



Partners Albania  
Center for Change  
and Conflict Management

## Monitoring Matrix

on Enabling Environment  
for Civil Society Development

# COUNTRY REPORT

## FOR ALBANIA 2013

Project funded by  
The European Union



**B | T | D** The Balkan Trust  
for Democracy

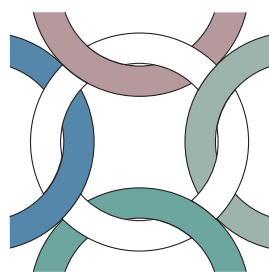
A PROJECT OF THE GERMAN MARSHALL FUND

**OLOF PALME  
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SOCIETY  
DEVELOPMENT  
NETWORK



## Balkan Civil Society Acquis

Strengthening the Advocacy and

Monitoring Potential and Capacities of CSOs

## Monitoring Matrix

on Enabling Environment  
for Civil Society Development

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# Executive Summary

## Civil Society and Civil Society Development in Albania

The development of the CSOs sector in Albania has been associated with legal initiatives and changes tending to create an enabling environment for the CSOs. In regard to the freedom of association, Albania does have a legal framework according to which any person has the right to establish associations, foundations and centres for any purpose allowed by the law. The centralization of the registration process in Tirana Court of First Instance represents an administrative and financial burden for individuals and legal entities from outside Tirana to register a CSO. In addition, the financial and reporting procedures are regulated by law, but the financial reporting and accounting rules are not effective and appropriate for CSOs. They do not take into consideration the specific nature of the CSOs and are not proportionate to the size of the organization and its type/scope of activities (economic and non-economic).

A key challenge for the CSOs remains the fiscal legislation. Tax benefits are not available on various income sources of CSOs and there is confusion in the legal framework regarding the exemption of grants from tax, leading to different interpretations in practice. The current fiscal regime undermines the role of the civil society sector by making no differentiation between non-for-profit and for-profit organizations. It hinders the CSOs activity especially in the areas of service provision and creates unnecessary administrative burdens to their activity. The

frequent changes in the fiscal legislation (during 2008, it has changed three times) makes it challenging for the sector to follow and comply with. Ambiguity in CSOs fiscal treatment creates room for government intimidation, being the case in the past years with advocacy groups, critical to government work. Public funding is available only for the past three years through the state agency Civil Society Support Agency (CSSA), that does not support institutional development of CSOs and co financing of EU projects. Grants and non-financial support are limited and available only at big municipalities.

There are no national strategic documents dealing with the state-CSOs relationship and CSDev, associated with lack of adequate structures and mechanisms with a mandate to facilitate cooperation between the state and CSOs. Consultations among state and CSOs are sporadic, more at the informative level and as a result ineffective, characterized by lack of standard procedures and binding rules to engage in a meaningful and timely dialogue with civil society. According to the existing legislation in place, CSOs can compete for state contracts on an equal basis to other providers and there are no legal barriers to CSOs to receive public funding for the provision of different services through procurement procedures. But, in practice CSOs are not able to obtain contracts in competition with other providers due to lack of clear rules and procedures and lack of capacities from the government institutions on contracting out CSOs.

## Key Findings

7

No	Top 6 findings from the report.	Reference	
1	Financial reporting and accounting rules are not effective and appropriate for CSOs. They do not take into the account the specific nature of the CSOs and are not proportionate to the size of the organization and its type/scope of activities (economic and non-economic).	Area	1
		Sub-Area	1.1
2	Tax benefits are not available on various income sources of CSOs. There is confusion in the legal framework regarding the exemption of grants from tax, leading to different interpretations in practice.	Area	1
		Sub-Area	1.1
3	The Public Benefit Status (PBS) is regulated through a decision of Council of Ministers and does include a limited number of working areas (only three areas of work) of CSOs.	Area	2
		Sub-Area	2.1
4	Public funding is available only for the past three years through state agency Civil Society Support Agency (CSSA). It does not support institutional development and co financing of EU projects. Grants and non-financial support are limited and available only at big municipalities.	Area	2
		Sub-Area	2.2
5	There are no national strategic documents dealing with the state-CSO relationship and CSDev, associated with lack of adequate structures and mechanisms with a mandate to facilitate cooperation between the state and CSOs.	Area	3
		Sub-Area	3.1
6	Based on the existing legislation, CSOs can compete for state contracts on an equal basis to other service providers and there are no legal barriers to CSOs to receive public funding for the provision of different services through procurement procedures. But, in practice CSOs are not able to obtain contracts in competition with other service providers due to lack of clear rules and procedures and lack of capacities from the government institutions on contracting out CSOs.	Area	3
		Sub-Area	3.3

## Key Policy Recommendations

	Top 6 recommendations for reform	Reference	
1	Adaptation of appropriate financial reporting and accounting rules taking into account the specific nature of the CSOs, the size of the organization and its type/scope of activities (economic and non-economic).	Area	1
		Sub-Area	1.1
2	Clarification of grants' exemption from the tax scheme through the law and not through other legal regulations.	Area	2
		Sub-Area	2.1
3	The Public Benefit Status (PBS) should be addressed at the law level, and not through a Decision of Council of Ministers. The scope of PBS should be broadened and not exclusively related to VAT exemption. The activity areas covered by PBS should be broadened reflecting the diversity of CSOs activities.	Area	2
		Sub-Area	2.1
4	The Civil Society Support Agency (CSSA), the national mechanism providing public support to CSOs should be restructured, and should play its role in compliance with the legislation to provide funds for institutional development of CSOs, co-financing of EU and other grants, and non – financial support.	Area	2
		Sub-Area	2.2
5	Drafting of national documents dealing with the state – CSO relationship, which includes goals and measures as well as funding available and clear allocation of responsibilities developed in consultation with CSOs. recommended by CSOs.	Area	3
		Sub-Area	3.1
6	Establishment of clear rules and procedures through which CSOs can be contracted to provide services by state authorities. Introduction and regulation by law of social contracting.	Area	3
		Sub-Area	3.3

# About the project and the Matrix

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the EU and the Balkan Trust for Democracy (BTD). This Monitoring Report is the first of this kind to be published on a yearly basis for at least the 48-month duration of the project. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDDev) developed by BCSDN and ECNL. It is part of a series of country reports covering 8 countries in the Western Balkans and Turkey<sup>1</sup>. A region Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area.

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and en-

abling for the operations of CSOs. The Matrix is organized around three areas, each divided by sub-areas:

(1) Basic Legal Guarantees of Freedoms; (2) Framework for CSOs’ Financial Viability and Sustainability; (3) Government – CSO Relationship. The principles, standards and indicators have been formulated with consideration of the current state of development of and diversity in the countries of the Western Balkans and Turkey. They rely on the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries. The Matrix aims to define an optimum situation desired for civil society to function and develop effectively and at the same time it aims to set a realistic framework which can be followed and implemented by public authorities. Having in mind that the main challenges lies in implementation, the indicators are defined to monitor the situation on level of legal framework and practical application.

1) Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Turkey.



# Introduction

## About the Monitoring Report

As part of an initiative of the “Balkan Civil Society Acquis – Strengthening the Advocacy and Monitoring Potential and Capacities of Civil Society Organizations”, Partners Albania carried out country monitoring report based on the Monitoring Matrix on Enabling Environment for Civil Society Development. The scope of this monitoring report is to give an overview of issues concerning the environment of civil society organizations in Albania and to provide recommendations on how these issues can be addressed and solved.

This monitoring report prepared by Partners Albania is based on a review of Albanian legislation, studies, policies, and reports; experts’ panel; survey and in-depth interviews with CSOs to evaluate the legal and practice indicators of the Matrix, and to give a picture on the environment which civil society organizations operate.

## The Monitoring Matrix on Enabling Environment for Civil Society Development

The overall objective of the project is to strengthen the foundations for monitoring and advocacy on issues related to enabling environment and sustainability of civil society at regional and country level and to strengthen structures for CSO integration and participation in EU policy and accession process on European and country level.

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the EU and the Balkan Trust for

Democracy (BTD). This Monitoring Report is the first of this kind to be published on a yearly basis for at least the 48-month duration of the project. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDev). It is part of a series of country reports covering 8 countries in the Western Balkans and Turkey<sup>2</sup>. A regional Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area will be available as of March, 2014.

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and enabling for the operations of CSOs. It underscores

The Matrix is organized around three areas, each divided by sub-areas:

1. Basic Legal Guarantees of Freedoms;
2. Framework for CSOs’ Financial Viability and Sustainability;
3. Government – CSO Relationship.

the fact that enabling environment is a complex concept, which includes various areas and depends on several factors and phases of development of the society and the civil society sector. This Matrix does not aim to embrace all enabling environment issues. Rather, it highlights those that the experts have found to be most important for the countries which they operate in. Therefore, the standards and indicators have been formulated with consideration of the current state of development of and diversity in the

2) Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

countries of the Western Balkans and Turkey. They have been drawn from the experiences of the CSOs in the countries in terms of the legal environment as well as the practice and challenges with its implementation. The development of the principles, standards and indicators have been done with consideration of the internationally guaranteed freedoms and rights, and best regulatory practices at the European Union level and in European countries.

The areas are defined by key principles which are further elaborated by specific standards. In order to enable local CSOs, donors or other interested parties to review and monitor the legal environment and practices of its application, the standards are further explained through indicators. The full Matrix is available in VI. Findings and Recommendation section.

The development of the Monitoring Matrix on enabling environment for CSDev was part of a collective effort of CSO experts and practitioners from the BCSDN network of members and partners and with expert and strategic support by ECNL. The 11-member expert team spanned a variety of non-profit and CSO specific knowledge and experience, both legal and practical, and included experts from 10 Balkan countries. The work on the Matrix included working meetings and on-line work by experts, which was then scrutinized via stakeholder focus group and public consultations. The work on the development of the Matrix was supported by USAID, Pact. Inc, and ICNL within the Legal Enabling Environment Program (LEEP)/Legal Innovation Grant and Balkan Trust for Democracy (BTD).

### Civil Society and Civil Society Development (CSDev) in Albania

25 years after the registration of the first CSO in Albania, there is still no available official data from the Court of First Instance in Tirana (the only state authority in charge for the registration of CSOs in the country) on the total number of registered CSOs. The data coming from INSTAT shows that there are in total 1858 CSOs in Albania and 141 of them are newly established

in 2012, while according to Financial intelligence Unit, in 2010, a number of 1,651 CSOs were registered with the tax authorities in Albania<sup>3</sup>. With regards to the type of registrations, in the Needs Assessment Report from TACSO Albania Office in 2011, it is reported that there are 2231 registered **associations**, 311 **foundations** and 522 **centers** in Albania. And from these, based on TACSO estimations, only 450 CSOs all over the country are active.

During the last three decades of its development, the civil society sector in Albania has been diverse in providing services and products. Compared to the first period of their establishment (1990 – 2000), period in which CSOs have mostly focused on providing assistance to the disadvantaged people and groups, public education, promotion of human rights, women rights, etc., nowadays institutional civil society in Albania has a high representation of civic groups, human rights organisations, think tanks and capacity development focused on advocacy rather than provision of services. This role of the sector is driven and nurtured by the developments in the country, as well as by the international donors' strategies and development priorities (mainly bilateral donors).

With regards to the geographical distribution, most of CSOs in Albania are based and exercise their activity in urban areas, with a concentration in Tirana (the capital), and big cities in north, center and south, as Shkodra, Elbasani, and Vlora. In an assessment report prepared by IDM in 2012 "Civil Society in rural and remote areas in Albania", it is reported that the sector in rural and remote areas is still in its embryonic stage, the number of CSOs is low, their mission and objectives, are not clearly focused, and their activity is modest and often sporadic. As a result, their impact in the community is low. Their field of activity is focused mostly in advocacy and lobbying for specific group of interest as women rights, children rights, preservation and promotion of culture, and tradition of the area, environmental protection, promotion of tourism, and the promotion of different professional groups. The development of the CSOs sector in Albania has been associated with legal initiatives and

3) According to the Albanian Legislation, CSOs should be registered at the Tirana Court of First Instance, which keeps the Register of CSOs, as well as with the tax authorities in their respective areas of residence.

changes aiming to create a supporting environment for the CSOs. This process has started with the approval of the Albanian Constitution in 1991, providing the legal bases for the registration and functioning of CSOs; followed by a legal package making it functional, including the Civil Code of the Republic of Albania (Law no. 8750, dt. 29.7.1994, amended with the Law no. 8781, dt. 3.5.2001) that provides the legal bases for the registration and functioning of Foundations and Associations; Law No. 8788, dated 7.5.2001 “On Non For Profit Organizations; Law no. 8789, dated 7.5.2001 “On Non For Profit Organizations Registration”; Law no. 8781, dated 3.5.2001 “On some Amendments and Changes in Law no. 7850, dated 29.7.1994 “Civil Code of the Republic of Albania”. This framework would allow straightforward process of registration and operation of CSOs, in line with international standards, but as the practice shows, the legal framework regulating the activity of the CSOs in Albania, despite the changes and amendments done through the years, remains still problematic and changes need to be made to facilitate the existence and functioning of the CSOs sector.

Especially the fiscal legislation presents various barriers to the CSOs. The current fiscal regime on the non-for-profits undermine the role of the civil society sector and have a negative impact on quality and quantity of services provided by the sector to their target groups and beneficiaries. The main problematic with this legislation remains the equal treatment of the non-for-profit sector and the business one, despite the proposals from CSOs to make the proper changes leading to a differentiated treatment of the sectors, based on their characteristics. The frequent changes in the legal framework (during 2008, the fiscal legislation changed three times) makes it challenging for the sector to follow and comply, and increases opportunities for pressure and unfair treatment of CSOs by the state authorities. This is a result of problematic relations between the state and the CSOs sector because of the “closed doors” applied, not providing spaces for consultation with CSOs and interest groups on the legislative initiatives, or not taking into considerations the propositions made by the sector. As cited in the USAID 2012 CSOs Sustainability Index for Albania “*decision makers have generally ignored CSOs proposals to improve the legal environment for civil society*”, leading to an existing legislation

that does not reflect the concerns of the sector, has made it difficult the implementation of the laws by CSOs, and has negatively impacted sustainable development of the CSOs sector.

During the last three decades, the sector involvement and presence on public issues has been more and more visible. Its pressure in fighting corruption, in sensitive issues affecting public life, in lobbying for equal representation of women and men in politics and decision-making, in promoting and protecting the rights of marginalised groups, etc., is considered a positive step in influencing the awareness of public opinion and encouraging civic involvement for more participation in decision-making and policy-making processes at central and local level of governance. Some of the successful experiences of the civil society participation in consultations and preparation of national laws, and strategies, can be mentioned: preparation of the National Strategy for Social and Economic Development (NSSSD) in 2000; drafting of the Law on Measures against Violence in Family relations, adopted in 2007; Law “On Gender Equality in Society” approved by the Parliament in 2008; approval of gender quota of 30% in electoral code to increase women participation at all levels of decision making, National Youth Strategy and Action Plan 2007-2013, National Strategy for War against Human Trafficking 2008 – 2010; National Strategy for People with Disabilities 2005 – 2010, National Strategy for Gender Equality and against Domestic Violence 2005 – 2010 & 2011 – 2015, etc. Despite these achievements, there is still a lack of standardised procedures and mechanisms enabling timely and effective participation of CSOs in decision-making and policy-making, in line with international standards and best practices.

Relations between the state and CSOs are sporadic and superficial, and the state doesn’t fully recognize the importance of CSOs sector and its development, as an irreplaceable partner in good governance, advancement of democracy, and sustainable economic and social development of the country. Collaboration and partnership between CSOs and the Government, is of outmost importance and should be considered as a priority issue of development from both parties, not just as a request from the European Union that should be filed in the frame of the integration process.

In the conditions of bilateral donors' withdrawal and financial crisis, the lack of enabling legal framework becomes even more problematic, which reflects in the reduction of active CSOs in the country and diversity of their activities. In this regards, lack of a national strategy for the development of the CSOs sector in Albania, as well as lack of better coordination between the CSOs, the state and the donor community leads to a fragile sector in Albania, not consolidated, and with a weak image in the public.

Still, despite the achievements and the contribution in the developments in the country during these years, the CSOs sector has not succeeded to build a positive image, and to fully win the trust of the public, which remains skeptical about its role. The sector is still struggling to build its identity and image as an important factor of change and prosperity of the country.

An enabling legal and regulatory framework for the sustainable development of a vital CSO sector in Albania, like in other countries, is crucial. Considering different criteria that would make this framework "enabling" as: the creation of easy, transparent and low costs' registration procedures, rules and procedures; protection from state interference and/or arbitrarily in the independent functioning of CSOs; creation of the necessary legal and practical bases to engage in fundraising activities and legitimate income generating activities; increased access to information and decision-making; setting and execution of clear taxation and procurement rules and procedures recognizing the differences between non-for-profit sector and the private sector; creation of state mechanisms to support viability and the effectiveness of the CSOs; etc., it can be concluded that there is still a lot of efforts to be done in Albania for an enabling legal and practical framework for CSOs, in accordance with EU and international standards.

