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REGIONAL PROGRAMME ON LOCAL DEMOCRACY IN THE WESTERN BALKANS (RELOAD)

REPORT ON EXISTING PUBLIC FINANCIAL MECHANISMS FOR CSOs IN ALBANIA

Prepared by Ledina Gjknuri



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List of abbreviations

ASCS – Agency for the Support of Civil Society
CSOs – Civil Society Organisations
EU – European Union
DCM – Decision of Council of Ministers
UNDP – United Nation Development Programme
NCCS – National Council for Civil Society
CoM – Council of Ministers
MoC – Ministry of Culture
MTBP – Medium Term Budget Programme
ReLOaD – Regional Programme of Local Democracy
ToRs – Terms of Reference

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Note:

The following report provides an assessment as per the existing structures and institutions till August 2017. Subsequent changes applied after the general elections (23 June 2017) in the governmental structure of the newly elected Albanian Government are not part of this report.



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I. Introduction

1.1 Current situation – why an evidence-based assessment study

Over the whole transition period Albania has been faced with a number of extremely complex challenges in order to establish stable institutions guaranteeing democracy, the rule of law and human rights as well as to operate a functioning market economy and to cope with competition and market forces. In recent years it has embarked on several key parallel on-going reforms which apart the need for legal, institutional and administrative capacities, and sustainable financial sources call for more participatory processes for the citizens, civil society organisations (CSOs) and businesses. Promotion of civil society inclusion to further develop the participatory democracy remains an integral part of the EU accession agenda.

Increasing the role of CSOs requests not only a sound legal framework but also establishment of sustainable financial mechanisms that would ensure it. In the Western Balkans, lack of transparency of existing public mechanisms for support of CSO, mainly at the local level, is perceived as one of the main obstacles for development and functioning of credible civil society.

This paper discusses public financing of CSOs in each administrative level of Albania with the main purpose to assess the existing financing mechanisms and regulations, as a preparation for the introduction and institutionalization of a mechanism for transparent project-based funding for CSOs.

This assessment is part of the Regional Programme of Local Democracy (ReLOaD), and is expected to serve as a baseline in Albania, as well as a stepping stone for preparation of recommendations for improvement and alignment of practices with EU standards.

1.2 Methodology for allocation of public funds to civil society organisations (LOD Methodology)

The LOD methodology is a transparent mechanism for the disbursement of funds for CSO projects primarily intended for the local self-governance units. The methodology aims to focus municipal spending intended for CSOs on priority needs of the community. It is based on EU best practices and takes a competitive project-based approach to public funding disbursement to CSOs. It has been developed and tested in over 40 municipalities and cities in Bosnia and Herzegovina and serves as a helpful toolkit for local authorities to improve local democracy through transparency and inclusiveness in decision making. It is a flexible and adjustable tool that can be used at other levels of public government, or in any public institution, for allocating funds to the civil society organisations. LOD methodology is the first inclusive and transparent set of tools and procedures that is based on five basic principles that consist of transparency, involvement (inclusiveness), expediency, continuity and universality, application of which positively influences public administration reform and strengthens the trust between citizens, civil society and local governance.



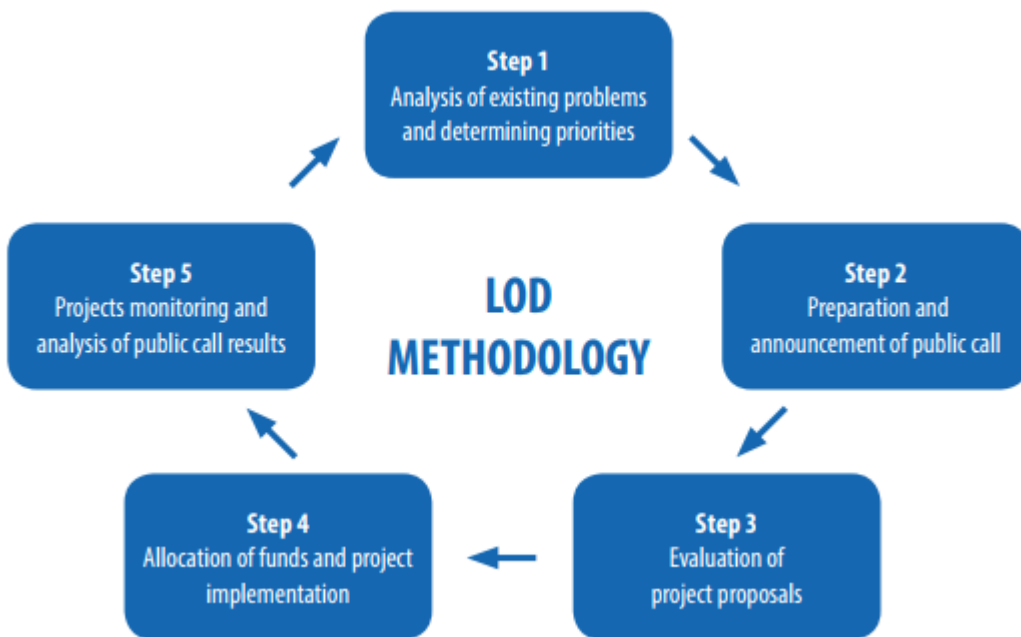
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Proper use of the methodology will improve the quality of services that NGOs provide to their members and citizens.¹

The methodological approach for transparent allocation of funds intended for civil society organizations (LOD Methodology), has been developed based on the need for simple tools that can be used primarily by local communities for the distribution of their own budget resources. It is a set of steps that, in a simple, comprehensive and flexible manner explains step-by-step the entire process of financing, including preparation, management and implementation of the selection of CSOs project proposals that are subject to future allocation of public budgets. Simple and sequential cyclic process, which makes the LOD methodology, is based on the elements of the PCM and consists of 10 methodological units that that are assorted into five simple steps as in the following figure.



ReLOaD programme aims to introduce this methodology as a tool for implementation of projects from CSOs at the local level in partner municipalities in all Western Balkans’ beneficiary countries, including Albania. In this regard, the approval and implementation of this Methodology is considered as a mandatory criteria to be part of this Programme.

¹ <https://www.un.org.al/employment-and-procurement/thirrje-p%C3%ABr-shprehje-interesi-nga-bashkit%C3%AB-n%C3%AB-shqip%C3%ABri-p%C3%ABr-t%C3%AB-marr%C3%AB-pjes%C3%AB>



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1.3 Assignment Methodology

As foreseen in the Terms of References (ToRs), combining desk review and field work, the consultant made use of three complementary research methods – i) desk research, ii) online survey and iii) semi-structured person to person interviews with representatives of municipalities, as well as representatives of central government.

Documentary analysis: The documentary analysis undertaken in the framework of the assignment focused primarily on the key project documents, such as Methodology for transparent fund disbursement to CSOs (LOD Methodology), project document, etc. Other relevant documents, included review of key documents and relevant legal framework which regulates the public financing of CSOs in Albania in order to be able to compare existing practices with the LOD Methodology. The relevant legal framework, included apart the primary legislation, also by-laws, national and local government decisions and procedures for allocating funds to CSOs, where they were available and easily accessible. Also covered by the analysis are reports prepared by other stakeholders which attend to the scope of the assignment. A list of key documents is provided in Annex 1.

Online survey: A brief online survey was conducted to gather information from all 61 municipalities on their existing and/or previous experiences in handling national and donor funded financial support schemes for NGOs in their respective municipalities. A standard questionnaire, highlighting and identifying existing practices in managing public funds as foreseen in LOD methodology was prepared. The questionnaire was distributed via electronic email by the project team as a Word document to “high level officials” in the 61 municipalities, for the municipalities to become familiar with the questions and appoint relevant municipality staff to answer the questionnaire. In order to standardize data gathering and handling of the municipalities responses in a structured way the process was proposed and agreed to be carried out through a computer assisted (online) survey via internet. 47 municipalities provided contact points, and of the 47 questionnaires disseminated to the appointed municipality staff, a total of 38 completed questionnaires were received covering 62% of the municipalities. The survey questionnaire is included in Annex 2.

Structured and semi-structured face to face interviews: Further data collection, and validation of the data received by the on-line questionnaires were subject to person to person semi-structured interviews. The main stakeholder categories targeted by the semi-structured interviews, as advised by the ToRs, were the government institutions at the central and local level.

At the local level person to person interviews were conducted with employees who were the contact points in filling in the questionnaires. When possible, and due to availability of staff, discussions were held with other municipalities’ employees who were day to day involved and knowledgeable of the procedures applied during project management, public procurement and service providing processes. The municipalities visited were Shkodra, Permet, Fier and Tirana.

In order to have a better understanding to all relevant government’s policies and as much as possible objective information on the legal and financial framework and procedures used in contracting of



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CSOs, interviews with the central government employees were held and they included Prime Minister Office, Ministry of European Integration, Ministry of Social Welfare, Ministry of Culture, Ministry of Finance, Good Cause Fund. Two additional interviews were held with ex-employees of Ministry of Education and Sports (responsible for drafting the granting legal framework for sport CSOs) and State Audit Authority (responsible for auditing local government units).

During the interview conducting, careful consideration was provided to the institutional framework in identifying their mandate, responsibilities and decision-making hierarchy in distributing public funds to CSOs. Previous studies in this area were considered as well.

This assessment took place during July – August 2017. While the research methods were deployed as planned, the consultant encountered a set of constraints and limitations which should be noted insofar as they can be expected to affect the results of this assessment. Arguably the most significant of these was the timing of the assignment, much of which was conducted during the months of July and August (summer season). This affected the availability of stakeholders, both in central and local level, and got a lot of timing of both the project team and the consultant to get questionnaires answered, field visits and meetings organized. An additional issue of timing was the fact that parliamentary elections had taken place less than one month before the assignment was launched, affecting the availability of representatives of the central government in conducting the interviews. Given the above mentioned constrains, the data from those interviews conducted were further elaborated to the local or individual context, along with research of secondary literature. The intensity of work in a limited timeframe was a challenge for the consultant involved with data collection, survey administration and interview conducting.



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II. Overall Policy and Legal Framework

Importance of CSOs has been recognized by the government of Albania, as demonstrated by its commitment to increase cooperation and create an enabling environment for civil society. Recent years' legal and institutional initiatives to support non-state actors to participate in public policy formulation, policy budgeting, implementation, monitoring and influence policy change show a sign of democratic maturity. A short summary of the overall policy and legal framework developments enables to draw a line on the actors involved, on-going short and mid-term initiatives and potential room for influencing policy making at the central level in order to enable acknowledgement, introduction and institutionalization of the proposed mechanism for transparent project-based funding for CSOs.

Among the key institutional developments during the recent years, one should acknowledge the following:

- Establishment of the National Council for Civil Society (NCCS) as a consultative body aiming to guarantee institutional cooperation with CSOs and to create an enabling environment for CSOs². NCCS main responsibilities include among others an advisory role on i) overall state policies and legal improvements affecting the CSOs development and operation; ii) key programmes for promoting CSOs sustainable development and their involvement in reform implementation; as well as priority setting regarding EU or other international institutions' funds for CSOs. Of particular importance, is NCCS foreseen responsibility of providing opinions to Council of Ministers (CoM) and ASCS for planning of funds distribution, programmes and projects for CSOs, as well in analysing annual reports issued by line ministries and other government agencies on SCOs funded projects and programs³. The Council is foreseen to have 27 members from the government and CSOs. ACSC is assigned the Technical Secretariat role for the NCCS. Established in June 2016, this structure is not still fully operational. One of NCCS first tasks is the development of the National Strategy for an enabling environment for CSOs.
- Dedicated structures and positions at the Prime Minister Office and Ministry of European Integration working with CSOs and coordinating the implementation of the Road Map for Albanian Government Policy Towards a More Enabling Environment for Civil Society Development;
- Establishment of the National Council for European Integration as the highest advisory structure in European integration area, which monitors and provides strategic guidance on the process of accession to the European Union, guaranteeing consensus and cooperation between state institutions, political parties and civil society in this process. The Council is operational as of July 2015 and includes eight CSOs CSOs involvement in this structure aim to ensure their involvement, expertise and experience and channeling it to Albania's integration processes and several ongoing reform processes; Involvement, consultation and cooperation among government and CSOs has been also possible as a result of endorsement

² Law no. 119/2015 "On Establishment and Functioning of the National Council of Civil Society", Article 1

³ Law no. 119/2015, Article 8



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of several legal frameworks. The recent legal framework developments (approved during the last three years) which are expected to further affect the dialogue and cooperation with CSOs, as well as their activities and performance, are as follows Law No. 119/2014, dated 18.9.2014 “On the Right to Information”, which regulates the right of information to official documents;

- Law No. 146/2014, dated 30.10.2014 “On Public Notification and Consultation”, has provided the legal framework for involvement and consulting of CSOs in decision-making processes;
- Law No. 139/2015, dated 17.12.2015 “On Local Self-government” which foresees structures and mechanism for ensuring the dialogue (organization of consultation meetings/public hearings and public participation in them) and cooperation between municipalities and CSOs;
- Law no. 119/2015, dated 6.11.2015 “On Establishment and Functioning of the National Council of Civil Society”, which as discussed above foresees establishment of NCCS as a government-CSOs consultative structure;
- Decision of the Council of Ministers (DCM) No. 953, dated 29.12.2014, which provides the criteria and procedures for the exemption of CSOs from VAT for all “activities for the good and interest of the public”
- Decision of the Council of Ministers (DCM) No. 459, dated 27.05.2015, “On Endorsement of the “Road Map for Albanian Government Policy Towards a More Enabling Environment for Civil Society Development”, which foresees as one of its priority areas (number 4) concrete actions related to the improvement of the public financing framework for CSOs;
- Decision of the Council of Ministers (DCM) No.71, dated 22.05.2017 “On establishment of the inter-institutional working group to implement the actions as foreseen in the Road Map approved by DCM No. 459, dated 27.05.2015”, which is tasked with the prioritization and monitoring of the implementation of the measures foreseen in DCM no. 459. This structure must fulfill its tasks by the end of 2018.

