

# REVIEW OF LOCAL BUDGET

SPENDING ON  
SOCIAL CARE SERVICES

2020



Leave  
No One  
Behind





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**Sabina Ymeri**

with **Lindita Oshafi**

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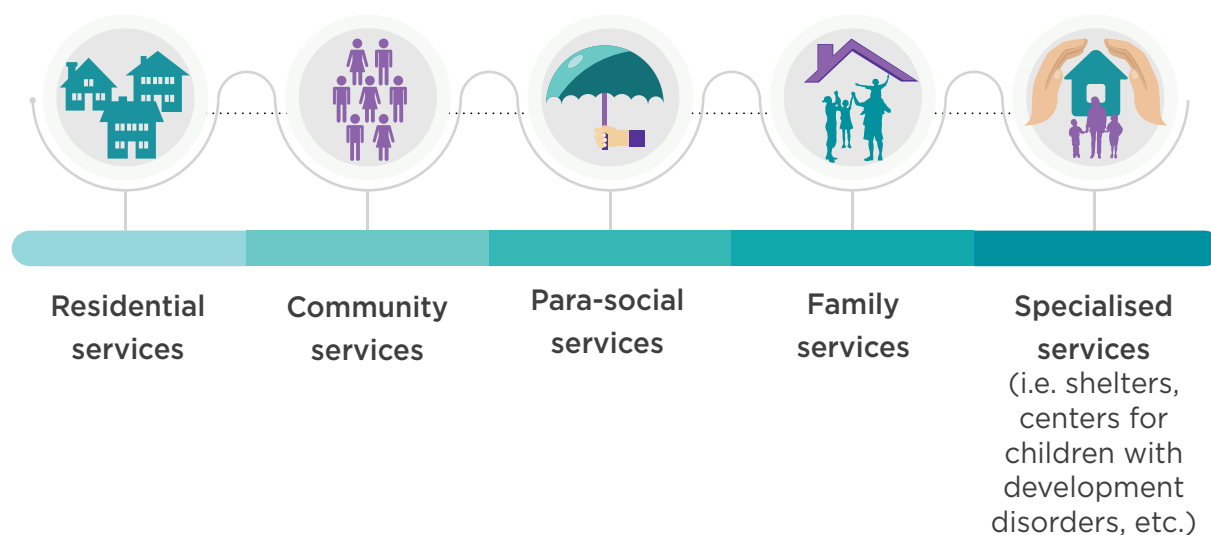
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# 1. INTRODUCTION

The purpose of this report is to perform a financial review of 15 target Municipalities participating in the Leave No One Behind/(LNB) project. The review will measure any changes in the baseline that have been registered in the LNB target group, which includes 15 selected local governments: Tirana, Durres, Shkodra, Korça, Berat, Ura Vajgurore, Dibra, Lushnja, Fieri, Kruja (Fushe Kruja), Lezha, Pogradec, Kukes, Prrenjas, and Permet. The review shall explore existing Social Service budgets and expenditures, in particular:

1. Management and administrative costs,
2. Expenditures on utilities and other operational costs,
3. Expenditures related to capital infrastructure and assets
4. Selected service-delivery related costs.

The current sources allocated to funding social care services in each municipality are the main focus of this report. As such, the review extends to those social services that are financed directly through public funds (i.e. the national or the municipal budget); or social services that are supported or financed partially by public authorities, but delivered by the non-government sector. The scope extends to social care services managed fully or partially by municipalities, as defined in the Law 121/2016 “On social care services in the Republic of Albania”; namely:



Budgets allocated for cash assistance to individuals and families in needs, such a social assistance (ndihma ekonomike); disability benefits; allowances for foster families or orphans; etc. are outside of the scope of this review. In addition, this review does not concentrate on expenditure incurred for social housing and/or employment programmes.

## Methodology, source of data and limitations of the assessment

The scope of the budget review on social protection/social care service spending has included the following areas:

- ◆ Ministry of Health and Social Protection
  - Social inclusion budget programme, which includes activities mainly performed under the Department for Social Inclusion and the Agency for the Protection of the Rights of Child in MoHSP.<sup>1</sup>
  - Social care budget programme, which includes the cash benefit programmes for individuals with disabilities and poor families, as well as social care services financed by the central government
- ◆ Local governments (municipalities)
  - Social inclusion budget programme, with very limited activities
  - Social care budget programme, including social care facilities that have been transferred to the local government; transfers to households from the local governments (i.e. complementary assistance to the NE programme, etc.)
  - Social care service budget programme, which is used only by the local government. This budget programme includes mainly social care facilities established and operated by the local governments. However, in many cases local government record expenditures related to pre-school facilities (nurseries and kindergartens) under this programme.<sup>2</sup> The data on education related spending will be cleaned from the data to the extent possible.

The Budget for social protection as indicated above does not include expenditures incurred for social services in the health sector, despite the relevance for social protection objectives. Some health activities that bear relevance with regard to social care services include services for people with disabilities (in particular mental health disorders) provided under the health management system; newborn and child health services and expenditures for the vaccination of young children from poor families.<sup>3</sup> However, local governments in Albania do not have substantial expenditure assignments in the health sector, hence the exclusion from this analysis.

Two main sources of data will be used for purposes of this assessment. The primary source is the Ministry of Finance and Economy Treasury database for 2018 and 2019. All data on spending at the central level and global data on local government spending will be based on the treasury database.

The second source of data are the 15 selected municipalities. One consultant, Ms. Lindita

1 In 2019, the social inclusion budget programme was merged with the social care budget programme.

2 Where possible, expenditure in the pre-school education system have been identified and reported separately in this review.

3 As the immunisation programme in Albania is universal, it is not easy to single out the proportion of children from non-contributory families

Oshafi, is tasked specifically to work together with each of the 15 municipalities to identify costs incurred in the social sector, in particular in order to complement data with more disaggregated items; as well as identify extra-budgetary financing that is not captured through the unified treasury system. Nevertheless, in the majority of cases it will not be possible to carry out an exhaustive inventory of financial data on non-government contribution to social services at the municipal level; given that not all non-governmental organisations disclose such data.

## Budget structure and programmes/institutions under review

According to the Law on Management of Budgetary System, the budgetary classification is in compliance with international standards and it includes minimally the following:<sup>4</sup>

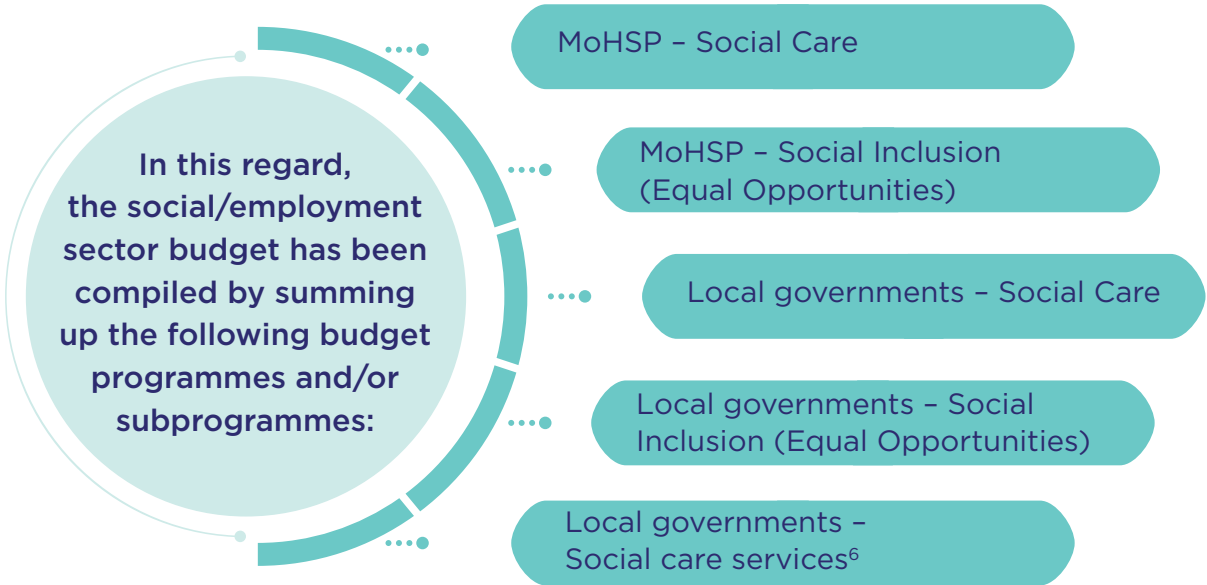
- a. an **administrative classification** which represents a classification of the general government units up to a spending unit level.
- b. an **economic classification** which represents the classification based on the nature of economic transaction.
- c. a **functional classification** which represents a detailed classification according to the functions or socio-economic objectives that the general government units aim to achieve.
- d. a **program based classification** which represents programs, subprograms and projects according to the objectives of the general government units.
- e. a classification by **source of financing**.

Budgetary classification, including codes and denominations are equal for all general government entities (central and local government entities as well as special funds). Functional classification splits budget data into ten functions/sectors, which are further disaggregated into subsectors. The functional classification is based on COFOG (Classification of Functions of Government, OECD) and GFS 2001 (Government Finance Statistics, IMF) standards. General Government Entities serve as the basis for budget (expenditure) planning and execution. The budget of each general government entity is divided into programme (policy) areas. The **budgetary programme** is a group of activities of the general government units that are managed effectively and together contribute in producing identifiable and measurable outputs which contribute directly or indirectly in achieving objectives and goals of its budgetary policy. Each budget programme is subdivided into **activities** (set of activities undertaken at the program level for the delivery of an output), and **outputs** (goods and services delivered by activities of a budgetary program).<sup>5</sup>

4 Article 11, Law 9936

5 Article 2, Law 9936

Budget management is based on institutions and policy areas (budget programmes) rather than sectors. Typically, the majority of programmes under a specific sector are managed by one central government institution (Ministry). Budget programmes are directly linked with policy goals and objectives; hence they can be linked with the sector policy/strategy by establishing the pertinence of the budget programme goals to the sector based approach. The budgetary structure of the central government applies equally and uniformly to local governments as well. Local governments manage all budget programmes in areas related with their own activities. Total expenditure incurred under the same budget programme may be identified across the public sector due to the uniform classification system.



<sup>6</sup> Some but not all outputs from the programme were considered relevant for the purpose of this analysis. From 2018 some changes to the budget structure at the municipal level have fragmented the social care funds into a handful of different programmes, which are named differently and the method for allocating costs to each programme varied between municipalities. The team will make an effort to unify the methodology and avoid errors as much as possible.



## 2. SOCIAL PROTECTION SPENDING AT THE CENTRAL AND LOCAL LEVEL

### 2.1. Financing for social care services

The Albanian social care system provides public and non-public services for persons in need of residential and day care services. Public social services are provided mainly through residential and day care centres and financed by the state and municipal budgets. Since 2002 successive governments have worked on social care service reform, but a viable formula for the funding of social care services is yet to be articulated. The current approach has included the transfer of the ownership of social care institutions and service delivery responsibilities to local government authorities and a combination of planning and monitoring authorities to regional and national level institutions.

The law on local self-government<sup>7</sup> sets out the functions and authorities of local governments. In the area of social services, municipalities have the responsibility for the establishment and management of local social care services; building and administration of social care centres and social housing. The 2015 local government law also sets out the responsibility of municipalities to establish a “social fund for financing social services”, in cooperation with the Ministry in charge of social affairs.

These responsibilities were further clarified in the Law on Social Care Services<sup>8</sup>, which defines the types of social care services; eligibility criteria for beneficiaries; as well as roles and responsibilities of institutions in charge, including municipalities. The law also regulates financing of social care services, as follows:

- ◆ Funding from the state budget (delegated funds)
- ◆ Funding from the local budget
- ◆ Ring-fenced revenues/sources
- ◆ Service fees from beneficiaries

A new law on social care services, approved in November 2016, includes now some key steps for the reform in social care – such as local social plans, basket of services at local level, community - based services and other important elements, which are mentioned for the first time in the legal framework for the sector. A law on the rights of child adopted in 2017 further clarifies the institutional responsibilities and processes for the protection of children. Secondary legislation is currently being drafted supporting implementation of both laws. Albeit the social service law has been widely considered as an important step forward supporting the reform, some bottlenecks persist, mainly in relation to financing and sustainability of services.

Municipalities perform a number of functions in relation with the management of the central government’s cash benefit programmes. They act on behalf of the central government to receive applications and pay out benefits and no longer have oversight

<sup>7</sup> Law 139/2015 “On Local Self-Government”.

<sup>8</sup> Law 121/2016, “On Social Care Services in the Republic of Albania”

of the social assistance programme, or discretion in decision-making over eligibility (run through a computerised system based on a proxy-means tested scoring formula); nor the size of benefits once eligibility is established.<sup>9</sup> Local governments, however, have a series of administrative responsibilities to manage the process of applications as well as follow-up with applicants and/or beneficiaries through spot checks. Furthermore, the legal framework as well as practice of case management in social care services recognizes an important interface between the cash benefits and in-kind services provided by the municipalities.

The local government and social care service law requires municipalities to establish a “Social Fund” composed of all the above-mentioned sources of financing, as well as funding from non-public contributors (i.e. non-governmental organisations, development programmes or private donors). In the current legal framework, the concept of local Social Fund essentially earmarks funding for social care services. The concept of a national **Social Fund** to support local care services was introduced in 2005, but never implemented. In 2018, and for the first time, the Council of Ministers passed a decision to establish a national Social Fund<sup>10</sup>, and the first – competitive – call for proposals to the fund was opened in mid-2019, managed by the Ministry of Health and Social Protection (MoHSP).

Overall, in terms of mandates, the legal framework appears to assign clear responsibilities to municipalities in planning, budgeting and managing social services. Nevertheless, the instruments for delivery remain vague. The concept of a minimum, mandatory set of services at the local level was actively embraced – and endorsed – by the central government, but financing social care services remains a challenge both at the central as well as local government level.

