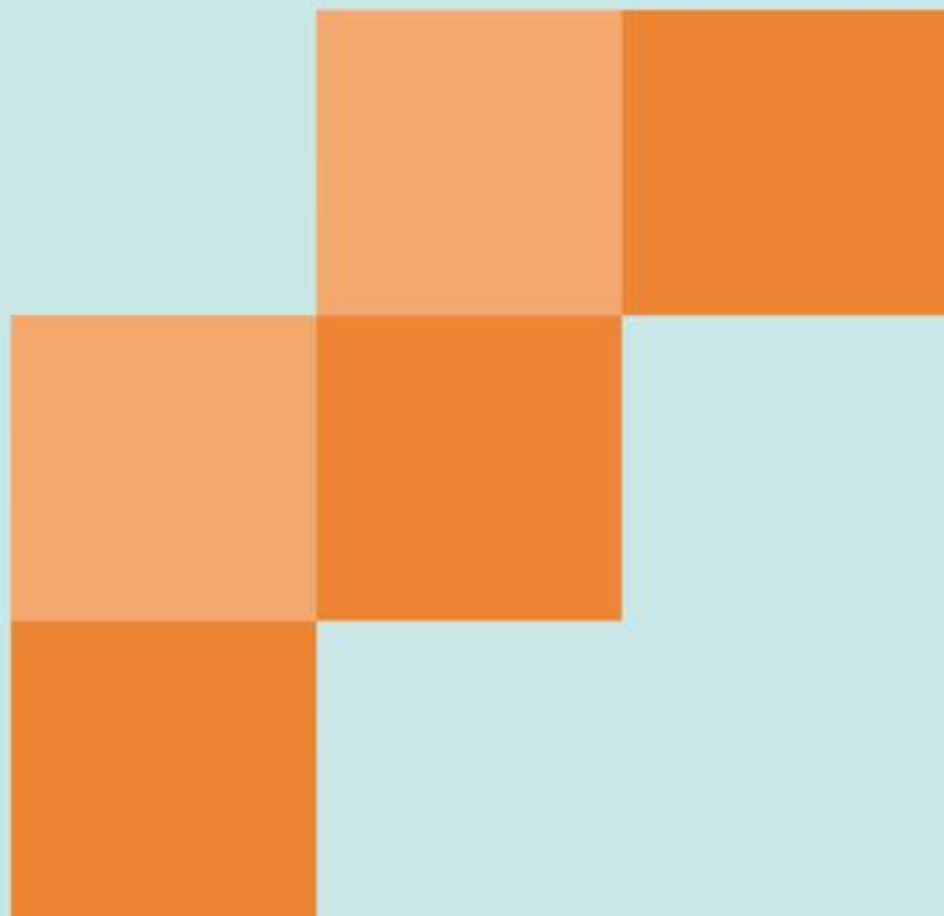


Monitoring Matrix on Enabling Environment for Civil Society Development

PARTNERSALBANIA
FOR CHANGE AND DEVELOPMENT

Country Report:
Albania 2023





Monitoring Matrix on Enabling Environment for Civil Society Development

Country Report for Albania 2023

Partners Albania for Change and Development

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List of Abbreviations

AASCA	Agency for the Administration of Sized and Confiscated Assets
ASCS	Agency for the Support of Civil Society
BCSDN	Balkan Civil Society Development Network
CoE	Council of Europe
EU	European Union
FIA	Financial Intelligence Agency
FY	Fiscal Year
HJC	High Judicial Council
GDT	General Directory of Taxation
ICT	Information and Communication Technology
MoJ	Ministry of Justice
MoHSP	Ministry of Health and Social Protection
ML	Money Laundering
MM	Monitoring Matrix
NBC	National Business Centre
NCCS	National Council for Civil Society
NCEI	National Council for European Integration
NPO	Non-Profit Organisations
NRC	National Resource Centre
PA	Partners Albania for Change and Development
PPEI	Partnership Platform for European Integration
RDT	Regional Directorates of Taxation
TF	Terrorist Financing

Introduction

Partners Albania for Change and Development is pleased to present the tenth edition of the *Monitoring Matrix on Enabling Environment for Civil Society Development – Country Report for Albania 2023*, covering developments for non-profit organisations in Albania throughout 2023.

This report is part of a series of country reports covering six Western Balkan countries: Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro, and Serbia. Also, a Regional Report is available, summarising findings and recommendations for all countries, along with an interactive web platform providing access to monitoring data for each country at www.monitoringmatrix.net.

The Monitoring Matrix, developed in 2013 by BCSDN with the support of its members and partners, presents the main principles and standards that have been identified as crucial to exist for the environment to be considered enabling for the operations of CSOs. The Matrix is organised around three areas, each divided by sub-areas:

- Basic Legal Guarantees of Freedoms;
- Framework for CSOs' Financial Viability and Sustainability;
- Government – CSO Relationship.

The comprehensive methodology is based on international standards and the best regulatory practices within the European Union and European countries. The Matrix aims to define the optimal conditions for civil society to function and develop effectively while providing a framework for public authorities to follow and implement. Recognising that the primary challenges lie in implementation, over 150 indicators have been established to monitor the existing legal framework and its practical application.

The Monitoring Matrix operates on an annual reporting cycle, ensuring systematic and comparable evaluation across the region and over time. This process helps stakeholders track progress or regression, identify gaps and emerging trends, and prioritise reforms. The research aims to support shadow reporting on the enabling environment for civil society development (CSDev) and to influence EU Enlargement policy and funding to foster the sector's sustainable and strategic development.

Acknowledgements

“The Monitoring Matrix on Enabling Environment for Civil Society Development – Country Report for Albania 2023” was prepared by Partners Albania for Change and Development, with collaborative efforts and support from numerous non-profit organisations (NPOs) across Albania. This report reflects a comprehensive assessment of the current state of the enabling environment for civil society in Albania and is the result of collective input from diverse stakeholders.

Partners Albania expresses its gratitude to the executive directors and senior managers of the participating NPOs, whose valuable cooperation and insights made this report possible. Their contributions in participating in the survey and in-depth interviews involving 121 NPOs offer challenges and opportunities within the sector. The organisation also wishes to thank the public institutions that responded to requests for information, providing data and information that supported the analysis.

Executive Summary

Civil Society Overview

	2022	2023
Number of registered organizations	12,515 NPOs 275 newly registered	12,768 NPOs 253 newly registered
Main civil society laws	Civil Code of Albania. Law No. 8788/2001 “For non-profit organisation”. Law No. 8989/2001 “For the registration of non-profit organisation” Law No. 80/2021 “For the registration of non-profit organisations”	
Relevant changes in the legal framework	<p>Law No. 6/2022 “On some amendments and additions to Law No. 112/2020 “On the register of ultimate beneficiary owners”</p> <p>Law No. 82/2022 “For some changes and additions to Law No. 92/2014 on VAT”, amended.</p> <p>Law 83/2022 “For some changes and additions to Law 9920, dated 19.05.2018 “on Tax Procedures in the Republic of Albania”, amended.</p>	<p>Instruction No. 11, dated 13.04.2023, “For some additions and changes to Instruction No. 6, dated 30.01. 2015, ‘On the Value Added Tax in the Republic of Albania”, amended</p> <p>Law no 78/2023 “For some changes and additions of the Law No. 119/2014 “For the Right to Information”, updated</p>
State funding	Agency for the Support of Civil Society: 95 million ALL (Approx. 795,000 EUR).	Agency for the Support of Civil Society: 98 million ALL (Approx. 980,000 EUR).
Human resources (employees and volunteers)	11,972 employees. No available data on voluntarism	10,917 employees of which 9,748 were full-time employees and 1,169 part-time employees. No available data on voluntarism
CSO-Government Cooperation (relevant body/ consultation mechanism)	National Council for Civil Society. National Council for European Integration. Partnership Platform for European Integration	
Key challenges	<ul style="list-style-type: none"> • Lack of unified and accurate data for NPOs. • NPO-Government effective cooperation remains low. 	<ul style="list-style-type: none"> • Lack of unified and accurate data for NPOs. • Ineffective VAT procedures for foreign funding.

Key findings

1	<p>The electronic registry, intended to be operational by December 30, 2023, as mandated by Law No. 80/2021 and the decision of the High Judicial Council, is not yet functional. This delay in establishing the NPO registry has become a significant hindrance and poses a major obstacle to NPOs' operations, as sector-specific processes depend on access to the registry.</p>
2	<p>The introduction of Instruction No. 27/2023, which establishes a zero per cent VAT rate for projects funded by foreign donations or grants in Albania, has inadvertently created significant operational and administrative challenges for NPOs. Despite the intention, the new requirements, such as VAT registration for NPOs, extensive procedures for every purchase, and logistical complications, are increasing administrative burdens. This has made it difficult for NPOs to benefit from the zero per cent VAT rate, leading to higher costs and hindering the sector's operations.</p>
3	<p>In 2023, no progress was reported by public institutions regarding the implementation of <i>The Road Map for the Government Policy towards a More Enabling Environment for Civil Society Development 2019-2023</i>. The absence of a central policy coordination institution has led to insufficient systematic monitoring, reporting, and limited dialogue with NPOs.</p>
4	<p>The Partnership Platform for European Integration has not yet fulfilled its intended role of informing, consulting, and engaging civil society in the EU accession negotiation process. The platform remains incomplete, with only 26 of the 33 required discussion and consultation tables established. Without the full establishment of all 33 tables, the platform cannot function as intended, and the Governing Board cannot be formed.</p>

Key recommendations

1	Acceleration of the establishment of the Electronic Register to serve as a comprehensive tool for clarifying essential details about the sector. This register should provide up-to-date information on sector size, typology, areas of activity, geographical coverage, number of employees, and annual turnover. Establishing this electronic register will enhance transparency, improve data accuracy, and support better-informed policy decisions impacting the sector.
2	To address the challenges posed by the new VAT exemption procedures, clarification on VAT exemption is needed, to alleviate the financial burden on NPOs by implementing a zero percent VAT rate by 2024, addressing the current complexities in VAT exemption procedures.
3	The drafting of the new Road Map for the Government Policy towards a more Enabling Environment for Civil Society 2024- 2027 must be developed with extensive consultations with NPOs from the very beginning of the process, based on realistic and clear priorities, measures and indicators aligning with developments of NPO sector and country strategic documents and adhering to the Guidelines for EU Support to Civil Society in the Enlargement Region 2021-2027.
4	The Partnership Platform for European Integration must strengthen its role in serving as a convening power and enabling full participation of civil society in the discussion and consultation tables for all chapters of the EU acquis. There is a need for transparency in the process, including how the tables and discussions are going, the feedback from the groups of interest, and how that is reflected in the final laws, regulations, and documents drafted in the roundtables and intersectoral working groups.

Findings

Area 1: Basic Legal Guarantees of Freedoms

1.1. Freedom of association

1.1.1. Freedom to establish and participate in NPOs

The Constitution of the Republic of Albania and the relevant legal framework guarantee the freedom of association to both individual and legal persons, without discrimination. It is further regulated by the Civil Code of the Republic of Albania¹, Law No. 8788/2001 “For the Non-Profit Organisation”, updated², Law No. 8789/2001 “For the Registration of Nonprofit Organisation”³ and Law No. 80/2021 “For the Registration of Nonprofit Organisations” updated⁴. The coexistence of two registration laws for NPOs is due to the electronic registry mandated by Law No. 80/2021 not being operational yet (Art. 53, Law No. 80/2021).

Regarding the problematic issues of the Law No. 80/2021, as reflected in the MM Report 2021⁵, a group of NPOs presented a request to the Constitutional Court in January 2023⁶. They demanded the repeal of some of the key provisions of Law No. 80/2021 “For the Registration of Nonprofit Organisations”, arguing that these provisions violate the constitutional right to organise. After public hearings held by the Constitutional Court with this group of NPOs, the court partially granted their request in November 2023, invalidating key provisions of Law No. 80/2021, related to initial registration at the Tirana Judicial District Court (the Court) within a 30-day deadline, specific attributes of the chancellor, and elimination of elements imposing administrative sanctions on NPOs previously subject to fines based on false data declaration or failure to meet registration obligations within legal deadlines⁷.

¹ Law No. 8417, dated 21.10.1998, “Constitution of the Republic of Albania”, updated. Available at: <https://qbz.gov.al/preview/635d44bd-96ee-4bc5-8d93-d928cf6f2abd>

² Official Gazette 28/2001, Law No. 8788, dated 07.05.2001 “For the Nonprofit Organisations”, updated. Available at: <https://qbz.gov.al/eli/ligji/2001/05/07/8788>

³ Official Gazette 28/2001, Law No. 8789 dated 07.05.2001 “For the Registration of Nonprofit Organisations”. Available at: <https://qbz.gov.al/eli/ligji/2001/05/07/8789>

⁴ Official Gazette 121/2021, Law No. 80/2021 “For the Registration of Non-profit Organisations”, updated. Available at <https://qbz.gov.al/eli/ligji/2021/06/24/80/852c9af6-f25b-492e-aa48-577ff8077583>

⁵ Partners Albania for Change and Development, (2022), “Monitoring Matrix on Enabling Environment for NPOs Development – Country Report for Albania 2021” pg. 9-10. Available at: <https://www.partnersalbania.org/publication/monitoring-matrix-on-enabling-environment-for-NPOs-development-country-report-for-albania-2021/>

⁶ The information is retrieved from the Albanian Helsinki Committee, Available at: <https://ahc.org.al/gjykata-kushtetuese-shfuqizon-pjeserisht-disa-prej-dispozitave-te-ligjit-nr-80-2021-per-regjistrimin-e-organizatave-jofitimprurese/>

⁷ Official Gazette 5/2024, Decision No. 60, dated 20.11.2023. Available at: <https://qbz.gov.al/eli/vendim/2023/11/20/62/54732040-bf13-412e-8d47-09b1736264d6>

The Law on NPO registration also introduced the development of an **electronic registry**, which was planned to be functional by December 30, 2023, per the High Judicial Council's (HJC) decision⁸, but is not created. In July 2023, the HJC approved a Decision⁹ outlining the format templates and documents that NPOs should submit to the Court for registration. Some problematic issues were noticed with the templates, that reflect the prevalent ambiguities and confusion surrounding NPOs, such as the registration entities form which conflicts with the NPOs form established by Law "For Non-Profit Organisation", the language of the templates appears more aligned with the business sector terminology, outdated terminology, etc. Partners Albania addressed these concerns in a letter to the HJC¹⁰, also requesting information on the operationalization of the electronic registry, but no feedback had been provided as of the date of this report. While Albania has been making significant strides in judicial reforms to enhance accountability, there remains a need for greater dialogue and collaboration between the High Judicial Council and the sector.

Registration procedures under the Law remain cumbersome, as NPOs need to submit registration documentation to the Tirana Court, which is especially burdensome for NPOs based outside the capital. Although registration of NPOs is not mandatory, the decision rests solely with the organisation's members. Not registering, however, limits informal groups' opportunities for fundraising, access to formal partnerships, and participation in policy dialogue.

In cases when members decide to register, Law No. 80/2021 stipulates that the registration can be in written or electronic form, once the electronic registry becomes functional. The appointed judge decides within 15 days of submission of the registration request. If the judge does not accept the registration request, an appeal can be made to the court within 15 working days of the notification of the decision. In practice, based on the response from the Court, the average time for registration of an NPO from the day of the submission of the request and documentation is 105 days. A trend of increasing registration time for NPOs over the past few years is observed, from 62 days in 2021 to 83 days in 2022 and 105 days in 2023. The survey shows 6 out of 121 NPOs were registered in 2023. These organisations reported that the registration procedure was impartial and that the required documents aligned with those stipulated by law.

In practice, 12,768 NPOs are registered at the Court. Specifically, in 2023, 253 NPOs were registered, comprising 154 associations, 61 centers, and 38 foundations. The Court rejected 44 registration requests, a decline from 69 in the previous year, while 39 requests were returned for revision. The Court provided no information on the reasons for rejections or revisions.

