

Monitoring Matrix on Enabling Environment for Civil Society Development

Country Brief for Albania 2022

Partners Albania for Change and Development

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Abbreviations

AASCA	The Agency for the Administration of Sized and Confiscated Assets
ASCS	Agency for the Support of Civil Society
AML	Anti-Money Laundering
CoM	Council of Ministers
CFCU	General Directory of Financing and Contracting
CFT	Counter Terrorist Financing
CSR	Corporate Social Responsibility
DCM	Decision of Council of Ministers
EU	European Union
FATF	Financial Action Task Force
HJC	High Judicial Council
GDT	General Directorate of Taxation
ICT	Information and Communication Technology
MFE	Ministry of Finance and Economy
MHSP	Ministry of Health and Social Protection
MM	Monitoring Matrix
MP	Member of Parliament
NCCS	National Council for Civil Society
NCEI	National Council for European Integration
NSDI	National Strategy for Development and Integration
NPO	Non-Profit Organisation
NRC	National Resource Centre for Civil Society
PA	Partners Albania
OGP	Open Government Partnership
TF	Terrorist Financing

Executive summary

Civil Society Overview

	2022
Number of registered organisations	12,515 NPOs 275 new registered NPOs
Main civil society laws	Civil Code of Albania Law no. 8788 "For non-profit organisation" Law no. 8989 "For the Registration of Non-Profit Organization" Law 80/2021 "For the registration of non-profit organisations"
Relevant changes in the legal framework	Law 6/2022 ""On some amendments and additions to Law no. 112/2020 "On the register of ultimate beneficiary owners"" Law 82/2022 "For some changes and additions to Law 92/2014 on VAT", amended. Law 83/2022 "For some changes and additions to Law 9920, dated 19.05.2018 "on Tax Procedures in the Republic of Albania" amended.
State funding (for the previous year)	Agency for the Support of Civil Society 95 million ALL (Approx. 795,000 EUR)
Human resources	11,972 employers No data on volunteering
NPO-Government Cooperation (relevant body/consultation mechanism)	National Council for Civil Society National Council for European Integration
Key challenges	- Lack of unified and accurate data for NPOs - Effectiveness of NPO-Government cooperation remains low

Key findings

Key findings	
1.	The lack of an electronic register for NPOs is not supporting a clear understanding of the size and economic value of the sector and is forcing the sector to duplicate its reporting due to a lack of integration of state agencies' systems.
2	The Terrorist Financing Risk Assessment Methodology for the NPO Sector in Albania is finalized and is expected to contribute to a risk-based approach applied by supervisory agencies on AML/CFT for the NPO sector.
3	Frequent, a complex and not necessarily tailored legal initiatives affecting the operation of NPO sector, not associated with proper capacity building and outreach by state institutions, have led to weak implementation by NPOs, reflected in high levels of fines.
4	The Road Map for Drafting Policy and Measures for Enabling Environment for Civil Society 2019-2023, is implemented at a very low level, indicating the government's lack of commitment and low priority in this regard.
5	Information, consultation, and meaningful participation of NPOs in policy and decisions making processes continue to be non-effective, regardless of the legislation in place and the mechanisms of cooperation established. The latest legal initiative to amend the Law on the Right to Information presents concerns indicating shrinking space for civic activism.
6	Partnership Platform for European Integration has not succeeded yet to play the envisaged role of informing, consulting, communicating, and involving civil society in the EU accession negotiation process, resulting in a low number and engagement level of NPOs in the process.

Key recommendations

Key recommendations	
1	With the creation of the new electronic register on NPOs, expected to be functional by the end of 2023, the integration of state agencies' systems should be ensured to avoid duplication of reporting by NPOs, and to provide a clear understanding of the size and economic value of the sector.
2	Reclassification of the NPO sector as "low risk" on AML/CFT issues, by amending the AML/CTF legal framework to this regard, supported by the results of the application of the Terrorist Financing Risk Assessment Methodology for the NPO Sector in Albania, 2022.
3	The state should increase outreach, human and technical capacities of its institutions, and integration of state agencies' systems, to ensure timely information and effective assistance to NPOs in implementing new laws that impact their operation.
4	The government must seriously engage and take concrete actions to ensure the implementation of the measures of the Road Map for Drafting Policy and Measures for Enabling Environment for Civil Society 2019-2023, within its timelines.
5	The government must seriously consider filling in the deficiencies in the institutional set-up by ensuring proper structures and capacities of public administration in support of effective consultative processes and participation of NPOs in decision-making processes. It should carefully consider the proposed amendments to Law 119/2014 On the Right to Information and any other legal initiative to avoid shrinking of civic space.
6	The Partnership Platform for European Integration must strengthen its role in serving as a convening power and enabling full participation of civil society in the discussion and consultation tables for all chapters of the EU acquis.