## 2.2. Share in GDP and total public spending: Central Government level

Overall social protection spending in Albania amounted to 9,3% of GDP in 2019<sup>11</sup>, significantly lower than the EU average of 28%<sup>12</sup>. Spending is dominated by social insurance outlays (contributory program), which account for over 80% of total spending between 2015 and 2019. The other two main programmes in social protection are the social assistance and the disability benefits, which account on average for 13% of total public social spending during the same period. The remainder of spending in the social policy area is dedicated to active and passive employment programmes, currently managed by the Ministry of Finance and Economy (about 1% of the total budget) as well as social care services (Table 1).

9 The criteria for eligibility, as well as size of benefits are determined through a Council of Ministers Decision.

10 Decision of Council of Ministers “for the Establishment and functioning of the Social Fund”, No. 111, date 23.02.2018

11 This includes contributory and non-contributory social protection schemes; employment programmes as well as emergency relief spending.

12 European System of Integrated Social Protection Statistics (ESSPROS).

**Table 1 - Social Protection Spending in Albania 2015 - 2021**

Budget programme million ALL	Year						
	2015	2016	2017	2018	2019	2020*	2021*
Social care services (local discretionary spending)	493	545	684	842	1,135	1,135	1,135
Social Protection Budget Programme	21,442	21,334	21,702	21,673	23,542	23,987	24,926
<i>Of which: cash assistance programmes</i>	17,662	20,026	20,714	20,671	20,190	21,000	21,300
<i>Of which: baby bonus at birth</i>					2,364	2,000	2,500
<i>Of which: Social care services and other management costs in SP<sup>13</sup></i>	3,780	1,257	900	1,002	988	987	1,126
Social Inclusion	93	68	88	13			
Employment Services	1,623	1,807	1,486	1,228	1,535	1,951	2,151
<i>Of which: unemployment benefits (passive)</i>	615	691	346	336	540	600	600
Emergencies	1,419	1,266	1,109	1,542	1,503	434.25	1,020
Subtotal social sector spending (non-contributory)	24,977	24,884	24,893	25,057	27,715	27,507	29,232
Social Insurance Fund (pensions)	107,309	114,276	119,081	125,364	130,927	137,468	142,965
<b>Total social protection spending</b>	<b>132,286</b>	<b>139,160</b>	<b>143,974</b>	<b>150,421</b>	<b>158,642</b>	<b>164,975</b>	<b>172,197</b>
<b>GDP</b>	<b>1,434,307</b>	<b>1,475,251</b>	<b>1,552,886</b>	<b>1,647,625</b>	<b>1,705,246</b>	<b>1,793,466</b>	<b>1,905,129</b>
<b>Total General Government Budget</b>	<b>433,697</b>	<b>440,241</b>	<b>461,410</b>	<b>476,147</b>	<b>519,577</b>	<b>549,374</b>	<b>554,858</b>
<b>Social protection (without social insurance)<sup>14</sup></b>							
In % of GDP	1.7%	1.70%	1.60%	1.50%	1.50%	1.40%	1.50%
In % of GG budget	5.8%	5.70%	5.40%	5.30%	5.10%	4.90%	5.10%
<b>Social protection cash programmes<sup>15</sup></b>							
In % of GG budget	4.1%	7.7%	7.7%	7.6%	7.5%	7.4%	7.3%
In % of social spending (non contr.)	70.7%	80.4%	82.9%	81.8%	81.4%	83.6%	81.4%
In % of social care budget programme (central)	82.4%	94.1%	95.4%	95.4%	95.8%	95.9%	95.5%
<b>Local government (discretionary) social spending</b>							
In % of social spending (non contributory)	2.0%	2.2%	2.7%	3.3%	4.1%	4.1%	3.9%
In % of social care budget programme (central)	2.3%	2.6%	3.2%	3.9%	4.8%	4.7%	4.6%
In % of non-cash central social spending	13.1%	43.4%	69.3%	84.0%	114.8%	115.0%	100.8%

Source: Ministry of Finance Treasury data. For 2020 - 2021: Budget 2020 tables. \* Figures for 2020 - 2021 are estimates. For local budget discretionary spending, a spending level equal to 2019 has been assumed for 2020 and 2021.

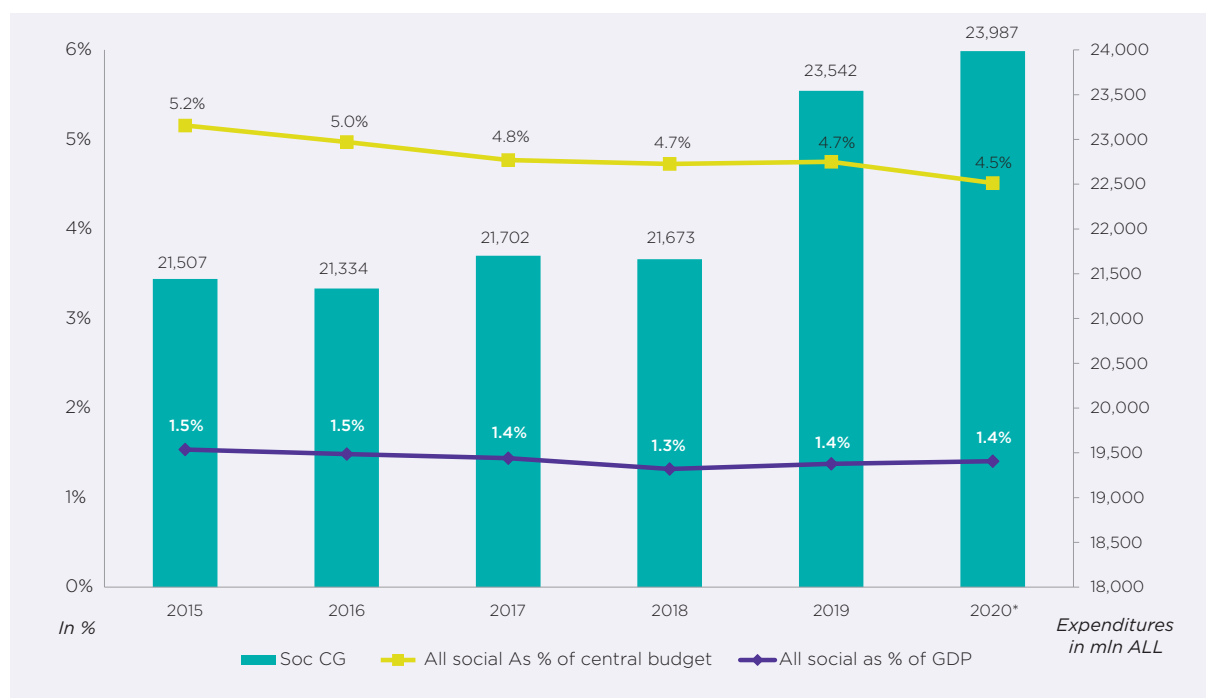
13 State budget expenditure on non-contributory social protection programmes are channeled through the "Social Protection" budget programme in the Ministry in charge of social affairs. This programme includes direct cash assistance programs, such as poverty, disability and baby bonus benefits; administration expenditures for the State Social Service, expenditure for social care centers; as well as other administration costs, including in years 2015 - 2016, investment in the management information system for the administration of the cash benefit programmes.

14 Includes spending in social protection budget programme, social inclusion, employment and emergency budget programmes at the central and local levels.

15 Includes social assistance, disability benefits and baby bonus programmes finances by the ministry in charge of social affairs.

Social protection expenditure of the state budget amounted to 23,5 and 24 billion Lek respectively in 2019 and 2020, up from 21,7 billion in 2018. The share of the sector budget<sup>16</sup> to the Gross Domestic Product (GDP) remains stable at approximately 1,4% of the GDP during 2019 and 2020 (budget), following a slight downturn in 2018. The weight of the sector in overall public spending continues to decline slightly between 2016 and 2020, as sector expenditures grew at a slower pace than the overall budget: social spending amounted to 5.2% of the state budget in 2015 and 4.8% in 2017 (Figure 1). In summary, social protection budgets at the central level have steadily increased in nominal terms, but have decreased in relative terms. The pace of growth of general government expenditures has been faster than the increase in social protection expenditures during the recent years.

**Figure 1 - Share of social protection budget (central government) in GDP and central government expenditures**



### Composition of sector expenditures

At the central government level, social care is the main budget programme for social protection related expenditures. The sector budget continues to be heavily dominated by cash benefit outlays, which account for more than 95% of the overall budget in 2018 and 2019 and have been projected to remain at similar levels in the medium term<sup>17</sup>. The cash benefit programme is composed of two main sub-programmes: cash benefit payments for poverty alleviation (social assistance - ndihma ekonomike NE); and cash payment benefits for people with disabilities to help with their care costs and to compensate them

<sup>16</sup> Excluding contributory programmes (i.e. insurance), employment and emergencies. This refers to social policy under the domain of MoHSP, including non-contributory programmes (social assistance, other cash benefits) and social care services

<sup>17</sup> Budget 2020, Fiscal table 4.

for their inability to work.<sup>18</sup> Since 2019, a third cash benefit programme was introduced, a one-time baby bonus awarded to families. Non-cash social protection expenditure, including administration of social care services as well as management activities, have slightly increased in nominal terms (988 million Lek in 2018 and 2019, as opposed to 900 million Lek in 2017), however its relative weight to the overall programme budget remains very modest.

Social assistance spending is rather low at 0,25% of GDP in both 2018 and 2019, down from approximately 0,3% of GDP in 2016 and 2017, in the framework of the government's efforts to strengthen discipline of the program, eligibility criteria and improve targeting. The NE programme provided cash benefits to about 59,000 households in 2019, while it had catered to about 80,000 households in 2018. By mid-2020 the number of households supported by the programme had increased to more than 61,000.

Disability benefits have steadily expanded, unlike the NE program, between 2012 and 2015. In 2017 disability benefits constituted about 1% of GDP. Their relative weight had decreased to 0,9% of GDP by 2019, although the size of the disability benefit programme has remained stable in absolute terms between 2016 and 2019. The number of beneficiaries of the disability support scheme is also relatively stable over the years, with approximately 167,000 beneficiaries in 2019 and 164,000 beneficiaries in 2018. The disability benefits scheme pays about three times more on average than NE.

The programmes of social assistance and disability benefits amount to 20,6 and 20,2 billion lek respectively in 2018 and 2019. Spending in social care services is fairly insignificant at about 5% of the overall social protection budget programme. The budget for the social inclusion programme is fairly modest and includes mostly staff activities related to the monitoring of strategies and action plans, the activities of the Agency for the Protection of the Rights of Child, as well as awareness activities that are primarily centred on the topics of gender equality and domestic violence.<sup>19</sup> Expenditure in social protection outside of the cash benefit programmes amounted to 988 million lek in both 2017 and 2019, after a slight increase in 2018 (1,002 million ALL). Nevertheless, state budget financing for central and local social care services channelled through the social protection budget programme has fluctuated around 600 – 700 million lek in recent years.<sup>20</sup>

A closer look at the budget spent in social protection, excluding the three cash benefit programmes, reveals that the weight of personnel related expenditure accounts for more than 50% of overall costs at the central level – which is lower than the relative weight of almost 60% in 2019 (Table 2). In 2019, the central government through the State Social Service spent 266 million lek for the operation and maintenance of 12 centrally administered social care services; as well as 444 million lek for supporting some 17 social care institutions which have been de jure decentralised since 2006. Capital

<sup>18</sup> These include benefits for people with disability as well as caretakers.

<sup>19</sup> Other social inclusion activities are however included in other budget programmes, such as scholarships in primary education, subsidies for the price of textbooks, etc; but are not included in the scope of this review. The social inclusion budget programme was merged within the Social care budget programme since the financial year 2019.

<sup>20</sup> The remainder of the funds is allocated to management expenses, such as management of the State Social Service and establishment of MIS systems for the management of benefits.

expenditure in social care services continue to be low: at 100 million lek, of which over 70% was financed through foreign financing for carrying out studies in the framework of international development programmes (SAMP). This follows the same patterns observed in earlier years: in 2017, personnel expenditure was slightly higher than in 2019 in absolute terms, accounting for about 59% of total spending outside cash benefits, while capital expenditure was at 76 million lek. (Table 2 and Figure 2)

### 2.3. Social spending at the local level

Local government spending in the social protection sector is virtually concentrated on social care services. Expenditure on social care services has steadily increased. Local governments have the primary responsibility for social care services, but are not the only part of government to contribute to individuals care costs. Local government financing for social care services has dramatically increased in the recent years, from 400 million in 2015 to 684 million Lek in 2017, more than 800 million in 2018 and 1,1 billion in 2019. At an average annual growth of more 20%, financing from discretionary local budget funds is projected to become the largest source of financing for social care services in the medium term. Although local government financing for social care services is increasing at a rapid pace, it is, however, concentrated in a handful of relatively ‘wealthier’ municipalities.