Areas of CSOs involvement in Albania include advocacy, provision of social services, environment protection and monitoring, capacity building etc. Against this background, one notices that the financial support to CSOs to play such multitude of roles remains limited. The civil society sector and CSOs, continue to be donor dependent, with foreign donors remaining the main financial source for CSOs. Public funding does not constitute the founding source for CSO, and availability of public funds is considered insufficient for the CSOs sustainability and their operation⁴. Public funding is ensured through the Agency for the Support of Civil Society, Ministry of Culture, Ministry of Education and Sports and Ministry of Social Welfare (social fund). An accepted financial gap is present due to limited public funds and other areas of CSOs activity – mainly advocacy and environment, which remain uncovered. This gap is often filled by bilateral donors and EU. Recently, with the introduction of the EU Civil Society Facility, EU is expected to be the main funding source in the coming years. As per EU Civil Society Facility 2014-2015, EUR 1 million per years 2014 and 2015 are expected to be distributed through call for proposals to CSOs in Albania. The first call is under tendering procedure.

⁴ Partners Albania, November 2016 “Monitoring matrix on enabling environment for civil society development, country report Albania”



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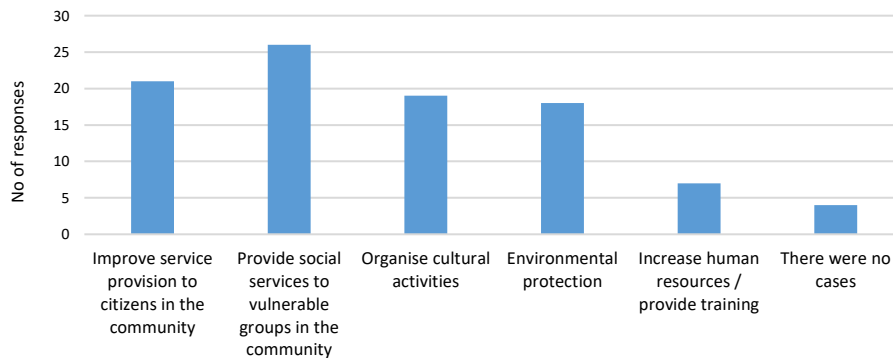
III. Public funding mechanisms for supporting CSOs

The Government of Albania key funding mechanism for supporting CSOs is action grants, which are awarded through an open call for proposals, run by the Agency for the Support of Civil Society (ASCS). Apart these yearly earmarked budget, studies⁵ report that public funds have been used to support CSOs working in different sectors, such as culture, arts and sports and are run by the respective line ministry as per their field of activity and responsibility. Other areas of CSOs involvement in Albania include advocacy, provision of social services, environment protection and monitoring, capacity building etc.

Apart the budget allocated by ASCS it is difficult to have a comprehensive information on public funds going to CSOs mainly due to lack of dedicated budget lines in the respective ministries.

CSOs scope of work at the local level, is similar to the activities performed by national CSOs. Additionally, practices of local government in engaging CSOs for social service delivery have been reported during these years. Municipalities as well acknowledge and confirm their cooperation with CSOs in key areas as shown in figure 1. Interestingly, the regional level⁶ seems to be detached from similar experiences and inexistent.

Figure 1: Reported areas of CSOs involvement at the local level



Source: Municipality-CSOs Experience Assessment questionnaire

⁵ For the list of consulted studies for this assignment please refer to Annex 1

⁶ For the scope of this report under regional level reference is made to Qarks and Regional Development Agencies. Qark remains the second tier of local government as recognized by the Constitution. In December 2015, with the Council of Minister Decision no. 961, dated 2.12.2015, “On the establishment, organization and operation of National Agency for Regional Development, Regional Development Agencies and Regional Economic Development Agency”, the Government divided the country into four regional management areas, and created six agencies on regional development: a National Agency for Regional Development (NARD), four Regional Development Agencies (RDAs) for each of the development region with seats in Shkodra, Tirana, Korça and Vlora, as well as the Regional Economic Development Agency (RED) which scope of work is foreseen to manage the implementation of the future Regional Development Operational Programme. However, their establishment remains still at the initial phases.



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In order to better assess the legal framework and existing practices and procedures for public funding of CSOs at different governmental level, this chapter is organized around each of the reported areas of CSOs activities eligible for public funding. However, given the limited timing and the wide scope of CSOs activities, data were collected from secondary documents and discussed with stakeholders' where possible. Unfortunately, as municipalities do not have dedicated funds for CSOs, key areas of CSOs work such as advocacy and environment are not part of this report and remain mainly dependent on donor funded mechanism.

3.1 Public funds through Agency for the Support of Civil Society

The Agency for the Support of Civil Society is the main public institution providing financial support to CSOs. The legal framework enabling ASCS as the main public source at the central level for financing CSOs is Law no. 10093, dated 9.3.2009 “On the Organization and Functioning of The Civil Society Support Agency”. Article 16, point 2 of the Law stipulates that “the budget of the ASCS is foreseen as a separate item in the annual state budget and cannot be smaller than in the previous year”. The yearly amount of dedicated budget line reaches an amount of around EUR 720,000 (101,000,000 ALL) and is disbursed through calls for proposals, with the first call for proposal launched in October 2010. The annual budget has been the same figure starting as of 2010 and as cited above cannot be decreased – however no increase has been experienced as well.

A typical scheme of the Agency funding cycle (as of 2016) is provided in figure 2. Deviations from this scheme have been noticed (i.e. during 2012 no calls were launched, whereas in 2011, 2014 and 2015 two calls per year were launched).

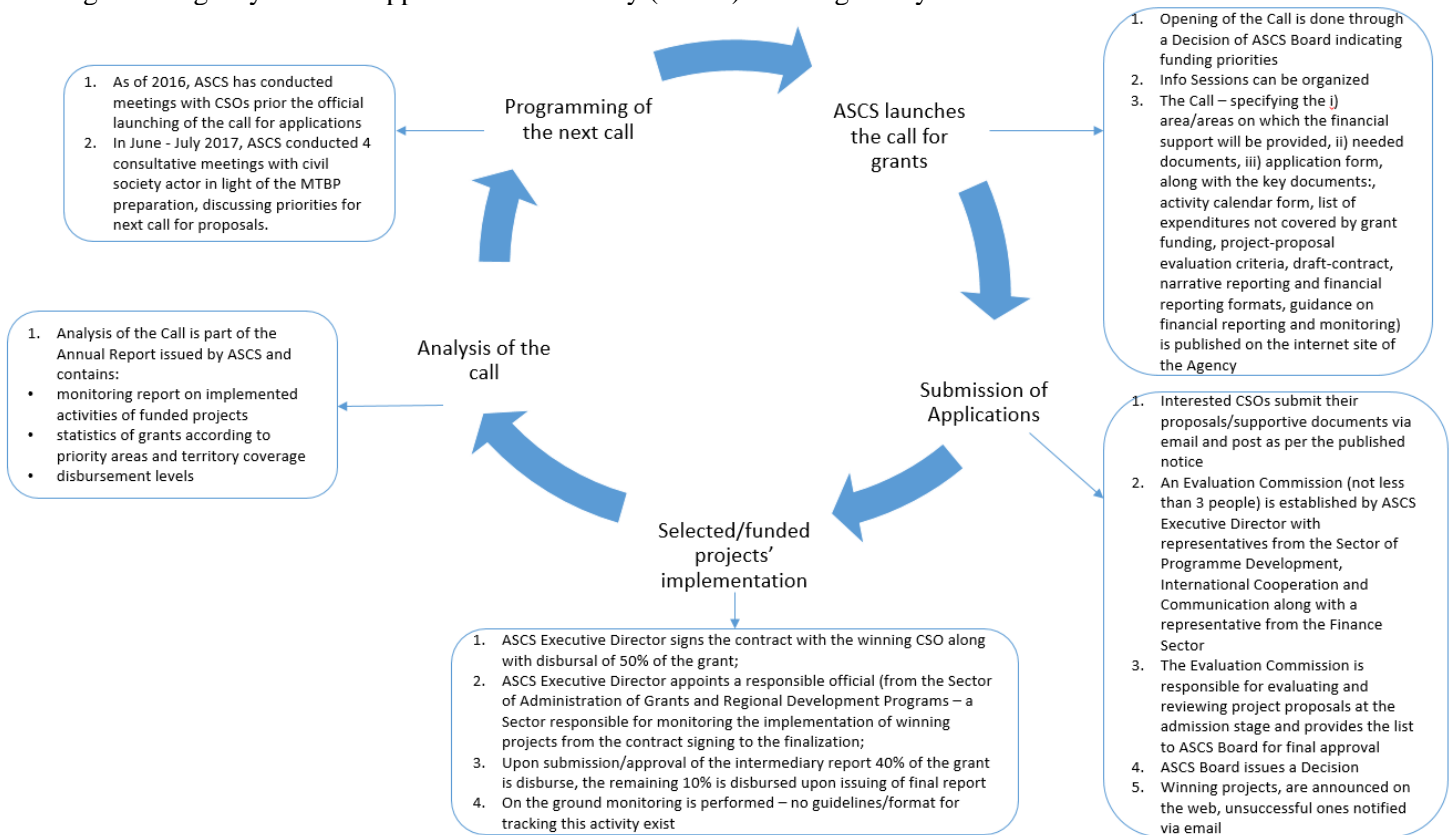


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Figure 2. Agency for the Support of Civil Society (ASCS) annual grant cycle



Source: Interview with ASCS, ASCS Law, Internal Regulation, Calls for Proposals, Annual Reports

The **procedure for managing the call** is regulated by Law no. 10093, Statute of the Agency⁷ (as approved with DCM No. 769, dated 15.7.2009 amended), Regulation of the Agency for the Support of Civil Society (as amended December 2016)⁸, and Regulation “On the Financing of Grants in Support of Civil Society” (as amended on December 2016)⁹.

No guidelines for applicants are officially issued even though elements of them can be tracked down in the documentation published for each call for applications. Also legal provisions provided in different legal documents, make it difficult to follow the procedures. An example to this is the work of the evaluation committee – *ASCS Law* (article 18, letter c) provides that “a project evaluation committee, of not less than 3 people, is set up for each competition procedure, with the participation of representatives of civil society organizations, in compliance with the principles and rules established by the Supervisory Board”; under the *Agency Regulation* (Article 24 on ASCS structure

⁷ http://www.amshc.gov.al/web/doc/ligjore/Statuti_i_AMSHC-i-ndryshuar.pdf

⁸ http://www.amshc.gov.al/web/doc/ligjore/Rregullore_e_AMSHC.pdf

⁹ <http://www.amshc.gov.al/web/doc/Vendim-per-Miratimin-e-Rregullores-Mbi-Procedurat-e-Financimit-Me-Grante.pdf>



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and staffing), the tasks for project application evaluation are part of the job description of the Sector of Program Development, International Cooperation and Communication, as well as the finance specialist. On the other side the *Regulation* “On the Financing of Grant in Support of Civil Society” (Article 14, point 1 and 2) acknowledges the procedure for the decision-making in two stages. In the 1st stage the evaluation committee (no number of participant provided, two different evaluation methods recognized) selects/sets points to those applications that qualify for the call, and submits the list to the Supervisory Board which then (2nd stage) decides on the funding projects. CSOs participation in this public funding cycle is ensured by their representation with five members only in the Supervisory Board of ASCS. The Law on ASCS and its internal regulations allow as well for notification and complaints procedures, but one needs to go through all the legal framework to find out how the procedure functions. This information is not part of each call for proposal launching.