Findings

Area 1: Basic Legal Guarantees of Freedoms

Sub-area 1.1. Freedom of association

1.1.1. Establishment of and Participation in NPOs

In general, the legislation aligns with this area's standards. Any person can establish non-profit organisations for any purpose as well as both individual and legal persons can exercise the right of freedom of association without discrimination. Registration is not mandatory and there are rules clearly prescribed for the registration process. Based on Law 82/2021 "For registration on Nonprofit Organisations", the High Judicial Council (HJC) approved Decision no.35, dated 26.01.2022 "For the creation and functioning of the Electronic Registry of nonprofit organisations". Based on this decision, the electronic registry is created at the Tirana Judicial District Court and will be functional starting from 30 December 2023 (Official Gazette 17/2022). It will be created according to the Decision of the Council of Ministers no. 94, date 9.02.2022 which stipulates detailed rules on the primary and secondary data that are registered in the electronic registry of NPOs, detailed rules for information providers, interactions with other databases, as well as for the level of access for interested subjects (Official Gazette 23/2022). The content of the electronic registry was not consulted with NPOs.

In total, there are **12,515 NPOs** registered at the Tirana Judicial District Court¹. There are **275 new NPOs registered** in 2022, out of which 170 associations, 78 centres, and 27 foundations, while **64 requests for registration have been rejected**² and 49 requests have been returned to the requesting subjects for revision. According to the General Directorate of Taxation (GDT),³ there are **2,497 NPOs** with an active status⁴. The practice of registration is partially in line with standards in this area because the registration does not meet legally prescribed timelines and costs. Based on the response from the Tirana Judicial District Court, the average time for registration of an organisation from the day of the submission of the request and documentation **is 83 days**. Compared with last year, there is an increase in the average time needed for the registration of an NPO from 62

¹ The data is provided by the District Court of Tirana in response to the request for information sent by Partners Albania.

² No information was provided by the court on the reasons for rejection.

³ The data is provided by the General Directory of Taxation in response to the request for information sent by Partners Albania.

⁴ Active status means that the organisation has carried out activities for a taxation period of 12 consecutive months.

days to 83 days. The average cost for registration is around 300 EUR, as reported by organisations registered in 2022. From the observation of several NPOs' registration documents, it is noticed an oversight from the judge's ruling on the registration with regard to the provision of conflict of interest of NPO Law. It is noticed that in some court rulings, it is accepted for the executive director of NPOs to be at the same time a board member, which goes against the law and standard.

The legal framework allows for networking among organisations in the country and abroad without prior notification. If registered, networks should take any of the legal forms allowed by the law: centre, association, or foundation. In a survey carried out by the National Resource Centre for Civil Society (NRC) in 2022, 83% of 115 surveyed NPOs are members of at least one local, national, regional, or European and global network.

1.1.2. State Interference

Concerning the legal framework, NPOs are autonomous from the state and the law guarantees their rights to decide on their own internal structure and operating procedures. Financial reporting and accounting rules consider the specific nature of NPOs and are proportionate to the size of the organisations (Official Gazette 171/2015).

In January 2022, the Albanian Parliament approved the Law no. 6/2022 "On some amendments and additions to Law no. 112/2020 "On the register of ultimate beneficiary owners", to extend the deadline for the initial registration of ultimate beneficial owners by reporting entities from 30 to 40 days. Another significant amendment was the increase of all administrative sanctions related to the (1) delays in the initial reporting of beneficial owners by reporting entities registered in the respective register and (2) non-registration of respective changes part of the registry ranging from 50 thousand ALL (420 EUR) to 600 thousand ALL (5,000 EUR). These changes are stipulated in Article 13 "Administrative Sanctions". For NPOs, the new level of fines is high and comes as a response to MONEYVAL's recommendation "*Albania must ensure an adequate legal framework for violations of companies and NPOs obligation and implementing proportionate and dissuasive sanctions*".

In practice, according to the response received from the National Business Centre, **in total 2,377 NPOs** have registered their beneficial owners, while during 2022 the number of NPOs that have registered their beneficiary owners is 393 NPOs. Since the law was enacted, 118 fines have been issued, with a total amount of approximately 17,3 million ALL (approx. 145,000 EUR), for breaching articles 13 and 15 of the Law. In 2022, 69 fines are issued to NPOs, with a total amount of 4.8 million ALL (approx. 40,000 EUR) for the same type of breach. The main reasons for these breaches are the authorities' lack of an awareness campaign and confusion among NPOs regarding the registration procedures.

In 2022, according to the response received by the GDT, 48 fines are issued to NPOs, for the following reasons presented in Table 1.

Table 1: Nature and the number of sanctions.

Reason	Number of sanctions
Fine for non-declaration of employees	12
Fine for issuing incorrect VAT invoice	2
Fine for incorrect keeping of accounting data, documents, etc.	1
Fiscal Evasion	1
Fine for non-installing the electronical device for invoices, and digital certification	1
Fine for nonpayment of profit tax installments	4
Sanction for non-providing information	20
Non declaration of changes of NPO' registration data	2
Fine on fiscal evasion for rent tax.	5
Totals	48

Compared with the MM Report 2021, fines have increased more than three times.

