

# A Review of Local Budget Spending on Social Care Services

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## **Disclaimer**

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## 1. Introduction

The purpose of this report is to perform a financial review of 15 target Municipalities participating in the LNB project. The review will serve as a baseline assessment for the LNB target group, which includes 15 selected local governments: Tirana, Durrës, Shkodra, Korça, Berat, Ura Vajgurore, Dibra, Lushnja, Fieri, Kruja (Fushe Kruja), Lezha, Pogradec, Kukes, Prrenjas, and Permet. The review explores existing Social Service budgets and expenditures to serve as a baseline for future measurement and development, 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 as defined in the law 121/2016 “on social care services in the Republic of Albania”; namely:

- Residential services
- Community services
- Para-social services
- Family services
- Specialised services (i.e. shelters, centers for children with development disorders, etc.)

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 this budget review on social protection/social care service spending has included the following areas:

- Ministry in charge of Social Affairs<sup>1</sup>
  - 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.

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<sup>1</sup> Previously Ministry of Social Welfare and Youth (MoSWY); Ministry of Health and Social Protection (MoHSP) since September 2017.

- 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 and regional councils)
  - 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 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 expenditure assignments in the health sector, hence the exclusion from this analysis.

Two main sources of data were used for purposes of this assessment. The primary source was the Ministry of Finance and Economy Treasury database for 2016 and 2017. All data on spending at the central level and global data on local government spending are based on the treasury database.

The second source of data was the 15 selected municipalities. Two consultants worked 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 was not 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.

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

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

<sup>44</sup> Article 11, Law 9936

- 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>

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.

In this regard, the social/employment sector budget has been compiled by summing up the following budget programmes and/or subprogrammes:

- MSWY/MoHSP– Social Care
- MSWY/MoHSP– Social Inclusion (Equal Opportunities)
- Local governments - Social Care
- Local governments – Social Inclusion (Equal Opportunities)
- Local governments – Social care services<sup>6</sup>

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<sup>5</sup> Article 2, Law 9936

<sup>6</sup> Some but not all outputs from the programme were considered relevant for the purpose of this analysis

## 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.

The law on social care services also elaborates upon the establishment of the social fund administered at the local level, which is composed of all the abovementioned sources of financing, as well as funding from non-public contributors (i.e. non-governmental organisations, development programmes or private donors). Insofar as established by the legal framework, the concept of the social fund at the local level is comparable to the notion of earmarked funding for specific functions. It does not, however, quite seem to enable the opportunities offered by a

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<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”



special fund established at the central level, which would pool budgetary and extra budgetary resources together to fund new, and innovative services on a competitive basis. Secondary legislation aims at operationalizing the concept of local social funds within 2018.

## 2.1. Share in GDP and total public spending: central government level

The budget for the social protection sector at the central level reached 21,7 billion lek in 2017 (about 161 million Euros), marking a slight increase of 1,7% as compared with the sector budget for 2016. The share of the sector budget to the Gross Domestic Product (GDP) has decreased from 1,45% in 2016, to 1,40% in 2017. The weight of the sector in overall public spending also declined slightly between 2016 and 2017, as sector expenditures grew at a slower pace than the overall budget: social spending amounted to 5.6% of the state budget in 2015 and 5.4% in 2017 (Figure 1).

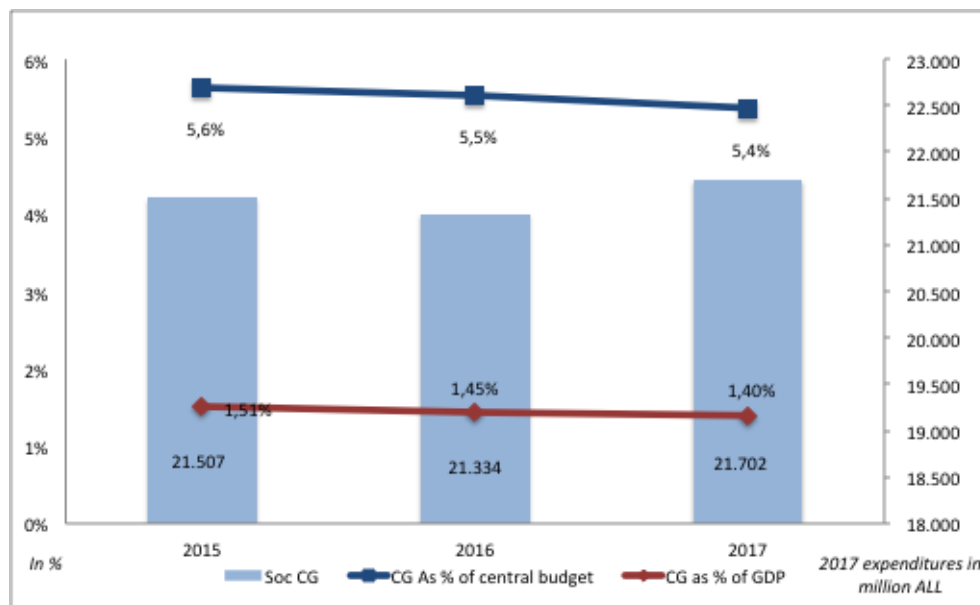


Figure 1 Share of social protection budget in GDP and central government expenditures

### *Composition of sector expenditures*

At the central government level, social care is the main budget programme for social protection related expenditures. The sector budget is dominated by cash benefit outlays, which account for about 95% of the overall budget in 2017 and have been projected to remain at similar levels in the medium term<sup>9</sup>. The cash benefit programme is composed of two main sub-programmes: cash benefit payment 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 for their inability to work. The third component of the programme includes

<sup>9</sup> Budget 2018, Fiscal table 4.

activities in the realm of social care services; however its relative weight to the overall programme budget is very modest.

Social assistance spending is rather low at 0,3% of GDP, down from approximately 1% of GDP in 2015, in the framework of the government’s efforts to strengthen discipline of the program, eligibility criteria and improve targeting. Disability benefits have steadily expanded, unlike the NE program, between 2012 and 2015. In 2017 disability benefits constitute about 1% of GDP. The NE programme provides cash benefits to about 80,000 households in 2018. The disability support scheme covers about 164,000 beneficiaries in 2018 and pays about three times more on average than NE. The programmes of social assistance and disability benefits amount to 21,3 and 21,7 billion lek respectively in 2016 and 2017. 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>10</sup> Expenditure in social protection outside of the cash benefit programmes amounted to 988 million lek in 2017.