After registration in the Court, NPOs should register with the tax authorities. NPOs which are not registered in the tax administration, and do not apply for registration in the tax administration within 12 (twelve) months are deregistered from the register of non-profit organisations (Art.50, Reg. Law 80/2021). According to the General Directorate of Taxation (GDT), there are **5,599 NPOs registered in total**, out of which 206 NPOs were registered in 2023. Only 2,257 (approx. 40%) of NPOs registered at the GDT have an active status, meaning that

⁸ Official Gazette 17/2022, Decision No. 35, dated 26.01.2022 "On the Creation and Implementation of The Electronic Registry of Non-Profit Organisations". Available at: <https://qbz.gov.al/eli/vendim/2022/01/26/35/af554540-b05d-4ac0-bdbe-659c59b57f8c>

⁹ Official Gazette 113/2023, Decision No. 445, dated 24.07.2023 "On the Approval of Standard Templates of the Electronic Registry of Nonprofit Organizations". Available at: <https://qbz.gov.al/eli/vendim/2023/07/24/445/ccaaf377-4cb1-40b4-a874-162c12a07340>

¹⁰ Partners Albania for Change and Development, (2024), "Partners Albania's letter to the High Judicial Council regarding the Decision No. 445 "On the approval of standard templates of the electronic registry of non-profit organisations". Available at: <https://www.partnersalbania.org/News/7085/>

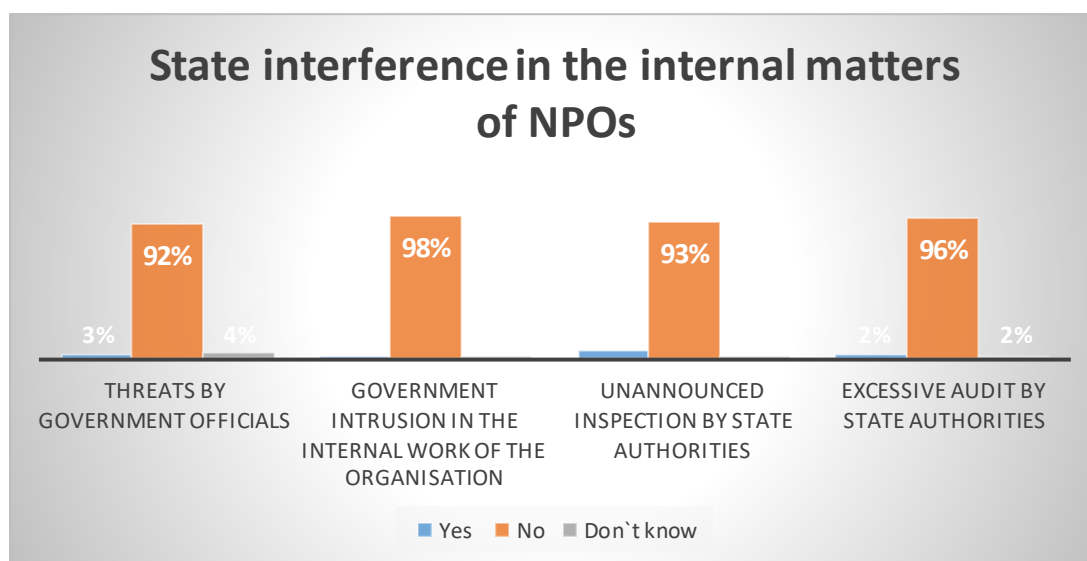
these NPOs have conducted activities for a taxation period of 12 consecutive months. Compared with the MM Report 2022, the number of NPOs with active status has declined by 240 NPOs.

The legal framework allows organisations to network within the country and abroad without prior notification. If registered, networks must take any legal forms stipulated by law: centre, association, or foundation. In practice, 86% of the surveyed NPOs report being members of domestic networks, and 77% report being members of regional and international networks.

1.1.2. State Interference

The legal framework provides guarantees against state interference in the internal matters of NPOs. Law No. 8788/2001 provides guarantees against state interference in internal matters of NPOs, by stipulating that NPOs “shall exercise their activity independently from state bodies and interests” (Art. 6), and “state bodies do not interfere in the activity of a non-profit organisation” (Art. 7). This is confirmed by surveyed NPOs, most of which did not report unwarranted state interference in their internal governance and activities.

Figure 1: State interference in the internal matters of NPOs (no = 121 NPOs)



Regarding the regulations on NPOs reporting to the state authorities, NPOs have to submit annual financial statements within three months after the end of the previous fiscal year¹¹. The concepts and key principles for the preparation of financial statements for NPOs are provided in the National Accounting Standards for Non-Profit Organisations¹². NPOs with asset values or income below ALL 5 million (approx. EUR 50,000) must adhere to cash-based accounting and submit only the cash flow statement, accompanied by explanatory notes outlining the types of activities or services they offer. NPOs with asset values or income exceeding ALL 5 million

¹¹ National Standards for NPOs Accountability. Available at: <https://www.kkk.gov.al/foto/uploads/File/SKK%20per%200JF/SKK%20per%200JF.pdf>

¹² Official Gazette 171/2015, Order No 62, dated 17.09.2015, “For the Announcement of the National Accounting Standards for Non-Profit Organisations, and its mandatory application”. Available at: <https://qbz.gov.al/eli/urdher/2015/09/17/62/23a3bc4c-b8ef-4c4c-82db-abb156fe36bd>

(approx. EUR 50,000) must submit comprehensive financial statements, including financial position statements, activity statements, and cash flow statements.

As for sanctions, the Law on Tax Procedures outlines specific sanctions if an NPO fails to declare their data accurately and does not submit the annual financial statement within the legal deadlines. According to Article 112 of the Law on Tax Procedures, failure to comply with registration or data update obligations incurs a fine of 10,000 ALL (approx. 100 EUR) for natural persons and 15,000 ALL (150 EUR) for legal entities. Specific sanctions are also outlined in the Law on Beneficiary Owner Registry for non-registration or updated data, as highlighted in the MM Report 2022¹³. According to the response from the GDT, in 2023, no organisation has received sanctions.

In practice, 95% of the surveyed NPOs reported no sanctions during 2023. Among the six NPOs that did report receiving sanctions, two stated that the sanctions were proportional to the breach, while the remaining four deemed them excessive. The sanctions mentioned by these four organisations are related to the declaration of beneficial owners at the National Business Centre (NBC). In-depth interviews with these organisations revealed that three NPOs received sanctions for non-compliance with application requirements as per legal obligations. They reported not being informed by NBC, despite the law requiring NBC to provide a 30 (thirty) dateline to address the issues¹⁴. One organisation emphasized that NBC imposed sanctions due to the retrospective nature of court decisions on amendments to organisational changes and a lack of communication by the Court.

Regarding beneficiary owners of NPOs, according to the 2023 Annual Report of NBC, **4,622 NPOs have registered their beneficiary owners**, accounting for 94.75% of all NPOs. In 2023, NBC received 270 requests from NPOs to register their beneficiary owners, of which 210 were approved and 60 were rejected¹⁵. As in previous years, Partners Albania sent a request for information to NBC. However, despite ongoing efforts to obtain details about NPOs concerning their beneficiary owners, NBC did not respond.

With regards to **Anti Money Laundering/Countering Terrorist Financing (AML/CFT)** to NPOs, Law No. 9917/2008 “On Prevention of Money Laundering and Financing of Terrorism”, amended¹⁶, do not consider NPOs as obliged entities but as customers of obliged entities. Notwithstanding the above, NPOs are one of the categories of customers subject to enhanced due diligence (Art. 8, Law No. 9917/2008). Also, the Bank of Albania Regulation¹⁷ and Financial Supervisory Authority Regulations¹⁸ contain provisions on pre-approval due diligence for financial services and products provided to NPOs. Banks are required to carry out extensive due diligence measures, including verifying the reason for the wire, the type of business relationship, and the ultimate beneficiary, among other factors. Additionally, NPOs must submit any change to the Court as well as to the second-tier banks with which they conduct transactions.

¹³ Monitoring Matrix on Enabling Environment for NPOs Development – Country Report for Albania 2022, Partners Albania for Change and Development, 2023, pg. 9-10. Available at: <https://www.partnersalbania.org/wp-content/uploads/2023/07/monitoring-matrix-report-2022.pdf>

¹⁴ Article 6, point 4 of Law No. 112/2020 “On the Register of Beneficial Owners”, amended. Available at: file:///C:/Users/kostandina.keruti/Downloads/2020%20P%C3%8BR%20REGJISTRIN%20E%20PRONAR%C3%8BVE%20P%C3%8BRFITUES_.pdf

¹⁵ Annual Report for 2023, National Business Center, 2024, Available at: <https://qkb.gov.al/media/38391/Raport%20Vjetor%20per%20Regjistrin%20Tregtar,%20Regjistrin%20e%20Leje,%20Licencave%20dhe%20Autorizimeve%20dhe%20Regjistrin%20e%20Pronarit%20Perfitues%202023.pdf>

¹⁶ Official Gazette 83/2008 “On Prevention on Money Laundering and Financing of Terrorism”, amended. Available at: <https://qbz.gov.al/eli/ligj/2008/05/19/9917/bb9b5ab1-5309-45e0-87c7-aab63d0937ae>

¹⁷ Bank of Albania, (2009), “Regulation 44/2019 “For Prevention of Money Laundering and Terrorist Financing” integrated version. Available at: https://www.bankofalbania.org/rc/doc/Nr_44_date_10_06_2009_Rregullorja_per_Parandalimin_e_Pastrimit_te_Parav_16278.pdf

¹⁸ Financial Supervisory Authority Regulations, (2015), Regulation No. 58, dated 30.06.2015 “on measures of due diligence and extended by the Law on Prevention on Money Laundering and Terrorist Financing” amended. Available at: <https://amf.gov.al/readLaw.asp?id=211>

In 2023, the Financial Intelligence Agency (FIA) published the National Risk Assessment (NRA)¹⁹. FIA consulted in November with a small group of NPOs, the section for civil society, to validate the data resulting from the national assessment regarding the focused, proportionate and risk-based measure to address the NPO sector for TF. In the public version of the NRA, the NPO Risk Assessment Methodology developed through a cooperation agreement between Partners Albania with the General Directory of Taxation, with the involvement of the Financial Intelligence Agency, law enforcement agencies and NPOs is listed as one of the measures to mitigate the risk of TF in the NPO sector. Most notably, the conclusions drawn in the national assessment align with the findings of the Risk Assessment Methodology, indicating a low risk of TF in the NPO sector. This represents a positive development towards facilitating the adoption of a risk-based approach, ultimately leading to the declassification of the NPO sector as a 'high-risk' client by subjects that conduct enhanced due diligence for NPOs.

Based on the response received from FIA, in 2023, they received 2 reports of suspicious money laundering (ML) activities, and 2 reports of suspicious TF activities related to NPOs from reporting entities. The typologies for the two ML cases involved (i) high-value transfers from abroad to a local organisation without documentation justifying the source of funds, with the final beneficiary being another local NPO lacking documentation regarding the use of funds, and (ii) fragmented cash deposits into personal accounts by individuals connected to the NPO, with suspicions that the funds originated from the NPO itself. The funds obtained in this manner have been invested in real estate.

The typologies for the two TF cases involved (i) negative records of the legal representatives of an NPO for suspicious activity related to TF in a neighbouring country, and (ii) the transfer of funds from local NPOs to a foreign organisation abroad, suspected to be involved in TF activities.

In practice, 8% of the surveyed NPOs report restricted access to banking and financial services. Some of the restrictions claimed by NPOs include:

- Conservative seizure of the organization's bank account due to non-payment of property taxes. The organisation claimed that the property was damaged in the earthquake and classified by the state as uninhabitable. They stated that they had paid property taxes for three consecutive years, as they have been in process to receive funds.
- Banks demanding physical attendance for additional documentation (contracts, annexes, certifications, and staff documentation), hindering e-banking access.
- Delays in the Court's decision regarding the amendment of the NPO document, leading to account blocks by banks.
- Biannual updates on the organisation document, when every 6 months the bank requires court decisions for the organisation and requests for information about donors.
- Bureaucratic procedures and enhancement scrutiny over the donors, requiring contracts and detailed donor information.

Judging from the problematics several factors have contributed to this situation, including the limited awareness among NPOs of their basic legal obligations when entering into service contracts with banks, such

¹⁹ Albanian Intelligence Agency, (2024) "The National Risk Assessment", Available at: https://fiu.gov.al/wp-content/uploads/2024/03/Vleresimi_Kombetar_Riskut.pdf

as submitting registration documents and reporting statutory amendments within the organisation. Additionally, some banks impose extreme measures, causing problems by requesting information beyond legal requirements.

Regarding **deregistration**, Articles 43 and 44 of Law No. 8788/2001 stipulate that NPOs may dissolve voluntarily through a decision of their highest decision-making body. Additionally, the Court may order the dissolution of an NPO if its activities violate the Albanian Constitution, involve unlawful actions, were not established according to legal requirements, or if the NPO becomes insolvent. Upon dissolution, any remaining assets are to be transferred to other organisations as specified by the highest decision-making body. In cases of court-ordered dissolution, assets will be allocated to organisations with similar objectives to those of the dissolved foundation, as determined by the Court. Under Law 80/2021, an NPO may be deregistered through voluntary action, a court ruling, or specific legal provisions. According to the Court, 15 requests for liquidation and deregistration of NPOs were accepted in 2023.

1.1.3. Access to financial resources

The legal framework allows NPOs to seek and secure financial resources from domestic and foreign sources to support their activities, including grants, economic activity, donations, and other sources. Additionally, both foundations and associations are permitted to engage in passive investments²⁰, allowing them to “own movable and immovable assets, to generate incomes through the management of these assets”²¹. NPOs can engage in economic activities.

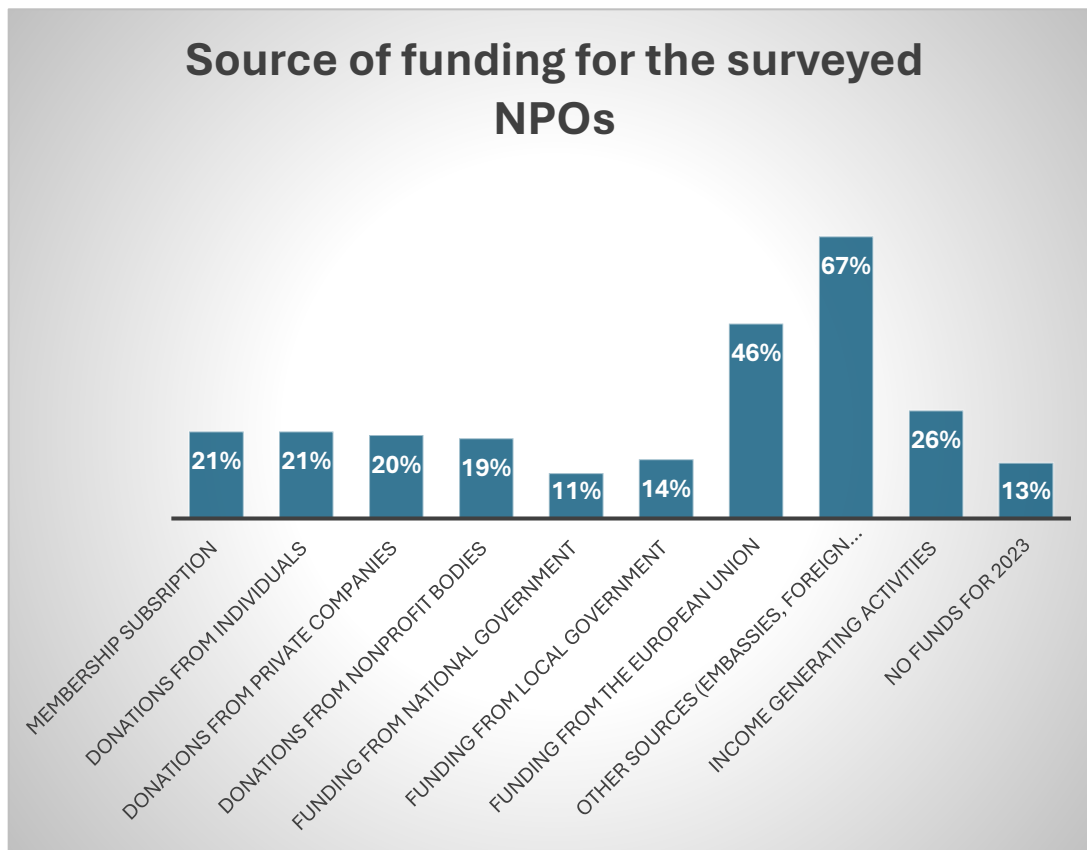
In practice, foreign funds constitute the main source of funding for NPO operations. Graphic 2 illustrates the financial resources of NPOs during 2023. It reveals that 67% of the surveyed NPOs report receiving foreign funding from bilateral government donors, foreign private institutions, and international agencies for development and cooperation. The European Union ranks second, providing income for 46% of the surveyed NPOs. Additionally, in 2023, NPOs received donations from private sources (individuals, other NPOs or private entities) supporting their activities and providing income for 60% of the surveyed NPOs. Compared to previous MM reports²², it is evidenced an increasing trend, with approximately 50% more donations from private sources to support NPO activities. Public funding remains insufficient for the operation of NPOs. Only 11% of the 121 surveyed NPOs reported receiving funding from national government institutions and 14% from the Local Government Unit in 2023. None of the NPOs stated restrictions from public authorities in receiving foreign funding.

