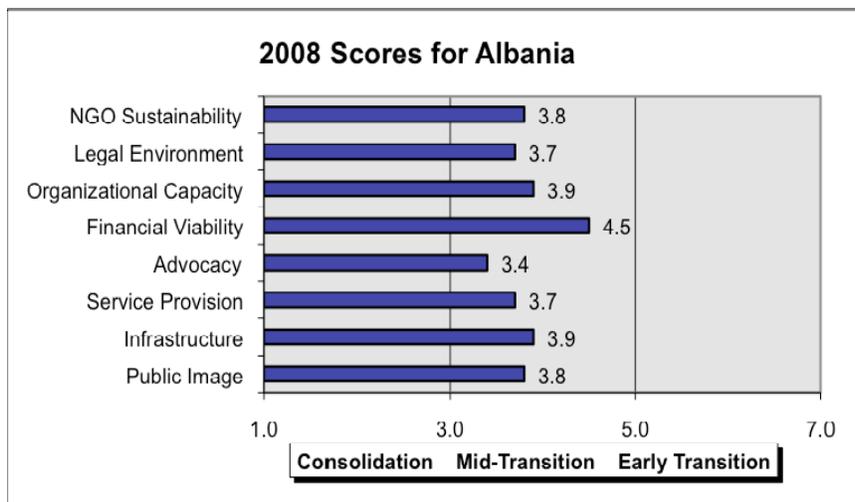


SECTION 5: COUNTRY REPORTS

ALBANIA



Capital: Tirana

Polity:
Emerging Democracy

Population: *
3,639,453 (July 2009 est.)

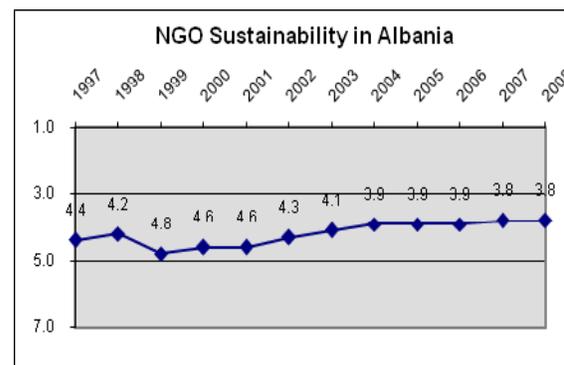
GDP per capita (PPP):
\$6,000 (2008 est.)

NGO SUSTAINABILITY: 3.8

Approximately 450 active NGOs are registered in Albania. The Albanian NGO sector experienced slight improvements in its sustainability during 2008, but significant constraints remain.

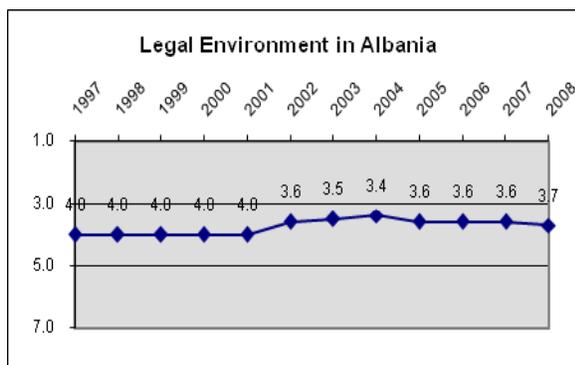
Albania's NGO sector is small and the enabling environment is constrained. NGOs continue to remain heavily dependent on donor funds. Access to government or private funding is limited. As a result, most NGOs orient their operations to match available funding rather than operating under their own strategic approaches. Individual NGOs showed improvement, but overall the NGO sector is weak. Greater economic growth in Albania is

increasing the amount of potential domestic funding for third sector activities, but this investment remains insufficient to meet the sector's needs.



* Population and GDP figures in all reports are drawn from Central Intelligence Agency, The World Factbook [<https://www.cia.gov/library/publications/the-world-factbook/>].

LEGAL ENVIRONMENT: 3.7



The legal environment deteriorated during 2008. The government made important changes to the law without any consultation with the NGO sector. An amendment to the Tax Code requires all tax offices to apply 20 percent VAT to NGO grants and service contracts. This legal action is not consistent with the NGO law and has

prompted NGOs to advocate strongly for its reversal.

