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2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

ALBANIA
JULY 2020



ALBANIA OVERALL CSO SUSTAINABILITY: 3.7

The overall sustainability of the Albanian civil society sector did not change in 2019, although improvements were noted in several dimensions: (a) organizational capacity - CSOs demonstrated stronger organizational capacity as they benefited from donor support programs; (b) sectoral infrastructure - the launch of the National Resource Center for Civil Society in Albania (NRCS) boosted the sectoral infrastructure; (c) service provision - Albanian CSOs took part in the immediate response to communities affected by the earthquake, improving their service provision; and (d) advocacy - CSOs continued to exhibit strong advocacy as they actively engaged in important initiatives and demonstrated persistence in the pursuit of their missions. Financial viability continues to be the weakest dimension of sustainability.

LEGAL ENVIRONMENT: 3.7

The legal environment for CSOs in Albania did not change in 2019. The government approved its revised Road Map for 2019-2023. Given the poor implementation of the 2015 Road Map, CSOs have low expectations for the realization of the revised Road Map.

> While legislation clearly addresses CSOs' registration and operations, the processes for CSOs to register, amend their statutes, and de-register are centralized, bureaucratic, long, and costly, especially for CSOs outside of Tirana.

> The Law on Accounting and Financial Statements entered into force in 2019, for which CSOs feel it poses a high risk for state intervention in their operations.

> Bylaws for the Law on Volunteerism were adopted in 2019, however, the law needs further development, i.e. enable CSOs to rely on volunteers to operate when they lack funding.

> The Law on Social Enterprise remains problematic because CSOs awarded the status of social enterprises have limited ability to generate income from their economic activity.

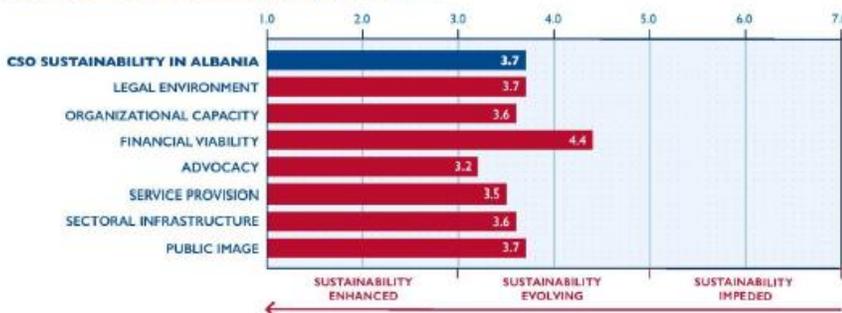
> The government's fiscal treatment of CSOs was largely unchanged in 2019. CSOs are treated similarly to other taxable bodies.

> Few legal resources are available to CSOs, especially those based outside of Tirana.

ALBANIA

Capital: Tirana
Population: 3,074,579
GDP per capita (PPP): \$12,500
Human Development Index: High (0.791)
Freedom in the World: Partly Free (67/100)

OVERALL CSO SUSTAINABILITY: 3.7



ORGANIZATIONAL CAPACITY: 3.6

CSOs' organizational capacity improved slightly in 2019 as a result of donor programs focused on capacity building over the past few years. Local CSOs have stronger connections to their communities than national organizations, but their resources and capacities are limited. Many CSOs are project-based, with the bulk of their funding coming from the EU, whose requirements of detailed planning and administrative documentation makes CSOs invest more of their time in administrative tasks than building strong constituencies. Most CSOs have formal management structures and processes in place, although they do not always function effectively. Albanian CSOs find it challenging to maintain permanent and full-time staff, mainly because they are constrained by project-based funding. CSOs in rural and remote areas face difficulties in attracting qualified human resources due to migration and depopulation in these areas. CSOs increasingly contract experts on a short-term basis for the duration of funded projects. Volunteer engagement in Albania remains low. CSOs increasingly use modern technologies, including social media, and they have been able to increase their access to office equipment in recent years with support from donor programs.

FINANCIAL VIABILITY: 4.4

CSOs' financial viability did not change in 2019. Funding from international donors continued to be available, while government support remained low. Lack of funding continued to be a concern, especially for smaller CSOs, and a lack of diversity in funding modalities. ASCS remained the primary source of government funding for CSOs, with seven more grants than the previous year. Priority areas for funding included youth activism, civil society in the European integration process, social services, environment, tourism, and integrated development. An incomplete legal framework prevents local governments from developing mechanisms to make local funds available to CSOs. Larger CSOs continued to rely primarily on grants from international donors in 2019, with the bulk of funding coming from the EU. Foreign grants often include sub-granting components that make funds available to smaller organizations. In general, Albanian CSOs lack the organizational capacities and resources needed to raise donations through fundraising activities. However, on a positive note, while public institutions were the main recipients of international support for earthquake relief, most individual donors channeled their donations through CSOs. Some CSOs engage in service provision as an alternative form of revenue generation. Starting in 2019, CSOs were able to apply for the status of social enterprises. CSOs are increasingly concerned about their treatment by tax authorities, local governments, and banks, which do not differentiate between nonprofit and for-profit entities. CSOs are subject to the National Accounting Standards for Nonprofit Organizations, which call for mandatory independent audits of CSOs, with the exception of small CSOs.