### **Specific features and challenges in applying the Matrix in Albania**

Since at the start, Partners Albania aimed and reached to have a participatory and inclusive process to carry out this monitoring report, presenting and discussing the Matrix to a large number

of CSOs representatives all over the country. A number of 150 CSOs representatives participated in the regional workshops organized in 8 cities (Tirana, Elbasan, Korça, Vlorë, Shkodër, Durrës, Fier, and Gjirokastër) to present and discuss the areas, sub areas and indicators of the Matrix. In addition, the Matrix were disseminated to over 700 representatives of CSOs all over Albania through email contacts.

The main challenge with the application of the Matrix was related with the novelty it represents in discussing and measuring a complex set of standards and areas covering the enabling environment for CSOs. It was a new experience for the Partners' staff well as for the CSOs involved with the Matrix application.

A key challenge in conduction of surveys related with CSOs sector in Albania, remains lack of official information on the CSOs sector (number, form of registration, geographical distribution, proportion according their field of activities, etc.). This situation makes the sample selection process more challenging and time consuming.

The questionnaire prepared for the survey was complex, including questions for all the areas and subareas of the Matrix to measure the practical environment for CSOs operation. As a result, the training of the staff that would be involved with the administration of the survey was an important issue that was treated carefully by Partners Albania. Intensity of work in a limited timeframe was another challenge for the survey team involved with the survey administration.

Due to the complexity of the issues covered in the questionnaire, it was a requirement that the Executive director of the CSO should fill the questionnaire through a face to face interview to provide the necessary explanations required. This was challenging, due to the limited time of the Directors. Another challenge was related with the lack of information from the directors, on the legal framework of CSOs, leading to contradictions in responses making it difficult the analysis of the information received. For this reason, the questionnaire was followed by in-depth interviews to explore contradicting issues or areas where more information was needed for the analysis purposes.

Some of Matrix features were new concepts for the CSOs representatives. So, endowments for most of the executive directors were an unknown practice, never applied in their operations. Also, since the incentives for donations are inexistent or at a low rate, CSOs do not see the possibility of cooperation with individuals and companies that conduct CSR/ philanthropic activities. Issues related with the voluntarism programs and strategies were also difficult to be measured due to the lack and somehow misinformation of CSOs.

Another challenge was related with the difficulties to ensure proper and updated information from public authorities and institutions, through their means of information that would facilitate the process of desk research on legal issues.

## Acknowledgements and thanks

The country monitoring report on Enabling Environment for Civil Society Development was prepared with collaborative effort and generous support of CSOs, experts and individuals.

Partners Albania would like to express its gratitude to the executive directors of CSOs and reputable experts who participated in this first monitoring report, appreciating their cooperation, contribution and time devoted. Their contribution gave valuable content to the Matrix report.

Partners Albania would like to express its gratitude to Balkan Civil Society Development Network (BCSDN) and the European Centre For-not-For Profit Law (ECNL) and Olof Palme International Center in Albania for their support in the development, orientation and implementation of this monitoring effort.

# Methodology

## Overview of the methodological approach

The monitoring process was carried out during 2013. The process started with translation of the Matrix in Albanian language, in order to further facilitate its presentation and to ensure better understanding among civil society actors, and its presentation as a toolkit to be used by CSOs to advocate locally or/and nationally. Partners Albania prepared and used a set of methodological tools, including both participative and expert approach in acquiring data and information with the overall goal of monitoring standards for the legal and practical level, to identify progress or lack of thereof in the enabling environment, incl. overall climate, legislation and its effective implementation for the operations of CSOs in Albania. The following methodological approach was followed:

### 1. Literature Review

Since the matrix contains indicators for the law and the practice, the literature review was carried out through:

- 1.1. *Legal review* – a desk research was carried out to review the legal framework and regulations and incentives. It included: (i) an overview of Albanian legislation (including implementing regulations); analyzes of the laws; (ii) regulations by domestic and international organizations;
- 1.2. *Practice review* – a desk research was conducted aiming to identify: (i) CSOs reports on need assessment and their implementation; (ii) media reports that

cover practical implementation; (iii) donor and international organizations' reports; and (iv) analysis of the needs in the area/issues and international reports or comparative documents on the topic.

**2. Survey** realized through the administration of a standardized questionnaire to 100 CSOs (the survey was conducted with executive directors of CSOs) in eight cities: Durrës, Elbasan, Gjirokastra, Shkodra, Tirana, Vlora, Korça and Fier in the period of May – July 2013. The survey aimed to assess practical implementation of the legal and regulatory framework for civil society organization in Albania. It was designed based on closed and open-ended questions as per the standards of Areas 1, 2 and 3 and the sub-areas of the matrix. Partners Albania conducted face to face interviews to fill in the questionnaires, which allowed for appropriate clarifications on complicated issues.

The questionnaire consisted in four sections, each addressing specific questions related with the areas and sub-areas of the Matrix. The rating scales of the questions were from 1 to 5, where one was the very low scale of evaluation and 5 was the higher scale of evaluation. The sections were as follows

- Demographic data – this section gathered demographic data such as the name, gender, position of the respondent and type of CSO, field of activities and CSO address.
- Basic legal guarantees of freedom – This section aimed to draw a general picture of the practical level about the basic legal guarantees of freedom for CSOs in





- Albania.
- Framework for CSOs Financial Viability and Sustainability – This section aimed to assess the practice on fiscal legal framework in Albania and the support of the state.
- Government – CSO Relationship – This was the last section and evaluated the practical level of the involvement of COS in policy and decision making; procurement contracting and social services.

- Local CSOs with specific knowledge and focus of work on one of the topics of the sub-areas;
- Recognized experts in civil society issues, including legal issues;
- Academia representatives with expertise in civil society;
- CSO partners from government, business and/or media
- Think tanks working in the area of civil society development.

**3. In depth interviews** with selected executive directors of CSOs, addressing tailored questions related with some of the findings of the survey. Seven interviews were conducted to get more information and follow up on the identified issues, especially in the fiscal section.

**4. Expert panel** composed of 9 experts knowledgeable in all areas covered in the Matrix assessed how supportive and enabling is the legal and regulatory framework for CSOs in Albania (see list of experts in Annex 2).

The experts represented the following:

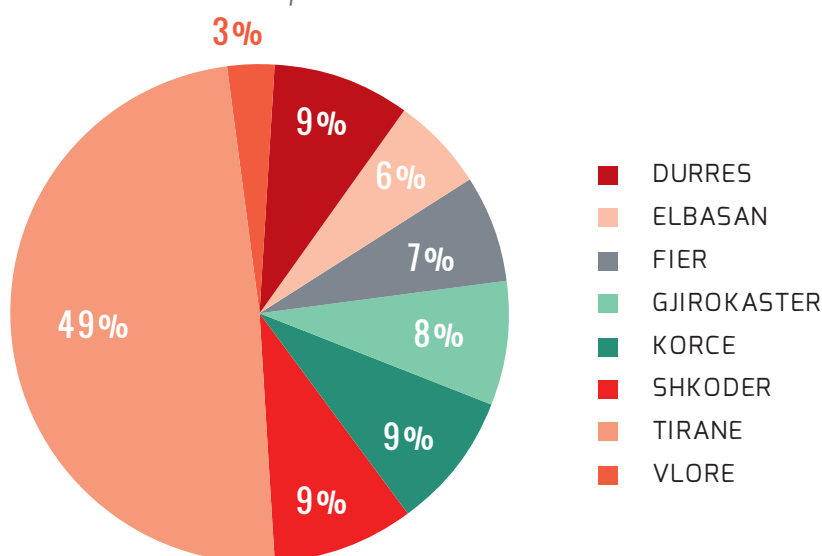
The evaluation was conducted through the administration of a standardized questionnaire. The structure of the questionnaire was the same as the structure of the questionnaire with CSOs, but aiming to evaluate the legislation areas/sub-areas and indicators.

## 5. Findings and recommendations from the World Café<sup>4</sup>

### Participation of the CSO community

The country monitoring report was carried out in eight cities, with a participation of 100 active CSOs

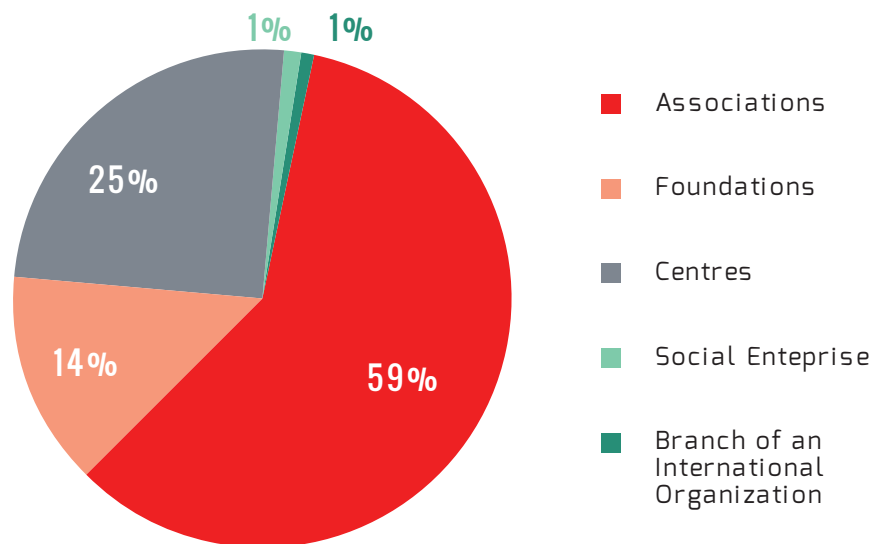
Graphic 1. Map of the distribution of the sample



Graphic 1 gives the geographical distribution of the organizations that responded to the questionnaires.

4) Considering CSOs as an important partner of the state and key actor in the development of the Albanian society, Partners Albania organized on December 13 and 16, 2013, the National Conference "Social Partners - Time for Action". In the first day of the Conference, 130 representatives from CSOs were engaged in a Word Café discussion on three topics, in compliance with the areas of the Matrix. The findings and recommendations of the conference have been used as part of this monitoring report, and can be found at: [http://www.partnersalbania.org/Recommendations\\_of\\_the\\_CSOs\\_for\\_dialogue\\_and\\_cooperation\\_with\\_government.pdf](http://www.partnersalbania.org/Recommendations_of_the_CSOs_for_dialogue_and_cooperation_with_government.pdf)

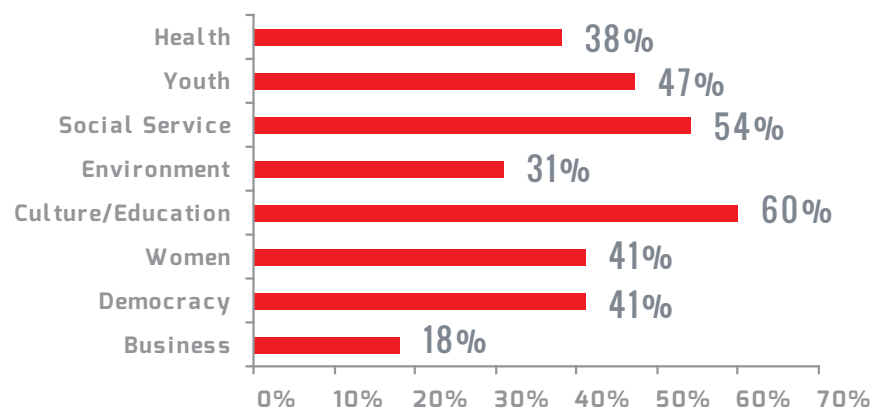
Graphic 2. Form of registration of the organizations within the sample



With regards to the form of registration the sample was composed of 59% Associations, 25% Centers, 14% Foundations, 1% Social Enterprise and 1% Branch of an International Organization (Graphic 2). Even though, Social Enterprises, is

not a form of registration recognized and allowed by the Albanian legislation, Partners Albania included it as an alternative, considering the recent developments and the orientation of some CSOs toward this new form of organization.

Graphic 3. Fields of work of the organizations of the sample



Based on their responses, above are configured the field of work of the surveyed CSOs, and their main activities (Graphic 3). As the graphic shows, there is a relatively equal distribution of the sample among CSO operation in the field of women, democracy, social services, youth and Health, with a domination of CSOs working in culture/education issues, and with a less representation from the CSOs working in business area.

### Lessons-learnt

- The inclusive and participatory approach

applied ensure a wide participation of CSOs and presented a broad frame of the development of the sector all over Albania (in addition to desk research and expert panel).

- The Matrix presented a comprehensive and complex set of standards and areas and illustration with cases was very valuable for the preparation of this monitoring report.
- Some of the issues/areas of the Matrix need to be revised in future reviews to reflect the legal and practical environment of CSOs' operation in Albania.



# Findings and Recommendations

## Area 1: Basic Legal Guarantees of Freedoms

### Sub-area 1.1.: Freedom of association

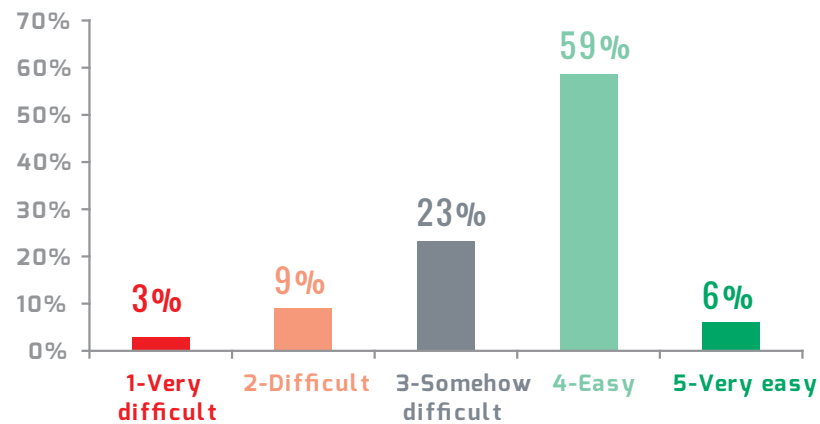
The evaluation of this sub-area is based on the following standards: (i) all individuals and legal entities can freely establish and participate in informal and/or registered organizations offline and online (ii) CSOs operate freely without unwarranted state interference in their internal governance and activities; (iii) CSOs can freely seek and secure financial resources from various domestic and foreign sources to support their activities.

The freedom of association is a constitutional right for any individual and legal entity without any age, nationality, legal capacity, gender, and ethnics based discrimination. Primary legislation like Civil Code<sup>5</sup> and secondary legislation like Law on Non Profit Organizations<sup>6</sup> and Law on the Registration on Nonprofit Organizations<sup>7</sup>, further addresses and regulates this right. Registration for organizations is not mandatory<sup>8</sup>, but the practice shows that almost all the individuals and legal entities exercise their activity choosing the legal entity type as an association, center or foundation (three forms of organization recognized by the Law on Non Profit Organizations). The registration is done based on an application from the interested subject, submitted to the Tirana

Court of First Instance, the only public institution in charge for the registration of CSOs in Albania. The documentation package, attached to the application includes: the charter and establishment act, approved by the founders of the non-for-profit organization and certified by a notary. The founders authorize one or more persons to perform the acts of registration and to follow all the registration process<sup>9</sup>. The decision of registration is made by a judge from the commercial section of the court. The judge decides on application for registration within 15 days from the date the request is deposited with the court<sup>10</sup>. But in practice, as evidenced from the expert panel discussions, there are cases where the process of registration is delayed in time. In case of rejection of an application by the judge, the applicant may appeal the decision to the Court of Appeals of Tirana.<sup>11</sup> The costs of the registration are related with the preparation and certification of the documents by a notary, payment to the lawyer to submit them and to follow the process in the court and other taxes related with the registration procedures in the court. As it is evaluated from this monitoring report, for the organizations based outside of Tirana, there are additional costs, as a result of the centralization of the registration process only in Tirana Court of First Instance, which represents a barrier for the CSOs. As it is quoted even in the USAID 2012 NGO Sustainability Index, decision makers have continued to ignore civil society's

- 5) Law No.8781 , dated 03.05.2011, For Some Amendments to Law 7850 , dated 07/29/1994 " Civil Code of the Republic of Albania"
- 6) Law No.8788, dated 07.05.2001 on "Non-Profit Organizations"
- 7) Law No. 8789, dated 7.5.2001 "For the registration on nonprofit organizations"
- 8) Law No.8788, dated 07.05.2001 on "Non-Profit Organizations, Article 3,
- 9) Ibid, Article 13
- 10) Law No. 8789, dated 7.5.2001 "For the registration on nonprofit organizations", Article 24
- 11) Ibid", Article 25

Graphic 4. Evaluation of the process to establish CSO



appeals to decentralize registration procedures. Overall, the registration legal framework is considered adequate and allows for a relatively straightforward process of registration and operation in line with the international standards, as evaluated by the expert panel and 65% of the interviewed CSOs (Graphic 4).