²⁰ Passive investment includes interest, dividends, capital gains and other income from investing the organisation’s property.

²¹ Art. 39/1 and 56/1 from the Civil Code for associations and foundations respectively.

²² Partners Albania for Change and Development, (2021). Monitoring Matrix on Enabling Environment for NPOs Development – Country Report for Albania 2020, pg. 23, Available at: <https://www.partnersalbania.org/publication/monitoring-matrix-on-enabling-environment-for-civil-society-development-country-report-for-albania-2/>

Graphic 2: Source of funding for the surveyed NPOs (multiple choice question, No. = 121 NPOs)



NPOs can engage in economic activity. The absence of fiscal incentives for social enterprises employing marginalised groups, accompanied by the vagueness and the restrictions posed by the legal framework in place remain permanent challenges reported even in the previous MM Reports. From a survey of NPOs, 32 out of 121 NPOs report conducting economic activity. From this pool of NPOs, only 3 have registered their economic activity by obtaining a second Unique Entity Identification Number (NUIS)²³, being non-profit entities.

Regarding access to the banking system, a 2022 survey conducted by Partners Albania with 153 NPOs revealed that 68% reported experiencing administrative burdens due to enhanced due diligence requirements from second-tier banks. As for loans, eligibility depends on whether NPOs can provide collateral and demonstrate a stable ability to make repayments. To secure a loan, NPOs must show they have reliable projects throughout the repayment period.

²³ The secondar NUIS is the same NUIS for the organisation, but with different premises.

1.2. Related freedoms

1.2.1. Freedom of Peaceful Assembly

The right to peaceful assemblies is a Constitutional right (Art. 46) and regulated by Law No. 8773/2001 “For Assemblies”²⁴. This law aligns with international human rights and conventions ratified by the country. It guarantees every citizen the right to organise and participate freely in legitimate assemblies, allowing them to express their demands and views on issues of interest. The Law on Assemblies recognises the organisation of the following types of gathering: (i) assemblies organised in squares and public walkways; (ii) assemblies held in places open to the public, defined as a location accessible to others, where entry conditions may be imposed (i.e. stadiums, cinema rooms, theatres, etc.); and (iii) assemblies organised in private areas.

Additionally, the law acknowledges “urgent assemblies”, which are gatherings organised in response to circumstances. A positive development toward guaranteeing the freedom of peaceful assembly was the amendment of the Penal Code, article 262: “Organisation and participation in illegal assemblies”. This amendment followed the Albanian Constitutional Court’s decision on May 5, 2021²⁵, which ruled in favour of changing Article 262, previously deeming assemblies without police permission illegal.

The law is vague regarding the appeal process, stating only that appeals should be made in accordance with the legal provisions in force. It does not specify how or when the appeal should be submitted, which authority should receive the complaint or the timeline for making a decision to enable the assembly to proceed.

As in previous years, the Albanian State Police did not provide any information regarding the assemblies held in 2023. According to the response received from the Ombudsperson, in 2023, the institution did not identify any cases or receive complaints from NPOs regarding freedom of assembly. Nevertheless, some examples reflect how authorities have used legal and administrative measures to limit protests. To illustrate, according to the CIVICUS Monitor²⁶, environmental activists in Albania have protested against the construction of Vlora Airport near the Vjosë-Nartë Lagoon, citing threats to biodiversity. These protests have been peaceful, involving symbolic actions such as planting trees. However, there have been tensions with authorities, including legal challenges faced by some activists and constraints imposed by police on their protests.

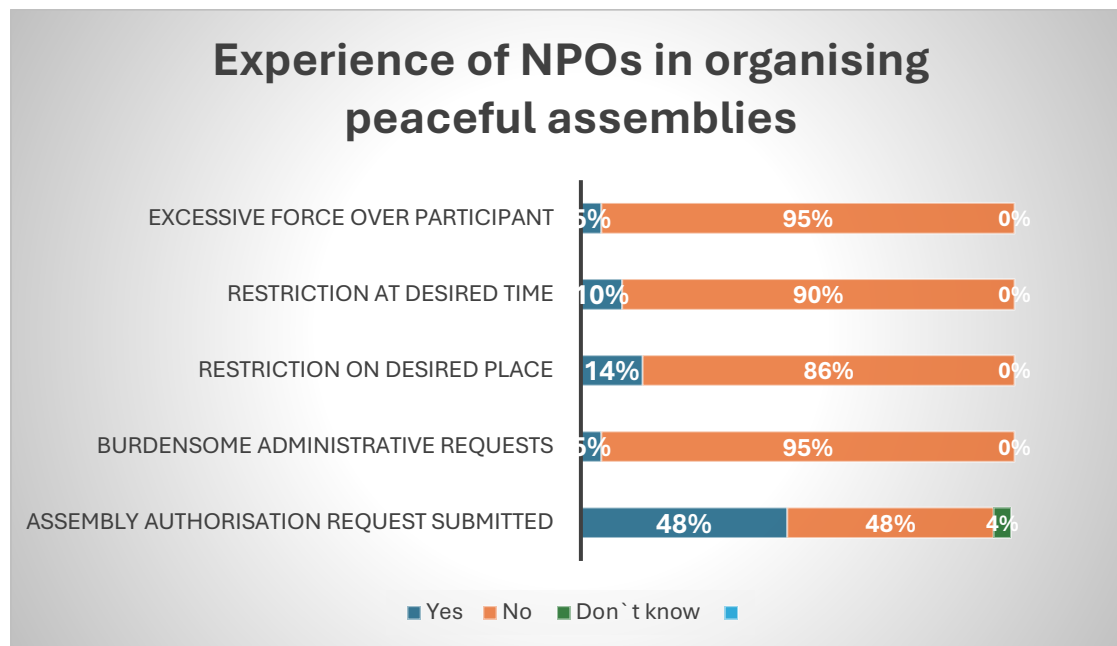
From the survey with NPOs, 21 NPOs organised a peaceful assembly in 2023. According to their experience, 48% submitted an authorisation request to the responsible institutions, and 14% reported facing restrictions regarding the desired place and time. From in-depth interviews, NPOs that have submitted requests to organise assemblies claimed that this is a requirement of the Tirana municipality to submit these requests before the assembly is held. With regards to the restrictions, 10% of the surveyed NPOs stated restriction at the desired time and 14% restriction at the desired place. According to these NPOs, restrictions at the desired time as stated by state police, were related to security concerns because of the opposite party protests. Restriction at the desired place was related to public order. None of these NPOs have appealed the decision.

²⁴ Official Gazette 23/2001, Law No. 8773, dated 23.04.2001 “For Assemblies”. Available at: <https://qbz.gov.al/eli/ligj/2001/04/23/8773>

²⁵ Official Gazette 87/2021, Decision No. 24.05.2021. Available at: <https://qbz.gov.al/eli/vendim/2021/05/04/24/ca2d2e4d-3fc2-46da-a852-29a63dbd5dc0>

²⁶ The information is retrieved from CIVICUS Monitor. Available at: <https://monitor.civicus.org/explore/journalist-covering-forgery-case-beaten-in-shocking-attack/>

Graphic 3:: Experience of NPOs in organising peaceful assemblies (No. =21 NPOs)



Asked about the different types of participation in peaceful assemblies, 17% out of 21 surveyed NPOs report participation in simultaneous assemblies, while 7% report having participated in spontaneous assemblies.

Journalists and media are allowed to participate in peaceful assemblies. There were no major restrictions noted to media access, or challenges faced by journalists when reporting during assemblies in 2023. According to the response received from the Ombudsperson, in 2023, the institution did not identify any cases or received complain from NPOs to of media limitations in assemblies or received any complaints. In 2023, media access to public assemblies in Albania faced notable restrictions, particularly during peaceful protests and public gatherings. Journalists reported difficulties in freely covering these events, encountering obstacles such as limited access to monitor proceedings. These restrictions raised concerns about the media's ability to fulfill its role as a public watchdog. For instance, during protests against environmental and social issues, journalists noted instances of restricted access, which limited the transparency of these public demonstrations. The challenges faced by the media underscored the ongoing need for stronger protections to ensure freedom of information and media access to public assemblies in Albania²⁷.

²⁷ This information is retrieved from the SCiDEV organisation website. Available at: [European Commission's 2024 Report Highlights Persistent Obstacles to Media Freedom in Albania – SCiDEV](#)

1.2.2. Freedom of Expression

Freedom of expression is a constitutional right and is regulated by laws. In April 2023, the Parliament approved Law No. 30/2023 For some changes and additions to Law No. 97/2023 “For the audiovisual media in the Republic of Albania”, amended²⁸. The law aligns partially with the Audiovisual Media Services Directive 2010/13/EU and introduces measures to combat hate speech and disinformation. At the legislative level, the Special Parliamentary Committee²⁹ was established to coordinate and oversee all institutional actions aimed at combating disinformation and other forms of foreign interference in the country’s democratic processes. This Committee has as its objectives (i) to review the legal and practical framework for the prohibition of foreign interference in democratic and electoral processes; (ii) to strengthen the legal framework and institutional measures in the protection of national security from malicious foreign investment, (iii) review of the legal and practical framework for the prohibition of foreign interventions in the economy and other critical sectors, and (iv) protection and promotion of freedom of expression, media freedom and online and offline pluralism, access to information, increasing public awareness and encouraging public debate about engagement against disinformation. The development within this Commission will be reported in the next MM report.

Another phenomenon observed in recent years is the rise of Strategic Lawsuits Against Public Participation (SLAPPs). These lawsuits serve as a tool to intimidate individuals into silence, frequently targeting investigative journalists, media outlets, activists, and nonprofit organisations who speak out in public. Although there is currently no legal definition of SLAPPs, a recent publication by Partners Albania highlighted that, based on available public information and existing studies, journalists, investigative media, and nonprofit organisations working on environmental issues are the most prevalent targets of SLAPPs in Albania³⁰.

Defamation remains a criminal offence, but prison sentences are not permitted under the law.

Despite freedom of expression being guaranteed by the constitution signs of deterioration were consistently observed throughout 2023³¹. In the World Index on Freedom of the Press, Albania was ranked 99th, losing three positions from the previous year. The Index highlights conflicts of interest between the business and political sectors, a flawed legal framework, and party regulations that jeopardise press freedom and media independence. The 2023 US State Department Report on Human Rights in Albania identified the absence of independent media as a primary concern regarding human rights in the country. In addition, the report highlights the fact that Albanian citizens who publicly criticised the government and key politicians often faced smear campaigns by government supporters and political leaders³².

Graphic 4 illustrates the experience of NPOs in exercising the right to freedom of expression. This result is because most of the surveyed NPOs work in the area of social services for marginalised groups and in environmental issues. In general, the majority of the surveyed NPOs enjoy freedom of expression. From the

²⁸ Official Gazette 17/2023, Law no 30/2023 “For some changes and addition to Law no 97/2013 “For the audiovisual media in the Republic of Albania”. Available at: <https://ama.gov.al/wp-content/uploads/2020/07/Ligji-nr.-30-2023-Per-disa-ndryshime-dhe-shtesa-ne-ligjin-nr.-97-2013-Per-mediat-Audiovizive-ne-Republiken-e-Shqiperise-te-ndryshuar.pdf>

²⁹ The info is received from the official website of the Albanian Parliament [Online] <https://parlament.al/struktura/8e230ff7-5344-45fb-bd6c-510f927c6b92>

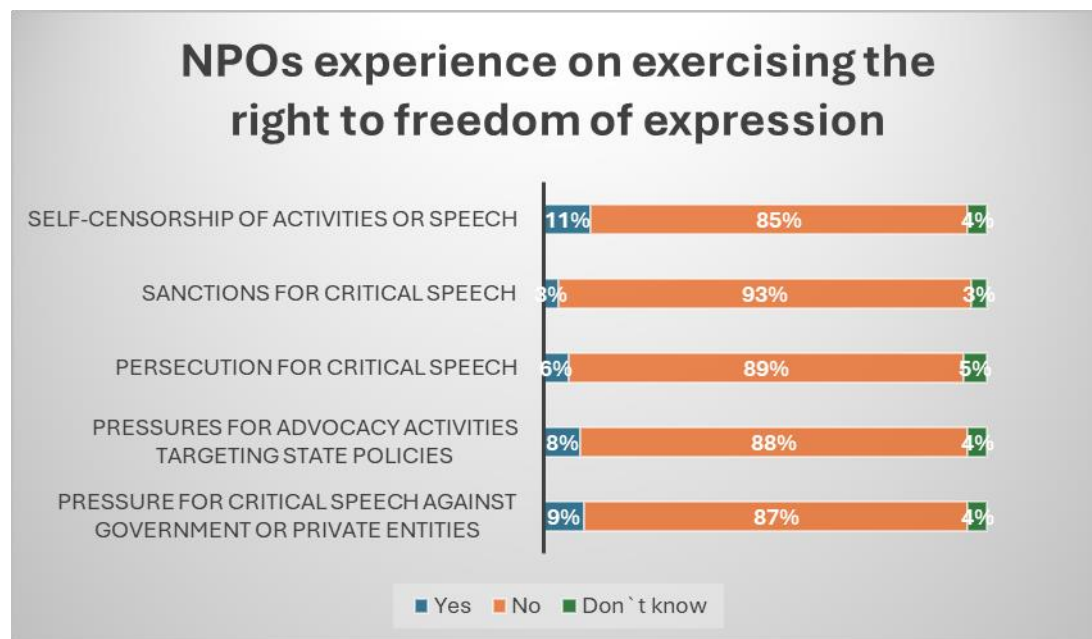
³⁰ Këruti, K., (2024) *From Silence to Strength – A Regional Response to SLAPPs in the Western Balkans, Country Report Albania*, Available at: <https://www.partnersalbania.org/publication/from-silence-to-strength-a-regional-response-to-slapps-in-the-western-balkans/>

³¹ Bino, B., (2022) *ALBANIA Indicators on the Level of Media Freedom and Journalists’ Safety in Albania 2022*, Available at <https://safejournalists.net/wp-content/uploads/2023/03/ALB-ENG-2022.pdf>

³² U.S. Department of State (2023), *2023 Country on Human Rights Practices: Albania*, Available at: https://www.state.gov/wp-content/uploads/2024/01/528267_ALBANIA-2023-HUMAN-RIGHTS-REPORT.pdf

survey, media NPOs, and human rights organisations report pressure for critical speech against the government or private entities and self-censorship.

Graphic 3: NPOs experience exercising the right to freedom of expression. (No. = 121 NPOs)



1.2.3. Open, safe, and secure civic spaces

The legal framework governing the security of electronic communications is regulated through Law No. 9918/2008, "On Electronic Communications in the Republic of Albania", amended, which has transposed EU directives for electronic communications³³. The Law contains provisions that protect the confidentiality of communications. It prohibits the interception of communications without legal justification, which helps protect CSOs from unwarranted surveillance by authorities. Also, Albanian has adopted the National Strategy for Cybersecurity 2020 – 2025³⁴. This strategy emphasises key principles such as safeguarding fundamental rights, upholding freedom of expression, protecting personal data and privacy, ensuring access for all, promoting democratic and effective governance, and fostering collective responsibility in maintaining cybersecurity.

