



# Albania Needs Assessment Report



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**REVISED NEEDS ASSESSMENT REPORT**

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## **SUMMARY**

### **Civil society environment**

#### *Legal framework*

In general, the legal framework regulating CSOs' operations is favorable and in line with accepted international standards. The Law on Non-profit Organizations provides for two forms of organization: membership-based associations and foundations and centers. No endowment is required for the registration of foundations thus considerably easing their establishment. Though the registration procedures are considered simple, the requirement that all NPOs should register at Tirana District Court is not favorable to small organizations from the remote districts. NPOs can raise income and make expenses in order to achieve their mission and objectives. They can also engage in economic activities providing that: the activity is compatible with the goals of NPO; it is declared as a source of income; and it is not NPO's primary purpose. Any profit from these activities should be used to achieve NPO's goals. Grants and membership dues are exempt from taxation.

However, difficulties arise during application of the law, especially due to its contradiction with the legislation regulating the taxation that does not distinguish between NPOs and business enterprises. NPOs are not required to register for VAT, but they are liable to pay 20% VAT on all purchased services and products. In 2008, the Government introduced changes in the Tax Law requiring NPOs to pay 20% VAT on all donations received and service contracts, thus significantly undermining the sector's ability to carry out activities in a sustainable and cost-effective way. In 2009, these changes were revoked after CSOs advocating against them. Based on an agreement between the Government and EU Delegation in Albania regarding EU funded projects, EU would not pay VAT that will be reimbursed to NPOs by the Government. However, there is confusion and bureaucracy regarding the implementation of Government's decision by the tax authorities.

There are no additional tax benefits to the CSOs. CSOs are also obliged to have one full time staff and pay all taxes for this person in order to keep the CSO functional. Many CSOs cannot meet the criteria and, therefore, the number of active organizations has considerably decreased.

#### *Funding for CSOs*

Current funding opportunities for CSOs are insufficient to finance its activity. Albanian CSOs remain largely dependent on foreign donors that have continuously decreased last years. Individual foreign donors are leaving and the EC has become the principal source of foreign support. However, its predicted three-year allocation is insufficient to provide for current donor priorities of support to policy dialogue and good governance. Domestic sources are underdeveloped. Central government that is the most important domestic source provides only moderate support for CSOs. Its support is generally disbursed through tendered direct contracts for the provision of social services. In 2009, with the support of the GTZ-funded project aiming at strengthening the government support for and cooperation with civil society, the Government established the Agency for the Support of Civil Society and a Civil Society Fund coming from the state budget. Main challenges for the Agency include limited funds, capacity development of its staff, and establishing effective working cooperation with the CSO sector.

Despite economic growth over the last decade, corporate and individual philanthropy is at its early stages because of limited tradition and business' knowledge about and understanding of CSO sector. Business support mainly consists of small funds for one-off activities. Though businesses that pay standard profit tax may claim back up to 4% of taxable income if donating to CSOs, few of them have used this opportunity. There are no tax incentives for individuals who give charity.

### *The strategic framework regarding the cooperation between government and civil society sectors*

Albania lacks a strategic framework to enhance the cooperation between government and civil society sectors and the mechanisms for the facilitation of such cooperation. In general, the cooperation between the sectors is poor, beset by misunderstandings and institutional snags, and conducted in a haphazard and ad-hoc basis. CSOs' participation in policy-making is limited and has little impact. It has mainly happened due to insistence of interested CSOs rather than the willingness of the public administration to engage into systematic and open consultations with the public.

The relationships between the Government and CSOs are characterized by a mutual distrust. Often, government people perceive CSOs as political opponents and obstacle to their activity as well as serving interests of individuals or fractions of society rather than the public. On the other hand, CSOs do not believe that the government considers them as serious and important actors in its efforts to increase transparency and accountability.

### **CSO organizational capacities**

Albanian CSO sector is relatively underdeveloped. There are round 1600 registered CSOs, but roughly 450 of them are active (2011 surveys). Most of active CSOs are located in Tirana that also have local offices and are active at community level. In general, the membership base of associations is limited. Regarding organizational development, limited capacity relating to strategic planning, program/project development and implementation, organizational management, financial sustainability, and networking characterize CSOs.

#### *Strategic planning*

In general, CSOs' strategic planning either is missing or is a response to donor requests rather than being guidance for organizational programs. CSOs mainly engage in short-term project planning/funding oriented toward foreign donors trying to simply maximize their immediate chances of survival. Wherever CSOs have engaged in strategic planning, the consultation and analytical process necessary to development of useful strategic plans has been limited. Often, instead of developing fundraising strategies to achieve organizational mission and goals, CSOs plan activities to match available funding.

#### *Program/project development and implementation*

Few CSOs have a developed capacity regarding program/project development and implementation. Though there are CSOs, especially at the central level, that have the capacity to conduct research and analysis necessary for effective program/project development, in general CSOs' analytical capacities are poorly developed, despite the relatively high level of CSOs' activities. Proper social research regarding the constituency needs and project identification is rarely conducted and by few relatively developed CSOs. Documentary or internet-based research is seldom carried out for programming purposes. CSOs from remote and rural areas face additional problems relating to geographical isolation and lower-than-normal access to the Internet that make this kind of research problematic. The constituency development by CSOs and, therefore, their community support is low.

#### *Organizational management*

Most of CSOs have poor organizational management characterized by unclear division of governance and management structures, lack of formal organizational chart, individual rather than team approach regarding organizational and project management, and weak human resources and financial management.

### *Financial sustainability*

Being very project-based and donor-driven, CSOs' financial sustainability is weak. Decreasing foreign donor funding, combined with poor domestic funding, also catalyzed by the present economic crisis, have affected CSOs' financial viability and sustainability. The sector is financially under-resourced and most CSOs have insufficient funds to implement meaningful programmes. On their part, few organizations have made serious efforts to diversify their funding base by developing alternative domestic sources of financial support. Basic fundraising skills are applied overwhelmingly to locate scarce foreign project funding at the expense of longer-term strategic development of domestic sources of finance. The associations, especially grassroots ones, have a limited membership base and, therefore, a limited potential support from the community.

There is anecdotal evidence that the sector is shrinking because of an increasing number of CSOs of all types that fail to access adequate funding due to their inability to do so. In general, CSOs have a low capacity to absorb donor funds. Most of them are too small and organizationally underdeveloped to manage larger grants also including required monitoring and reporting and to fulfill donor conditions for matching funds. Due to financial constraints, most CSOs cannot retain permanent professional staff. In most cases, they have one-three staff employed on short-term project or annual contracts.

### *Networking*

CSO sector itself is poorly integrated and represented. There is no sector-wide forum or network dedicated to the coordination of CSO efforts and development of sector as a whole and its strategy. No such entity is widely accepted by CSOs as a leader or representative.

Networking among CSOs is weak. There are very few sustainable networks and most of them are either donor-driven or operationally weak. Very few CSO networks are built around a set of concrete programme objectives or based on formal partnership agreements that establish the network's mode of operation and member organizations' responsibilities. Most of CSOs are part of different informal networks, usually at the local level, but also at national and/or international level. However, the quality of CSO networking is poor in terms of participation, solidarity, cooperation, and exchange as well as benefits to the organizations and their activity.

A major milestone is the CSOs' coalition regarding effective election monitoring. During 2011 local elections, a coalition was established by the Association for Democratic Culture/KRIIK Albania and the Association for Women and Children in coordination with 16 other organizations. It monitored the elections through its 1160 trained observers throughout the preparatory phase, the electoral campaign, voting, and vote numbering and final calculations.

### *Capacity development*

CSO capacity development has also been donor driven. Few CSOs have been involved in capacity development activities outside donor relationships. The capacity development efforts have mainly focused on technical training of individual members of organizations rather than training of teams and organizations as a whole. In general, capacity development efforts had no follow up to consolidate knowledge and skills.

## **Main issues that need to be addressed**

### *Regarding cross-sector cooperation*

- Supporting CSOs' initiatives relating to development of a strategic framework regarding cooperation between the government and civil society.
- Main challenges for the Agency for the Support of Civil Society include limited funds, capacity development of its staff, and establishing effective working cooperation with the CSO sector.
- Facilitating multi-stakeholder dialogues aiming at promoting cross-sector dialogue and cooperation.
- Increasing the public visibility of CSOs and increase the public understanding of CSOs.

### *Regarding CSOs' capacity development*

- Developing CSOs' organizational capacity relating to strategic planning, proposal writing, organizational and project management, understanding and running social enterprises, human resource management, understanding fiscal environment, CSO networking and cooperation thus increasing their ability to develop and realize effective program to meet needs of their consistencies.
- Increasing the capacity of CSOs to manage projects so as to increase the effectiveness of their results and impact.
- In order to increase CSOs' financial sustainability, developing their capacity regarding fundraising knowledge and skills. Increasing the capacity of small and rural CSOs to absorb EU funding through an institutionalized action framework.
- Increasing cooperation, coordination, and transparency among CSOs to achieve a more visible impact through common actions in specific time periods, for specific issues in the path of Albania towards EU Integration and the Stabilization and Association Agreement.
- Building coalitions, partnerships and networks at the national and EU level enforcing the role of civil society at both the local and national level and improving their democratic role.
- Encouraging and promoting CSO participation in the policy-making process.
- Supporting capacity development activities that target teams and organizations, are based on learning-by-doing methods, and consist of a process also including follow up for application of knowledge and skills.