**Table 2 - Spending in social service programmes between 2016 and 2019 at the central and local government level<sup>21</sup>**

	<i>In ALL</i>	Capital expenditure	Personnel	O&M	Transfers to institutions	Cash programme	Total
2016	Central Government	334,677,928	495,476,287	478,520,813		20,025,542,386	21,334,217,414
	Local Government	31,630,692	297,473,441	124,317,074	74,399,620	16,862,832	544,683,659
2017	Central Government	75,754,523	583,762,050	328,192,875		20,713,818,061	21,701,527,509
	Local Government	79,804,381	365,645,500	104,606,815	111,691,561	22,647,066	684,395,323
2018	Central Government	146,033,633	534,482,920	327,149,365		20,670,947,462	21,678,613,380
	Local Government	134,970,831	447,249,376	140,205,545	26,782,071	92,620,769	841,828,592
2019	Central Government	100,499,519	545,620,851	342,144,368	79,907,218	22,474,024,563	23,542,196,519
	Local Government	61,064,620	665,619,045	179,955,286	22,211,830	206,133,039	1,134,983,819

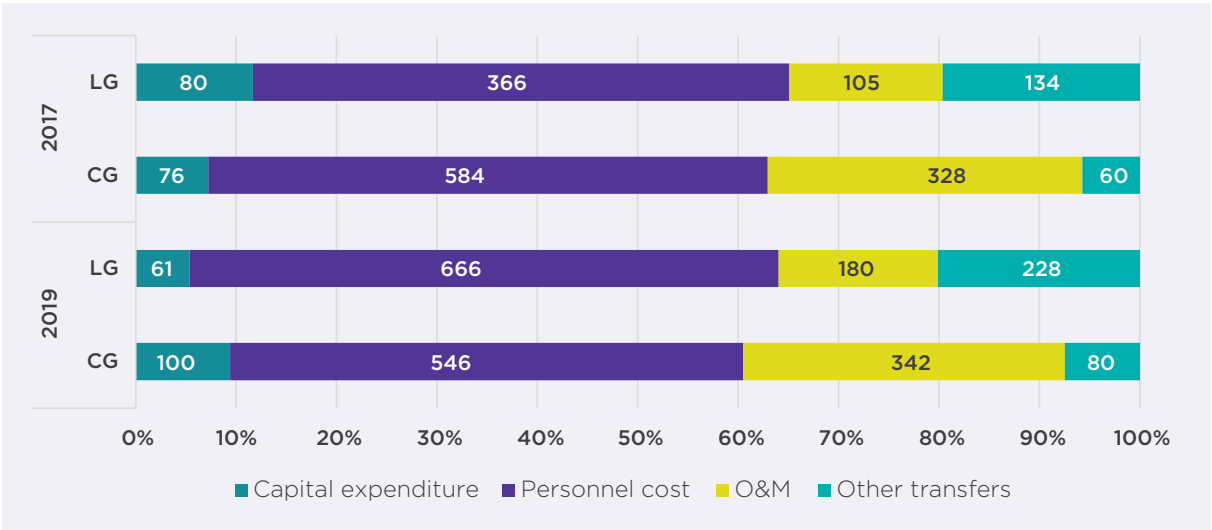
Source: Ministry of Finance Treasury Data 2016 -2019 (Social Inclusion, Social care and Social care services budget programmes).

<sup>21</sup> Spending at the local level is partially financed by the central government. Total spending on social services at the local level is equal to the sum of financing at the central and local level as shown in this table.

Personnel related expenditure accounted for 59% of overall costs at the local level, up from 55% in 2017. In absolute number, the wage bill in the social sector appears to have increased dramatically: from 297 million lek in 2016, to 665 million by 2019, and has surpassed the wage bill at the central level. It must be noted that a considerable share of these personnel costs appear to be linked with educational institutions – however the wage bill has increased sharply even when we control for education related expenditure.

Operation and maintenance costs are relatively low at an average of 16% of total local costs in the last three years (180 million ALL in 2019). Local governments also pay transfers to individuals and households (228 million ALL in 2019). These transfers include a small social assistance programme to compensate for poor households that have not benefitted from the NE cash benefit programme at the central level; compensations for funeral costs and other direct support to households.<sup>22</sup> Capital expenditure in the social care programme appears quite low at the local level in 2019, at 61 million lek, representing the lowest capital expenditure in the sector in the last three years. However, at least a third of capital expenditure from local financial resources constitutes of renovation projects for school nurseries in the municipalities of Tirana, Durrës and Shkoder and is not directly related with social care services as defined in Law 121/2016. (Figure 2)

**Figure 2 - Composition of social care expenditure by economic classification at central and local level, in 2017 and 2019, excluding central NE, disability cash benefit and baby bonus programmes**



Source: Ministry of Finance Treasury Data 2019 and 2017

<sup>22</sup> In some municipalities food packages and other direct support for beneficiaries of social care services may also be accounted for as transfers to individuals and households.



## 2.4. Structure of municipal budgets on social protection

The structure of social spending within local governments in Albania is composed of transfers from the state budget and financing from the local budget's discretionary revenues. In the four years under review, local governments spent between 1,3% and 2,1% of their total budget in the social sector.

Financing sources for the social sector at the local level are mixed. Multiple financing streams for social care services exist, following fuzzy lines of accountability, which mirror the different stages of policymaking in the delegation of social functions. Three different financing modalities are implemented within the Ministry in charge of social policy alone. Other financing streams originate from the Ministry of Finance, alongside annual transfers to local governments; as well as financing from discretionary resources of the local budgets. (Table 3).

**Table 3 - Financing modalities for social care services**

Institution in charge	Ministry in charge of social policy/ State Social Service	Ministry in charge of social policy/ State Social Service	Ministry in charge of social policy	Ministry in charge of social policy	Ministry of Finance and Economy	Local government discretionary budgets
<b>Recipient</b>	12 national social care services, mainly residential; not all are specialised services	17 <i>de jure</i> decentralised social care service institutions since 2006	At least 6 regional councils delivering specialised social care services in cooperation with NGOs	Local government with social care plans in place from 2019	6 local governments for day-care social service centres, typically locally established through NGO collaborations and transferred to municipalities	Local social services Matching funds for <i>de-jure</i> decentralised; <i>de-facto</i> central social care services Sporadic small contributions to NGOs
<b>Modality</b>	SSS allocates funding based on predetermined appropriations	SSS allocated funding based on predetermined appropriations, in the same fashion as for national social care centres. Funding is fully conditional and detailed to the line item level. Covers staff salaries and maintenance only	Unclear - funds are transferred to the regional council in the form of a transfers for households and individuals	Social Fund	Specific transfer/ loosely earmarked transfer topping up the state budget general purpose transfer to local governments	Depending on structure at LG level: either budget allocation to reporting budget institutions or centralised management at headquarters
<b>Approximate budget 2018/2019</b>	2018: 242 million ALL  2019: 266.5 million ALL	2018: 438 million ALL  2019: 443.8 million ALL	2018: 59 million ALL  2019: 72 million ALL	2018: N/A  2019: 150 million ALL appropriated in 2019. Unclear how much was allocated (roughly 6.7 million for 6 municipalities)	2018: 89 million ALL  2019: 88.7 million ALL	2018: 842 million ALL  2019: 1.13 billion ALL

Source: Updated from SCPEIR, 2019



The Ministry of Health and Social Protection provides funding to 29 social care institutions in the country, of which 12 are national social care institutions and 17 social care services that were *de jure* decentralised in 2006 but which *de facto* remain centrally managed. The Ministry itself finances specialised social care services delivered at the regional level by the regional councils of Tirana, Gjirokaster, Vlora, Berat and Elbasan. The financing modalities for these services are based on ad-hoc Memoranda of Understanding entered into with the specific regions over the years. Meanwhile, since 2015 the Ministry of Finance and Economy allocates financing for 6 relatively new social care service centres established locally; in the framework of the specific transfers<sup>23</sup> accompanying the (formula - based) general purpose transfer to the municipalities. It is unclear why a specific policy choice was made to fund six of the 61 municipalities through specific transfers for local social services; while a status-quo was maintained in the financing arrangements for seventeen local services in 13 municipalities that continue to be funded with conditional grants through the State Social Service.

Hence, a considerable share of outlays in the social sector at the local level originates from the state budget. Nevertheless, the lionshare of these funds goes directly to social care institutions, bypassing local government authority (at least 17 *de jure* decentralised institutions).

**Table 4 - Spending in social sector at central and local government level 2016 - 2020**

	2016	2017	2018	2019	2020*
<b>Total central government (CG) spending</b>	396,661	422,746	426,532	464,291	500,820
<b>Total local government spending (discretionary sources)</b>	43,580	46,487	49,615	55,286	57,554
<b>GDP</b>	1,427,799	1,472,791	1,555,202	1,705,246	1,793,466
<b>Central Govt: Social protection</b>	21,334	21,702	21,661	23,542	23,987
<i>In % of total state budget</i>	5.50%	5.10%	5.10%	5.10%	4.80%
<i>In % of GDP</i>	1.45%	1.40%	1.27%	1.31%	1.34%
<b>LG social budget (discretionary funding)</b>	545	684	842	1,135	1,299
<i>In % of total local budget</i>	1.30%	1.50%	1.70%	2.10%	2.30%
<b>Total CG financing for social services (w/o cash programme)</b>	1,257	988	1,002	988	987
<i>In % of total state budget</i>	0.32%	0.23%	0.23%	0.21%	0.20%
<b>LG social spending (w/o education)</b>	301	389	657	904	968
<i>In % of total local budget</i>	0.70%	0.80%	1.30%	1.60%	1.70%

Source: Ministry of Finance Treasury 2016 – 2019, and Ministry of Finance Budget Outturn data. For 2020: Budget 2020. Local government spending for the social sector in 2020 has been projected at a 7% increase on 2019.

23 The specific transfers are loosely earmarked transfers (i.e. conditional block grants) allocated to local government for newly transferred functions, for the first time in 2015. The concept of “specific transfer” was later defined in Law 68/2017 “On local government finance”. Specific transfers are earmarked by sectors, but local governments have some degree of discretion in how they choose to spend them within the given sector and can carry any unspent funds forward to following financial years.

If we look closer at social care service related expenditure, excluding the cash programme which accounts for a considerable share of total expenditure in particular at the central level, the data for the four years reveals that the central government spends around 0,2% of its budget on non-cash social protection programmes, which includes administration cost, as well as social care service financing for centrally managed and de jure decentralised centers.

Hence, the relative weight of social sector spending to the overall budget is higher at the local level than at the central level. Indeed, the size and relative weight of social spending is increasing from year to year at the local level, while it remains steady at the central level. However, it must be noted that some of this expenditure is, in fact, allocated to the education sector (pre-school education). However, even when accounting for non-education expenditure only, figures are encouraging: social spending has increased from 0,7% of the local budget in 2016, to 1,6% in 2019. (Table 6)

## 3. FINANCING FOR SOCIAL CARE SERVICES

### 3.1. Financing for social care service centers at the central level

Expenditure on social inclusion and social care services (i.e. non – cash benefits) in the social inclusion and social protection budget programmes at the central government level, amounted to 988 million lek in 2017 and 2019 and 1 billion lek in 2018. The main cost driver at the central level is personnel costs; amounting to 55% of total expenditure in 2019, slightly decreasing in comparison with 2017 (59%) both in absolute, as well as relative terms. The relative shares of the different cost categories are very similar from year to year – indicating that the majority of costs are tied to fixed liabilities. Investment, which was four times lower in 2017 than it was in 2016, has slightly increased in 2018 and 2019 (Table 5).

Between 2016 and 2017 the main capital projects in social care centers at the central level consisted of the full reconstruction of the Elderly Home in Palase, the reconstruction of the elderly home in Shkodra, and the reconstruction of the multifunctional center in Poliçan. In 2016, the Ministry took forward the project of establishment of the Management and Information Systems for the social assistance and disability cash benefit schemes (210 million lek), the implementation of which was extended to the following years. Indeed, in 2019 over 70% of capital investment is directly linked with the establishment of Management Information Systems and/or other hard infrastructure in the framework of the SAMP projects in social assistance and disability reform. In terms of direct investment in social care centers, capital improvements in the elderly home of Shkodra and refurbishments of Palase continued in 2018 and 2019; while minor refurbishments were made in the children's home in Tirana and Linza; but no new capital improvement projects appear to have been undertaken during this period.

**Table 5 - Spending in social care and social inclusion by the ministry in charge of social affairs, 2016 - 2019 (excluding transfers)**

	2016		2017		2018		2019	
	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total
Personnel	495,476	37.9%	583,762	59.1%	534,483	53%	545,621	55%
O&M	478,521	36.6%	328,193	33.2%	320,653	32%	342,144	35%
Investment	334,678	26.0%	75,755	8.0%	146,034	15%	100,499	10%
<b>Total</b>	<b>1,308,675</b>		<b>987,709</b>		<b>1,001,169</b>		<b>988,264</b>	

Source: Ministry of Finance Treasury Data 2017.

Table 6 below shows total spending at the central government level by type of activities. In total, management costs by the Ministry in charge of social affairs and its subordinate institutions (State Social Services central and regional directorates, Agency for the Protection of the Rights of Child) have drastically decreased over the years – from 55% and 35% of total outlays in the social protection programme in 2016 and 2017 (excluding transfers), to 12% by 2019. It is worth noting, however, that fixed operation costs of the administration have remained steady over these years, with insignificant increases over the period. The difference over the years is attributable to changes in the management costs – notably, investments linked with the modernisation of the social assistance and disability schemes seem to have slowed down.

Total financing for social care centres amounted to 641 million lek in 2017, marking an increase of 11% in relation to 2017 financing. The ministry finances directly 9 child homes (34% of total care center spending); 8 development centres (30%); 6 elderly institutions (23%), 3 emergency centres and 3 daycare centres (8% and 5% respectively).

**Table 6 - Spending in social care and social inclusion by the ministry in charge of social affairs, 2016, 2017 and 2019, by type of activities (excluding transfers to individuals)**

	2016 % of total		2017 % of total		2019 % of total	
	<i>Spending (ALL)</i>	<i>% of total</i>	<i>Spending (ALL)</i>	<i>% of total</i>	<i>Spending (ALL)</i>	<i>% of total</i>
Management activities	718,633,315	54.9%	346,197,460	35.1%	278,008,184	12%
Social services	590,041,713	45.1%	641,511,988	64.9%	710,112,304	88%
<i>of which</i>	<i>Spending (ALL)</i>	<i>In % of social center spending</i>	<i>Spending (ALL)</i>	<i>In % of social center spending</i>	<i>Spending (ALL)</i>	<i>In % of social center spending</i>
Elderly (6 institutions)	124,913,514	21%	139,001,038	22%	165,145,123	23%
Development centres (8 institutions)	168,488,299	29%	195,020,973	30%	212,132,497	30%
Children homes (9 institutions)	216,196,640	37%	216,679,547	34%	238,345,533	34%
Emergency shelters	49,276,856	8%	57,284,278	9%	56,374,007	8%
Daycare and Multifunct. (3 institution)	31,166,404	5%	33,526,152	5%	38,259,394	5%

Source: Ministry of Finance Treasury Data 2017, 2019.