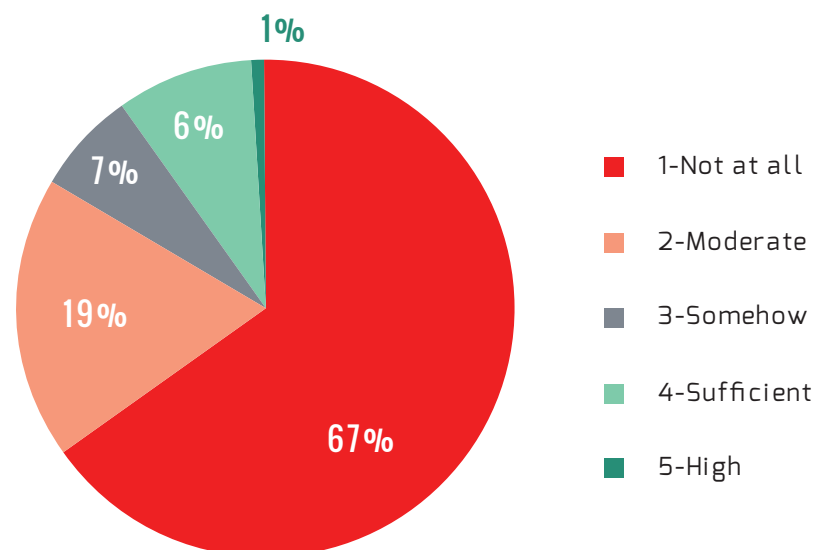
In addition to the fact that the freedom of individuals to participate in CSOs is guaranteed by the law, this freedom is also respected in practice. When asked on how they evaluate the participation of individuals in formal and non-formal organizations, 69% of CSOs declare that the participation is easy (56%) and very easy (13%). In

some cases, the participation is hampered from limited access due to long distances from the living area to the location of the CSOs, especially for the people living in the rural areas.

The legal framework guarantee,<sup>12</sup> and the practice shows that CSOs operate freely without state interference in their internal governance and activities.

86% of CSOs surveyed express that there is no (67%) or moderate (19%) state interference in the internal governance of CSOs (Graphic 5), while 67% of CSOs express that there is no (52%) or little.

Graphic 5. Evaluation of the state interference in CSOs internal governance



<sup>12)</sup> Ibid, Art.7

(15%) state harassment and excessive control from the state, while 59% of them express that the sanctions are rarely applied or not at all applied. These results are related with the fact that a considerable number of the organizations participating in this monitoring report are small organizations with limited resources and insufficient capacities to advocate for public issues, and partly because the sector is weak, especially when it comes to play the watchdog role, for which the only cases are in big cities, such as Tirana. However there are cases when the government has exerted political pressure on CSOs by misusing laws introduced in 2010 on financial inspection, financial management, and control. Tax authorities fined Mjaft! on unclear grounds in 2011. Mjaft! filed two cases in court against the fine and the tax authorities' report. And in December 2012, the Tirana Court of First Instance ruled in favor of Mjaft!<sup>13</sup>

The financial reporting of CSOs is regulated by the Law No. 9228, dated 29.04.2004 "For the Accounting and Financial statement" and the Law on Public Financial Inspection and Reporting, No 10294 date 01/07/2010 entered into force on July 2010. In the law for the accounting and financial statements, there are no specification and different forms for the accounting and reporting of CSOs. They are treated and have the same accounting and reporting obligations as the business sector. In the same time, the law puts the same rules for accounting and financial reporting for all CSOs, without following the proportionality principle regarding the size of organization and purpose/type of activity<sup>14</sup>. In the last years, organizations in Albania are obliged to submit an annual report to tax authorities. In addition, CSOs should submit VAT reports online, despite the fact of not engaging in economic activity. This system is considered not effective and not appropriate and there is a need to improve the current tax and financial reporting-related legislation through a separate framework for the third sector. On the other side, CSOs themselves need

to increase internal transparency, accountability and democratic decision-making.<sup>15</sup>

The transformation, merger, interruption of activity and dissolution of CSOs is prescribed in the Chapter VIII of the Law on non-profit organizations, in conformity with the international standards, as well as in the Law on the registration of the nonprofit organizations<sup>16</sup>.

The sources of income of a non-profit organization are incomes from dues, when there are such, grants and donations by private or public subjects, local or foreign, as well as income from economic activity and the assets owned by the non-profit organization.<sup>17</sup> In any case, the legislation does not present any legal barrier with regard to access to funding, having them a local or foreign origin.

65% of surveyed CSOs declare that they can freely seek and secure funding from foreign donors, while they have difficulties to access the provision of funding from the government (67% have not received any fund from central government, 69% have not received any fund from local government, 75% have not received any fund from public procurement). The difficulties related with the fundraising of CSOs are mostly related with the limited funds from local authorities, lack of capacities of small organizations to comply with standards required to access foreign funds, and lack of trust in a transparent and fair allocation of funds from the Civil Society Support Agency. These data, once again confirm the fact that CSOs sector in Albania is donor dependant. Also, bank fees and charges which are not recognized as eligible costs by some donors including EU, increases the organizational costs, representing a burden for CSO.

According to the Law on NonProfit Organizations, CSOs *"have the right to exercise any kind of lawful activity"*<sup>18</sup>, and *"the profits shall be used to accomplish the purpose specified in the char-*

13) USAID, The 2011 NGO Sustainability Index/ USAID, The 2012 NGO Sustainability Index

14) [http://www.partnersalbania.org/Recommendations\\_of\\_the\\_CSOs\\_for\\_dialogue\\_and\\_cooperation\\_with\\_government.pdf](http://www.partnersalbania.org/Recommendations_of_the_CSOs_for_dialogue_and_cooperation_with_government.pdf)

15) Country report: Albania, Country profile for the year 2012, Prepared by: Partners Albania, Center for change and Conflict Management, prepared for the regional civil society conference: FOR EUROPE OF THE WESTERN BALKANS, 26-28 September 2012 – Zadar, Croatia

16) Chapter VII

17) Law No.8788, dated 07.05.2001 on "Non-Profit Organizations", Article 35

18) Ibid, Article 34

ter and the establishment act”.<sup>19</sup> Based on this, CSOs can make profits, but the Civil Code, article 39/1 states that *“it is not permitted for an association to perform profit-making activities”* article 56/1 *“it is not permitted for a foundation to perform profit-making activities”* and article 11 of Non Profit Organization *“it is not permitted for a centre to perform profit-making activities”*. Also article 35 states that *“No form of profit distribution, or financial and material advantage benefit from the incomes and profits of the non-for-profit organization is permitted to the persons that are subjects of the charter or establishment act, except for obligations in the form of salary, wages, payments, remunerations and compensations that derives from an employment contract or another contracts similar to it, or to cover expenses performed on the order and for the account of the non-for-profit organization”*. This lead to interpretation that profit making does not refer to engaging in activities that might be profitable but rather to profit distribution.<sup>20</sup> Due to this legal confusion, CSOs encounter many problems and barriers during the execution of the economic activity<sup>21</sup>, leading to the fact that 58% of the surveyed CSOs do not secure funds from payment services.

The existing legal framework is not favorable toward the CSOs exercising economic activity<sup>22</sup>. CSOs use only one report format for their economic and non-economic activities, which also confirm the general confusion as to what economic and non-for-profit activities are.<sup>23</sup> The differentiation between economic and non-economic activity is important, especially because it is also related with the different tax treatment of those two activities<sup>24</sup>.

## Sub-area 1.2.: Related-freedoms

The evaluation of this sub-area is based on the following standards (i) CSO representatives, individually or through their organization, enjoy freedom of peaceful assembly; (ii) CSO representatives, individually or through their organizations enjoy freedom of expression; (iii) Civil society representatives, individually and through their organizations, have the rights to safely receive and impart information through any media.

The legal framework in Albania guarantees the right to enjoy freedom of peaceful assembly. This right is guaranteed in the Albanian Constitution<sup>25</sup> and specified in the Law on Assembly<sup>26</sup>. According to the Law on assembly, *“every citizen has the right to organize and participate in peaceful and non armed assemblies and gatherings without any discrimination with under the protection of the state police”*. This right is restricted in cases when the assemblies compromises the national security, the public security, the protection of public order and prevention of crime, preservation of health or morals, or the protection of the rights and freedoms of other people. The law regulates the procedures of prior notifications in case the assembly is organized in public spaces or public passages, and the request for support from the state police, to avoid disturbances during or after the development of the assemble. According to Article 12 of this law, assemblies on open public spaces may be organized even without prior notification of the police. Article 25 of the law foresees the right of administrative appeal made by the chief of the police station or the police officer responsible for the development of assembly.

19) Ibid, Article 35

20) Assessment Report on the Fiscal Framework of Civil Society in Albania

21) [http://www.partnersalbania.org/Recommendations\\_of\\_the\\_CSOs\\_for\\_dialogue\\_and\\_cooperation\\_with\\_government.pdf](http://www.partnersalbania.org/Recommendations_of_the_CSOs_for_dialogue_and_cooperation_with_government.pdf)

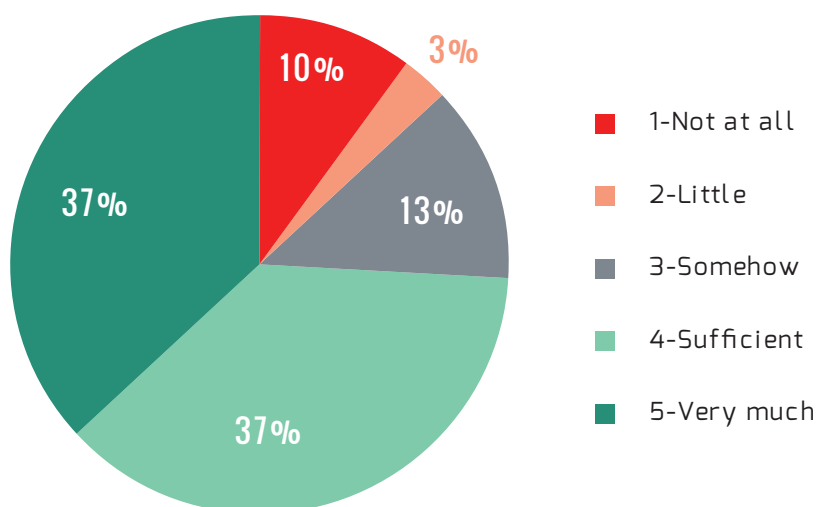
22) Ibid

23) Assessment Report on the Fiscal Framework of Civil Society in Albania

24) This is one of the requests presented from the CSOs in the National Conference “Social partners – Time for actions”, as part of the statement of representatives of civil society organizations to be addressed by the government within 2014.

25) Articles 46, 47

26) Law No. Nr.8773, dated 23.4.2001



The right to enjoy freedom of peaceful assembly is respected in practice, as evaluated by 74% of surveyed CSOs. Assemblies are organized in conformity and in respect to the law, and the role of the police has been supportive. 77% of surveyed CSO (Graphic 6) express that there are no cases of interference from the police during the assembly. The presence of the media in peaceful assemblies and meeting have been evaluated positively by 77% of CSOs that have received very much media presence attentions (42%) or sufficient media presence (34%) in their assemblies.

Freedom of expression is a fundamental freedom. Albania offers constitutional and legal guarantees of the right of citizens to express freely, evaluated as such even from the expert panel. Any limitations, such as restrictions on hate-speech, imposed by legislation are described clearly and in accordance with international laws in the Penal Code of the Republic of Albania. Libel is regulated in the Penal Code of the Republic of Albania, Section VIII: Libel offenses against morality and dignity. In 2012, the Ministry of Justice proposed changes consisting in decriminalization of libel and defamation by making it subject of the Civil Code instead of Penal Code. But, the changes were not approved by the Commission of Laws in the Parliament. The only change approved was the size of pun-

ishment for the libel from prison to fines.

From the survey there wasn't reported any case of violation of freedom of expression, persecution of individuals or CSOs representatives on critical speeches in public or private, and sanctions on critical speeches in public or private. CSOs in Albania have and exercise their freedom of expression without any interference. They can freely organize seminars, conferences and other public events to discuss different issues, to participate and express their views and opinion in written, in electronic and social media, including being critical to the government. 58% of surveyed CSOs express that there is a very high level of freedom of expression by CSOs. Despite that, there are rare cases like the one of four activists of the Rinia Aktive movement who were detained in Tirana and accused of "slander and distributing false information" after posting a mock obituary of Albania's prime minister. They were released after two days following a prosecutor's decision not to pursue charges brought against them by the police.

The main law regulating the access and communication through any media and ICT is the Law No. 9918, dated 19.05.2008 "On Electronic Communications in the Republic of Albania", and its normative acts<sup>27</sup>. In addition to that, a series

27) VKM, nr. 1252, datë 10.09.2008 për "Miratimin e rregullave të zhvillimit të tenderit publik, për dhënien e së drejtës së përdorimit të frekuencave" i ndryshuar me: VKM nr.501, datë 9.6.2010  
VKM, nr.465, datë 6.5.2009 për "Miratimin e fondit të shpenzimeve, për vitin 2009, për autoritetin e komunikimeve elektronike dhe postare"  
VKM nr.479, datë 6.5.2009 për " Miratimin e planit kombëtar të frekuencave "

of national strategies and policies have been drafted and approved, as: National Information and Communication Technologies Strategy (created 2005/2006), Policy for Electronic Communications in the Republic of Albania on February 2010, Cross Cutting strategy 2008-2013, Digital Albania Initiative, ICT Work Program 2007-2008, ICT4D National Strategy, Cross-Sector Strategy for Information Society<sup>28</sup>.

As cited in the USAID ICT country profile Albania, 2011, most of the basic requirements regarding the legal framework in order to facilitate and support the implementation and improvement of new technologies, new services and new regulations in the Albanian ICT sector, have been fulfilled. As discussed in this report, several issues still remain to be addressed as the low penetration of fixed lines and Internet, low percentage of PC ownership, high costs of Internet and mobile access and services, low level of awareness of the benefits of the use of Information and communication technologies, digital gap between urban and rural areas and in comparison to other countries in Europe, low level of state subsidies and lack of policies to support all these. These issues affect the existence and effective operation of CSOs, especially of those in the remote and rural areas, where such problems are more persistent making the internet not broadly accessible and affordable by CSOs. With regards to the access to internet, 80% of the surveyed CSOs have email addresses, while only 50% have web-page. The collaboration with media is evaluated as easy by 42 % of CSOs, while 27% evaluate it as somehow difficult. In Albania there are

several social networks of CSOs that communicate and exchange information among each other without any harassment reported. Such groups can be mentioned: Albania Act Now!; Alliance Against Waste Import; Protect the children (Parents Alliance for the protection of Children from Abuse), etc.

## Area 2: Framework for CSO Financial Viability and Sustainability

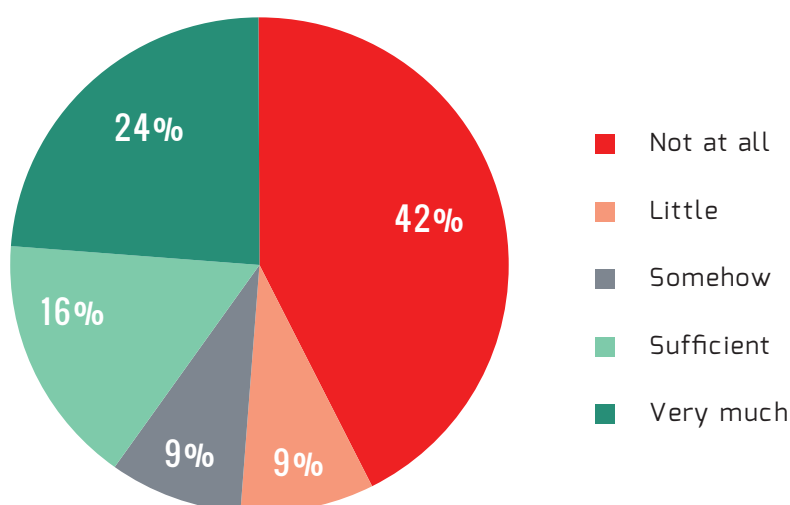
### Sub-area 2.1.: Tax/fiscal treatment for CSOs and their donors

The evaluation of this sub-area is based on the following standards (i) Tax benefits are available on various income sources of CSOs; (ii) Incentives are provided for individual and corporate giving.

In Albania, the sources of income of a non-profit organization are income from **dues**, when there are such, **grants** and **donations** offered by private or public subjects, local or foreign, as well as income from **economic activity** and the **assets** owned by the non-profit organization<sup>29</sup>. At the same time, article 40 of the Law on Non-Profit Organizations, says: "Regardless of the form of organization, the purpose they follow and the activity they exercise, non-profit organizations are exempt from tax on revenues realized from **donations** and membership **dues**". Even though revenues from grants compose the major source of funds for CSOs in Albania, in the Law for nonprofit organizations, as mentioned above, it seems that **grants** are not specifically included in the exempt from taxes.

<sup>28)</sup> USAID, ICT Country Profile Albania, 2011, Regional Competitiveness Initiative  
<sup>29)</sup> Law No.8788, dated 07.05.2001 on "Non-Profit Organizations",





This omission, may lead to incorrect interpretation by different state authorities, donors and CSOs in Albania, as showed even by the results of the survey with CSOs. 24% of CSOs declare that tax on grants is “very much” applied; 16% declare that tax on grants is “sufficient” applied; 9% “somehow”, 9% little, and only 42% of CSOs declare that tax on grant is not applied (Graphic 7).