Another important development for 2022 was the publication of the NPO Sector Risk Assessment Methodology on Terrorist Financing based on which the level of risk for the NPO sector is rated as LOW (Partners Albania, 2022). The Methodology was prepared by Partners Albania for Change and Development, based on a Memorandum of Understanding with the General Directorate of Taxation and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) that financially supported the process. It was developed through a collaborative process with the participation of NPOs, state authorities, and financial institutions. It is part of an international response of NPOs to protect the civic space and address over-regulation of NPOs in the name of Anti Money Laundering and Counter Financing Terrorism (AML/CFT), in line with the targeted, risk-based, and proportionate approach mandated under FATF Recommendation 8 on NPOs. Now it is expected from the Albanian Financial Intelligence Unit to officially endorse and integrate it as part of the National Risk Assessment with regard to the AML/CFT issue. With this methodology which is in line with FATF requirements, Albania meets one of the MONEYVAL recommendations with regard to NPOs. Due to these developments, one of the main expected changes in the legislation is the declassification of the NPO sector as “high risk” by AML law.

1.1.3. Securing Financial Resources

There are no legal changes in this area in 2022. The legal framework allows NPOs to seek and secure funds from different domestic and foreign sources, including individuals and corporations, as well as to engage in economic activity. NPOs can establish social enterprises to increase their financial sustainability, but the legal framework on the status of social enterprises is not enabling. It presents unclear registration procedures and regulations for NPOs, as reported in the latest policy paper prepared by Partners Albania

in 2022 “Social Enterprise Status – Ambiguities and Opportunities for Enhancement”.

Since 2007, it is established the General Directory of Financing and Contracting (CFCU) responsible for the administrative, financial, and technical management of projects approved in line with the financial agreements between the Albanian government and the EU Commission, World Bank, and other donors⁵. Based on the responses from CFCU, for IPA 2014, IPA 2015 and IPA 2017 Action Programs, a total number of 34 projects have been managed by this authority, respectively 12 contracts under IPA 2014, 13 contracts under IPA 2015 and 9 contracts under IPA 2017. The disbursement of funds according to CFCU is done between 7-14 days from the approval of reports (narrative and financial), and the average number of monitoring visits is two. In practice, there are complaints from the organisations that implement projects for which CFCU is the contracting authority. One of the most prevalent complaints is the unrealistic delays of reports approval (between 4-12 months) which heavily impact the disbursement schedule and hinder the project implementation. The process of reports review has indicated poor knowledge and understanding of the NPO legal framework from the staff of CFCU, and unrealistic requests which are not streamlined as part of the monitoring protocol of CFCU.

The webpage of the CFCU was created in 2020 and provides limited information on its role and functioning, as well as very little transparency with regard to project funding, implementing organisations, and work packages on rules and procedures for the management of contracts.

Sub-area 1.2. Related freedoms

1.2.1 Freedom of Peaceful Assembly

The right to freedom of assembly is guaranteed by the legislation to all individuals and legal entities. In April 2022, The Ministry of Health, and Social Protection issued Order no. 9/5, dated 1.4.2022, based on which all restrictions of the COVID-19 pandemic related to the limitation on freedom of assemblies are waived (Official Gazette 51/2022).

Based on the Annual Report of the Ombudsperson, deposited to Parliament, there is a high number of people accompanied by the state police, especially during different assemblies. Other problems are related to the presence of police officers without uniforms and visible identification documents, the high number of penal acts attributed to the detainees by the police officers with the aim to justify the detention, and intimidating citizens to participate in assemblies. Also, problems have occurred during the monitoring of assemblies by media, where media staff are not allowed to perform their duty from police officers, such as their accompanying, taking of their filming and photo shooting equipment, or erasing them⁶.

⁵ <https://cfcu.financa.gov.al/>

⁶ <https://www.parlament.al/dokumentacioni/aktet/17f53d7d-ee0d-415b-8457-96cf1007d263>

Like every year for the preparation of the MM Report, Partners Albania sent a request for information to the Albanian State Police on the exercise of freedom of peaceful assembly by citizens and organisations, but for the second consecutive year, no information was provided.

1.2.2 Freedom of Expression

A positive development in 2022 was the withdrawal of the controversial draft media laws, known as the “anti-defamation” package from the parliamentary agenda. The legal package was widely opposed by media, civil society organisations, and international partners, and the Venice Commission in its opinion, considered it as an initiative that violates freedom of expression.

In September 2022, a draft law “For some changes and amendments to the law 97/2013 on “For the Audio-Visual Media” was published, aiming to transpose the EU Directive 2018/1808. It stipulates some revisions of the rules for audiovisual broadcasters as well as for providers of video distribution platforms, the protection of children from harmful content, the inclusion of rules for ensuring access to information of persons with disability, increased ownership, and transparency of media service providers, and strengthening the obligations for audiovisual service providers on demand. It treats new concepts such as co-regulation, self-regulation, and media education. It is expected to be approved by Parliament in 2023.

In practice, Albania continues to experience a deterioration in media freedom. Albania is ranked 103rd out of 180 countries in the Reporters Without Borders Report 2022⁷, dropping its position by 20 places from the previous year. No progress has been made in improving the environment for independent and watchdog journalism or media pluralism. Defamation remains to be a criminal offence, although not charged with imprisonment.

1.2.3. The right to safely receive and impart information through any media.

The legal framework provides the possibility to communicate via and access any source of information, including the Internet and ICT. No legal changes happened in 2022 and the legal environment reflects the findings of the MM Report 2021 (Partners Albania, 2022).