## INTRODUCTION

This study is one of seven country revised assessments of civil society capacities conducted within the EC-funded project Technical Assistance to Civil Society (TACSO2) in IPA Countries (EuropeAid/133642/C/SER/Multi/5), implemented by SIPU International AB. An initial assessment was conducted at the beginning of TACSO project, which served as a basis for TACSO 1 activities for the period 2009-2011, with a subsequent revision for the period 2011-2013. The reasoning of the revised needs assessment is related to what is expecting by TACSO 2 to address as a priority issues related to the legal and institutional framework for the civil society including legislation, registration, consultation mechanisms and funding, working in strategic partnership programs with likeminded CSOs, strengthening collaboration between media and CSOs, etc. In addition, the revised report reflects the reforms and changes since August 2011 as well as the planned reforms (decisions to be implemented or new initiatives). It also contains specific proposals on the institutional issues to be addressed by TACSO 2.

The aim of the revised needs assessment is to provide a comprehensive assessment of civil society in Albania and the relevant working environment, including its strengths, weaknesses, and its impacts to date, as well as the challenges it faces to its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society mappings and evaluations, situation analyses, policy documents and country-specific academic literature, and a consultative stakeholder analysis. The study is an integral part of the project inception for TACSO 2 and it provides the premise for the majority of other project activities by serving as the basis of the development of regional as well as national work plans to be implemented during the project's duration.

In line with the project's Terms of Reference and SIPU's technical proposal, the revised study understands civil society in the following two complementary ways:

1. All organizational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the public authorities and citizens. This definition clearly emphasizes the associational character of civil society, while also accentuating its representational role. Civil society would include a variety of organizational types, including, NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trades unions and grassroots community groups (CBOs), etc.
2. A space for views, policies and action supportive of alternatives to those promoted by government and the private sector. This definition places the emphasis on social inclusion, social and political pluralism and the rights of expression in developing a participatory democracy.

The paper is composed of four sections:

- Section one provides an analysis of the civil society environment and any reforms or changes since 2009, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities, public perceptions and support of civil society and its various segments as compared to 2009, together with official proposals on institutional issues expected to be addressed by TACSO 2.

- Section two gives an overview of the main features of civil society: the types of organization represented and their key organizational characteristics, the types of activity they carry out and their main sectoral interests, their geographical distribution and way they are structured within an overall civil society architecture. CSOs are assessed according to their technical, organizational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other actors including other CSOs, government and the community, and material and financial stability and resilience.
- Section three summarizes the main achievements of civil society to date, noting key milestone achievements and broader social impacts, and also identifies shortfalls in civil society performance in need of strengthening and further development. It also provides an analysis on how to overcome such challenges in the future and how the project could assist in overcoming them, together with considerations on TACSO 2 downsizing direct capacity building to individual organizations.
- Section four draws up conclusions and sums up the most important institutional and organizational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for both the project's regional work plan and country-specific work plan.

# 1. THE CIVIL SOCIETY ENVIRONMENT

## 1.1 Legal framework – an analysis of relevant law and financial regulations

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Activity of civil society organizations (CSOs) is mainly regulated by the Law on Non-profit Organizations and the Law on the Registration of Non-profit Organizations. In addition, their activity is also regulated by other legislation regarding taxes and fiscal obligations.

In general, the legal framework regulating CSOs' operations is favorable and in line with accepted international standards. The law gives the overall framework regarding the internal organization and decision-making of NPOs leaving to them a broad discretion to structure the internal governance of organizations. NPOs can raise funds and engage in economic activities to generate income that will be used for organizational purposes. Registration procedures are simple. The government has not made enough progress "improving the overall fiscal environment for NGOs."<sup>1</sup> Especially, difficulties arise during application of the law, mainly due to its contradiction with the legislation regulating the taxation that does not distinguish between NPOs and business establishments.

### Law on Non-profit Organizations

Establishment, registration, functioning, organization and activity of CSOs' are regulated by the Law on Non-profit Organizations (Nr. 8788, 07/05/2001). The non-profit law has been developed based on four-year long consultations with CSOs and other stakeholders.

According to organization, NPOs are divided into: (1) Membership organizations including at least five persons or at least two legal entities as founding members. Their highest decision-making body is the general meeting or assembly of all members; (2) Foundations and centers that can be established by one or more persons or by testament. Their highest decision-making body is the Board of Directors. The law does not require a minimum endowment for the registration of foundations, considerably easing their establishment.

According to the place of registration, NPOs are categorized into: (1) Local non-profit organizations that are established, recognized and registered as such according to Albanian law. They may establish their branches in other cities of Albania as well as abroad; (2) Foreign non-profit organizations that are established, recognized and registered as such according to the law of another country. They may exercise one or more specific activities in Albania, provided that they do not conflict with the Albania's laws. They may also establish and register a branch or a new non-profit organization.

Every person or legal entity, including both Albanian and foreign, has the right to establish a non-profit organization, to be a member of it or to take part in its management organs or in its administrative personnel. Moreover, everyone has the right to collective organization without needing to register this as a non-profit organization.

The internal organization and functioning of NPOs is based on the statute that is developed and agreed by the founders. The law gives the general framework for the statute leaving the specific arrangements to the organization. The statute should include sections about: The form of organization; NPO's name and logo; Founders; Purpose and area of activity; Non-profit statement; NPO's duration; Directing

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<sup>1</sup> EC 2012 Albania Progress Report, p.18

bodies and their responsibilities as well as composition of these bodies that are foreseen in the statute and procedures for their election and/or change; Procedures regarding meetings and decision-making; Administration of NPO's assets; The way the statute and internal regulations are changed; The way NPOs can divide and merge; The way the NPO is legally represented; The way the NPO is liquidated. In addition: The statute of associations should also include provisions about membership, members' rights and duties, and membership fee; The statute of foundations and centers should also include provisions about the financial and material resources provided by the founder and how they can be used.

Areas of activity, organizational structure, selection of the executive, and main issues regarding the budget and expenses of NPO are responsibility of the highest decision-making body of NPOs—the general meeting for association and Board of Directors for foundations and centers. For associations, the minimum number of members is five. For foundations and centers, the minimum size of Board of Directors is three people. Also, the NPOs establish the executive bodies—individual or collegial—that are responsible for the organizational management.

NPO's income might come from membership fees, grants and donations from private and public institutions (Albanian or foreign), and its economic activity.

For associations, membership fees are one of sources of income. NPOs are excluded from the income tax realized through membership fees.

NPO may raise funds to achieve its goals and objectives. NPOs are excluded from the income tax realized through donations. Legal entities that donate to NPOs benefit from income tax deductions according to the respective laws. Relations with donors are based on specific agreements and should be according to the existing legislation and the statute. NPOs have also the right to compete for public grants and contracts. Public services and property may be transferred to NPOs.

In order to achieve organizational purpose and carry out the activity, NPO may engage in any kind of legal activity. For some specific activities, it should obtain the necessary licenses or permissions. In order to engage in an economic activity, the NPO does not need to establish a separate legal entity. Requirements are that the activity should be in accordance with organization's purpose, it should be declared as a source of income, and it should not constitute its main goal. Any profit realized through economic activities should be used to achieve organization's goals stated in the foundation act and statute.

Any tax deduction of NPOs from tax and customs duties are included in the respective laws. Responsible public institutions may oversee NPOs regarding implementation of legislation relating to taxes, social and health insurance, economic activities, public and social services contracts, and realization of activities funded by the state budget.

Main features of the Law on Non-profit Organizations include:

- There are no restrictions regarding establishment of or participating in NPOs.
- The law also recognizes the right of individuals to establish informal, unregistered associations.
- Foreign and international organizations may obtain legal entity status in Albania.
- The law provides for a broad discretion to CSO founding members to structure the internal governance of organizations.
- Provision of appropriate governance rules and measures to avoid conflicts of interest, to carry out conflict resolution and to ensure organizational self-determination;

- Permitting CSOs to engage in economic activities, including charging for services and products;
- Explicit recognition of the right of CSOs to receive grants and donations from any private or public person, Albanian or foreign;
- Establishment of a framework for the public financing of CSOs, opening the door to the contracting of CSO services by government;
- Limiting state power to close a CSO or otherwise interfere with its normal operations.

### **Law on the Registration of Non-profit Organizations**

The procedures for registration of CSOs are considered clear and simple. Registration can be completed within a few weeks.

Registration of NPOs is regulated by the Law on the Registration of Non-profit Organizations (Nr. 8789, 07/05/2001). According to the law, NPOs have to register at the Tirana District Court. A decision for the registration of non-profit organizations, as well as any other decision related to actions related to their registration, is made by a single judge of the commercial section of the court upon the application of the interested subject. The application to register an NPO should contain explanations regarding the form and purpose of the non-profit organization, the object of its activity, identity of the founders and its leaders, the structure of the directing bodies, the location of its headquarters and the identity of its legal representatives. The judge decides on applications for registration or deposit within 15 days from the date the request. If the judge finds the application incomplete, he/she sets a reasonable deadline for completing them. The Secretary of the Register executes the decision of the judge no later than three working days from the date when the decision has become final.

The requirement to register centrally at the District Court of Tirana has proved to putting some barriers for smaller grassroots organizations from outside Tirana. Decision makers have continued to ignore civil society's appeals to decentralize registration procedures.

CSOs must also register with the tax authorities in their respective areas of residence. CSOs have objected to the requirement that non-for-profit organizations should have one full time staff and pay all taxes in order to keep the CSO functional. Such obligation has considerably reduced the number of active organizations in Albania because many of them cannot afford to meet such criteria.