As a summary, tracking of LOD methodology elements in the existing ASCS procedures for CSOs calls for proposals looks as follows:

- Step 1 (analysis and priority areas setting) – as of 2016 this is being achieved through consultative meetings with CSOs and preparation of the ASCS Strategy.
- Step 2 (preparation and announcement of public call for CSOs) – the set of documents for project proposals to be used are prepared by ASCS dedicated staff, and do not include the following documents i) logical framework, ii) eligibility statement and ii) check list. Publication of the call is done only on the website of the Agency. Issuance of the documentation is recorded through formal protocol.
- Step 3 (evaluation of project proposals by CSOs) – no set up of an evaluation committee with a dedicated order is recorded; this task is part of the job description of a dedicated unit within ASCS; evaluation is done in two phases: i) the check list of all applications, and their ranking and ii) formal endorsement by ASCS Board where 2 representatives of CSOs sit; no guidelines for the work of evaluation commission and procedures for treatment of appeals seem to exist; winning CSOs are informed via email.
- Step 4 (allocation of funds and project implementation) – reporting formats are part of the call documentation; however formal tailor made and comprehensive reporting guidelines for all the reports to be produced by wining CSOs have not been developed; visibility elements included in the reporting documents;
- Step 5 (projects monitoring and analysis of public call results) – ASCS staff performs the work of monitoring commission, with a formal monitoring commission not established; there are not available Project Implementation Monitoring Guidelines, alongside with formats for Monitoring Reports; ASCS prepares an annual performance analysis of the impact of disbursed funds and the performed activities of CSOs projects



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3.2 Public funds for art and culture

The **legal framework** enabling public funding and financial support under this category of projects is Law no. 10352, dated 18.11.2010 “On Art and Culture”¹⁰ as amended by Law no 25/2014, dated 20.3.2014¹¹.

Central level

Chapter V, article 26, point 1 of the law stipulates that the ministry responsible for arts and culture, from the annually approved budget funds is mandated to award grants to physical and legal persons, and legal entities, both domestic and foreign, that focus on the promotion and development of art and culture in Albania; the grants program is organized through open calls and based on the criteria stipulated in those calls; the law foresees that the fund shall not be subject to public procurement legislation.

Table 1: Ministry of Culture reported funds under “Art and Culture” budget programme¹²

Year	2013	2014	2015	2016	2017*	Total (2013 - 2017)
Funds disbursed ('000 ALL)	14,000	184,559	127,237	150,100	92,200	568,096
Funds disbursed (EUR)	100,000	1,318,279	908,836	1,072,143	658,571	4,057,829

Source: Ministry of Culture, annual budget monitoring reports, *year 2017 is planned

The Internal Regulation on Organization and Functioning of the Ministry of Culture¹³ outlines the procedures on Ministry’s public funds used for financing and support of culture related projects (article 42 and 43). Article 42, point 2 of the regulation provides that the timing of the implementation of proposed projects should be within the budget year (month of December), whereas under article 43 it is stipulated that the procedure for projects’ application and evaluation should follow two stages as described in figure 3. The calls for year 2016 and 2017 have been announced in December of the previous years.

¹⁰ http://www.kultura.gov.al/files/userfiles/LIGJI_10352_dt_18.11.2010_Per_artin_dhe_kulturen.pdf

¹¹ http://www.kultura.gov.al/files/userfiles/Ligji_per_Artin_dhe_Kulturen_-_i_ndryshuar.pdf

¹² The figures include the overall budget for all type of grants (CSOs included) awarded under this programme

¹³ http://www.kultura.gov.al/files/documents_files/Rregullore_e_Brendshme_me_urdher_348,_date_18.09.2015.pdf

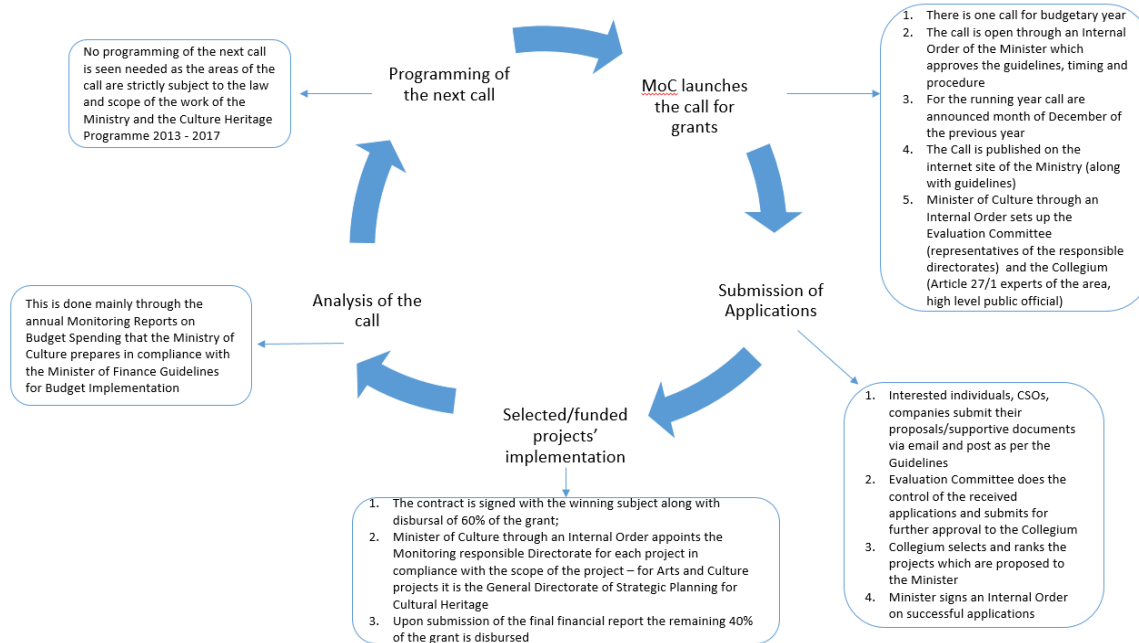


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Figure 3 Ministry of Culture (MoC) annual grant cycle



Source: Interview with Ministry of Culture, Internal Regulation, Manual of Procedures, Guidelines for applicants¹⁴

The **procedure for managing the call** is described in the Manual of Procedures¹⁵, an internal document prepared by Ministry of Culture. The Manual of Procedures covers the general administrative, financial and technical procedures that the Ministry needs to perform in its everyday work in order to fulfill its mission. A comprehensive number of “draft formats” applying to the preparation of regulations, orders, instructions, contracts, monitoring reports, final reports are included in this Manual, along with the legal framework. According the Ministry of Culture, this has standardized the process internally in the Ministry and assured quality and evidence of materials for the State Audit Authority audits. The document is in hard copy format and not available at the website of the Ministry. The implementation timeframe of supported projects, being those implemented by CSOs or other entities (individuals, companies) has to be within the budgetary year.

As a summary, tracking of LOD methodology elements in the existing Ministry of Culture procedures for CSOs calls for proposals looks as follows:

- Step 1 (analysis and priority areas setting) – areas of the call are strictly subject to the law “On Art and Culture” and embedded in the scope of work of the Ministry of Culture; funds are allocated through the medium term budget planning;
- Step 2 (preparation and announcement of public call for CSOs) – there are different public calls covering different priority areas and addressed not only to CSOs, but also to individuals,

¹⁴ <http://www.kultura.gov.al/al/newsroom/lajme/hapet-thirrja-per-projekt-propozime-ne-art-kulture-trashegimi-per-vitin-2016>

¹⁵ Ministry of Culture, Manual of Procedures, pp 32 – 34



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artists, movie/theatre producers etc. The set of documents for project proposals lack the following documents i) logical framework, ii) administrative identification form, iii) financial identification form, iv) eligibility statement and v) check list. Publication of the call is done only on the website of the Ministry. Issuance/acceptance of the documentation is recorded through formal protocol.

- Step 3 (evaluation of project proposals by CSOs) – set up of an evaluation committee (collegium with experts of the area) with a dedicated order is recorded and formats used are foreseen in the Manual of Procedures; evaluation is done in phases i) check list of all applications, ii) ranking done by collegium; iii) formal endorsement by the Minister; while format for Evaluation Commission Minutes are available and used, no guidelines for the work of evaluation commission and procedures for treatment of appeals seem to exist; final results of the evaluation published on the website.
- Step 4 (allocation of funds and project implementation) – reporting formats are part of the call documentation; however formal tailor made and comprehensive reporting guidelines for all the reports to be produced by winning CSOs have not been developed; all cultural projects are broadcasted and promoted;
- Step 5 (projects monitoring and analysis of public call results) – Respective Directorate performs the monitoring function with no formal monitoring commission established; there are not available Project Implementation Monitoring Guidelines, however format have been developed as part of the Manual of Procedures and are used mainly for activity implementation; performance analysis of public call results is prepared as part of the MTBP monitoring activities implementation and reporting;

Local level

Exclusive functions of municipalities in culture, and recreational services are provided in article 25, of the Law no. 139/2015, dated 17.12.2015 “On local self-governance”¹⁶. During the interview with the Ministry of Culture, similar experiences with managing “art and culture funds” at the local level were acknowledged. Such experience was relevant mainly for large municipalities such as Shkoder, Korce, Durres, Elbasan etc.

While the grant awarding procedure at the central level seemed to be regulated and smoothly run for more than 5 years, interviews with local level showed that the **procedure for running this category of projects** is different. In the case of Shkodra Municipality it was explained that the funds for cultural projects were awarded through a mixture of grant and public procurement procedure. The funding, a separate budget programme with a dedicated budget line (among 13 that the municipality runs), was programmed during the annual budget programme along with the activities that the Municipality would run in the upcoming budgetary year. Following the Municipality Council budget approval, a call for proposals as foreseen for each budget activity was launched. The evaluation of the applications is done by an Evaluation Committee. The establishment of the Evaluation Committee and the regulation for funding such projects was done through a Decision of Municipality

¹⁶ http://www.ceshtjetvendore.gov.al/files/userfiles/LIGJI_139_2015_PER_VETEQEVERISJEN_VENDORE1.pdf



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Council¹⁷. The criteria for the call were published on the website. Nevertheless, the procedure seems to be regulated through a legal framework, criteria that applicants should meet, calls procedure, evaluation criteria and procedure as well as provisions for monitoring and reporting of the call are not subject of this regulation. Public procurement procedures were involved once services (i.e. transportation costs) related to approved cultural activities were provided.

As regard the usage of culture fund at municipalities' level, often funds for such of activities have been awarded with the Mayor Decision which have been noted as irregularities by State Supreme Audit.

Law no. 10352, dated 18.11.2010 "On Art and Culture", fails to identify the need for a similar fund at the local level and regulate the procedure for funding artistic and cultural projects and activities. During the interview with the Ministry of Culture representative, this institution was aware of this drawback and mentioned that has started the procedure for amending Law no. 10352, in order to provide more flexibility to local level in contracting such activities. The amendments are reported to be in the phase of inter-governmental consultation.

As a summary, tracking of LOD methodology elements in the municipalities' existing procedures for running culture public funds, looks as follows:

- Step 1 (analysis and priority areas setting) – culture activities are budgeted in the three-year MTBP of the Municipality. These activities are in line with the strategic documents which have been prepared or being prepared in all municipalities; as per Law "On Public Notification and Consultation" CSOs are invited to attend proceedings of the Municipality Council;
- Step 2 (preparation and announcement of public call for CSOs) – partially applied as announcement covers mainly one time cultural event as per a cultural event calendar which is usually approved by the Municipality Council as part of the MTBP. The set of documents for project proposals is done in compliance with public procurement formats when the implementation is done through a public procurement procedure. Publication of the call is done on municipalities' website or public procurement bulletin. No announcement of the calls has been reported as well; issuance/acceptance of the documentation is recorded through formal protocol.
- Step 3 (evaluation of project proposals by CSOs) – depending the size of the municipality and its organization this is task performed by the Culture Unit/Directorate, which are assigned this responsibility with an Mayor Decision.
- Step 4 (allocation of funds and project implementation) – not available information, nevertheless given the type of the activity all cultural projects are broadcasted and promoted on the websites of municipalities, where they are operational;

¹⁷ Decision of Municipality Council No.27, dated 01.06.2016 "On the establishment of the artistic and cultural council, the remuneration of its members and the approval of the regulation of funding of cultural, artistic, sports and youth projects in the Municipality of Shkodra", available at http://www.bashkiashkoder.gov.al/web/Vendimet_e_Keshillit_169_1.php



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- Step 5 (projects monitoring and analysis of public call results) – given the stand alone cultural events they are reported only as a part of the MTPB reporting activity;

3.3 Public funds for sports

According to the legal framework, sports' associations do qualify as CSOs and are listed among recipients of public funds at the central and local level. Their funding through public funds seems to have gone “unnoticed” and “not-recorded” in the yearly monitoring exercises of CSOs.

Central level

Ministry of Education and Sports, according to its area of competence and in order to ensure implementation of the policies it is responsible for, programs and allocates funds to projects which promote its work and activity. The **legal framework** enabling Ministry of Education and Sports to finance projects as per its scope of work is Law no. 9376, dated 21.4.2005 “On Sports”, as amended¹⁸. Article 10/1 of the law stipulates that funding of the sports federations and the Albanian Olympic Committee is done through state budget funds, in the form of a grant. These funds are programmed yearly under budget line 604 “running expenditures”, and do not refer to a specific budget line.