## The Social Fund: A competitive grant mechanism

The concept of a Social Fund to support the local provision of social care services was agreed upon in 2005 but not implemented. In 2018, the Council of Ministers passed a decision to create the Social Fund<sup>24</sup> and a fund of 150 million ALL was allocated within the Social Protection budget programme for the Social Fund in the 2019 budget.<sup>25</sup> This was complemented by a ministerial instruction outlining a competitive procedure for allocating the fund to municipalities<sup>26</sup>. The first call for proposals from municipalities was opened in April 2019 and 9 municipal proposals were selected for funding in 2019. However, only a very small disbursement of 7 million ALL was made in 2019 and this to only six municipalities. (See Table 7)

The Social Fund is expected to underpin financing for social care services at the local level, and support establishing of new services, in line with the approved social plans, ensuring their sustainability over time through a gradual shift in the mix of financing towards locally mobilised resources. Financing from the state budget may support up to 90% of the costs for the first year of the service provision; up to 60% of costs during the second year of the service provision; and 30% of the costs thereafter<sup>27</sup>. It is worth noting that funding allocated for the Social Fund for the first year of its operation is quite modest.

The criteria for the allocation of the Social Fund are primarily based on the criterion of the highest need<sup>28</sup> followed by the availability of funds within the SF; percentage of matching funds from sources other than the state budget, as well as the financial sustainability of the service delivery model. The judgment criteria for each of the above are unclear and do not ensure predictability of financing for local governments. Furthermore, SF appropriations under the general Social Protection budget programme is only notional. This means that SF funds are fungible and may easily be reallocated for other purposes in this budget programme – indeed, the national government has not made a clear legal commitment towards financing social care services at the local level.

The envisaged mechanism for state budget support, at decreasing levels of financing for new services over three years is intended to equalise funding across the majority of local government over the longer term, without creating an unsustainable burden on the state budget. Nevertheless, bigger and wealthier local governments are

24 Decision of Council of Ministers “for the Establishment and functioning of the Social Fund”, No. 111, date 23.02.2018

25 MTBP 2019 – 2021 projections estimated the Social Fund allocations to increase to 200 and 250 million ALL for 2020 and 2021 respectively.

26 DCM 150, dated 20.03.2019

27 DCM 150, dated 20.03.2019, “On the methodology for the calculation of funds for financing social care services”. Services which have contractual agreement with the responsible ministry/MoHSP, such as the National Centres for social care services, centres offering specialised services at regional level, and Counselling Lines for Children and Victims of Domestic Violence are not subject to the above financing limitations.

28 This is broken down into 9 criteria of different weights, such population size (10%); unemployment rate (15%); number of economic aid recipients (15%); number of people with disabilities (20%); number of requests for social housing (10%); number of existing social services (10%); number of clients from existing social services (10%); number of organisations providing social services (5%); as well as delivery of new services in line with the basket of services (5%). It is unclear whether these criteria are going to be used for positive or negative discrimination.

better equipped to absorb funding from a competitive mechanism. On the other hand, where the Social Fund will finance new services in relatively poorer local governments, the arbitrary and uniform financing cap may undermine longer-term sustainability of services and/or create future liabilities for the state budget.

### 3.2. Financing for social service centres at the local level

Local government financing for social care services has steadily increased in the recent years, from 400 million in 2015 to more than 700 million in 2018 and 1,1 billion in 2019. At an average annual growth of more 20%, financing from discretionary local budget funds is projected to become the largest source of financing for social care services in the medium term. Although local government financing for social care services is increasing at a rapid pace, it is, however, concentrated in a handful of relatively ‘wealthy’ municipalities. There are marked disparities in the distribution of discretionary spending across municipalities. In 2019, more than 40% of all discretionary spending on social care services came out of the municipalities of Tirana and Durrës; with Tirana spending twice as much as Durrës; and another 38% of discretionary spending came out of the municipalities of Elbasan, Shkodër, Berat, Korçë and Kavaja. (Table 7)

**Table 7 - Expenditure on social care services in 2019, by source of financing and municipalities**

Municipality	Discretionary spending on social care services in 2019 <sup>29</sup>	Specific transfers	Social Fund transfer	State budget transfers for social care services	Total funds	Population*	Total spending per capita	Discretionary spending per capita
Tiranë	314,209	-	1,394	32,707	348,311	638,716	545	492
Berat	61,825	23,731	-	23,961	85,785	71,983	1,192	859
Dibër	20,244	-	-	-	20,244	66,322	305	305
Durrës	162,918	-	-	28,380	191,298	219,604	871	742
Fier	-	-	-	1,743	1,743	145,823	12	-
Korçë	38,997	-	-	53,298	92,294	92,269	1,000	423
Krujë	19,674	-	-	-	19,674	66,641	295	295
Kukës	2,553	2,498	-	-	2,553	51,407	50	1
Lezhë	36,446	-	1,103	11,192	48,741	79,648	612	458
Lushnjë	15,700	-	274	-	15,974	97,656	164	161
Përmet	2,801	-	-	-	2,801	13,520	207	207
Pogradec	4,972	-	-	-	4,972	70,364	71	71
Shkodër	70,580	19,564	-	92,329	162,909	157,532	1,034	324
Vlorë	26,689	-	1,985	37,447	66,122	133,941	494	199

Municipality	Discretionary spending on social care services in 2019 <sup>29</sup>	Specific transfers	Social Fund transfer	State budget transfers for social care services	Total funds	Population*	Total spending per capita	Discretionary spending per capita
Ura Vajgurore	11,652	-	-	-	11,652	49,887	234	234
Elbasan	55,716	21,108	1,743	-	78,567	163,000	482	342
Kavajë	43,799	-	-	31,064	74,863	53,145	1 409	824
Bulqizë	30,836	-	-	-	30,836	33,974	908	908
Kuçovë	19,218	2,622	-	-	21,840	38,614	566	498
Librazhd	18,496	-	-	-	18,496	35,444	522	522
Vau i Dejës	0	14,521 <sup>30</sup>	-	-	14,521	36,767	395	0
Mat	13,107	-	-	-	13,107	30,551	429	429
Kamëz	13,078	-	-	7,920	20,998	113,657	185	115
Shijak	12,456	-	-	-	12,456	33,518	372	372
Gjirokastrë	10,799	-	-	33,670	44,470	35,680	1,246	303
Malësi e Madhe	8,815	-	-	-	8,815	38,249	230	230
Mirditë	8,261	-	-	-	8,261	26,410	313	313
Peqin	7,125	-	-	-	7,125	30,169	236	236
Devoll	7,010	-	-	-	7,010	31,275	224	224
Kolonjë	6,540	-	-	-	6,540	13,413	488	488
Skrapar	6,380	-	-	-	6,380	13,880	460	460
Cërrik	6,000	-	-	-	6,000	33,503	179	179
Kurbini	5,694	-	-	-	5,694	54,853	104	104
Sarandë	5,486	-	-	35,740	41,226	32,963	1,251	166
Polican	5,441	-	-	22,615	28,055	12,817	2,189	424
Roskovec	-	-	175	-	175	25,035	7	-
12 municipalities	23,215	-	-	-	23,215	204,356	114	114
Other 13 municipalities	-	-	-	-	-	264,646	-	-

Source: Ministry of Finance, Treasury. Figures are in 000 ALL. Population data is based on the weighted average between census and administrative data used for the unconditional formula. <sup>29,30</sup>

29 Discretionary spending refers to funds originating from the general-purpose transfers and specific transfer or own revenues of municipalities. Some municipalities include expenditures on creches and kindergartens under the social service budget programmes, so discretionary spending on social services may be inflated in some cases.

30 The specific transfer for the municipality of Vau i Dejës in 2019 was 19,19 million Lek. It appears to have spent only 14,5 million lek transferring the remainder to the following financial year.



Smaller municipalities will continue to depend on state budget resources to finance social care services. This does not only include existing centres of social care services, but the often overlooked – and substantial – costs related to the management of services – including personnel costs associated with hiring social workers at the local level<sup>31</sup>.

Expenditure in the social inclusion and social protection budget programmes incurred by local governments, excluding transfers to individuals, amounted to 750 and 928 million ALL in 2018 respectively, representing an annual growth rate of more than 25 percent over 2017 (573 million lek). The main cost driver at the local level is personnel costs; accounting for 53% and 59% of total outlays in 2018 and 2019 respectively. This represents a decrease in personnel cost weight to overall expenditure in comparison with the previous years (63% in 2017 and 2016), although the wage bill has increased dramatically in nominal terms, from less than 300 million lek in 2016, to 666 million lek by 2019.

Operation and maintenance costs have increased at a slower pace than wage costs, at 180 million lek or 16% of total outturns in 2019, versus 105 million or 18% of total expenditure in 2017. Municipalities transfer around 4% of total funding to other institutions for the implementation of social service related activities (26,8 and 22,4 million lek respectively in 2018 and 2019).<sup>32</sup> (Table 8).

Investment by local governments grew almost twofold in 2018 in comparison with 2017 (135 million lek in 2018 vs. 80 million lek in 2017), but decreased again in 2019 (Table 6). Again, half of the investment in 2019 is in fact in pre-school facilities (nurseries) – about 30 million lek, in a similar fashion to 2017 (60% of total capital outturns were spent in nursery reconstructions in Tirana and Durres (28 and 18 million lek, respectively; and 92% in 2016). Interestingly, investment in 2018 was almost exclusively in the social protection area (134 million lek). The home reconstruction project for Roma families in Shkoze, in the municipality of Tirana, account for around half of total capital improvements in 2018 (64 million); followed by the municipality of Durres (65 million lek), of which 38,8 million lek was spent for social housing loan repayment; and 21 million lek were spent in the framework of a joint project with UNDP.

Overall, investments in social care services at the local level are few and small, dominated by small scale refurbishments and renewal of appliances.

31 Municipalities are mandated to hire one social worker per at least every 10,000 inhabitants, at least one child protection officer in each administrative unit; one or more social administrators to manage the social assistance and disability cash benefits; as well as child gender and domestic violence officers. These costs are typically not included in the social care budget programmes, but in the general public services budget programmes.

32 These are typically transfers to non-governmental social service providers, to complement funding for their activities. See Annex 1 for further detail.



**Table 8 - Spending in social care and social inclusion by all local governments, 2016 - 2019 (excluding transfers to individuals)**

	2016		2017		2018		2019	
	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total	Spending (000 ALL)	% of total
Personnel	297,473	63.3%	365,645	63.8%	447,249	53.1%	665 619	58.6%
O&M	124,317	26.4%	104.607	18.3%	140,206	16.7%	179 955	15.9%
Transfers to institutions	16,863	3.6%	22.647	4.0%	26,782	3.2%	22 212	2.0%
Investment	31,631	7.0%	79.804	14.0%	134,971	16.0%	61 065	5.4%

Source: Ministry of Finance Treasury Data 2016-2019.

Table 9 below shows total spending by local governments by type of activities. In total costs incurred in the social budget programmes, education related costs amount to 1% and 49% respectively, in 2018 and 2019. Other unspecified expenditure at the municipal administration level takes up 49% of total spending in 2018 - this is dominated by expenditure in social housing, as well as some office refurbishment costs.

**Table 9 - Spending in social care and social inclusion by local governments, 2017- 2019, by type of activities (excluding transfers to individuals)**

	2017		2018		2019	
	Spending (ALL)	% of total	Spending (ALL)	% of total	Spending (000 ALL)	% of total
Education (nurseries)	183,443,070	32.0%	1,403,841	1%	29,639,976	49%
Social care centres (19 institutions)	156,787,666	27.4%	68,011,505	50%	29,369,645	48%
<i>of which in Tirana (4 centres)</i>	74,949,051	47.8%	780,480	1%	8,705,040	14%
Other municipal expenditure	232,473,026	41.0%	65,555,485	49%	2,054,999	3%

## 4. FINANCING SOCIAL SERVICES IN 15 MUNICIPALITIES

### 4.1. Structure of municipal budget: 15 municipalities

In terms of the source of financing, transfers from the central government are the main source of funding for municipalities. Transfers from the state budget typically dominate the structure of spending in all ranging from 95% of 2019 budget outturns in Prrenjas; to 76% in Berat and 62% in Durres. Tirana is the obvious outlier: Conditional funding accounted for only 32% of its overall budget in 2019. Discretionary sources of financing, composed of the unconditional transfer (from the state budget) and own revenues account for 64% of the budget in Tirana; while for the other municipalities the values vary greatly. Seven of the 15 municipalities received foreign financing in 2019. Foreign financing was relatively significant only in Tirana and Durres.

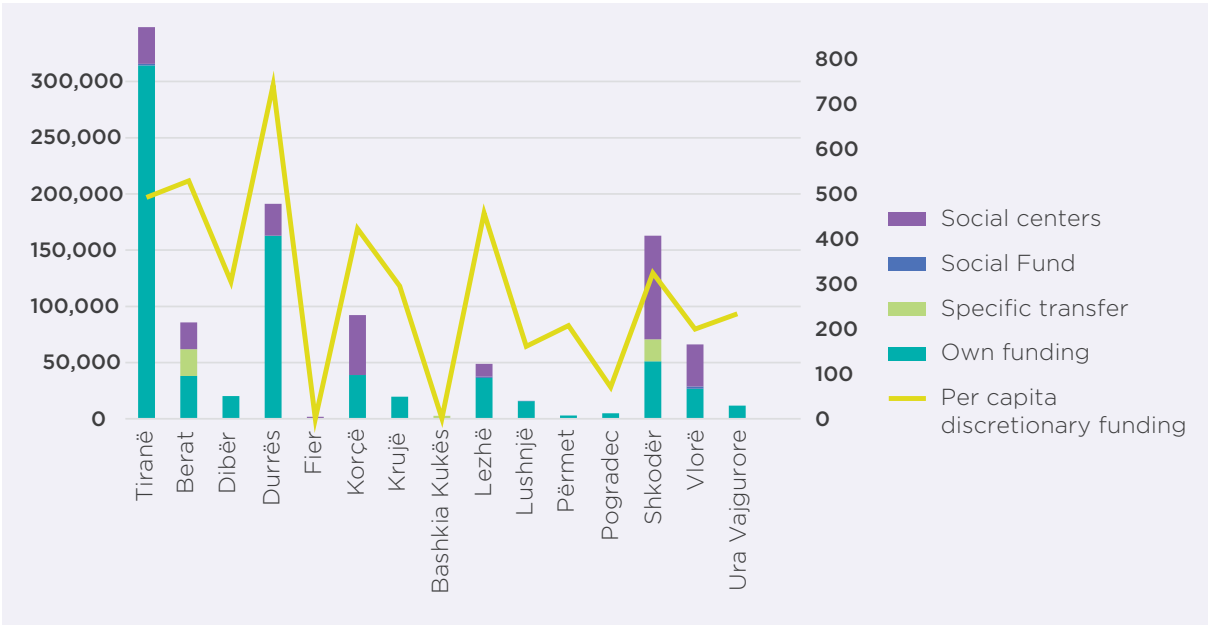
A review of the budget allocated for the social sector, reveals that the ratio of discretionary/central government financing is even more skewed towards conditional funding than for the general budget (Table 7).