According to CSO Sustainability Index, "decision makers have generally ignored CSO proposals to improve the legal environment for civil society." For example, the Ministry of Justice has failed so far to make progress towards creating an electronic Register of CSOs at the Tirana Court of First Instance. Ambiguous procedures and inconsistent rules on CSOs financial management and inspection provide leeway for state harassment and political pressure.<sup>2</sup>

### **Economic activities and profits tax**

According to the Law on Non-Profit Organizations, CSOs may engage in economic activities in order to achieve their goals and manage and maintain their property, as long as the economic activities are not their primary purpose. Moreover, CSOs and any other legal entities that carry out public benefit activities--"religious, humanitarian, charitable, scientific and educational activities"--are tax exempt provided that the property or profits are not used for the benefit of founders or members. CSOs also may raise income from their assets by means of investments and rent and sale of their property. Also,

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<sup>2</sup> 2012 CSO Sustainability Index

the Law on Non-Profit Organizations has been amended to require such organizations to report all their financial sources to the tax administration in order to prevent money laundering and the financing of terrorism.<sup>3</sup> However, there is considerable confusion regarding the implementation of the tax regulations.

Tax laws have not been amended in accordance with the Law on Not-for-profit Organizations. Therefore, the tax regulations do not distinguish between CSOs and commercial enterprises and the CSOs are liable to pay profit tax regarding all income on all economic activities on the same basis as other legal entities. Tax-exempt CSOs are required to possess a tax code and report to the tax authorities in the same way as profitable businesses and non-exempt organizations. Moreover, since 2007, the government has introduced changes to the legislation about NPOs that revise their fiscal regime especially including them in the scheme of VAT thus affecting their sustainability.

There is a need to amend the existing legislation to provide additional tax benefits to the CSOs thus contributing to their longer-term sustainability. In this context, SOROS Foundation commissioned the Assessment Report on the Fiscal Framework of the Civil Society in Albania developed by the European Center for Nonprofit Law (ECNL) in cooperation with Albanian experts. The report identified, among others, the situation regarding VAT applied to grants provided by different donors to CSOs. It emphasized that such application contradicts with the EU Directive Nr.6 about VAT that clearly excludes grants from the VAT scheme. The assessment underlined that there is confusion in Albania between non-for-profit and profit-making organizations and their economic activity as a concept. According to the report, the law should distinguish between for-profit and non-for-profit activities and the extent to which NPOs may engage in economic activity. This might also require a revision of the relevant provisions of the non-profit law and Civil Code. The assessment emphasizes that clear and explicit tax exemption regarding income tax for grants should be included in the NGO law as well as in any tax laws that deal with NGO income taxation thus avoiding any different interpretations of whether grants are part of the non-for-profit activity and whether such grants are taxed or not. It should be clear that income from non-for-profit activity is not taxed and a tax on positive result at the end of the year should be levied.

Also, SOROS Foundation in cooperation with Partners Albania, Co-Plan, and IDRA have advocated with the government to change the law on VAT. Since 2010, several meetings have been held with government representatives also including the Prime Minister. In 2013, the Ministry of Finances presented a draft law on VAT that was consulted with 43 NPOs as well as the donors that are active in Albania. However, this draft law could not pass in the government and parliament.

According to 2012 Sustainability Index, in practice “CSOs are subject to control and inspection by tax and other state authorities such as labor inspectorates. Tax authorities can impose fines on CSOs that fail to comply with tax and financial management procedures.” On one hand, there are no “tax inspectors who are specialized in CSO financial and tax issues” and “tax authorities need education on the details of CSO operations.” On the other hand, CSOs need “to increase their understanding of the legal requirements to which they are subject.”

Moreover, as it is underlined in the 2012 Sustainability Index, “ambiguities in the laws and regulations governing financial inspection, management, and control allow tax authorities to harass and put political pressure on CSOs.” There are also court cases against tax authorities alleging irregular inspections and fines against CSOs. In December 2012, the Tirana Court of First Instance ruled in favor of MJAFT!

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<sup>3</sup> EC 2013 Albania Progress Report, p.8

Movement, decision that was sent to appeal by the tax authorities. In this context, a disadvantage of CSOs is that they do not generally have access to specialized pro bono legal services and they have limited financial ability to cover the costs of legal representation.

### **Deductibility of Charitable Contributions**

Income from charities in Albania is limited due to both lack of tradition regarding philanthropy as well as lack of incentives for people who give charity. Albanian is one of the few countries in the region that provides no tax incentives for individuals who give charity.

Businesses that pay standard profits tax may claim back tax on donations (classed as a business “sponsorship”) to CSOs of up to 4% of taxable income. Entrepreneurs that pay “small business tax”, the tax on donations can be deducted up to 1% of taxable income. However, businesses have only rarely made use of it. On one hand, the law is not known and understood among the business community. On the other hand, corporate philanthropy is at its earliest stages of development in Albania (see also Section 1.2).

### **Value Added Tax**

CSOs are not required to register for VAT and thus they are exempt from charging VAT on their services. However, the situation regarding VAT remains an issue for CSOs. In 2008, without any consultations with CSO sector, the Government introduced some arbitrary changes to the tax law that contradicted the Law on Not-profit Organizations. According to these changes, CSOs are required to pay 20% VAT on all donations received and service contracts. Application of these measures would undermine significantly the sector’s ability to carry out activities in a sustainable and cost-effective way. CSOs advocated vigorously against these changes and the Government stepped back by forming in 2009 a working group of representatives from the Ministry of Finance and civil society to review the issue of taxation of NGO grants and earned income. While the Ministry of Finance has not responded so far to the majority of civil society proposals, the principle of grants and donations free of VAT has been re-instated.

Based upon the framework agreement between the Albanian Government and EC regarding the modalities of IPA funded projects, the VAT on IPA funded projects would be reimbursed to NPOs by the Tax Directorates. However, till January 2013, such legal provision was not taken into consideration. As a result of strong advocacy action undertaken by TACSO Albania Office with full support of EU Delegation to Albania, the Instruction No. 4, dated January 22, 2013 on VAT reimbursement for IPA grants was issued by the Ministry of Finance. However, there is still a confusion and bureaucracy regarding the implementation of this instruction by the tax authorities of various regions of Albania.

Income generated through CSOs’ economic activities is subject to VAT. CSOs are also liable to pay VAT at the full 20% rate on all services and products they purchase.

According to 2012 Sustainability Index, legal issues including “ambiguities relating to CSOs’ public benefit status, an inconsistent regulatory framework for government subcontracting of CSOs, and the lack of incentives for individual and corporate philanthropy” remain unaddressed. According to EC 2013 Albania Progress Report, “the tax framework for civil society organizations still includes provisions that undermine their financial viability, particularly on VAT reimbursement.”<sup>4</sup> In addition to the specific issue of VAT, civil society has strongly advocated for the harmonization of tax regulations with the provisions

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<sup>4</sup> EC 2013 Albania Progress Report, p.8

of the Law on Not-profit Organizations and for a separation of CSOs' not-for-profit economic activities from normal commercial activities in order to clarify both tax and financial reporting requirements.

## **1.2 Donors and funding opportunities**

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Albanian CSOs remain largely dependent on foreign donor assistance. CSO funding is characterized by insufficiency and changing actors. In general, the current funding opportunities for civil society in Albania are insufficient to meet its financial needs. Regarding donors, recently bilateral donors have either reduced their support to the civil society (for example the Netherlands with its MATRA programme), or have even left (for example, Denmark with its previously important regional Neighborhood Programme). The European Union (EU) has become the single most important donor of Albania, including its civil society sector.

### **European Commission, IPA and other EU funds**

Being responsible for supporting Albania's progress towards EU integration by means of the Instrument for Pre-accession Assistance (IPA), the European Commission (EC) is the single most important foreign donor to civil society. The current Multi-annual Indicative Planning Document (MIPD) 2011-2013 maintains and underlines that support to civil society remains a priority area of EC intervention in Albania. It emphasizes the need to strengthen the third sector and its integration with all sectors of the MIPD, in particular in the fields of environment, justice and home affairs, public administration reform, and social development. MIPD states that the civil society development in Albania remains generally weak. Local CSOs need training to adapt to present conditions, to strengthen their capacities, and to participate in the European integration process. Also, there is a need to encourage the freedom of association, to put in place regulatory frameworks and public incentives for the development of civil society organizations, and to guarantee a supportive legal environment for civil society activities. The European Commission aims to allocate indicatively around 2-5% of the overall assistance to civil society support. The Civil Society Facility –set up by DG ELARG that encompasses contributions from the Albanian national programme as well as from all other national programmes in the Western Balkans plus Turkey and from the Multi-beneficiary programme—also includes actions to strengthen freedom of media and expression, as it represents a basic precondition for a functioning democracy.

During the last few years, under IPA Civil Society Facility approximately 1.5 million EUR per year have been allocated to CSOs for supporting actions aiming at fighting against corruption, supporting environmental protection and education, strengthening the media, and supporting vulnerable groups. Nine to twelve CSOs were contracted for this calls and roughly 70 percent of them had received training, help-desk, and consultancy services by TACSO Albania Office.

During 2010-2013, approximately 2.4 million EUR have been allocated to NGOs operating in Albania under the EIDHR 2010-2011 and 2012-2013 Country-Based Support Schemes. These funds have contributed to the implementation of actions that aimed at strengthening the role of civil society in fostering human rights and democratic reform including access to justice, the protection and promotion of the rights of children, women, minorities and people with disabilities. In 2011, of grant fund of 1.2 million EUR was launched by EIDHR for actions that aim at supporting children, women, and minority rights, people with disabilities and mental illnesses, and access to justice. The same amount was allocated for 2013 to CSOs fighting against discrimination of women, children and LGBs.

