to put in place regulatory frameworks and public incentives for the development of civil society organisations, and to guarantee a supportive legal environment for civil society activities.

The European Commission aims to allocate indicatively around 2-5 percent of the overall assistance for the three years to civil society support.

The Civil Society Facility –set up by DG ELARG which encompasses contributions from the Albanian national programme as well as from all other national programmes in the Western Balkans plus Turkey and from the Multi-beneficiary programme.- includes also actions to strengthen freedom of media and expression, as it represents a basic precondition for a functioning democracy.

### IPA and other EU funds

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During the last few years, a significant number of grants have been allocated to CSOs under **CARDS 2005 and 2006**, totalling over three million EUR. Simultaneously, under **IPA Civil Society Facility 2009**, approximately 1.3 million EUR was allocated to CSOs for actions aiming at fighting corruption, support to environmental protection and education, strengthening of media and support to vulnerable groups. Nine CSOs were contracted for this call, out of which six CSOs received training, help desk and consultancy services rendered by the TACSO Albania Office.

In addition, approximately 1.8 million EUR have been allocated to NGOs operating in Albania under the EIDHR Country-Based Support Scheme in the period 2007-2009. These funds have contributed to the

implementation of actions aimed at strengthening the role of civil society in fostering human rights and democratic reform, including access to justice, the protection and promotion of the rights of children, women, minorities and people with disabilities. For the period 2010-2011, 1.2 million EUR was further allocated for the early 2011 launch by the same instrument, (EIDHR) for actions aimed to support children, women and minority rights, people with disabilities and mental illnesses and access to justice. Procedures for the award of this grant scheme are under way.

Current project opportunities include:

- **Civil Society Facility** - The Project Country Fiche for Albania 2011-2013, encompasses three million EUR from IPA contribution (2012 – 1.5 million Euro, 2013 – 1.5 million Euro). In the framework of the **Civil Society Facility 2011-2013** under the yearly CfPs, the focus will be improving the functioning of the justice system, improved living conditions of vulnerable groups through service delivery at the field level as well as advocacy and policy dialogue with the Government at central and local levels

- In the framework of the IPA National Programme 2011, 1.5 million EUR have been earmarked to support a project aimed at promoting the social inclusion of the Roma and Egyptian communities in Albania, which will be implemented by UNDP. One of the main components of this action will consist of a re-granting mechanism targeting Roma and Egyptian grassroots organisations for the implementation of small-scale projects.

**1. Cross-Border Cooperation.** – Small grants of 20,000 – 50,000 EUR to CSOs and municipalities for a range of socio-economic two-country partnership projects, with all EU and potential EU member countries. IPA 2009 calls for proposals: Albania–the Former Yugoslav Republic of Macedonia<sup>1</sup> (IPA II 2007) with 340,000 EUR allocated to Albanian partners, 680,000 to Macedonian partners; Albania–Montenegro (IPA II 2007), with 767,000 EUR allocated to Albanian partners, 540.000 EUR to Montenegrin partners. These Grants are already awarded and projects have initiated their implementation. In 2010, the EU Delegations in Albania, Montenegro and Macedonia jointly launched the second calls for proposals for Albania-Montenegro, Albania-Macedonia in the forms of grants schemes. Results on awarded contracts are to be announced.

IPA Cross-Border Program Greece-Albania. The first call was launched in December 2010 and the First Call for proposals under IPA-Adriatic was launched in August 2011. Based on the MIPD for Albania, a total of 31.08 million EUR were earmarked for all IPA II cross-border cooperation projects in Albania for the year 2011-2013.

**2. Other EU-funded programs** – CSOs may also apply to the EU Community Programmes that Albania participates in, which include the 7th Research Framework Programme, the Entrepreneurship and Innovation Framework Programme, the Culture Programme and the Europe for Citizens Programme.

#### **Other International Donors**

**1. Civil society fund**, for support to small-scale initiatives costing up to 25,000 EUR and lasts 12 months or less. Particular areas of emphasis include gender and good governance.

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<sup>1</sup> hereinafter referred to as Macedonia



2. **Matra** is direct support from the Netherlands. “Matchmaking” funds for Dutch-Albanian NGO partnerships for activities to strengthen pre-accession and good governance. The whole Matra programme is currently being reviewed so the continuation of this and Matra KAP is uncertain.
3. **Matra – KAP** – small grants for development cooperation.

**CIDA (Canadian Agency for International Development)** – provides Canadian \$50,000 (33,000 EUR) a year through its Canada Fund for projects delivered by Albanian CSOs, managed by its embassy in Italy.

**UK embassy** - in Tirana has a small Devolved Fund to which CSOs may apply for typically one-off activities for the value of £5000 (5,700 EUR).

**SIDA (Swedish Agency for International Development)** – provides institutional support to Albanian NGOs which work towards influencing decision making, to improve equality so that women can have greater influence in politics and to ensure that environmental issues receive attention. This support is provided through Swedish NGOs, who mainly work with long-standing Albanian partner CSOs; for example, Kvinna till Kvinna which works with seven Albanian women’s CSOs and Olof Palme International Center. The new strategy for the Swedish Development Cooperation with Albania 2009-2012 is now at its implementation phase. The Government of Albania and SIDA are in continued discussion to operationalize the strategy aiming at a better focus and coordination with other donors possibly through a programme or sector based approach in order to increase the efficiency of the donor support.

SIDA is now at the phase of evaluating applications from Kvinna till Kvinna, Olof Palme International Center, Civil Rights Defenders and REC. The total forecast, which includes the above four programs (being three to four years and expected to initiate by 2012) are the following:

- 2012: SEK 18. 600.000, approximately MEUR 2
- 2013: SEK 19.502.012, approximately MEUR 2,1

## **UNDP**

1. UNDP Roma project: 80,000 USD will be distributed through grants to Roma NGOs in four regions: Tirana, Durrës, Elbasan and Fier. The first round of calls for applications will be launched in November/December 2011, while the second will be within the first quarter of 2012.

2. Civil society project (Empowering Civil Society in Rural Areas) implemented through the Institute for Democracy and Mediation, 35,000 during the second half of 2012 in small grants (1500 USD) for local civil society organisations in the regions of Elbasan, Gjirokaster, Lezhe and Berat.

3. Small grants programme. This is a project that finances different project proposals coming from NGOs (all over the country) in these areas: Biodiversity, nature protection and climate change. The total amount for the small grants for 2012 is 150,000 USD.

## **Government Funding**

The central government provides funding to CSOs by contracting for service delivery and dispensing project grants through its line ministries. The Ministry of Labour, Social Affairs and Equal Opportunities contracts CSOs to run a number of its services such as, care centres, training and education centres and

vocational training. The Ministry of Tourism, Culture, Youth and Sports provides a total of approximately 740,000 EUR for CSO projects in the fields of culture, arts, sports, cultural heritage and youth.