NGOs are permitted to earn income from economic activities, but this income is subject to taxation. As of February 2009, the prime minister agreed to create a working group involving NGO representatives that will examine the issue of taxation of NGO grants and earned income.

The NGO registration process remained largely the same. NGOs located outside the capital are still required to come to Tirana to complete the registration procedure.

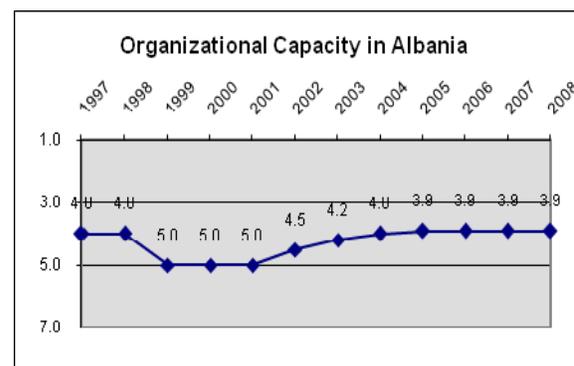
Lawyers trained on NGO legal issues continue to be located primarily in the capital and are quite limited in number. As a result, NGOs in most of the country lack adequate legal assistance.

ORGANIZATIONAL CAPACITY: 3.9

NGOs with constituents, such as the Citizen Advocate Office and the Mjaft! Movement, are limited. In general, NGOs function with volunteers and temporary staff, and few have members.

Organizational capacity is strong in only a handful of NGOs. Most NGOs lack solid management structures and do not conduct strategic planning. Some small, ineffective NGOs that lack stable management systems and financial resources have been unable to survive the decrease in donor funding. A few NGOs have outlined a clear strategic vision, possess well-established structures and policies, and have a recognized division of responsibilities between the decision- and policymaking bodies and the executive body. Even strong NGOs, however, often adapt their strategic visions to be consistent with those of donors. Usually permanent, paid staff is limited and NGOs hire additional staff on an as-needed basis for specific projects that are donor-funded.

Some large NGOs applied for funds through the European Commission, but they have had limited success in receiving EC funding. NGOs complain that the procedures are extremely bureaucratic and that it is difficult to meet the eligibility requirements.



NGOs have basic information technology, but their resources do not allow for upgrading their IT equipment. A limited number of NGOs, such as Mjaft!, Institute for Development and Research Alternatives (IDRA), Partners/Albania,

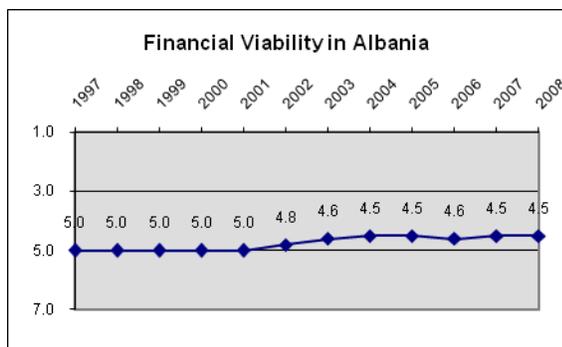
Co-Plan, and Helsinki Committee have a permanent presence on the Internet and

publicize their successes and achievements on a regular basis through newsletters or other means.

FINANCIAL VIABILITY: 4.5

NGOs' financial viability is still very dependent on donor funding. The decrease in donor funding makes it difficult for NGOs to maintain financial viability. A well-coordinated strategy on donor cooperation in the NGO sector is lacking. NGOs also face difficulties in accessing funds due to donors' differing and bureaucratic procedures.

Only a handful of NGOs have sound financial management systems in place and are receiving funding from a variety of sources. These few organizations are becoming quite influential in the public sphere.



In general, the NGO sector's overall resources are insufficient to meet its financial needs. Only rarely do NGOs charge fees for their services or engage in economic activities to support their work. In addition, NGOs generally do not

engage in fundraising, and Albania has no culture of philanthropy.

Businesses have no incentives to sponsor NGOs. NGOs have taken initial steps to develop and promote the concept of corporate social responsibility (CSR) within the business community, aiming to increase business support to the NGO sector. In 2008, a survey and report by the Albanian Disability Rights Foundation (ADRF) entitled "Corporate Social Responsibility and Communities in Need" identified a low level of recognition of CSR concepts among businesses as well as NGOs, and a lack of legislation to promote corporate or individual philanthropy. UNDP also identified this issue in a roundtable at which it presented a draft report on CSR in selected Balkan countries.