A closer look at the budget spent in social protection, excluding the NE and disability cash benefit programmes, reveals that personnel related expenditure account for 53% of overall costs at the central level, while other transfers outside of the NE and disability benefits constitute 11% of spending. In 2017, the central government spent 328 million lek for the operation and maintenance of centrally administered social care services and financing of some social care services, which have been transferred to the local level. Capital expenditure in 2017 was low at less than 80 million lek, of which over 70% was financed through foreign financing for carrying out studies in the framework of international development programmes (Table 1 and Figure 2).

## 2.2 Spending for social care services at the local level

Local governments have the primary responsibility for social care services, but are not the only part of government to contribute to individuals care costs. At the local level, total spending in social protection related budget programmes<sup>11</sup> amounted to 684 million Lek in 2017, with a steep increase of 25% from the level of spending in 2016 (544 million).

**Table 1 Spending in social service programmes 2016 and 2017 at the central and local government level<sup>12</sup>**

<i>In ALL</i>	Capital expenditure	Personnel	O&M	Transfers to institutions	Cash programme	Total
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<sup>10</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.

<sup>11</sup> Social inclusion, social care and social care service budget programmes.

<sup>12</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.

<b>2016</b>	Central Government	334,677,928	495,476,287	478,520,813		20,025,542,386	21,334,217,414
	Local Government						544.683.659
<b>2017</b>	Central Government	75,754,523	583,762,050	328,192,875	74.399.620	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

Source: Ministry of Finance Treasury Data 2016, 2017 (Social Inclusion, Social care and Social care services budget programme)

In 2016 and 2017, local governments spent a total of 544 and 684 million Lek respectively in social care related budget programmes. Personnel related expenditure account for 55% of overall costs at the local level, while operation and maintenance costs are relatively low at 105 million lek, or 16%. Local governments also pay transfers to individuals and households (112 million ALL in 2017). These transfers include a small NE 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. Capital expenditure in the social care programme appears quite low at the local level in 2017, at 80 million lek, or 12% of total expenditure. However, the lion-share (46,7 million Lek) of such investment constitutes of renovation projects for school nurseries in the municipalities of Tirana and Durres and is not directly related with social care services as defined in Law 121/2016. (Table 1 and

Figure 3)

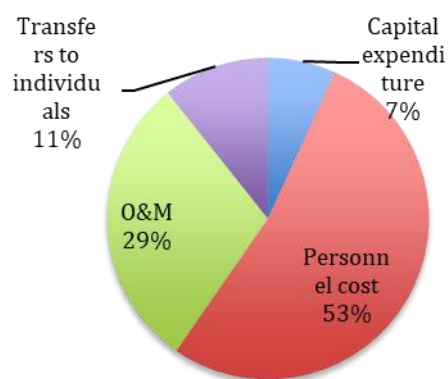


Figure 2 Composition of social care expenditure by economic classification at central level, in 2017, excluding NE and disability cash benefit programmes

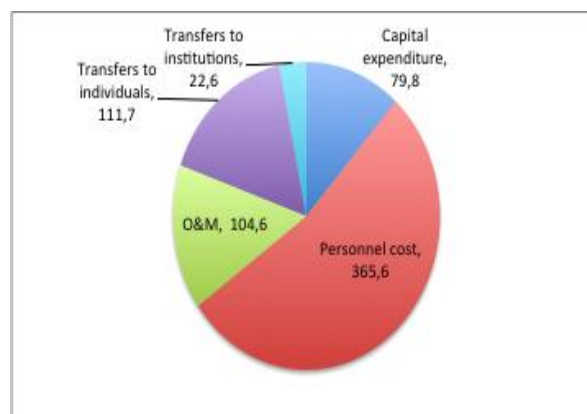


Figure 3 Composition of social care expenditure by economic classification at local level, in 2017

Source: Ministry of Finance Treasury Data 2017.

### 3. Financing for social care services

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

Expenditure in the social inclusion and social protection budget programmes at the central government level, amounted to 1,3 billion lek in 2016 and 988 million lek in 2017. The main cost driver at the central level is personnel costs; amounting to 59% of total expenditure in 2017, and 18% more than in 2016. Operation and maintenance costs have slightly decreased in 2017, amounting to 328 million lek, or 33, 2% of total expenditure. Investment is four times lower in 2017 than it was in 2016. (Table 2) and consist almost exclusively of foreign financing. In 2016, investment in social care centres was considerably higher, with the Ministry in charge of Social Affairs engaging in the full reconstruction of the Elderly Home in Palasë (60 million lek), the reconstruction of the elderly home in Shkodra (18,6 million lek), the reconstruction of the multifunctional center in Poliçan (6,8 million lek); as well as other related capital expenditure amounting to an additional 4,2 million lek. 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).

In 2017, direct investment in social services by the central government in 2017 continued the reconstruction of the Palasë and Shkodra elderly homes (11,4 million lek and 4,2 million lek respectively). Foreign financing in 2017 was significant, with the WB SAMP project contributing 29 million lek; and the EU community programmes (Erasmus/Epale NSS) and the State Agency for the Protection of Child Rights/street children project contributing approximately 1,6 million lek each.

**Table 2 Spending in social care and social inclusion by the ministry in charge of social affairs, 2016 and 2017 (excluding transfers to individuals)**

	2016		2017	
	Spending (ALL)	% of total	Spending (ALL)	% of total
<b>Personnel</b>	495.476.287	37,9%	583.762.050	59,1%
<b>O&amp;M</b>	478.520.813	36,6%	328.192.875	33,2%
<b>Investment</b>	334.677.928	26%	75.754.523	8%
<b>Total</b>	<b>1.308.675.028</b>		<b>987.709.448</b>	

*Source: Ministry of Finance Treasury Data 2017.*

Table 3 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) constitute 55% and 35% of total outlays in the sector. It is worth noting, however, that this figure includes investment in 2016 and 2017 in the three social care centres, which account for 7% and 2% of total expenditure respectively in 2016 and 2017.