In the survey carried out by the National Resource Centre for Civil Society in Albania with 115 NPOs, access to local media is evaluated as accessible for 68% NPOs (36% accessible and 32% very accessible), while the access at the national media is reported as accessible by 43% (12% very accessible and 31% accessible).

Social Media continues to remain among the most used communication channels by NPOs; Facebook is ranked as the most used channel by 94% of NPOs.

⁷ <https://rsf.org/en/index>

Area 2: Framework for NPO Financial Viability and Sustainability

Sub-area 2.1. Tax/fiscal treatment for NPOs and their donors

2.1.1. Tax Benefits

In 2022, the law on Value Added Tax (VAT) in the Republic of Albania was amended through law 82/2022 "For some changes and additions to Law 92/2014 on VAT," amended, coming into power in January 2023 (Official Gazette 170/2022).

Before that, NPOs were reimbursed for accumulated VAT linked to the implementation of projects funded by all financial agreements ratified by the Parliament or grant agreements approved by the Council of Ministers. EU and other foreign donor projects. With the new law amendment, it is expected that NPOs to be instead VAT exempted.

In practice, the implementation of the procedure of VAT reimbursement for foreign donors' grants has been challenging. Only three certificates have been issued for VAT refund and only 2 NPOs have been refunded.

Law 83/2022 "For some changes and additions to Law 9920, date 19.05.2018 "on Tax Procedures in the Republic of Albania" amended, introduces the allowable daily cash limits. As a standard, the maximum cash limit depends on the annual turnover level of the taxpayer.

According to this amendment, if the previous year's turnover is less than 2 million ALL (approx. 16,800 EUR) the cash limit is up to 150,000 ALL (approx. 1,300 EUR), if it is between 2 – 10 million ALL (approx. 16,800 – 84,000 EUR), the cash limit is up to 500,000 ALL (approx. 4,200 EUR) and if it is over 10 million ALL (approx. 84,000 EUR) the cash limit is up to 500,000 (approx. 4,200 EUR) or 5% of the annual turnover of the previous year, whichever value is the highest. If the activity has started during the year, the cash limits are estimated based on the forecast of the taxpayer. (Official Gazette 173/2022).

NPOs that have economic activity at the level of 20% of total annual income are not subject to tax on income unless the revenues generated by the economic activity are not reinvested in the activity of the organisation. There is a lack of tax incentives for NPOs that have the status of social enterprises. Bank interests as a form of passive investments are exempt from tax on income. Also, income tax legislation does not explicitly exempt the income of NPOs from major shareholdings. Income in the form of dividends (for shares owned in a company) is exempt from income tax when the company making the distribution is subject to income tax. This exemption is valid regardless of the percentage of shares owned in the company by the shareholder (Hoxha. J., 2020). Albania does not have a law on endowments.

2.1.2. Incentives for Individual/Corporate Giving

The legislation on individual / corporate giving has not changed in 2022. Amendment of the Law on Sponsorship is included as a measure to be implemented by the end of 2023 in the Road Map for Drafting Policy and Measures for Enabling Environment for Civil Society 2019-2023. Individual philanthropic activity is not subject to the tax deduction. There is no state strategy or policy in place with regard to corporate social responsibility.

In practice, in 2022, Partners Albania identified 616 fundraising campaigns by individuals and corporates from the Monitoring on Philanthropic Activity through Media and Online Platforms (Partners Albania, 2023). The value of donations is 460 million ALL (approx. 3,800,000 EUR). Compared with MM Report 2021, the amount of donations has increased twice, and 32.5% of these donations (200 fundraising campaigns) are cancelled through NPOs. There are examples where CSR has contributed to supporting the social causes of NPOs.

Sub-area 2.2. State support

2.2.1. Public Funding Availability

The Agency for the Support of Civil Society (ASCS) remains the main public body that regulates state support for institutional development, project support and co-financing support. Its organization and function are according to Law 10093 dated 09/03/2009 "For the organisation and function of the Agency for the Support of Civil Society". The annual state budget provides an allocation of public funding to support civil society (which includes planning, managing and administration). In addition, there are other public institutions that have provided public funds in the form of grants to NPOs in 2022. Below is a list of state agencies that have replied to Partners Albania request for information and the respective funds granted by them, based on the information provided.

Table 2: Public funding from public institutions.

Institutions	Number of calls for proposals	Applications Submitted in total	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed FY 2022
ASCS	1	161	62	Max: 2 million ALL (approx. 16,800 EUR)	95 million ALL (approx. 795,000 EUR)
Ministry of Defense	0	3	2	Min: 800,800 ALL (approx. 6,700 EUR) Max: 1,487,200 ALL (approx. 12,500 EUR)	2.288.000 ALL (approx. 19,000 EUR)
Ministry of Tourism and Environment	1	90	23	N/A	45,399,450 ALL (approx. 380,000 EUR)
Ministry of Culture	1	231	130	Min: 200,000 ALL (approx. 1,700 EUR) Max: 3,200,000 ALL (approx. 27,000 EUR)	122,317,600 ALL (approx. 1 million EUR)
Ministry of Justice	1	3	None	Max. 1,600,000 ALL [(approx. 13,500 EUR); (20% of the total fund)]	8,000,000 ALL (approx. 66,600 EUR)
National Youth Agency ⁸	1	N/A	24	N/A	N/A
Ministry of Education and Sport	N/A	N/A	24 ⁹	N/A	N/A

⁸ The information is received from the webpage of the agency <http://rinia.gov.al/wp-content/uploads/2023/04/liste-ojf-fitues.pdf>

⁹ 18 Olympic Federations, 3 Non-Olympic Federations, National Olympic Committee, National Anti-doping Organisation, and National Football Federation.