The Constitution of Albania guarantees the right to privacy, including the inviolability of communication. Article 37 specifically states that personal information can only be collected under law and with the consent of the individual, ensuring a safeguard against unjustified monitoring. Also, Law 9887/2008, on Personal Data Protection, amended, partially aligns with the European Union's General Data Protection Regulation (GDPR). This law provides a framework for the lawful processing of personal data, including provisions that prohibit

³³ Official Gazette 197/2018, Law No. 9918, dated 19.5.2008, "On electronic communications in the Republic of Albania", amended. Available at: <https://qbz.gov.al/eli/fz/2018/197/c296680f-0015-4e9c-8bef-76fb6f7bb626>

³⁴ Decision No. 1084, dated 24.12.2020 "On adopting the National Cybersecurity Strategy and its Action Plan 2020 – 2025" Available at: <https://aksk.gov.al/wp-content/uploads/2023/06/National-Cybersecurity-Strategy-and-its-Action-Plan-2020-2025.pdf>

unauthorized monitoring and data collection by authorities. It requires consent for the collection of personal data and establishes rights for individuals regarding their information.

The legal framework on Cybercrime aims to address various aspects of cybercrime, including illegal data interception, unauthorized access to information systems, and content-related offences. It provides a framework for cooperation among law enforcement agencies, both domestically and internationally, to combat cyber threats. In addition, the Law on Electronic Communication includes provisions related to the confidentiality of communications and prohibits unauthorized interception of communications, thereby contributing to the protection of individual rights in the digital sphere. With regards to mechanism, the Albanian State Police has units dedicated to protecting individuals, particularly those facing threats due to their activism. These units assess threats and can provide security measures as needed. The Ombudsman in Albania can intervene on behalf of individuals or organizations facing harassment or threats. This office plays a critical role in monitoring the protection of human rights and can recommend actions to the government.

The legal framework in Albania does not restrict the use of online media. According to the Digital Report, Albania had 2.27 million internet users and 1.60 million social media users at the start of 2023. The Internet and social media platforms serve as effective tools for NPOs to promote their activities and enhance transparency with the public. According to the "Capacity and Need Assessment of Civil Society Organisations in Albania - Assessment Report,"³⁵ the majority of NPOs (66% of 113 surveyed) use social media as a platform to communicate with the public.

Nevertheless, a significant development occurred when the online media outlet Citizens Channel faced a cyber-attack by unknown perpetrators. After its posts were removed from Facebook as 'spam content' in what appeared to be a coordinated effort, Citizens Channel suffered a suspected DDoS (Distributed Denial-of-Service) attack on its website. This incident raised concerns about media freedom and access to independent information in Albania. Although Citizens Channel claimed that the government may have been involved in hacking its online communication channels, there is no evidence to support these claims.

In addition, the publication by the Western Balkans Cybersecurity Research Network³⁶ highlights the need for a more explicit integration of cybersecurity measures. It recommends regulatory amendments and enhanced data protection for public actors and encourages civil society to monitor violations and raise awareness.

Based on the response received from Ombudsperson, there were no reported cases of infringement on online communication or complaints related to cybersecurity in 2023. Furthermore, the survey of NPOs, the majority of them report having the right to open, secure, and safe civic space offline and online. Nevertheless, according to Freedom House Report 2023³⁷, journalists and CSO representatives, particularly those reporting on corruption or human rights issues, there have been instances of harassment. Although authorities have initiated investigations, the timeliness and thoroughness of these investigations have often been questioned. Reports indicate that many victims do not see justice served, leading to a lack of trust in law enforcement

³⁵ Partners Albania for Change and Development, 2024, "Capacity and Needs Assessment of Civil Society Organisations in Albania –Assessment Report", Available at: <https://resourcecentre.al/2024-publication/capacity-and-needs-assessment-of-civil-society-organisations-in-albania/>

³⁶ Western Balkans Cybersecurity Research Network, 2022, "Cybersecurity and Human Rights in the Western Balkans: Mapping Governance and Actors", Available at: <https://www.dcaf.ch/cybersecurity-and-human-rights-western-balkans-mapping-governance-and-actors>

³⁷ Freedom House Report 2023, Available at: <https://freedomhouse.org/country/albania/freedom-world/2023>

Area 2: Framework for NPO Financial Viability and Sustainability

2.1. Tax/fiscal treatment for NPOs and their donors

2.1.1. Tax Benefits

Based on the legislation in place, incomes from traditional non-profit sources of NPOs such as private or corporate donations, grants and membership fees are not subject to the Value Added Tax (VAT).

With regard to VAT, In September 2023, the Ministry of Finance approved Instruction No. 27, dated 13.09.2023 “For some additions and changes to Instruction No.6, dated 30.01. 2015, ‘On the Value Added Tax in the Republic of Albania”, which amends Instruction 6/2015 on VAT in Albania³⁸. This new instruction introduces a 0% VAT rate for goods and services used in projects funded by foreign donations or grants, replacing the previous procedure that allowed for VAT reimbursement at the end of the project. To ensure treatment with the VAT tax rate of zero per cent, implementers/beneficiaries (when there is no implementer)/contractors, must be registered for VAT purposes at the tax authority and the project implementer/beneficiary must be registered at the State Agency for Strategic Programming and Aid Coordination (SASPAC). The new VAT procedures introduced by Instruction No. 27/2023 have created significant operational challenges for NPOs.

Firstly, the requirement for NPOs to register with the tax authority for VAT purposes is a setback. This requirement disrupts efforts to create a supportive environment for NPOs' activities, reversing progress made over several years when the NPOs exited the VAT scheme.

Secondly, not only NPOs must submit a notarised copy of the contract with the donor to the Regional Tax Directorate (RTD), but the provider of goods and services must also submit a contract signed with the NPO for each purchase, regardless of the amount. This means that for every purchase, a contract must be signed between the NPOs and the provider of services or goods, and a VAT treatment certificate, such as for export, must be issued by the RTD for VAT purposes.

Thirdly, given that a NPO may operate in different cities, the logistical challenges of registering goods and service providers in various locations, combined with the high administrative costs for low-value transactions, make the NPO sector less attractive to businesses, potentially leading to service refusal. This complexity discourages private providers from working with foundations, particularly when administrative costs exceed the value of low-cost transactions.

Furthermore, outdated e-filing systems add to the difficulties, leading to delays and uncertainty. The lack of guidance on how the procedure affects smaller NPOs receiving sub-grants further worsens these issues. Due to the non-functioning of the VAT zero per cent procedure, it has become an even greater burden for the sector.

³⁸ Official Gazette 137/2023, Instruction No. 27, dated 13.09.2023, “For some additions and changes to Instruction No.6, dated 30.01. 2015, ‘On the Value Added Tax in the Republic of Albania”, amended. Available at: <https://qbz.gov.al/eli/fz/2023/137/c168f9e3-96bb-4897-9050-5e798bb527d9>

Presently, the sector has VAT as a 100% cost for its entire budget with no possibility of reimbursement or zero per cent rate.

Regarding fiscal treatment, the amended Law “On VAT” specifies in Article 3 that non-profit income sources for NPOs, such as membership fees, grants, and donations, are not subject to VAT. However, if an NPO engages in economic activities to generate income for funding its mission-related activities, it is considered a taxable entity and must register for VAT, regardless of the purpose of the activity. An exception applies to NPOs involved in social, educational, cultural, or sporting activities, referred to as “activities of general interest,” which are exempt from VAT Law (Art. 51, points è, f, i, j, k), further detailed by the Decision of Council of Minister No. 953, dated 29.12.2014 “For Implementation of Dispositions of Law nr. 92/2014”, “For Value Added Tax in the Republic of Albania”, amended.³⁹ Goods and services should be offered based on approved prices by competent authorities. In cases where the prices are not approved, they must be lower than market prices for the same services.

NPOs should meet three criteria at once to qualify for the exemption: (i) the governing bodies should not have a vested interest in the activity of the foundation; (ii) the not-for-profit activity should precede the economic activity; and (iii) the total income from economic activity, as a secondary activity of the foundation, should not be higher than 20% of the total annual income. The VAT exemption procedure (Art.3) requires submission to the Regional Tax Office of a set of documents such as registration court decision, statutes and incorporation act; statement of all services and goods offered and price list; mission statement and main programmatic areas; list of beneficiary groups; and financial resources including expected income from economic activity. The VAT exemption is valid for three years for the right of renewal. When applied for the first time, the status is valid for one year.

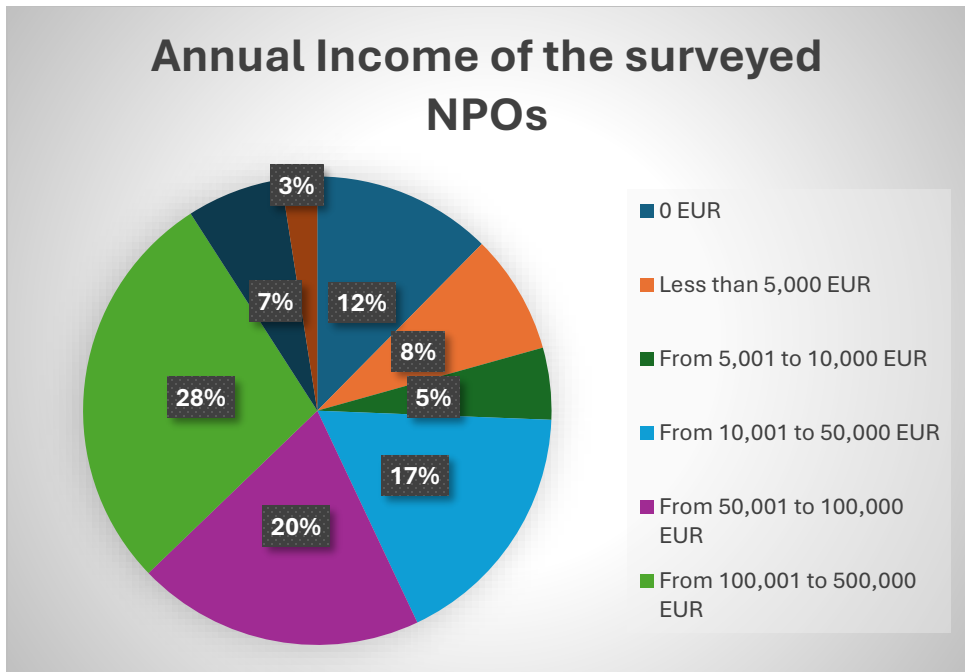
Based on the response from GDT, 20 NPOs have registered their project, as part of the IPA II programme (of the total of 35 projects) for VAT purposes, with 4 NPOs registering their projects in 2023. Reimbursement was completed for 3 of these projects in 2023 as per instruction No. 34, dated 2.12.2019 “For some additions and changes to Instruction No. 6, dated 30.01. 2015, ‘On the Value Added Tax in the Republic of Albania’, as amended.

In practice, there is no hidden tax on grants. However, financial viability and sustainability remain among the weakest aspects for NPOs. According to a survey of NPOs, 12% reported no income during 2023, as shown in Graphic 5. Organizations that face the greatest difficulty in securing funds are primarily new organizations established in 2022 and 2023, located in smaller cities such as Kucova, Puka, Pogradeci, Mirdita, Bulqiza, and

³⁹ Decision of Council of Ministers No. 953, dated 29.12.2014 “For Implementation of Dispositions of Law nr. 92/2014”, “For Value Added Tax in the Republic of Albania”, amended <https://www.tatime.gov.al/shkarko.php?id=13683>

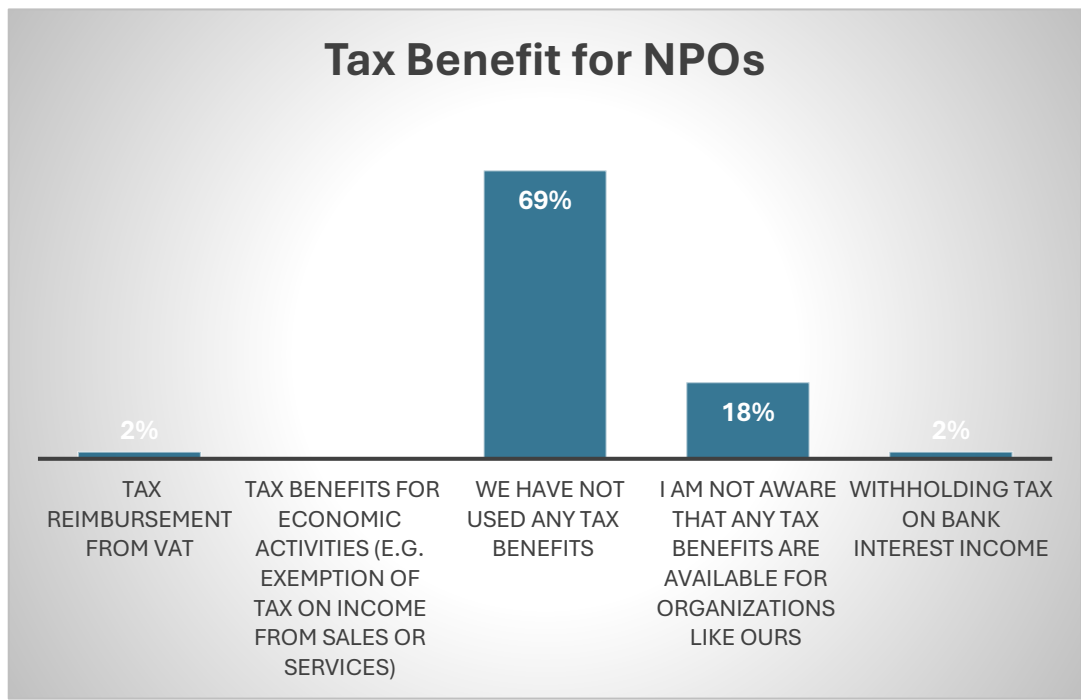
Vau i Dejës. In contrast, those reporting higher annual income are mainly organizations providing social services based in Tirana and Korca.

Graphic 4: Annual Income of the surveyed NPOs (No.=121 NPOs)



In a survey of NPOs, 69% reported not utilising any tax benefits, while 18% were unaware of any available tax benefits. Only two organisations reported receiving VAT reimbursement on foreign grants, and none of the surveyed organisations reported receiving tax benefits for economic activities.

Graphic 5: Tax benefit for NPOs (No. = 121 NPOs)



Passive investment is understood and accepted as a concept by the tax authorities, and they differentiate it from NPOs economic activity in practice. According to the NPO survey, 19% of them uses passive investments.

2.1.2. Incentives for giving

Donations in the form of sponsorship for NPOs are the only type of giving recognised and regulated by Law No. 7892, dated 21.12.1994 “On Sponsorship”, amended⁴⁰. The tax system permits donations between 3 per cent and 5 per cent of profit before tax (depending on the type of activities sponsored) by entities that qualify as merchants, being physical, juridical persons, local, foreign, or joint ventures. However, the list of deductible activities includes only those that are humanitarian, cultural, or artistic in nature, as well as organisations focusing on sports, education, environment, works of literature, and science and research activities, excluding democracy and human rights. Individual donations are not recognised by the law. In-kind donations and gifts given by corporations are not tax-deductible. The sponsorships made to sports clubs by juridical persons with a profit over ALL 100 million (approx. EUR 1 million) will be deducted for tax purposes at three times the value of the actual sponsorship. To be entitled to the tax deduction, the sponsor should obtain the Sponsorship Authorization issued by the General Director of Tax, according to a procedure and set of binding documents stipulated in the same Ministerial Order. No state policies support cross-sectorial cooperation between CSOs and the private sector.

According to the Law on Income Tax, when a natural disaster emergency is declared, any monetary or immovable property donation is subject to a 5 per cent deduction of profit before tax. In any case, these donations qualify for deduction only when disbursed to the state treasury and not to a CSO.

In practice, there is no official data on corporate donors who claimed tax deductions for their donations in 2023. The GDT did not provide an answer in this regard.

NPOs are treated equally concerning donations. In 2023, Partners Albania identified 104,158 donations by individuals and corporations from the Monitoring on Philanthropic Activity through Media and Online Platforms⁴¹. The value of donations is approximately 12 million EUR. Compared with the MM Report 2022, there is an increase in the number of donors of 40%, while the amount of the total donation has tripled. Online crowdfunding platforms continue to be the main donation channel in the country.