Total financing for social care centres amounts to 641 million lek in 2017, marking a slight increase of 9% in relation to 2016 financing. The ministry finances directly 9 child homes (34% of total care center spending); 8 development centres (30%); 6 elderly institutions (22%), 3 emergency centres and 3 daycare centres (14%). Relative to 2016, the increase in funding for

these centres is most notable for development centres and emergency shelters (16% increase in funding for each type as opposed to 2016).

**Table 3 Spending in social care and social inclusion by the ministry in charge of social affairs, 2016 and 2017, by type of activities (excluding transfers to individuals)**

	2016		2017	
	<i>Spending (ALL)</i>	<i>% of total</i>	<i>Spending (ALL)</i>	<i>% of total</i>
<b>Management activities</b>	718.633.315	54,9%	346.197.460	35,1%
<b>Social services</b>	590.041.713	45,1%	641.511.988	64,9%
<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>
<b>Elderly (6 institutions)</b>	124.913.514	21%	139.001.038	22%
<b>Development centres (8 institutions)</b>	168.488.299	29%	195.020.973	30%
<b>Children homes (9 institutions)</b>	216.196.640	37%	216.679.547	34%
<b>Emergency shelters</b>	49.276.856	8%	57.284.278	9%
<b>Daycare and Multifunct. (3 institutions)</b>	31.166.404	5%	33.526.152	5%

Source: Ministry of Finance Treasury Data 2017.

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

Expenditure in the social inclusion and social protection budget programmes incurred by local governments, excluding transfers to individuals, amounted to 573 million lek in 2017, or 22% more than in 2016 (470 million lek). The main cost driver at the local level is personnel costs; amounting to over 63% of total expenditure in both years. Operation and maintenance costs have decreased both in absolute and relative terms, at 105 million or 18% of total expenditure in 2017, versus 124 million lek or 26% of total outturns in 2016. Municipalities transfer around 4% of total funding to other institutions for the implementation of social service related activities (16,8 and 22,4 million lek respectively in 2016 and 2017).<sup>13</sup>

Investment by local governments in 2017 in the social sector amounted to 80 million lek in 2017, more than twice higher than in 2016. However, the lion-share of this investment is in pre-school facilities (nurseries) in both years. In 2017, 60% of total capital outturns were spent in nursery reconstructions in Tirana and Durrës (28 and 18 million lek, respectively). Investment in social care services hence amounts to 32 million in 2017, of which more than 28 million was spent in

<sup>13</sup> These are typically transfers to non-governmental social service providers, to complement funding for their activities. See Annex 1 for further detail.

Tirana for the reconstruction of homes in the Shkoze community area. Smaller interventions were carried out in Durres, for the reconstruction of the facilities of the Association of People with Disabilities (2,9 million lek); and purchase of equipment for the children home in Vlora (141 thousand lek).

Similarly, in 2016 capital outlays are dominated by the pre-school facilities (92% of the total). 2,7 million lek was invested in minor interventions in social care services; such as purchase of equipment and appliances in Tirana's centres (1,4 million); purchase of equipment for the Elderly home in Durres (330 thousand); and furnishings and equipment for the community centres in Shkodra (1,1 million). (Table 4).

**Table 4 Spending in social care and social inclusion by all local governments, 2016 and 2017 (excluding transfers to individuals)**

	2016		2017	
	Spending (ALL)	% of total	Spending (ALL)	% of total
<b>Personnel</b>	297.473.441	63,3%	365.645.500	63,8%
<b>O&amp;M</b>	124.317.074	26,4%	104.606.815	18,3%
<b>Transfer to institutions</b>	16.862.832	3,6%	22.647.066	4,0%
<b>Investment</b>	31.630.692	7%	79.804.381	14%

Source: Ministry of Finance Treasury Data 2017.

Table 3 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 36% and 32% respectively, in 2016 and 2017. Other unspecified expenditure at the municipal administration level takes up 34% and 41% of total spending in 2016 and 2017 respectively, It is likely that these amounts include a mixture of both social and education related costs.

Total financing for social care centres amounts to 157 million lek in 2017, with a 10% increase over 2016. Spending at local level in social care centres is approximately one quarter of central government spending,<sup>14</sup> marking a slight increase of 9% in relation to 2016 financing. The ministry finances directly 9 child homes (34% of total care center spending); 8 development centres (30%); 6 elderly institutions (22%), 3 emergency centres and 3 daycare centres (14%). Relative to 2016, the increase in funding for these centres is most notable for development centres and emergency shelters (16% increase in funding for each type as opposed to 2016).

**Table 5 Spending in social care and social inclusion by local governments, 2016 and 2017, by type of activities (excluding transfers to individuals)**

	2016		2017	
	Spending (ALL)	% of total	Spending (ALL)	% of total
<b>Education (nurseries)</b>	169.036.622	35,9%	183.443.070	32,0%
<b>Social care centres (19 institutions)</b>	142.917.810	30,4%	156.787.666	27,4%
<i>of which in Tirana (4 centres)</i>	63.429.108	44,4%	74.949.051	47,8%

<sup>14</sup> Local governments finance 19 institutions in total in 2017, as opposed to 29 institutions at the central level. Some of the funding for the local level originates from the state budget. When this is the case, spending has been recorded only once, at the local level in these tables.

Other municipal expenditure	158.329.607	34%	232.473.026	41%
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## 2.1 Structure of municipal budgets on social services

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 two years under review, local governments spent 1% and 1,1% of their total budget in the social sector, or 545 and 684 million lek respectively in 2016 and 2017. The source of financing for this funding is mixed: in 2016 local governments allocated 302 million lek from their discretionary sources to the social sector, or roughly **0,5% of their budget**. These figures increased in 2017 to 379 million lek from discretionary sources, or **0,6% of discretionary budgets** at the local level. A considerable share of outlays in the social sector at the local level originates from the state budget: 243 and 306 million lek in 2016 and 2017 respectively. (Table 6)

Table 6 Spending in social sector at central and local government level, 2016 - 2017

	2016	2017
Total central government (CG) spending	385.130	404.229
Total local government spending (discretionary sources)	55.111	65.004
GDP	1.472.791	1.555.202
CG social budget	21.334	21.702
<i>In % of total state budget</i>	5,5%	5,4%
<i>In % of GDP</i>	1,4%	1,4%
LG social budget (all sources)	545	684
<i>In % of total local budget</i>	1,0%	1,1%
LG social budget (discretionary funds)	302	379
<i>In % of total local budget</i>	0,5%	0,6%
LG social budget (state budget funds)	243	306
<i>In % of total local budget</i>	0,4%	0,5%
Total CG financing for social services (CG social and LG social from state budget sources)	21.577	22.007
<i>In % of total state budget</i>	5,6%	5,4%

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 2016 and 2017 reveals that the central government spends around 0,3% of its budget in both years under review. Nevertheless, the central government also finances a number of social care service centres that have been decentralised *de jure*. Hence, the total financing from the state budget for social care services (including funds transferred directly to social care services under the formal jurisdiction of municipalities) is in fact 0,4% and 0,3% of the central budget in 2016 and 2017, respectively.