But, from the in depth interviews with the CSOs who declared that the tax on grants has been applied, it was clarified that it wasn’t really about tax on grants applied and paid to the state authorities, but it was about requests from donors to the CSOs to submit to them VAT invoice for the grant received. As a conclusion, it can be said that there is confusion at the legal framework as well as practice level regarding the exemption of grants from tax scheme. Considering as above, it is very important to be clearly stated in the law the exclusion of grants from any kind of taxation. This will terminate the possibility for different interpretation of whether grants are part of the nonprofit activity of CSOs or not<sup>30</sup>.

While the non-economic activity is not subject to income tax, the economic activity is subject to a 10% tax on the profit (similar to companies taxed with the same rate for their profits). In practice

as it is difficult to differentiate between economic and non-for-profit activities, most CSOs are not really aware of what taxes they should pay on their income<sup>31</sup>.

The CSOs are required to report under the VAT system even if formally they do not have the necessary turnover from economic activity. The turnover threshold to report VAT is 2 million lek and in this condition it is totally unjustified why CSOs including those that do not perform economic activity should report VAT<sup>32</sup>. But in addition, the VAT Law includes a provision according to which the supplies made by nonprofit organizations at a reduced price are exempt from VAT if they are made by public benefit organizations, whose status is granted by the Ministry of Finance. According to the document<sup>33</sup>, public benefit status is given to organizations carrying as their main activities, activities in the field of education and health and economic development. These organizations are required to provide their services at a price lower by 50 % from the market price, and the income from the sale of goods and services cannot cover more than 50 % of the cost for providing them, in order to get the public benefit status. There are three main issues related to this decision: 1) it should be addressed at the law level and not through a Council of Ministers Decision, which makes the criteria subject of frequent changes; 2) the areas of activities addressed by the deci-

30) This is one of the requests presented from the CSOs in the National Conference “Social partners – Time for actions”, as part of the statement of representatives of civil society organizations to be addressed by the government within 2014.

31) ECNL, Assessment Report on the Fiscal Framework of Civil Society in Albania

32) Ibid

33) VKM nr. 1679 date 24.12.2008 “Kriteret dhe procedura e percaktimit te statusit te organizatave jofitimprurese, per perfitim publik”

sion does not reflect the reality on the ground with respect to CSO activity areas; 3) rules and procedures in support of this decision are ambiguous.

In practice, 67% of the surveyed CSOs declare that there are no tax benefits for the economic activity of CSOs, making them not effective and supportive for CSOs. Some of the fiscal facilities recommended by the CSOs, to enable and support their economic activity, would be: differential treatment between CSOs and businesses; exemption from VAT scheme or reduction of VAT value for CSOs; reimbursement of VAT; facilities/stimulation for social enterprises; exclusion from any taxes for economic activities.

CSOs are not excluded from engaging in passive investments, Articles 39/1 and 56/1 of the Civil Code state that the associations and foundations respectively are allowed to own movable and immovable assets to generate incomes through the management of these assets. Also, article 35 of the law on non profits, recognises the incomes from assets owned by the nonprofit organization, as a source of income. Currently, Passive investments are treated in the same way as business activities, and are respectively taxed, with no exceptions provided by the tax legislation. But, through an amendment to the Law on Non Profit Organisations, CSOs are exempt from tax on income realized through bank interest.<sup>34</sup>

There is no law on endowments and the concept of it is unknown to CSOs. This hinders the sustainability of the sector and limits the source of incomes.

The Law on non profit organisations foresees the provision of tax deduction for individuals and corporate donations to CSOs<sup>35</sup>, while the Law no.7892, dt. 21.12.1994 on Sponsorship considers as sponsors “only those subjects having the quality of merchant, being physical or judicial persons, local or foreign or joint ventures”. This definition in the law, allows benefits only for business companies and individuals that have the “quality of merchants”, excluding employee that receive salaries, including all public administration.

On the other hand, the Law on Sponsorship rec-

ognizes as eligible activities to benefit from tax deduction in the terms of this law only social and public activities, including the humanitarian, cultural and artistic, sport, education, ecologic activities and literature works, scientific and encyclopedia activities. This list of activities can be considered limited, as it does not include areas related with human rights and democracy, in which a big number of CSOs in Albania are engaged (41% of the surveyed CSOs in the frame of the monitoring matrix report, work in Democracy field).

The level of tax deduction is not encouraging enough for individuals and corporate donations to CSOs. In a survey report prepared by Partners Albania on Entrepreneurship and Philanthropy, on 2011, enterprises that carry out philanthropic activity has ranked the creation of incentives that will lower the tax burden for enterprises to carry out philanthropic activities, as the first element that would motivate philanthropic activities. In the mean time, enterprises that do not perform philanthropic activity have identified the difficult procedure of reimbursement as one of the main reason for not carrying out philanthropic activity. This situation is reflected in the findings of the Matrix monitoring survey, in which 53% of surveyed CSO have not received any individual and corporate donations for their activities, while only 7% declare that they have “a lot” of donations.

These facts lead to the need for revision of the law on sponsorship for further fiscal incentives/facilities for donations, as well as simplification of procedures for reimbursement. In addition to these, other conditions that would increase donations, as evaluated by CSOs, are:

- Recognition of the donation (making it public and visible)
- Increased transparency and credibility of CSOs toward the public
- Advocacy
- Collaboration with local government
- Increased awareness and social sensibility
- Development of corporate social responsibility

34) Law nr. 92/2013 For some Addition and Changes on Law no. 8788, date 7.05.2001 “For non – profit Organization”, changed, approved on 28.2.2013

35) Article 40 of the Law



CSR is relatively new area of development in Albania. The most prominent achievements to date are: the establishment of a local United Nations Global Compact Network, development of the Policy Paper on CSR, adoption of Corporate Governance Code for the unlisted companies, drafting of the National Action Plan on CSR and the relevant indicators, establishment of the Multi-Stakeholders Forum on CSR, adaptation of the ISO 260000 standards, training of journalists from local media and CSR prize award projects<sup>36</sup>.

The regional conference “Development of Corporate Social Responsibility - Challenges and Practices in the Region”, organized by Partners Albania on 5 June, 2012, brought together in a public debate, representatives from the business sector, governmental institutions, non profit organizations and media in Albania, Montenegro and Macedonia, to address important issues on development perspectives of corporate social responsibility, challenges and best practices from the region, the catalyzing role of government and media as important actors in public education and promotion of corporate social responsibility practices. Still, remains the need for national public policies for the development of CSR taking into consideration the needs of CSOs and involving them in their programs.

### Sub-area 2.2.: State support

The evaluation of this sub-area is based on the following standards (i) Public funding is available for institutional development of CSOs, project support and co-financing of EU and other grants; (ii) Public funding is distributed in a prescribed and transparent way; (iii) There is a clear system of accountability, monitoring and evaluation of public funding; (iv) Non-financial support is available from the state

Albania does not have a national strategy (document) that regulates state support for institutional development of CSOs and targets civil soci-

ety as a whole. But, over the last years, Albanian government and civil society organizations have taken positive steps towards promoting and setting up mechanism for providing support for CSOs.

An important development in the state support for CSOs through public funding is the creation of the Civil Society Support Agency (CSSA)<sup>37</sup> in 2009. The Agency is a public law entity managed by a Supervisory Board composed of civil society representatives and government officials. Based on the law, the representatives of the organizations of civil society are appointed on the basis of their contribution and experience according to proportional representation of the main and priority fields of development and the strategic priorities for the development of civil society. All registered CSOs have the right to send their proposals for representation on the Supervisory Board. According to the Freedom house report 2013<sup>38</sup>, CSOs representatives in the supervisory board of CSSA are “pro government civil society activists, which affects the agency’s impartiality. Watchdog organizations and movements campaigning against government policies are unlikely to receive support from the Agency”. The same evaluation comes from the representatives of CSOs.

The Agency started its work in 2010. During these three years CSSA has published in total four calls for grants inviting CSOs to apply. The first call was published in 2010 with a total budgeted of 125,918,000 Lekë<sup>39</sup>. During this year, only 52 organizations have received financial support with a total amount of 62,959,000 Lekë as the first imbursement for the grants (50% of the total fund). During 2011 the Agency published two calls for grants for CSOs<sup>40</sup>. The first call was published in March 2011 with a special focus only on promotion of tourism and cultural projects, in the context of tourism development strategy and promotion of cultural heritage (that was one of the government priorities for 2011). From 69 applications only 31 CSOs won with a

36) Situation analysis on corporate social Responsibility In Albania, Current Practices and Challenges of Extractive Industries, OSCE Presence in Albania & Embassy of Canada to Albania, March 2013

37) Law No. 10093, date 09.03.2009 “For the Organization and Functioning of Civil Society Support Agency”

38) [http://www.freedomhouse.org/report/nations-transit/2012/albania#.Utac\\_13aQwo](http://www.freedomhouse.org/report/nations-transit/2012/albania#.Utac_13aQwo)

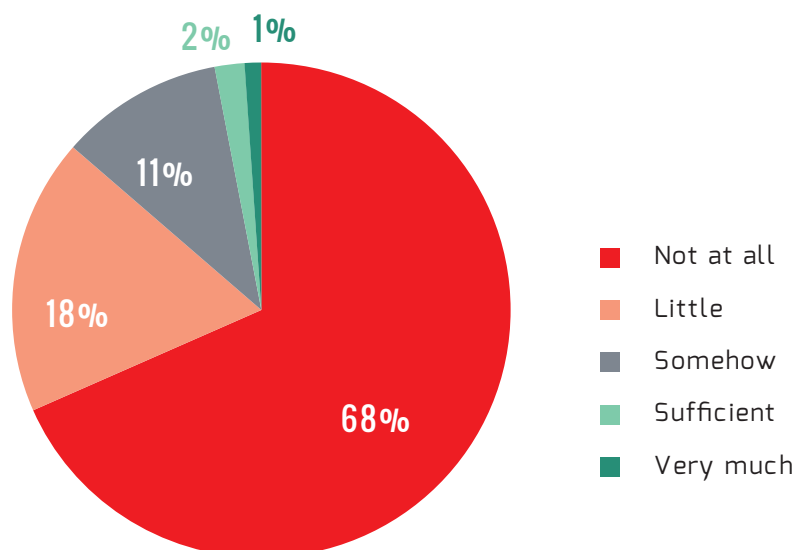
39) [http://www.amshc.gov.al/web/raporte/vjetore/2010/Raporti\\_Vjetor\\_2010\\_shqip.pdf](http://www.amshc.gov.al/web/raporte/vjetore/2010/Raporti_Vjetor_2010_shqip.pdf)

40) [http://www.amshc.gov.al/web/raporte/vjetore/2011/Raporti\\_Vjetor\\_2011\\_shqip.pdf](http://www.amshc.gov.al/web/raporte/vjetore/2011/Raporti_Vjetor_2011_shqip.pdf)

total budgeted of 16,000,000 Lekë. The second call was published in November 2011 and only on January 2012 the Agency distributed the fund of 131,960,000 Lekë for 69 CSOs. The fourth and last call of the agency was published in December

2012 and only in April 2013 the Agency published on its webpage 61 CSOs winners with a total amount of 56,675,000 Lekë<sup>41</sup>. From these data, it can be observed that the state budgeted for CSOs is roughly the same from year to year.

*Graphic 8. Public funds respond to CSOs needs*



The grant-making Agency procedures allow for multi-year grant, and this is considered as a good practice. As it is mentioned even in the annual reports of CSSA, the field of priorities are decided conform the priorities of Albanian Government, and are not in compliance with the national strategy for development and integration, or based on a consultation with CSOs sector. In addition, the agency funds activities that represent a clear conflict of interest. This is supported even from the results of the survey with CSOs, in which 68% express that the state support does not respond at all to their needs (Graphic 8).

In addition to the grants allocated for projects in specific areas of development, according to the Regulation of the procedures of financing with grants, the agency should offer different types of support with grants. One of these forms is the financing for institutional support, as strategic investments for CSOs, but this form of financing is not mentioned to be used in any of the annual reports of the agency.

With regards to the transparency and the procedures of funding, in the law and the Regulation of the procedures of financing with grants of the agency, the procedures are described clearly and in details, in support of a transparent process in all its steps. In practice, 46% of surveyed CSOs respond that the participation of CSOs in public financing cycle is not at all transparent, and 11% of them respond that is slightly transparent. Also, CSOs consider that the evaluation and selection process from CSSA should be transparent.

Some recommendations of CSOs to improve CSSA functioning, making it more supportive for the sector, in conformity with its role as mandated by the law are as follows: Increase external monitoring of CSSA; Increased funds of the state for CSSA; Increased funding opportunities for CSSA; Decentralization of CSSA; Reformulation of CSSA strategy; Internal restructuring of CSSA; Defining of mechanisms for CSOs access in CSSA; Criteria for geographical distribution of the beneficiaries of the CSSA funds should be set; CSSA should have a coordinating role among CSOs;

<sup>41)</sup> This data is evaluated based on the publication that Agency published on its website on 02 April 2013, since the report for 2013 is not yet publish.

The procedures of application should be simplified and unnecessary bureaucracies should be removed; CSSA should promote voluntarism in all CSOs and stakeholders; The areas of activity should be expanded.

The existence of CSSA seems to be not sufficient to meet the needs of CSOs for public funding, as from the survey, when asked if there are state institutions with clear mandate for allocation and monitoring of public funds, 62% of CSOs respond that these institutions do not exist (31%) or there are few of them (31%).

At the local level, CSOs may benefit from public funds through their participation in the public procurement procedures. In practice, there are many difficulties and challenges, making almost impossible for CSOs to benefit from these funds. Some of the difficulties are related with the lack of information and clarity of public officials on the legal framework to procure services through CSOs; costs related with the preparation of the documents of the tender, equal treatment with businesses; etc. Considering these difficulties, it results that there is a small number of CSOs benefiting from these procedures in Vlora, Durrës and Shkodra. But, even in these cases, even though the procedure is implemented and the funds are allocated through the respective municipalities, the funding comes from donors and not from the public funds (UNDP in Durrës, and Reggio Emilia Region in Vlora and Shkodra)<sup>42</sup>. One of the recommendations of the CSOs to increase funds from local public authorities is the replication of CSSA model at local government.

Public funding in support of CSOs co-financing of EU programs and projects (10-20% of co-financing) and other grants, is not a practice in Albania. As co-financing of EU programs is a main difficulty faced by Albanian CSOs, that in many cases impedes them from applying for such grants, one of the recommendations of the CSOs is that the state and public institutions should find other alternative forms of support for the EU funds that will accelerate the receiving of funds from EU.

In addition to the public funds, other non-financial support from the state is required by the CSOs,

as: state property, making renting space without financial compensation (time), training, consulting and other free resources for CSOs. There are few cases of such benefits, where the municipalities provide free spaces for CSOs for 3-5 years agreements using its own properties, while there is a lack of non financial support from the CSSA.

### Sub-area 2.3.: Human resources

The evaluation of this sub-area is based on the following standards (i) CSOs are treated in an equal manner to other employers; (ii) There are enabling volunteering policies and laws; (iii) The educational system promotes civic engagement

The Albanian legislation related to human sources is unified for all employers and applied without differential treatment for CSOs. They are treated in an equal manner and are subject to the same requirements and obligations by the law as other employers, without any discrimination or facilities. State policies on employment are not considered stimulant by 55% of the surveyed CSOs, and somehow stimulant by 24% of CSOs, while 21% say that this policies are neutral. Despite the official numbers of CSOs from INSTAT and Financial Unit, Albania does not have yet official data on the number of employees within the sectors. In addition to this, in the employment announcements published by the state institutions, working experience in the CSOs sector is not recognized and required as a valuable experience of the candidates to be considered in the evaluation process.

Volunteering is not a common practice, and the state has not proactively encouraged its development by providing benefits or legal rights to volunteers<sup>43</sup>. On December 5, 2011, the draft law on voluntarism prepared by public institutions in cooperation with CSOs was presented, but never approved in the Parliament. By the other hand, there are no state programs on voluntarism. The expert panel highlighted that there are no contractual agreements between the CSOs and volunteers to clearly define the role of volunteers, rights, duties and responsibilities. The contracts exist only in the cases the volunteers come from the EU programs, as the European Voluntarily Service, in which the assignments of

<sup>42</sup>) Results from regional workshops summary report on the problems encountered in the delivery of social services, conducted in Durrës, Vlora, Shkodër, and Tirana, by Partners Albania in 2011.

<sup>43</sup>) USAID, 2011 CSOs Sustainability Index.

such contacts is a must. The internship experience that students do in the civil society organizations is not stimulated by the state authorities, since it is an unknown practice by them.

Lack of the law on voluntarism is considered as a problem by the CSOs. As there are no moral and financial incentives for CSOs that perform activities based on voluntary work, there are legal obligations for CSOs to declare and register at the employment office, and to pay insurances for volunteers, otherwise there are harsh penalties. Sustainability of human resources and general support and trust in civil society can be ensured through promotion of civic engagement. This is achieved through formal and non-formal education. In the formal education, topics related with civic engagement are included in the curricula of elementary and secondary education as part of Civic Education subjects, while at the university level these topics are part of the curricula of social sciences faculties.