Current projects and funding opportunities include:

*Civil Society Facility (CSF).* The Project Country Fiche for Albania 2011-2013 encompasses 3 million Euros from IPA contribution (1.5 million in 2012 and 2013 each). In the framework of Civil Society Facility 2011-2013 under the yearly CfPs, the focus is the improved functioning of the justice system, living conditions of vulnerable groups through service delivery at field level, as well as advocacy and policy dialogue with Government at central and local levels. During 2012, the civil society has received financial support from the EU under the IPA CSF (2011-2012) and through the European Instrument for Democracy and Human Rights (EIDHR). The IPA provided support to national CSOs in the fields of justice (access to justice, fight against corruption and monitoring/improvement of living conditions in detention system), protection of vulnerable groups (disadvantaged women, children and the elderly, and minority groups) and environmental protection. Assistance aimed at wider involvement by civil society in decision-making, strengthening of CSOs' management and organizational capacity and improvement of their legal and fiscal framework.<sup>5</sup> EC has reviewed the CSF "to reach out more effectively to local community-based organizations, to better target needs in each country and to provide longer-term seed-funding to NGOs."<sup>6</sup>

*IPA National Programme 2011.* During 2009-2011, IPA projects in support of civil society have focused on civil society organizations dealing with the fight against corruption, organized crime and human trafficking, with environmental protection and education, and also with poverty alleviation.<sup>7</sup> In the framework of the IPA National Programme 2011, 1.5 million Euros have been earmarked to support a project that aims at promoting social inclusion of Roma and Egyptian communities in Albania. One of the main components of this action consists of a re-granting mechanism targeting Roma and Egyptian grass-roots organizations for the implementation of small-scale projects. The Project is being implemented by UNDP under the common management system.

*IPA/Cross-Border Cooperation Programme.* Based on the MIPD for Albania, a total of 31.08 million EUR were earmarked for all IPA II cross-border cooperation projects in Albania for the year 2011-2013. Funding for CSOs includes:

- Small grants (20,000 – 50,000 EUR) given to CSOs and municipalities for a range of socio-economic two-country partnership projects with all EU and potential EU member countries.
- In 2011, the EU Delegations in Albania and Macedonia jointly launched the third call for proposals under IPA/CBC Programme Macedonia-Albania, where out of 2,295,000 EUR budget allocation for Albania, 1.533.918 EUR were awarded as a grant schemes to CSOs.
- In 2012, the EU Delegations in Albania and Montenegro jointly launched the third call for proposal under IPA/CBC Programme Albania-Montenegro, where out of 1.530.000 EUR budget allocation for Albania, 1.242.673 EUR were awarded as grant contracts to Albanian CSOs.
- and Albania-Montenegro (out of 1.440.000 EUR budget allocation for Albania, 562.269 EUR were awarded the form of grants schemes to CSOs).
- IPA Cross Border Program Greece-Albania: Second call was launched during 2012 in a total amount for Albanian beneficiaries of 2.880.366 EUR.

*Other EU-funded programs.* CSOs may also apply to EU Community Programme including the 7th Research Framework Programme, the Entrepreneurship and Innovation Framework Programme, the Culture Programme, and the Europe for Citizens Programme.

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<sup>5</sup> EC 2012 Albania Progress Report, p.5

<sup>6</sup> EC 2011 Albania Progress Report, p.5

<sup>7</sup> EC 2011 Albania Progress Report, p.5

## Other International Donors

*UNDP* is providing support to CSOs through three main projects:

- UNDP Roma Project under which round 80,000 USD will be distributed as grants to Roma NGOs in four regions (Tirana, Durrës, Elbasan and Fier).
- Small grants programme under which different project proposals focusing on biodiversity, nature protection, and climate change coming from CSOs are financed. The total amount for the small grants for 2012 is 150,000 USD.
- Civil society project (Empowering Civil Society in Rural Areas) implemented through Institute for Democracy and Mediation under which small grants (up to 1500 USD) will be given to local civil society organizations in the regions of Elbasan, Gjirokaster, Lezhe, and Berat. The total amount for the small grants for 2012 is 35,000 USD.

*SIDA (Swedish Agency for International Development)* provides institutional support to Albanian NGOs based on its strategy for the SIDA Cooperation with Albania 2009-2012. SIDA's support aims at promoting citizen participation in decision-making, improving gender equality so that women can have greater influence in politics, and increasing environmental protection. The support is provided through Swedish NGOs such as Kvinna till Kvinna foundation, Civil Rights Defenders and the Olof Palme International Center that collaborate with long-standing Albanian CSOs. Round 2 million EUR per year has been allocated by SIDA during 2012-2013. The Olof Palme Center Albania offers core support in strategic planning, accountability, and financial management, as well as other capacity building support, but only for its grantees. The Swedish International Development Cooperation Agency (Sida) launched a three-year program in September 2012 with a budget of €1.8 million to address local environmental organizations' needs, which includes core funding.

*Matra (Netherlands)* including "matchmaking" funds for Dutch-Albanian NGO partnerships for activities to strengthen pre-accession and good governance. In 2013, the Ministry of Foreign Affairs of the Netherlands delegated the Embassy in Tirana a total fund of 350,000 Euro to be allocated for different project proposals under the Matra Embassy Fund. 6 projects are being implemented. The whole Matra programme is currently being reviewed so continuation of this and Matra KAP below is uncertain.

*UK Embassy* in Tirana has a small Devolved Fund to which CSOs may apply for typically one-off activities under the value of £ 5000 (5,700 EUR).

*USAID* is delivering support for areas of concern to civil society, such as the promotion of democracy, strengthening governance and the fight against corruption.

*CIDA (Canadian Agency for International Development)*, through its embassy in Italy provides Canadian \$ 50,000 (33,000 EUR) a year for project proposals by Albanian CSOs.

## Albanian Foundations

*Open Society Foundation Albania (OSFA)* – Part of the worldwide network of foundations established by the financial entrepreneur George Soros, OSFA has operated as an independent Albanian organization since 1992. In that time it has been one of the most important investors in capacity building of CSOs. However, in recent years it has scaled down its activity in this area considerably. During 2011 and 2012,

it has provided grants amounting respectively 2,114,545 (146 projects) and 1,322,860 USD<sup>8</sup> (134 projects). OSFA provides small and large grants between from US\$2000 (aprox. 1,400 EUR) and US\$ 40,000 (approx. 28,500 EUR). It also implements several operational projects. Its Strategy consists of three priority areas: Good Governance and European Integration, Human Rights and Rule of Law, and Social Inclusion. Programs established around these areas include: Good governance and European integration; Rule of law and human rights; Media; Roma; Education; Health; Gender equality; East-East; Emergency fund; etc. Interventions include monitoring and watchdog projects, advocacy & lobbying, accountability and strengthening of civil society through capacity building and support for CSO networking.

### **Community support and business contributions**

Despite good economic growth in Albania over the last decade and reasonable incentives for corporate philanthropy, funding of CSOs by private businesses is extremely limited, if not negligible. Generally, this support comes in the form of small funds for one-off activities without any sense of strategic or social purpose, in the main because the business community does not yet understand the role of civil society.

At the end of 2007, the Vodafone Company in Albania established the first, and so far only, commercially funded foundation for providing assistance to civil society initiatives, the Foundation Vodafone Albania. This intends to make a positive contribution to local communities by making direct grants to locally register CSOs (and international NGOs) to support projects that will make a social impact, specifically in the fields of education, health, social welfare and environment. Target groups are people in need, especially children with special needs, as well as other vulnerable groups.

Individual giving to CSOs is similarly restricted and insignificant as a form of project or organizational support. There are no tax incentives to individual giving and Albania has no tradition or culture of this kind of philanthropy.

### **Government Funding**

Government funding for CSOs includes contracting for service delivery and dispensing project grants through the line ministries and grant support through the Agency for the Support of Civil Society (ASCS).

The Ministry of Labor, Social Affairs and Equal Opportunities has contracted CSOs to run a number of its services such as care centers, training and education centers, and vocational training. The Ministry of Tourism, Culture, Youth and Sports has provided a total of approximately 740,000 EUR for CSO projects in the fields of culture, arts, sports, cultural heritage and youth.<sup>9</sup>

ASCS is becoming a major donor for CSOs. ASCS has been established in 2009 also supported by the GTZ funded project (“Strengthening civil society and empowerment of local democratic structures”) aiming at strengthening the government support for and cooperation with civil society, the Government established a Civil Society Fund financed directly from the state budget for financing social services provided by CSOs and established the Agency for the Support of Civil Society (Law No. 10093, 09/03/2009) to carry out this task (see also below section 1.2).

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<sup>8</sup> Excluding operational projects implemented by OSFA itself.

<sup>9</sup> Under new government, sectors covered by these ministries are reorganized into new ministries such as Ministry of Social Welfare and Youth, Ministry of Urban Development and Tourism, Ministry of Culture.

ASCS provides grants to CSOs to fund projects focusing on specific areas according to calls for proposals. Focus areas have changed from call to call. However, there are some core areas including fight against corruption, citizen participation, advocacy initiatives, domestic violence, employment, etc. Last three years, ASCS has carried out three rounds of call for proposals. During the year 2011, ASCS launched two call for proposals in respective amounts of 131.960.000 ALL (round 943.920 EUR) and 16.000.000 ALL (round of 114.500 ALL). During, 2012 ASCS funded 61 project proposals in a total amount of 55.755.000 ALL (round 398.820 Eur). ASCS also provides grants to support institutional development aiming at CSOs' capacity development.