At the local level, the public funding from municipalities is presented in the table 3.¹⁰

Table 3: Public funding from municipalities.

Municipality	Number of calls for proposals	Applications Submitted in total	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed FY 2022
Memaliaj	N/A	N/A	1	N/A	3,500,000 ALL (approx. 29,500 EUR)
Përmet	3	N/A	8	Min: 500,000 ALL (approx. 4,200 EUR) Max: 2,000,000 ALL (approx. 16,800 EUR)	9,500,000 ALL (approx. 80,000 EUR)
Gramsh	1	4	4	Min: 50,000 ALL (approx. 420 EUR) Max: 200,000 ALL (approx. 1,700 EUR)	400,000 ALL (approx. 3,300 EUR)
Roskovec	1	3	1	N/A	998,100 ALL (approx. 3,800 EUR)
Lushnje	1	N/A	5	Min: 100,000 ALL (approx. 840 EUR) Max: 500,000 ALL (approx. 4,200 EUR)	N/A
Korçë	1	2	1	N/A	2,000,000 ALL (approx. 16,800 EUR)
Shkodër	1	16	7	N/A	7,239,000 ALL (approx. 60,000 EUR)
Kukës	1	27	5	N/A	737,393 ALL (approx. 6,200 EUR)
Himarë	1	2	2	Min: 800,000 ALL (approx. 6,700 EUR) Max: 2,000,000 ALL (approx. 16,800 EUR)	2,800,000 ALL (approx. 23,500 EUR)

The call from the ASCS addressed four priorities, as follows: health and social services; fight against corruption and public legal education and NSDI; environment, and sustainable development; education and European integration.

The Ministry of Justice launched a restricted call for proposals to support NPOs that are licensed by the ministry to provide free legal aid. None of the three organisation that applied was announced as a winner for this call for proposals because the evaluation committee was not constituted within the deadlines stipulated in the Decision of the

¹⁰ This information is based on the responses received by the respective institutions

Minister of Justice. The fund of the Ministry of Tourism and Environment covers only 50% of the eligible costs approved by the ministry.

Grants with public funding remain limited, project-based, and short-term. Proximally 10% of active NPOs have received grants from national institutions. There are no cases of institutional support provided through public funds, even from the ASCS where institutional support is listed as one type of support for civil society organisations.

2.2.2. Public Funding Distribution

In accordance with the law on ASCS, and the regulation on the financing procedures with grants in support of civil society, the ASCS makes available all the information related to grant procedures and the announcement of the procedure is public, and it provides sufficient time to prepare (more than 30 days) and submit project proposals and all required documents. For 2022, the ASCS has organised four regional consultative meetings¹¹ with NPOs to set up the priorities of the call for proposals.

With regards to line ministries, the whole process is regulated through Decisions of the Council of Ministers (DCM), which stipulate the areas of support, criteria for selection, application forms, evaluation and selection procedures, deadlines for application, conflict of interest issues, etc. For example, public funding by the Ministry of Tourism and Environment is regulated through DCM no. 281, date 13.04.2016 "For the determination of criteria and deadlines to the call for proposals for financial support of projects in the field of tourism" (Official Gazette, 69/2016).

Funds from the Ministry of Justice are regulated through DCM no. 110, dated 6.3.2019, "On determining the procedures and rules for the selection of non-profit organizations authorized to provide primary legal aid guaranteed by the state, which benefits funding from the state budget and financing method". With regards to funds from the National Youth Agency, in July 2022, the Council of Ministers approved DCM no. 566, dated 29.07.2022 "For determining the selection criteria and procedures of youth organisations and organization working with youth which benefit from the grant funding scheme dedicated to youth from the state budget" (Official Gazette, 114/2022).

2.2.3. Accountability, Monitoring and Evaluation of Public Funding

Article 22 of the Law 10093 dated 09/03/2009 "For the organisation and function of the Agency for the Support of Civil Society" obliges ASCS to make available to the public the procedures of selection, contracts signed between the contracting authority and the beneficiary, as well as reports on the expenditures of funds. Also, the Regulation on Grant Financing Procedures on Civil Society Support¹² of the ASCS stipulates a special department within the Agency structure to monitor all projects that are funded by the

¹¹ <https://amshc.gov.al/per-realizimin-e-takimeve-ne-kuader-te-konsultimeve-per-thirrjen-e-rradhes-te-agjencise-per-mbeshitetjen-e-shoqerise-civile/>

¹² <https://amshc.gov.al/wp-content/uploads/2022/01/Vendim-per-Miratimin-e-Rregullores-Mbi-Procedurat-e-Financimit-Me-Grante.pdf>

Agency.