The government of Albania has increased its support to NGOs by including a line item in the state budget for contracting NGOs to provide social services. These funds will be managed by a new Civil Society Fund, which is expected to become operational in 2009.

The level of cooperation between NGOs and local government bodies continues to be a positive development. Local governments are increasing their support to NGOs that provide services. Despite this improvement, the funding is still limited.

ADVOCACY: 3.4

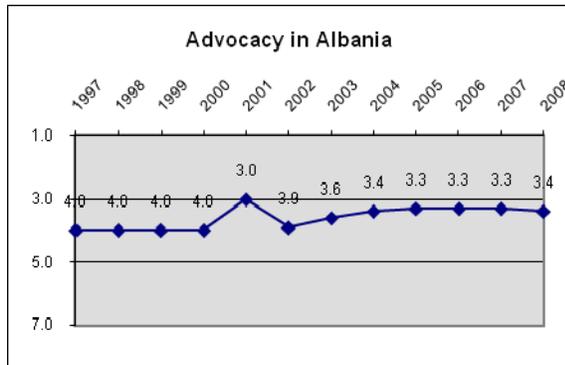
In 2008, NGOs focused on advocacy primarily because donor funds were channeled towards advocacy-related projects. Cooperation with the government declined, however, and positive initiatives from previous years did not continue. For example, the government made the decision to apply the 20 percent VAT to grants and service contracts without any process of consultation with civil society. This affected the positive relationship between the NGO sector

and the government. The donor community repeatedly urged the government to foster a better climate of cooperation with the NGO sector. NGOs are usually affiliated with political parties, worsening the situation.

Some positive developments occurred over the last year, however. NGO advocacy efforts largely targeted legislative improvements and monitoring the implementation of laws and

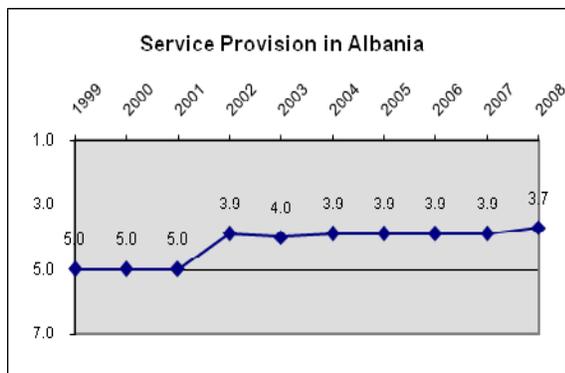
policies. NGOs participated actively in public forums and advocated for legal reforms such as adoption of the Gender Equality Law and the Law on Changes in the Electoral Code, both of which provide for a minimum 30 percent female

representation in parliament. Civil society organizations representing environmental NGOs and business associations succeeded in lobbying efforts.



The Law on Local Borrowing was adopted unanimously by the Albanian parliament in February 2008 due to a strong advocacy campaign organized by the Albanian Association of Municipalities. Some think tanks and disability NGOs have successfully advocated for a barrier-free environment by participating in urban planning reform. In addition, these organizations have worked with business associations to promote licensing reform.

SERVICE PROVISION: 3.7



information centers, centers for elderly people, and rehabilitation and integration centers. Despite the increase in number, the quality of services provided leaves much room for improvement. NGOs charge small amounts for services and never recover their full costs.

The number of NGOs providing services to their constituents is gradually increasing. NGOs are providing a growing range of basic social goods and services that reflect the needs of their constituents and stimulate NGOs' capacities as service providers. These services are mainly in the areas of social services, health, education, training, and social rehabilitation.

A network of NGOs provides services to victims of domestic violence and victims of human trafficking. This network is primarily supported by the donor community. To date the government has not supported it, despite repeated promises.

Central and local government bodies increasingly recognize NGOs as service providers. During 2008, more than 110 NGOs were licensed by the central government to offer a range of services for disabled people, abused women, abandoned children, the elderly, and youth. These NGOs' services included day care centers, counseling, community services,

The Ministry of Labor and Social Affairs in cooperation with the World Bank has implemented a major project in the area of social services in Albania. The main objective of the project is for ministry-licensed NGOs to deliver services in communities. This project has supported the creation of forty-five new centers that offer social services in communities in eight regions throughout Albania. The ministry's social services inspectorate conducts monitoring in order to guarantee the quality of the services delivered by NGOs.