Main challenges for the Agency include limited funds, capacity development of its staff, and establishing effective working cooperation with the CSO sector. Initially, during the year 2010, TACSO Albania Office contributed to its capacity development by involving its staff and management in various capacity building, trainings, seminars, regional events, and by organizing a study tour to Romania.

### **1.3 Government mechanisms for civil society – government cooperation and the policy framework determining government – civil society relations**

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Until now, neither the Government nor the civil society have developed a strategy for developing cooperation between the sectors, strengthening the civil society, and improving the environment in which it works. The Government has undertaken some steps to establish a set of mechanisms for mediating its relations with civil society. With the support of the GTZ funded project "Strengthening civil society and empowerment of democratic structures in Albania," the Government established the Agency for the Support of Civil Society (Law No. 10093, 09.03.2009). Its mission is "the encouragement, through financial assistance, of a sustainable development of civil society and the creation of favorable conditions for civil initiatives to the benefit of public." Its specific objectives include:

1. The encouragement of cooperation with NGOs which have as their work object, the monitoring of the fight against corruption, fight against trafficking in human beings and treatment of its victims, against violence in the family and against violence towards children;
2. The encouragement of citizens in activities, their inclusion and participation for the development of the community;
3. The creation and consolidation of capabilities of the civil society;
4. The development of inter sectoral cooperation and of cooperation between the organizations of civil society;
5. The increase of public influence and activity of the organizations of civil society;
6. The development of social undertaking and employment in the non profitable sector; and
7. The increase of the influence of civil society in the processes of drafting and approval of public policies.

However, so far the ASCS has perceived its role as financial supporter to CSOs only and has not been involved in policy dialogue with the third sector.

By the end of 2013, the Ministry of Integration set up a separate unit for Civil Society, which will serve as focal point for strengthening the collaboration between the government and civil society organizations and for a better involvement of CSOs in the reform processes and European Integration of Albania.

## 1.4. Government (local and national) institutional capacities for engaging civil society

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In general, relations between the Government and CSOs are not at the desired level and beset by mutual misunderstandings and institutional snags. Cooperation is weak particularly at municipal level. A key challenge for the government is “to make consultation of civil society more systematic, transparent and timely” regarding policy development, draft legislation and implementation.”<sup>10</sup> Local government lacks adequate capacity to ensure proper cooperation and funding of civil society and further substantial efforts are required to develop community-based services.<sup>11</sup>

Many parts of public administration are suspicious about CSOs that are often seen as political opponents of the Government and, therefore, as potential obstacle to the ongoing reform process. There is also the perception that CSOs exist to serve the interests of private individuals or selective fractions of society rather than the public at large. On the other hand, CSOs have their own concerns about the government. According to different surveys, CSOs do not believe that government considers civil society a serious or important actor in its efforts to increase transparency and accountability. The CSO Sustainability Index 2012 emphasizes that during 2012, despite the unfavorable environment, Albanian CSOs actively engaged in a number of advocacy campaigns. However, “state institutions failed to address civil society concerns and recommendations, further discouraging civic advocacy.” It underlines that despite solid recommendations and advocacy by CSOs, no progress was made regarding the law on access to information, civil society proposals on VAT, financial inspection, and control, other proposals to increase incentives for philanthropy and other local funding, and to improve the legal framework on volunteerism.

CSOs’ participation in the policy-making process is low and non-influential due to attitude of public administration as well as capacity of CSOs to engage in meaningful advocacy. According to CSO Sustainability Index (2012), “consultations with civil society at the government and parliamentary levels are sporadic and largely ineffective. The government lacks standard procedures and binding rules to engage in dialogue with civil society and other non-state actors when developing legislative and policy measures. When the government does agree to consult with civil society, it is often due to international pressure.” Legislative drafting in line ministries needs to be improved by strengthening preparatory work and by appropriate consultations. Specific rules on improving transparency and consultation in the legislative process, which Albania is committed to adopt, need to be completed. The consultation process with civil society and other partners needs further strengthening.<sup>12</sup> As regards institutions’ cooperation with civil society, dialogue needs to be further strengthened at central and local levels. Civil society is regularly involved in the policy development process and in legislative drafting but consultation is often a formalistic process that falls short of true cooperation.<sup>13</sup> In general, governmental institutions do not possess, on one hand, the mechanisms for engaging with civil society and, on the other hand, the administrative capacity to do so. Wherever the mechanisms to engage CSOs in decision-making process exist, they are very weak. The cooperation between government and CSOs is usually conducted in a haphazard and ad hoc ways, mainly solicited by interested CSOs rather than the public administration’s willingness to conduct systematic and open consultations with the public.

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<sup>10</sup> EC 2013 Albania Progress Report, p. 8

<sup>11</sup> EC 2013 Albania Progress Report, p. 8

<sup>12</sup> EC 2011 Albania Progress Report, p. 8

<sup>13</sup> EC 2012 Albania Progress Report, p. 18

Regarding the legislative process, though civil society has been consulted on some legislative initiatives, particularly in the field of human rights, there is no systematic dialogue in place and consultation has been insufficient overall.<sup>14</sup> Deadlines for providing comments generally remain too short and there are no clear rules on public consultation. According to EC 2013 Albania Progress Report, “a more transparent and inclusive consultation process, further involving civil society and social partners, would increase public trust in legislative drafting.”<sup>15</sup>

Moreover, due to changing funding environment, recently it is observed a significant decrease in CSO-led advocacy activities and their capacity to do so. The role of civil society in the policy-formulation is also undermined by the perceived affiliation of some CSO/think tank leaders to political parties.

However, during the last decade there are numerous examples of successful government-civil cooperation such as:

- Development of the National Strategy for Social and Economic Development (NSSD, 2000). For the first time the civil society was able to articulate sector based priority actions in the field of education, health, agriculture, and social protection.
- Drafting of the Law on Measures against Violence in Family Relations (2007). The law was based on the draft law presented by women’s CSOs in Parliament in 2006 also backed by a public petition signed by 20,000 people.
- Drafting of the Law “On Legal Aid” (2008) that was realized based on cooperation of the Women Advocacy Center (in the framework of the “Free Legal Services” project) in co-operation with government and civil society partners including the Albanian Helsinki Committee, National Advocacy Center, Office of Citizen Protection, Ministry of Justice, Ministry of Labor, the High Council of Justice, and General Prosecutor’s Office.
- Drafting of the Law on Anti-discrimination was prepared in consultation with civil society and adopted by the Parliament.
- Drafting of the strategy for addressing disability issues and monitoring its progress (2007) with the meaningful participation of the Albanian Disability Rights Foundation (ADRF).
- Establishment of the Consumer Protection Commission (2009) that should address disputes between consumers and service providers and including representatives of the Government and civil society.
- Drafting of several national strategies including the Strategy on Gender Equality and Violence, the Strategy against Trafficking of Human Beings, the National Strategy for People with Disability, and the Strategy for Children’s Rights and Their Protection.

While legislation provides for participation of citizens in decision-making at the local level, this has not been effectively realized because of (a) the absence of detailed rules at the local level facilitating participation; (b) citizens’ lack of awareness of their rights and the responsibilities of local governments; and (c) apathy for civic engagement in governance.

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<sup>14</sup> EC 2011 Albania Progress Report, p. 17

<sup>15</sup> EC 2013 Albania Progress Report, p. 5

## **1.5 Public perceptions and support of civil society and its various segments**

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The public profile of CSOs remains still low. Public awareness of CSO activities and public understanding of the role of civil society in representing public interests and advancing good governance are limited. Many people have the impression that CSOs exist only to benefit the interests of their leaders and staff and that they do not represent the opinion and interests of their constituencies and/or the general public. On their side, CSOs are often poorly connected with their target communities and, therefore, they do not have the necessary support. In the case of associations, membership is limited. Voluntarism is also limited due to lack of tradition or association of voluntarism with past communist methods.

According to the 2012 CSO Sustainability Index, “while there is no recent data on public perception of CSOs, the government, businesses, and the public still seem to be skeptical about civil society, in part because of a lack of information about CSOs’ role.” According to the Index, “constructive criticism between the media and civil society on their respective roles on socially and politically sensitive issues have characterized the public discourse, particularly on issues related to media reporting ethics, political developments, and civil society’s poor outreach and impact.” The public image of the civil sector has not changed despite broader media coverage of civic advocacy campaigns.<sup>16</sup>

## **1.6. Official Proposals on institutional issue expected to be addressed by TACSO 2**

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Based on the thorough consultations conducted by TACSO with CSOs throughout Albania (Shkoder, Gjirokaster, Vlore and Pogradec), there were identified the following main issues to be addressed by TACSO 2:

- Organizing joint efforts with regard to the improvement of legal and fiscal framework for CSOs in Albania;
- Assisting the government agencies dealing with the civil society through various activities and events in order to bridge the dialogue between the structure, CSOs and the government; and
- Facilitating networking and exchange with CSOs from other countries thus learning and acting based on success stories to be carried on in Albania or at a regional level.