In 2009, as an outcome of a two year, GTZ-funded project to strengthen government support for and cooperation with civil society (see also below section 1.2), the Government established a Civil Society Fund, financed directly from the state budget for financing social services provided by CSOs. The funds for the grants come from the state budget. Consequently, the Agency in Support for Civil Society (ASCS) was established under Law No. 10093 on March 9, 2009 to carry out this task. For the year 2010, the fund for the first grant scheme was USD 600 thousand. The first call for applications was announced in October 2010 and more than 130 organisations applied, out of which 52 were selected to receive funding.

During the period of March – April 2011, a second call for proposals was launched for grants up to 1.000.000 leke (approx. 7.150 EUR) and 32 organisations received funding mainly covering environment, tourism and cultural heritage issues. This will be a yearly practice, but the challenge remains in the capacity building of the staff of the Agency in Support for Civil Society. TACSO Albania has established its links with ASCS and has involved the staff and management in capacity building, trainings, seminars, regional events, study tours and will continue to strengthen cooperation in these regards, as the Agency is one of the major instruments to improve the dialogue between the government and civil society sector.

### **Albanian foundations**

**Open Society Foundation Albania (OSFA)** – Part of the worldwide network of foundations established by the financial entrepreneur George Soros, OSFA has operated as an independent Albanian organisation since 1992. In that time, it has been one of the most important investors in capacity building of CSOs. However, in recent years it has considerably scaled down its activity in this area. Its core budget is approximately US\$ 1,700,000 (2010 core budget). OSFA provides small and large grants between from US\$2000 (approx. 1,400 EUR) and US\$ 40,000 (approx. 28,500 EUR), and also implements several operational projects by itself. Its strategy consists of three priority areas: Good Governance and European Integration, Human Rights and Rule of Law, and Social Inclusion, through monitoring and watchdog projects, advocacy and lobbying, accountability and capacity building. Funds allocated by the Foundation in 2010 for the strengthening of civil society through capacity building and support for CSO networking amounts to approximately US\$ 150,000 (approx. 107,000 EUR).

### **Community support and business contributions**

Despite good economic growth in Albania over the last decade, reasonable incentives for corporate philanthropy and funding of CSOs by private businesses are extremely limited, if not negligible. Generally, this support comes in the form of small funds for one-off activities without any sense of strategic or social purpose, mainly because the business community does not yet understand the role of civil society. Only six out of the 52 CSOs consulted for this study reported ever having received support from the business sector.

At the end of 2007, the Vodafone Company in Albania established the first, and so far only, commercially funded foundation for providing assistance to civil society initiatives, the Foundation Vodafone Albania. This intends to make a positive contribution to local communities by making direct grants to locally registered CSOs (and international NGOs) to support projects which will make a social

impact, specifically in the fields of education, health, social welfare and environment. Target groups are people in need, especially children with special needs, as well as other vulnerable groups.

Individual giving to CSOs is similarly restricted and insignificant as a form of project or organisational support. There are no tax incentives to individual giving and Albania has no tradition or culture of this kind of philanthropy.

### **1.3 Government mechanisms for civil society – government cooperation and the policy framework determining government – civil society relations**

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Although to date, neither the Government, nor civil society have developed a strategy for developing cooperation between the two sectors or strengthening civil society and improving the environment in which it works, the Government has undertaken some steps with regard to establishing a set of mechanisms for mediating its relations with civil society. Under the auspices of the GTZ-funded project “Strengthening civil society and empowerment of local democratic structures,” a jointly conceived draft of a Civil Society Charter has been drawn up which is intended to regulate the CSO-government relations. It is now made public on the Web site of the Agency for the Support of Civil Society to be used by all CSOs that might refer to it for various issues.

#### **Agency for Supporting Civil Society**

On March 9 2009, the Albanian Parliament adopted the Law on the Organisation and Functioning of the Agency for Supporting Civil Society (Law No. 10093). The law was signed by the President and was published in the Official Journal of Albania on April 2, 2009. The Agency provides for support activities aiming to encourage the sustainable development of civil society and the creation of favourable conditions for civic initiatives, including better coordination with the central government. The principal structure with the Agency will be the Civil Society Fund described above in section 1.2.

The Agency is constituted as an independent body at “arms length” from the government, and its board includes a majority of five civil society representatives, with a further four civil servants from the central public administration. Board members serve four-year terms, with the possibility of being re-elected only once. During the past two years the Agency is fully operational in terms of grant giving and increasing its capacities. TACSO Albania has already established a dialogue and cooperation with the Agency and supports its capacity building both at the local and national level.

### **1.4 Government (local and national) institutional capacities for engaging civil society**

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Relations between the Government and CSOs are generally poor and their development continues to be beset by misunderstandings and institutional snags. While relations between the two sectors have tended towards increasing cooperation over the last decade, the imposition by the government on VAT on CSO income (see section 1.1) has soured relations to a certain extent. In many quarters of public administration, CSOs continue to be viewed with suspicion; civil society is often considered a political opponent of the Government and also as a potential obstacle to the ongoing reform process. There is also the perception that CSOs exist to serve the interests of private individuals or selective fractions of society rather than the public at large. A survey of CSOs conducted in 2008 concluded that CSOs do not believe that the government considers civil society a serious or important influence on its efforts to increase transparency and accountability. (EPD 2009)

Very few government ministries and departments have established mechanisms for engaging with civil society and their administrative capacity to do so is inadequate. Where mechanisms designed to enhance CSO participation in policy decisions do exist, they remain weak. Cooperation between the government and CSOs is usually conducted in a haphazard and ad hoc process, usually owing more to solicitation from interested CSOs than a desire from the public administration to undertake systematic and open consultation with the public. Consequently, CSO participation in the policy-making process is low and non-influential. However, it should also be noted that recent times have seen a substantial decrease of CSO-led advocacy activities, largely owing to the difficulties CSOs face with securing adequate financial resources as foreign donors scale down their support to Albania, which has reduced the civil society's ability to influence government policy. A further factor in a general weakening of civil society's effectiveness in the policy arena is the open affiliation of many think tank leaders to political parties, which has clearly compromised their ability to enhance public representation and participation in the policy-making process.<sup>2</sup>

Examples of successful government-civil society cooperation include:

- During 2000, inclusion of civil society in consultations for the preparation of the National Strategy for Social and Economic Development (NSSD), or PRSP. The central and local government, civil society (including non-governmental organisations, private business, and other citizen groups) and donors were all engaged in this broad process. For the first time civil society was able to articulate sector based priority actions in the field of education, health, agriculture and social protection.
- Drafting of the Law on Measures Against Violence in Family Relations (adopted June 2007). This measure was based upon a draft law presented by women's NGOs to Parliament in 2006, with the backing of a public petition signed by 20,000 people. Apart from defining domestic violence as a crime punishable in court, the Law also established a coordination of government authorities for fighting domestic violence, led by the Ministry of Labour, Social Affairs and Equal Opportunities.
- CSO involvement in strategy and policy development by the government Committee for Gender Equality, such as the preparation by the Municipality of Tirana for a plan for the protection against domestic violence.
- The Law "On Legal Aid" (December 2008), which establishes a provision for a structured system of legal aid and access to justice for people in need, was the work of a project organised by the Tirana-based NGO the Free Legal Service Tirana, in co-operation with the government and civil society partners.<sup>3</sup>
- The Law on Anti-discrimination was prepared in consultation with civil society and adopted by the Parliament.