Non-formal education is described in the Albanian Law on Professional Education as “planned learning through organized activities, not necessarily drafted as learning areas, but which contains important learning experience”. In practice, CSOs are widely involved in non-formal education through provision of trainings and professional courses, and only 24 CSOs have a license provided by the state authorities to provide professional education all over Albania<sup>44</sup>. The lack of the license does not prohibit CSOs to be involved in non-formal education, as this activity can be exercised with or without a license, according to the Law on Professional Education.

Although, civic engagement is included in the formal and non-formal education through schools and CSOs, only 22% of surveyed CSOs say that the education system (formal and non-formal) stimulates the promotion of civic engagement.

### **Area 3: Government-CSO Relationship**

#### **Sub-area 3.1.: Framework and practices for co-operation**

The evaluation of this sub-area is based on the following standards: (i) The State recognizes,

through policies and strategies, the importance of the development of and cooperation with the sector (ii) the State recognizes, through the operation of its institutions, the importance of the development of and cooperation with the sector.

Cooperation and partnership between CSOs and government is important to create an adequate legal framework, policies and strategies for the development of the sector. Albania does not have a national strategy for the cooperation between CSOs and Government, even though several initiatives have been undertaken by the sector in this regards. To be mentioned is the preparation of the Civil Society Charter by a jointly group of civil society representatives and the government with the support of GTZ in 2009. The aim of the Charter is to further develop the partnership between CSOs in Albania and the Government, both at the central and local level, thus creating a sustainable and favorable environment in support of a fruitful cooperation. The Civil Society Charter does constitute a political document publicly recognizing the Civil Society as a key social actor in the Albanian society. It has been supported in principle by both civil society and the government, but has not been adopted due to extreme conflicted political climate in the Parliament and boycott of the opposition during the last parliamentary term (2009 -2013).

Encouraged by the open and collaborative approach demonstrated by the new government coming into power after the Parliamentary elections of June 23, 2013, the civil society sector has started the dialogue on a series of issues including the Charter. They became the subject of the National Conference “Social Partners – Time for Action” organized by Partners Albania, in December 2013, as the first conference called by civil society with a new government. The Conference resulted with a Statement from the representatives of CSOs. The revision and presentation of The Charter for Civil Society to the Albanian Parliament for approval in 2014 was one of the requests of the Statement. In addition to that, the Statement proposes other forms and mechanisms that will make the collaboration between the government and civil society effective and sustainable, such as the establishment of a National Council as the forum institutional-

<sup>44</sup>) <http://planipolis.iiep.unesco.org/upload/Albania/Albania-Strategy-Pre-university-2009-2013-alb.pdf>

izing the relationship between the government and civil society organizations. Another issue on which the government has expressed openness to dialogue, is the improvement of transparent structures, scope and non-partisan function of The Agency for the Support of Civil Society.

Lack of a national strategy for cooperation and partnership between two sectors is associated with lack of institutional structures at national and local level of governance, responsible for the relations with the CSOs. In cases such as the Ministry of Social Welfare and Youth, there is a unit covering relations with civil society but always within the scope of the Ministry. As a result the relationship between the government and civil society has been weak, especially around legislative drafting processes. It is also evaluated as problematic by the 82% of the surveyed CSOs.

It is to be noted that the new government in the last months of 2013 has started the process of appointing public administration staff at the ministry line including the Parliament to cover cooperation with civil society and other interest groups. The Ministry of Integration has set up a specific structure of four staff dealing with civil society relations.

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

The evaluation of this sub-area is based on the following standards: (i) There are standards enabling CSO involvement in decision-making, which allow for CSO input in a timely manner. (ii) All draft policies and laws are easily accessible to the public in a timely manner (iii) CSO representatives are equal partners in discussions in cross-sector bodies and are selected through clearly defined criteria and processes

The general assessment of legislation and practice shows that civil society organizations operate without restrictions but under limited funding with a limited policy influence<sup>45</sup>. The right of citizens and CSOs to participate in policy and decision-making processes is not a specific right guaranteed by the Albanian legislation. Rather, this right derives from general principles of a democratic political system, different laws and

other rights guaranteed by the Constitution such as the right to free access to information of public importance, the right to petition to authorities, right to a healthy environment, the right to propose laws, the right to referendum, freedom of speech and association, etc. Exercising these rights guaranteed by the law, Albanian CSOs have been involved in policymaking, lawmaking and decision making initiatives. Just to mention a few: drafting of the constitution of the Republic of Albania in 2008, Law on “Family Code in the Republic of Albania”, Law “For some changes in the Labour Code of the Republic of Albania”, Law ““For some changes in the Electoral Code of the Republic of Albania”, Law “For Gender Equality”, Law “For Protection against Discrimination”, National Strategy on Gender Equality, National Plan of Inclusiveness of Roma – Roma decade, policies for protection against discrimination, etc.

Nevertheless, involvement of CSOs in policy making and decision making have been characterized by spontaneity, selectivity of participants in the process using the political criteria, or limiting it to certain stages of the process. Government does not have an official stand to this regard, while transparency and access to information remains poor and problematic. Although there are cases when government agrees to consult with CSOs, it's happen due to the international pressure. For instance, the government consulted with CSOs on the Action Plan to Address the EC's 12 Priorities mainly to comply with EC conditions. From an initiative on the monitoring of the Parliamentary Committee of European Integration (PCEI), carried out by Institute for Democracy and Mediation (IDM), during January-December 2012 PCEI has conducted in total 39 meetings discussing 28 draft laws and 1 normative act, from which in only one case civil society groups were invited to participate.

This is supported even from the results from this monitoring report. When asked how they evaluate the level of involvement of CSOs in decision making initiatives, 47% of the CSOs evaluate as low the level of involvement of CSOs in decision making. Some of the criteria that will enable an increased participation and involvement of CSOs in decision-making, consist but are not limited in stronger expertise of CSOs in their fields of work;

<sup>45)</sup> Freedom in the World 2013, Freedom House



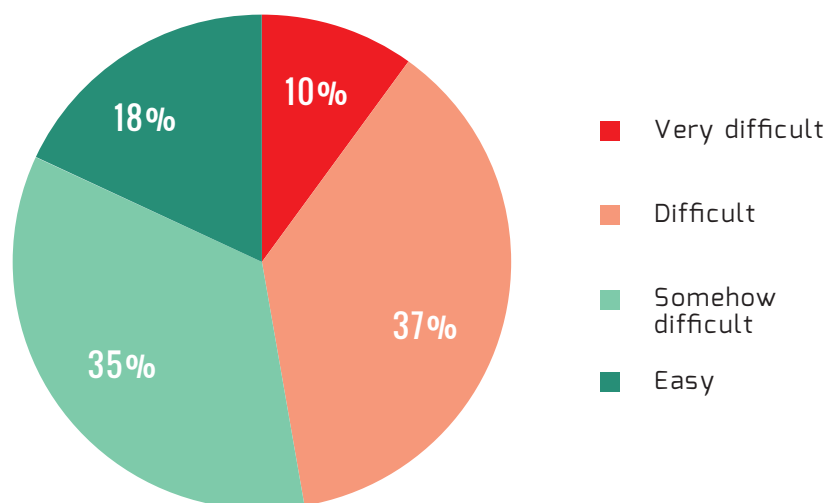
transparent and inclusive participatory processes; guaranteeing the right to participate by law; establishment and functioning of state structures and mechanisms in place supporting public participation; improved cooperation climate between civil society groups and government intact by political influences and preferences. At the level of legal regulations one of the recommendations is bringing into force binding norms for central and local institutions regarding, consultation with CSOs in all areas that constitute the public interest.

Law No. 8503, date 30.6.1999 "On the Right to Information on the Official Documents", guarantees the right to information on official documents and defines clear procedures for access to public information, conditions, exception and deadlines that have to be met by public authorities in response to the citizens' requests on public documents. But, there are no binding rules or procedures for public authorities requiring them to publish draft policies and draft laws, and put them for public discussion. Even when the consultative processes take place they are fragmented, driven mainly by the political will of the institution's leadership, mostly conditioned and supported by the foreign aid. An illustrative example is the UNDP project "Introducing ICT Applications at Local Level & Enhancing Citizens' Participation" (2010-2012), implemented in the municipalities of Kamez, Elbasan, and Tirana. After the completion of the project the web pages of these municipalities are not updated, stop serving to their

primary goal of e-participation and e-consulting function. Based on this reality, public access in draft policies and draft laws is considered difficult by 45% of the CSOs and very difficult by 18% of them. Some of the suggested conditions that would enable public access to the draft laws, and policies, are: on-line and printed publication; binding obligation to publish any draft laws and policies; regular updates of on-line information and reader-friendly formats; clear and reasonable deadlines for submission of comments regarding draft laws; invitations for public hearing sessions sent to CSOs; use of media; and transparency.

Related to the issue of the CSOs as equal partners represented in advisory bodies there is not a specific law regulating this issue, but in different laws it is sanctioned the creation of advisory bodies. An example is the Law on Gender Equality in Society, which stipulates the creation of an advisory body, the National Council on Gender Equality, chaired by the Minister responsible for gender equality issues. It is composed by ten representatives appointed by the government and three by the civil society. Being a minority in these bodies, civil society can hardly influence any policy initiative. The survey shows that such bodies/structures are known only by 44% of CSOs, while 27% don't know if such structures exist. Such figures indicate either lack of interest from CSOs to be involved in these structures and/or a low visibility and promotion of these structures among CSOs. The participation in advisory bodies is considered as an easy process only by 18% of

*Graphic 9. The process of CSOs representation in cross – sectoral planning structure.*



CSOs (Graphic 9).

The procedures of CSOs' selection in these structures are considered unclear and non-transparent by 57% of CSOs. Some of the criteria that will ensure an effective partnership include: transparency, trust, collaboration, professionalism, two-way and consistent communications based on clear rules and procedures.

A contributing factor in improving the partnership is going to be the creation of the National Council for Collaboration between Government and Civil Society Organizations. The Council is requested to have at least an equal representation from the government and CSOs.

### Sub-area 3.3.: Collaboration in social services provision

The evaluation of this sub-area is based on the following standards: (i) CSOs are engaged in different services and compete for state contracts on an equal basis to other providers (ii) The state has committed to funding services and the funding is predictable and available over a longer-term period (iii) The state has clearly defined procedures for contracting services which allow for transparent selection of service providers, including CSOs (iv) There is a clear system of accountability, monitoring and evaluation of service provision

As cited in the USAID CSOs Sustainability Index 2012, *"many experienced and resourceful CSOs, mostly based in the capital, offer a diverse array of services and compete for contracts to provide capacity building, evaluation, and monitoring services"*. The main legal bases for CSOs to offer such services includes: the Law on Non Profit Organizations, based on which CSOs exercises activities in the good and benefit of the public, and when the exercising of an activity requires, they can obtain license from the competent state authority; the Law No. 9355, date 10.03.2005 On Social Assistance And Services, based on which CSOs can deliver privately funded social services, as well as public services with funding by the state budget and the independent budget of the LGUs. To deliver social care services, CSOs need to obtain a license by the Ministry of Social Welfare and Youth based on criteria and procedures defined in a decision by the Council of Ministers, as all public and private judicial persons delivering

social care services. When asked to evaluate the process of licensing, there is a quite equal division among the CSOs, as 31% of them consider the procedure not easy (16% not easy at all and 15 % less easy), 33% consider it somehow easy, while 36% consider it easy (19% enough easy and 17% very easy).

To deliver public social care services, CSOs should compete on equal basis to other service providers, based on the procedures set in the Public Procurement law. Competition with private sector with the same criteria, where the main and sole criteria of evaluation of the offers is the price, not taking into account the expertise and the quality of service, puts CSOs in a disfavor situation, resulting in a small number of CSOs benefiting from public procurement funds. As evidenced by the survey, 75% of CSOs do not have revenues from public procurement, and 53% cannot benefit from state contracts. Only 8% of CSOs say that they can benefit a lot, and these comes from big cities as Tirana, Elbasan, Shkodra, and Fier, where the public fund for social services are available and capacities of CSOs are stronger.

During these years, the financing opportunities from the state have been low and the governments have failed to contract CSOs for an inclusive strategy to support the development of civil society, as stated by 70% of CSOs declaring that they do not benefit from state funds for public services. In cases when it occurs, the contracting of CSOs from the state is limited in basic social services related with the reintegration of persons in needs, as the victims of trafficking and domestic violence, or Roma integration.

CSOs having experiences in applying and benefiting from state funds at local and central level, are faced with several challenges making it difficult for them the successful application and implementation of the project (for those that have succeeded). Some of these challenges are:

- Lack of information and clarity regarding the legal framework and technicalities for CSOs participation in the procurement procedures among the public officials dealing with procurement. This is noticed especially at the local level, where the most of these procedures occurs, as the services are decentralized. By the other

hand, the same can be said even for the CSOs, as observed by Partners Albania during consultative and informative meetings with CSOs all over Albania.

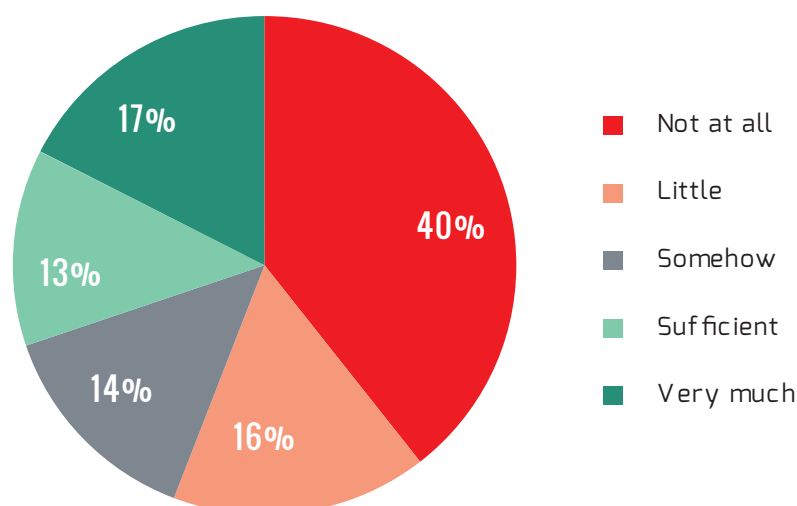
- The fund is disbursed at the end of the project, making it difficult the implementation of the project for CSOs that do not have liquidities to cover the expenses. In some cases, as reported by CSOs the funding do not cover administrative costs of the organization needed for the implementation of the project.
- The tender process is very difficult, the expenses for the preparation of the required documents are high, and CSOs have no liquidity to cover these expenses.

Only 12% of surveyed CSOs say that the contracting procedures (including the application) are easy.

- In some cases the fund received has been resulted smaller than the one declared during the tender procedure.

By the other hand, representatives from Shkodra Municipalities, during a regional workshop organized by PA in 2011 on the problematic of social services delivery, have expressed that there are deficits in the law on social services that make it difficult for CSOs to apply and be contracted, while in Durres municipality, the authorities have made some changes to the procedures to facilitate the effective implementation of the project

*Graphic 10. Publication of the results of the monitoring of service providers*



by CSOs.

During the implementation of a project with public funds, it results that CSOs are not subject of excessive control by state authorities, and the monitoring is done with prior notification in most of the cases, while the results of the monitoring are not shared with CSOs.

Some of the recommendations that would facilitate the contracting of public service to CSOs,

are related with: Transparency in the tender procedure; Simplified procedures; Existing legal infrastructure; Fiscal facilities; Selection of CSOs based on their field of expertise.

Consideration of the above recommendations leads to the need for legal changes and the introduction of social contracting as a new practice enabling the collaboration between the state and CSOs in social service provision for better services to the citizens.