The way of allocating these funds is further described in the Joint Instruction of the Minister of Education and Sports and Minister of Finance No. 4, dated 11.03.2014 “On the Use of the Grant Fund/Internal Revenue Transfer for the Sports Federations and the Albanian Olympic Committee”¹⁹. This instruction foresees the criteria for allocation of funds (point 3), type of activities that can be covered by the grant (point 4), evaluation and monitoring structures (point 8 and 9) and reporting requirements (point 12). The Joint Instruction is not further detailed with formats for application, standardized evaluation formats, monitoring formats etc. Instruction provides for financial reporting which needs to be performed in line with provisions of the budget law. The responsible structure within the Ministry to ensure financing of the national sport organizations is Directorate of Sports (Internal Regulation, article 18).

As a summary, tracking of LOD methodology elements in the existing Ministry of Education and Sports procedures for public funds allocated to national sports CSOs looks as follows:

- Step 1 (analysis and priority areas setting) – this step is not applicable to sport funds as funds are allocated through the medium term budget planning and in compliance with the legal framework and responsibilities of the Ministry of Education and Sports;
- Step 2 (preparation and announcement of public call for CSOs) – this step is not applicable to public funds allocated to sports CSOs, as their distribution is done usually as direct allocations to grant, with the procedures done internally by the Ministry.
- Step 3 (evaluation of project proposals by CSOs) – this step is partially applicable, most of the elements of the methodology are not easily traceable, formats seem to exist but it has been not possible to access them at the moment of preparing this report;

¹⁸ http://www.arsimi.gov.al/files/userfiles/akteligjore/Ligji_i_sportit_i_plote_me_ndryshimet_e_viteve.pdf

¹⁹ <http://www.arsimi.gov.al/files/userfiles/akteligjore/Udhezim-4.pdf>



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- Step 4 (allocation of funds and project implementation) – reporting is done through the usual budget reporting formats as requested in the framework of MTBP implementation;
- Step 5 (projects monitoring and analysis of public call results) – monitoring as well is done in framework of the responsibilities streaming from the MTBP implementation;

Local level

Responsibilities of municipalities in the field of sports are recognized by article 25, point 4 of the Law no. 139/2015, dated “On local self-government”. These responsibilities are detailed under Article 8, point 2 of the Law no. 9376, dated 21.4.2005 “On Sports”, as amended, “*the local government administrative unit drafts and guarantees local policies in sport field and the relevant strategies for its development, establishes the institution responsible for sport, manages the sports facilities it owns, builds new facilities, as appropriate, supports the development and activity of sports organizations, which operate in its territory*”. No particular issues have been reported by the local representatives to funding of such activities, which are usually financed through “direct allocations”, after being foreseen in the current budget programme of the municipality and receiving the approval of the Municipality Council.

As a summary, tracking of LOD methodology elements in the municipalities’ existing procedures for running public funds for sports’ organisations, looks as follows:

- Step 1 (analysis and priority areas setting) – sport activities (being performed by local sport associations) are budgeted in the three-year MTBP of the Municipality;
- Step 2 (preparation and announcement of public call for CSOs) – this step is not applicable to public funds allocated to sports CSOs which are usually direct one time allocations to local sport organisations.
- Step 3 (evaluation of project proposals by CSOs) – this step is not applicable;
- Step 4 (allocation of funds and project implementation) – this step is not applicable;
- Step 5 (projects monitoring and analysis of public call results) – this step is not applicable;

Informations on step 3 to 5 are rather limited and elements of the methodology seem not to exist at all. Reporting is being done only in the framework of budget implementation.

3.4 Public funds for social services

Social services are recognised as one of the most important area of service provision by Albanian CSOs as reported by several studies. Opportunities to engage in social service provision for CSOs stem from the Law No 121/2016, dated 24.11.2016 “On Social Care Services in the Republic of Albania”²⁰ and the Law on Public Procurement (2010). Law 121/2016 (article 30) recognizes as the main institutions responsible for administering the social care services system a) the ministry responsible for social affairs and its subsidiary institutions, b) the qark and c) the municipality.

²⁰ http://www.qbz.gov.al/Ligje.pdf/ndihma%20dhe%20perkujdesja%20shoqerore/Ligj_121_24112016.pdf



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Nevertheless, due to difficulties with the public procurement law, CSOs involvement in delivery of social services differ from one municipality to another, with experiences reported mainly in large municipalities.

Central level

The role of the Ministry of Social Welfare and Youth is limited to policy making and monitoring. With regard to the financing of social care services by the state budget, the ministry responsible for social affairs provides in its budget funds for the financing of social care services, which are then transferred to local government units where the social care services operate. **The procedure for allocating the funds** is provided under Article 48. This article foresees that “*the minister responsible for social affairs distributes and transfers at the beginning of the year to the budget of the local government units, the social fund and other transfers for each social care service, taking into account the criterion of the greatest need and the priorities of each local government unit in providing these services*”. The law includes the establishment and administration of the Social Fund by the municipalities in cooperation with the ministry responsible for social issues (45 and 47). While the law foresees also the timing for the preparation and adoption of all the necessary bylaws, till this moment none of them has been approved. The most discussed one, establishing the financial mechanism for the Social Fund is in process of inter-ministerial consultations.

As the necessary bylaws are not yet approved, is unclear how the law will be implemented on the ground. This has been one of the main concerns also pointed out in the interviews with municipalities. In the past there have been a mixture of procedures at the local level, which the State Supreme Audit found not regular and which have been abandoned by municipalities i.e. Shkodra example.

Donors’ funds remain the main contributor in this sector as well.

As a summary, tracking of LOD methodology elements in the existing Ministry of Social Welfare and Youth procedures for public funds allocated for ensuring delivery of social services looks as follows:

- Step 1 (analysis and priority areas setting) – policy making and priority setting for enabling delivery of social services are part of the legal framework and responsibilities of the Ministry of Social Welfare and Youth; the financial allocation to cover these services is foreseen through the Social Fund – as per not the Fund has not been formally institutionalised and functional;
- Step 2 to 5 are not applicable and not traceable as per the current situation with these category of public funds at the central level.

Local level



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There have been few cases of CSOs contracted as providers of social services through public funds and they have been reported to refer mainly to the local level²¹. These have been direct allocation, usually approved by the Mayor or Municipality Council. State Supreme Audit found these procedures as irregular and not properly justified. A policy paper on social procurement released by Partners Albania in November 2014 documents a few cases at local level, where municipalities through the public procurement procedures have contracted CSOs to provide social services²². Interviews with social services directorates at the local level, indicate that currently CSOs as social services providers are funded either through donor funded projects or through direct allocations. Among the reported donors sources in this sector have been UNDP and IADSA²³. IADSA 4th call of proposal²⁴ was open to the 61 municipalities to finance projects in the social sector, in close cooperation with CSOs (Italian and Albanian ones). In the interview with Municipality of Shkodra, MECAVET (Mechanical Vocational Education and Training for Youth) was mentioned as a project funded through this instrument. Difficulties in implementation of this project and procedures to follow were acknowledged. Municipality of Tirana, recent shared experience involved the direct awarding of municipality funds to ARSIS²⁵ to continue provide its 72 hours service to children and youngsters in street conditions. The financing has been approved through a Decision of Tirana Municipality Council. This shows that the process has been different for every municipality implying the need for harmonization of procedures.

With the new law, the role of local government in managing social services is provided in article 36, point dh) which stipulates that the responsible for contracting out the provision of social care services through procurement procedures, according to the legislation in force for public procurement rests with the municipality. The law does not regulate the procurement of social services through a negotiation procedure as a special exemption from public procurement legislation, not does it provide for any changes to the evaluation of the offers based on a fair relation between the price and the quality of services – which have been longstanding recommendation of CSOs in this area²⁶. Interviews with representatives of the Ministry of Finance and Ministry of Social Welfare indicated that draft DCM foresees elements of social procurement. Nevertheless, at this moment, given lack of bylaws and clear procedures how the whole system will function, it is difficult to assess the public funds mechanism under this area.

²¹ Partners Albania (2014) “Dokument politikash prokurimi social ne Shqiperi” and Anastasi, A. (2013) “Analize e kuadrit ligjor mbi nenkontraktimin e OJF-ve nga organet qendrore dhe vendore, per sherbimet e dhunes ne familje”

²² Korça Municipality has awarded two contracts to Emanuel Mission Foundation; Durres Municipality has financed “Today for the Future” community center in Durres; Shkodra Municipality funded several CSOs through “Minori in Albania” project

²³ Italian-Albanian Debt for Development Swap Agreement (IADSA) (EUR 20 Mln during 20114-2020) is an instrument to finance projects in the social sector, with particular focus on education, VET, public health, social inclusion, employment generation, sustainable development of the territory. More detailed information is available at <http://www.iadsa.info/index.php?idr=2&lang=3>

²⁴ <http://www.iadsa.info/index.php?lang=3&idm=890&idr=4&mod=1>

²⁵ ARSIS – Social Organization for the Support of Youth

²⁶ Partners Albania (2014) “Dokument politikash prokurimi social ne Shqiperi” available at http://partnersalbania.org/wp-content/uploads/2016/01/dokument_politikash_prokurimi_social_ne_Shqiperi_2014.pdf



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As a summary, tracking of LOD methodology elements in the municipalities' existing procedures for running public funds for social services, looks as follows:

- Step 1 (analysis and priority areas setting) – provision of social services is a shared function between the central and local government; needs analysis and priority settings is done at the level of municipalities as part of the strategic documents. These documents which have been prepared or are being prepared in all municipalities are consulted with CSOs as per Law “On Public Notification and Consultation”; funding of those social services provisions will be done through the Social Fund which is still not functional; this has led to direct allocation by municipalities (through a Municipality Council Decision) to CSOs for enabling provision of these services to communities in need.
- Steps 2 to 5 are difficult to be tracked down and summarized for all municipalities. Overall, from questionnaires and face-to-face interviews, it can be summarized that procedures similar to LOD methodology have been the case and were closely followed when projects have been implemented with donor funds.

3.5 The National Lottery Fund

CSOs benefit also from “Good Causes Fund” which is another source worth looking at, further of the already discussed public funds. This source of funding is a yearly income/entrance to the national budget as stipulated in Law No. 95/2013, dated 4.3.2013 “On approval of the National Lottery License Agreement”²⁷. Article 18, point 3, letter c of the License Agreement between the Ministry of Finance and the Licensee, foresees “*a mandatory contribution to good causes of 2.2% of the Licensee’s annual turnover. Such contribution in any Financial Year shall be payable by the Licensee no later than the 15th of February of the following Fiscal Year. A Good Causes Board comprised of 3 Licensee’s representatives and 4 Ministry’s representatives approves of specific projects, organisations or events that shall be financed by the contributions. The licensee may communicate to the public the amounts and activities to which such contributions are made. The procedures and criteria for selecting projects, organisations or events by the Good Causes Board shall be specified in a decision of Council of Ministers and in the Instructions of the Minister of Finance.*”

The total contribution paid by the Licensee to Ministry of Finance reaches the amount of 34,515,881 ALL around EUR 250,000 during these years. Out of this amount 19,107,792 ALL have already been committed to projects, whereas the total value of the fund available for projects in 2017 call was 15,408,089 ALL as announced in the “notice for the call”.

²⁷ <https://open.data.al/opencorporate/agreements/LotariaKombetare.pdf>



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Table 2: Licensee’s annual contribution to Good Causes Fund

Year	2013	2014	2015	2016	Total
Funds allocated to Good Causes Fund (ALL)	8,319,355	13,157,871	7,025,566	6,013,089	34,515,881
Funds allocated to Good Causes Fund (EUR)	59,424	93,985	50,183	42,951	246,542

Source: National Lottery

Decision of Council of Ministers No. 192, dated 4.3.2015 “On procedures and criteria for selection of projects, organization or events by the Good Causes Board of the National Lottery”²⁸, specifies the membership of the Board from two representatives of the Ministry of Finance, two representatives from the Supervisory Authority of the Games of Chance and three representatives of the licensee. DCM regulates the procedure for launching of the call for proposals²⁹ – including publication notification, calendar of the call, draft contract. Evaluation criteria remain loose, no evaluation formats have been prepared or used and selection procedure remains in the “good faith” of the board members. Also, Regulation for functioning of the Board has not been approved and procedures that regulate complaints are missing in the existing documentation.

Officially, the Board has launched 3 calls for proposals as of 2015. A total of 8 projects have been awarded grants; with 6 projects awarded to CSOs and 2 for improvements of local health infrastructure (proposed by Ministry of Health). The size of the projects has been 5,000 to 15,000 EUR. The monitoring of approved projects is assigned to the Licensee, nevertheless monitoring reports have not been produced so far. It is reported that the Board meets monthly (even 2 times per month). Even though funds are mainly targeted to CSOs, no participation of CSOs representatives in any phase of the funding cycle has been recorded so far.