Regarding youth projects, the law Article 21 of the DCM 566 dated 29.07.2022 “For determining the selection criteria and procedures of youth organisations and organization working with youth which benefit from the grant funding scheme dedicated to youth from the state budget” stipulates clear rules for reporting, monitoring, and evaluation of grants in youth field. According to point 3 of this article, the National Youth Agency should conduct an annual evaluation of the performance of grants in the field of youth, which includes the evaluation related to the management of the call for proposals as well as results and impacts achieved by the funded projects.

In practice, ASCS, based on its own response, carries out continuous monitoring of each funded project including both the narrative and financial aspects. No evaluation is carried out on the impact of public funding supporting NPOs activity. ASCS is the only public institution that publishes quarterly monitoring reports on financial performance, but it does not reflect the progress of projects funded by the Agency.

2.2.4. Non-Financial Support

State authorities are allowed to provide non-financial support to NPOs by providing free rent to public properties, consultancy, and other capacity-building assistance. At line ministries, based on the information received by eight (8) ministries, only the Ministry of Culture has provided similar non-financial support to organisations. At the local level, only 5 out of 38 municipalities¹³ that responded to PA requests for information, have provided non-financial support, which consists of free rent premises.

The regulations in place provide that NPOs are among the entities that benefit from the free use of confiscated assets, recognizing their value as important stakeholders in addressing social issues and developing the local economy.

In 2016 the practice of social reuse of confiscated assets was introduced by Partners Albania through the CAUSE project. These assets are given by the Agency for the Administration of Seized and Confiscated Assets to NPOs for 5 years, to use free of charge with the opportunity for extension. Currently, there are three confiscated assets used for social purposes by NPOs, and it is expected that in 2023 other confiscated assets will be given to NPOs for social reuse, in the frame of cooperation agreements between the Agency for the Administration of Seized and Confiscated Assets and organisations that are implementing the “Support to Social Entrepreneurship and reuse of Confiscated Assets” component, funded by the European Union.

¹³ Municipality of Devoll, Dibër, Kukës, Lezhë, Vorë.

Sub-area 2.3. Human resources

2.3.1. Employment in NPOs

The Labour Code in the Republic of Albania has not been changed in 2022. Based on the Labour Code, NPOs are treated in an equal manner to other employers. According to the information received by the GDT, there are 11,972 employees working in the NPO sector in 2022.

2.3.2. Volunteering in NPOs

After six years after its approval, the law on voluntarism is not applicable, due to a series of problematic issues that it represents, because it was not consulted with the groups of interests, and the developments in the country were not considered.

In February 2022, the Committee on Work, Social Issues and Health of the Parliament organised a hearing session with the representatives of the government on the law "On Volunteering". Civil society organisations were informed about this hearing and agenda for discussion only from the webpage of the Parliament.

The National Resource Centre for Civil Society in Albania in collaboration with Beyond Barriers Association and the Group of NPOs for Voluntarism in Albania, in 2022, continued their advocacy efforts for improvements of the legal framework on voluntarism in Albania. As a result, on March 29, an online meeting was organized with the Minister of State for Youth and Children, the Deputy Minister of the Ministry of Finance and Economy (MFE), the General Director of the National Agency for Employment and Skills, and representatives from the MFE, during which the establishment of a joint working group for the revision of the law was discussed and agreed. The working group was established in April 2022, and since then has conducted several meetings to discuss potential amendments to the law. The discussions are ongoing, and draft amendments by the group will be consulted with a wider group of NPOs and state institutions before being presented to relevant authorities for approval. Parallely, a draft law on Voluntarism was submitted to the parliament from the MP of the Opposition Party, in October 2022.

2.3.3. Non-Formal Education

No legal changes occurred concerning non-formal education. Civic engagement/voluntarism is treated as a special topic, part of civic education subject at primary school. NPOs are involved in the provision of non-formal education within and outside the educational system.

Area 3: Government-NPO Relationship

Sub-area 3.1. Framework and Practices for cooperation

3.1.1. State Policies and Strategies for the Development of and Cooperation with Civil Society

The main strategy for developing and cooperating with the state with civil society is the Road Map for the Government Policy towards a More Enabling Environment for Civil Society Development 2019-2023.

In June 2022, at the meeting of the National Council for Civil Society, the Albanian government made a presentation of the progress in the implementation of the Roadmap, according to which the strategic priorities have been achieved at a level of over 60%. The monitoring process was not participatory and even the NPO members in the NCCS were not consulted in violation of the Decision of Council of Ministers (DCM) no. 539, dated 25.7.2019 "For the Approval of the Roadmap for Government Policy Towards an Enabling Environment for the Development of Civil Society 2019-2023, Revised".

NRC issued a shadow report on the implementation of the Roadmap, providing fact-check data for each of the indicators. The conclusion of such monitoring showed that the implementation of the Roadmap is not even close to that reported by the government. Based on such analysis the Roadmap has a 20% implementation rate.

The lack of progress in this regard was highlighted even in the EU Progress Report for Albania 2021.