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<sup>2</sup> While institutional arrangements for government-civil society cooperation of all kinds have never been developed satisfactorily, in retrospect it can be seen that during the early 2000s in Albania, relations between the two sectors were broadly collaborative and civil society enjoyed increasing influence. Broadly speaking, the government established a supportive environment for CSOs involved in service delivery and contracted CSOs directly with increasing frequency; government consulted regularly with CSOs, particularly specialist think tanks, when drafting policy; and owing to sustained pressure from CSO advocacy networks, the Government was often prompted into revising or enacting new legislation in key areas of social policy needed reform, such as the fight against corruption. Since 2005, a general weakening of civil society solidarity and effectiveness and a rise in government circles of old suspicions and antagonisms towards CSOs, has undermined these earlier developments towards government-civil society cooperation: government, particularly at the local level, has reduced the number of services it contracts CSOs to carry out directly, CSO engagement in the legislative and policy-making process has subsided and government has made moves to amend financial legislation to the detriment of CSO sustainability.

<sup>3</sup> Partners included, the Women Advocacy Center, the Albanian Helsinki Committee, Office of Citizen Protection, National Advocacy Center, Ministry of Justice, Ministry of Labor, the High Council of Justice, General Prosecutor's Office

- The Albanian Disability Rights Foundation (ADRF) has been instrumental in helping the government draft a strategy for addressing disability issues and monitoring its progress (USAID 2007).
- A Consumer Protection Commission (CPC), a decision-making body, was established in April 2009 and has started to address the first dispute between consumers and service providers. The CPC's five members include representatives of the Government and of civil society.
- Drafting of a variety of national strategies including the Strategy on Gender Equality and Violence, the Strategy Against Trafficking of Human Beings, the National Strategy for People With Disabilities and the Strategy for Children's Rights and their Protection.

While legislation provides for participation of citizens in decision-making at the local level, this has not been effectively realized because of (a) the absence of detailed rules at the local level facilitating participation; (b) citizens' lack of awareness of their rights and the responsibilities of local governments; and (c) apathy for civic engagement in governance.

### **1.5 Public perceptions and support of civil society and its various segments**

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The public profile of CSOs still remains low; there is only limited public awareness of CSO activities, and an incomplete understanding of civil society's role in representing public interests and advancing good governance.

Many members of the general public have the impression that CSOs exist only to benefit the interests of their leaders and staff and that they do not represent grassroots opinions of the interests of target groups or the general public. CSOs are often poorly connected with the communities in which they work and, accordingly, often have weak memberships and are poorly supported by their constituencies.

The lack of a tradition of voluntary associational behaviour in Albania, whether for social, political, religious or other purposes, militates against stronger and more enthusiastic public participation in CSO activities. There is also no tradition of voluntarism, which is a further obstacle to public involvement and support for civil society.

### **1.6. Official Proposals on institutional issues expected to be addressed by TACSO 2**

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During the course of September 2011, the TACSO Albania Office, conducted a series of consultative meetings with civil society organisations and local stakeholders in three major regions of Albania, respectively Durrës (35 representatives), Pogradec (20 representatives) and Shkodra (16 representatives) in order to receive feedback from CSOs on their priorities to be addressed by TACSO 2.

With regard to institutional issues, there was an amplified need to organise joint efforts with regards to the improvement of the legal and fiscal framework for CSOs in Albania. Among all contacted groups, this issue has been the most recurrent concern for CSOs. Consequently, the TACSO Albania Office will undertake in coordination with the European Union Delegation to Albania, steps to further the process, through special events like the Single Beneficiary Event under P2P Program to be held in Albania targeting the above subject. Through these steps, TACSO will also provide capacity building for CSOs to better understand and address the issues of the legal framework for CSOs.

TACSO will follow up in assisting the Agency for the Support of Civil Society through various activities and events in order to bridge the dialogue between the structure, CSOs and the government.

In addition, various networking events and exchanges will promote cooperation with other countries, learning and acting based on success stories to be carried out in Albania or at the regional level.

## **2. CSO ORGANISATIONAL CAPACITIES**

### **2.1 Overview of the civil society community in Albania**

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#### **Structure of civil society**

Albania's CSO sector is small and relatively undeveloped. Officially there are 2,231 registered associations, 311 foundations, and 552 centres. However, recent civil society assessments and intensive observations from the TACSO Albania Office estimate that the total number of active CSOs does not exceed 450.

These modest figures are explained by a relatively new history of the third sector in the country. Thus, prior to the collapse of the communist regime in 1990, there were no CSOs operating in Albania and consequently the sector is young and emerging. Civil society in its initial formative years attracted considerable institutional and project funding from international donors, including, in very many cases, longer-term support from non-operational international NGOs which pursued their missions by means of supportive partnerships with their young Albanian partners. A great many of the country's largest, most organisationally well-developed and sustainable CSOs are those that benefited from this support during this earlier stage of donor enthusiasm for civil society in Albania.

Unsurprisingly, there is a marked concentration of CSOs of all types in the capital of Tirana, and to a lesser extent in the main northern town of Shkodra, and there are considerably higher numbers of organisations in the central region (which includes Tirana and major towns such as Durrës, Elbasan, Korce), than in the northern or southern areas. Civil society is weakly represented in all rural areas.

Almost all of the larger, fully professional CSOs, which include a high proportion of the country's rights-based advocacy and research organisations (such as those promoting human rights, the protection and rights of children, democracy and good governance, as well as policy think tanks) as well as those dealing in economic development, are based in Tirana.

Although associations (as opposed to foundations and centres) are membership-based, self-help organisations or those which exist solely for providing services to members are few in number. Thus, organisations tend to provide benefits for wider target groups in the community and the membership base of CSOs is often relatively small. This also reflects a generally poor level of constituency development by CSOs and low levels of community support. Numbers of active, informal community-based groups are negligible.

Some of the most active and influential organisations at the community level, those working to provide rights-based education and mobilise citizens to participate in the decision-making process, are the professional Tirana-based elite, many of which have regional and local offices and centres. A number of these, such as Co-PLAN and the Institute for Democracy and Mediation (IDM) carry out this work as part of a wider mandate to promote local economic development, local government reform and improved governance.

Very few CSOs are fully professional, both in terms of execution of the activities they carry out and in their ability to retain permanent, salaried staff. The tendency to use part-time or voluntary working practices negatively impacts CSOs' level of engagement and activism and even many relatively well-organised outfits are not continuously active.