²⁸ http://www.qbz.gov.al/botime/fletore_zyrtare/2015/PDF-2015/34-2015.pdf

²⁹ The call notification is published in the licensee website <http://lotaria.al/kreu/ceshtjet-e-mira/> and the Ministry of Finance website <http://www.financa.gov.al/al/newsroom/njoftime-dhe-aplikime/shpallje-njoftimesh/ceshtje-te-mira>

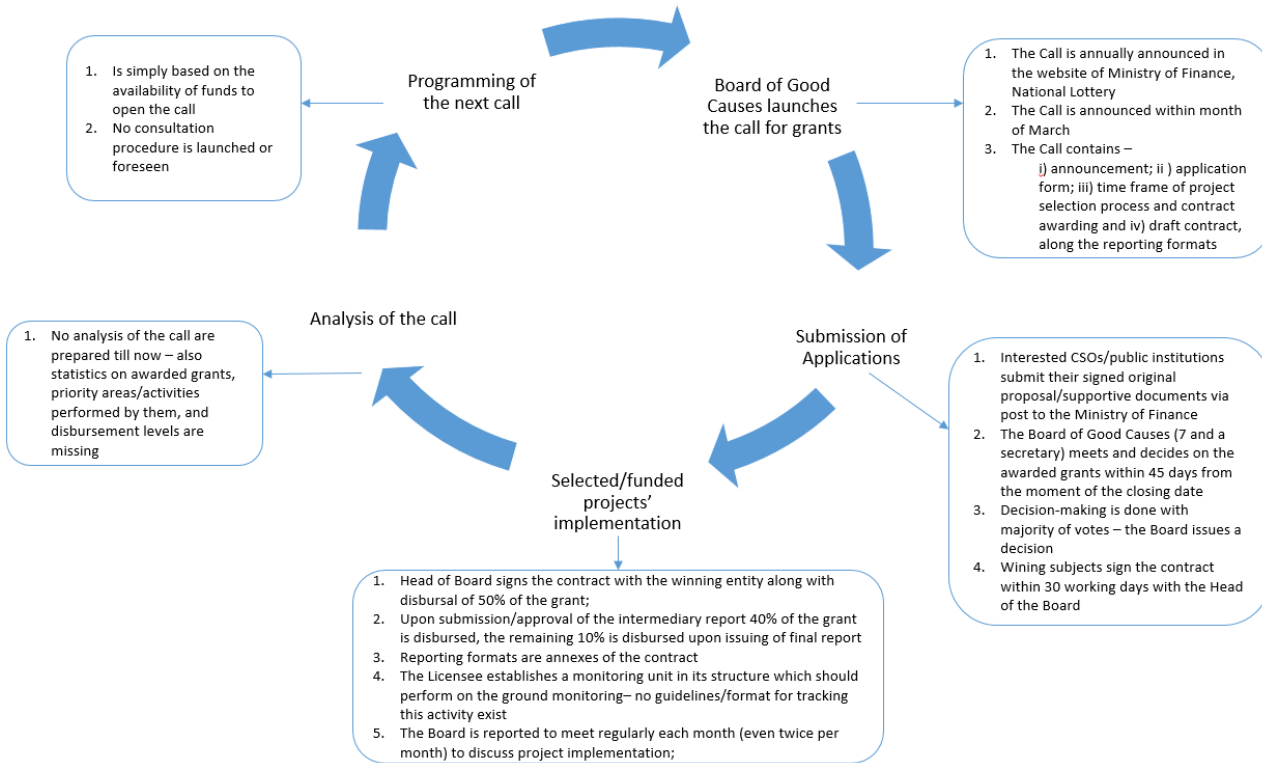


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Figure 4. Board of Good Causes annual grant cycle



Source: Interview with Board of Good Causes members and DCM no. 192, dated 4.3.2015

A worth noting element of the above cycle is that used grant application format, draft-contract along with the narrative and financial reporting formats are the exactly same formats used by the Agency for the Support of Civil Society during its grant cycles.

As a summary, tracking of LOD methodology elements in the existing Good Causes Fund procedures for CSOs calls for proposals looks as follows:

- Step 1 (analysis and priority areas setting) – this step is not present, there is no priority setting and consultation followed before call announcement.
- Step 2 (preparation and announcement of public call for CSOs) – the set of documents for project proposals to be used are prepared the same as used by ASCS, and do not include the following documents i) logical framework, ii) eligibility statement and ii) check list. Publication of the call is done on the websites of the National Lottery and Ministry of Finance. Issuance of the documentation is recorded through formal protocol.
- Step 3 (evaluation of project proposals by CSOs) – no set up of an evaluation committee with a dedicated order is recorded; the evaluation committee is composed of licensee’s and Ministry of Finance employees with no representatives from CSOs. No guidelines for the work of evaluation commission and procedures for treatment of appeals seem to exist;



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winning CSOs are informed via email and announced on the websites of the Ministry and Licensee.

- Step 4 (allocation of funds and project implementation) – reporting formats are part of the call documentation; however formal tailor made and comprehensive reporting guidelines for all the reports to be produced by winning CSOs have not been developed;
- Step 5 (projects monitoring and analysis of public call results) – Licensee’s staff performs the work of monitoring commission, with no formal monitoring commission established; there are not available Project Implementation Monitoring Guidelines, alongside with formats for Monitoring Reports; No annual performance analysis of the impact of disbursed funds and the performed activities of CSOs projects is prepared.



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IV CSOs and regional government

Regional government influence on CSOs development remains limited in Albania. The constitutional structure which represent the regional government in the country is “qark” as per article 113 of the Constitution of the Republic of Albania. Its role and duties are regulated by the Law no. 139/2015, dated 17.12.2015 ‘On Local Self-Government’³⁰. Qark is the institution that is referred to the most when speaking about regional government, but it still remains “weak” and with limited roles and responsibilities for as much as the respective legislation is concerned. The lack of clear functions seems to have worsen with the deepening in the vacuum of qark’s resources (both financially and institutionally). Both, Law No 130/2016 “On the budget for year 2017” and Law No. 147/2015 “On the budget for year 2016” limit the number of administrative staffing of qarks not to more than 10 employees.

Nevertheless, it has been lengthy argued in the last 10 years that there is a need for the establishment of regional governments due to EU requirements and country’s future structural funds absorption capacity (once it becomes a member state). Following ultimately unsuccessful policy initiatives in 2005 and 2010, in 2013 the Government Programme (2013 – 2017) defined regionalization and regional reform as national objectives. Regional government in future may run funds for CSOs and with the new established structures and agencies they may as well run grants for CSOs. However, due to failure to adopt regional development law in 1st half of the year their future role is still unclear. In line with its programme, in 2015, the Government was actively engaged in setting up a central mechanism in order to promote regional development in the country, as well as designing and establishing the institutions³¹ needed for implementing such a policy successfully. A draft law on regional development has been prepared in 2016, and is still in consultation phase.

Given the above situation, for the time being no “public funding” have been channelled from regional governments to CSOs. Nevertheless, in this overall context they continue to still remain an important partner for CSOs.

³⁰ http://www.ceshtjetvendore.gov.al/files/userfiles/LIGJI_139_2015_PER_VETEQEVERISJEN_VENDORE1.pdf

³¹ In December 2015, with the Council of Minister Decision no. 961, dated 2.12.105, “On the establishment, organization and operation of National Agency for Regional Development, Regional Development Agencies and Regional Economic Development Agency”, the Government divided the country into four regional management areas³¹, and created six agencies on regional development: a National Agency for Regional Development (NARD), four Regional Development Agencies (RDAs) for each of the development region with seats in Shkodra, Tirana, Korça and Vlora, as well as the Regional Economic Development Agency (RED).



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V Municipality experience with CSOs' projects

The administrative reform, the ongoing implementation of which began in 2015, was associated with shifts of power from the national level to the local level. Reorganization of LGUs³² addressed the unnecessary fragmentation of development efforts, which were experienced before with 373 municipalities and communes. Nevertheless, disparities continue to exist between (large vs. small, rural vs. urban) municipalities in terms of their ability to manage development. Nevertheless, one can notice that cooperation between CSOs and local authorities seems to have increased in recent years, and that is mainly in terms of interaction and partnerships.

As part of this assignment an overall assessment of the local government experience with CSOs was requested. The following section has been prepared based on the answers collected from the online survey. Much of the discussions with municipalities' employees during the field visits have been discussed under section III. The survey was distributed to 61 municipalities. The analysis is based upon the responses provided by 38 municipalities. In order to better map the experiences of local governments with CSOs implemented projects, the questionnaire questioned also on their past experiences in managing donor funds for CSOs.

5.1 Interactions and partnerships

Interaction and partnerships are key in democratic governance. Ensuring a participative approach in the process of strategy drafting, priority analyzing and setting, budgeting as well as at the level of project preparation, development and even selection remains crucial to accountability of local government. The survey questions aimed to understand whether such forms of interaction already exist as a baseline for further engagement with this governmental level.

Only 27 municipalities (out of 38 which have answered) report to have a strategic document prepared and 31 of them to have a cooperation and/or partnership agreement signed with CSOs. Answers show that all municipalities use more or less the same forms of interaction with CSOs during the process of strategic planning (public consultation meetings, citizen forums and discussion groups) and during project development (information on funding opportunities). Municipalities' assessment of CSOs participation in the strategic planning and project development process shows a high level of interaction with CSOs (them being more active) during the process of strategic planning and less active in activities related to project development. Out of 38 municipalities which answered the questionnaire, four of them (Mirdite, Has, Skrapar and Libohove)³³ reported no local registered and active CSOs in their municipality territory. Higher interaction with CSOs, is reported in bigger and urban municipalities.

³² Law no 115/2014, dated 31.07.2014 "On the administrative-territorial division of local government units in the Republic of Albania"

³³ These municipalities differ from the reported municipalities (Prenjas and Memaliaj) which lack presence of local CSOs as per UNDP Albania (2017) "Nation-wide Local Governance Mapping in Albania" Report, p. 90



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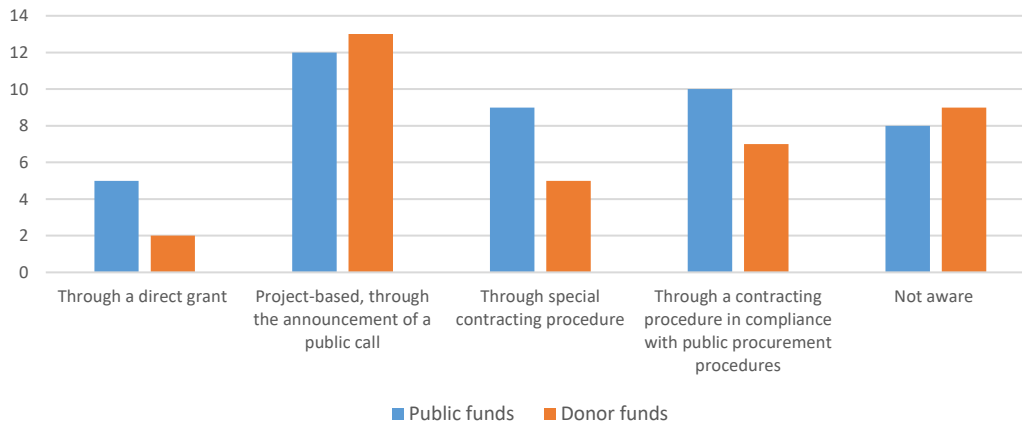


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5.2 Experience with CSOs projects

While municipalities acknowledge the role of CSOs in participatory processes, experience with real projects remain scarce. Survey’s responses show that more than half of the municipalities (20 out of 38 municipalities) have financed CSOs’ projects through municipality budget. Interestingly, only 11 municipalities confirm having an experience in financing CSOs projects through donors’ funds. Given that the funding mechanism could be the same (direct award, call for proposals, public procurement and special contracting procedures), municipalities were asked to indicate the typical way through which municipality or donors’ funds have been allocated to CSOs projects. Their answers confirm that donors’ funded projects are usually managed through call for proposals. On the other hand, municipality (public) funds are awarded mainly through public procurement procedure and public calls. These finding have been discussed and validated during the interviews with municipalities, showing that these experiences refer mainly to the procedure for allocating projects to “cultural and art”, “sport” activities that municipalities perform.

Figure 5: Municipalities’ experience in allocating public and donor funds to CSOs projects



Source: Municipality-CSOs Experience Assessment questionnaire

5.3 Experience with managing calls for proposals for CSOs

Launching the call for proposals for CSOs projects

Municipalities report different procedures followed for opening a call for proposal for CSOs. Out of 20 municipalities, which report experience with calls for CSOs, in 10 of them the procedure was officially launched through a *Decision of Municipality Council*, which defined the criteria, method and procedure for allocation of funds. In only 4 cases it was noted that this process was launched through a *Decision of the Mayor* and in the remaining municipalities no similar experiences have been reported.