3.1.2. Institutions and Mechanisms for Development of and Cooperation with Civil Society

Since 2015, the National Council for Civil Society has been the official consultative body for dialogue and cooperation with NPOs. During 2022, the NCCS has organised two meetings, in June and in November (one less than the number stipulated in the law). During the first meeting, the issues discussed were related to the analyses regarding the Monitoring of the RoadMap 2019 – 2023 and its Action Plan; presentation on the Open Government initiative; the presentation of Law no 36/2022 "On the Organisation and Functioning of Local Action Groups", the need for coordination between working groups to carry out the activities for the achievement of the priorities of the RoadMap, funding for NPOs, and the proposals civil society to add an additional member from the State Ministry for Youth and Children to the NCCS, issues related to fiscalisation and local taxes to be addressed with members from the Ministry of Finance and drawing up a list of the person designated as contact points for the working groups in the relevant ministries.

In the November meeting, the issues discussed were related to the presentation of current opportunities for cooperation between civil society and the OGP initiative, the presentation on DG NEAR`s Guidelines for European Union support for Civil Society 2021 – 2027, the

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discussion on the establishment of and division of NCCS' working groups, as well as proposals for the calendar of activities of NCCS.

The above information was received from ASCS based on a request for information. There is no public information on the ASCS webpage on the meetings and follow-up or progress with addressing the issues discussed. The practice of publication of the minutes of NCCS meetings on the ASCS webpage stopped in 2020.

Another mechanism for cooperation is the National Council for European Integration. According to the annual report of the Council¹⁴, during 2022 the NCEI has organised 12 meetings, 6 periodical meetings and 6 awareness-raising meetings. In its composition, there are 14 members from civil society representatives¹⁵, all with seats in Tirana.

Sub-area 3.2. Involvement in policy- and decision-making process

3.2.1 Standards for NPO Involvement

Based on the law on consultations, it is established the electronic registry for consultation www.konsultimipublik.gov.al, where the government and line ministries carry out consultations with the public, while the Albanian parliament has established its [consultation platform](#).

Another mechanism to ensure the participation of civil society in the European Union Accession Negotiation Process is the Partnership Platform for European Integration¹⁶, where civil society representatives may participate in the steering board of the Platform and 33 discussion and consultation tables. In 2022 the National Plan for European Integration¹⁷ was approved, aiming to coordinate the full approximation of Albanian legislation with that of the European Union, while aiming simultaneously at the fulfilment of the obligations under the Stabilisation and Association Agreement and the obligations that arise as part of the process of membership in the European Union. One of the changes presented in the new methodology is the inclusion and provision of guidance on conducting consultations with civil society under the Partnership Platform for European Integration¹⁸.

In practice, there is limited to no information on the status of constituting the Chapter round tables and the level of participation of NPOs in these roundtables. The Platform website does not provide any information about the members or minutes of the meetings. From the observation of the webpages of line ministries, only the Ministry of Justice provides information on the tables, minutes and participants that contributed to the discussion. It is the only Ministry that responded to the request for information on this topic. In May 2022, the Ministry of Justice published an open call for expressions of interest

¹⁴ <https://web-api.parlament.al/Files/202301301526066803Raporti%20i%20KKIE%202022.pdf>

¹⁵ <http://www.parlament.al:5000/Files/202211041144382022P%C3%ABrberja%20e%20KKIE.pdf>

¹⁶ <https://integrimi-ne-be.punetegashtme.gov.al/en/strukturat/platforma-e-partneritetit-per-integrimin-evropian/>

¹⁷ https://integrimi-ne-be.punetegashtme.gov.al/wp-content/uploads/2022/02/NPEI_2022-2024_EN-.pdf

¹⁸ Ibid, page. 17

to participate in the tables, and three meetings were held by the roundtable on Chapter 23, part of which are also civil society and NPOs representatives.

The Table 4 presents the draft laws consulted using the online registry for notification and public consultation during 2022.

Table 4: Electronic register data for public notification and consultation.

Line Ministries	Published Consultations in 2022
Ministry of Education and Sport	2
Ministry of Economy and Finance	18
Ministry of Health and Social Protection	5
Ministry of Infrastructure and Energy	12
Ministry of Tourism and Environment	20
Ministry for Europe and Foreign Affairs	3
Ministry of Internal Affairs	4
Ministry of Defense	2
Ministry of Culture	2
Ministry of Agriculture and Rural Development	10
Ministry of Justice	11
Minister of State and Chief Negotiators	1
State Minister for Service Standards	1

From the survey carried out by NRC with 115 NPOs, 58% of them responded that they have information on the Platform and integration structures created at the inter-institutional level, and 46 % of them responded that they have capacities to contribute to the tables.

When it comes to participation in the legislative consultative process at large, not necessarily linked to Chapters roundtables, 67% of NPOs report their involvement during 2021-2022. Most of the organisations that have not participated are located outside of Tirana (66%). The main reasons given for not participating are the lack of notifications and information on such processes, time constraints due to short notice, workload, consultations not related to the focus of work of the organisation, and lack of consideration for input previously provided.

The only institution to have a coordinator for civil society is the Albanian Parliament. This information was made public on the Parliament webpage. While all ministry lines and municipalities who responded to PA's request for information do not have such coordinators.