ADVOCACY: 3.2

CSO advocacy continued to be strong in 2019. Despite persistent challenges, they actively engaged in decision-making and policy-making processes at local and national levels.

> Implementation of the Law No. 146/2014 on Notification and Public Consultation is still weak due to the lack of an oversight body and sanctions. Notifications of public consultations are poorly advertised, consultations are not always organized, and even if organized, CSOs' recommendations and comments are usually not taken into consideration.

> Law No. 54/2019 on the legislative initiative of voters was adopted on July. This law establishes procedures for voters to participate in decision-making processes by allowing a minimum of 20,000 voters to propose draft laws.

> CSOs engaged in several important policy advocacy initiatives in 2019, especially the Alliance for the Protection of the National Theater which organized daily protests to preserve the historical national theater building. CSOs also protested the Anti-Defamation Package and Anti-KÇK package. Environmental CSOs were at the core of a coalition working to prevent the construction of hydropower plants and protect the Vjosa River.

> The coalition of Roma and Egyptian CSOs, succeeded in persuading the municipality of Tirana to eliminate registration fees for Roma and Egyptian children attending public preschools. The Albanian Helsinki Committee advocated for the construction of a prison for people with mental health problems. The Syndicate of Unified Miners of Bulqiza (SMBB), was founded in 2019 by a group of miners from Bulqiza. In 2019, CSOs also advocated for the rights of people with disabilities.

> NCCS selected new members in 2019 but was otherwise largely inactive.

SERVICE PROVISION: 3.5

CSO service provision improved slightly in 2019, as CSOs mobilized quickly to meet the needs of populations affected by the earthquake in November. CSOs reached a consensus to continue as part of the National Reconstruction Committee after the prime minister proposed that all funds from the state and private institutions become a single national fund, with each party able to monitor its own funds. CSOs also continue to provide services in a range of other areas. CSOs' support is of immense importance in areas in which public services are inadequate or lacking. CSOs provide many social services to vulnerable groups, including Roma and Egyptian communities, children, women, the disabled, and elderly people. Nevertheless, CSO service provision remains highly dependent on donors, with CSOs often struggling to obtain adequate funding. CSOs with a strong presence in local communities, have a good understanding of the needs of their constituencies. Most CSOs have still not embraced entrepreneurship as an alternative source of income, either because they lack interest in the development of paid services or lack the capacity to plan and manage such services. While central and local governments increasingly value civil society's role in providing services, little progress was made in 2019 to ensure their sustained financial support. The new public procurement law is expected to increase the engagement of CSOs in service provision.

SECTORAL INFRASTRUCTURE: 3.6

The infrastructure supporting the CSO sector improved slightly in 2019 as new sub-grants and technical assistance programs offered opportunities for Albanian CSOs, especially smaller organizations, to develop their resources and capacities. The National Resource Center for Civil Society (NRCS) was launched to help develop the CSO sector in Albania. The NRCS has two regional centers, ensuring wide territorial coverage. Since its establishment, the NRCS has provided regular training and other support, such as information on funding opportunities, initiatives, and studies. CSOs managed many foreign-funded sub-granting projects in 2019. Sub-granting schemes usually include some capacity building for smaller CSOs with limited capacity in project management and program specific themes. During the year, CSOs increasingly engaged in formal and informal networks and coalitions, as well as networking beyond the sector. Cooperation between CSOs and businesses is still underdeveloped. Media and CSOs are increasingly interested in cooperating to address the shrinking of civic space. Media also plays an important role in

promoting CSOs' visibility. There is limited cooperation between CSOs and government institutions because of the limited transparency of public institutions and low level of trust in government institutions by CSOs.

PUBLIC IMAGE: 3.7

CSOs' public image did not change notably in 2019. CSOs struggle to attract media coverage, and find national media outlets to be nearly impossible to access. In contrast, the local media is relatively accessible. Many media outlets require payments to cover CSOs' activities. The public media, however, has a dedicated space for minorities that provides coverage to CSOs working on minority issues. The media continues to express critical views of CSOs.

- > **The public demonstrated its trust in CSOs in 2019 by making donations for earthquake relief to CSOs rather than state institutions.**
- > **State institutions tend to have positive perceptions of organizations involved in service provision and negative perceptions of organizations engaged in advocacy and watchdog activities.**
- > **Senior government officials engaged in smears against media-related CSOs in 2019.**
- > **Cooperation between the private sector and CSOs is underdeveloped, and business support for CSOs remains low, in part because the business community continues to have limited understanding of CSOs' role in society.**
- > **Most CSOs do not communicate effectively. Only a small number of CSOs have dedicated staff for communications and public relations.**
- > **Although a significant number of CSOs advocate for transparency and good governance, the sector itself exhibits little progress in this regard.**