⁴⁰ Official Gazette 19/1994, Law No. 7892, dated 21.12.1994 “On Sponsorship”, amended. Available at:

<https://qbz.gov.al/eli/ligj/1994/12/21/7892/128a6306-5e74-46eb-a264-fd065c3d1562;q=Ligj%20per%20sponsorizimet>

⁴¹ Partners Albania for Change and Development, 2024, “Philanthropy – Edicioni 7”, Available at: https://www.partnersalbania.org/wp-content/uploads/2024/02/Revista_Philanthropy_Edicioni_7.pdf

2.2. State support

2.2.1. Public Funding Availability

As per public funding, Law No. 10093/ 2009 “For the Establishment and Functioning of the Agency for the Support of Civil Society”³⁹ is the main document that regulates state support, and the Agency for the Support of Civil Society is the main mechanism at the national level for the distribution of public funds to CSOs, supporting their institutional development, project support and co-financing of EU and other grants. According to Law No. 10093/2009, the budget of the Agency is provided as a separate item in the annual state budget and may not be smaller than in the previous year (art. 16, point 2). The Law and regulations of the ACSC provide clear procedures for CSO participation in all phases of the public funding cycle.

In addition, other public institutions provided public funds in grants to NPOs in 2023. Below is a list of state agencies at central and local levels, that have replied to Partners Albania's request for information and the respective funds granted by them, based on the information provided. It is worth noting that the funds administered by municipalities come from both their budgets and foreign donors, although determining the exact percentage is challenging.

Table 1: Public funding from public institutions at the central level.

Institutions	Number of calls for proposals	Total applications submitted	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed FY 2022
ASCS	1	141	65	Max.: 2 million ALL (approx. 20,000 EUR)	98 million ALL (approx. 980,000 EUR)
Ministry of Tourism and Environment	1	N/A	8	N/A	45,399,450 ALL (approx. 450,000 EUR)
Ministry of Culture	1	231	186	Min.: 200,000 ALL (approx. 1,700 EUR) Max.: 3,200,000 ALL (approx. 27,000 EUR)	122,317,600 ALL (approx. 1 million EUR)
Ministry of Justice	1	N/A	2	Max.: 1,600,000 ALL [(approx. 16,000 EUR); (20% of total fund)]	8,000,000 ALL (approx. 80,000 EUR)
National Youth Agency ⁴²	1	N/A	10	Min.: 1,500,000 ALL (approx. 15,000 EUR) Max.: 3,000,000 ALL (approx. 30,000 EUR)	57,995,790 ALL (approx. 570,000 EUR)

42 The information is retrieved from the National Youth Agency website [Online] <https://rinia.gov.al/wp-content/uploads/2024/03/Projektet-fituese-te-thirrjes-se-3-per-organizatat.pdf>

Table 2: Public funding from public institutions at the local level.

Municipality	Number of calls for proposals	Total applications submitted	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed FY 2023
Himarë	1	5	5	Min.: 1,800,000 ALL (approx. 18,000 EUR) Max.: 3,000,000 ALL (approx. 30,000 EUR)	13,100,000 ALL (approx. 29,500 EUR)
Përmet	1	4	4	Min.: 990,000 ALL (approx. 9,900 EUR) Max.: 2,000,000 ALL (approx. 20,000 EUR)	5,900,000 ALL (approx. 59,000 EUR)
Vau i Dejës	1	3	3	Min.: 290,000 ALL (approx. 2900 EUR) Max.: 1,000,000 ALL (approx. 10,000 EUR)	1,500,000 ALL (approx. 15,000EUR)
Lezhë	1	12	1	Min.: 799,000 ALL (approx. 79,000 EUR) Max.: 1,000,000 ALL (approx. 10,000 EUR)	3,795,100 ALL (approx. 37,000 EUR)
Tiranë	1	N/A	5	Min.: 1,000,000 ALL (approx. 10,000 EUR) Max.: 3,500,000 ALL (approx. 35,000 EUR)	6,660,250 ALL (approx. 66,000 EUR)
Maliq ⁴³	1	1	1	7,000,000 ALL (approx. 70,000 EUR)	7,000,000 ALL (approx. 70,000 EUR)
Shkodër ⁴⁴	2	N/A	19	Min.:300,000 ALL (approx. 3,000 EUR) Max.: 7,000,000 ALL (approx. 70,000 EUR)	35,125,312 ALL (approx.350,000 EUR)
Patos	1	15	2	N/A	1,617,000 ALL (approx. 16,000 EUR)
Belsh	N/A	N/A	1	323,000 ALL (approx. 3200 EUR)	323,000 ALL (approx. 3200 EUR)
Kamëz	1	20	2	Min.: 700,000 ALL (approx.. 7,000 EUR) Max.: 2,000,000 ALL (approx. 20,000 EUR)	3,996,968 ALL (approx. 39,000 EUR)

ASCS does annually consultations during programing of public funds priorities for NPOs. The call from the ASCS addressed four priorities, as follows: social services and youth; fight against corruption and public legal education and NSDI; environment, and its protection; education, European integration, and policymaking. The

⁴³ Based on the response, the municipality has provided grant support for the city football team.

⁴⁴ Based on the response, the municipality has provided grant support for the city football team.

Supervisory Board of ASCS consists of 9 members. As of the date of this report, four of its members are representatives of central public administration institutions, while 4 members represent NPOs⁴⁵.

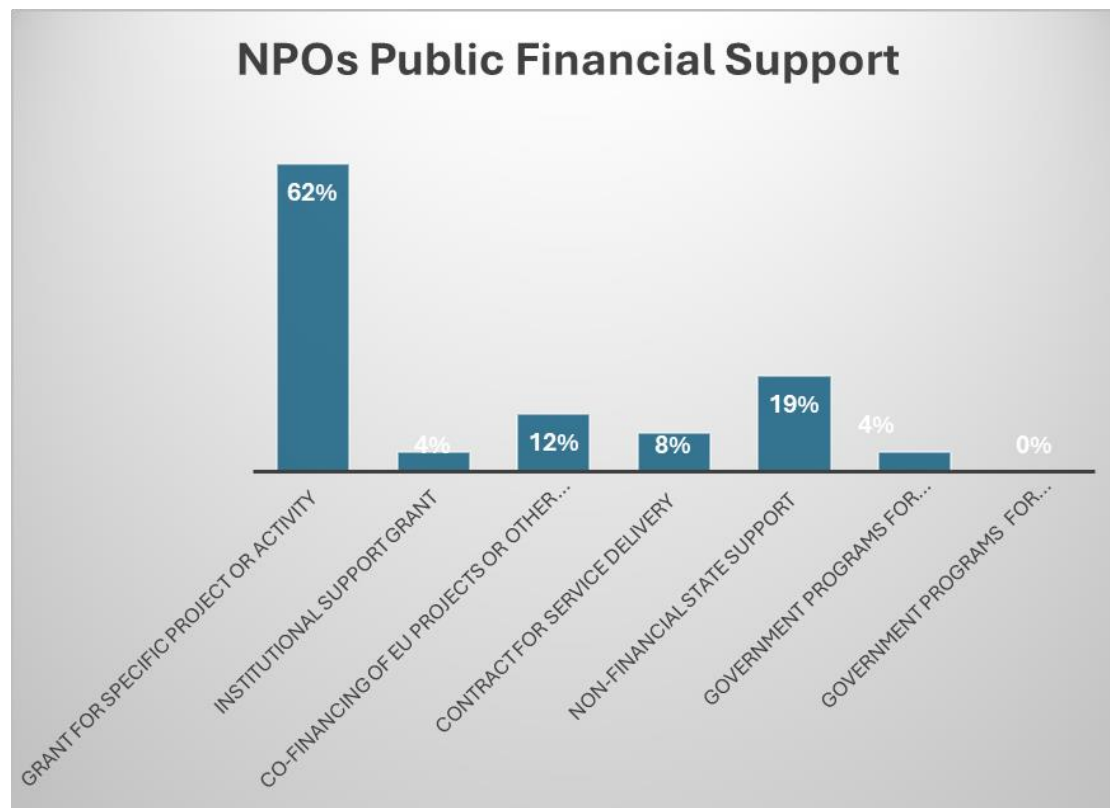
ASCS organised informative sessions in different regions of the country, regularly and for each call for proposals, to explain the funding application process including eligibility and evaluation criteria, to interested NPOs⁴⁶.

At the ministerial level, priorities are set by the government agenda. There is no available information on the evaluation board composition. The fund of the Ministry of Tourism and Environment and the Ministry of Culture covers only 50% of the eligible costs approved through the DCM.

In practice, public funding allocated to NPOs in the state budget is a separate category. The total amount distributed to NPOs is approximately the same percentage as in the previous year.

26 out of 121 surveyed NPOs report receiving financial and non-financial public support from state institutions. Concerning the type of state support, 62% of the surveyed NPOs report receiving financial support for grants for specific projects or activities. Only one organisation from this pool of NPOs reports receiving institutional support from the Ministry of Health and Social Protection. ASCS did not provide institutional support to NPOs.

Graphic 6: NPO Public Financial Support (No. = 26 NPOs)



⁴⁵ The information is retrieved from the ASCS Website. Available at: <https://amshc.gov.al/bordi-mbikqyres/>

⁴⁶ Agency for the Support of Civil Society (2024) *Raporti Vjetor 2023*. Available at: https://amshc.gov.al/wp-content/uploads/2024/02/Raport-Vjetor-2023-AMSHC_compressed.pdf

2.2.2. Public Funding Distribution

In December 2023 the Ministry of Justice launched for public consultation “Roadmap for Functioning of the Democratic Institutions”⁴⁷. One of the objectives under the Civil Society area is the creation of a legal, political and institutional framework, in compliance with relevant international instruments and standards, and public strategies to promote civic space and create an enabling environment for the implementation and strengthening of capacities, operation and performance, challenges and shortcomings. One of the expected outcomes is for NPOs to receive support through state funding, facilitated by faster and improved procedures by 2030, including (i) the improvement of administrative procedures in the grant-awarding process of ASCS and (ii) the full functionality of the online platform for tracking the grant process by 2025.

As of today, under ASCS Law, and the regulation on the financing procedures with grants in support of civil society, the ASCS makes available all the information related to grant procedures and the announcement of the procedure is public, and it provides sufficient time to prepare (more than 30 days) and submit project proposals and all required documents. In 2023, ASCS organised informative sessions in different regions of the country, regularly and for each call for proposals, to explain the funding application process including eligibility and evaluation criteria, to interested NPOs.⁴⁸

The criteria and methodology for the evaluation and selection of projects by ASCS are stipulated in the Regulation on Funding procedures⁴⁹, but not published with the call for proposals. The regulation of ASCS contains provisions of what is the conflict of interest.

Concerning line ministries, the entire process is regulated through Decisions of the Council of Ministers (DCM), which stipulate the areas of support, criteria for selection, application forms, evaluation and selection procedures, deadlines for application, conflict of interest issues, etc.⁵⁰

The ASCS announces the winners of the call for proposals on its website, by stipulating the name of the organisation, title of the project, priorities of the call address, geographical area of implementation, the total amount allocated and the timeframe of the project implementation⁵¹.

In practice, from the monitoring of the call for proposals launched by ASCS at its websites, some documents, such as NUIS and Partnership Agreements (if not original) need to be notarised, for the application to be eligible. In addition, 65% of surveyed NPOs believe that the application criteria are clear, and 58% agree that state bodies adhere to the legally prescribed procedures for funding allocation. Regarding the application

⁴⁷ The information is retrieved from the electronic registry for public consultation website Available at: <https://konsultimipublik.gov.al/Konsultime/Detaje/692>

⁴⁸ “Annual Report”, ASCS, 2024 [Online] https://amshc.gov.al/wp-content/uploads/2024/02/Raport-Vjetor-2023-AMSHC_compressed.pdf

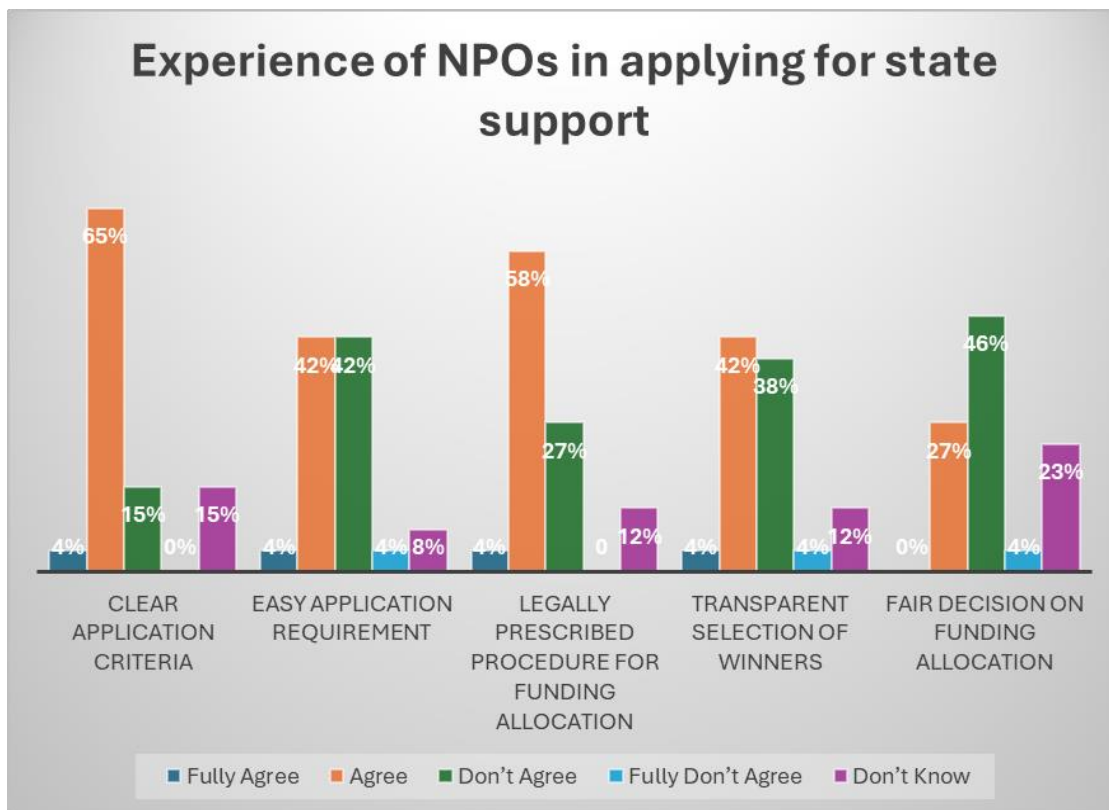
⁴⁹ Agency for the Support of Civil Society. (2024) Regulation on funding procedures, Available at: <https://amshc.gov.al/wp-content/uploads/2024/07/RREGULLORE-mbi-procedurat-e-financimit-me-grant-ne-mbeshtetje-te-Shogerise-Civile-Shkurt-2024-2.pdf>

⁵⁰ To illustrate, public funding by the Ministry of Tourism and Environment is regulated through DCM No. 281, date 13.04.2016 “For the determination of criteria and deadlines to the call for proposals for financial support of projects in the field of tourism” (Official Gazette, 69/2016). Funds from the Ministry of Justice are regulated through DCM No. 110, dated 6.3.2019, “On determining the procedures and rules for the selection of non-profit organisations authorized to provide primary legal aid guaranteed by the state, which benefits funding from the state budget and financing method”. With regards to funds from the National Youth Agency, in July 2022, the Council of Ministers approved DCM No. 566, dated 29.07.2022 “For determining the selection criteria and procedures of youth organisations and organisation working with youth which benefit from the grant funding scheme dedicated to youth from the state budget”.

⁵¹ Agency for the Support of Civil Society, (2023), Available at: <https://amshc.gov.al/wp-content/uploads/2024/02/lista-me-Ojft-te-fituese-Thirrja-nr.16-4.pdf>

requirements, experience within the sample is evenly split, with 42% of NPOs finding them easy, while an equal percentage disagree (42%). Also, 42% of the surveyed NPOs agree that the selection of winners was transparent. Notably, those who found the process transparent were among the winners of calls for proposals launched by the Agency in the past five years. However, concerning the statement 'the decision of funding allocation was fair, 46% of surveyed NPOs disagreed.

Graphic 7: Experience of NPOs in applying for state support. (No. =121 NPOs)



2.2.3. Public Funding Accountability

With regards to transparency on the procedures of funding, the procedures of accountability, monitoring and evaluation are described clearly and in detail in the law and the regulation of the procedures of financing with grants of the Agency for the Support of Civil Society, in support of a transparent process in all its steps. Within the Agency there is also a department responsible for the monitoring of all projects funded by the Agency. All recipients of state funds are required to submit reports detailing the use of funds received.

