



Assessment
on the State of the
Enabling Environment
and Capacities of
Civil Society
against the Guidelines
for EU support to Civil
Society in Enlargement
Region, 2014-2020
for the period
2018-2019

FINAL REPORT

ANNEX 4.
BRIEF IPA BENEFICIARIES
OVERVIEW

COUNTRY BRIEF: ALBANIA

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The legal framework in Albania is aligned with the international standards and conventions that guarantee the basic human rights. However, the practical implementation needs to be further enhanced with new and additional provisions.

Freedom of association, as a constitutional right, is guaranteed and regulated within the Law on Non-Profit Organizations¹ and **exercised freely** by individuals and legal entities. In the last two years, no initiatives have been undertaken to intervene in the legal framework regarding the freedom of association. The registration process is **centralized** in the capital Tirana at the Tirana District Court. In addition to this, every statutory change undertaken by a CSO must be notified centrally at the Tirana District Court, which for CSOs is **lengthy as well as costly** procedure.

The Law on Assemblies² regulates the right to assembly. It is basically aligned with European standards, although there is a need to clarify the procedure for notification and/or prior permission for holding an assembly as well as right to spontaneous gatherings. Based on the **Ombudsman's recommendations** for establishing general procedure among the police with regard to the organisation and management of assemblies, the General Directory of State Police developed the internal procedure **Planning of Police Services During the Development of Assemblies**. Based on the Country Report on The Right to Free Assembly during 2017 – 2018, around **311 assemblies** were organized in the Albania³. The most relevant is the long-term students' protest at the end of the 2018 demanding improvement of quality and fees for higher education.

With regards to the freedom of expression, the legal framework is in place. In 2018, the Government introduced **the anti – defamation legal package** providing power to the Audio-Visual Media Authority (AMA) and extending its scope of action to any electronic publication with editorial content, including ethical principles of respect for privacy, citizen dignity and the protection of juvenile integrity. The anti – defamation legal package was **opposed by media organizations** as a violation of the right to freedom of expression. They issued **three public statements during 2019** to address their concerns. The draft of the Law is being consulted in the Parliament and there are some on-going changes compared to the initial draft.

Volunteering is regulated with the Law on Voluntarism, as well with the two orders approved by the Minister of Finance and Economy in 2018 in regard to the **volunteer card** and the format and content of the **volunteering contract register**. In July 2019, the Council of Ministers approved the **Code of Ethics for Volunteers**, completing the legal framework on voluntarism. Majority of CSOs are not aware of the two orders. CSOs are facing difficulties and uncertainties in the involvement of volunteers in their projects and activities, exposing themselves to the risk of fines. According to the information received from INSTAT, there are **8.917** employees working in CSOs. There are no available data on full-time, part-time and consultants working in and for CSOs. **The concept and the role of grassroots** in common understanding refers to the small local organizations active at community level. There are number of active informal groups, but they face fundraising difficulties because due of their informal way of operating. However, in the last years there have been projects funded by international donors such as Swiss Development Cooperation (SDC) and European Instrument for Democracy and Human Rights (EIDHR) funded by the EU Delegation to Albania that have special funding schemes for such initiatives.

¹ OG 36/2013, Law no 8788, date 07/05/2001, on "Non Profit Organizations" https://qbz.gov.al/share/s0AXcHUmTAm53LiuW_wbpQ

² OG 23/2001, Law no. 8773, date 23.04.2001 "On the Assemblies" [Online] http://www.qbz.gov.al/botime/fletore_zyrtare/2001/PDF-2001/23-2001.pdf

³ Tavani, K., Këruti, K. Monitoring the Right to Free Assembly for 2017 – 2018 in Albania, Partner Albania, 2018., pg. 7. [Online] http://partnersalbania.org/wp-content/uploads/2019/02/Albania_Monitoring-assembly-report-2017-2018.pdf

With regards to financial rules and reporting requirements for CSOs, the **Directive of the National Accounting Standard for Non Profit** presents **simplified** reporting rules and requirements for smaller organizations with the annual revenue below 35.700 EUR, while big organizations with a value of assets and/or income at 240.000 EUR are obliged to publish their annual financial statements on their official websites and prepare a performance report related to their activity, which is published together with the annual financial statements.⁴ The 2018 approved **Law on Accounting and Financial Statements** makes room for potential pressure from the Government as it enables setting criteria on the efficiency and effectiveness of the sector across the board, regardless if CSOs receive public funding or not. No legal framework was pushed forward to enable **individual giving**, while tax incentives schemes for corporate giving are minimal and not significant for businesses giving. According to the statement of the Prime Minister, the Government is considering creating a **philanthropic fund**, to which businesses will have to contribute with a certain percentage of their profit. When established, the fund will be managed and supervised by a joint body of contributing businesses and government representatives. As regards to financial benefits, CSOs that deliver specific goods and services such those from social and cultural area, youth and children as well as sport and physical education are **exempted from VAT**. CSOs can carry out economic activity, but it should not be their primary activity and should not exceed 20% of the total annual of their income. **CSOs can charge VAT** for their services, but they cannot practically **claim VAT reimbursement** as the private businesses can.

Public funding remains very important to sustain CSOs activity and their institutional development. The available data regarding public funding to CSOs are not public and easy to obtain. **The Agency for the Support of Civil Society (ASCS)** remains the main mechanism at the country level for the distribution of public funds to CSOs aiming to support their institutional development, project ideas as per priorities identified in call for proposals, and co-funding of EU projects. The **amount of fund** allocated from state budget to the ASCS has not increased significantly throughout the years. Even though the Agency has the mandate to give support for institutional development of CSOs, the **call for applications** for the institutional support **is not public** and the proposal templates are missing. **Lack of transparency** on the allocation of funds and decision-making processes are still present and not addressed properly.