Local governments spend slightly less than 0,9% of local government budgets (from discretionary sources) in social care services. Only around half of that, i.e. **0,4% of their total budgets in both years originates from discretionary sources**; while respectively 0,25% (2016)

and 0,34% (2017) of the local discretionary budget is spent in non-education social care services. If we were to consider the share of social service outlays to the total discretionary budgets as a measure of commitment and interest of government to the social sector, the pattern shows that local governments are committing increasing resources to social care services, at a level that is comparable to that of the central government (only in relative terms, since in absolute terms central government financing for social services is 6 times higher than local financing in 2017). (See Figure 4 and Annex Table 27)

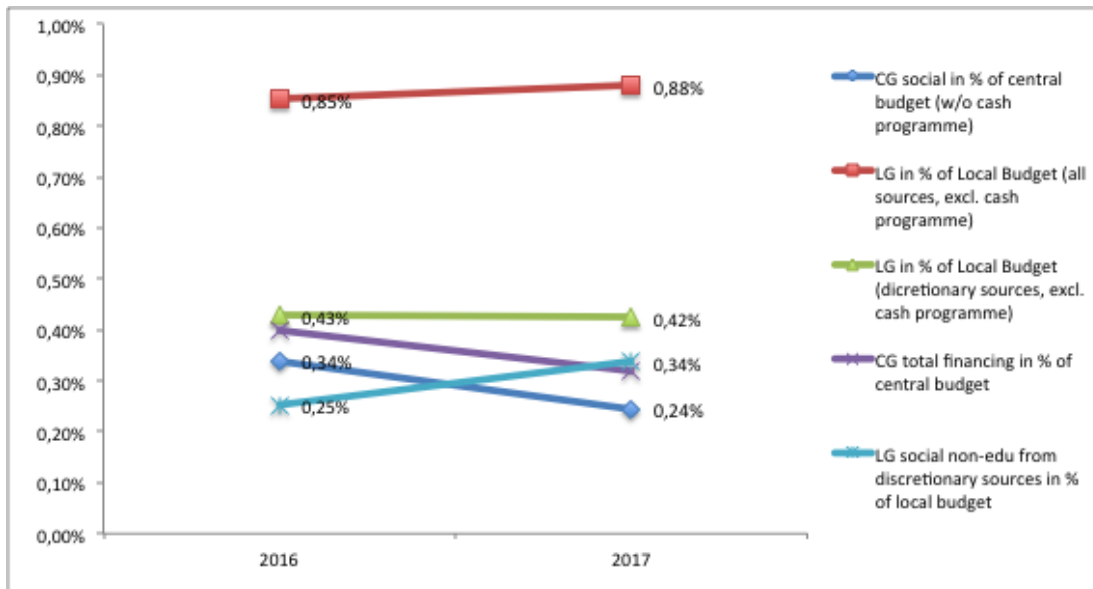


Figure 4 Spending in social services (excluding cash programmes) at central and local level by source of financing, in % of total respective budgets 2016 - 2017

In 2016, the state budget finances 54% of total spending at local government level; 162 million lek. In 2017, the ratio of financing was reversed, with local government financing from discretionary own sources amounting to 56% of total spending. In absolute terms, the total funding increased both for state budget and own funding sources, but the latter increased at a much higher magnitude between 2016 and 2017. Secondary revenues, which most likely consist of beneficiary contributions/payments for receipt of services, are quite low at 613 thousand lek in 2017. Most likely, these incomes include payments for children pre-school services. (Table 7)

Table 7 Local government spending in social sectors (excluding transfers to individuals), by source of financing 2016 - 2017

Sum of Actual Programme and source of financing	2016		2017	
	Spending (in ALL)	In % of programme	Spending (in ALL)	In % of programme
<b>Local governments (all)</b>	<b>470.284.039</b>		<b>572.703.762</b>	
<b>Social care services</b>	<b>394.352.104</b>		<b>485.655.457</b>	
Budget transfer	169.301.725	43%	220.736.103	45%
Own revenue	224.850.463	57%	264.557.873	54%
Secondary revenue	199.916	0,1%	361.481	0,1%



<b>Social care</b>	<b>73.998.992</b>		<b>83.907.769</b>	
Budget transfer	64.469.698	87%	74.574.574	89%
Own revenue	9.281.032	13%	9.081.609	11%
Secondary revenue	248.262	0%	251.586	0%
<b>Social inclusion</b>	<b>1.932.943</b>		<b>3.140.536</b>	
Budget transfer			1.404.860	45%
Own revenue	1.932.943	100%	1.735.676	55%
<b>Grand Total</b>	<b>470.284.039</b>		<b>572.703.762</b>	
<b>Source of financing in total outlays in social budget programmes:</b>				
<b>Budget transfer</b>		49,7%		51,8%
<b>Own revenue</b>		50,2%		48,1%
<b>Secondary revenue</b>		0,1%		0,1%
<b>Source of financing: excluding education expenditure)</b>				
<b>Budget transfer (non edu)</b>	161.951.626	53,8%	169.495.713	43,5%
<b>Own revenue (non-edu)</b>	138.847.613	46,1%	219.151.913	56,3%
<b>Secondary revenue (non edu)</b>	448.178	0,1%	613.067	0,2%

Source: Ministry of Finance Treasury Data 2016 and 2017.