In 2019, the 15 municipalities local governments spent 727 million lek of their discretionary funding (unconditional transfer and own source revenue) for social service management and cash services, almost the same amount as in 2017 (721 million lek) and less than 7% of total funds spent in the social sector for these municipalities. As expected, cash transfers financed through the state budget account for more than 90% of total outturns, mirroring the situation at the central level.

If we exclude cash transfers, ratios are reversed: in Berat, 72% of total funding for the social sector originates from discretionary funding (Berat has 2 centrally financed centres); in Tirana and Shkodra, both having a number of centrally financed centres, the majority of social spending is funded through discretionary funding. In Durres and Lezhe the municipalities fund 85% and 75% respectively of social spending through discretionary funding, while the other municipalities do not receive any state budget funds outside of the cash transfer.<sup>33</sup>

<sup>33</sup> Specific transfers are grants transferred to local governments by the state budget to cover essential running costs for functions that were transferred in 2015, with the revised law on local governance (139/2015). The transfer is discretionary in theory but it is linked with indispensable financing needs of newly transferred institutions. In the social area, specific transfers cover costs for the municipalities of Berat, Elbasan, Shkodër, Vau i Dejës, Kuçovë and Kukës to cover personnel and operation and maintenance costs for the centers "Lira", Berat, "Balash", Elbasan, "Shpresa" Shkodër, Vau i Dejës and the daycare centers for children with disabilities in the municipalities of Kuçovë and Kukës. In other sectors, specific transfers cover costs associated with dormitories for pre-university schools; fire protection services; irrigation and drainage, forest administration; support staff in pre-university education and teaching staff in pre-school facilities. Please note that specific transfers have been accounted for as discretionary spending, which skews results a little.

**Figure 3 - Relative weights of social spending outturns in 2019 by source of financing, excluding cash benefits and social housing, 2019**



Source: Municipal budgets

Caution must be used when interpreting these figures: on the one hand, the lack of national government financing is not necessarily a good thing in terms of development and increased coverage of social care services. Hence, a higher relative weight of own spending in the sector does not necessarily lead to higher spending or ownership of the local government. On the other hand, where spending within a programme budget is relatively low, or limited to administration and management costs, municipalities tend to not disaggregate costs and do not allocate them to the specific budget programme. In this case, social spending is embedded in general administration costs and is not possible to identify from the budget structure. This is likely the case in Fier, where it appears that the municipality does not spend anything on social services – however each municipality employs at least a handful of personnel in charge of managing social functions due to statutory requirements.

In kind contributions to social service delivery similarly do not appear in the budget structure, despite their high relevance towards covering for costs. As it is explained later in this report, the majority of municipalities have entered into agreements with non-public service providers, where the municipality provides the main facilities and utility costs, and the non-government providers operate the services. Furthermore, outside donations do not explicitly feature in the financial data. For example, UNDP’s LNB programme reports that in close coordination with MoHSP, and in line with the grant scheme’s regulations for new social care services at local level, it allocated funds in a competitive scheme that is similar to the National Social Fund, to resource local social funds and support social care services at local level: about 13,602,264 ALL provided (2019-2020) to 7 municipalities: Roskovec, Shkodra, Prrrenjas, Kamza, Permet, Dibra, Puka.<sup>34</sup>

34 These funds can not be identified from general Treasury data.

Incomes from social care services in the form of user fees are extremely low, as discussed earlier in this report. This is an area to explore further, towards partial recovery of service costs and financial sustainability. Not all service beneficiaries are poor and unable to pay; this should be taken into account in particular for services for the elderly; or people with disabilities.

**Table 10 - Financing for social services in 15 municipalities in 2019**

	Unconditional funding 2019	Of which: donors 2019	Central government financing 2019	Total 2019 (000 ALL)	Donations outside the budget 2019	Weight of discretionary funding for social sector 2019	Total 2017 (000 ALL)	Weight of discretionary funding for social sector
						(w/o cash prog.)		(w/o cash prog.) / 2017
Tirane	314,210	80,845	1,394	396,449	0	79%	63,564	100%
Durres	86,450	8,793	0	95,243	7,509	91%	520	100%
Shkoder	14,620	1,632	41,828	58,080	30,291	25%	23,809	26%
Korce	14,621	-	6,613	21,234	37,258	69%	2,407	86%
Berat	14,622	-	48,281	62,903	0	23%	800	19%
Ura Vajgurore	14,623	165	0	14,788	19,905	99%	499,566	100%
Diber	14,624	2,773	0	17,397	0	84%	6,530	100%
Lushnje	14,625	-	3,342	17,967	0	81%	35,147	80%
Fier	14,626	-	9,221	23,847	13,524	61%	13,666	58%
Kruje	14,627	-	4,151	18,778	0	78%	43,489	69%
Lezhe	14,628	445	11,192	26,265	23,650	56%	6,206	90%
Pogradec	14,629	-	25,064	39,693	2,520	37%	47,731	10%
Kukes	14,630	-	0	14,630	2,553	100%	12,401	100%
Prrenjas	14,631	6,595	15,158	36,384	0	40%	30,870	32%
Permet	14,632	-	0	14,632	0	100%	223,695	100%

Source: Municipal budgets. There may be discrepancies with Treasury data.

## 4.2. Cost structure at the municipal level

### Service financing

The types and financing mix for social services vary largely within the municipalities. Nationally funded services are typically set up in larger municipalities and regional centers, but provide services at a regional (people with disabilities, elderly) or national scale (children homes). The national social service centers are financed through conditional transfers and are located in the following municipalities: municipality of Shkodra (two residential services for people with disabilities, one for elderly and two children homes); municipality of Lezhe (one regional center for people with disabilities); municipality of Fier (residential center for elderly); municipality of Korca (one daycare and one residential centre for people with disabilities and one children home); municipality of Berat (one daycare and one residential center for people with disabilities); municipality of Kukes (1 day-care center for people with disabilities) and municipality of Tirana (1 elderly home; 2 children homes and one residential center for children with disabilities). The municipality of Berat also operates one service for people with disabilities, which is financed by the regional council.

Bigger municipalities, with higher population have established a larger number of services relative to smaller municipalities. Nevertheless, it must be noted that it is likely that the need in larger municipalities is of a much higher magnitude than in smaller ones; hence this may not lead to any assumption on coverage of social services.

As mentioned above, bigger municipalities have allocated more resources from their own budgets to funding social care services. In the majority of cases however, municipalities only fund services partially from their own resources and operate services in cooperation with non-public service providers. The typical model is where the municipality covers facilities and utility costs and auxiliary staff (security and cleaning), while the non-public service providers cover costs related with staff and other current expenditure needed (food, clothing, equipment and other materials<sup>35</sup>). Not all service providers are transparent on costs incurred for provision of services. This model of co-financing has been applied largely in the municipality of Shkoder (10 of the 11 locally operated services); municipality of Lezha (3 of the 5 services); municipality of Korca (10 of 12 services operated locally), municipality of Fier (2 of three services) etc.

The municipality of Tirana is the only municipality in the sample which contributes a substantial share of social sector spending from its own resources. Tirana has established four major multifunctional centres, which are financed fully from its own budget, with limited support by the non-government sector. In addition, the municipality of Tirana, which has fostered a close working relationship with non-governmental organisations working in the social service area, has outsourced part of its services in support of children in street

<sup>35</sup> The direct contributions of municipalities towards services provided by non-public providers have been identified where these appear in the budget. Costs for in-kind contributions have not been quantified, as costs vary largely across municipalities and the type of facilities offered.

situation to a local NGO (Arsis), since 2018.<sup>36</sup> Other municipalities may also provide direct support or contributions to non-governmental organisations in the social service area, although this was not explicitly reported in the data shared with the team.

## **Donations and cooperation with partners**

The previous section provided an overview of expenditure incurred at the central and local level related with social services, based on the Treasury database. Nevertheless, in some local government levels investment is administered and implemented by a central department separate from the Social Care unit. In these cases, Capital expenditure incurred is recorded under a general programme budget, instead of the social care service programme budget. Table 11 below provides an overview of investment and projects during 2018 and 2019, as reported by the municipalities. It also includes information on some of the extra-budgetary interventions in infrastructure, based on municipal information, where it was available. In other cases, UNDP has reported interventions carried out directly at the local level, as noted in the clarifications.

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<sup>36</sup> This working relationship was reported by the municipality of Tirana in the data shared with the consultants for 2018, but not for 2019, although it would appear from the financial data that the agreement is ongoing.

**Table 11 - Investment in social care centres 2017, 2018 and 2019**

000 ALL	2017		2018		2019		Clarifications
	<i>Budget</i>	<i>Extra-budget</i>	<i>Budget</i>	<i>Extra-budget</i>	<i>Budget</i>	<i>Extra-budget</i>	
Durres			65,330		16,394		Of which 4639 foreign financing (Kuwait)
Shkoder	243		670				Community centres
Shkoder						27,960	Central govt, infant home all operations
						1,022	“Shprese per boten” foundation
Shkoder			46,886	37,012	35,018	1,001	IADSA/youth center
Lezhe				1,000			Red Cross for DV victims
Korce	331				6,613		Roma infrastructure
Pogradec		19,751	9,009		25,064		RDF social housing
Prrenjas		769			6,595		UNDP for MFC center
Fier	1,035		9,555		9,221		Roma infrastructure
Diber					12,415		UNDP for MFC
Lushnje							
Ura Vajgurore	1,500		1,326			19,905	UNDP for development center and DV
Diber	0						UNDP, for development center
Kukes	0						
Kruje						16,552	UNDP, for development center and DV
Permet	0					24,546	UNDP, for development center
Tirana	88,072		54,000				Community centers

## 5. CONCLUSIONS

During the last two years, the social protection expenditure of the state budget has amounted to 23,5 and 24 billion Lek respectively in 2018 and 2019, up from 21,7 billion in 2017. However, central expenditure in the social sector is dominated by the two programmes of cash benefits (social assistance and disability benefits). Since 2019, a third cash benefit programme was introduced, a one-time baby bonus awarded to families. Cash benefits continue to take up more than 95% of social protection expenditure at the central level in 2018 and 2019 as well. Non-cash social protection expenditure, including administration of social care services as well as management activities, has slightly increased in nominal terms (1,000 million Lek and 988 million lek in 2018 and 2019 respectively, as opposed to 900 million Lek in 2017). Overall, social protection expenditure has increased in nominal terms, but decreased in relative terms – the pace of growth of general government expenditures was faster than the increase in social protection expenditures. **Central government expenditure on non-contributory social protection programmes constitute about 5,1% of total central government expenditure between 2017 and 2019** and were projected to fall to 4,8% in 2020, despite a very minor increase. It must be noted, however, that social expenditure in 2020 has increased dramatically in the framework of the Covid-19 related social support programmes.

Central government support for local social care services has not changed much in nature. The lion-share of central government transfers to the local level in the social sector continues to be allocated to expenditure for cash payments (poverty assistance and disability benefits) – more than 95% of total expenditure. Total central government financing on non-cash social protection activities remains steady over the 2017 – 2019 period, at less than 1 billion lek. Funding for social care services for the state budget is limited to covering operational expenditure, with very limited capital improvements. In 2019 the Social Fund became operational for the first time. 150 million Lek were appropriated in the budget of the Ministry of Health and Social Protection. 23 applications were considered eligible and 14 projects were adopted for financing. However, by the beginning of 2020 only less than 7 million lek were awarded to 6 municipalities.

In contrast, local government expenditure on social care services has increased dramatically. In 2018 and 2019, local governments spent 1,7% and 2,1% of their total budget in the social sector (1,5% in 2017), or 842 million and more than 1 billion lek respectively in 2018 and 2019 (vis-à-vis 545 and 684 million lek respectively in 2016 and 2017). For the first time in 2019, local spending from discretionary resources is bigger than central government spending on social care services. In terms of the target municipalities, the 15 LNB target municipalities have spent 581 million Lek from their discretionary resources in social services, or more than 50% of all local discretionary spending in the sector. Outside of education related expenditure, the 15 LNB target municipalities have spent about 458 million lek in 2019, 60% more than in 2017 (287 million). The increase is driven



by the bigger cities in nominal terms. However, the biggest changes in relative terms are observed in smaller municipalities such as Prrenjas and Diber.

Municipalities allocate their own-source budget to social services to different extent: bigger (and richer) municipalities have established an array of different social care services as well as appear to be able to attract more donor funding to support their services. During the last two years some smaller municipalities have managed to establish services, including through LNB support.

Municipalities are making efforts to sustain the provision of social care services, while expanding their coverage. Several municipalities provide services in cooperation with non-governmental partners, which prove instrumental in securing financial sustainability and human capacities for the services. A list of municipal cooperation projects in the social care service area is provided in Annex 1.