NPOs that are financed by the government are subject of the Law No. 112/2015⁵² "On Public Financial Inspection", that aims to guarantee the execution of legitimacy in using public funds against serious financial mismanagement, fraud, theft, destruction of property, abuse of office or corruption. NPOs that made payments

⁵² Official Gazette 168/2015 Law No. 112/2015 On Public Financial Inspection Available at: <https://gbz.gov.al/eli/ligi/2015/10/15/112>

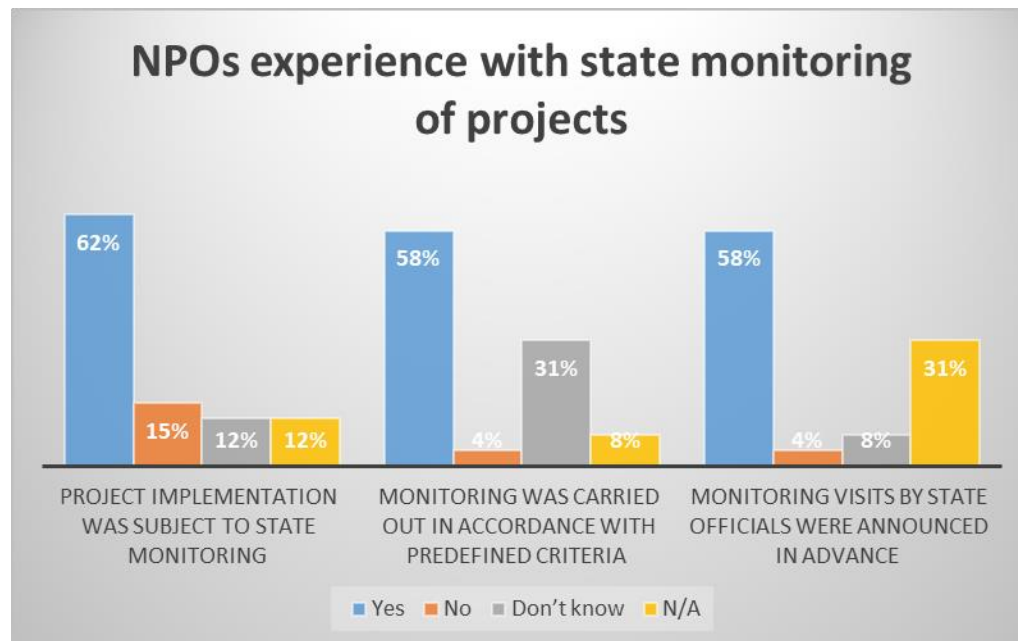
contrary to the laws in force or who have undertaken commitments outside the funds provided in the budget are responsible for paying off the obligation.

Based on the information received by the ASCS, it conducts continuous monitoring of each funded project including the narrative and financial aspects, but the monitoring reports are not public.

Regarding youth projects, Article 21 of the DCM 566 dated 29.07.2022 “For determining the selection criteria and procedures of youth organisations and organisations working with youth which benefit from the grant funding scheme dedicated to youth from the state budget” stipulates clear rules for reporting, monitoring, and evaluation of grants in the youth field. According to point 3 of this article, the National Youth Agency (NYA) should conduct an annual evaluation of the performance of grants in the field of youth, which includes the evaluation related to the management of the call for proposals, as well as the results and impact achieved by the funded projects. Evaluation reports of the NYA are not public. Furthermore, the information on the awarded grants published on the webpage of the NYA is limited to the name of the organisation awarded, the title, and the amount of grant awarded⁵³.

According to the survey with NPOs, 62% out of 26 NPOs that have received public funds report having been subject to monitoring, and 58% of them report that the monitoring was carried out under the defined criteria and that the monitoring visits by state officials were announced in advance. Nevertheless, no impact report on public funding is available.

Graphic 8: NPOS experience with state monitoring of projects (No. = 26 NPOs)



⁵³ The information is retrieved from the National Youth Agency website, Available at <https://rinia.gov.al/wp-content/uploads/2024/03/Projektet-fituese-te-thirrjes-se-3-per-organizatat.pdf>

2.2.4. Non-Financial Support

State authorities provide non-financial support to NPOs by providing public properties for free, consultancy, and other capacity-building assistance. NPOs are among the entities that can benefit from the reuse of confiscated assets, recognising their value as important stakeholders in addressing social issues and developing the local economy.

Decision No. 632, dated 23.7.2010 "On determining the evaluation criteria, manners and procedures for the commissioning and alienation of confiscated assets", under Law No. 10 192, dated 3.12.2009, enabled AASCA to commission the confiscated assets to non-profit organisations.

The following public institutions have reported the provision of non-financial support to NPOs in 2023.

- The Agency for the Support of Civil Society has organised a series of events, meetings, and roundtables with CSOs at the national level for different issues of mutual interest, offering free rent premises and providing letters of reference for NPOs.
- The Ministry of Culture has provided its premises free of charge and the expertise of the ministry staff on project proposal writing based on the requests by NPOs.
- At the local level, only 7 out of 45 municipalities⁵⁴ that responded to PA requests for information, have provided non-financial support, which consists of free rent premises.
- The Agency for the Administration of Seized and Confiscated Assets (AASCA) has given some confiscated lands for social re-use by NPOs.

Of the NPOs participating in the survey, only five reported benefiting from non-financial support provided by state institutions, with requirements that were easy to meet. These organisations work in areas such as social services for marginalised groups, arts and culture, and the integration of at-risk individuals.

Additionally, the AASCA provides confiscated assets free of charge for two years through contractual agreements with NPOs that utilise these assets for economic activities, particularly those confiscated from organised crime.

⁵⁴ Municipality of Kukes, Permet Tirana, Lezha, Shkodra, Shijak, Devoll

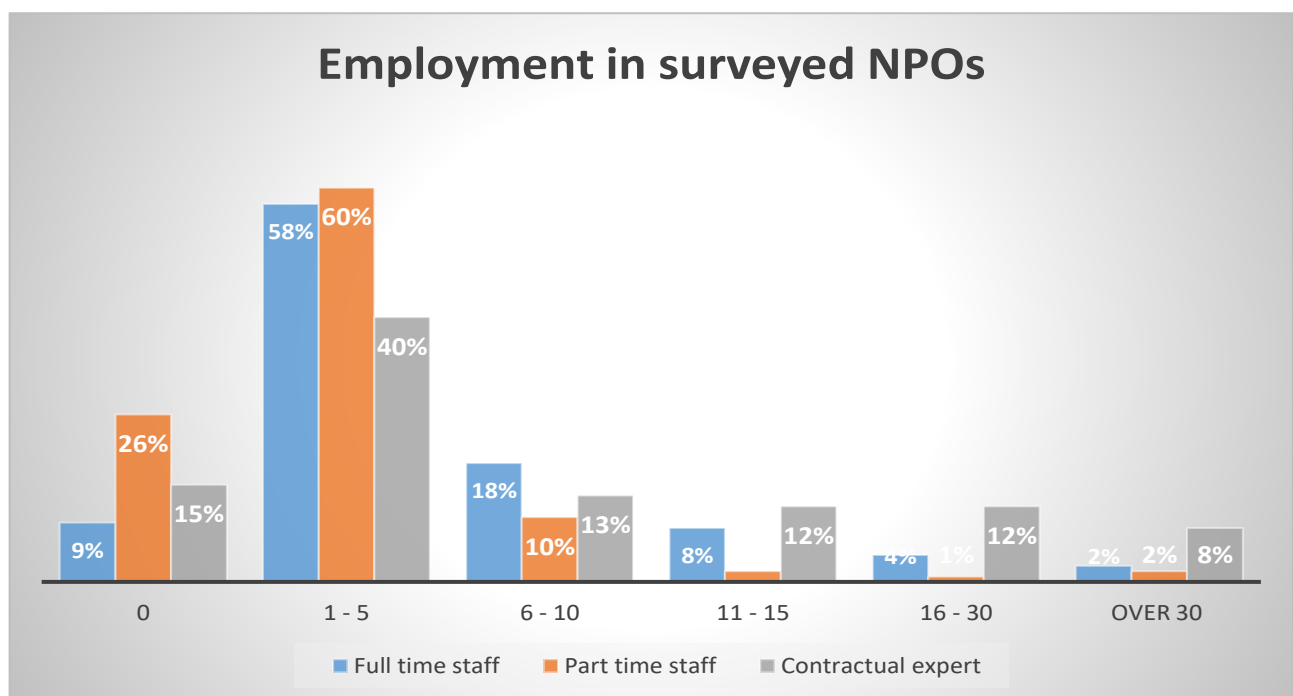
2.3. Human capital

2.3.1. Employment in NPOs

The Labor Code in the Republic of Albania did not change in 2023. Under the Labor Code, NPOs are treated equally to other employers. According to the information from the GDT, 10,917 employees were working in the NPO sector in 2023, with 9,748 being full-time and 1,169 being part-time. Compared to previous years, there is a slight decline in the number of employees, which potentially correlates with the decline in the number of active organisations in 2023. Regarding state employment programs, the National Employment and Skills Agency⁵⁵ offers financial support programs for employers, including NPOs. These programs primarily cover wage subsidies and insurance for 6–12 months for employers who professionally train and/or employ the unemployed.

Most of the NPOs that participated in the MM survey reported having 1–5 full-time employees (58%) and 1–5 part-time employees (60%). Additionally, 40% of NPOs reported engaging external professionals, such as experts and consultants. Regarding government programs and benefits for stimulating NPOs, only one surveyed NPO has selected this type of state support. Those who report more than 30 full-time employees are those who work in the area of social protection and children's rights and those assisting to marginalised groups.

Graphic 9: Percentage of full-time employees in the surveyed NPOs (No. = 121 NPOs)



⁵⁵ The information is retrieved from the National Employment and Skills Agency. Available at: <https://www.puna.gov.al/mainMenu/punedhenes>

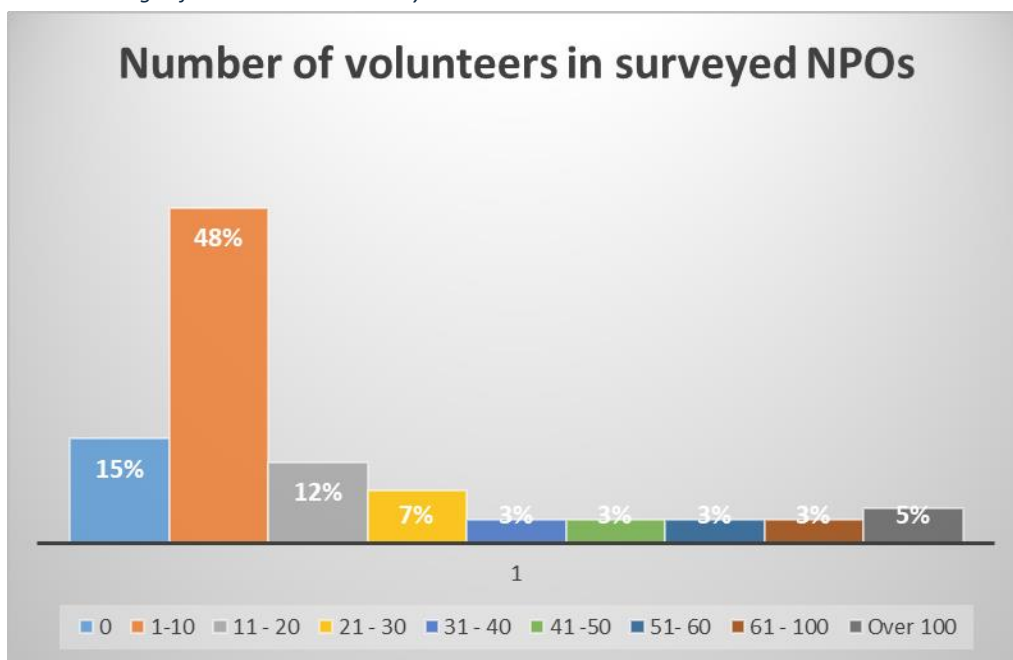
2.3.2. Volunteering in NPOs

No progress has been made regarding the law on voluntarism, despite it being listed as a measure in the Government Policy towards a More Enabling Environment for Civil Society Development 2019-2023. The law presents several issues that hinder the development of volunteering, as reported in previous MM reports. There are no national volunteering strategies or programs from the state. According to the draft document of the “Roadmap for the Functioning of Democratic Institutions,” a revised legal framework for voluntarism is expected to be adopted by 2027.

The Working Group, established in 2022, with the request of Partners Albania for Change and Development, through the National Resource Centre for Civil Society in Albania that facilitated the initiative, in partnership with Beyond Barriers and with the participation of other NPOs and state agencies, engaged in extensive discussions. The NPOs in collaboration with legal experts, provided comments and recommendations for most of the articles, to address a wide range of challenges and complex issues related to the law. An Inter-institutional Working Group is expected to be set up in 2024 to work on improving the legal framework related to volunteering.

The challenges posed by the legal framework are also evident in practice. None of the surveyed NPOs reported benefiting from state volunteering programs. In 2023, out of 121 surveyed NPOs, 102 engaged volunteers, but only two registered their volunteers in the GTD. Nearly half of the surveyed NPOs (48%) reported engaging 1–10 volunteers. NPOs with over 100 volunteers primarily work in areas such as support for marginalised individuals and those with special needs, sustainability and environmental protection, science, education and lifelong learning, social protection and children’s rights, youth development, civil society, and volunteerism.

Graphic 10: Percentage of volunteers in the surveyed NPOs.



2.3.3. Civic Engagement

Civic education is a topic taught in Albanian schools. It is part of the learning competencies in the subject called “Civic Education” which focuses on teaching students how to become active citizens and be informed and responsible for themselves and society at large. Through these competencies, students build skills such as how to play their role as members of a society in an increasingly interdependent world⁵⁶.

Recently, on 20 May 2022, the Ministry of Education and Sports announced the list of modules that have been accredited for the period 2022–2026⁵⁷. In the list, there is an ample number of training courses in the broad field of civic education, such as inclusion, democratic culture in schools and communities, protecting the environment, human rights, antibullying, media literacy, soft skills, community participation, etc.

In addition, university curricula include programs where students can participate in internships with NPOs for a period of approximately three months. During this time, they volunteer and engage in various activities within the organisations.

⁵⁶ Slavkova, L., Kurilic, M. (2023), *Great Expectations Demands and Realities of Civic Education in Europe*”, The Civic Innovation Hub 2023. Available at: https://thecivics.eu/wp-content/uploads/2023/03/Mapping-CE-in-Europe_Documentation.pdf

⁵⁷ The information is retrieved by the Ministry of Education and Sports website. Available at: <https://docs.google.com/spreadsheets/d/1HbB1xe1tUeOgDycOYf0C6UU8KC5nhp89/edit#gid=415799393>

Area 3: State-NPO Relationship

3.1. Framework and practices for cooperation

3.1.1. Strategies for Cooperation

The main state strategy for developing and cooperating with civil society is the Road Map for the Government Policy towards a More Enabling Environment for Civil Society Development 2019-2023⁵⁸. The purpose of the document is the creation of an institutional infrastructure for an institutionalised Government-Civil Society dialogue and cooperation. The Roadmap includes three strategic directions and nine priority areas, which take into account the principles and objectives set out in the EU Guidelines on Support to Civil Society (SC). The Roadmap and the Action Plan foresee measures/activities for 3 strategic directions: strategic direction: Institutionalized government - civil society cooperation in policy making and EU Integration; Enabling legal environment and data governance and Strategic direction 3: Enabling fiscal and funding framework.

As reported even in the previous MM report, no progress by public institutions was evidenced in 2023 related to the implementation of The Road Map. During 2023, there was no monitoring process happening with the involvement of civil society. Meanwhile, the government has initiated the drafting process for a third Road Map. This process is being facilitated by the TACSO 3 Project with EU support.

There is a lack of central policy coordination and a lack of systematic monitoring and reporting and limited dialogue with NPOs.

Regardless, the Roadmap is the main government policy document for the enabling environment of CSOs, still 34% of surveyed NPOs are not aware of its existence.

3.1.2. Mechanisms for Cooperation

Since 2015, the National Council for Civil Society (NCCS) has been the official consultative body for dialogue and cooperation with NPOs. According to the response received by the ASCS, the secretariat of the NCCS, in 2023, the NCCS organised the National Meeting of Civil Society in April, and two NCCS meetings, in June and November.