### 3. Financing social services in 15 municipalities

#### 3.1 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 (Figure 5)<sup>15</sup>. Transfers from the state budget typically dominate the structure of spending; ranging from 93% of 2017 budget outturns in Prrrenjas; to 59% in Berat. Tirana is the obvious outlier: Conditional funding accounted for only 26% of the budget in 2017. 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 range from 40% (Berat), to 7% (Prrrenjas). Four of the 15 municipalities received foreign financing in 2017. Foreign financing was significant only in Tirana (9.5% of budget outturn), and less than 1% in the other three municipalities (Lezha, Korca and Shkodra)

<sup>15</sup> Figure 5 excludes data from Tirana, which is an outlier in the sample.

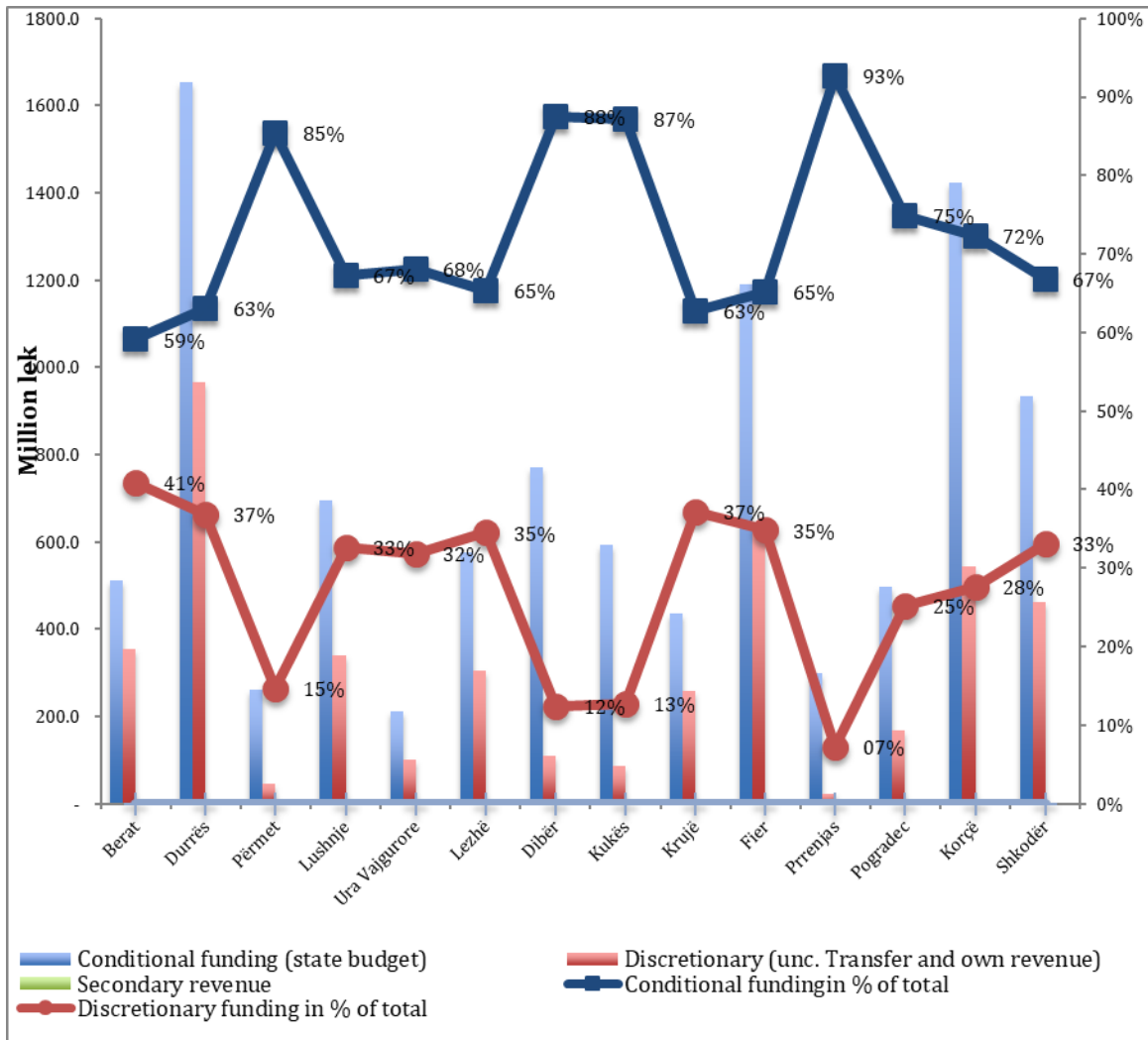


Figure 5 Budget outturn of 14 municipalities, excluding funding for delegated functions, 2017, by source of financing (total budget)

Source: Ministry of Finance Treasury Data 2017.

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. In 2017, the 15 municipalities local governments spent 721 million lek of their discretionary funding (unconditional transfer and own source revenue), or 6,5% of funding from all sources for social service management and cash services. (See Annex 2, Table 24 and Table 25). 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, 23% 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, 64% of social spending is funded through discretionary funding. In Durrës and Lezhë the municipalities fund 76% and 87%

respectively of social spending through discretionary funding, while the other municipalities do not receive any state budget funds outside of the cash transfer. (Figure 6).<sup>16</sup>