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<sup>16</sup> 2012 CSO Sustainability Index

## 2. CSO ORGANISATIONAL CAPACITIES

### 2.1 Overview of the civil society community in Albania

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While the broader political environment remains confrontational, Albanian civil society has started to take a more active stance on key issues of public concern. The lack of tangible advocacy results, however, continues to discourage many CSOs from becoming more actively involved in consultations on various legal and policy initiatives. Decreased funding has negatively affected the capacity of CSOs to carry out activities and initiatives. However, it seems that difficulties with funding have produced a positive result regarding the capacity development by forcing CSOs to reconsider organizational management, planning, and outreach efforts to better connect with local communities.

According to CSO Sustainability Index, the lack of a clear strategy for civil society development continues to threaten the third sector's consolidation. Financial viability is still civil society's most serious concern, and state authorities, CSOs, and the donor community still lack a coordinated partnership-oriented approach to this issue.<sup>17</sup>

#### Structure of civil society

Albania's CSO sector is small and relatively under-developed, there are only 1,651 CSOs registered with tax authorities.<sup>18</sup> However, recent civil society assessments and observation from TACSO Albania Office and other stakeholders underline that only round 450 CSOs are active. Small numbers are explained with the relatively new history of the third sector in Albania. The sector did not exist during the communist regime and first CSOs were established only after 1991.

Most of CSOs are concentrated in Central Albania (Tirana, Durres Elbasan), especially in Tirana. Most of biggest and more professional CSOs are based in Tirana. Also, Tirana-based developed organizations, especially those focusing on rights-based education and citizen participation in decision-making, have established their regional and local offices. The second tier relating to concentration of CSOs consists of other major cities in the North (Shkodra) and South (Korca, Gjirokaster and Vlora). Civil society sector is weaker in remote districts and especially in rural areas. Number of active, informal community-based groups is low.

Few CSOs are developed in terms of execution of activities and ability to retain permanent, salaried staff. Being donor dependent to carry out their activity and trying to answer to donor interests and objectives, many CSOs have adopted broad missions. Such practice has led to generalism and their lack of expert knowledge in specific areas of activity. In general, the constituency development by CSOs is limited and they enjoy low level of community support.

Typically, Albanian CSOs, particularly if situated outside Tirana, are small organizations with three or less staff members receiving some type of remuneration. They are light on professional skills and experience and financially insecure. Many organizations are based on part-time staff or volunteers to carry out their activity. Such a tendency has affected negatively their continuity, also including the continuity of relatively developed CSOs. The membership base of associations is very low and most of them tend to target larger groups in the community instead of providing services to their own members.

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<sup>17</sup> 2012 CSO Sustainability Index

<sup>18</sup> Source: 2012 CSO Sustainability Index based on data from the Financial Intelligence Unit (Ministry of Finances)

However, Albania has a core of developed and relatively sustainable CSOs. During last twenty years, CSOs have had considerable institutional and project funding from international donors, also including longer-term support from non-operational international NGOs that pursued their missions by means of supportive partnerships with their young Albanian partners. Most of Albanian well-developed and sustainable CSOs are those that benefited from this support. They focus on human rights, children rights, gender equality, environmental protection, democracy and good governance, economic development, capacity development, etc.

CSO sector itself is rather poorly integrated and represented. There is no sector-wide forum or network dedicated to the coordination of CSO efforts and development of sector as a whole and its strategy. No such entity is widely accepted by CSOs as a leader or representative.

### **Field of operation/activities**

Facing major funding difficulties, many CSOs are donor-driven rather than cause-driven. In general, CSOs tend to engage in different kind of activities instead of specializing in/focusing on specific ones. Even the relatively developed organizations that have organizational structures and resources claim to focus on multiple fields of activity and target groups.<sup>19</sup> CSOs think that focusing on activities that address multiple target groups (women, youth, vulnerable groups, etc.) can broaden their funding base by appealing to a wider range of donor interests and opportunities. Some CSOs have even changed their mission in order to access funds.

Fields of activity and target groups where CSOs tend to focus are limited including rights and empowerment of minority and discriminated groups, good governance, and provision of social services. They reflect CSOs' basic concerns regarding the respect for fundamental human rights, development of democratic culture, and poverty alleviation.

CSOs focus mainly on advocacy activities, provision of social services, study and research, and capacity development. Last ten years, there is a gradual increase regarding advocacy activities carried out by CSOs of all sorts and a growing interest in engaging the Government and local authorities in policy dialogue. There are notable examples of well-organized election monitoring, anti-corruption campaigns, human rights monitoring, and watchdog activities. According to the 2012 CSO Sustainability Index, despite the unfavorable environment, Albanian CSOs actively engaged in a number of advocacy campaigns in 2012 and civil society advocacy efforts increasingly focused on citizen outreach (such as in the case of the ACT NOW! Initiative). On the other hand, there is a perception that many CSOs, especially centrally based ones, have embraced advocacy because it has recently become the funding priority of international donors, also taking advantage of the related weaknesses of CSOs outside Tirana. However, difficult access to financial sources, particularly affecting small NGOs in rural areas, still limits the capacity of Albanian civil society for advocacy and networking.<sup>20</sup> In this context, the capacity of these organizations to participate in public decision-making needs to be strengthened, particularly in rural areas.<sup>21</sup>

Regarding provision of social services to community, Albanian CSOs remain the most active and probably the most effective both as a part of the governmental system of social services provision and as means

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<sup>19</sup> See Annex 3 for self-classification according to field of activity by Albanian CSOs in earlier civil society assessments

<sup>20</sup> EC 2012 Albania Progress Report, p.18

<sup>21</sup> EC 2013 Albania Progress Report, p.8

of delivering supplemental or alternative services in areas such as health, education, and legal advice. Some CSOs at the local level also offer social services to specific target groups in other fields such as vocational training and education. According to CSO Sustainability Index, “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. They actively promote their services and capabilities to well-targeted audiences and potential partners through networks and electronic tools. Yet, potential clients are limited to foreign donor institutions, consultancy firms (through sub-contracts), private universities, and - only exceptionally - Albanian public authorities. In general, social assistance and community-based services provided by Albanian NGOs suffer from a lack of public funding.<sup>22</sup> State contracting of CSO services is limited to basic social services related to reintegration of vulnerable persons, including victims of trafficking and domestic violence, and Roma integration. Furthermore, these service contracts depend almost wholly on international donor funding, and do not allow CSOs to recover costs by charging fees.”<sup>23</sup> Regarding Roma integration, critical services are still being largely provided by civil society organizations and financed by international donors, which may put into question their sustainability in the medium term.<sup>24</sup>

Regarding capacity development activities, in addition to established capacity development organizations, there are issue-based CSOs that engage in capacity development on issues they have expertise and experience. Few membership-based organizations such as chambers of commerce regularly offer capacity building services to their members. Other organizations, such as labor unions or vulnerable persons’ groups, generally only provide services such as training on advocacy or project management to their members when donors provide funding. (Capacity development CSOs also tend to engage in activities addressing different societal needs such as local government decentralization and management, economic development, rural development, etc. combining their expertise in project management with the expertise on specific issues of issue-based CSOs.)

## 2.2 Human resources and technical skills

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Financial constraints determine that most Albanian CSOs cannot engage full-time professional staff. Most of CSOs that have the financial ability to maintain staff can retain 1-3 professional personnel, often employed on short-term project contracts or annual basis.<sup>25</sup> Especially CSOs from districts cannot afford permanent staff. They are very project-based also relating to staffing. Most of activities are carried out through part-time staff or volunteers who usually lack the capacity regarding project and activity management. Most CSOs are dependent on one single leader and lack solid management and leadership structures especially due to their small size. According to 2012 CSO Sustainability Index, Internal management structures remain unchanged. Only a limited number of CSOs’ boards and membership assemblies actively engage in governance and monitor the accountability of their organizations. CSOs’ human resource bases remain unsustainable due to the predominance of short-term, project-based funding that does not allow them to hire permanent full-time staff. Funding limitations also restrict CSOs’ use of professional services, such as legal, public relations, and information technology specialists. Though a large percentage of CSOs report that they have established formal policies and procedures for

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<sup>22</sup> EC 2012 Albania Progress Report, p.18

<sup>23</sup> 2012 CSO Sustainability Index

<sup>24</sup> E 2012 Albania Progress Report, p.18

<sup>25</sup> According to a CSO survey conducted by Partners-Albania in 2005 with a sample of 131 CSOs, 40% of the CSOs do not employ any professional staff and the average staff size is four.

human resource management (for example 89% according to a UNDP survey conducted in 2006), a more careful look at their practices emphasizes that they do not guide CSOs in their operations.