Typically, Albanian CSOs, particularly if situated outside Tirana, are small organisations with three or less staff members receiving remuneration for their services, light on professional skills and experience and financially insecure. Dependence on scarce project funding from international donors determines that very many CSOs adopt broad missions as a hedge and consequently they lack specialised knowledge in any particular area of activity.

The civil society sector in Albania as a whole is poorly integrated and represented. There is no sector-wide forum or network dedicated to the coordination of CSO efforts; to the establishment strategy and the development of civil society as a whole; and no single organisation is accepted by CSOs as a leader or representative.

As stated in the USAID NGO Sustainability Index 2009 (USAID 2010) there are no remarkable changes in comparison to the previous report regarding the CSO environment. The above index specifically states that Albania was the only Southern tier country to have a decrease in its overall score, primarily as a result of financial difficulties stemming from the continuing decline in international donor funds and the impact of the economic crisis on domestic resources. This shortcoming, combined with weak domestic funding, has constrained the NGO financial viability and sustainability. NGOs remain heavily dependent on donor funds, and their ability to provide effective services and engage in successful advocacy efforts remains weak. Access to government and private funding is limited. Most NGOs orient their operations to match available funding rather than carrying out their own strategic visions or missions. Some NGOs showed improvement, but the overall sector is still weak.

NGO sector legislation still lacks enabling provisions on taxation and NGO engagement in economic activity for public benefit. Moreover, legislation does not provide incentives to private NGOs, particularly those in rural areas who need to develop greater capacity in project development, proposal writing, coalition building, and networking.

### **Field of operation / activities**

The last ten years in Albania have seen a gradual increase in the number of advocacy activities carried out by CSOs of all sorts, as well as a growing interest in engaging the Government and local authorities in policy dialogue. This includes notable examples of well-organised election monitoring, campaigning against corruption, human rights monitoring and government watchdogs. While this is to be expected considering the large number of CSOs which are active in the areas of human rights, gender and women's issues, youth, minority rights and the promotion of democracy and mobilisation of citizens and communities, there is a sense that many CSOs have embraced advocacy as it became the funding priority for international donors in recent times, and CSO capacities to operate effectively in this area, particularly for CSOs outside Tirana, are insufficiently developed. Regardless of this trend, Albanian civil society in essence, continues to be most active, and probably most effective, in providing social services to the community, either as a part of the governmental system of social provision, or as a means of delivering supplemental or alternative services in areas such as health, education, and legal advice.

The fields of activity and target groups covered by CSOs are not extensive in their number, and tend to focus on issues of rights and empowerment of minority and discriminated groups, issues surrounding

good governance and service provision, all of which reflect the continuing basic concerns in society surrounding fundamental human rights, the need to improve democratic culture and to address poverty and poor living standards. Specialisation among CSOs is low, and organisations, even those with the barest organisational structures and resources at their disposal, will claim to focus on multiple target groups or fields of activity.<sup>4</sup> During the consultations for this report, CSOs admitted that implementing activities addressed to multiple target groups (such as, women, youth, vulnerable groups, etc.) is an instrumental tactic to broaden their funding base by appealing to as wide a range of donor interests and opportunities as possible. Some CSOs have even changed their profile, which has resulted in the implementation of fund-driven rather than cause-driven types of activities.

## **2.2 Human resources and technical skills**

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Financial constraints determine that most CSOs in Albania face serious challenges in engaging permanent professional staff. In most cases, CSOs retain between one and three professional personnel, who are employed on short-term project contracts or on an annual basis.<sup>5</sup> Consequently, staff structures are small, but invariably unstable. This is particularly so for CSOs located outside of Tirana. Paid staff members are supported by part-time or occasional assistants, very often working on a voluntary basis. It is doubtful though, whether very many CSOs have the human and financial resources necessary to both strengthen the capacities of their volunteers and also to manage them effectively.

Previous civil society assessments indicate that a high number of CSOs in Albania (89 percent) have established formal policies and procedures for human resource management, including detailed job descriptions for board members (UNDP 2006). Despite this, most CSOs lack solid management and also leadership structures, in many cases purely owing to small organisational size and over-dependence on a single manager or the president / chair of the board of directors.

CSOs have been the subject of many foreign-funded capacity building programmes over the last ten years. The vast majority of CSOs have received basic technical trainings in areas such as PCM and financial management. Many of them have also undertaken courses in areas such as advocacy, lobbying and policy dialogue. TACSO desk research and field surveys found that, in general, CSOs in the northern and eastern parts of the country received considerably less training and capacity support than those in the central and southern regions.

Regardless of this, CSOs continue to demand assistance and training in a range of often quite basic skills and capacities. In the course of conducting this needs assessment; CSOs listed their capacity-building priorities in the following order:

- Fundraising skills
- Proposal Writing
- Project Management,
- Human Resources Management
- Fiscal issues (CSO tax obligations, financial management and reporting)

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<sup>4</sup> See Annex 3 for self-classification according to field of activity by Albanian CSOs in earlier civil society assessments

<sup>5</sup> A survey of CSOs carried out by Partners-Albania in 2005, with a sample of 131 CSOs, noted that the average staff size was four (with overall staff size ranging from 0 – 92 members), but that 40 percent of the CSOs responding did not employ any professional staff.



- Establishment and operation of Social Enterprises

One reason identified for the apparently disappointing outcomes of the CSO capacity building is that it has concentrated overly on the technical training of individuals, often with little or no follow-up and consolidation, to the detriment of a more process-oriented means with teams and whole organisations which focus on the production of concrete outputs and provide opportunities for learning by doing.

Consultations for this study confirm the broad thrust of the above conclusions, but participants identified a further set of often fundamental capacity-building challenges commonly experienced by CSOs in Albania:

- Lack of long-term strategic vision and plan of action;
- Poor leadership skills – especially the concentration of decision-making and executive powers in the hands of a small number of people, excluding managers and staff;
- Poorly developed culture of cooperation with other stakeholders: low number of project partnerships, weak networking, poorly linked to grassroots and lack of constituency, CSOs working in isolation;
- Low absorption capacity for (EU) funding – finding matching funds, low human capacities, project management skills. Difficulties with understanding and carrying out the EC application procedures for grant funding.

### **2.3 Strategic strengths of CSOs in Albania**

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Strategic thinking in the Albanian civic sector remains poorly developed. TACSO desk research indicates again that as based on the previous needs assessment report of 2009, that although CSOs have strategic plans in place, it is much more usual for CSOs to be lacking in long-term strategic direction. Short-termism in the general sector, financial weakness and a lack of consistency in donor policy are key reasons for low levels of objective-oriented long-term planning and management, as well as the regular occurrence of “mission creep” among Albanian CSOs; that is the practice of straying from or even abandoning one’s mission, vision and organisational strengths in favour of chasing any or all funding opportunities.