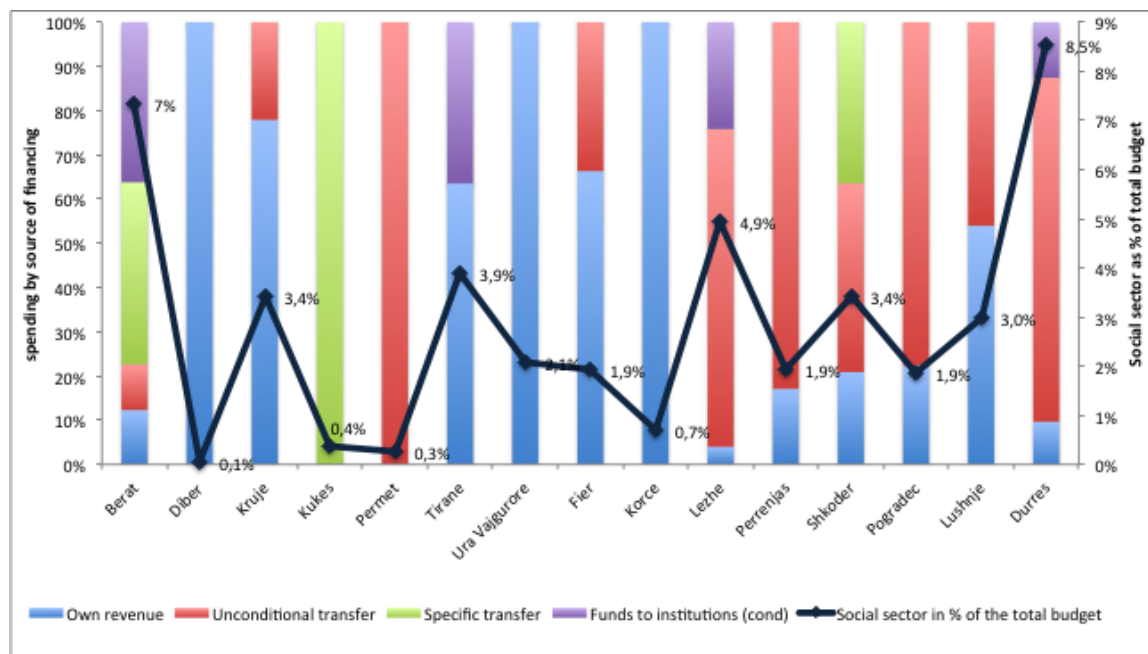


Figure 6 Relative weights of social spending outturns in 2017 by source of financing, excluding cash benefits and social housing, 2017

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 Kukës, where it appears that the municipality does not spend anything on

<sup>16</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.

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.

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 8 Financing for social services in 15 municipalities in 2017**

	Own revenue (000 lek)	Unconditional transfer (000 lek)	Specific transfer (000 lek)	Funds to institutions (central financing) (000 lek)	Total (000 lek)	Weight of discretionary funding for social sector (w/o cash prog.)	Social sector in % of the total budget, all sources excl. cash prog.)
<b>1. Berat</b>	7.829	6.587	26.172	22.976	63.564	<b>22,7%</b>	<b>7%</b>
<b>2. Dibër</b>	520	0			520	<b>100,0%</b>	<b>0,1%</b>
<b>3. Krujë</b>	18.559	5.250			23.809	<b>100,0%</b>	<b>3,4%</b>
<b>4. Kukës</b>	0	0	2.407		2.407	<b>0,0%</b>	<b>0,4%</b>
<b>5. Përmet</b>		800			800	<b>100,0%</b>	<b>0,3%</b>
<b>6. Tiranë</b>	317.508		0	182.058	499.566	<b>63,6%</b>	<b>3,9%</b>
<b>7. Ura Vajgurore</b>	6.530	0			6.530	<b>100,0%</b>	<b>2,1%</b>
<b>8. Fier</b>	23.317	11.830		0	35.147	<b>100,0%</b>	<b>1,9%</b>
<b>9. Korçë</b>	13.666			-	13.666	<b>100,0%</b>	<b>0,7%</b>
<b>10. Lezhë</b>	1757	31232		10.500	43.489	<b>75,9%</b>	<b>4,9%</b>
<b>11. Prrenjas</b>	1063	5143			6.206	<b>100,0%</b>	<b>1,9%</b>
<b>12. Shkoder</b>	9.967	20.379	17.385		47.731	<b>63,6%</b>	<b>3,4%</b>
<b>13. Pogradec</b>	2.771	9.630		-	12.401	<b>100,0%</b>	<b>1,9%</b>
<b>14. Lushnje</b>	16.666	14.204			30.870	<b>100,0%</b>	<b>3,0%</b>
<b>15 Durres</b>	21.617	173.957	-	28.121	223.695	<b>87,4%</b>	<b>8,5%</b>

Source: Municipalities

## 3.2 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>17</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.

## Investment

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 9 below provides an overview of investment during 2017 and plans for 2018, as reported by the municipalities. It also includes information

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<sup>17</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.

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.

**Table 9 Investment in social care centres 2017 (actual) and 2018 (plan)**

000 lek	2017 actual		2018 actual		Clarifications
	Budget	Extra-budget	Budget	Extra-budget	
Durres			5.246		Children home
Durres				4.639	Elderly home (Kuwait)
Shkoder	243		670		Community centres
Shkoder					
Lezhe					
Lezhe		16.000			TdH& WV for community center for returnees
Lezhe			21.000		Development Center
Lezhe				1000	Red Cross for DV victims
Korce	331				Equipment for Development Center
Korce				973	E. Dorkas for Roma center equipment
Korce					
Pogradec		164		175	UNDP for MFC center
Pogradec		19751			UNDP for MFC center
Prrenjas		164			UNDP for DV victims
Prrenjas		769			UNDP for MFC center
Fier	1035				Elderly home
Lushnje	0	513			Development center
Lushnje				69	UNDP for MFC center
Berat	0				
Ura Vajgurore	1500		1326		Destination not specified
Diber	0				
Kukes	0				
Permet	0				
Kruje	0				
Tirana	88,072		54,000		Community centers
<b>Total</b>	<b>91,181</b>	<b>37,361</b>	<b>82,242</b>	<b>6,856</b>	

The municipality of Tirana reports a total of 88 million lek in investments in the social area, or 96% of the total 91 million incurred by all municipalities in 2017 from their own budgets. 37 million lek were donated to municipalities for social investment in 2017, of which the biggest interventions were investments by Terre des Home and World Vision for the community center

in Lezhe; as well as UNDP’s intervention for the reconstruction of the Pogradec multifunctional center.

Municipalities have planned a total of 82 million lek for investment in 2018, of which 66% will be carried out in Tirana. The municipality of LEzhe has allocated 21 million lek for the reconstruction of the development center. Donations in 2018 are expected to be modest at 6,9 million lek.

### 3.3 Cost structure of social service delivery

The presented data clearly show that there is a big difference in public expenditures for different type of institutions. The monthly costs per client are lowest in homes for elderly. The average annual cost per beneficiary in elderly daycare institutions is 30,5 thousand lek, of which more than half is allocated to salary items for personnel (Table 10). The ratio of personnel to number of beneficiaries is also highly variable.