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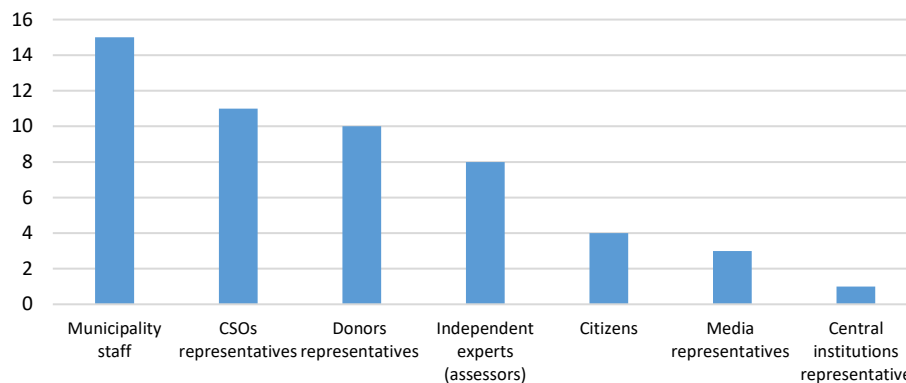


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Evaluating CSOs project proposals

On the process of evaluation of the call of proposals, respondents indicate that the usual form for setting up the evaluation committee has been through a Decision of the Major (10 respondents). Cases when a Decision of Municipality Council³⁴ was enacted, have been reported as well (5 respondents). Composition of the evaluation committee is reported to have been mixed with municipality staff (15 respondents), CSOs representatives (11 respondents), donors’ representative (10 respondents), independent assessors (8) and a lower participation of representatives of media (3), central government (1) and citizens (4). Respondents have identified as members of the evaluation committee also artists (example of Municipality of Shkodra).

Figure 5: Composition of Evaluation Committees as reported by municipalities with experience in allocating public and donor funds to CSOs projects



Source: Municipality-CSOs Experience Assessment questionnaire

Out of the 12 respondents who acknowledge to have gone through an evaluation procedure for financing projects with CSOs most of them (10 respondents) acknowledge that the evaluation committee in its work has been guided by a guideline/manual, and that templates (9) and standardized forms for the evaluation process (9) apply to its work.

On the notification procedure of the final evaluation results, respondents recognize that the results are published on the municipal website (10), municipality billboard (8), public procurement bulletin (6) and media (6). The announcement contains the list of winning CSOs, with the exact amount of funding (10 respondents) and only in 6 cases it has been recognized that the list of disqualified CSOs, has been part of the publication of results. Only two municipalities (Durrës and Diber) report that results are published through multiple channels being i) largest circulation media in the territory where the municipality is located, ii) municipal website, iii) municipal billboards and iv) public procurement bulletin.

³⁴ This form was applied in Shkodra Municipality to establish the Evaluation Committee for Cultural Projects



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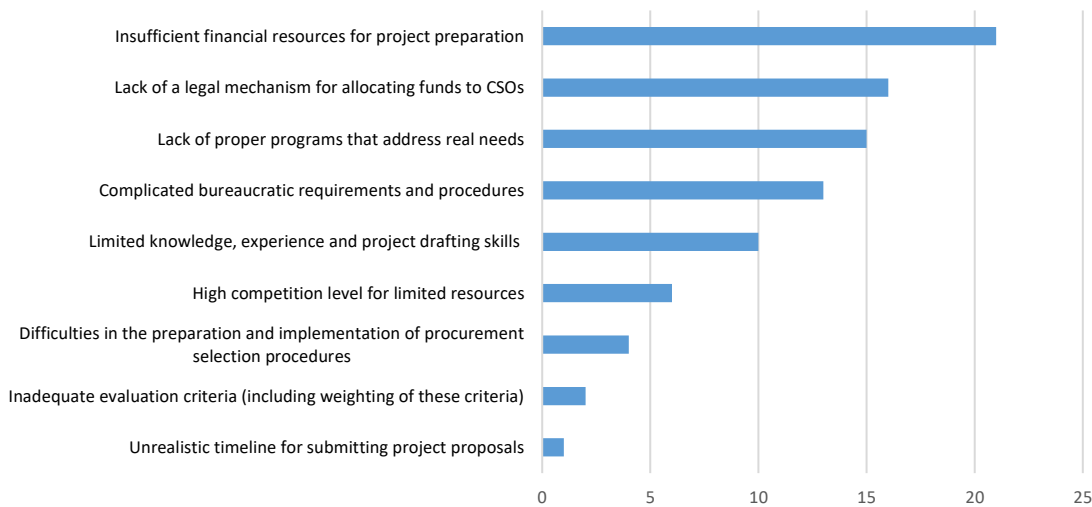


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5.4 Difficulties and main needs

Municipalities consider as key obstacles to the *development and implementation of CSOs projects*, being those with national or international funding, the insufficient financial resources, lack of legal mechanism for allocating funds as well as absence of programmes that address real needs.

Figure 6: Municipalities perceived challenges to funding CSOs projects



Source: Municipality-CSOs Experience Assessment questionnaire

Difficulties faced during the *implementation of the calls* are reported to be the same in all municipalities which have reported experiences with CSOs calls (20 of them) – implementing the monitoring plan for funded projects (35%), preparing the performance analysis of the call (35%), drafting recommendations for defining the priorities of the next public call for CSO funding (35%); whereas identification of potential problems and budget preparation for the subsequent call for funding of CSOs each counts for 30% of responses.

Asked on their needs on *running calls for proposal for CSOs projects*, all the respondents indicate as a key necessity more financial recourses, followed by better trained human resources to do the monitoring and better guidelines/manuals which they can dedicate to such calls.

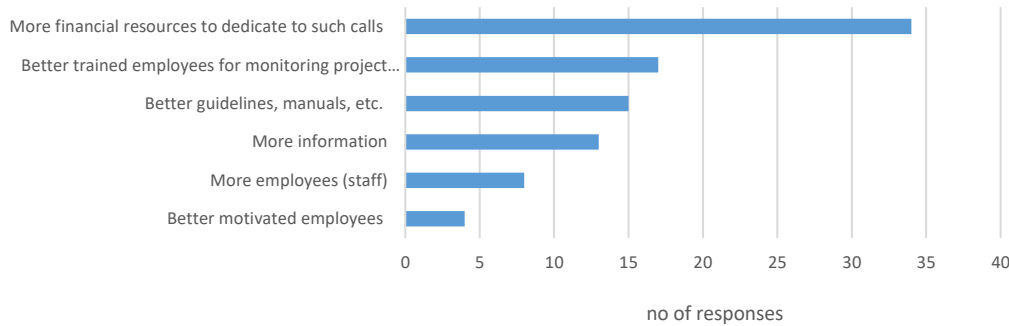
Figure 7: Municipalities self-assessment of needs for running CSOs projects



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Source: Municipality-CSOs Experience Assessment questionnaire

VI Summary of findings

This study aims to bring along some findings on the existing public funds sources that finance CSOs, but it cannot be considered a comprehensive one. This is mainly due to the complexity of the subject, different government levels, different areas of scope for CSOs involvement and the limited timing to complete it. The following summarizes the main findings of this assignment, where as a summary of the existing practices under the existing public financial mechanism for CSOs compared with LOD methodology steps and methodology elements is provided in Table 3:

- Two years after the Government approved the Road Map for CSOs, limited progress has been noticed on the implementation of actions under priority area no 4 “public funding frameworks for CSOs programmes”;
- Recent legal and institutional initiatives have contributed to increased consultation and cooperation between the state and CSOs, however further improvements in the legal framework to enable public financing of CSOs have not materialized;
- A thorough screening of the existing legal framework, by laws, procedures relevant to public funds is not entirely possible due to lack of relevant secondary legislation that should support implementation of key laws, such as the law “On Social Services” and law “On Financing Local Self-government”;
- The highest prospects of public funding to CSOs rest with the Agency for the Support of Civil Society;
- At the central level – there are well-established funding instruments to support CSOs working in culture, arts and sports which are embedded within a program-based approach in the budget lines of the respective line ministries, and are run by those line ministry as per their field of activity and responsibility;
- At the central level – the common used procedure for funding CSOs projects is through calls for applications; nevertheless, the call cycle faces issues mainly in terms of transparency and usage of correct procedures especially during evaluation and monitoring; rarely calls are consulted and interventions priority setting is not done with CSOs before they are launched;
- Regional level government is not reported to have experience with projects funding CSOs, when that has been the case in the past, it has been done through donor funds;



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- At the local level – there are no well-established and running financial support schemes for CSOs. While public funds for particular areas (culture, sports and social services) are available for CSOs, the financial mechanism used to allocate these funds for CSOs projects is different at central and local level;
- At the local level – municipalities report to have limited experiences with CSOs projects, mainly due to limited financial resources for this type of projects and need for clear procedures. Experiences with the implementation part is missing as financial means to keep such funding mechanism on-going do not exist, and compared to other priorities such funding comes last in the list; large municipalities (i.e. Tirana, Shkodra, Lezha) own methodologies for managing grants' calls for proposals (not always for CSOs) which have been drafted through donor support³⁵;

³⁵ Tirana municipality is running three annual grant schemes on i) Empowering Women and Entrepreneurship, ii) Employment Promotion Program to help create a Youth Social Business, iii) Young people and newcomers to a profession, guidelines of which have been developed with support of UNDP



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VII Recommendation

Tracking down public funds dedicated to CSOs remains a challenge. CSOs Road Map foresees preparation and publication of the first annual report on overall public funding for CSO programs as a mid-term action. This report can be considered a starting point, nevertheless concrete actions need to be taken to fulfil such obligations.

- The most relevant one which relates also to the findings of this assignment is setting the standard set of procedures to implement calls for proposals for CSOs projects. In order to tackle the different procedures in funds disbursement for CSO, and ensure a high level of transparency and accountability, it is recommended preparation of a Ministry of Finance Guideline clearly describing the operational procedures for elaborating, implementing and monitoring calls for CSOs financed by the national and/or donor related funds; standard draft formats to be used in all the phases of the call cycle should be included as well in the guideline to ensure unification of the procedures and omission of various donors efforts in preparing such formats (i.e. example of Tirana Municipality). Such a regulatory framework would enable also local government units, the ones eager to invest municipality's funds into CSOs projects, to run it in compliance with known and accepted procedures.
- For ReLOaD project to further implement LOD methodology, it is recommended to establish close working relationship with the recently established inter-institutional working group. Even though being a high-level group, it is assisted by an inter-institutional working group at the technical level which meets at least once a month (DCM no. 71, article 8). The group can invite to attend meetings, co-operate with and get assistance among others of a) local or foreign experts and c) representatives of international organizations operating in the country;
- Following the territorial reform, the local government is expected to take on a more significant and positive role in the future of development of civil society in the country; this will be reflected also in the funding priorities, which will tend to change. Therefore, there is a need to for municipalities (not only at the largest cities) to build specific capacities to work with new instruments (especially the Social Fund) and procedures for running projects with CSOs.
- There is a need for a much more comprehensive study and coordinated actions which should not only look at the existing public funding sources for CSOs but should discuss the potential of public funding of CSOs working in others areas such as advocacy, environment, health etc...



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Table 3: Summary of LOD methodology steps and methodology elements compared with existing public financial mechanism for CSOs in Albania

No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
Step 1 Analysis										
1.1	Analysis of existing problems	As of 2016, consultative meetings with CSOs are being conducted and the Long-Term Strategy has been prepared	Not applied	Part of scope of work of the Ministry of Culture	Strategic documents prepared or under preparation in all municipalities	Part of scope of work of the Ministry of Sports	Strategic documents prepared or under preparation in all municipalities	Policy making	Strategic documents prepared or under preparation in all municipalities	Overall, both at the central and local level the strategic frameworks exist and have been developed in a participatory manner
1.2	Determining of priority areas	Areas of importance for CSOs consulted /discussed during consultative meetings all over the country	Not applied	Funds allocated under MTBP	Activities budgeted in the annual & MTBP of Municipalities	Funds allocated under MTBP	Sport activities budgeted in the annual & MTBP of Municipalities	Social Fund should be financial mechanism under which public funds will be channeled to ensure delivery of social services	Social Fund should be financial mechanism under which social project will be funded	ASCS has consulted CSOs in preparation of its MTBP; line ministries prepare MTBP in line with ministries priorities, whereas at the local gov't CSOs are invited to attend proceeding of the Municipality Council
Step 2 Launching										
2.1	Development and preparation of a public call for CSOs	Usually one public call covering several priority areas	One public call	Different public calls covering different priority areas – the one where CSOs can apply is one per year	Partially applied as announcement covers mainly one time cultural event	Not applied	Not applied, usually they are direct allocations	Not applicable	Municipalities experiences have been very scarce in contracting public funds for CSOs	Issuance of documentation is recorded through formal protocol, forms to be used are approved by Internal Orders of the respective Ministers or Municipality Mayors