Very often strategic plans are conducted in a cursory manner to satisfy donor requirements, and the consultation and analytical process necessary to their effective development is found wanting. Most NGOs orient their operations to match available funding rather than carrying out their own strategic visions or missions (NGO Sustainability Index USAID 2010). Many of those that this study consulted conceded that their plans had been developed by external consultants (usually Partners-Albania) and that furthermore these plans remained only on paper and were not used as instruments for guiding the organisation’s programming and development.

Lack of an effective division between CSO boards and management structures (or individuals) and also the tendency for the boards to simply provide formal oversight of the organisation (providing a “rubber stamp” to executive decisions), are common indications of low levels of strategic leadership within CSOs.

## 2.4 Analytical capacities

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At the central level, in theory, there is a relatively large number of CSOs with the necessary analytical capacities for effective advocacy and policy dialogue. Albania is well-furnished with well-established professional social and economic think tanks,<sup>6</sup> as well as a number of prominent and sophisticated CSO promoters of human rights and participatory democracy.<sup>7</sup> Unusual for the region, a considerably number of these think tanks (for example IDM, or IDRA) are well connected to wider civil society and contribute to greater public participation in policy making. Four of them (AIIS, ICS, IPLS and The European Centre) were members of NOSA, a small civil society coalition supported by OSFA (from 2006-2008), which was dedicated to promoting civil society and its role in policy dialogue, advancing social strategies and supporting civic activism towards the implementation of these visions and policies. Unfortunately, the network ceased to exist when funding from OSFA came to an end.

Within the wider civil society, analytical capacities are generally poorly developed, despite the relatively high level of advocacy activities. Few organisations undertake the most basic social research to ascertain a constituency need or to assist in project identification. Documentary or internet-based research is seldom carried out for programming purposes or setting strategies, although it should be noted that geographical isolation and lower-than-normal access to the Internet (in the region) for many CSOs in rural areas, makes this kind of research problematic.

## 2.5 Relationships with other actors – networking and partnerships

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### CSO – CSO relationships

When surveyed, CSOs in Albania show an understanding of the importance of intra-sector cooperation and networking among themselves, especially for a greater sharing of information and expertise (UNDP 2006). However, while most CSOs participate in some form of informal network - usually at the local level, but also commonly at the national or international level -, the quality of CSO networking in Albania is poor in terms of the active participation of CSO members; the solidarity, cooperation and exchange networks provide; and the benefits accrued to organisational strengths and programme activities. Very few CSO networks are built around a set of concrete programme objectives or based on formal partnership agreements which establish the network's mode of operation and the responsibilities of the member organisations. In most cases, networks are established in a more-or-less ad hoc manner, operate weakly and are donor driven. Cooperation in networks is often built on personal relationships and not on institutional needs.

In recent times, possibly as a result of the competition that has risen between CSOs for dwindling foreign donor funds, CSO participation in networks has declined. In 2009, HDPC's CSOs mapping found that 55 percent of the 80 CSOs that responded to the survey declared that they did not belong to any formal network. Thirty-five percent of the remainder which do participate in networks stated that they

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<sup>6</sup> The greater majority of think tanks were founded before 2001. Among the more prominent are: ACER (Albanian Centre for Economic Research) IPLS (Institute for Policy and Legal Studies), HDPC (Human Development Promotion Centre), ACIT (Albanian Centre for International Trade), IDM (Institute for Democracy and Mediation), the European Centre, NACSS (Albanian National Centre for Social Studies), PPF (Public Private Finance Institute), Institute of Fiscal Education, Albanian Centre for Parliamentary Studies.

<sup>7</sup> For example, Mjaft! ("Enough!" - a movement for campaigning citizens' rights), Co-Plan (participatory democracy and decentralisation), CAO - Citizens' Advocacy Office (government transparency, anti-corruption, citizens' rights), Children's Human Rights Centre of Albania, Albanian Helsinki Committee

are members of both national and international networks, while a little over half are only members of networks at the local level.

In addition, in the Analytical Report of the EC 2010, it is stated that progress has been made on building networks of organisations dealing with domestic violence, Roma, child trafficking, lesbian, gay, bisexual, and transgendered persons and people with disabilities, among others. However, notwithstanding the enhanced visibility of some civil society organisations, the sector still remains relatively weak, suffering from insufficient technical and financial resources and dependence on international donor assistance. Only a limited number of NGOs have a strong organisational capacity and most lack solid management structures.

In the past, a number of important CSO networks were active, but most have failed to establish a lasting presence. In 2001, USAID supported the formation of the Albanian Coalition Against Corruption (ACAC), embracing 40 CSOs. The ACAC, benefitting from strong donor support early on, particularly from the US, provided an important means of monitoring government performance in the fight against corruption, but appears to have become less active in the last two or three years.

Cooperation between CSOs appears to be strongest among business organisations, and environmental groups, as well as among networks formed to promote specific purposes by like-minded rights-based organisations, such as the National Coalition Against Domestic Violence, the Network Against Trafficking, and the Children's Alliance.

### **CSO – state and government relationships**

This area is described in detail in sections 1.3 and 1.4.

## **2.6 Material and financial stability and resilience**

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CSOs in Albania remain highly dependent on foreign funding, but reduced support from donors means that the resources available are insufficient to meet the needs of the whole sector. There is anecdotal evidence that the sector is shrinking as a result of the increasing number of failures of CSOs of all types owing to their inability to access adequate financing.

Most CSOs report that they have insufficient funds to carry out activities. A particular problem is that foreign donors only provide project funding to support activities and only in very rare cases do they support administrative and institutional needs.

Generally, CSOs' capabilities to absorb donor funds are low. Many CSOs are too small and organisationally weak to manage larger grants, few CSOs have the institutional capacities to fulfil donor conditions for matching funds, and to also undertake required monitoring and reporting.

With regards to EC funding, mainly large CSOs are eligible for these grants, but limited success is reported here. Although the inputs provided by the TACSO Albania Office, with specialised assistance on how to obtain and successfully manage EU Grants, are visible and very useful to Albanian CSOs, there are still complaints that the EC application procedure is overly complicated and bureaucratic. This experience highlights the low quality of technical know-how of project development and proposal writing in the general sector.

Very few CSOs have sound financial management systems or well-developed fundraising skills which are deployed effectively to secure stable and secure financing arrangements. Few organisations have made

serious efforts to diversify their funding base by developing alternative domestic sources of financial support. A large number of CSOs do not consider the business sector as a potentially viable source of funding and are poorly apprised of the tax incentives offered to businesses to enter into charitable “sponsorships” with CSOs. CSOs rarely charge fees for their services or engage in economic activities to support their non-profit activities. Poorly developed organisational memberships, particularly for grassroots organisations, are a further constraint that limits potential support from the community.

### **3. CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES**

#### **3.1 Milestone achievements and impacts in the country**

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##### **Favourable legal environment for CSOs**

Regardless of the unfavourable nature of related financial regulations, the Law on Non-profit organisations (No. 8788) continues to provide generally favourable conditions for civil society. It was achieved through a multi-stakeholder working group including civil society and the Ministry of Labour, largely as a result of sustained advocacy on the part of CSOs dealing with gender, human rights, youth and small business.