3.2.2 Public Access to Draft Policies and Laws

In October 2022, the Ministry of Justice published a draft law "For the Right to Information", presenting a number of essential amendments such as the introduction of the concept of "abusive or repetitive requests", reduction of fines against public authorities that refuse to provide a response, etc. This draft law was opposed by the NPOs and media representatives as a direct violation of the public right to information, indicating a shrinking space for civic activism. The consultation process on these amendments has been open till the end of 2022. According to the annual report of The Commissioner for the Right to Information and Protection of Personal Data¹⁹, the number of complaints continued to increase significantly during 2022, in total 1.032 complaints. Most complaints relate to non-provision of information, with Municipalities making up 67% of them. NPOs filed 196 complaints in 2022. The increased lack of response from the institutions was observed also by Partners Albania during this year when for the requests for information sent to the ministry lines and municipalities, only 8 of the ministry lines and 38 municipalities responded. In 2022, only 89% of public authorities have published the Transparency Program and 374 public authorities have appointed a coordinator for the right to information.

3.2.3. NPOs' Representation in Cross-Sector Bodies

Existing legislation requires public institutions to invite CSOs representatives in decision-making bodies. Based on the response from the MFE, NPOs representatives are members of the Coordinating Council for Consumer Protection issues, which analyses strategies and organisation measures for consumer protection in accordance with the Law no. 9902, dated 17.04.2008 "For the protection of consumers", as amended. The Coordinative Council is composed of representatives of state administrative bodies related directly or indirectly to the protection of the consumer interest, as well as from nonprofit consumer and business associations. Four members are representatives of NPOs.

Another body is the National Council of Pre-University Education. It is an advisory body of the minister for pre-university education development policies, established based on Article 29 of Law No. 69/12 "On the pre-university education system in the Republic of Albania", as amended. It consists of 16 members, and one member is from the NPO sector. The National Council of Pre-University Education gives opinions on a) the drafting of strategies, national programs, and legal acts; b) the draft budget for pre-university education; c) other issues of educational policies, at the request stressed by the minister. Another body established is the Supreme Sports Council whose representatives are appointed by order no. 396 dated 08.07.2022 of the Minister of Education and Sports "On determining the members of the Supreme Sports Council". Three members are from the NPO sector.

In the field of agriculture, NPOs are included in the working groups for the drafting of the institution's legal basis. Thus, for the year 2022, the Ministry of Agriculture and Rural Development has involved NPOs in: Agriculture, rural development and fishing strategy,

¹⁹ <https://www.idp.al/wp-content/uploads/2016/10/Raporti-Vjetor-2022.pdf>
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2021-2027 (part of the working group); Law "On vineyard and wine" Law "On beekeeping"; Law on "Local Action Groups".

Sub-area 3.3. Collaboration in service provision

3.3.1. NPO Engagement in Service Provision and Competition for State Contracts

No legal changes related to the law on social procurement during 2022. The Law and regulations in place define the types of social services and other specific services, for which organisations can reserve the right to participate in public procurement calls. In practice, based on the response received by the Public Procurement Agency, in 2022 only one call for procurement was published on social services and other specific services. The object of the procurement was "Filming, live broadcasting and media broadcasting for the Sportive Teams 2022". The winning entity was from the private sector.

With regard to licensing, according to the information received by line Ministries, there are 15 NPOs licensed to provide free legal aid by the Ministry of Justice, 7 NPOs licensed from the Ministry of Agriculture and Rural Development and 96 subjects (public and nonpublic) are licensed for different service provision by the Ministry of Health and Social Protection. Any need for licensing from the NPOs is possible by the legal framework in place.

3.3.2 The state has committed to funding services and the funding is predictable and available over a long-term period.

For 2022 the following public authorities have contracted services to NPOs.

Table 6. Contracting services to NPOs.

Institutions	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed FY 2022
Ministry of Agriculture and Rural Development	3	Min: 826,223 ALL (approx. 7,000 EUR) Max: 1,327,030 ALL (approx. 11,000 EUR)	3,139,893 ALL (approx. 26,300 EUR)
Shkodra Municipality	4	Min: 50,000 ALL (approx. 420 EUR) Max: 2,021,000 ALL (approx. 17,000 EUR)	4,128,000 ALL (approx. 34,700 EUR)
Durrës Municipality	1	642,000 ALL (approx. 5,400 EUR)	642,000 ALL (approx. 5,400 EUR)
Dibër Municipality	1	960,000 ALL (approx. 8,000 EUR)	960,000 ALL (approx. 8,000 EUR)

The services are contracted using foreign project funds to provide social and psychological services, sports, and other basic costs (phones, transport and refreshments).

3.3.3. Procedures for Contracting Services

The DCM no. 768, dated 15.12.2021 introduced a simplified procedure for social and other specific services for which the participation of NPOs in procurement procedures is granted, in line with the EU Directives.

3.3.4. Accountability, Monitoring and Evaluation of Service Provision

Accountability, monitoring and evaluation of service provision are under the responsibility of the contracting authority, in line with the DCM No. 285, dated 19.05.2021 "On the approval of the public procurement rules", amended with CDM No. 710, dated 24.11.2021.

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