## ANNEX 1. TYPES OF SOCIAL SERVICES DELIVERED AT THE LOCAL LEVEL

The main types of social care services delivered at the municipal level include:

- Residential homes for the elderly, typically financed by the national government
- Day-care centres for the elderly, typically financed by the local governments
- Homes for children without parental care, typically financed by the national government
- Day-care and residential centres for people with disabilities. There is a wide range of financing mix in this case, depending on the municipality.
- Multifunctional community centers, offering a mix of services for families or targeted groups, more frequently operated by non-public service providers, with some municipality contribution
- Other community centers, for specific target groups, such as ethnic minorities, families in need and their children, returnees, etc.
- Emergency shelters for women victims of domestic violence, typically financed by the municipality with major contributions by non-public service providers

In detail, the services currently operating in each municipality are as follows:

### Municipality of Lezha

1. Elderly daycare center in Shengjin: This center is operating since 2008, with a daily 10-hour service model in the morning and evenings, providing services to elderly citizens of age 60 and above. It is operated by the Albanian Red Cross; while the municipality has granted the use of the facilities and covers the costs of utilities. In addition, the municipality transfers a fund of 600 thousand lek annually to the Red Cross (500,000 until 2018), to indirectly finance the bonus for poor families. Employees and caregivers are hired and paid by the Red Cross (8 in total). Other businesses, donors contribute at times.
2. Daycare community center for migrant returnees (families and children): This multifunctional community center was established in 2017 by the municipality in cooperation with World Vision and Terre des Hommes. It provides services to poor families, returnees and those at risk of migration. The municipality has provided the building, covers utility costs as well as has employed a part-time manager and a full time social worker. WV and TdH employ other staff and cover operational costs, as well as



have financed capital costs for the reconstruction. Municipality pays for the facility, staff and operation; TDH with support by ADA; GIZ and World Vision contribute to one local coordinator as well as funds for the reconstruction of the center and other supplies

3. Multifunctional community center Malteser: This is a public daycare community center, providing services primarily to the Roma and Egyptian communities, children and families. The municipality has provided the land for the development, while Malteser has financed the construction of the building and will operate the center for ten years. It also provides a kindergarten and school. The municipality does not provide any other financing.
4. Lezha: Woman and child healthcare center: This daycare health centre was built in 2017 and has not started operations yet. The municipality has provided the land for the development, while the Life NGO has financed building and will be in charge of operation for two years. The municipality will finance utility costs as well as auxiliary staff (security, cleaning).
5. Lezha: Daycare development center for PwD: The daycare development center is a regional centers providing services for the whole region; for children and youth with different forms of disabilities, since 1996, for 8 hours a day. The center is mainly financed by the central government. The municipality finances rent for the building (1,2 million lek annually) as well as will finance the reconstruction of the facilities during 2018, for 21 million lek.

**Table 12 - Lezha municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,953,298	540,233	348,403	583,036	481,626	
<b>Total Social</b>	<b>682,925</b>	<b>18,991</b>	<b>101,094</b>	<b>562,840</b>	<b>0</b>	<b>23,650</b>
<i>Of which cash benefits</i>	562,240			562,240		
<i>Of which nurseries</i>	8,193	6,554	1,639			
Social services	112,492	12,437	99,455	600	0	23,650
Elderly home	906	906	0	0	0	2,800
Development day center	14,768	10,591	4,177			12,150
Community center for returnee families	550		550			4,200
Community center Malteser	-					4,500
Woman and child health center	-					
Other social projects/activities	90,299	0	89,699	600	0	0
Social and youth projects with UNDP	-					
Bonus for poor families (Red Cross)	600			600		
Other	89,699		89,699			
Social housing	5,969	940	5,029	0	0	0
Social care centres 2017	1,757	456	1,301	0	0	
Change 2019/2017	92%					

## Municipality of Shkodra

1. Day-care community centres: The municipality of Shkoder operates 12 daycare community centers in 12 different areas, up from 5 in 2018; including 6 in former communes, with an average of 30 monthly beneficiaries in each center. The municipality covers for utility costs, maintenance of the facilities as well as limited staff. The remainder of needs is covered by an array of different NGOs and non-public service providers, who do not share information on costs with the municipality (OJF “Shpresa per boten” me financim nga donatore; Terre des Home, Arsis, World Vision, Save the Children, Shprese për Boten, Sos Fshatrat e femijeve, Ipsia, Malteser, UNDP, Komuniteti Papa Xhovani, Gruaja te Gruaja, ASET)
2. Residential services for PwD (family-home model): This is a public residential center for people with disabilities, with 7 communities (households), providing services to adults with disabilities from across the country (Shpresa project). The municipality finances expenditure through a conditional transfer from the national budget, to cover for personnel and maintenance costs. Shpresa NGO contributes to the service, but costs are not disclosed with the municipality.
3. Shkoder: Youth Center Atelie: This is a public youth center focused on social, artistic and cultural inclusion of youth. A project of the municipality of Shkoder in cooperation with Acli Ipsia Albania, the municipality of Trieste and Consulting and Development Partners, supported by IADSA. Operation has not started yet.
4. Youth Center “Po te ardhmes” – financed by IADSA (investment)



### **Services delivered in Shkoder but operated by the central government include:**

5. Development Center: This is a national institution providing residential and daycare services for people with disabilities, for a total of 93 beneficiaries (46 in daycare and 47 in residential treatment).
6. Development Home This is the oldest institution of its kind in the country, providing residential services to 74 elderly people above the age of 55 (women) and 60 (men), who have been abandoned by their families, are homeless or have other challenging circumstances.
7. Infant’s home 0-3 years of age: This is an institution providing social daycare and residential services to children without parental care, or who strive in difficult social and economic family environments. It also serves as a community center for children aged 0-6 years. Financed by the central government
8. Municipality pays 23 employees in its social unit; as well as 11 staff in social centers. 21 staff in social centers are financially supported by donors.

**Table 13 - Shkoder municipality funding for social services**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	3,080,822	638,415	543,792	1,018,168	880,447	
<b>Total social sector</b>	<b>932,497</b>	<b>34,989</b>	<b>13,540</b>	<b>859,760</b>	<b>24,208</b>	<b>30,291</b>
<i>Of which cash benefits</i>	839,572			839,572		
<i>Of which nurseries</i>	36,477	27,968	8,094	224	191	
Social services	56,448	7,021	5,446	19,964	24,017	30,291
Infant home	-					27,960
12 community centers	8,023	6,183	1,840			
Youth Center "Po te ardhmes"	-					1,001
Qendra "Shpresa", 7 residential homes for PwD	19,564			19,564		
Te tjera shpenzime/ projekte dhe aktivitetet sociale	4,936	838	1,946	400	1,752	1,330
Strehimi Social	22,778	0	513	0	22,265	0
Sanitation for marginalized communities	7,287				7,287	No info
Services in Comm. Center 6	513		513			No info
Social housing reconstruction	14,978				14,978	
Sherbimi shendetesor paresor	1,147		1,147			
Management cost (23 in headquarters)	38,397					
Social care centers in 2017	47,731	20,714	6,395	0	243	
Change 2019/2017	70%					

## Municipality of Fier



1. Elderly Center: This is a public institution managed by the municipality, financed by the national budget, with some contribution from the municipality (building). 20 staff are financed by the central government budget
2. Multifunctional center “Horizont PAK” for children and youth: This center was built in the framework of the IADSA programme in cooperation with the Fier regional education directorate, University of Vlora and some Italian partners. Provides daycare services to 100 children and youth between 6 - 20 years of age, in a model of 8-hour service as well as some 22 children receiving therapy in the afternoon. It is fully funded by the municipality, with the central government providing educational staff ( 6 teachers).
3. Levan Community Center: The Levan community center, also providing services to Gender, was built by UNDP for communities in need. It is operated by the municipality, which provides the facilities and 1 staff, in cooperation with Terre des Hommes (1 staff). Offers services primarily for the Roma community, including a kindergarten. Operation costs of partners are not disclosed. Save the Children provides food packages; World vision also finances the. center

**Table 14 - Fier municipality social spending 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	2,546,444	817,385	544,812	721,354	462,893	
<b>Total social sector</b>	<b>762,276</b>	<b>28,385</b>	<b>2,770</b>	<b>721,354</b>	<b>9,767</b>	<b>546</b>
<i>Of which cash benefits</i>	721,354			721,354		
<i>Of which nurseries</i>	18,718	15,948	2,770			
Social services	22,204	12,437	0	0	9,767	546
Elderly home	546	0	0	0	546	546
Multifunctional Center “Horizont PAK”	10,393	10,393				
Community Center Levan	2,044	2,044				
Social Housing	9,221	0	0	0	9,221	-
Roma infrastructure (RDF)	9,221				9,221	
Management costs (19 staff)	19,338	19,338				

## Municipality of Korça

1. 3 Daycare centers for empowering Roma and Egyptian communities: The municipality operates three centers respectively in neighbourhoods 7, 10 and 14. The municipality provides the facilities (buildings) and covers utility costs; while the Emmanuel Foundation operates services. (8 staff, 300 beneficiaries)
2. Four community centers for the elderly: The elderly community centers provide services through cooperation with the Dorkas organization. The municipality provides the facilities (one of which is owned by the municipality and the rest are leased) as well as covers utility bills. The municipality is currently discussing a financing from the regional council. Dorkas pays for staff and maintenance
3. Daycare development center Atelie: The daycare development center has been established since 2002 targeting people with disabilities between 18 and 35 years of age, with different degrees of disabilities (capacity 25). It employs a total of 7 staff and is financed by the national budget, with contributions by the municipality of Korca.
4. Infant Home “Lulet e vogla”: This is an orphanage for children between 0-6 years of age. With a capacity of 20 children, it currently hosts 13 - 15 children. The municipality pays for 3 auxiliary staff and utilities; main operation costs are paid by central government (11,2 million lek). Shprese per boten contributes 130 thousand lek.
5. Residential Development Center for PwD 1 and 2: The residential centers, providing services to adults (over 25 years of age) with disabilities, is financed by the national budget. The municipality finances some utility costs. (staff 23)
6. Domestic violence emergency shelter: The municipality has leased an apartment that serves as a shelter for domestic violence victims for the first 72 hours. The municipality pays the lease and utilities; while all other service aspects are covered by Jesus Christ.





**Table 15 - Korce municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	2,248,772	608,099	628,973	529,948	481,752	
<b>Total social sector</b>	<b>550,784</b>	<b>5,150</b>	<b>34,559</b>	<b>504,462</b>	<b>6,613</b>	<b>37,258</b>
<i>Of which cash benefits</i>	503,854			503 854		
<i>Of which nurseries</i>	1,320	1,030	290			
Social services	45,610	4,120	34,269	608	6,613	37,258
Kater Community Center per moshen trete	1,075		1,075			1,800
Children Home" Lulet e vogla"	1,773	1,709	64			11,284
Daycare Development Center PwD	480		480			5,163
Residential Development Center PWD	603		603			17,811
Three centers for Roma and Egyptians	-					1,200
Multifunctional community center						
Domestic violence shelter	66		66			
Other social activities	31,024		31,024			
Social housing	10,589	2 ,411	957	608	6,613	
Management costs (21 staff)	12,720	12,720				

## Municipality of Pogradec

1. Day-care multifunctional community centre: The community center targets primarily children with disabilities between 3 – 18 years of age and youth until 34. It also treats victims of domestic violence (women and children). The center has a capacity of 30 children, but provides services to 45 due to the high number of requests.. The municipality finances the center and does not benefit from long-standing partners. UNDP contributed in 2017 with an investment for the refurbishment of facilities and buying of equipment (53 million lek). Central government provides teachers. Nehemia foundation, or other businesses or NGOs provide support.
2. Multifunctional center for Roma integration: The daycare community center in Pogradec focuses on integration and empowerment of the Roma community of all ages; but is open to all other ethnic groups, NGOs, etc. The center was built in 2014 through a joint contribution of the municipality and UNDP. The municipality currently manages the centers and has employed one staff. (staff 1; beneficiaries 18).



**Table 16 - Pogradec municipality funding for social services**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,373,425	136,478	111,164	759,001	366,782	
<b>Total social sector</b>	<b>782,728</b>	<b>6,919</b>	<b>741</b>	<b>750,004</b>	<b>25,064</b>	<b>0</b>
<i>Of which cash benefits</i>	750,004			750,004		
<i>Of which nurseries</i>	4,972	4,231	741			
Social services	27,752	2,688	0	0	25,064	2,520
Community Center multifunctional for PwD	2,688	2,688				2,520
Multifunctional Center (Roma integration all ages)	-					
Social housing	25,064	0	0	0	25,064	0
Management cost (24 staff)	9,216	9,216				

## Municipality of Prrenjas

Prrenjas Multifunctional center and Emergency shelter for domestic violence: The municipality has recently adapted some facilities as a temporary shelter for women victims of domestic violence. UNDP has contributed to the adaptation of a room within a nursery garden, which started operating in 2017. The municipality employs a social worker and liaises with NGOs in Elbasan to follow-up on cases. (514 thousand lek in 2017). In 2019 Prrenjas has made an investment of 6 595 financed by UNDP for the reconstruction of the center. Forumi i Gruas Elbasan supports operations.



**Table 17 - Prrenjas municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	888,270	174,070	143,952	380,783	189,465	
<b>Total social sector</b>	<b>401,090</b>	<b>5,923</b>	<b>1,419</b>	<b>371,995</b>	<b>21,753</b>	
<i>Of which cash benefits</i>	371,995			371,995		
<i>Of which nurseries</i>	5,450	1,419				
Social services	22,226	473	0	0	21,753	
MFC center/DV shelter	7,068	473			6,595	
Social housing	15,158	0	0	0	15,158	
Management cost (24 staff)	9,216	9,216				

## Municipality of Berat

1. Berat \_\_\_\_\_ center for the elderly is a daycare center under the authority of the municipality, providing services to 54 beneficiaries, out of a total capacity of 60. It is financed by the regional council. (8 staff) - No info in 2019
2. Berat daycare center for the elderly provides services to 50 beneficiaries and is financed by the Red Cross. (3 staff) - No info in 2019
3. Berat “Une jam si ju” is a national residential center for adults with disabilities, offering



services to 26 beneficiaries (total capacity is 30) and financed by the national budget through conditional transfers (23 staff).