# Findings and Recommendations (Tabular)

AREA 1: BASIC LEGAL GUARANTEES OF FREEDOMS			
Sub-area 1.1.: Freedom of association			
Principle: Freedom of association is guaranteed and exercised freely by everybody			
STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. All individuals and legal entities can freely establish and participate in informal and/or registered organizations offline and online	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>There is a legal framework according to which any person can establish associations, foundations and other types of non-profit, non-governmental entities (e.g., non-profit company) for any purpose.</li> <li>The legal framework allows both individual and legal persons to exercise this right without discrimination (age, nationality, legal capacity, gender etc).</li> <li>Registration is not mandatory, and in cases when organizations decide to register, the registration rules are clearly prescribed and allow for easy, timely and inexpensive registration and appeal process.</li> <li>The law allows for networking among organizations in the countries and abroad without prior notification.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>Any person can exercise his right to establish associations, foundations and centers (three types of CSOs recognized Law on Non Profit Organizations</li> <li>The freedom of association is a constitutional right for any individual and legal entity without any age, nationality, legal capacity, gender, and ethnics based discrimination.</li> <li>Registration of CSO is not mandatory, and in cases when CSO decides to register, rules and procedures for registration are clearly established and foreseen by the Law. The process of registration of CSOs is centralized and the registration procedures is done only in Tirana Court of First Instance</li> <li>The legal framework is too permissive for networking both within and outside the country without prior notice.</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>Decentralization of CSOs' registration process</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>Every individual or legal entity in practice can form associations, foundations or other non-profit, non-governmental organizations offline or online.</li> <li>Individuals and legal entities are not sanctioned for not-registering their organizations.</li> <li>Registration is truly accessible within the legally prescribed deadlines; authorities decide on cases in non-subjective and apolitical manner.</li> <li>Individuals and CSOs can form and participate in networks and coalitions, within and outside their home countries.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>There are no official data on the number of registered CSOs and organizations can not register online</li> <li>There are no sanctions applied for non-registered CSOs. Registration in Tirana is considered as a barrier for the CSOs based outside Tirana because of additional costs and time needed</li> <li>The registration process is easy, allowing for a relatively straightforward registration of CSOs</li> <li>Participation of individuals in formal and non-formal organizations is easy, and in practice individuals and CSOs can participate in networks and coalitions within and outside their home countries</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>Official data on the registered CSOs number is needed.</li> </ul>

Sub-area 1.1.: Freedom of association			
Principle: Freedom of association is guaranteed and exercised freely by everybody			
STANDARD 2	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. CSOs operate freely without unwarranted state interference in their internal governance and activities	<b>Legislation:</b> 1) The legal framework provides guarantees against state interference in internal matters of associations, foundations and other types of non-profit entities. 2) The state provides protection from interference by third parties. 3) Financial reporting (including money laundering regulations) and accounting rules take into account the specific nature of the CSOs and are proportionate to the size of the organization and its type/scope of activities. 4) Sanctions for breaching legal requirements should be based on applicable legislation and follow the principle of proportionality. 5) The restrictions and the rules for dissolution and termination meet the standards of international law and are based on objective criteria which restrict arbitrary decision making.	<b>Legislation:</b> 1) The Law on the Registration of Non-Profit Organizations stipulates the right of CSOs to operate without state interference in their internal governance and activities 2) There is no special provision in the Law in this respect 3) Financial reporting and accounting rules do not take into account the specific nature of the CSOs and are not proportionate to the size of organization and its type/scope of activities 4) Sanctions for breaching legal requirements do not follow the principle of proportionality. 5) The restrictions and the rules for dissolution and termination are clearly prescribed by the law for the registration of the non-for-profit organizations	<b>Legislation:</b> <ul style="list-style-type: none"> <li>Improvement of the current tax and financial reporting-related legislation through a separate framework for the CSOs sector taking into account the specific nature of the sector, size of the organization and scope/type of activity</li> </ul>
	<b>Practice:</b> 1) There are no cases of state interference in internal matters of associations, foundations and other types of non-profit entities. 2) There are no practices of invasive oversight to which impose burdensome reporting requirements. 3) Sanctions are applied in rare/extreme cases, they are proportional and are subject to a judicial review	<b>Practice:</b> 1) In general there are no cases of state interference in internal governance of CSOs 2) There are cases of political pressure from the government on CSOs playing a watchdog role, by misusing laws on financial inspection, financial management, and control 3) The sanctions are applied in rare cases or not at all applied	<b>Practice:</b>
Sub-area 1.1.: Freedom of association			
Principle: Freedom of association is guaranteed and exercised freely by everybody			
STANDARDS / BENCHMARKS	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
3. CSOs can freely seek and secure financial resources from various domestic and foreign sources to support their activities	<b>Legislation:</b> 1) Legislation allows CSOs to engage in economic activities. 2) CSOs are allowed to receive foreign funding. 3) CSO are allowed to receive funding from individuals, corporations and other sources.	<b>Legislation:</b> 1) The Law on Non – Profit Organization allows CSOs to engage directly in economic activities but according to Civil Code they are not permitted to perform profit-making activities; so there seems to be a general misunderstanding as to what profit-making activities means 2) According to the Law on Non Profit Organizations, the sources of income for CSOs are from dues, when there are such, grants and donations offered by private or public subjects, local or foreign, as well as income from economic activity and the assets owned by the non-profit organization	<b>Legislation:</b> <ul style="list-style-type: none"> <li>Legal clarifications for differentiation between economic and non-economic activity of CSOs</li> </ul>

	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Legislation on CSOs engaging in economic activities is implemented and is not burdensome for CSOs.</li> <li>2) There are no restrictions (e.g. administrative or financial burden, preapprovals, or channeling such funds via specific bodies) on CSOs to receive foreign funding.</li> <li>3) Receipt of funding from individuals, corporations and other sources is easy, effective and without any unnecessary cost or administrative burden.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Reporting of economic and non-economic activities with the same format is not effective and burdensome for CSOs</li> <li>2) Bank transaction fees and charges which are not allowed as budget costs represents financial burden to receive foreign funding.</li> <li>3) The level of tax deduction is not encouraging enough for individuals and corporate donations to CSOs.</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Different report format for economic and non – economic activities for CSOs</li> </ul>
<p>1. CSO representatives, individually or through their organization, enjoy freedom of peaceful assembly</p>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The legal framework is based on international standards and provides the right for freedom of assembly for all without any discrimination.</li> <li>2) The laws recognize and do not restrict spontaneous, simultaneous and counter-assemblies.</li> <li>3) The exercise of the right is not subject to prior authorization by the authorities, but at the most to a prior notification procedure, which is not burdensome.</li> <li>4) Any restriction of the right based on law and prescribed by regulatory authority can be appealed by organizers.</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) There are no cases of encroachment of the freedom of assembly, and any group of people can assemble at desired place and time, in line with the legal provisions.</li> <li>2) Restrictions are justified with explanation of the reason for each restriction, which is promptly communicated in writing to the organizer to guarantee the possibility of appeal.</li> <li>3) Simultaneous, spontaneous and counter-assemblies can take place, and the state facilitates and protects groups to exercise their right against people who aim to prevent or disrupt the assembly.</li> <li>4) There are cases of freedom of assembly practiced by CSOs (individually or through their organizations) without prior authorization; when notification is required it is submitted in a short period of time and does not limit the possibility to organize the assembly.</li> <li>5) No excessive use of force is exercised by law enforcement bodies, including pre-emptive detentions of organizers and participants.</li> <li>6) Media should have as much access to the assembly as possible</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The legal framework guarantees the right to enjoy freedom of peaceful assembly by the Albanian Constitution and specified in the law on Assemble</li> <li>2) The laws recognize and do not restrict spontaneous, simultaneous and counter-assemblies.</li> <li>3) The law regulates the procedures of prior notifications in case the assembly is organized in public spaces or public passages. When assemblies are planned on open public spaces they may be organized even without prior notification of the police 4) The Law foresees the right of administrative appeal by organizers</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) The right to enjoy freedom of peaceful assembly is respected in practice</li> <li>2) Assemblies are organized in conformity and in respect to the law, and the role of the police has been supportive</li> <li>3) There are no cases of the assemblies and meeting without prior notification to the police.</li> <li>4) There are no cases of interference from the police during the assemble</li> <li>5) Media is present in peaceful assemblies</li> </ol>	<p><b>RECOMMENDATIONS FOR THE STANDARD</b></p> <p><b>Legislation:</b></p>
	<p><b>INDICATORS</b></p>	<p><b>FINDINGS</b></p>	
	<p><b>Principle: Freedoms of assembly and expression are guaranteed to everybody</b></p>		

**Sub-area 1.2.: Related freedoms**

Sub-area 1.2.: Related freedoms			
Principle: Freedoms of assembly and expression are guaranteed to everybody			
STANDARDS / BENCHMARKS	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. CSO representatives, individually or through their organizations enjoy freedom of expression	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The legal framework provides freedom of expression for all.</li> <li>2) Restrictions, such as limitation of hate speech, imposed by legislation are clearly prescribed and in line with international law and standards.</li> <li>3) Libel is a misdemeanor rather than part of the penal code.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Albania offers constitutional and legal guarantees of the right of citizens to express freely</li> <li>2) Any limitations, such as restrictions on hate speech, imposed by legislation are described clearly and in accordance with international laws in the Penal Code of the Republic of Albania</li> <li>3) Libel is regulated in the Penal Code, despite efforts in 2012 to remove them and include in the civil code</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Libel and defamation should be introduced in the Civil Code rather than being part of the Penal Code</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSO representatives, especially those from human rights and watchdog organizations enjoy the right to freedom of expression on matters they support and they are critical of.</li> <li>2) There are no cases of encroachment of the right to freedom of expression for all.</li> <li>3) There are no cases where individuals, including CSO representatives would be persecuted for critical speech, in public or private.</li> <li>4) There is no sanction for critical speech, in public or private, under the penal code.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) In practice CSOs exercise their freedom of expression without any interference, as they are allowed to organize seminars, conferences and other public events to discuss different issues, to participate and express their views and opinion in written, electronic and social media, even in the cases of critics to the government</li> </ol>	<p><b>Practice:</b></p>
Sub-area 1.2.: Related freedoms			
Principle: Freedoms of assembly and expression are guaranteed to everybody			
STANDARD 3	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
3. Civil society representatives, individually and through their organizations, have the rights to safely receive and impart information through any media	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The legal framework provides the possibility to communicate via and access any source of information, including the Internet and ICT; if there are legal restrictions, these are exceptional, limited and based on international human rights law.</li> <li>2) The legal framework prohibits unjustified monitoring of communication channels, including Internet and ICT, or collecting users' information by the authorities.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Albania legislation met the basic requirements in order to facilitate and support the implementation and improvement of new technologies, new services and new regulations in the Albanian ICT sector</li> <li>2) But still Albania suffer from the low penetration of fixed lines and Internet, low percentage of PC ownership, high costs of Internet and mobile access and services, low level of awareness of the benefits of the use of ICT, digital gap between urban and rural areas and in comparison to other countries in Europe, low level of state subsidies and lack of policies to support all these</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Improvement of penetration even in rural and remote areas;</li> <li>• Revise Law on cost for Internet and mobile access and services.</li> <li>• Public policies for the development of ICT.</li> </ul>

	<p><b>Practice:</b></p> <p>There are no cases in practice where restrictions are imposed on accessing any source of information, including the Internet or ICT.</p> <p>The Internet is widely accessible and affordable</p> <p>There is no practice or cases of unjustified monitoring by the authorities of communication channels, including the Internet or ICT, or of collecting users' information.</p> <p>There are no cases of police harassment of members of social network groups.</p>	<p><b>Practice:</b></p> <p>There are no cases in practice where restrictions are imposed on accessing any source of information, including the Internet or ICT.</p> <p>Internet is widely accessible and affordable among CSOs in rural areas and big cities, while CSOs, the remote and rural areas, have difficulties with internet penetration, and payment affecting their existence and effective operations</p> <p>There is no practice or cases of unjustified monitoring by the authorities of communication channels, including the Internet or ICT, or of collecting users' information</p> <p>There are no cases of police harassment of members of social network groups</p>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>Internet penetration needed in rural and remote areas.</li> <li>Affordable prices of internet for small CSOs in remote and rural areas</li> </ul>
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## AREA 2: FRAMEWORK FOR CSOS' FINANCIAL VIABILITY AND SUSTAINABILITY

### Sub-area 2.1: Tax/fiscal treatment for CSOs and their donors

Principle: CSOs and donors enjoy favorable tax treatment

STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. Tax benefits are available on various income sources of CSOs	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>The law provides tax free treatment for all grants and donations supporting non-for-profit activity of CSOs.</li> <li>The law provides tax benefits for economic activities of CSOs.</li> <li>The law provides tax benefits for passive investments of CSOs.</li> <li>The law allows the establishment of and provides tax benefits for endowments.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>The Law on Non – Profit Organizations stipulates that CSOs are exempt from tax on revenues realized from donations and membership dues, and it seems that grants are not included in the exempt from taxes. This omission, may lead to incorrect interpretation by different state authorities, donors and CSOs in Albania</li> <li>The economic activity of CSOs is subject to 10% tax on the profit (similar to companies taxed with the same rate for their profits). CSOs are required to report under the VAT system even if formally they do not have the necessary turnover from economic activity</li> <li>CSOs in Albania are allowed to engage in passive investments, but they are treated in the same way as business activities, and are respectively taxed, with no exceptions provided by the tax legislation (except for the bank interest)</li> <li>Tax benefits from endowments are not applied because Albania does not have any law regulating this issue</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>Regulation of the Fiscal legislation for CSOs</li> <li>Revision of the legislation regarding the explicit exemption of grants from taxation scheme.</li> <li>Revision of taxation regime for economic activities.</li> <li>Exemption from VAT scheme or reduction of VAT value for CSOs;</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>There is no direct or indirect (hidden) tax on grants reported.</li> <li>Tax benefits for economic activities of CSOs are effective and support the operation of CSOs.</li> <li>Passive investments are utilized by CSOs and no sanctions are applied in doing so.</li> <li>Endowments are established without major procedural difficulties and operate freely, without administrative burden nor high financial cost..</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>There is tax on grants reported applied by donors, not state authorities.</li> <li>There are no effective tax benefits for economic activities of CSOs that support the operation of CSOs.</li> <li>Passive investments are not utilized by CSOs</li> <li>There is no practice for endowments by CSOs in Albania</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>Clarification at the practical level regarding the exemption of grants from tax which will follow legal amendments.</li> <li>Reimbursement of VAT</li> </ul>



Sub-area 2.1: Tax/fiscal treatment for CSOs and their donors			
Principle: CSOs and donors enjoy favorable tax treatment			
STANDARD 2	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. Incentives are provided for individual and corporate giving.	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The law provides tax deductions for individual and corporate donations to CSOs.</li> <li>2) There are clear requirements/conditions for receiving deductible donations and these include a wide range of publicly beneficial activities.</li> <li>3) State policies regarding corporate social responsibility consider the needs of CSOs and include them in their programs</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) There is a functional procedure in place to claim tax deductions for individual and corporate donations.</li> <li>2) CSOs are partners to the state in promoting CSR.</li> <li>3) CSOs working in the main areas of public interest, including human rights and watchdog organizations, effectively enjoy tax deductible donations.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) According to the Law on Sponsorship sponsors are considered only business companies and individuals that have the "quality of merchants" excluding employee that receive salaries</li> <li>2) The level of tax deduction is not encouraging enough for individual and corporate donations to CSOs</li> <li>3) Albania has drafted the National Action Plan on CSR and the relevant indicators, establishment of the Multi-Stakeholders Forum on CSR, and adaptation of the ISO 260000 standards.</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Procedures in place to claim tax deduction are not functional and do not encourage individual and corporate donations</li> <li>2) CSOs are playing an important role in promoting CSR</li> <li>3) No specific deductions for these types of organizations</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Revision of the law on sponsorship for further fiscal incentives/facilities for donations, as well as simplification of procedures for reimbursement.</li> <li>• Development of corporate social responsibility through national public policies</li> </ul> <p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Creation of incentives that will lower the tax burden for enterprises to carry out philanthropic activities</li> <li>• Consultation of CSOs in CSR promotion</li> <li>• Recognition of the donation (making it public and visible)</li> </ul>
Sub-area 2.2.: State support			
Principle: State support to CSOs is provided in a transparent way and spent in an accountable manner			
STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. Public funding is available for institutional development of CSOs, project support and co-financing of EU and other grants	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There is a law or national policy (document) that regulates state support for institutional development for CSOs, project support and co-financing of EU funded projects.</li> <li>2) There is a national level mechanism for distribution of public funds to CSOs.</li> <li>3) Public funds for CSOs are clearly planned within the state budget.</li> <li>4) There are clear procedures for CSO participation in all phases of the public funding cycle.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Albania does not have a national strategy (document) that regulates state support for institutional development of CSOs and targets civil society as a whole</li> <li>2) Funds are provided only through national mechanism which has a mandate for distribution of public funds to CSOs and this is Civil Society Support Agency (CSSA)</li> <li>3) The field of priorities of CSSA are decided conform the priorities of Albanian Government, and are not based on a consultation with CSOs sector</li> <li>4) The Law and the regulation of the procedures of financing with grants of the agency are prescribed clearly and in details, in support of a transparent process in all its steps</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Preparation and approval of a national strategy regulating the state support for institutional development of CSOs</li> <li>• Restructuring of CSSA to improve its functioning, making it more supportive for the sector, in conformity with its role as mandated by the law</li> </ul>