Inclusion of CSOs in the decision-making processes still **needs improvement**, especially with regards to the feedback given to the input provided by CSOs and the reflection of this input in the final legal acts. The electronic consultation portal⁵ is not user friendly and does not enable notification via e-mails for new entries in the register. At local level, **civic engagement remains** weak, in particular in smaller municipalities. There are structures and mechanisms for dialogue and cooperation between civil society and state institutions, such as the **National Council for Civil Society** and the **National Council for European Integration**. Both councils need to improve their performance, to be more proactive and to increase interaction with their constituencies among CSOs.

With regards to public data on CSOs, the **lack of a unified register** has resulted with different numbers being provided by public institutions responsible to generate these data. The data **are not fully reliable** as they also include data about other entities such as political parties, sport clubs, health clinics, religious and academic institutions. Until May 2019, there were **11.426 CSOs** in total registered at the **First Instance Court of Tirana**. There are **4.369 CSOs** registered at the

⁴ Ibid, Article 22

⁵ <http://www.konsultimipublik.gov.al>

General Directory of Taxation, out of which almost 50% are inactive as of May 2019. According to data provided from the Directory of Taxation, the **annual turnover** of the sector for 2018 was approximately **35.693.020 EUR**, while in 2017 the annual turnover was **32.848.003 EUR**.

In terms of internal governance structures, CSOs have structures that are required by the law including **the Assembly** and **Governing Board** in CSOs (e.g. Associations) or **Board of Directors** in Foundations. In most of CSOs, internal procedures have been developed in recent years, as a requirement from donors, including intermediary funding organizations.

The awareness of CSOs about transparency in their activities and financial management needs to be further enhanced. Transparency is considered as the **cornerstone** in building the trust and image for CSOs. The majority of CSOs state that they **prepare annual narrative report with financial statements included**. Half of CSOs **publish** their organizational documents, while a small portion of CSOs **share** their reports and information on their activities only with their donors, the board of the organization and their partners. CSOs Sustainability Index 2018⁶ rate the public trust to CSOs at 57%, being **the fifth most trusted institutions** in Albania.

The strategic approach of CSOs remains relatively weak. According to the CSO Sustainability Index 2018⁷, many CSOs adopt their mission statements according to foreign donor agenda, since the sector **remains donor driven**. Beyond that, the donor support has been focused more on supporting advocacy and lobbying actions rather than supporting CSOs in the development of their strategic approach, internal governance structures, and systems, and address longer-term problems in society in a continuous and consistent way⁸.

Effective advocacy serves to better protect citizens` rights and to address their needs at central and local level institutions. In the last two years, there was an increased number of sub-granting schemes managed by intermediary organizations that have **enhanced advocacy-based actions** of CSOs. The advocacy actions are geared towards women's and girls' rights, gender equality, the fight against domestic violence, the fight against human trafficking, rehabilitation and integration of victims of trafficking, the right to information and participation in local decision-making, environmental protection, the rights of children and youth, the rights of persons with disabilities, freedom of media and speech, housing, immigration and migration, justice reform, reforms in education system, etc.

Financial sustainability and viability remain among the **weakest aspects for CSOs**. Organizations that are membership-based have a very weak linkage with their constituency, and as a result very **limited revenues** from membership fees. There is no law that regulates distribution of public funding to CSOs at central, but also at a local level. This is considered a hindering factor for CSOs to effectively plan their programmes targeting local communities, which can be supported by or through local government funds. Grants from foreign donors remain the main source of funding for CSOs.

With regards to gender mainstreaming, there is a strong presence of CSOs working in the area of gender equality and women's rights. Particularly in the area of **gender-based violence**, civil society has played a significant role in the legal framework development, improvement and monitoring. Also, the local gender-based violence mechanisms were initially introduced by civil society and are closely supported by them. In the area of **political participation**, women's

⁶ CSOs Sustainability Index for Albania (2018) Available at: <https://www.fhi360.org/sites/default/files/media/documents/resource-csosi-2018-report-europe-eurasia.pdf>

⁷ Ibid, page 13.

⁸ Sida (2018). Evaluation of Swedish Civil Society Support in Albania. Available at: https://www.sida.se/contentassets/14bc0c9b1a5b45109110ef6adb2b3424/de2018_16_62156en.pdf [12.12.2019]

organizations have played a strong role in pushing forward various changes in the legislation. As reported by the donor community in Albania, CSOs are very active in **monitoring of relevant international conventions**. Nevertheless, the situation is still problematic challenging and the existing mechanisms on gender equality do not receive the necessary financial support, leading to **limited effectiveness and weak impact**. Although gender equality remains one of the main priorities of Albania, the concrete actions to implement the engagements of the Government in this field **show limited capacities** to fully address the issue of gender equality. Improvements have been noticed mainly in the preparation and approval of the policy documents and in the **review of the structures** of the National Mechanism on Gender Equality, but these structures lack the necessary human and financial sources as well as the necessary infrastructure to perform their role.

The capacity building of management and administrative staff in **fundraising**, whether through grants application or development of new fundraising models, such as the provision of paid services, is the main challenge of the sector in Albania. **Lack of sustainable funding** is also reflected in the establishment and development of cooperation both within the sector and with other actors such as the media, local and central government. Furthermore, **project proposal writing**, and management of EU funds, **strategic planning** and development of **social entrepreneurship** are among the main capacity building needs of CSOs

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