Last decade, Albanian CSOs have benefited from many foreign-funded capacity building programmes focusing on PCM, financial management, advocacy and lobbying, and policy dialogue. Desk research and field survey by TACSO (and other actors) emphasize that central CSOs have mainly benefited from these programmes while Northern and Southern CSOs have received considerably less training and capacity development support. According to the 2012 CSO Sustainability Index, CSOs typically access training only when it is part of a donor-funded project and some of the most pressing training needs for CSOs in semi-urban and small urban centers involve strategic and financial management, fundraising, partnership building, advocacy, and communication. CSOs in underdeveloped regions in Albania are more challenged than ever by the lack of a mid-term strategy for civil society development coordinated among the state, donor community, and civil society. Technical assistance, training, and information needs remain largely unmet through the limited project-based support that is available.<sup>26</sup>

During the years 2010-2013, the EU regional funded project “Technical Assistance for Civil Society Organizations” – TACSO has provided numerous training activities and information session to CSOs all over Albania on how to benefit from EU funded grants schemes, successful management of EU funded projects, strategic planning and management and has also facilitated partnership building events within national and regional context. However, there is a need to continue in the future with such inputs, because in general, capacity development efforts had no follow up to consolidate knowledge and skills. The capacity development efforts have mainly focused on technical training of individual members of organizations rather than training of teams and organizations as a whole. Therefore, CSOs need training and technical assistance even regarding basic knowledge and skills. CSOs emphasize their capacity-building priorities as follows:

- Fundraising skills
- Proposal Writing and Application Procedures for EU funding
- Project Cycle Management,
- Human Resources Management
- Fiscal issues (CSO tax obligations, financial management and reporting)
- Establishment and operation of Social Enterprises

CSOs have also identified their other fundamental capacity-building challenges including:

- Development of long-term strategic vision, mission, and objectives and respective action plan;
- Development of leadership skills;
- Development of culture of cooperation (to deal with: low number of project partnerships; weak networking; poorly linked to grassroots and lack of constituency; etc.);
- Development of the CSOs’ capacity to absorb EU funding (finding matching funds, developing human capacities and project management skills, understanding and carrying out the EC application procedures for grant funding).

According to 2012 CSO Sustainability Index, many CSOs, mostly well-established organizations operating in urban centers, are responding to shrinking donor funding through better planning and internal management. Well-established CSOs based in Tirana often recruit unpaid interns by cooperating with

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<sup>26</sup> 2012 CSO Sustainability Index

private universities, although these programs are unable to fully promote a culture of volunteerism. Moreover, the government has not established a legal framework that alleviates “the conditions for voluntary activities in NGOs.”<sup>27</sup> However, a significant number of CSOs still have insufficient skills and resources to engage in constituency building efforts or strategic planning. CSOs in semi-urban or rural areas have limited resources, insufficient capacity, and a shortage of modern equipment and information technology.

## 2.3 Strategic thinking of CSOs in Albania

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Strategic thinking of CSOs in Albania remains poorly developed. Albanian CSOs (even developed ones) either do not have current strategic plan or have developed strategic plans that meet donor requirements but are not on the basis of organizational activity. Often, the strategic plans are not the outcome of a strategic planning process including analysis of internal and external environment and consultations with stakeholders. Often strategic plans do not include strategic fundraising plans to mobilize resources in order to achieve organizational mission and goals. Due to missing strategic direction, many CSOs abandon their mission and goals in favor of access to available funding.

Very often strategic plans are conducted in a cursory manner to satisfy donor requirements, and the consultation and analytical process necessary to their effective development is found wanting. Most NGOs orient their operations to match available funding rather than carrying out their own strategic visions or missions (NGO Sustainability Index USAID 2010). Often these plans remained only on paper and were not used as instruments for guiding the organization’s programming and development.

Lack of effective division between CSO boards and management structures (or individuals) and also the tendency for boards to simply provide formal oversight of the organization (providing a “rubber stamp” to executive decisions), are common indications of low levels of strategic leadership within CSOs.

In general, CSOs lack internal resources to facilitate strategic planning process. Strategic plans have usually been developed by external consultants from capacity development organizations such as the Albanian National Training and Technical Assistance Resource Center-ANTTARC, Partners-Albania, etc. TACSO Albania Office has supported capacity development of the CSOs in strategic planning. Last year, TACSO, in cooperation with ANTTARC Training Consultants, has provided training to 15 CSOs, mainly underdeveloped organizations from districts, and technical assistance to participating CSOs to develop strategic plans.

## 2.4 Analytical capacities

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Albania has a relatively large number of CSOs that have analytical capacities including professional social and economic think tanks<sup>28</sup> and promoters of human rights and participatory democracy.<sup>29</sup> Most of

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<sup>27</sup> EC 2012 Albania Progress Report, p.18

<sup>28</sup> Think tanks include: ACER (Albanian Centre for Economic Research), IPLS (Institute for Policy and Legal Studies), HDPC (Human Development Promotion Centre), ACIT (Albanian Centre for International Trade), IDM (Institute for Democracy and Mediation), the European Centre, NACSS (Albanian National Centre for Social Studies), PPF (Public Private Finance Institute), Institute of Fiscal Education, Albanian Centre for Parliamentary Studies.

<sup>29</sup> Mjaft! (citizens’ rights), Co-Plan (participatory democracy and decentralisation), Citizens’ Advocacy Office (government transparency, anti-corruption, citizens’ rights), Children’s Human Rights Centre, Albanian Helsinki Committee

these CSOs are based in Tirana. Some of think tank organizations (IDM, IDRA) are well connected to wider civil society and contribute to greater public participation in policy making.

Within the wider civil society, analytical capacities are generally poorly developed, despite the relatively high level of advocacy activities. Few organizations undertake the most basic social research to assess constituency needs or to plan the projects. Documentary or internet-based research is seldom carried out for programming or strategic planning purposes. Geographical isolation and lower-than-normal access to the Internet (in the region) for many CSOs in rural areas make this kind of research difficult.

## **2.5 Relationships with other actors –networking and partnerships**

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### **CSO – CSO relationships**

Surveys show a good understanding of the importance of intra-sector cooperation, especially regarding sharing of information and expertise, by CSOs.<sup>30</sup> Also, most CSOs participate in some form of informal network, usually at the local level, but also at the national or international level. During the last two years a number of networks, like Albanian Forum of Social Enterprises, the Waste Management CSO Network, the network of culture organizations have come to existence. However, the quality of CSO networking is poor in terms of CSOs' active participation and their organizational and programmatic benefits from the participation in networks. The main reason is that few CSO networks are built around a set of concrete programme objectives or are based on formal partnership agreements that establish network's mode of operation and member organizations' responsibilities. Often, networks are donor-driven and are established in an ad-hoc manner. Also, cooperation within networks is often built based on personal relationships and not institutional needs. Recently, maybe also due to increased competition among CSOs for dwindling foreign donor funds, CSOs' participation in networks has declined.

Cooperation between CSOs appears to be strongest among business organizations, environmental groups, as well as among specific purpose, like-minded rights-based organizations such as National Coalition Against Domestic Violence and the Network Against Trafficking, and the Children's Alliance. According to 2012 CSO Sustainability Index, last year networking efforts are increasingly focused on common themes, such as the environment or gender, although an issue-driven approach (such as that taken by the Alliance Against Waste Import) remains predominant in major urban areas. Some of the most active networks in 2012 focused on women issues, consumers, LGBT rights, and waste import.

### **CSO – government relationships**

This area is described in detail in sections 1.3 and 1.4.

## **2.6 Material and financial stability and resilience**

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Albanian civil society organizations remain fragmented and overly dependent on funding by foreign donors.<sup>31</sup> They lack cooperation and capacity and donor dependency has been leading to excessive

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<sup>30</sup> UNDP 2006

<sup>31</sup> EC 2013 Albania Progress Report, p.8

competition for funds in the sector.<sup>32</sup> At present, foreign funding does not meet the needs of the CSO sector and, moreover, is shrinking. Domestic funding opportunities are scarce and the government has failed to act on CSOs' numerous appeals for a comprehensive strategy to support the development of civil society, including incentives to encourage individual and corporate philanthropy. Most local governments were unable to provide support to civil society in 2012 due to the economic crisis. CSOs rarely charge fees for their services, and government contracting of CSO social services is very limited.<sup>33</sup> Most CSOs report that they have insufficient funds to carry out their activity. A particular problem is that foreign donors provide only funding for project activities and rarely support administrative and institutional needs, too.

There is anecdotal evidence that CSOs' ability to access adequate financing is shrinking, too. In general, the capacity of CSOs to access foreign donor funds is low. Most of CSOs are too small and organizationally weak to manage large grants. Few CSOs have the institutional capacities to fulfill donor conditions for matching funds and undertake required monitoring and reporting. According to the 2012 CSO Sustainability Index, the financial viability remains the weakest dimension of Albanian civil society. According to the Index, "the rules for applying for and managing EU funds – currently the biggest source of support to CSOs in the country – are too complex for most local CSOs. In particular, CSOs are often unable to meet the 10 to 20 percent co-funding requirements of EU civil society support programs." CSOs have urged Albanian state authorities to replicate the successful experiences of neighboring countries in assisting the civil society sector such as the Macedonian case where the government has committed funds from the state budget to co-fund grants awarded to CSOs under EU programs.<sup>34</sup>

TACSO Albania Office has provided specialized assistance on how to obtain and successfully manage EU Grants. During the years 2012-2013, it has organized numerous training workshops for CSOs from 12 regions of Albania focusing on EU funds' access and application. The concrete results of TACSO inputs is the duplication and triplication of CSOs applying for EU grants (both under IPA and EIDHR financial instruments) and also the improvement of the quality of project proposals submitted to EU Delegation to Albania.

Moreover, in 2012 TACSO, in cooperation with ANTTARC, has also provided training for 21 CSOs from all 12 regions of Albania in organizational sustainability focusing on both financial and programmatic sustainability. Also, it supported the development by ANTTARC consultants of a handbook on CSO sustainability (Sustainability of Civil Society Organizations: Challenges and Opportunities). However, CSO needs are evident and the low quality of technical know-how of project development and proposal writing among CSOs emphasize the need for continued assistance in this direction.

Very few CSOs have sound financial management systems or well developed fundraising skills that are deployed effectively to secure stable and secure financing arrangements. Few organizations have made serious efforts to diversify their funding base by developing alternative domestic sources of financial support. A large number of CSOs have do not consider the business sector as a potentially viable source of funding and are poorly apprised of the tax incentives offered to businesses to enter into charitable "sponsorships" with CSOs. CSOs rarely charge fees for their services or engage in economic activities to support their non-profit activities. Poorly developed organizational memberships, particularly for grassroots organizations, are a further constraint, limiting the potential support from the community.