The Albanian government has started a process of decentralizing social services to better target

vulnerable groups. Some social services for vulnerable groups have been transferred to the

local level, where NGOs and local government structures are managing them.

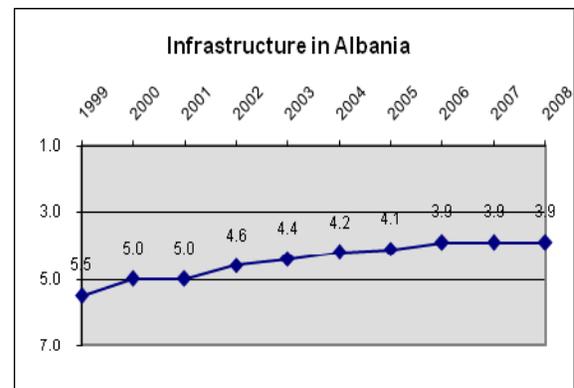
INFRASTRUCTURE: 3.9

NGO infrastructure generally deteriorated during 2008, but coordination and collaboration between NGOs began to increase. The Civil Society Development Centers that used to provide support to local organizations throughout the country closed due to shrinking donor funds. These organizations were widely recognized for the provision of a broad range of support services, such as computer usage and Internet access, and served as training providers and sources of information for local NGOs. Despite this loss, active NGOs such as Partners/Albania Resource Center and ADRF provide trainings and consulting services to local NGOs. These organizations are mainly located in the capital city, however, and it is difficult for NGOs from remote areas to access their services.

No local grantmaking organizations exist in Albania to address locally identified needs and provide assistance to local NGOs to implement community projects.

Despite the challenges mentioned above, NGOs are becoming increasingly aware of the benefits of working together and having stronger communication with one another. Several coalitions, such as Disability and Development Coalition Albania and Together against Human

Trafficking, are strongly supported by the donor community and their future sustainability is questionable. Usually NGOs operate in isolation, but they are increasingly aware of the necessity to target and involve all relevant stakeholders at the national and local levels. ADRF operates at the district level through a network of lawyers, offering free legal aid to people in need, while attempting to establish networks to address issues of importance for the community.



These networks include all relevant stakeholders, public and private. In 2008, the central and local governments in five districts requested ADRF's technical support to complete local action plans on implementation of the national disability strategy.

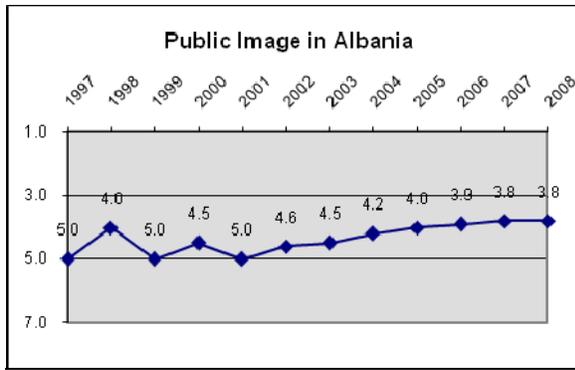
PUBLIC IMAGE: 3.8

NGOs have increased their visibility in the media and obtained wider coverage of their events and press releases, but not in a systematic way. The media generally portray positively NGOs' role in civil society. The media-NGO relationship depends on the personalities of NGO leaders, however. Some NGOs appear quite often in the press due to their strong personal ties with the media.

The media widely covered the release of the Transparency International report on corruption in Albania, as well as the release of the

"Corruption Perception Survey" by IDRA, a reputable NGO. The public also has a high level of trust in these organizations. According to the 2008 "Corruption Perception Survey," nearly 40 percent of the public is aware of the role civil society plays in the fight against corruption, versus 30 percent in 2007.

The government often invites business associations to participate in roundtable discussions as sources of expertise. Reputable NGOs, such as the Helsinki Committee, Transparency International/Albania, and the



Mjaft! Movement, regularly publicize their activities and promote their public images. The leaders of these NGOs have become more sophisticated in delivering strong messages to the public and playing their roles as advocates for change.

Some leading NGOs are in the process of adopting a code of ethics. Only a handful of NGOs publish annual reports to demonstrate transparency and accountability in their operations.