##### **Think tank policy capability**

The proliferation in the late 1990s of skilled think tanks, well supported by foreign donors, has resulted in an impressive and continued resource for contributing to social and economic policy. In particular, Albanian think tanks have a role to play in furthering the government reform process and assisting the Government in aligning policy, strategy and legal frameworks with the EU in order to advance European integration.

##### **Effective election monitoring**

All national and local elections since 2003 (including last year’s national elections) have been comprehensively monitored by the concerted efforts of CSOs. In 2003, a coalition of 18 CSOs established the Forum of Domestic Observers which covered local elections across the whole country.

In 2005, the CSOs Society for Democratic Culture, Albanian Institute for Election System Development, KRIIK, Mjaft, Women and Children Kombinati Center and Women for Global Action, as well as Partners-Albania, formed “The Coalition of Domestic Observers” to provide independent oversight of the 2005 parliamentary elections. Some 2,500-3000 short-term independent observers in polling stations and 540 count observers in the local commissions were mobilised.

The Coalition was revitalised for local and national elections in 2007 and 2009 respectively, with observers covering 100 percent of polling stations in 100 percent of urban areas and approximately 20 percent in rural areas. In addition, in 2009, USAID supported Mjaft, ECA (Elections to Conduct Agency) and KRIIK to carry out a Parallel Vote Count, which consisted of 450 trained monitors observing and verifying the counting process in 66 counting centres across the country.

In addition, during the local elections of 2011, various civil society coalitions monitored the election process as well as showed an indication that CSOs are becoming more active in this field. A Coalition was established among organisations with the Association for Democratic Culture / KRIIK Albania and the Association for Women and Children in coordination with 16 other organisations who monitored its 1160 trained observers through the preparatory phase of the election process, the electoral campaign,

the proceeding of the election day during voting and the process of vote numbering and final calculations.

## **3.2 Shortfalls in CSO performance**

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### **Advocacy and policy dialogue**

Despite the relatively high number of rights-based CSOs operating in Albania, the presence of well-developed think tanks and the declared interest of many CSOs in engaging government, there is an absence of *effective* civil society participation in advocacy and policy dialogue. CSOs are constrained by poor networking, inability to mobilise citizens' participation, low levels of analytical research and coordination with think tanks, the inability to plan programmatically over the long-term (rather than in the short-term project framework), and poor access to, as well as limited capabilities to form partnerships with government.

### **Civil Society Coordination**

There is no nationwide network of CSOs or an accepted CSO forum or organisation providing leadership and integration of civil society activities. Consequently civil society is fragmented and poorly coordinated. Civil society has not achieved a strategy setting out the direction for its long-term development; it lacks a clear vision both in terms of future action as well as the public interests it represents.

### **Mobilising constituency support**

Civil society remains poorly understood by a majority of the general public and it has so far failed to effectively communicate its values and purpose. Public participation in CSO activities is low and membership-based organisations generally have low levels of community support and have built upon their constituencies. The importance of public support for achieving advocacy and policy goals is poorly appreciated within civil society.

Civil society is also insufficiently transparent and accountable. This is correlated to the low of an absence of a code of conduct and clear standards for CSO operations, as well as a reluctance to include memberships and constituents in the needs analysis and programming process. Improved performance here would assist CSOs to dispel the continuing public perception that civil society exists to further the individual interests of CSO leaders and staff.

### **Participation in European Integration**

Apart from a number of newly formed think tanks which are very active in working on issues of European integration (Albanian European Movement 2009), Albanian CSOs are poorly apprised of the SAP and Albanian government's efforts to reform the country according to EU standards. Outside of Tirana, awareness of European integration is scant, while generally CSOs admit to a very low knowledge of the key EC policy documents relating to Albania, as well as the Albanian government's EU strategy (ECAS 2008). CSOs complain that they are not consulted during the drafting of documents such as Accession partnership, and Action plans, as well as for EC programming documents, such as the IPA MIPD or IPA multi-annual and annual action programmes. However, civil society itself has not requested inclusion in these processes and so far has shown a relative lack of interest in substantive participation in influencing Albania's path towards European integration (ECAS 2008).

## 4. CONCLUSIONS

### 4.1 Summary of strategic issues of relevance to the project

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- The low level of understanding and interest of Albanian civil society in European integration and its implications for the ongoing development and reform processes in the country, as well as Albania's eventual accession, is a serious gap in the institutional performance of civil society and also in the integration process itself. Measures to address this gap, through information dissemination, education and coordination with the EC delegation and relevant government bodies, should be integrated into all project activities.
- Political commitment now exists – through the adoption of the Law On the Organisation and Functioning of the Agency for Support of Civil Society and the acceptance of the principle of a Civil Society Charter – for building national institutional structures and a policy framework for regulating and promoting cooperation between the government and civil society, and also for supporting the sustainable development of civil society. The process towards achieving this has been initiated, but is slowly progressing. The project should ensure that relevant support is given to the government and civil society leaders to advance and accelerate the process, complementing existing initiatives and providing new forms of support wherever gaps exist.
- The clear capacity gap that exists between better developed and more capable CSOs in Tirana and those located elsewhere, suggests that the project should focus its capacity support in key locations selected outside the capital.

### 4.2 Needs assessment conclusions

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#### Civil society environment

- The legal framework governing CSO operations is broadly favourable. However, financial regulations and the tax framework for CSOs are inconsistently applied and in contradiction with the Law on Non-profit Organisations, in particular in that they do not distinguish between CSOs and commercial enterprises.
- Current funding opportunities for civil society, domestic and international are insufficient to meet its financial needs.
- Foreign donor funds are markedly reduced in recent times. The EC has become the principal source of international support for civil society, but its predicted allocation for the coming three years is insufficient to provide for current donor priorities of support to policy dialogue and the strengthening of good governance.
- Domestic sources of CSO finance are underdeveloped. The central government is the most important of these sources, but provides only moderate support for CSOs, generally disbursed through tendered direct contracts, mainly for the provision of social services.
- Until the present, there are no formal mechanisms established for mediating relations between the government and civil society, and no strategic framework for developing government-civil society cooperation or the strengthening and development of civil society, besides the establishment of the Agency for the Support of Civil Society which is still in its developmental stages.
- Relations between the Government and CSOs are generally poor and their development continues to be beset by misunderstandings and institutional snags. Cooperation between the government

and CSOs is usually conducted in a haphazard and ad hoc process, usually owing more to solicitation from interested CSOs than a desire from the public administration to undertake systematic and open consultation with the public. Consequently, CSO participation in the policy-making process is low and has little impact. TACSO shall follow to cooperate and coordinate actions with the Agency for the Support of Civil Society and increase its capacities to these regards.

- Public awareness and understanding of civil society is low. Community support for CSOs is weak and there is little public demand to participate in CSO events.