	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Available public funding responds to the needs of the CSO sector.</li> <li>2) There are government bodies with a clear mandate for distribution and/or monitoring of the distribution of state funding.</li> <li>3) Funding is predictable, not cut drastically from one year to another; and the amount in the budget for CSOs is easy to identify.</li> <li>4) CSO participation in the public funding cycle is transparent and meaningful.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) State support through public funding does not respond to the CSOs needs</li> <li>2) CSOs representatives in the supervisory board of CSSA are "pro government civil society activists", which affects the agency's impartiality. Watchdog organizations and movements campaigning against government policies are unlikely to receive support from the Agency</li> <li>3) Co-financing of EU programs and projects through public funds is not a practice in Albania</li> <li>4) Participation of CSOs in public financing cycle is not transparent</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Increase external monitoring of CSSA</li> <li>• CSSA should have a coordinating role among CSOs</li> <li>• Increase state support for the co-financing of EU funds</li> <li>• Establishment of mechanisms to increase transparency of public funding to CSOs</li> </ul>
<b>Sub-area 2.2.: State support</b>			
<b>Principle: State support to CSOs is provided in a transparent way and spent in an accountable manner</b>			
STANDARD 2	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. Public funding is distributed in a prescribed and transparent manner	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The procedure for distribution of public funds is transparent and legally binding.</li> <li>2) The criteria for selection are clear and published in advance.</li> <li>4) There are clear procedures addressing issues of conflict of interest</li> <li>6) in decision-making.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The procedure for distribution of public funds as described in the law of CSSA and its internal regulation, allows for a transparent and legally binding procedure</li> <li>2) The list of criteria is published during the lunch of the call for proposals</li> <li>3) Procedures addressing issues of conflict of interest in decision-making are prescribed in the CSSA law</li> </ol>	<p><b>Legislation:</b></p>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Information relating to the procedures for funding and information on funded projects is publicly available.</li> <li>2) State bodies follow the procedure and apply it in a harmonized way.</li> <li>3) The application requirements are not too burdensome for CSOs.</li> <li>4) Decisions on tenders are considered fair and conflict of interest situations are declared in advance.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Information are publicly announced on the official website of the competent authorities and/or daily newspaper</li> <li>2) The areas and amount of funds distributed are prescribed clearly in the annual reports of CSSA, but the impact of the projects funded is missing</li> <li>3) The procedures of application are not simplified and CSOs encounter unnecessary bureaucracies</li> <li>4) Decisions on tenders are not considered fair and transparent</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• The procedures of application should be simplified and unnecessary bureaucracies should be removed</li> </ul>

Sub-area 2.2.: State support			
Principle: State support to CSOs is provided in a transparent way and spent in an accountable manner			
STANDARD 3	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
3. There is a clear system of accountability, monitoring and evaluation of public funding	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The procedure for distribution of public funds prescribes clear measures for accountability, monitoring and evaluation.</li> <li>2) There are prescribed sanctions for CSOs that misuse funds which are proportional to the violation of procedure.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The procedure for distribution of public funds and sanctions are prescribed in the CSSA Law</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Develop a regulation with clear system of accountability, monitoring and evaluation</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Monitoring is carried out continuously and in accordance with predetermined and objective indicators.</li> <li>2) Regular evaluation of effects/impact of public funds is carried out by state bodies and is publicly available.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Monitoring is carried during the project implementation by CSSA but without consolidated standards</li> <li>2) The regular evaluation of effects/Impact of public funds is not carried out by CSSA</li> </ol>	<ul style="list-style-type: none"> <li>• More studies for the impact of the projects.</li> </ul>
Sub-area 2.2.: State support			
Principle: State support to CSOs is provided in a transparent way and spent in an accountable manner			
STANDARD 4	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
4. Non-financial support is available from the state	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Legislation allows state authorities to allocate non-financial support, such as state property, renting space without financial compensation (time-bound), free training, consultations and other resources, to CSOs.</li> <li>2) The non-financial support is provided under clearly prescribed processes, based on objective criteria and does not privilege any group</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Legislation allows state authorities to allocate non-financial support, such as state property, renting space without/ or with reduced financial compensation</li> <li>2) There no clear procedures/guidelines for non financial support</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Develop a clear procedure/ guidelines for non-financial support of the state</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSOs use non-financial state support.</li> <li>2) CSOs are treated in an equal or more supportive manner as compared to other actors when providing state non-financial resources.</li> <li>3) There are no cases of state authorities granting non-financial support only to CSOs which do not criticize its work; or of cases of depriving critical CSOs of support; or otherwise discriminating based on loyalty, political affiliation or other unlawful terms.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Non-financial support from the state is required by the CSOs, as: state property, making renting space without financial compensation, training, consulting and other free resources for CSOs</li> <li>2) There are cases, especially at local level when a local authority ensures the non – financial support, but they are sporadic cases</li> <li>3) CSSA do not provide non-financial support to CSOs</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Increase non financial support for CSOs</li> <li>• Increased role of CSSA in providing non-financial support to CSOs</li> </ul>



### Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs			RECOMMENDATIONS FOR THE STANDARD
STANDARD 1	INDICATORS	FINDINGS	
1. CSOs are treated in an equal manner to other employers	<b>Legislation:</b> 1) CSOs are treated in an equal manner to other employers by law and policies.	<b>Legislation:</b> 1) The Albanian legislation related to human sources is unified for all employers and applied without differential treatment for CSOs	<b>Legislation:</b>
	<b>Practice:</b> 1) If there are state incentive programs for employment, CSOs are treated like all other sectors. 2) There are regular statistics on the number of employees in the non-profit sector.	<b>Practice:</b> 1) There are no incentive programs for employment. State policies on employment are not considered stimulant for CSOs 2) There are no statistics on the number of employees in the non-profit sector	<b>Practice:</b> <ul style="list-style-type: none"> <li>• Design of state incentive programs for CSOs</li> <li>• Conduction of regular statistical analysis of the non profit sector</li> </ul>

### Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs			RECOMMENDATIONS FOR THE STANDARD
STANDARD 2	INDICATORS	FINDINGS	
2. There are enabling volunteering policies and laws	<b>Legislation:</b> 1) Legislation stimulates volunteering and incorporates best regulatory practices, while at the same time allowing for spontaneous volunteering practices. 2) There are incentives and state supported programs for the development and promotion of volunteering. 3) There are clearly defined contractual relationships and protections covering organized volunteering.	<b>Legislation:</b> 1) Albania does not have a law on voluntarism 2) There are no state programs on voluntarism 3) There are no contractual agreements between the CSOs and volunteers to clearly define the role of volunteers, rights, duties and responsibilities. The contracts exist only in the cases the volunteers comes from the EU programs, as the European Voluntarily Service, in which the existence of such contacts is a must	<b>Legislation</b> <ul style="list-style-type: none"> <li>• Approval of the Law on voluntarism</li> <li>• Design state programs on voluntarism</li> </ul>
	<b>Practice:</b> 1) Incentives and programs are transparent and easily available to CSOs and the policy/strategic document/ law is fully implemented, monitored and evaluated periodically in a participatory manner. 2) Administrative procedures for organizers of volunteer activities or volunteers are not complicated and are without any unnecessary costs. 3) Volunteering can take place in any form; there are no cases of complaints of restrictions on volunteering.	<b>Practice:</b> 1) There are no incentives and programs on voluntarism 2) There are legal obligations for CSOs to declare and register at the employment office, and to pay insurances for volunteers, otherwise there are harsh penalties. By the other hand, there are no moral and financial incentives for CSOs that perform activities based on voluntary work	<b>Practice:</b> <ul style="list-style-type: none"> <li>• Provision of moral and financial incentives for CSOs that perform activities based on voluntary work.</li> </ul>

### Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs		
STANDARD 3	INDICATORS	FINDINGS
3 The educational system promotes civic engagement	<b>Legislation:</b> <ol style="list-style-type: none"> <li>1) Non-formal education is promoted through policy/strategy/laws.</li> <li>2) Civil society-related subjects are included in the official curriculum at all levels of the educational system.</li> </ol>	<b>Legislation:</b> <ol style="list-style-type: none"> <li>1) Non-formal education is described in the Albanian Law on Professional Education, but there is no strategy/policy/law focused only on non-formal education</li> <li>2) Civic engagement related subjects are included in the curricula of elementary and secondary education as well as at the university level</li> </ol>
	<b>Practice:</b> <ol style="list-style-type: none"> <li>1) The educational system includes possibilities for civic engagement in CSOs.</li> <li>2) Provision of non-formal education by CSOs is recognized.</li> </ol>	<b>Practice:</b> <ul style="list-style-type: none"> <li>• Formulation of policies/strategies and laws on non-formal education</li> </ul>

**Practice:**

- Provision of state incentives for strategic inclusion of CSOs in educational system.

### AREA 3: GOVERNMENT – CSO RELATIONSHIP

#### Sub-area 3.1: Framework and practices for cooperation

Principle: There is a strategic approach to furthering state-CSO cooperation and CSO development

STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. The State recognizes, through policies and strategies, the importance of the development of cooperation with the sector	<b>Legislation:</b> <ol style="list-style-type: none"> <li>1) There are strategic documents dealing with the state-CSO relationship and civil society development.</li> <li>2) The strategic document includes goals and measures as well as funding available and clear allocation of responsibilities (action plans incl. indicators).</li> <li>3) The strategic document embraces measures that have been developed in consultation with and/or recommended by CSOs.</li> </ol>	<b>Legislation:</b> <ol style="list-style-type: none"> <li>1) Albania does not have a national strategy for the cooperation between CSOs and Government</li> <li>2) There is lack of clear mechanisms for consultations with CSOs that would ensure that civil society are properly consulted in the process of drafting and adopting legislation or policies</li> </ol>	<b>Legislation:</b> <ul style="list-style-type: none"> <li>• Adopt a national strategy for the cooperation between CSOs and Government.</li> </ul>
	<b>Practice:</b> <ol style="list-style-type: none"> <li>1) CSOs from different areas of interest regularly participate in all phases of the strategic document development, implementation and evaluation.</li> <li>2) There are examples demonstrating that cooperation between state and CSOs and civil society development is improved and implemented according to or beyond the measures envisaged in the strategic document.</li> <li>3) The implementation of the strategic document is monitored, evaluated and revised periodically.</li> <li>4) State policies for cooperation between state and CSOs and civil society development are based on reliable data collected by the national statistics taking into consideration the diversity of the sector</li> </ol>	<b>Practice:</b> <ol style="list-style-type: none"> <li>1) There is a lack of a strategic document dealing with state – CSO relationship and civil society development</li> </ol>	<b>Practice:</b>

### Sub-area 3.1: Framework and practices for cooperation

Principle: There is a strategic approach to furthering state-CSO cooperation and CSO development

STANDARD 2	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. The State recognizes, through the operation of its institutions, the importance of the development of and cooperation with the sector	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There is a national level institution or mechanism with a mandate to facilitate cooperation with civil society organizations (e.g., Unit/Office for cooperation; contact points in ministries; council).</li> <li>2) There are binding provisions on the involvement of CSOs in the decisions taken by the competent institution or mechanism(s).</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There are unit in ministries covering relations with civil society but always within the scope of the ministries</li> <li>2) Binding provisions on the involvement of CSOs in the decision making process do not exist</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Drafting and approval of binding provision for the involvement of CSOs in decision making processes</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) The national level institution or mechanism(s) has sufficient resources and mandate for facilitating CSO-government dialogue, discussing the challenges and proposing the main policies for the development of Civil Society.</li> <li>2) CSOs are regularly consulted and involved in processes and decisions by the competent institution or mechanism(s).</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) National mechanisms at ministry level lack the capacities to facilitate CSO-government dialogue</li> <li>2) Relationship between the government and CSOs has been weak and sporadic, and the capacities of public institutions to facilitate the dialogue have lacked</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• CSOs should be involved in all phases of the process</li> </ul>

### Sub-area 3.2: Involvement in policy- and decision-making processes

Principle: CSOs are effectively included in the policy and decision-making process

STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. There are standards enabling CSO involvement in decision-making, which allow for CSO input in a timely manner.	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There are clearly defined standards on the involvement of CSOs in the policy and decision making processes in line with best regulatory practices prescribing minimum requirements which every policy-making process needs to fulfill.</li> <li>2) State policies provide for educational programs/trainings for civil servants on CSO involvement in the work of public institutions.</li> <li>3) Internal regulations require specified units or officers in government, line ministries or other government agencies to coordinate, monitor and report CSO involvement in their work.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There are no binding norms on the involvement of CSOs in the policy and decision making processes</li> <li>2) Civil servants lack the capacities and knowledge on CSOs involvement in the work of public institutions</li> <li>3) Transparency and access to information remains poor and problematic</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Bringing into force binding norms for central and local institutions regarding consultation with CSOs in all areas that constitute the public interest.</li> </ul>

### Sub-area 3.2: Involvement in policy- and decision-making processes

#### Principle: CSOs are effectively included in the policy and decision-making process

STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>Public institutions routinely invite all interested CSOs to comment on policy/legal initiatives at an early stage</li> <li>CSOs are provided with adequate information on the content of the draft documents and details of the consultation with sufficient time to respond.</li> <li>Written feedback on the results of consultations is made publicly available by public institutions, including reasons why some recommendations were not included.</li> <li>The majority of civil servants in charge of drafting public policies have successfully completed the necessary educational programs/training.</li> <li>Most of the units/officers coordinating and monitoring public consultations are functional and have sufficient capacity.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>Involvement of CSOs in policy making and decision making have been characterized by spontaneity, selectivity of participants in the process using the political criteria or limited it to the certain stages of the process</li> <li>Information on the draft documents is not provided in time</li> <li>Written feedback on the results of the consultations is not provided and reasons for not taking into consideration the recommendations provided by CSOs are not provided</li> <li>There are no available data regarding the educational programs/ trainings of the civil servants who are in charge of drafting public policies</li> <li>Te units coordinating and monitoring public consultations do not have sufficient capacities</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>Establishment and empowerment of the state structures and mechanisms supporting public participation</li> <li>Increase capacities of public officers in charge with th organization, coordination and monitoring of public consultations</li> </ul>

### Sub-area 3.2: Involvement in policy- and decision-making processes

#### Principle: CSOs are effectively included in the policy and decision-making process

STANDARD 2	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
2. All draft policies and laws are easily accessible to the public in a timely manner	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>Existing legislation obliges public institutions to make all draft and adopted laws and policies public, and exceptions are clearly defined and in line with international norms and best practices.</li> <li>Clear mechanisms and procedures for access to public information/documents exist.</li> <li>There are clearly prescribed sanctions for civil servants/units for breaching the legal requirements on access to public information.</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>Public institutions actively publish draft and adopted laws and policies, unless they are subject to legally prescribed exceptions.</li> <li>Public institutions answer the majority of requests for access to public information within the deadline prescribed by law, in a clear format, provide written explanations on the reasons for refusal, and highlight the right to appeal and the procedure for appealing.</li> <li>Cases of violations of the law are sanctioned.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>There are no binding rules or procedures for public authorities requiring them to publish draft policies and draft laws</li> <li>Law on the right of the information on the official documents guarantees the right of information on official documents and defines clear procedures for access to public information, conditions, exception and deadlines</li> <li>There are clearly prescribed sanctions for civil servants/units for breaching the legal requirements on access to public information.</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>Draft laws are not published by public authorities</li> <li>Public access in draft policies and draft laws is difficult</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>Drafting of binding rules/ procedures for public authorities requiring them to publish draft policies and draft laws</li> </ul> <p><b>Practice:</b></p>

Sub-area 3.2: Involvement in policy- and decision-making processes			
Principle: CSOs are effectively included in the policy and decision-making process			
STANDARD 3	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
3. CSO representatives are equal partners in discussions in cross-sector bodies and are selected through clearly defined criteria and processes	<b>Legislation:</b> 1) Existing legislation requires public institutions to invite CSO representatives on to different decision-making and/or advisory bodies created by public institutions. 2) There are clear guidelines on how to ensure appropriate representation from civil society, based on transparent and predetermined criteria.	<b>Legislation:</b> 1) There is no specific law regulating the issue of CSOs as equal partners represented in advisory bodies, but in different laws it is sanctioned the creation of advisory bodies 2) There are laws which stipulates the creation of an advisory body but CSOs are in minority and can hardly influence any policy initiative.	<b>Legislation:</b> <ul style="list-style-type: none"> <li>Creation of a National Council for Collaboration between Government and CSOs.</li> </ul>
	<b>Practice:</b> 1) Decision-making and advisory bodies on issues and policies relevant for civil society generally include CSO representatives. 2) CSO representatives in these bodies are enabled to freely present and defend their positions, without being sanctioned. 3) CSO representatives are selected through selection processes which are considered fair and transparent. 4) Participation in these bodies does not prevent CSOs from using alternative ways of advocacy or promoting alternative stand-points which are not in line with the position of the respective body.	<b>Practice:</b> 1) There is lack of information among CSOs regarding the existence and functioning of such bodies/structures 2) Participation of CSOs in advisory bodies is considered difficult 3) The selection procedures are considered unclear and non – transparent by CSOs. 4) Participation in these bodies does not prevent CSOs from using alternative ways of advocacy or promoting alternative stand-points which are not in line with the position of the respective body	<b>Practice:</b> <ul style="list-style-type: none"> <li>High transparency, trust, collaboration, two – way and consistent communications based on clear rules and procedures.</li> </ul>

Sub-area 3.3: Collaboration in service provision			
Principle: There is a supportive environment for CSO involvement in service provision			
STANDARD 1	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
1. CSOs are engaged in different services and compete for state contracts on an equal basis to other providers	<b>Legislation:</b> 1) Existing legislation allows CSOs to provide services in various areas, such as education, healthcare, social services. 2) CSOs have no barriers to providing services that are not defined by law ("additional" services). 3) Existing legislation does not add additional burdensome requirements on CSOs that do not exist for other service providers.	<b>Legislation:</b> 1) The Law on Non Profit Organization based on which CSOs exercises activities in the good and benefit of the public, and the Law on Social Assistance and Services allows CSOs to deliver privately funded social services as well as public services with funding by state budget 2) To deliver social care services, CSOs need to obtain a license by the Ministry of Social Welfare and Youth based on criteria and procedures defined in a decision by the Council of Ministers	<b>Legislation:</b> <ul style="list-style-type: none"> <li>Establishment of easy procedures for CSOs to obtain a license</li> </ul>