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<sup>32</sup> EU 2011 Albania Progress Report, p. 17

<sup>33</sup> UNDP 2006

<sup>34</sup> 2012 CSO Sustainability Index

As a result of the intensified financial inspections by tax authorities, CSOs have upgraded their financial management systems. However, due to a lack of capacities, resources, and professional support, as well as ambiguities in the legal framework, many CSOs - particularly newly established groups, youth associations, vulnerable and other marginalized groups, and CSOs operating in remote areas - find it difficult to comply with the rules on tax and financial management. Few CSOs publish annual reports, and those that are published rarely include financial data. CSOs only contract independent financial audits for specific projects when requested by donors.<sup>35</sup>

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<sup>35</sup> 2012 CSO Sustainability Index

### **3. CONCLUSIONS**

#### **3.1 Summary of strategic issues of relevance to the project**

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- CSOs' low level of understanding of and interest in Albania's European integration and eventual access and its implications for country's reform and development constitute a serious gap regarding both the integration process and the institutional performance of civil society. Measures to address this gap: Information dissemination; Consultations and coordination with the EC delegation and relevant government bodies; Integration into all project activities.
- There is the political commitment regarding further development of the CSO sector by the new government established under the parliamentary elections of June 23, 2014. Thus, the establishment of Civil Society Unit within the Ministry of Integration of Albania constitutes an important step toward building the institutional structures and policy framework to regulate and promote cooperation between government and civil society as well as to support the sustainable development of civil society. However, the progress needs to given a boost. Measures to facilitate this process: Ensure that relevant support is given to the government and civil society leaders to advance and accelerate the process; and complementing existing initiatives and providing new forms of support wherever gaps exist.
- There is a clear gap regarding the capacity of centrally located CSOs and those located in remote districts, especially rural areas. Measures to narrow this gap: The project should continue focus its capacity development support in key selected locations outside the capital.

#### **3.2 Needs assessment conclusions**

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##### **Civil society environment**

- The legal framework governing CSO operations is broadly favorable. However, the tax framework and financial regulations applied for CSOs are in contradiction with the Law on Non-profit Organizations. Especially, they do not distinguish between CSOs and commercial enterprises. Moreover, tax and financial regulations are inconsistently applied.
- Current funding opportunities for civil society, domestic and international are insufficient to meet its financial needs.
- Foreign donor funds have significantly reduced and the donor environment has significantly changed. Bilateral foreign donors are consistently leaving and the EC has become the principal source of international support for civil society. However, its predicted allocation for the coming period is not sufficient to provide the necessary funds to meet current donor priorities regarding policy dialogue and good governance.
- Domestic sources of CSO finance are underdeveloped. Central government that is the most important of these sources provides only moderate support for CSOs, generally disbursed through ASCS grants and tendered direct contracts, mainly for the provision of social services.
- Until the present, there is no strategic framework for the development of government-civil society cooperation and strengthening of civil society. Except the Agency for the Support of Civil Society

that is still in its beginning, there are no formal mechanisms to mediate relations between the government and civil society. TACSO shall follow to cooperate and coordinate efforts with ASCS to further develop its capacity.

- Relations between the Government and CSOs are generally poor and their development continues to be beset by mutual misunderstandings and institutional snags. Cooperation between government and CSOs is usually conducted in a haphazard and ad hoc process, usually solicited by the interested CSOs rather than the willingness of the government to engage in systematic and open consultation with the CSOs and the public in general. Consequently, CSOs' participation in policy-making is low and of little impact.
- Public awareness and understanding of civil society is low. Community support for CSOs is weak and there is little public demand to participate in CSO events.

### **CSO organizational capacities**

- Albania's CSO sector is small and relatively under-developed. The CSO sector does not have a strong tradition (CSOs were established after the collapse of socialist system in 1991) and is still in its emergent and formative phases. Though the number of registered CSOs is relatively high, only 20-25 % of them are really active.
- Most of CSOs are located in Tirana. There is an evident gap regarding the organizational capacities between Tirana-based CSOs and those located in other areas, especially remote and rural areas.
- Rights-based CSOs are among the most developed and prominent. They focus on advocacy, education, and training in human rights, women rights and gender equality, youth, minority rights, etc.
- Typically, Albanian CSOs are small and financially unstable. They do not have the sufficient resources to support permanent professional staff.
- The CSO sector is poorly integrated and represented to the overall society. There is no sector-wide forum or network coordinating CSO efforts.
- Albanian CSOs are the most active and maybe the most effective providers of social services to the community. Their advocacy activities are often carried out in tandem with service provision. Many CSOs do not focus and specialize on specific issues but deal with many issues trying to access available funding.
- CSOs have identified as their priority the financial sustainability through increasing fundraising skills, improving financial planning and management, and increasing understanding of tax and financial regulations. In addition, CSOs need capacity development relating to: Proposal writing; Project management; Understanding and running social enterprises; Human resource management; Strategic planning; and CSO networking and cooperation.
- CSOs' strategic thinking is poorly developed. Few CSOs have developed coherent long-term strategic plans that guide organizational activity. The CSO sector is heavily dependent on short-term project funding from international donors. In most cases, CSOs seek to maximize their immediate chances of survival also switching their focus areas and organizational mission.

- Networking among CSOs is weak. There are few sustainable CSO networks and many of them are operationally weak and donor-driven.

### **3.3 Recommendations for the regional project work plan**

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- Facilitate and organize exchange visits for CSOs in the region in order to get acquainted with each other and share experiences particularly in the areas of fundraising and revenue generations, cooperation with public institutions, advocacy and lobbying for social changes, successful absorbing of EU Grants, etc.
- Facilitate and organize partnership events for CSOs benefiting from IPA Cross-Border Programs between Albania and FYR of Macedonia, Albania and Montenegro and Albania and Kosovo. This event will assist Albanian CSOs meet the mandatory requirement for IPA CBC grants of applying jointly with a partner organization from the cross-border area.
- Organize and stimulate a regional dialogue between CSOs benefiting from the TACSO Project in order to discuss common problems and concerns, share experiences and best practices.
- Facilitate the regional networking and partnership between active CSOs operating in the region and plan future joined activities and projects.

### **3.4 Recommendations for country specific work plan**

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#### **Civil society environment**

Addressing main needs relating to:

1. Strategy and policy development regarding the CSO sector through national and regional conferences and exchange to share best practices.
2. Improvement of the CSO regulatory framework, in coordination with the European Union Delegation in Tirana, through national events and targeted CSO trainings on the legal framework.
3. Building and strengthening of relations between CSOs and government institutions through continued support for the Agency for the Support of Civil Society.
4. Strengthening the cooperation between CSOs and local government through national and local activities.

#### **CSO organizational capacities**

Addressing main needs relating to:

1. Capacity development of small and rural CSOs to absorb EU funding through an institutionalized action framework including encouraging partnership among CSOs, networking, internships, direct training, and coaching.

2. Capacity building of CSOs in project cycle management that aim at increasing the project results and impact.
3. Increasing the cooperation, coordination, and transparency among civil society organizations to achieve more visible impact through common actions on specific timelines and for specific issues.
4. Building coalitions, partnerships and networks at national and EU level thus strengthening the role of civil society at both local and national level and improving their role in democratic development of the country.
5. Encouraging and promoting CSO participation in the policy-making process.

## Annex 1. Acronyms and abbreviations used in the text

ADRF	Albanian Disability Rights Foundation
ACAC	Albanian Coalition Against Corruption
ACER	Albanian Centre for Economic Research
ACIT	Albanian Centre for International Trade
AIIS	Albanian Institute for International Studies
ANTTARC	Albanian National Training and Technical Assistance Resource Center
ASCS	Agency for the Support of Civil Society
CARDS	Community Assistance for Reconstruction Development and Stabilization
CSF	Civil Society Facility
CIDA	Canadian Agency for International Development
CPC	Consumer Protection Committee
CSO	Civil Society Organization
EC	European Commission
ECAS	European Citizens Action Service
EIDHR	European Instrument for Democracy and Human Rights
EPD	Euro Partners Development
EU	European Union
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HDPC,	Human Development Promotion Centre
ICS	Institute for Contemporary studies ( <i>alb.</i> ISB)
IDM	Institute for Democracy and Mediation
IDRA	Institute for Development Research and Alternatives
IPA	Instrument for Pre-accession Assistance
IPLS	Institute for Policy and Legal Studies
NACSS	Albanian National Centre for Social Studies
NSSD	National Strategy for Social and Economic Development
NOSA	Network for the Open Society of Albania
OSFA	Open Society Foundation Albania
PPFI	Public Private Finance Institute
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish Agency for International Development
SIPU	Swedish Institute for Public Administration
TACSO	Technical Assistance for Civil Society Organizations
USAID	United States Agency for International Development
VAT	Value-Added Tax

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*Web resources:*

Albanian Ministry for European Integration

<http://www.mie.gov.al/>

Agency for the Support of Civil Society

<http://www.amshc.gov.al/>

Delegation of the EU to Albania

<http://www.delalb.ec.europa.eu/>

European Movement in Albania

<http://em-al.org>

International Centre for Non-Profit Law

<http://www.icnl.org>

OSFA

<http://www.soros.al/>

Partners-Albania

<http://partnesalbania.org>

Mjaft

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