### **CSO organisational capacities**

- Albania's CSO sector is small and relatively undeveloped. There were no CSOs whatsoever before the collapse of the communist regime in 1990 and the young civil society is still in its emergent and formative phases.
- A great many CSOs are located in Tirana. In general, there is a marked gap in organisational capacities between CSOs in Tirana and those located elsewhere, whether in urban or rural areas. Civil society is unrepresented in rural areas.
- The most prominent and best developed CSOs are rights-based organisations providing training, education, and advocacy in fields such as human rights, women's rights and gender issues, youth, and minority rights.
- Typically, Albanian CSOs are small, financially unstable organisations, with insufficient resources to support a full professional staff.
- The sector is poorly integrated and represented, with no sector-wide forum or network coordinating CSO efforts.
- In essence, Albanian civil society continues to be most active, and probably most effective, in providing social services to the community. Advocacy activities are often carried out in tandem with service provision and many CSOs have low levels of specialisation.
- Achieving financial sustainability, by means of improved fundraising skills, and improved financial planning and management and understanding of financial regulations, is identified by CSOs as their overriding capacity-building priority. However, CSO capacity-building needs also include: proposal writing, project management, understanding and running social enterprises, human resource management, strategic planning, understanding fiscal environment, CSO networking and cooperation.
- Strategic thinking in the Albanian civic sector remains poorly developed, and very few CSOs have developed and implemented coherent long-term plans. The sector is heavily dependent on short-term project funding from international donors and "mission creep" among CSOs seeking simply to maximise immediate chances of survival is common.
- Networking among CSOs is weak. Very few sustainable networks exist and many are operationally weak and donor-driven.
- The sector is financially under-resourced and most CSOs have insufficient funds for a meaningful programme of work. Basic fundraising skills are applied overwhelmingly to locate scare international project funding at the expense of longer-term strategic development of domestic sources of finance.

### **4.3 Recommendations for the regional project work plan**

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- Facilitate and organise exchange visits for CSOs in the region in order to get acquainted with each other and share experiences particularly in the areas of fundraising and revenue generations, cooperation with public institutions, advocacy and lobbying for social change, successful absorbing of EU Grants, etc.
- Facilitate and organise partnership events for CSOs benefiting from IPA Cross-Border Programs between Albania and Macedonia, Albania and Montenegro and Albania and Kosovo under UNSCR 1244/99. This event will assist Albanian CSOs to meet the mandatory requirement for IPA CBC grants of applying jointly with a partner organisation from the cross-border area.
- Organise and stimulate a regional dialogue between CSOs benefiting from the TACSO Project in order to discuss common problems and concerns, share experiences and best practices.
- Facilitate the regional networking and partnership between active CSOs operating in the region and plan future joint activities and projects.

### **4.4 Recommendations for the country specific work plan**

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#### **Civil society environment**

**The project will aim to address the main needs of the sector with the view to:**

1. Address issues and policies for the CSO sector through the organisation of national and regional conferences, exchanges
2. Improvement of the legal regulatory Framework for the NGO sector in coordination with the European Union Delegation in Tirana through national events and targeted trainings for CSOs on the legal framework
3. Building and strengthening of relations between NGOs and Government Institutions through continued support for the Agency for the Support of Civil Society.
4. Strengthening the cooperation between CSOs and the local government

#### **CSO organisational capacities**

1. Increase capacities of small and rural CSOs to absorb EU funding through an institutionalised action framework (encourage partnership among CSOs, networking, internships, direct training and coaching)
2. Capacity building of CSOs to manage projects so as to increase the effectiveness of their results and impact
3. Increasing cooperation, coordination, and transparency among CSOs to achieve a more visible impact through common actions in specific time periods, for specific issues in the path of Albania towards EU Integration and the Stabilization and Association Agreement;
4. Building coalitions, partnerships and networks at the national and EU level enforcing the role of civil society at both the local and national level and improving their democratic role;
5. Encouraging and promoting CSO participation in the policy-making process.



## **Annex 1 Acronyms and abbreviations used in the text**

ADRF	Albanian Disability Rights Foundation
ACAC	Albanian Coalition Against Corruption
ACER	Albanian Centre for Economic Research
ACIT	Albanian Centre for International Trade
AIS	Albanian Institute for International Studies
CARDS	Community Assistance for Reconstruction Development and Stabilisation
CIDA	Canadian Agency for International Development
CPC	Consumer Protection Committee
CSO	Civil Society Organisation
EC	European Commission
ECAS	European Citizens Action Service
EPD	EuroPartners Development
EU	European Union
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HDPC,	Human Development Promotion Centre
ICS	Institute for Contemporary studies ( <i>alb.</i> ISB)
IDM	Institute for Democracy and Mediation
IDRA	Institute for Development Research and Alternatives
IPA	Instrument for Pre-accession Assistance
IPLS	Institute for Policy and Legal Studies
NACSS	Albanian National Centre for Social Studies
NSSD	National Strategy for Social and Economic Development
NOSA	Network for the Open Society of Albania
OSFA	Open Society Foundation Albania
PPFI	Public Private Finance Institute
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish Agency for International Development
SIPU	Swedish Institute for Public Administration
TACSO	Technical Assistance for Civil Society Organisations
USAID	United States Agency for International Development
VAT	Value-Added Tax

## Annex 2 Research methodology

Research for this Needs Assessment was carried out by the TACSO Albania Office project team during August – September 2011.

The focus of the update of the needs assessment is related to what TACSO 2 is expected to address as a priority, i.e. the issues relating to the institutional framework for the civil society incl. legislation, registration, consultation mechanisms and funding; working in strategic partnership programs with likeminded CSOs, strengthen collaboration between the media and CSOs, and on the downsizing of our efforts to build the capacity of individual CSOs. In addition, the report reflects the reforms and changes since August 2009 as well as the planned reforms (decisions to be implemented or new initiatives).

The desk study comprises the two-year field work of the TACSO Albania Office with its activities with CSOs and also the help desk services provided to CSOs to comply with their needs. In addition, parallel information was gathered, including previous civil society and capacity assessments by Albanian and international CSOs and research houses, situational analyses, reports and studies on civil society prepared by donor organisations, evaluations of major civil society-run development programmes, and government regulations concerning civil society, as well as any relevant government policy documents.

The desk study was followed by a series of consultations with a total of 71 participants representing 52 CSOs in the regions of Durres, Pogradec/Korca and Shkodra geographically covering the northern, central and southern areas of Albania.

In addition, questionnaires were distributed to other regions and feedback was best incorporated to reflect TACSO 2 priorities for Albania (Gjirokastra and Vlora).

Findings of the desk study were used to inform and facilitate these meetings with stakeholders.