### Sub-area 3.3: Collaboration in service provision

Principle: There is a supportive environment for CSO involvement in service provision		
STANDARD 1	INDICATORS	FINDINGS
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSOs are able to obtain contracts in competition with other providers and are engaged in various services (e.g., education, health, research, and training).</li> <li>2) CSOs are included in all stages of developing and providing services (needs assessment, determining the services that best address the needs, monitoring and evaluation).</li> <li>3) When prior registration/licensing is required, the procedure for obtaining that is not overly burdensome.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) The contracting of CSOs from the state is limited in basic social services related with the reintegration of persons in needs, as the victims of trafficking and domestic violence, or Roma integration.</li> <li>2) CSOs are not included in all stages of developing and providing services. They are invited to participate in the procurement procedure for the delivery of the service, after it is determined.</li> <li>3) The procedure for obtaining a prior licensing is somehow burdensome for CSOs</li> </ol>
RECOMMENDATIONS FOR THE STANDARD		
		<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Involvement of CSOs in all stages of service provision</li> </ul>

### Sub-area 3.3: Collaboration in service provision

Principle: There is a supportive environment for CSO involvement in service provision		
STANDARD 2	INDICATORS	FINDINGS
2. The state has committed to funding services and the funding is predictable and available over a longer-term period	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The budget provides funding for various types of services which could be provided by CSOs, including multi-year funding.</li> <li>2) There are no legal barriers to CSOs receiving public funding for the provision of different services (either through procurement or through another contracting or grants mechanism).</li> <li>3) CSOs can sign long-term contracts for provision of services</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSOs are recipients of funding for services.</li> <li>2) CSOs receive sufficient funding to cover the basic costs of the services they are contracted to provide, including proportionate institutional (overhead) costs.</li> <li>3) There are no delays in payments and the funding is flexible with the aim of providing the best quality of services.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) Financing opportunities from the state have been low and the governments have failed to contract CSOs for an inclusive strategy to support the development of civil society</li> <li>2) The tender process is very difficult, the expenses for the preparation of the required documents are high, and the CSOs have no liquidity to cover these expenses</li> <li>3) If there are cases of state funding, the funding available is for short term period, maximum of one year</li> </ol> <p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Most of CSOs do not have revenues from public procurement, not from the state contracts.</li> <li>2) The fund is disbursed at the end of the project, making it difficult the implementations of the project for the CSOs that do not have liquidities to cover the expenses. In some cases, the funding do not cover administrative costs of the organization needed for the implementation of the project</li> <li>3) There are delays in payment and funding is not flexible</li> </ol>
RECOMMENDATIONS FOR THE STANDARD		
		<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Introduction of Social Contracting as a new practice of public service provision through CSOs</li> </ul> <p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Simplified procedures of payment</li> </ul>



### Sub-area 3.3: Collaboration in service provision

Principle: There is a supportive environment for CSO involvement in service provision			
STANDARD 3	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
3. The state has clearly defined procedures for contracting services which allow for transparent selection of service providers, including CSOs	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There is a clear and transparent procedure through which the funding for services is distributed among providers.</li> <li>2) Price is not the lead criterion for selection of service providers and best value is determined by both service quality and a financial assessment of contenders.</li> <li>3) There are clear guidelines on how to ensure transparency and avoid conflict of interests.</li> <li>4) There is a right to appeal against competition results.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The Public Procurement law prescribes clear procedures and types of procedures for the funds for services distribution</li> <li>2) Price is the lead criteria for selection of service providers, not taking into consideration the quality of the service delivered</li> <li>3) There are not clear guidance to ensure transparency and avoid conflict of interest</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Regulation of the selection criterion based on both service quality and financial assessment of contenders</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Many services are contracted to CSOs.</li> <li>2) Competitions are considered fair and conflicts of interest are avoided.</li> <li>3) State officials have sufficient capacity to organize the procedures.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) Few service are contracted to CSOs</li> <li>2) Lack of information and clarity regarding the legal framework and technicalities for CSOs contracting among the public officials dealing with procurement</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Training for public officials on CSOs contracting for service delivery</li> </ul>

### Sub-area 3.3: Collaboration in service provision

Principle: There is a supportive environment for CSO involvement in service provision			
STANDARD 4	INDICATORS	FINDINGS	RECOMMENDATIONS FOR THE STANDARD
4. There is a clear system of accountability, monitoring and evaluation of service provision	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) There is legal possibility for monitoring both spending and the quality of service providers.</li> <li>2) There are clear quality standards and monitoring procedures for services.</li> </ol>	<p><b>Legislation:</b></p> <ol style="list-style-type: none"> <li>1) The Law on public procurement foresees obligations valid throughout the performance of the contract for service providers. The Law foresees standards for service provider's qualifications, but not for the monitoring procedures.</li> </ol>	<p><b>Legislation:</b></p> <ul style="list-style-type: none"> <li>• Improvement in the Law on Public procurements</li> </ul>
	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSOs are not subject to excessive control.</li> <li>2) Monitoring is performed on a regular basis according to pre-announced procedures and criteria.</li> <li>3) Regular evaluation of quality and effects/impact of services provided is carried out and publicly available.</li> </ol>	<p><b>Practice:</b></p> <ol style="list-style-type: none"> <li>1) CSOs are not subject of excessive control</li> <li>2) The regular publication on impact of services is not available for the public.</li> <li>3) No regular evaluations on the impact of the services are carried out and publicly available</li> </ol>	<p><b>Practice:</b></p> <ul style="list-style-type: none"> <li>• Increased monitoring and evaluation of impact of services delivered by service providers</li> </ul>

## Used Resources and Useful Links



- Civicus, Civil Society Index in Albania, 2010
- Country report: Albania, Country profile for the year 2012, Prepared by: Partners Albania, Center for change and Conflict Management, prepared for the regional civil society conference: FOR EUROPE OF THE WESTERN BALKANS, 26-28 September 2012 – Zadar, Croatia
- ECNL Assessment Report on the Fiscal Framework of Civil Society in Albania, 2011
- Law no. 8789, dated 7.5.2001 “On Non For Profit Organizations Registration”
- Law No. 8788, dated 7.5.2001 “On Non For Profit Organizations”
- Law no. 8781, dated 3.5.2001 “On some Amendments and Changes in Law no. 7850, dated 29.7.1994 “Civil Code of the Republic of Albania”
- Law No. 10093 on the Organization and Functioning of the Civil Society Support Agency approved by Parliament in March 9th 2009)
- Law No. 10093, date 09.03.2009 “For the Organization and Functioning of Civil Society Support Agency”
- Law No.7892, Date 21.12.1994 On Sponsorships, amended with the Law No.8282, Date 21.01.1998, Law No.9040, Dt 27.03.2003, Law No.9807, Dt. 20.09.2007.
- USAID NGO Sustainability Index 2012
- USAID NGO Sustainability Index 2011
- USAID NGO Sustainability Index 2010
- USAID, ICT Country Profile Albania, 2011, Regional Competitiveness Initiative



- Situation analysis on corporate social Responsibility In Albania, *Current Practices and Challenges of Extractive Industries*, OSCE Presence in Albania & Embassy of Canada to Albania, March 2013
- TACSO, Need Assessment Report, Albania. 2011
- IDM "Civil Society in rural and remote areas in Albania", 2012
- VKM, nr. 1252, datë 10.09.2008 për "Miratimin e rregullave të zhvillimit të tenderit publik, për dhënien e së drejtës së përdorimit të frekuencave" I ndryshuar me: VKM nr.501, datë 9.6.2010
- VKM, nr.465, datë 6.5.2009 për "Miratimin e fondit të shpenzimeve, për vitin 2009, për autoritetin e komunikimeve elektronike dhe postare"
- VKM nr.479, datë 6.5.2009 për " Miratimin e planit kombëtar të frekuencave "
- [http://www.partnersalbania.org/Recommendations\\_of\\_the\\_CSOs\\_for\\_dialogue\\_and\\_cooperation\\_with\\_government.pdf](http://www.partnersalbania.org/Recommendations_of_the_CSOs_for_dialogue_and_cooperation_with_government.pdf)
- Freedom in the World 2013
- <http://planipolis.iiep.unesco.org/upload/Albania/Albania-Strategy-Pre-university-2009-2013-alb.pdf>
- [http://www.freedomhouse.org/report/nations-transit/2012/albania#.Utae\\_13aQwo](http://www.freedomhouse.org/report/nations-transit/2012/albania#.Utae_13aQwo)
- [http://www.amshc.gov.al/web/raporte/vjetore/2010/Raporti\\_Vjetor\\_2010\\_shqip.pdf](http://www.amshc.gov.al/web/raporte/vjetore/2010/Raporti_Vjetor_2010_shqip.pdf)
- [http://www.amshc.gov.al/web/raporte/vjetore/2011/Raporti\\_Vjetor\\_2011\\_shqip.pdf](http://www.amshc.gov.al/web/raporte/vjetore/2011/Raporti_Vjetor_2011_shqip.pdf)

# Annex 1



Monitoring Matrix for Enabling Environment for Civil Society Development in Albanian language.

[http://www.partnersalbania.org/Toolkit\\_Matrica\\_shqip.pdf](http://www.partnersalbania.org/Toolkit_Matrica_shqip.pdf)



# Annex 2

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## Expert Panel Representatives

1. Angjelina Pistoli – US Embassy in Albania
2. Anisa Kaltanji – Vodafone Albania / CSR Network
3. Ermira Azermadhi – International Center for Solidarity (SHIS)
4. Gjergji Vurmo – Institute for Democracy and Mediation (IDM)
5. Jonida Gezha – Center for Legal Initiatives
6. Mirela Arqimandriti – Gender Alliance for Development Center (GADC)
7. Mirjeta Emini – Boga & Associates
8. Pranvera Behushi – Legal Office
9. Vjollca Meçaj – Albanian Helsinki Committee (AHC)

# Annex 3

## CSOs

## Questionnaire

### **SURVEY ON THE IMPLEMENTATION OF NATIONAL POLICIES ON ENABLING ENVIRONMENT FOR CIVIL SOCIETY DEVELOPMENT**

The purpose of this survey is to assess the implementation of laws, regulations and policies affect civic engagement and environment for CSDev. The survey is a component of a regional assessment initiative in the Western Balkans and Turkey. The results of the assessment will be used to develop two annual reports and an annual regional report which will be presented to the European Commission, Brussels. This initiative is funded by the Olof Palme Center, with funding from SIDA and Partnership Program for Civil Society Organisations of the European Union.

*All the information gathered are confidential, they will be used for data analysis in the group without reference to any particular institutions case and particular names.*

#### **1. DEMOGRAPHIC DATA**

<b>Name of the interviewee</b>	
<b>Position of the interviewee in the organization</b>	
<b>Full name and acronym of the organization</b>	
<b>Type of the organization</b>	Association <input type="checkbox"/> Foundation <input type="checkbox"/> Center <input type="checkbox"/> Social Enterprise <input type="checkbox"/>
<b>Full address of the organization</b>	
<b>Telephone and email</b>	



**The activity area of the organization**  
(Please check all options that are applicable)

Business ☐ Democracy ☐  
 Woman ☐ Culture and Education ☐  
 Environment ☐ Social Services ☐  
 Youth ☐ Health ☐  
 Other .....

## 2. BASIC LEGAL GUARANTEES OF FREEDOMS

**2.1** How do you assess the process of creating CSOs (Civil Society Organizations) from individuals and legal entities?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

**2.2** How do you assess the freedom of individuals to participate in formal and informal organizations, offline and online?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

**2.3** If you consider it difficult, which are the reasons?

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**2.4** How do you assess the state role in the governance and activities of CSOs?

(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	There is state interference in the internal governance of CSOs	Sanctions are applied in rare cases / extreme	The sanctions are proportionate to the nature of the violation	Sanctions are subject to a judicial review	There are surveillance practices of state occupation that impose burdensome reporting requirements.
1					
2					
3					
4					
5					

**2.5** How would you rate the freedom that CSO have for providing financial resources from local and foreign donors?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

**2.6** How do you assess freedom of peaceful organizing by CSOs? (Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	The freedom of assembly is respected	There are limitations but the reasons are writing communicated in	There is no use of force exerted by law enforcement authorities.	There are cases of freedom of assembly by CSOs without prior authorization	Media is present at these assembly
1					
2					
3					
4					
5					

**2.7** How is the level of freedom of expression by the CSO?

**2.8** What is your assessment about the CSO cooperation with media?

## 3. FRAMEWORK FOR CSO FINANCIAL VIABILITY AND SUSTAINABILITY

**3.1** Do you secure income from the following sources of funding? (Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	Grants from foreign donors	Grants from Central Government	Grants from Local Government	Services offered by the CSO	Public Procurement	Donations	Volunteer Work
1							
2							
3							
4							
5							

**3.2 What is your assessment over the tax treatment of the following sources of income?**  
*(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)*

	Direct or indirect tax on grants is applied	Tax benefits for economic activity are effective and support CSOs	Sanctions are not applicable to passive investments of CSO
1			
2			
3			
4			
5			

**3.3 What is the cost of conditional donations (endowments) that enable the generation of income?**

.....

.....

.....

**3.4 List the three conditions that will encourage donations by individuals and corporations.**

1. ....
2. ....
3. ....

**3.5 How is the assessment of public funding (from the state) to support the institutional development of CSOs?**  
*(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)*

	Public funding is responds to the needs of the CSO	There are government bodies with a clear mandate for distribution / monitoring public funds	Funding is predictable, and easily identifiable	CSO participation in public funding cycle is transparent
1				
2				
3				
4				
5				

**3.6 What are the tax benefits that you'll be requesting to support CSOs?**

1. ....
2. ....
3. ....

**3.7** According to your assessment how encourage are governmental incentive policies for employment in the civil society sector?

Not at all stimulating	Somehow stimulating	Neutral	Stimulating	Very stimulating
1	2	3	4	5

**3.8** Are you aware of state programs that enable volunteerism?

Yes ☐ No ☐ I don't know ☐

**3.9** What is your assessment of governmental programs that enable volunteerism?

(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	Programs are transparent and easily available from the CSO	Administrative procedures for the organizers of voluntary activities are not complicated	There are cases of complaints over restrictions on volunteering
1			
2			
3			
4			
5			

**3.10** How stimulating is the educational system (formal and non-formal education) to promote civil engagement?

Not at all stimulating	Somehow stimulating	Neutral	Stimulating	Very stimulating
1	2	3	4	5

#### 4. FRAMEWORK AND PRACTICES FOR COOPERATION GOVERNMENT - CSO

##### 4.1 What is your assessment over the cooperation Government - CSO?

(Please rank from 1 to 5, where 1- Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	CSOs participate in all stages of the implementation of strategic documents dealing with relations State - CSO	Cooperation between the state and CSOs is improved	The implementation of strategic documents is monitored, evaluated and reviewed periodically	State policies for cooperation State - CSOs are based on reliable data
1				
2				
3				
4				
5				

##### 4.2 What is your assessment of the level of involvement of CSOs in decision making?

Very low	Low	Somehow	High	Very high
1	2	3	4	5

##### 4.3 List the three criteria would enable increase of the involvement of CSOs in decision making.

1. ....
2. ....
3. ....

##### 4.4 How do you assess public access to the project - laws and policies?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

##### 4.5 List the three conditions that allow public access to policies and laws.

1. ....
2. ....
3. ....

##### 4.6 Does representatives of CSO structures exist as part of inter – sectoral planning?

Yes ☐ No ☐ I don't know ☐

**4.7** How do you assess the process of representing the CSO in the inter-sectoral planning structures?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

**4.8** How clear and transparent are the criteria and selection procedures?

Not at all	Little	Somehow	Enough	Very much
1	2	3	4	5

**4.9** What are the three criteria that ensure that partnership to be effective?

1. ....
2. ....
3. ....

**4.10** What are the opportunities of CSOs to compete for state contracts?

(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	CSOs are able to benefit contract in competition with other providers	CSOs are involved in all stages of development and service delivery	In cases where a license is required, the procedures of taking it are easy.
1			
2			
3			
4			
5			



#### 4.11 What is the role of the state in the financing of services provided by CSOs?

(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	CSOs are eligible for funding for services	CSOs receive funds sufficient to cover basic services that are contracted to provide	Payment is made at the time
1			
2			
3			
4			
5			

#### 4.12 How do you evaluate procedures for contracting the services of CSOs?

Very difficult	Difficult	Somehow difficult	Easy	Very easy
1	2	3	4	5

#### 4.13 List the three conditions that would facilitate the contracting of CSO services from the state.

1. ....
2. ....
3. ....

#### 4.14 How is the process of monitoring of the state structures to services provided by CSOs?

(Please rank from 1 to 5, where 1 - Not at all, 2-Little, 3-Somehow 4 - Enough: 5 - Very much)

	CSUs are subject to excessive control	Monitoring is performed based on procedures and pre-announced criteria	Monitoring results are made available to the public
1			
2			
3			
4			
5			

#### 4.15 List the three priority for creating an enable environment for the CSOs activity.

1. ....
2. ....
3. ....



Thanks for your time and contribution!





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