**Table 10 Day-care services for the elderly: cost structure**

Municipality	Exp. Per capita	Personnel cost per beneficiary	Current exp. Per beneficiary	Capacity	Beneficiaries	No of staff
Dibër	39,000	19,500	19,500	80	80	5
Krujë	36,645	10,839	25,806	155	155	4
Kukës	21,882	18,936	0.00	110	160	14
Korçë	24,630	16,690	7,940	300	320	20
<b>Average:</b>	<b>30,539</b>	<b>16,491</b>	<b>13,312</b>			
<b>Median</b>	<b>30,638</b>	<b>17,813</b>	<b>13,720</b>			

Daycare services for children and adults with disabilities are quite expensive, most likely due to the need for additional therapy associated with the beneficiaries. The average cost of providing this type of service is annually 334 thousand lek per beneficiary, but varies greatly among different municipalities.

**Table 11 Daycare services for people with disabilities: cost structure**

Municipality	Exp. Per capita	Personnel cost per beneficiary	Current exp. Per beneficiary	Capacity	Beneficiaries	No of staff
Lezhe	334,286	220,000	114,286	35	35	12
Fier	693,407	474,222	219,185	27	27	20
Pogradec	87,067	79,Salary	7,467	30	45	6

<b>Average:</b>	<b>371,587</b>	<b>257,941</b>	<b>113,646</b>
<b>Median</b>	<b>334,286</b>	<b>220,000</b>	<b>114,286</b>

As expected costs for residential services, especially for adults and people with disabilities are highest, at an average of 534 thousand lek annually per beneficiary (Table 12). In this type of service, the cost structure is heavily skewed towards personnel expenditure. The personnel/beneficiary ratio is quite high in this type of service, with Berat employing 23 staff for a total number of 26 occupants (and a capacity of 30); and Tirana employing 20 employees for 14 beneficiaries (and capacity of 35). It is worth noting that in several cases, centres financed by the national government tend to adopt a much bigger personnel structure as opposed to services run by private organisations. Whether this is related with standards of service delivery, it remains to be explored.

**Table 12 Residential services for people with disabilities**

Municipality	Exp. Per capita	Personnel cost per beneficiary	Current exp. Per beneficiary	Capacity	Occupancy	No of staff
Berat	703,333	470,000	73,333	30	26	23
Berat	549,511	372,133	54,867	45	43	22
Shkoder	289,750	269,083	0	60	60	
Tiranë	591,714	406,000	63,143	35	14	20
<b>Average:</b>	<b>533,577</b>	<b>379,304</b>	<b>47,836</b>			
<b>Median</b>	<b>570,613</b>	<b>389,067</b>	<b>59,005</b>			

The cost of operating multifunctional centres is relatively lower than day-care and residential services for people with disabilities, but remains higher compared with homes for the elderly.

The average annual cost of providing services in a multifunctional centre was 158 thousand lek in 2017 (Table 5). The variation in costs is not too remarkable in this case, with the exception of the municipality of Shkodra, which reports lower costs due to the fact that non-public service providers make major contributions to the service in this case. The ratio of personnel and operational expenditure to service beneficiaries is worth exploring also in this case. Service standards are not within the scope of this report; however note must be taken on the need to explore the types and standard of service vis-à-vis the working hours and number of beneficiaries.

**Table 13 Multifunctional centers**

Municipality	Exp. Per capita	Personnel cost per beneficiary	Current exp. Per beneficiary	Capacity	Beneficiaries	No of staff
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Tiranë	160,565	86,680	49,420	402	200	18
Tiranë	191,Salary	142,815	32,475	170	200	21
Tiranë	206,293	95,653	67,147	320	150	15
Tiranë	352,220	186,890	83,780	160	100	22
Shkoder (7 centers)	45,914	20,210	24,548	210	210	12
Korce	139,956	28,333	111,622	90	90	8
Pogradec	8,833	2,167	6,667	20	18	1
<b>Average</b>	<b>157,912</b>	<b>80,393</b>	<b>53,665</b>			
<b>Median</b>	<b>160,565</b>	<b>86,680</b>	<b>49,420</b>			

### 3. Conclusions

The lion-share of local government spending in the social sector is allocated to expenditure for cash payments (poverty assistance and disability benefits). The national government is the main funder of social care services at the local level; but nationally financed social services are concentrated in bigger cities and regional centers. The national government-financed social services are typically residential institutions for elderly and children, as well as residential and day-care services for people with disabilities.

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 two years under review, local governments spent 1% and 1,1% of their total budget in the social sector, or 545 and 684 million lek respectively in 2016 and 2017. The source of financing for this funding is mixed: in **2016 local governments allocated 302 million lek from their discretionary sources to the social sector, or roughly 0,5% of their budget**. These figures **increased in 2017 to 379 million lek from discretionary sources, or 0,6% of discretionary budgets** at the local level. A considerable share of outlays in the social sector at the local level originates from the state budget: 243 and 306 million lek in 2016 and 2017 respectively.

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 2016 and 2017 reveals that the **central government spends around 0,3% of its budget** in both years under review. Nevertheless, the central government also finances a number of social care service centres that have been decentralised *de jure*. Hence, the total financing from the state budget for social care services (including funds transferred directly to social care services under the formal jurisdiction of municipalities) is in fact 0,4% and 0,3% of the central budget in 2016 and 2017, respectively.

Local governments spend slightly less than 0,9% of local government budgets (from discretionary sources) in social care services. Only around half of that, i.e. **0,4% of their total budgets in both years originates from discretionary sources**; while respectively 0,25% (2016) and 0,34% (2017) of the local discretionary budget is spent in non-education social care services.

If we were to consider the share of social service outlays to the total discretionary budgets as a measure of commitment and interest of government to the social sector, the pattern shows that ***local governments are committing increasing resources to social care services, at a level that is comparable to that of the central government*** (only in relative terms, since in absolute terms central government financing for social services is 6 times higher than local financing in 2017).

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. Smaller (and less resourced) local government have only very limited social services (Prrenjas, Diber, Kukes) or none at all (Ura Vajgurore, Permet).