Interviews with CSOs made use of a short questionnaire which was used to access basic information about the characteristics and capacities of CSOs and more generally civil society, before broadening and deepening enquiries through a process of less structured discussion. Questions in the questionnaire included those relating to the status of organisation, the CSO's field of operation, geographical area of operation and areas to be addressed for further organisational development. CSOs in all consultation processes were selected upon the following criteria:

- *Geographical:* as explained above.
- *Sector of CSO's operation:* As a majority of CSOs in Albania are working in the fields of human rights, gender balance, environmental protection, children's education, youth, health care and the provision of social services, care was taken to include CSOs from these sectors in the assessment process.
- *Representation of CSOs according to their registration status:* According to the law, CSOs in Albania are registered as one of three organisational forms - associations, foundations and centres. The research sample therefore covered all three types of CSO organisational structures.
- *Inclusion of active CSOs:* Care was taken to only include CSOs which could be verified as being active. Consequently the research sample is biased slightly to more mature and well-established organisations.

### Annex 3 Fields of activity of Albanian CSOs

**Table 1. Classification of CSOs in the 2006 mapping by area of activity**

<b>CSO main area of activity</b>	<b>No. of CSOs</b>
Social services	105
Business	64
Environment	50
Women	49
Art, culture and sport	48
CBOs	39
Youth	26
Roma	25
Civil Education	25
Human Rights	19
Democracy	17
Children	16
Education	5
<b>TOTAL</b>	<b>501</b>

*Source. UNDP 2006*

The sample for the above survey was adjusted to give weight to CSO activity outside of the main urban areas, by limiting representation from Tirana and Shkodra to 60 organisations.

**Table 2. Classification of CSOs in the 2006 mapping by multiple fields of area of activity**

<b>CSO area of activity</b>	<b>No. of CSOs</b>	<b>percent of sample</b>
Human rights	79	60
Youth	76	58
Democracy	72	55
Social services	63	48
Women	60	46
Environment	42	32
Economic growth	38	29
Education	33	25
Health	33	25
Children	16	12
Agriculture	12	9
Infrastructure	8	6
<b>TOTAL</b>	<b>131</b>	<b>100 percent</b>

*Source. Partners Albania 2005*

In this survey, responding CSOs overwhelmingly elected on average of over four fields of activity or priority target group.

## Annex 4 List of consulted organisations

### Pogradec/Korce (Consultation Meeting)

<i>Name of organisation</i>	<i>Contact Person</i>	<i>Position</i>	<i>Tel/Mob</i>
SOT Tetevision	Ilir Shyta	Journalist	0684042111
Poetic Chamber	Arbin Halili	Member	0695436364
Me Woman Organisation	Afroviti Gusho	Project Manager	0692061127
Hipizmi Association	Muharrem Cekici	Chairperson	0683399030
NGO Forum Pogradec	Llazi Kerxhalli	Chairperson	0692358100
Nehemia Foundation (CHW)	Manjola Lushka	LDL WEL	0695148592
“Homeland” Association – Women association	Vjollca Pllaha	Chairperson	0682419323
Intellectual Woman Association	Shpresa Blaceri	Chairperson	0692460234
Women Network: Equality in Decision Making	Arjana Pupa	Coordinator	0672004865
Emanuel Mission Foundation	Gledis Ballauri	Social Worker	0693758223
DORCAS International Albania	Ilia Dishnica	Director	0692061215
TABITA Foundation	Edison Rezhda	Director	0694023245
Family Healthcare Organisation	Irena Laska	Executive Director	0692257953
A.R.ZH	Olgerta Mete	Project Coordinator	242626
Terre des Homes	Renita Piqoni	Youth Committee	069286764
“SHEI” Pogradec Branch	Nada Argjiri	Chairperson	068331665

### Shkoder (Consultation Meeting)

<i>Name of organisation</i>	<i>Contact Person</i>	<i>Position</i>	<i>Tel/Mob</i>
Orphan Home	Manjola Kalamishi	Director	244610
Light Steps Organisation	Luljeta Alisoli	Social Worker	241316
Intellectual Woman of Shkodra Organisation	Zenepe Dibra	President	0692185291
2M Forum Shkodra	Alfredi Haxhiri	Chairperson	0682033233
Q.P “Mark Luka” District	Kujtime Nurja	Social Worker	0673020119
ALBA FLDI			0683015932
Union of Journalist of Albania, Shkodra Branch	Arben Lagreta	Chairperson- Shkodra	0682726391
“Pope John XXIII Community” Association	Samor Polidor	Coordinator	0694057143
IRSH	Blendi Dibra	Director	
YMCA Albania	Fatmir Lugji	Executive Director	0662030666
LVIA Albania	Laura Creatto	Volunteer	0673136630
ACLI – IPSIA Albania	Lule Temali	Project Manager	0692764553
Creative City Association	Armand Lohja	Coordinator	0673081001

### Durres (Consultation meeting)

<i>Name of organisation</i>	<i>Contact Person</i>	<i>Position</i>	<i>Tel/Mob</i>
Muharrem Goci	Muharrem Goci	Chairperson	0682554422
Women of Time and Economy	Myzejen Konduri	Chairperson	0682698558
Heritage Foundation	Diana Ndrenik	Executive Director	0692048061
Center for Assistance, Rehabilitation and Integration	Hysen Vathi	Executive Director	0683813267
K.K.SH – Kruja Branch	Lulzim Sallaku	Secretary	0682086437
Association of Women with Social Problems	Bajana Cevoli	Executive Director	0692103315
Civil Society Development Centre	Mirjam Reçi	Executive Director	0682629527
Women Association, Durres	Ruzha Likja	Secretary	069 51 38 943
Institute of Biological Agriculture, Durres	Enver Isufi	Executive Director	0692087205
ANES Association	Adela Ullamasi	Chairperson	0695809208
New Life Association	Nikoll Prenga	Executive Director	0692713001
Albanopoli Cultural Association	Haxhi Taga	Chairperson	0692498043
UNDP Durres	Bledina Bushi	Program Coordinator	0692363489
SH.K.J, Durres Branch	Marjana Biba	Chairperson	0682159743
Public Library, Durres	Flora Dervishi	Director	0672233315
Hope for Orphans Association	Vangjeli Cugaji	Chairperson	0692176225
Durres Municipality	Eralda Mukaj	Chief of Social Services	0684040754
Durres Municipality	Aurora Hyka	Specialist of Gender Equality Department	0692318219
Hene Xhaferraj	Durres Municipality	Director	0692077972
Art Kontakt Association	Andi Tepelena	Executive Director	0662207146
Integration and Development Organisation	Fabian Vathi	Representative	0692664561
Albanian Media Club	Ermir Kasmi	Coordinator	0692050868
Aksion Plus Association Branch	Faik Bardhi	Chairperson	0692136278

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<http://www.mie.gov.al/>

Agency for the Support of Civil Society

<http://www.amshc.gov.al/>

Delegation of the EU to Albania

<http://www.delalb.ec.europa.eu/>

European Movement in Albania

<http://em-al.org>

International Centre for Non-Profit Law

<http://wwwl.icnl.org>

OSFA

<http://www.soros.al/>

Partners-Albania

<http://partnesalbania.org>

Mjaft

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Partners Foundation for Local Development Romania