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No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
2.1.1	Announcement – newspaper	ASCS website	National Lottery and Ministry of Finance websites	Ministry of Culture website	Municipalities' websites, public procurement bulletin	Formal letter addressed to national sports associations	n/a ³⁶	Not applicable	Public procurement bulletin	The main form of CSOs public calls announcement is through institutions' website
2.1.2	Duration of public call > 3 weeks	5 weeks	6 weeks	5 weeks	n/a	n/a	n/a	Not applicable	n/a	
2.2	Preparation of application set							Not applicable		
2.2.1	Guidelines for applicants and selection criteria	Yes	No	Yes	No	No	No	Not applicable	No	Municipalities have used guideline for applicants in implementation of projects funded by donors
2.2.2	Project Proposal	Yes	Yes	Yes	As per public procurement formats	Yes	No	Not applicable	As per public procurement formats	
2.2.3	Budget Breakdown & Expenditure Plan	Yes	Yes	Yes	As per public procurement formats	Yes	No	Not applicable	As per public procurement formats	
2.2.4	Logical Framework	No	No	No	No	No	No	Not applicable	No	
2.2.5	Activity and Visibility Plan	Yes	Yes	Yes	No	Yes	No	Not applicable	No	
2.2.6	Administrative Identification Form	A standard form not available, information provided through	A standard form not available	A standard form not available	No	No	No	Not applicable	No	While a standard form is not available, information is collected through other requested official documents

³⁶ n/a refers to not available information



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No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
		requested documentation								
2.2.7	Financial Identification Form	A standard form not available, information provided through requested documentation	A standard form not available	A standard form not available	No	A standard form not available	No	Not applicable	No	While a standard form is not available, information is collected through other requested official documents
2.2.8	Eligibility Statement	No	No	No	No	No	No	Not applicable	No	
2.2.9	Check list	No	No	No	No	No	No	Not applicable	No	
Step 3 Evaluation										
3.1	Establishing the commission for evaluation of projects by CSOs	Comprises 3 employees of ASCS	Comprises 3 Licensee's representative and 4 Ministry of Finance representatives	A collegium is set up with experts of the area	Apart municipality staff art field representative are part of the evaluation committee	No	No	Not applicable	No	CSOs' representatives are not part of the evaluation committees, only in cultural funded projects evaluation committees comprise individuals with an artistic/culture background
3.2	Evaluation of submitted CSO project proposals	Evaluation is done in phases, 1 – the check list of all applications, and their ranking and 2 – formal endorsement by ASCS Board where 2 representatives of CSOs sit	Evaluation and endorsement by the Evaluation Committee	Evaluation is done in phases, 1 – check list of all applications, 2 – ranking done by collegium; 3 – formal endorsement by the Minister	Different procedures in different municipalities – in Shkodra through an evaluation committee	This is part of the working procedure of the Sport Directorate within the Ministry	Not applicable	Not applicable	The lower financial offer as per the public procurement procedure	



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No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
3.2.1	Guidelines for the work of the Evaluation Commission	No	No	No	No	No	No	Not applicable	as per public procurement procedures when this has been the case	
3.2.2	Individual Project Evaluation Form	Yes	No	No	No	n/a	Not applicable	Not applicable	n/a	
3.2.3	Summary Project Evaluation Form	Yes	Yes	Yes	Yes	n/a	Not applicable	Not applicable	n/a	
3.2.4	Evaluation Commission Minutes	No formats available	No formats available	Yes formats available	No	n/a	Not applicable	Not applicable	n/a	
3.2.5	Announcement of results	Winning CSOs informed via email	Final results of the evaluation are published on the website	Final results of the evaluation published on the website	Published on the website	n/a	n/a	Not applicable	As per public procurement procedures	
3.2.6	Appeals	Not foreseen under existing documents	Not foreseen under existing documents	Not foreseen under existing documents	n/a	n/a	n/a	Not applicable	As per public procurement procedures	
Step 4 Project implementation										
4.1	Reporting on project implementation	Yes, this is part of the CSOs project implementation	Yes, this is part of the CSOs project implementation	Yes, this is part of the CSOs project implementation	Usually culture NGOs at the local level are supported for 1 time activity	Yes, this is part of the CSOs project implementation	Usually sport NGOs at the local level are supported for 1 time activity	Not applicable	Yes, for those municipalities which have implemented donor funded projects	Social services provision CSOs have extended experiences in project reporting for projects funded through donor funds
4.1.1	Periodic Progress	No tailor made reporting	No tailor made reporting	No tailor made reporting	No	No	No	Not applicable	No	Reporting guidelines are not developed by any public institution



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No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
	Reporting Guidelines	guidelines have been prepared	guidelines have been prepared	guidelines have been prepared						
4.1.2	Periodic & Final Narrative Report	Yes reporting formats available	Yes reporting formats available	Yes reporting formats available	No	Yes	n/a	Not applicable	Yes	Formats are part of the application calls
4.1.3	Periodic & Final Financial Report	Yes financial reporting formats available and used	Yes financial reporting formats available and used	Yes financial reporting formats available and used	Yes	Yes	n/a	Not applicable	Yes	Formats are part of the application calls
4.2	Promotion of projects, project results and financiers	Visibility elements included in the reporting documents	Not part of	All cultural projects are broadcasted and promoted	Yes	n/a	n/a	Not applicable	Yes	
Step 5 Projects monitoring and analysis of public call results										
5.1	Monitoring of project implementation				Projects under this category are one time activities		Projects under this category are one-time events			Monitoring activities are performed as part of working
5.1.1	Establishing the Monitoring Commission	ASCS staff performs the work of monitoring commission	Licensee's staff performs the monitoring function	Respective Directorate performs the monitoring function	Depending on the municipalities size this is a work	Directorate of Sports performs the function	n/a	Not applicable	n/a	In none of the examples a formal monitoring commission is established work is performed by employees of the relevant institutions
5.1.2	Project Implementation Monitoring Guidelines	Not developed so far	Not developed so far	Not developed so far	n/a	n/a	n/a	Not applicable	n/a	



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No.	LOD Methodology elements	Agency for the Support of Civil Society	National Lottery	Funds for culture and arts		Funds for Sports		Funds for Social services		Comments
				Central	Local	Central	Local	Central	Local	
5.1.3	Monitoring Reports	No formats	No format	Yes, formats developed and used mainly for activity implementation	n/a	No format	n/a	n/a	n/a	
5.2	Performance analysis of public call results and preparation of guidelines for the new public call	Yes, ASCS prepares an annual performance analysis of the impact of disbursed funds and the performed activities of CSOs projects	Not performed	Yes, as part of the MTBP implementation monitoring activities	n/a	Yes, as part of the MTBP implementation monitoring activities	n/a	n/a	n/a	Almost all institutions prepare a performance analysis as part of their budget implementation monitoring – this is the same also at the local level. Since, only ASCS manages a dedicated budget line for CSOs funding its reporting is more comprehensive.



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ANNEX 1 – LIST OF RELEVANT DOCUMENTS CONSULTED

Legal framework

- Law no. 8788, dated 17.05.2001 “On the Non – Profit Organization”
- Law no. 119/2015, dated 6.11.2015 “On Establishment and Functioning of the National Council of Civil Society”, available at [http://www.amshc.gov.al/web/KKSHC/Ligji%20KKSHC%20\(119.2015\).pdf](http://www.amshc.gov.al/web/KKSHC/Ligji%20KKSHC%20(119.2015).pdf)
- Law no. 9335/10.03.2005 on Social Assistance and Services
- Law no 139/2015, dated 17.12.2015 “On Local Self-Government”, published in Official Journal no. 249, dated 14.01.2016
- Law no. 68/2017, dated 27.4.2017 “On Financing Local Self-Government”, published in Official Journal no. 113, dated 22.05.2017
- Law no 130/2016, dated 15.12.2016 “On the budget for year 2017”
- Law no. 147/2015, dated 17.12.2015 “On the budget for year 2016”
- Law no 115/2014, dated 31.07.2014 “On the administrative-territorial division of local government units in the Republic of Albania”
- Law No. 95/2013, dated 4.3.2013 “On approval of the National Lottery License Agreement”
- DCM no 459, dated 27.05.2015 “On Approval of the Guidelines for Government policy towards more enabling environment for civil society development”
- DCM no. 192, dated 4.3.2015 “On procedures and criteria for selection of projects, organization or events by the Good Causes Board of the National Lottery”
- DCM no. 961, dated 2.12.105 “On the establishment, organization and operation of National Agency for Regional Development, Regional Development Agencies and Regional Economic Development Agency”

Documents (legal framework and other) relevant to ASCS

- Law no. 10093, dated 9.03.2009 “On the organization and functioning of the Agency for the Support of Civil Society” available at http://www.amshc.gov.al/web/doc/ligjore/LIGJ_Nr._10093_date_9.3.2009.pdf
- DCM No. 769, dated 15.7.2009 “On Statute of the Agency” amended; available at http://www.amshc.gov.al/web/doc/ligjore/Statuti_i_AMSHC-i-ndryshuar.pdf
- Agency for the Support of Civil Society (as amended December 2016) *Regulation on the Functioning of the Agency for the Support of Civil Society* available on http://www.amshc.gov.al/web/doc/ligjore/Rregullore_e_AMSHC.pdf
- Agency for the Support of Civil Society (April 2017) *Long-term Strategy of the Agency for the Support of Civil Society 2015-2020*, available at <http://www.amshc.gov.al/web/doc/ligjore/2017.04-AMSHC-Strategjia-Afatgjate-2015-2020.pdf>
- Agency for the Support of Civil Society (as amended on December 2016) *Regulation on the Financing of Grants in Support of Civil Society*, available at <http://www.amshc.gov.al/web/doc/Vendim-per-Miratimin-e-Rregullores-Mbi-Procedurat-e-Financimit-Me-Grante.pdf>



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- Agency for the Support of Civil Society (2017), *Explanatory and Trainer Manual on Drafting the Communication, the Information and Commitment Plan on Transparent and Effective Granting Procedures*

Documents (legal framework and other) relevant to culture projects

- Law no. 10352, dated 18.11.2010 “On Art and Culture”, available at http://www.kultura.gov.al/files/userfiles/LIGJI_10352_dt_18.11.2010_Per_artin_dhe_kulturen.pdf
- Law no 25/2014, dated 20.3.2014 “On some changes to Law no 10352” available at http://www.kultura.gov.al/files/userfiles/Ligji_per_Artin_dhe_Kulturen_-_i_ndryshuar.pdf;
- Ministry of Culture (2014) *Manual of Procedures*
- Ministry of Culture (2013, 2014, 2015, 2016, 2017) Annual Budget Monitoring Reports for Year 2013, 2014, 2015, 2016 and Quarter 2017 Budget Monitoring Report available at <http://www.kultura.gov.al/al/dokumente/raporte/raporte-monitorimi-nga-ministria-e-kultures>
- Order of Minister of Culture no 348, dated 18.09.2015 “On the Internal Regulation on Organisation and Function of Ministry of Culture”, available at http://www.kultura.gov.al/files/documents_files/Rregullore_e_Brendshme_me_urdher_348_date_18.09.2015.pdf
- Decision of Municipality Council No.27, dated 01.06.2016 “On the establishment of the artistic and cultural council, the remuneration of its members and the approval of the regulation of funding of cultural, artistic, sports and youth projects in the Municipality of Shkodra”, available at http://www.bashkiashkoder.gov.al/web/Vendimet_e_Keshillit_169_1.php

Documents (legal framework and other) relevant to sports projects

- Law no. 9376, dated 21.4.2005 “On Sports”, as amended available at http://www.arsimi.gov.al/files/userfiles/akteligjore/Ligji_i_sportit_i_plote_me_ndryshimet_e_viteve.pdf
- Joint Instruction of the Minister of Education and Sports and Minister of Finance No. 4, dated 11.03.2014 “On the Use of the Grant Fund/Internal Revenue Transfer for the Sports Federations and the Albanian Olympic Committee” available at <http://www.arsimi.gov.al/files/userfiles/akteligjore/Udhezim-4.pdf>
- Order of Minister of Education and Sport no 2457, dated 09.03.2017 “On the Internal Regulation of the Ministry of Education and Sport”, available at http://www.arsimi.gov.al/files/userfiles/Rregullore_e_e_brendshme_e_MAS_20171.pdf

Documents (legal framework and other) relevant to social service provision

- Law No 121/2016, dated 24.11.2016 “On Social Care Services in the Republic of Albania”³⁷

Other Studies

³⁷ http://www.qbz.gov.al/Ligje.pdf/ndihma%20dhe%20perkujdesja%20shoqerore/Ligj_121_24112016.pdf



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- TASC0 (December 2014), Road map for Albanian government policy towards more enabling environment for civil society development;
- Partners Albania (November 2014) *Dokument Politikash prokurimi social ne Shqiperi*, available at http://partnersalbania.org/wp-content/uploads/2016/01/dokument_politikash_prokurimi_social_ne_Shqiperi_2014.pdf
- Partners Albania (November 2016) “*Monitoring matrix on enabling environment for civil society development, country report Albania*” available at <http://partnersalbania.org/publication/monitoring-matrix-on-enabling-environment-for-civil-society-development-country-report-for-albania-2/>
- Anastasi, Aurela (2013) “*Analizë e kuadrit ligjor mbi nënkontraktimin e OJF-ve nga organet qëndrore, për shërbimet e dhunës në familje*”
- The Polish Institute of International Affairs (2014) “*Civil Society in the EU Integration of the Western Balkans*”, Country Report – Albania, pp 18-39 available at <https://www.files.ethz.ch/isn/184325/Civil%20Society%20in%20the%20EU%20Integration%20of%20the%20Western%20Balkans.pdf>
- ERSTE Foundation (2017) *Civil Society in Central and Eastern Europe: Challenges and Opportunities*, Country Reports – Albania (by Dhembo, Elona) pp 173 – 187 available at http://www.erstestiftung.org/wp-content/uploads/2017/05/Civil_Society_Studie_Issuu_E1.pdf
- USAID CSO Sustainability Index (2014)
- UNDP Albania (2017) “*Nation-wide Local Governance Mapping in Albania*” Report, prepared as part of the STAR2 “Consolidation of Territorial and Administrative Reform” project
- Vurmo, Gjergji and Kurti, Orsiola (2014) “*Bringing ASCS closer to civil society*” – *IDM Policy brief*”