The National Meeting of Civil Society aimed to identify challenges and provide recommendations for the sustainable development of civil society and its involvement in development strategies in economic, social, and European integration, basic human rights and freedom, and strengthening democracy and the rule of law. A number of 80 NPOs participated in the meeting, providing a series of recommendations. There is no public information on the follow-up to this recommendation by the NCCS.

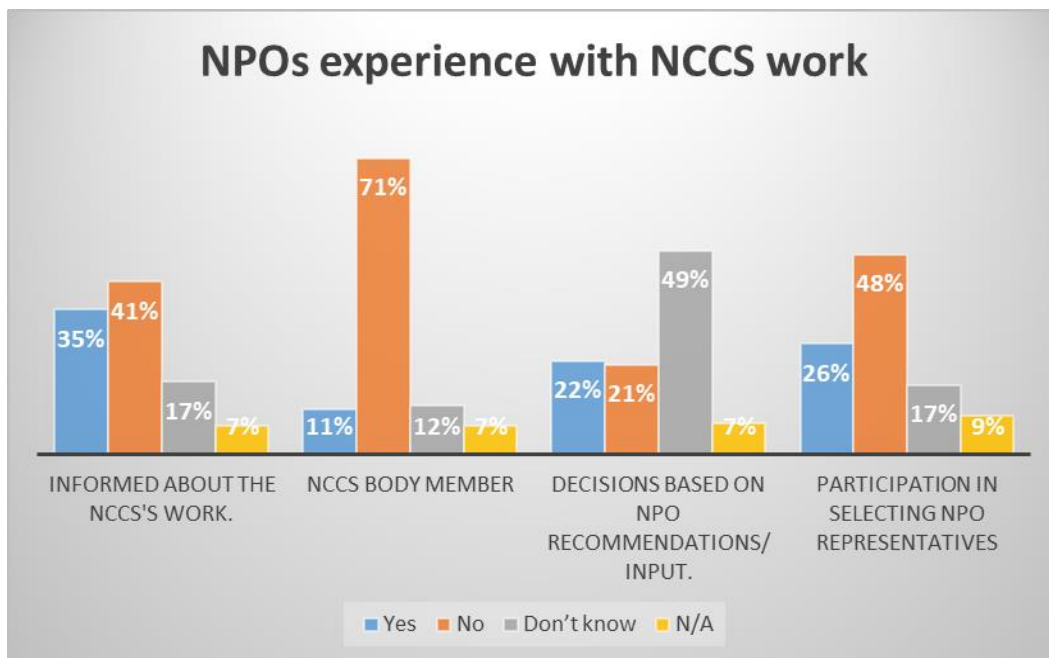
⁵⁸ Decision of Council of Ministers (DCM) No. 539, dated 25.7.2019 "For the Approval of the Roadmap for Government Policy Towards an Enabling Environment for the Development of Civil Society 2019-2023, revised". Available at: <https://amshc.gov.al/wp-content/uploads/2022/01/Udherrefyesi-2019-rishikuar.pdf>

In June's meeting, the NCCS formalised the new members from civil society elected in 2023, discussed the findings of the National Meeting of Civil Society, and considered the amendment of the law on the seizure and confiscation of assets related to narcotic substances. They also reviewed the calendar for drafting the new Roadmap for the Government Policy towards a More Enabling Environment for Civil Society Development 2019-2023.

The November meeting served for the official presentation of the new Head of the NCCS, who is also the new Minister of Health and Social Protection, and the discussion of the strategic vision of the NCCS with the minister. This information was received from ASCS based on a request for information. Since 2020, the ASCS has not published the minutes of the meetings, nor the follow-up or progress of discussed issues. As highlighted in previous MM reports, the National Council on Civil Society remains weak, struggling to represent the priorities of NPOs in policy-making processes and is barely operational. Amending the Law on the National Council to reflect changes in ministerial portfolios and their representation in the Council remains a priority. According to the draft document of the "Roadmap for the Functioning of Democratic Institutions", the legislative framework for the National Council for Civil Society is expected to be amended by 2026, to improve its functioning and ensure greater involvement of public institutions and civil society representatives.

The dysfunction of the Council, along with its lack of connection to its constituencies, has led to a significant proportion of surveyed NPOs (41%) reporting that they are not informed about its work, as shown in Graphic 15 below. Among those NPOs that are informed, only 11% are members of the Council. Another indicator of the Council's dysfunction is the high number of surveyed NPOs (48%) who did not participate in the process for selecting NPO representatives to the Council, reflecting not only a lack of information but also a lack of trust in its work. When asked if the Council's decisions are based on NPO recommendations and input, 49% of surveyed NPOs responded, "I don't know."

Graphic 11: NPOs experience with NCCS work (No. = 121 NPOs)



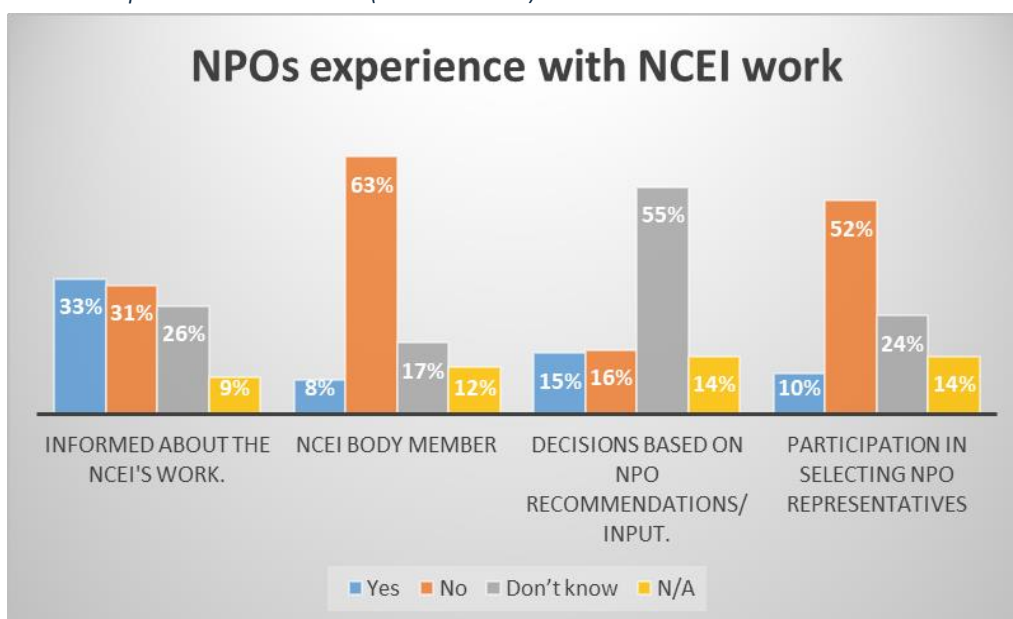
Another mechanism for cooperation is the National Council for European Integration. In March 2023, Law No. 15/2015 "On the role of the Assembly in the integration process of the Republic of Albania in the European

Union" was amended, providing opportunities for more civil society actors to participate in the council and its discussion on the integration chapters. The aim was not only to increase its comprehensiveness but also the level of expertise needed to face the monitoring process of the negotiations and all the documents that this Council will monitor in this process.

In May 2023, the call for membership from NPO in the National Council for European Integration was announced. As a result, 16 applications from civil society were submitted and all NPOs that applied, qualified and became members⁵⁹.

Regardless of these changes, there is still a low level of awareness among NPOs regarding the council and its work, as reflected in the responses of surveyed NPOs. 33% of them are not informed about the work of the council, while more than half of them do not know if the decisions of the council are based on NPO recommendations or have not participated in the process for the selection of NPOs representatives in the council, respectively, 55% and 52%.

Graphic 12: NPOs experience with NCEI work (No. = 121 NPOs)



⁵⁹ <https://kuvendiwebfiles.blob.core.windows.net/webfiles/202404090950330886Raporti%20vjetor%20i%20KKE%202023.pdf>

3.2. Involvement in policy and decision-making process

3.2.1. Standards for NPO Involvement

According to the Roadmap of Functioning of Democratic Institutions, by 2025, the quality of consultations, transparency, and public participation of CSOs in decision-making processes should be improved. This involves strengthening the participatory culture of the public and stakeholders and increasing the accountability of institutions in decision-making through public consultation, leading to better regulations by 2026. Additionally, the public administration should be capable of carrying out the public consultation process based on the highest continuous standards.

In 2023, the working group, which was set up in 2021, on “Standards and Indicators for an Open Parliament” continued its consultation to improve the transparency standards document with civil society and the media. The standards are expected to be adopted in 2024, but as reported in the EC 2023 Report for Albania⁶⁰, “these standards under the principle of open government still need to be consulted upon, agreed, and adopted”.

According to the “Public and Civil Society Participation in the Decision-making Processes of the Assembly for 2023” report,⁶¹ during January – December 2023, the Permanent Parliamentary Committees organised 347 meetings, and 101 public hearings. The public/ CSOs have proposed 128 amendments to draft laws, 44 of which were approved by the committees, as shown in Table 3.

Table 3: Parliamentary Committees and public/civil society participation in 2023

Parliamentary Committees	Number of meetings	Number of public hearings	Draft - laws	Amendments proposed by public/NPOs	Amendments from Public/ NPOs approved
Legal Issues, Public Administration and Human Rights Committee	68	24	121	26	3
Work, Social Issues and Health Committee	17	4	27	0	0
Productive Activity, Trade and Environment Committee	32	8	75	0	0
Foreign Policy Committee	62	12	544	60	28
National Security Committee	29	13	163	0	0
European Integration Committee	45	12	286	9	9
Education and Means of Public Information Committee	45	7	188	33	4
Economy and Finance Committee	49	21	216	0	0

⁶⁰ https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_690%20Albania%20report.pdf

⁶¹ Albanian Parliament, (2024). “Raport për Pjesëmarrjen e Publikut dhe e Shoqërisë Civile në Procesin Vendimmarrës të Kuvendit për vitin 2023”. Available at:

<https://kuvendiwebfiles.blob.core.windows.net/webfiles/202407011246120137RAPORT%20%20P%3%8B%20P%3%8B%20JES%3%8B%20MARRJEN%20E%20PUBLIKUT%20DHE%20T%3%8B%20SHOQ%3%8B%20RIS%3%8B%20CIVILE%20N%3%8B%20PROCESIN%20VENDIMMARR%3%8B%20T%3%8B%20KUVENDIT%20P%3%8B%20VITIN%202023.pdf>

In 2023, there are 55 draft documents published in the electronic register for public consultations, as presented in Table 4 below.

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

Line Ministries	Published Consultations in 2023
Ministry of Education and Sport	2
Ministry of Finance	10
Ministry of Health and Social Protection	6
Ministry of Infrastructure and Energy	3
Ministry of Tourism and Environment	8
Ministry for Europe and Foreign Affairs	1
Ministry of Internal Affairs	6
Ministry of Defense	4
Ministry of Culture	1
Ministry of Agriculture and Rural Development	4
Ministry of Justice	6
State Minister for the Protection of Entrepreneurship	1
State Minister for Youth and Children	1
INSTAT	0
Central Inspectorate	1
Public Administration Department	1

Another mechanism to ensure the participation of civil society in the European Union Accession Negotiation Process is the Partnership Platform for European Integration⁶² (PPEI), where civil society representatives may participate in the steering board of the Platform and 33 discussion and consultation tables.⁶³

Based on an in-depth interview with European Movement Albania, by the end of 2023, 26 discussion and consultation tables had been established, 4 were in the process of being set up, and 3 had not yet been established. Without the full establishment of all 33 tables, the Partnership Platform for European Integration (PPEI) cannot function fully, as the Governing Board cannot be created.

⁶² <https://integrimi-ne-be.punetejashtme.gov.al/en/strukturat/platforma-e-partneritetit-per-integrimin-evropian/>

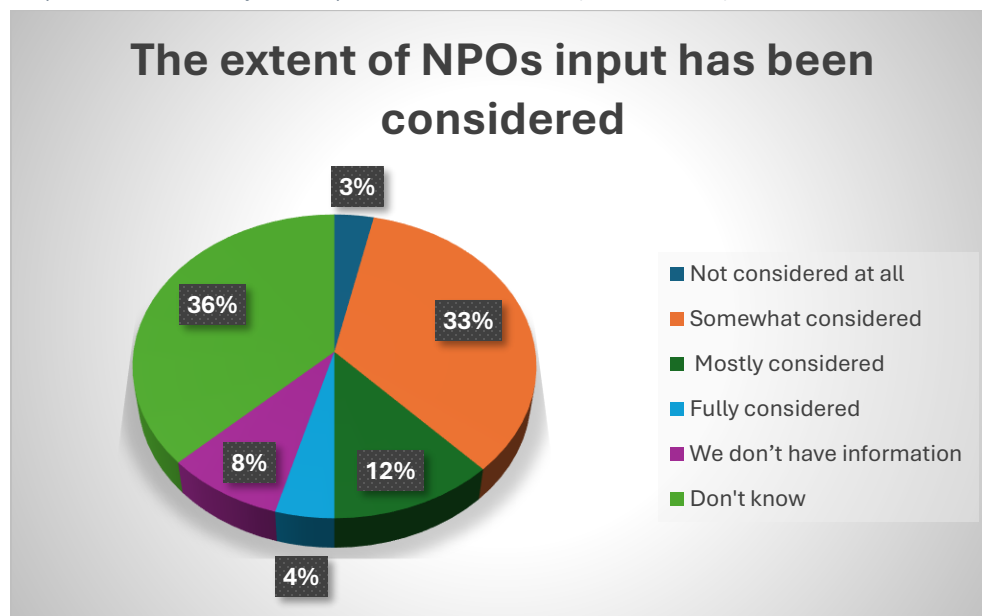
⁶³ <https://integrimi-ne-be.punetejashtme.gov.al/wp-content/uploads/2020/04/0-VKM-No.749-dt.19.12.2018-Krijimi-i-strukturave.pdf>

The Platform has yet to fulfill its intended role of informing, consulting, communicating with, and involving civil society in the EU accession negotiation process, resulting in low engagement and participation from NPOs. So far, it remains difficult to find basic information on the progress of the partnership platform, as adequate and timely updates are lacking. As highlighted in the previous MM Reports, monitoring of line ministry websites showed that only the Ministry of Justice provides information on the tables, minutes, and participants contributing to the discussions. It is also the only ministry that responded to the request for information on this topic for the preparation of the MM Report. In May 2023, the Ministry of Justice published an open call for expressions of interest to participate in the tables, and three meetings were subsequently held by the roundtable on Chapter 23, which includes civil society and NPO representatives.

In practice, from the survey with NPOs, 55% report being involved in consultations for the preparation of draft laws and policies during 2023, such as the National Strategy for Agriculture Development, National Anti-Traffic Plan 2024-2025, the draft law on Tax on Income, the draft law on voluntarism, preparation of social plans at the local level, etc. The main reasons provided by surveyed NPOs that have not been involved in consultation processes are the lack of human resources and capacities, and lack of information, while for newly established organisations, lack of networking is one of the reasons mentioned.

With regards to the extent to which the NPOs' input has been considered during the consultation, 33% of surveyed NPOs that have been part of consultations response is "somehow considered", while 36% of them don't know if their input is considered or not, reflecting one of the main persisting problems with the consultation process, which is lack of feedback.

Graphic 13: The extent of NPOs input has been considered (No. = 40 NPOs).



With regards to the coordinator with civil society, the only institution to have a coordinator for civil society is the Albanian Parliament and its contact information is public on the Parliament webpage.

With regards to NPOs' experience with their participation in consultation processes, 40% of surveyed NPOs have been involved in the early stage of the legislation process, and 44% of them have been notified about the consultation at least one week in advance.

3.2.2. Access to Draft regulations

In October 2023, Law No. 78/2023, which updates Law No. 119/2014 "For the Right to Information," was approved. The new law brings changes to the powers of the Commissioner for the Right to Information and Protection of Personal Data in monitoring the implementation of the law. It clearly defines the obligation to publish the transparency program on the official website of the public authority and to reflect the date of the last update. Additionally, the minimum limit for fines imposed on public officials who do not respond to information requests has been decreased. According to the Ministry of Justice, the reduction in fines is because, in many cases, the fines were several times greater than the salaries of the coordinators for the right to information⁶⁴.