4. Berat Lira Center is a daycare center for children with disabilities, offering services to 43 children (total capacity 45), financed by the national budget through specific transfers (22 staff).
5. Berat “Shen Asti” Foundation is a day-care and residential multifunctional center providing services to people with disabilities (capacity 70, beneficiaries 60), financed by Caritas (staff 5). - No info in 2019
6. Berat community center for Roma and Egyptians is a community center for families in need, providing services to 45 beneficiaries out of a total capacity of 30. It is financed by UNDP (7 staff) - No info in 2019
7. Berat Association for Roma Women Rights is a community center for people with disabilities, providing services to 15 beneficiaries (capacity 25) - No info in 2019

**Table 18 - Berat municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,286,562	491,812	174,216	404,733	215,801	
<b>Total social sector</b>	<b>450,983</b>	<b>62,847</b>	<b>10,693</b>	<b>369,908</b>	<b>7,535</b>	<b>0</b>
<i>Of which cash benefits</i>	368,568			368,568		
<i>Of which nurseries</i>	22,979	18,991	3,818		170	
Social services	59,436	43,856	6,875	1,340	7,365	0
Center”Lira”	24,320	17,620	6,488	114	98	
Center “Une jam si Ti”	23,961	23,961				
Social housing	11,155	2,275	387,00	1,226	7,267	
Management cost (17 staff)	11,355	11,355				

### Municipality of Dibër

1. Dibër daycare center for the elderly provides services to 80 beneficiaries and is financed by the Red Cross (5 staff). - No info in 2019
2. Dibër Shoqata Ardhmeria is a local community center providing services to schoolchildren (200 beneficiaries; capacity 130) financed by donors (staff 3) - No info in 2019



- Diber Shoqata Selimije is a local community center providing services to children from families in need, It is funded by religious organisations (staff 6) – No info in 2019
- Diber Development Center for children will start operations in December 2019, in accordance with an agreement with UNDP. World Vision support home services through 5 staff (Tungjatjeta jete project)

**Table 19 - Diber municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,547,433	476,133	136,579	782,977	151,744	
<b>Total social sector</b>	<b>810,610</b>	<b>18,968</b>	<b>4,049</b>	<b>775,178</b>	<b>12,415</b>	<b>0</b>
<i>Of which cash benefits</i>	775,178			775,178		
<i>Of which nurseries</i>	20,244	16,195	4,049			
Social services	15,188	2,773	0	0	12,415	
Community center for children with disabilities	2,773	2,773				2,773(WV)
Social Housing	12,415	0	0	0	12,415	0
Management cost (22)	10,150	10,150				

### Municipality of Kruja

- Kruja daycare elderly center provides services to 155 beneficiaries and is financed by the municipality (5 staff).
- Kruja multifunctional center - UNDP has financed reconstruction.
- Kruja Bethany Christian Services is a public residential center for children without parental care, financed by Save the Children. (9 staff). – No info in 2019
- Kruja “Jete ne Zhvillim” is a daycare center for adults with disabilities providing services to 31 beneficiaries (capacity 35) and financed by Caritas (staff 11). No info in 2019
- Kruja “Ndhme per Femijet” is a multifunctional center for children of the Roma and Egyptian communities, providing services to 100 beneficiaries. It is funded by SDC. (2 staff)
- Kruja Arsis is a community multifunctional daycare center for 100 children in street situation financed by Save the Children (2 staff) No info in 2019



7. Kruja Bashkësia e Jezusit is a multifunctional daycare center for families in need (30 beneficiary families), supported by the Catholic church (9 staff). No info in 2019
8. Kruja Foundation Porta Roma is a local community center for children with disabilities (250 beneficiaries) financed by ADRA (staff 4). No info in 2019
9. Kruja SOS Foundation is a local community center for children and families in need, providing services to 60 beneficiaries, financed by the private sector (staff 5).
10. The development center for persons with disabilities has been financed UNDP in 2019 reconstruction (13,520 million lek and equipment 3,032 million lek).

**Table 20 - Kruja municipality funding for social services 2019**

2019 (000 All)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,269,975	172,677	136,678	378,127	582,493	
<b>Total social sector</b>	<b>426,240</b>	<b>56,345</b>	<b>12,071</b>	<b>353,456</b>	<b>4,368</b>	<b>0</b>
<i>Of which cash benefits</i>	353,456			353,456		
<i>Of which nurseries</i>	59,486	54,252	5,234		0	
Social services	13,298	2,093	6,837	0	4,368	0
Qender ditore per te moshuar/F.Kruje	2,386	2,093	293			
Community Center Multifunkionale	6,544		6,544	0		
Strehimi Social	4,368	0	0	0	4,368	0
Management cost (19)	21,622	21,622				

### Municipality of Kukës

1. Kukës day care development center (elderly home) provides services to 160 beneficiaries, out of a total capacity of 110, and is transferred by the national budget through a conditional transfer (14 staff).
2. Save the Children pays 3 social workers



**Table 21 - Kukes municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,298,044	433,306	190,543	622,202	51,993	
<b>Total social sector</b>	<b>657,334</b>	<b>28,981</b>	<b>10,450</b>	<b>617,903</b>	<b>0</b>	<b>2,553</b>
<i>Of which cash benefits</i>	617,903			617,903		
<i>Of which nurseries</i>	32,072	21,622	10,450			
Social services	7,359	7,359	0	0	0	2,553
Elderly home	4,712	4,712	0	0	0	2,553
Management cost (7)	6,440	6,440				

## Municipality of Tirana

1. Tirana residential elderly center is financed through a conditional transfer from the national budget.
2. Tirana infant home; and children home “Zyber Hallulli” are residential center for children without parental care (0-3 and 6-18 years of age respectively) and are financed by the national budget.
3. Tirana “Pellumbat” is a residential and daycare center for children with disabilities, providing services to 14 children (capacity 35) and financed by the national budget through conditional transfers (staff 20).
4. Tirana Shkoza community center is a multifunctional center providing services to 200 families in need (capacity 402), financed by the municipality (18 staff)
5. Tirana multifunctional social center is a community daycare center providing services to families in need (capacity 170; beneficiaries 200); financed by the municipality (staff 21).
6. Tirana “Shtepia e Perbashket” is a multifunctional daycare social center providing services to families in need (capacity 320; beneficiaries 150); financed by the municipality (staff 15).
7. Tirana “Shtepia e Perbashket” is a multifunctional daycare social center providing services to families in need (capacity 320; beneficiaries 150); financed by the municipality (staff 15).
8. Tirana “Te qendrojme se bashku” is a multifunctional daycare social center providing services to families in need (capacity 160; beneficiaries 100); financed by the municipality (staff 22).
9. Tirana “Shtepia e ngjyrave” is a multifunctional daycare social center providing services to families in need.
10. Gonxhe Bojaxhi and Streheza are two new community centers in Tirana.



**Table 22 - Tirana social services: public financing 2016 and 2018**

	2016 (outurn)					2018 (budget)				
	Personnel	O&M	Transfers	Investment	Total	Personnel	O&M	Transfers	Investment	Total
<b>Total</b>	<b>5,100,362</b>	<b>6,376,954</b>	<b>2,954,056</b>	<b>7,349,803</b>	<b>21,781,175</b>	<b>184,350</b>	<b>126,480</b>	<b>14,000</b>	<b>324,829</b>	<b>324,829</b>
<b>Social care centres (local)</b>	<b>186,079</b>	<b>9,456</b>	<b>34,829</b>	<b>22,834</b>	<b>253,198</b>	<b>69,500</b>	<b>37,000</b>	<b>14,000</b>	<b>120,500</b>	<b>120,500</b>
<i>G.1.Center Social Multidisiplinare</i>	44,335	2,548	6,495	3,262	56,640	17,900	6,900	2,000	26,800	26,800
<i>G.2. Community Center "Të qëndrojmë sëbashku"</i>	51,351	2,560	8,378	8,155	70,444	19,400	8,900	5,000	33,300	33,300
<i>G.3. Center Sociale " Shtëpia e Përbashkët"</i>	43,319	1,973	10,072	6,524	61,888	14,500	10,700	4,000	29,200	29,200
<i>G.4. Community Center Shkozë</i>	47,074	2,375	9,884	4,893	64,226	17,700	10,500	3,000	31,200	31,200
<b>Social care centres (central financing)</b>	<b>100,892</b>	<b>81,166</b>	<b>0</b>	<b>0</b>	<b>182,058</b>	<b>114,850</b>	<b>89,480</b>	<b>0</b>	<b>204,329</b>	<b>204,329</b>
<i>Shtëpia e të Moshuarve</i>	10,409	14,946	0	0	25,355	10,373	14,894	0	25,267	25,267
<i>Shtëpia e Foshnjes</i>	23,694	14,405	0	0	38,099	26,979	16,402	0	43,380	43,380
<i>Development Center</i>	17,153	7,846	0	0	24,999	23,940	10,951	0	34,892	34,892
<i>Qendra Pritsëse Viktim Linzë</i>	12,250	9,757	0	0	22,007	12,413	9,887	0	22,300	22,300
<i>Qendra Kombëtare Viktimave Dhunës</i>	10,475	10,270	0	0	20,745	11,205	10,985	0	22,190	22,190
<i>Qendra Kombëtare Emergjencës</i>	5,603	8,209	0	0	13,812	5,854	8,577	0	14,430	14,430
<i>Shtëpia Fëmijës Shkollor</i>	21,308	15,733	0	0	37,041	24,086	17,784	0	41,870	41,870



**Table 23 - Tirana municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	21,781,175	5,100,362	6,376,954	2,954,056	7,349,803	
<b>Total social sector</b>	<b>3,264,853</b>	<b>553,395</b>	<b>186,126</b>	<b>2,521,237</b>	<b>4,095</b>	<b>0</b>
<i>Of which cash benefits</i>	2,358,613			2,358,613		
<i>Of which nurseries</i>	590,636	477,146	110,194	1,118	2,178	
Social services	315,604	76,249	75,932	161,506	1,917	
Community Center (all)	102,265	76,249	24,099	0	1,917	
Qendra Komunitare "Të qëndrojmë së bashku"	25,490	19,704	5,394		392	
Community Center "Shtëpia e përbashkët"	-					
Qendra Multidisiplinare	23,064	17,167	5,087		810	
Community Center "Shkozë"	25,337	18,045	6,577		715	
Qendra Sociale "Streheza"	6,224	4,608	1,616			
Community Center "Gonxhe Bojaxhi"	22,150	16,725	5,425			
Other social projects/activities	120,186	0	51,833	68,353	0	0
Management cost (87)	76,249	76,249				

## Municipality of Lushnja

The development day care center for people with disabilities in Lushnja was reconstructed by UNDP some years before. It is administered and financed by the municipality. The center is financed by central government grants, partially by municipality. The municipality indicates donors contribute on special occasions.

Spending for an elderly home was planned in 2018, but not



spent. It was no longer planned in 2019.

**Table 24 - Lushnja municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal expenditure	1,744,695	556,145	283,890	548,938	355,722	
<b>Total social sector</b>	<b>526,616</b>	<b>19,220</b>	<b>923</b>	<b>504,184</b>	<b>2,289</b>	<b>0</b>
<i>Of which cash benefits</i>	498,917			498,917		
<i>Of which nurseries</i>	10,656	8,061	306		2,289	
Social services	17,043	11,159	617	5,267	0	0
Development Center	11,776	11,159	617			
Social Housing	5,267	0	0	5,267	0	0
Management costs (23 staff in 2019)	14,240	14,240				

### Municipality of Durrës

1. Elderly home: Suport by Misioni pa kufij (food packages); Turgut Ozal (activities); Fondacioni shqiptar I Kattarit (building reconstruction)
2. Shtepia e foshnjes: World vision – reconstruction of building and set to use for mothers and children in street situation
3. Community Center multifunksiionale Nishtulles ESERE/UNDP uses building, have no information on budgets (150,000 ALL known to have been spent by ESERE for hygiene kits)
4. Day care community Center for children with disabilities Save the Children finances personnel and operation costs
5. Other organisations active in Durres: Qendra Sot per te ardhmen; World Vision, Qendra ditore Shprese e Gjalle, WORLD Hope, Qendra Kristiane, Sherbimi Social Rajonal, Qendra Ditore Nehemia dhe vullnetare, NCSS, Insifa Shpk, Turgut Ozal, Katar Charity



**Table 25 - Durrës municipality financing for social services in 2019**

000 ALL	2019 Outturn (total)	Personnel	O&M	Transfers	Investment
Total municipal spending	4,157,341	1,138,056	626,266	1,339,909	1,053,110
Total social spending	1,149,751	80,407	47,393	1,002,767	19,184
Cash benefits	986,833			986,833	
Nurseries	76,468	58,220	15,424	34	2,790
Social centers and projects	86,450	22,187	31,969	15,900	16,394
Elderly Daycare Center, Durrës	18,139	9,409	8,730		
Children Home	3,338				3,338
Community Center	10,462	9,626	660	0	176
Community Center Multifunkionale Nishtulla	4,513	4,046	291		176
Community based service center for children with disabilities	5,949	5,580	369		
Other social spending and projects	35,335	0	19,435	15,900	0
Project "preventing domestic violence"					
Municipal contribution to ESERE	-				
Municipal social assistance	15,900			15,900	
Other social activities	19,435		19 435		
Social housing, of which	19,176	3,152	3 144	0	12,880
Sector of social housing	6,296	3,152	3 144		
CEB loan repayment	12,880				12,880
Municipal investment	0				

## Municipality of Përmet

The municipality operates a development center for people with disability. It pays for 4 staff. UNDP has financed in 2019 construction (20,573 million lek and equipment 3,973 million lek).



**Table 26 - Përmet municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal spending	349,960	125,770	40,126	3,939	180,125	
<b>Total social spending</b>	<b>81,961</b>	<b>2,437</b>	<b>364</b>	<b>79,160</b>	<b>0</b>	<b>0</b>
Cash benefits	79,088			79,088		
Nurseries	2,801	2,437	364			
Social centers and projects (no services)	72	0	0	72	0	0
Management costs (7 staff)	4,337	4,337				

## Municipality of Ura Vajgurore

The municipality operates a development center for people with disability. It pays for 4 staff. UNDP has financed in 2019 reconstruction (17,66 million lek and equipment 2.25 million lek).