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ANNEX 2 – ASSESSMENT OF MUNICIPALITY EXPERIENCES WITH CSOS

A. Strategy development / CSOs participation in strategic planning processes

1. Does the municipality have a strategy/development plan?

	Yes	No
Strategy/plan of the municipality		

2. Which of the following forms of interaction with CSOs does the municipality use in the process of strategic planning and project development? *One answer per row*

	Yes	No
Provide information on funding opportunities		
Study the needs of interest groups (questionnaires, research)		
Discussion groups		
Citizen forums		
Public consultation committees		
Other (Please specify)		

3. How were CSOs involved in the planning process of your municipality development? *Up to three answers*

Participation in working groups for strategic documents	
Provide comments and suggestions in writing	
Participation in public discussions	
Support with technical resources - office, photocopier, computers, etc.	
Support with human resources - participation in secretariats, evaluation committees, etc.	
Expert assistance towards payment	
Other (Please specify)	
Not involved	

4. How do you assess CSOs participation in the preparation of the following strategic documents of your municipality? *One answer per row using the scale: 5 - very high, 4 - high, 3 - average, 2 - low, 1 - very low, 0 – not sure*

National Strategic Plans						
General Local Plan						
Detailed Local Plan						
Local Management and Investment Plan						
Municipality Mid-Term Budget						

5. To what extent are the ideas, proposals and recommendations of the CSOs reflected in the municipality planning process? *One answer*

High (most of the proposals are taken into consideration)	
Average (proposals are partly taken into consideration)	
Low (most of the proposals are not taken into consideration)	
Not sure	



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I have no knowledge of their involvement in the planning process at the local level	
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6. Does the municipality have a cooperation/partnership agreement with civil society organizations?

	Yes	No
Cooperation/partnership agreement		

B. CSOs Financing/Project

7. In your experience so far, what are the good examples/practices implemented by the municipality in cooperation with civil society organizations? Up to three answers

Improve service provision to citizens in the community	
Provide social services to vulnerable groups in the community	
Organise cultural activities	
Environmental protection	
Increase human resources / provide training	
Other (please specify)	
There were no cases	

8. Has the Municipality funded from its own municipality funds CSOs projects?

	Yes	No
Projects funded through municipality own funds		

9. In your experience so far, which is the mechanism to allocate municipality funds to CSOs in your municipality? Up to three answers

Through a direct grant	
Project-based, through the announcement of a public call	
Through special contracting procedure	
Through a contracting procedure in compliance with public procurement procedures	
Not aware	
Other (please specify)	

10. Has the Municipality funded from donor funds CSOs projects?

	Yes	No
Projects funded through donor funds		

11. In your experience so far, which is the mechanism to allocate donors funds to CSOs projects in your municipality? Up to three answers

Through a direct grant	
Project-based, through the announcement of a public call	
Through special contracting procedure	
Through a contracting procedure in compliance with public procurement procedures	
Not aware	
Other (please specify)	



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C. Experience with the procedures for financing CSO projects

12. Which of the following reasons does the municipality consider to be an obstacle to the development and implementation of CSOs projects, with national or international funding? Up to three answers

Lack of proper programs that address real needs	
Lack of a legal mechanism for allocating funds to CSOs	
Complicated bureaucratic requirements and procedures	
Unrealistic timeline for submitting project proposals	
Limited knowledge, experience and project drafting skills	
Insufficient financial resources for project preparation	
High competition level for limited resources	
Inadequate evaluation criteria (including weighting of these criteria)	
Difficulties in the preparation and implementation of procurement selection procedures	
Other (please describe)	

13. Are CSOs involved in defining the areas in the case of public call for projects?

	Yes	No
Involved CSOs	1	2

14. Given the experience so far, what is the legal procedure followed for opening a public call for CSOs funding?

Municipality Council Decision defining the criteria, method and procedures for allocation of funds	
Decision of the Mayor defining the criteria, method and procedures for allocation of funds	
There have been no cases	
Other (please specify)	

15. In your experience, the package of documents used to announce a public call for CSOs contain? Up to three answers

Model for announcing a public call - announcement in the newspaper	
Announcement Guidelines (date, time of announcement, expiration, date, closing time)	
Registration forms of documents issued and received by the municipality	
Application submission forms	
Guidelines for Applicants	
All of the above	
Other (please specify)	

16. In your experience, the right way to announce a public call for CSOs is through ...? Up to three answers

Publication of the notice in at least one of the largest media in circulation in the territory where the municipality is located	
Publication of the notice and additional documents on the municipal website	
Publication of the notice in the municipality notice billboards	
Publication of the notice in the public procurement bulletin	



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All of the above	
Other (please specify)	

17. In your experience, during which of the following steps of the project proposal, CSOs face more difficulties? Up to three answers

Project proposal preparation	
Budget preparation	
Logical framework preparation	
Administrative and financial identification forms preparation and filling in	
Additional/supporting application documents filling in and submitting	
Documents uploading to the electronic public procurement system	
All of the above	
Other (please specify)	

D. Experience with CSO project proposals evaluation process

18. In your experience, which is the composition of the Municipal Evaluation Committee for CSO projects?

	Yes	No
Municipality staff		
Central institutions representative		
CSOs representatives		
Media representatives		
Donors representatives		
Independent experts (assessors)		
Citizens		
Other (please specify)		
There have been no cases		

19. In your experience, Evaluation Committee is ...?

	Yes	No
Established through a Decision of Municipality Council		
Established through a Decision of the Mayor		
Guided in its work by a Guideline/Manual		
Uses template for project evaluation		
Uses standardised record forms for call evaluation		
Other (please specify)		
There have been no cases		

20. Announcement of the results of the call evaluation...?

	Yes	No
Contains the list of CSOs project ranking lists		
Contains the list of winning CSOs, with the exact amount of funding		
Contains the list of disqualified CSOs, with comments		



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It is published in at least one of the largest media in circulation in the territory where the municipality is located		
Published on the municipal website		
It is published in the municipal billboards		
Published in the Procurement Bulletin		
Other (please specify)		
There have been no cases		

D. Experiences with the implementation of CSO winning projects

21. In your experience in order to gather accurate and timely information regarding the implementation of CSO projects, has the municipality...?

	Yes	No
Approved monitoring plan for CSOs call implementation		
Guidelines for periodic reporting of CSOs on project implementation progress		
Reporting formats for monitoring the implementation of CSO projects		
Guidelines for periodic monitoring of CSOs project implementation		
Approved periodic formats for CSO reporting on project implementation		
Clear forms for CSOs narrative reporting		
Clear forms for CSO financial reporting		
Other (please specify)		

22. In your experience, during which of the following project implementation reporting steps, CSOs face more difficulties? Up to three answers

Periodical narrative reports preparation	
Periodical financial reports preparation	
Final narrative report preparation	
Final financial report preparation	
All of the above	
Other (please specify)	

23. In your experience, during which of the following CSO project call implementation phases, does municipal staff have more difficulties? Up to three answers

In implementing the monitoring plan for funded projects	
Identifying potential problems and addressing them in time	
In preparing the performance analysis of the call	
In drafting recommendations for defining the priorities of the next public call for CSO funding	
In preparing the budget for the subsequent call for funding of CSOs	
All of the above	
Other (please specify)	

E. Need for support



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24. In which phase of the overall CSOs call for proposals, does the municipality administration has the greatest need for external support (technical assistance)? *One answer*

Analysis (gathering information, identifying needs and problems)	
Identification and formulation of objectives and priorities	
Coordination of priorities with citizens, CSOs and business	
Resource provision and planning of implementation	
Funds allocation and project implementation	
Project monitoring and public call analysis	
Other (please specify)	

25. What does the municipality need for effective and efficient design and implementation of CSOs funding projects? *Up to three answers*

More information	
Better guidelines, manuals, etc.	
More employees (staff)	
Better trained employees for monitoring project implementation and reporting	
Better motivated employees	
More financial resources to dedicate to such calls	
Other (please specify)	

26. Municipality

27. Data on the person who completed the questionnaire:

- Name
- Function
- Email
- Telephone



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ANNEX 3 – LIST OF QUESTIONS TO BE DISCUSSED DURING PERSON-TO-PERSON INTERVIEWS

3.1 Semi-structured interview guide: Central government institutions

1. What is the role of your institution in the process of funding CSOs projects?
2. If your institution allocates funds to CSOs, what is the procedure for establishing this process?
3. What is the amount of funds that is allocated annually by your institution for CSOs projects? How is it distributed – direct, through competitive grants, public procurement procedure?
4. To what extent do the objectives and design of the scheme funding CSOs' project reflect the priorities of the government?
5. To what extent the existing process of allocating funds for CSOs projects proves to be participatory in priority setting of funds allocation; is transparent and easy to apply in?
6. Are there any lesson learned in terms of process failures, procedures and potential solutions?
7. What is your assessment of the existing legal framework in this area (shortcomings in the legal regulation, internal capacities, any potential solution)?
8. What are your recommendations for improving the situation in this area?

3.2 Semi structured interview guide: Local government institutions

1. What kind of CSOs projects has your municipality financed?
2. How was run the CSOs finance – through a direct allocation, through competitive grants, or through a public procurement procedure?
3. To what extent do the objectives and design of the scheme funding CSOs' project reflects the development priorities of the municipality?
4. How to you assess the extent which the existing process of allocating funds for CSOs projects proves to be participatory in priority setting of funds allocation?
5. Has the Municipality adopted any Decision on the criteria, method and procedure of allocating funds to non-governmental organizations?
6. How do you assess the process of allocating funds for CSOs projects? What are the advantages and disadvantages of the current way of allocating funds for CSOs projects?
7. How is the process of prioritization organized? Is there an Evaluation Committee set up? If yes, how do you assess the composition of this Committee?
8. How is the process of evaluation and allocation of funds for CSO projects run?
9. How is the procedure for receiving documentation, assessing the technical correctness of the project and assessing the quality of the project proposals handled?
10. How is monitoring and reporting of supported projects conducted?
11. What is the success rate for public calls - the number approved in relation to the number of applications?
12. Where do you see the key challenges and problems in this process?
13. What are the main recommendations for the improvement of the situation in CSOs funding?



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ANNEX 4 – LIST OF MET STAKEHOELDERS

3.1 Interviews held with stakeholders at the central level*

1. Mr. Erion Banushi – Head of the Sector for the Development of Programs, International Cooperation and Communication, Agency for the Support of Civil Society
2. Mr. Erand Ibrahim – Head of Methodology and Civil Society Cooperation Unit, Ministry of European Integration
3. Mr. Fran Brahimi – General Director for Local Finances, Ministry of Finance
4. Ms. Elisa Teneqexhiu – Procurement expert, Central Financing and Contacting Unit, Ministry of Finance
5. Ms. Ersila Kadilli – Llotaria Kombetare, Board Member of the Fund for Good Cause
6. Ms. Elda Cenomeri – Llotaria Kombetare, Board Member of the Fund for Good Cause
7. Ms. Erviola Nelaj – Directorate of Social Care and Integrated Services, Ministry of Social Welfare and Youth
8. Mr. Ergis Sefa – Coordinator, Unit on Research and Policy Development, Department for Development, Programming and Foreign Financing and Aid, Prime Minister Office
9. Ms. Risena Xhaja – General Director of Supporting Services Directorate, Ministry of Culture

* two interviews were held with ex-employees of Ministry of Education and Sports (responsible for drafting the granting legal framework for sport CSOs) and High State Audit (responsible for auditing local government units).

3.1 Interviews held with stakeholders at the municipality level

1. Ms. Stela Mandusha – Specialist, Directorate of Projects, Municipality of Shkodra
2. Mr. Ridvan Sokoli – Director of Development and Projects, Municipality of Shkodra
3. Mr. Filip Veli – Director for Social Services, Municipality of Shkodra
4. Ms. Anisa Ruseti – General Director for Social Services, Municipality of Tirana
5. Ms. Sibora Qato – Expert at the Sector for Projects, Municipality of Fier
6. Ms. Erinda Jovani – Expert at Sector for Projects, Municipality of Fier
7. Ms. Denisa Mamillo – Head of Unit for Development Programming and Local EU coordinator, Municipality of Permet
8. Ms. Klaudja Naqellari – Specialist for projects, Municipality of Permet
9. Mr. Niko Shupuli – Major, Municipality of Permet