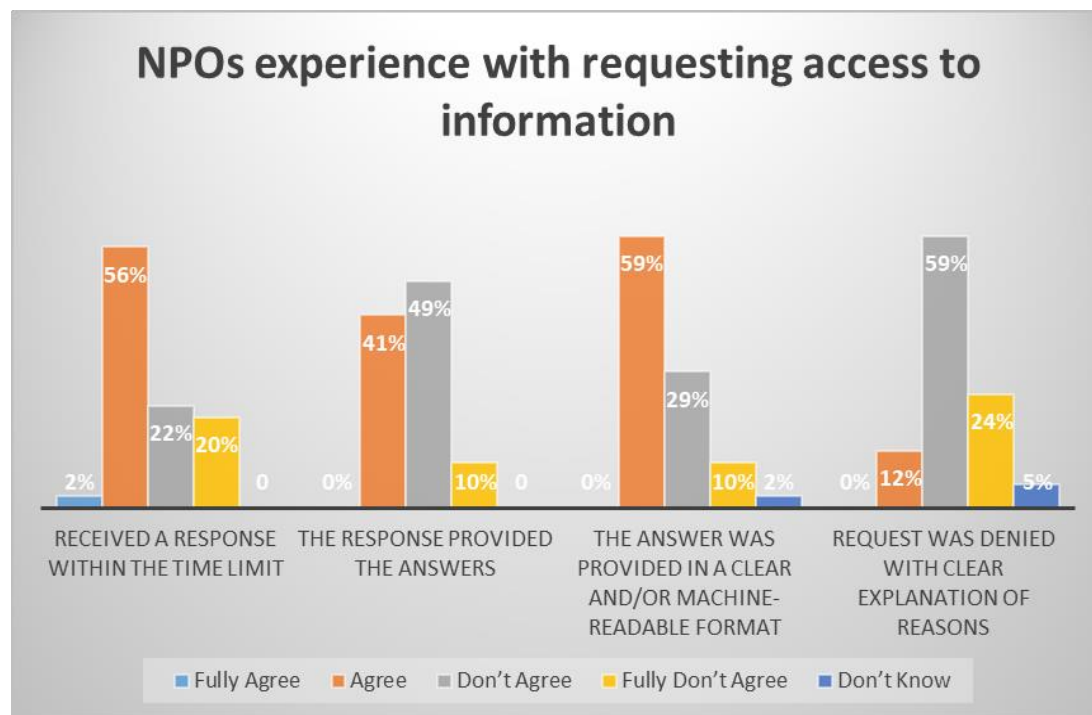
According to the annual report of the Commissioner for the Right to Information and Protection of Personal Data, the Commissioner's Office administered 956 complaints in 2023 and continued with the administrative review of 48 procedures from 2022, totaling 1,004 complaints. The report notes a slight decrease in the number of complaints over the past two years.

According to a 2023 study by Res Publica on the right to information, there has been an improvement in the quality of responses provided by public institutions. However, there is a slowdown in the speed of responses, with the average response time being 23 days, much longer than the legal deadline of 10 days. The report indicates that public authorities do not feel pressured by the law to respond within the legal deadline.

In practice, only 34% of surveyed NPOs have exercised their right to information by sending a request for information to public authorities. Most of them (56%) report receiving the response within the time limit, 49% of them consider that the response did not provide the answer to the request, and 59% of them do not agree with the statement that the request was denied with a clear explanation of reasons.

⁶⁴ The information is retrieved from the Reporter.al website. Available at: <https://www.reporter.al/2022/10/24/ndryshimet-ne-ligjin-per-te-drejten-e-informimit-priten-me-kritika/>

Graphic 14: NPOs experience with requesting access to information (No. = 121 NPOs)



3.2.3. Cross sector bodies

Existing legislation requires public institutions to invite NPOs' representatives in decision-making bodies. Based on the responses received from public institutions, there are some cross-sector bodies identified, where NPOs are represented, as follows:

- **The Coordinating Council for Consumer Protection Issues**, which analyses strategies and organisation measures for consumer protection in accordance with Law No. 9902, dated 17.04.2008 "For the protection of consumers", as amended. The Coordinative Council is composed of representatives of state administrative bodies related directly or indirectly to the protection of the consumer interest, as well as from nonprofit consumer and business associations. Four members are representatives of NPOs.
- **The National Council of Pre-University Education** is an advisory body of the minister for pre-university education development policies, established based on Article 29 of Law No. 69/12 "On the pre-university education system in the Republic of Albania", as amended. It consists of 16 members, and one member is from the NPO sector. The National Council of Pre-University Education gives opinions on a) the drafting of strategies, national programs, and legal acts; b) the draft budget for pre-university education; c) other issues of educational policies, at the request stressed by the minister.
- **The Supreme Sports Council** whose representatives are appointed by order No. 396 dated 08.07.2022 of the Minister of Education and Sports "On determining the members of the Supreme Sports Council". Three members are from the NPO sector.

- In the field of agriculture, NPOs are included in the working groups for the drafting of the institution's legal basis. Thus, for the year 2023, the Ministry of Agriculture and Rural Development has involved NPOs in: Agriculture, rural development and fishing strategy, 2021-2027 (part of the working group); Law "On vineyard and wine" Law "On beekeeping"; Law on "Local Action Groups".

3.3. Collaboration in service provision

3.3.1. NPO Engagement in Service Provision and Contracting Procedures

Concerning service provision and competition for state contracts, Law No. 162/2020 “For Public Procurement”, amended, introduced a special chapter on social services and other special services. In contrast to the previous Law when the main criteria for contract award was the lower price, Article 102 of the Law No. 162/2020 stipulates that tendering rules should consider an offer based on the quality of services, accessibility, effectiveness, cost, availability, and inclusiveness in services, specific needs for people at risk and vulnerable groups, and innovation. Its Article 103 stipulates that public authorities reserve the right to participate in tender procedures to certain organisations for services on health, social and cultural matters.

In practice, no tender for social procurement was announced by the Public Procurement Agency in 2023, as declared by the institution in its response. Based on the survey with NPOs 6 out of 121 NPOs have been selected for the public contract for service provisions. The contract for service provision is made through an unconditional sectoral transfer which behaves like a destination transfer defined for the new functions, following law no 139/ 2015 “For Self-Governance Units”

Concerning licensing, according to the information received by line Ministries, there are 15 NPOs licensed to provide free legal aid by the Ministry of Justice, and 12 NPOs licensed by the Ministry of Agriculture and Rural Development.

3.3.2. Funding and M&E for NPO- Provides Services

For 2023 the following public authorities have contracted services to NPOs.

Table 5: Contracting services to NPOs.

Institutions	Awarded NPOs	Minimum and maximum amount per grant	Total Amount distributed in FY 2023
Korcë Municipality	2	Min.: 826,223 ALL (approx. 7,000 EUR) Max.: 1,327,030 ALL (approx. 11,000 EUR)	3,139,893 ALL (approx. 26,300 EUR)
Shkodër Municipality	4	Min.: 50,000 ALL (approx. 420 EUR) Max.: 2,021,000 ALL (approx. 17,000 EUR)	4,128,000 ALL (approx. 34,700 EUR)
Durrës Municipality	1	642,000 ALL (approx. 5,400 EUR)	642,000 ALL (approx. 5,400 EUR)
Dibër Municipality	1	960,000 ALL (approx. 8,000 EUR)	960,000 ALL (approx. 8,000 EUR)

Public authorities can exercise monitoring and assessment of service provision both in terms of the quality of the services and the expenditure of funding. They have the right to inspect the premises in which services are provided. After the inspection, a report is prepared by the inspecting authority and shared with the service provider, including recommendations for improvements. NPOs which participated in the survey claimed that criteria set by state authorities for public service delivery are clear, the control on the work of the organisation that offers services with public funds is not burdensome, and the inspections are conducted based on prior notification from public inspectors.

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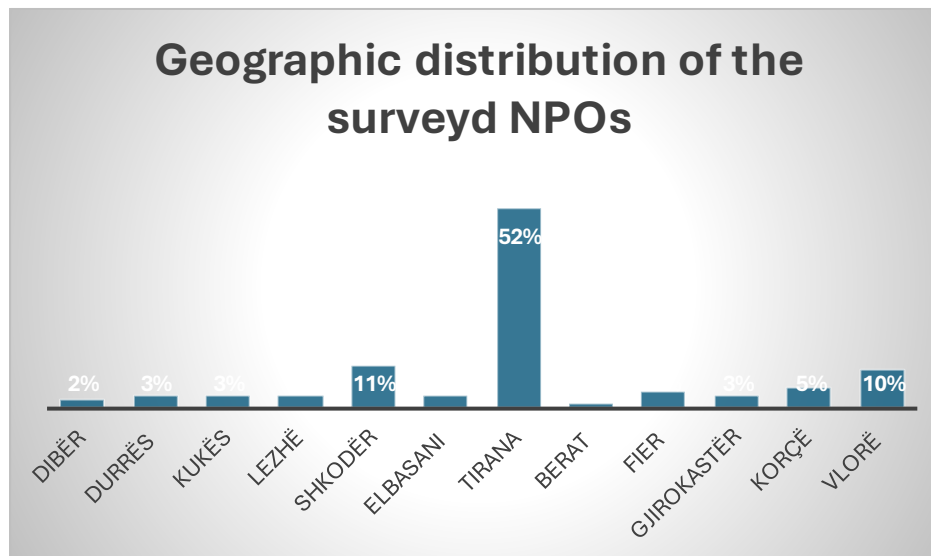
Annexes

Notes on the Methodology

From the launch of the monitoring cycle in 2013, Partners Albania aimed at a participatory and inclusive process while carrying out the research for the preparation of the MM Report, presenting and discussing the Matrix with a large number of NPOs representatives all over the country. This year, the survey for the preparation of the Monitoring Report was conducted in 25 cities and 121 NPOs responded to the survey. The questionnaire was administered online through Microsoft Forms and was conducted with executive directors and high-level managers of NPOs.

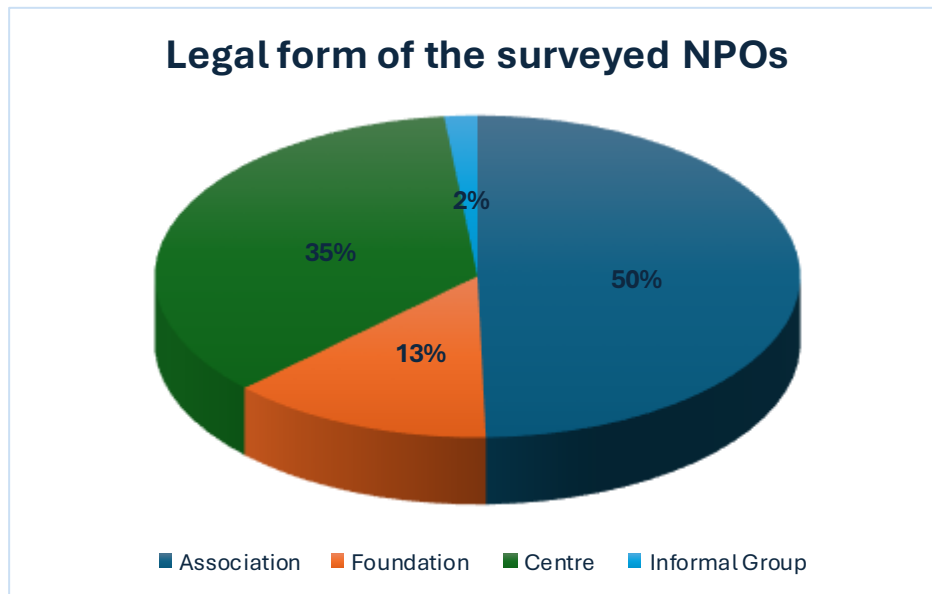
The survey was conducted in 12 Qarks. The sample selection was based on the number of CSOs located in each city and the willingness of the organisations to participate in the survey. Graphic 1 presents the geographical distribution of the participating organisations. Most of the NPOs are based in Tirana.

Figure 15: Geographic distribution of the surveyed NPOs (No. = 121 NPOs)



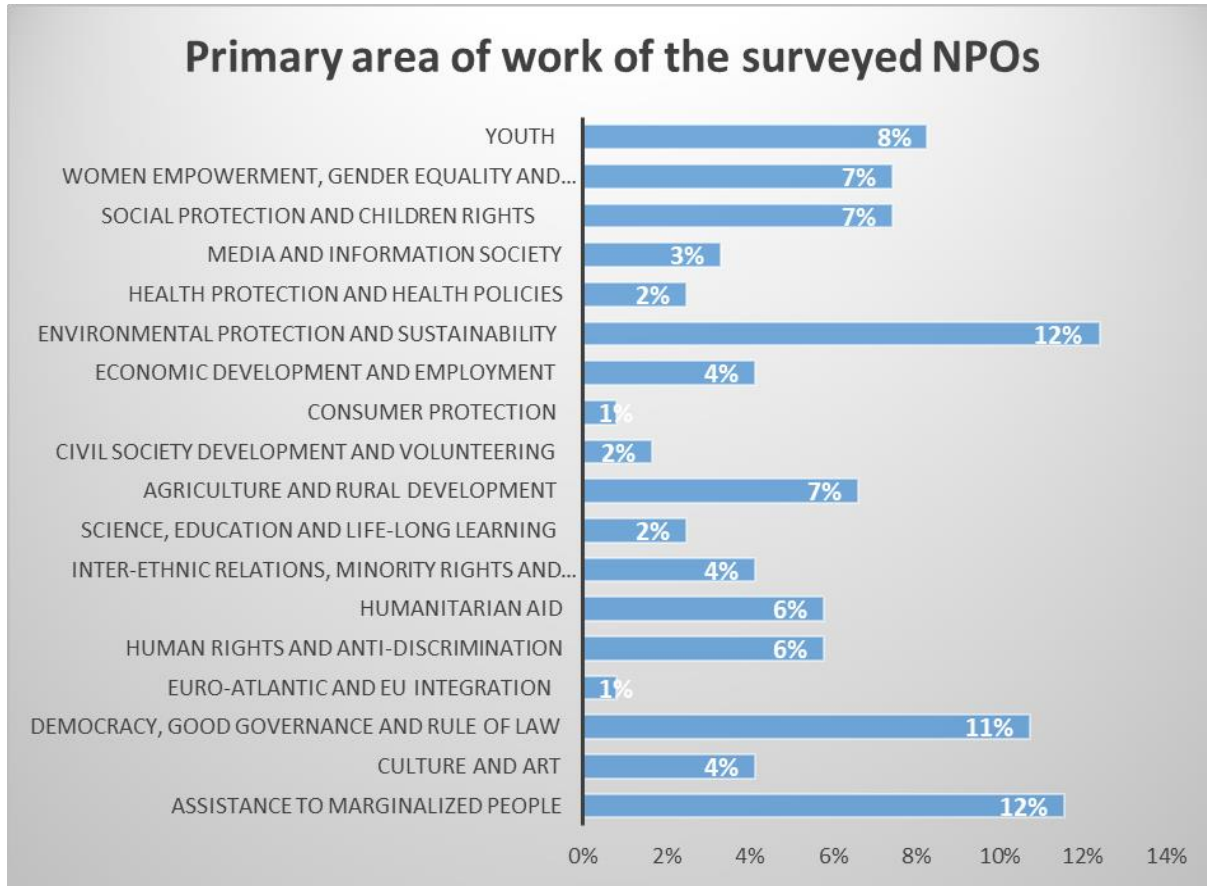
Regarding the legal form of registration, the sample is composed of 50% associations, 35% centres, 13% foundations, and 2% informal groups, as shown in Graphic 2.

Figure 16: Legal Form of the surveyed NPOs (No.=121 NPOs)



Based on the responses regarding the primary area of work of the surveyed NPOs, 12% work on assistance to marginalised groups, and 12% on environmental protection and sustainability. This is followed by 11% working in democracy, good governance, and the rule of law, as shown in Graphic 3.

Figure 17: Primary area of work of the surveyed NPOs.



The questionnaire was followed by in-depth interviews to explore contradicting issues or areas where more information was needed for analysis.

Considering the challenge with the availability of official data on the sector and based on the Law on the Right to Information, Partners Albania sent official requests to public institutions requiring information as per areas of the Monitoring Matrix Toolkit.