**Table 27 - Ura Vajgurore municipality funding for social services 2019**

2019 (000 ALL)	Total	Salaries	O&M	Transfers	Investment	Extra-budgetary
Total municipal spending	643,663	157,413	70,849	153,991	261,410	19,905
<b>Total social spending</b>	<b>154,756</b>	<b>5,420</b>	<b>1,548</b>	<b>147,788</b>	<b>0</b>	<b>19,905</b>
Cash benefits	143,488			143,488		
Nurseries	9,568	4,005	1,263	4,300		
Social centers and projects	1,700	1,415	285	0	0	19,905
Development center	1,700	1,415	285	0	0	19,905
Management costs (4 staff)	3,605	3,605				

## ANNEX 2. SOCIAL EXPENDITURE BY INSTITUTION AND ECONOMIC CLASSIFICATION

Table 28 - Municipal expenditure by institution and economic category, 2016, 2017 and 2019

Sum of Actual	2016		2017		2019		
Row Labels	Actual budget	% within institution	Actual budget	% within institution	Actual budget	% within institution	Difference 2019/2017
Municipality Tirana (3535)	24,796,585	<b>12.7%</b>	69,955,543	<b>24.4%</b>	50,797,690	<b>11.1%</b>	73%
Capital exp	18,030,495		56,484,158		22,359,147		
O&M	6,551,140		10,003,043		27,245,514		
Transfer to inst.	214,950		3,468,342		1,193,029		
Te qendrojme se bashku (3535)	18,217,241	<b>9.3%</b>	20,285,712	<b>7.1%</b>	25,489,954	<b>5.6%</b>	126%
Capital exp	263,999		319,800		392,400		
Wages	12,708,209		16,060,660		19,703,980		
O&M	5,245,033		3,905,252		5,393,574		
Multidisciplinary Social Center (3535)	14,247,589	<b>7.3%</b>	18,855,374	<b>6.6%</b>	23,063,976	<b>5.0%</b>	122%
Capital exp.	0		0		810,000		
Wages	10,186,000		15,946,035		17,167,156		
O&M	4,061,589		2,909,339		5,086,820		
Community Center Shkoze (3535)	16,420,513	<b>8.4%</b>	17,254,971	<b>6.0%</b>	25,336,850	<b>5.5%</b>	147%
Capital exp.	1,118,979		0		715,080		
Wages	12,649,352		13,945,837		18,044,587		
O&M	2,652,182		3,309,134		6,577,183		
Community Center Gonxhe Bojaxhi		<b>0.0%</b>		<b>0.0%</b>	22,150,364	<b>4.8%</b>	n/a
Wages					16,724,896		
O&M					5,425,468		

Streheza Tirane		<b>0.0%</b>		<b>0.0%</b>	6 224 026	<b>1,4%</b>	n/a
Wages					4 607 988		
O&M					1 616 038		
<b>Total Tirana</b>	<b>73,681,928</b>	<b>38.0%</b>	<b>126,351,600</b>	<b>44.0%</b>	<b>153 062 860</b>	<b>33%</b>	<b>121%</b>
Municipality Durres (0707)	9,220,974	<b>4.7%</b>	22,461,030	<b>7.8%</b>	56,762,358	<b>12.4%</b>	253%
Capital exp.	7,220,974		21,242,833		19,008,934		
Wages					33,445,424		
O&M	2,000,000		470,197		4,308,000		
Transfer to inst.			748,000				
Economic Education Center (0707)	52,867,844	<b>27.0%</b>	53,960,827	<b>18.8%</b>	73,472,573	<b>16.1%</b>	136%
Capital exp.	400,000						
Wages	36,490,463		38,939,629		53,182,979		
O&M	15,977,381		15,021,198		20,289,594		
Elderly Daycare (0707)	18,327,330	<b>9.4%</b>	17,595,060	<b>6.1%</b>	28,601,110	<b>6.3%</b>	163%
Capital exp.	398,200		0		176,040		
Wages	12,454,061		12,298,430		19,035,082		
O&M	5,475,069		5 ,296,630		9,389,988		
<b>Total Durres (w/o edu)</b>	<b>27,548,304</b>	<b>14%</b>	<b>40,056,090</b>	<b>14%</b>	<b>85,363,468</b>	<b>19%</b>	<b>213%</b>
Municipality Shkoder (3333)	20,656,695	<b>10.6%</b>	25,436,332	<b>8.9%</b>	34,475,172	<b>7.5%</b>	136%
Capital exp.	399,960		0		2,111,279		
Wages	1,519,011		4,721,775		7,901,259		
O&M	2,089,842		2,813,833		6,443,833		
Transfer to inst.	16,647,882		17,900,724		18,018,801		

Nursery directorate (3333)	30,235,506	<b>15.5%</b>	30,003,501	<b>10.5%</b>	35,392,963	<b>7.7%</b>	118%
Capital exp.	343,880		409,680		190,800		
Wages	21,601,563		23,590,181		27,968,562		
O&M	8,290,063		6,003,640		7,233,601		
<b>Total Shkoder (w/o edu)</b>	<b>20,656,695</b>	<b>11%</b>	<b>25,436,332</b>	<b>9%</b>	<b>34,475,172</b>	<b>8%</b>	<b>136%</b>
Municipality Korçe (1515)	-	<b>0.0%</b>	-	<b>0.0%</b>	20,224,592	<b>4.4%</b>	n/a
Wages					13,049,378		
O&M					4,175,214		
Transfer to inst.					3,000,000		
Children Home Korçe (1515)	1,753,627	<b>0.9%</b>	1,688,477	<b>0.6%</b>	1,773,476	<b>0.4%</b>	105%
Capital exp.	91,800				1,709,276		
Wages	1,396,840		1,610,496		-		
O&M	264,987		77,981		64,200		
Education Supprot center Municipality Korce (1515)		<b>0.0%</b>	-	<b>0.0%</b>	12,340,397	<b>2.7%</b>	n/a
Development Center Korce (1515)	703,845	<b>0.4%</b>	828,938	<b>0.3%</b>	602,689	<b>0.1%</b>	73%
Capital exp.	198,200		330,910				
O&M	505,645		498,028		602,689		
Development Center Korce nr.2 (1515)	530,310	<b>0.3%</b>	492,390	<b>0.2%</b>	480,130	<b>0.1%</b>	98%
O&M	530,310		492,390		480,130		
Social Housing Administration Unit	-	<b>0.0%</b>	-	<b>0.0%</b>	2,514,133	<b>0.5%</b>	n/a
<b>Total Korçe</b>	<b>2,987,782</b>		<b>3.009.805</b>		<b>23,080,887</b>		<b>767%</b>

Municipality Berat	-	0.0%	-	0.0%	11,741,985	2.6%	n/a
Wages					11,354,952		
O&M					387,033		
Economic Education Center (O2O2)	17,213,710	8.8%	20,588,462	7.2%	22,979,693	5.0%	112%
Wages	14,436,750		17,115,041		18,991,209		
O&M	2,776,960		3,473,421		3,998,484		
Center Lira (O2O2)	17,129,594	8.8%	20,673,465	7.2%	24,205,326	5.3%	117%
Capital exp.					98,000		
Wages	12,221,112		15,504,092		17,619,829		
O&M	4,908,482		5,169,373		6,487,497		
Development Center Berat (O2O2)	199,916	0.1%		0.0%		0.0%	n/a
Capital exp.	90,000						
O&M	109,916						
<b>Total Berat</b>	<b>34,543,220</b>	<b>18%</b>	<b>41,261,927</b>	<b>14%</b>	<b>58,927,004</b>	<b>13%</b>	<b>143%</b>
Municipality Ura Vajgurore (O2O2)	5,171,369	2.6%	3,796,429	1.3%	7,351,647	1.6%	194%
Capital exp.	1,395,388						
Wages	2,834,920		2,867,025		6,088,377		
O&M	941,061		929,404		1,263,270		
<b>Total Municipality Ura Vajgurore (O2O2)</b>	<b>5,171,369</b>	<b>3%</b>	<b>3,796,429</b>	<b>1%</b>	<b>7,351,647</b>	<b>2%</b>	<b>194%</b>
Municipality Diber	-	0.0%	-	0.0%	20,159,407	4.4%	n/a
Wages					17,694,864		
O&M					2,464,543		
<b>Total Diber</b>		<b>0%</b>		<b>0%</b>	<b>20,159,407</b>	<b>4%</b>	<b>n/a</b>



Municipality Lushnje (0922)	898,700	0.5%	725,400	0.3%	1,083,106	0.2%	149%
O&M	898,700		725,400		1,083,106		
Economic Center Lushnje (0922)	7,507,721	3.8%	15,359,263	5.4%	11,550,231	2.5%	75%
Wages	7,162,392		14,861,812		11,208,556		
O&M	345,329		497,451		341,675		
<b>Total Lushnje</b>	<b>8,406,421</b>	<b>4%</b>	<b>16,084,663</b>	<b>6%</b>	<b>12,633,337</b>	<b>3%</b>	<b>79%</b>
Municipality Kruje (0716)	5,886,846	3.0%	15,775,064	5.5%	19,623,931	4.3%	124%
Wages	2,657,652		15,260,032		19,381,421		
O&M	3,229,194		515,032		242,510		
<b>Total Kruje</b>	<b>5,886,846</b>	<b>3%</b>	<b>15,775,064</b>	<b>5%</b>	<b>19,623,931</b>	<b>4%</b>	<b>124%</b>
Municipality Lezhe (2020)	8,199,301	4.2%	5,638,343	2.0%	32,065,956	7.0%	569%
Capital exp.	106,800		0		71,200		
Wages	6,993,658		5,559,417		27,660,872		
O&M	1,098,843		378,926		4,333,884		
Daycare Development Center Lezhe (2020)	470,100	0.2%	389,200	0.1%	444,960	0.1%	114%
Capital exp.	20,000						
O&M	450,100		389,200		444,960		
<b>Total Lezhe</b>	<b>8,669,401</b>	<b>4%</b>	<b>6,027,543</b>	<b>2%</b>	<b>32,510,916</b>	<b>7%</b>	<b>539%</b>
Municipality Pogradec (1529)	1,717,435	0.9%	-	0.0%	-	0.0%	n/a
Wages	1,396,369						
O&M	321,066						
Economic Center Pogradec (1529)	2,251,879	1.2%	3,904,260	1.4%	4,972,381	1.1%	127%
Wages	1,703,761		3,335,404		4,231,214		
O&M	548,118		568,856		n/a		
<b>Total Pogradec</b>	<b>3,969,314</b>	<b>2%</b>	<b>3,904,260</b>	<b>1%</b>	<b>4,972,381</b>	<b>1%</b>	<b>127%</b>

Municipality Kukes (1818)	1,806,160	<b>0.9%</b>	2,731,288	<b>1.0%</b>	2,553,499	<b>0.6%</b>	93%
Wages	1,806,160		2,731,288		2,553,499		
<b>Total Kukes</b>	<b>1,806,160</b>	<b>1%</b>	<b>2,731,288</b>	<b>1%</b>	<b>2,553,499</b>	<b>1%</b>	<b>93%</b>
Municipality Permet (1128)	2,305,350	<b>1.2%</b>	2,488,377	<b>0.9%</b>	2,800,708	<b>0.6%</b>	113%
Wages	2,097,425		2,204,624		2,437,492		
O&M	207,925		283,753		240,816		
Capital exp.					122,400		
<b>Total Permet</b>	<b>2,305,350</b>	<b>1%</b>	<b>2,488,377</b>	<b>1%</b>	<b>2,800,708</b>	<b>1%</b>	<b>113%</b>
Fier	-	-	-	-	-	-	-
Prrenjas	-	-	-	-	-	-	-
<b>Total 15 municipalities (w/o edu)</b>	<b>195,632,790</b>		<b>286,923,378</b>		<b>457,515,217</b>		<b>159%</b>

Source: Treasury, Ministry of Finance

**Table 29 - Baseline data adjustments**

	2016	2017	2018	2019	2020
CG social in % of central budget (w/o cash programme)	0.32%	0.23%	0.23%	0.21%	0.20%
LG in % of local budget (all sources, incl. cash at local level)	1.3%	1.5%	1.7%	2.1%	2.1%
LG in % of Local Budget (all sources, excl. cash programme)	1.1%	1.2%	1.5%	1.7%	1.7%
LG in % of Local Budget (own sources, excl. cash programme)	0.5%	0.6%	0.7%	0.7%	0.7%
LG social, discretionary non-edu from all sources in % of local budget	0.7%	0.8%	1.1%	1.3%	1.3%
LG social, discretionary non-edu from own sources in % of local budget	0.3%	0.5%	0.6%	0.7%	0.6%
Social LG (w/o cash programme)	470	573	749.2	928.9	993.9
SOC LG own sources (w/o cash programme)	237	276	356	389	416
Social LG from unc. Transfer (state budget) (w/o cash programme)	234	297	393	540	577.9
Social CG (w/o cash programme)	1,309	988	1,002	988	987
Local government: Non - education social expenditure (excluding cash programmes)	301	389	566	698	747
Budget transfer (non edu)	162	169	262	385	412.4
Own sources (non-edu)	139	219	304	312	334.0
LG total budget (discretionary sources)	43,580	46,487	49,615	55,286	57,554
CG total budget	396,661	422,746	426,532	464,291	500,820

*Note: The baseline has been amended, given that there was an error in the source data used to identify total local budget expenditure in 2016 and 2017. Total local expenditure from discretionary sources in 2016 and 2017 was respectively 43.6 and 46.5 billion lek, instead of the 55.1 and 65 billion reported based on a LG finance monitoring report in 2018. Baseline study 2018: <https://www.al.undp.org/content/albania/en/home/library/poverty/a-review-of-local-budget-spending-on-social-care-services.html>*