All local government struggles to allocate more resources to social services given the scarcity of budgets. Several municipalities have been quite active in mobilising funding and expertise from the non-public sector and establishing joint services. The municipalities of Lezha, Shkoder, Tirana, Korca, Berat, Kruja, have adopted successful models of public-private contributions where the municipality typically provides the premises for the service provision facilities and covers part of the operation costs; whereas the non-public providers operates services, established the model and covers main personnel and operation costs. It is not possible to capture and quantify the amount of these contributions, given that the majority of non-public partners do not disclose details of their budget structure.

The analysis of cost structure per each service reveals huge differences between the different types of services; but more unexpectedly; many discrepancies in the intensity of staffing. It is recommended that this cost analysis should be interpreted in conjunction with an analysis of the standards of service delivered (if applicable). At the same time, the cost analysis reveals a common feature of all services – a relatively low weight of operation and maintenance costs. Operation and maintenance costs are partially underreported because several municipalities tend to receive some of the goods and services in kind from NGOs and other stakeholders; nevertheless, the issue remains concerting.

The majority of investment in infrastructure in social care service related areas is carried out by outside partners and donors. UNDP has helped finance the construction of several centres in Pogradec and other municipalities; World Vision and IADSA programmes are currently financing construction work and establishment of new services in Shkoder, Lezhe, Fier, and other municipalities. Municipal capital outlays in social service infrastructure are relatively modest in the period under review (although there are positive cases, for instance Shkodra matching fund with World Vision).

## 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: 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 500 thousand lek annually to the Red Cross, to indirectly finance the bonus for poor families. Employees and caregivers are hired and paid by the Red Cross (8 in total).
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.
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. 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 14 Lezhe municipality funding for social services 2017**

2017 (outturn)							
	Personnel	O&M	Transfers	Investment	Total	Extrabudgetary funding	Total funding
<b>Total</b>	456	1.301	0	0	1.757		1.757
<b>Social care centres</b>	456	1.301	0	0	1.757	2.252	4.009
<b>Qendra e Moshes se Trete</b>	0	51	0	0	51	6.525	6.576
<b>Qendra Komunitare per Femijet dhe familjet e kthyer nga emigracioni (3)</b>	456	50	0	0	506	13000	13.506
<b>Qendra Komunitare Multidisiplinane Malteser (2)</b>	0	0	0	0	0		0
<b>Qendra Shendetsore e Gruas dhe Femijes</b>	0	0	0	0	0		0
<b>Qendra e Zhvillimit Ditor PAK (QQ)+Bashki(qera objekti)</b>	0	1200	0	0	1200		1.200
<b>Management costs (30 staff)</b>	26.432	4.800	-	-	31.232		31.232

### Municipality of Shkodra

1. Day-care community centres: The municipality of Shkoder operates 7 daycare community centers in 5 different areas, including two in former communes, with an average of 30 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.
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. Community center for returnee children and families: This will be a new multifunctional community center in Rrethina, Shkoder, based on an agreement between the municipality of Shkoder and World Vision. The municipality will fund investments in the amount of 2,3 million lek in 2018, while WV will fund in the amount of 4,3 million lek. Works are expected to be completed within 2018. Details on operations will be agreed upon over the course of the year.
4. 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 Ispesia Albania, the municipality of Trieste and Consulting and Development Partners, supported by IADSA. Operation has not started yet.

**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.
8. Children home (over 6 years of age): This is a residential social care institution for children of school age, outside of parental care. Currently 43 children leave in this institution.

**Table 15 Shkoder municipality funding for social services**

2017					
	Personnel	O&M	Transfers	Investment	Total
<b>Total</b>	41.093	6.395	0	243	47.731
<b>Social care centres</b>	20.714	6.395	0	243	27.352
7 Qendra Komunitare per Familjen ne 5 rajonet e qytetit dhe 2 NjA Dajc dhe Guri I Zi	4244	5155	0	243	9.642
7 Shtepi rezidenciale per PAK/Projekti Shpresa	16145	1240	0	0	17.385
Qendra Rinore Atelie	0	0	0	0	0

Sherbime te tjera sociale	325	0	0	0	325
Sherbime Komunitare ne Familje	325	0	0	0	325
Management costs (30 staff)	20.379	-	-	-	20.379

## 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.
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 children and youth between 6 – 20 years of age, in a model of 8-hour service as well as some children receiving therapy in the afternoon. It is fully funded by the municipality, with the central government providing educational staff (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.

Other social expenditure of the municipalities are allocated in social project in line with the Gender Equality Action Plan, as follows:

4. Build a multifunctional center providing services for women in need (victims of domestic violence, heads of families, Roma, women with disabilities, etc). The budget estimate is 1,5 million lek
5. Raising awareness on gender equality issues through art (70 thousand lek)
6. Support women in need start up social businesses. The initial stages of the project are estimated at 1,4 million lek.

**Table 16: Fier municipality social spending 2017**

	2017 (outturn)				
	Personnel	O&M	Transfers	Investment	Total
<b>Total</b>	27.194	5.918	0	10.331	43.443
<b>Social care centres</b>	15.364	5.918	0	1.035	22.317
<b>Elderly home</b>		0		1.035	1.035
<b>Development center</b>	12.804	5.918			18.722
<b>Levan multifunctional</b>	2.560				2.560
<b>Management costs (19 staff)</b>	11.830			9.296	21.126

## Municipality of Korca

1. 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.
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 auxiliary staff and utilities and does not have information on the operation costs financed by the central government. (staff 18)
5. Residential Development Center for PwD: The residential center, 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.
7. Multifunctional community center: The center provides integrated services for families, including entertainment and education for children and counseling for adults. The service is operated by Dorkas and Emmanuel in cooperation with TdH; and the municipality covers utility costs (150 thousand lek a year). 70 beneficiaries, 5 staff.

**Table 17 Korca municipality funding for social services 2017**

2017 (outturn)							
	Personnel	O&M	Transfers	Investment	Total	Extrabudgetary funding	Total funding
<b>Total</b>	3.253	6.179	0	773	10.205	3.253	9.227
<b>Social care centres</b>	1.610	5.518	0	331	7.459		7.459
<b>1.Tre Qendra ditore per femijet(Fuqizimi i fëmijëve Romë dhe Egjiptianë)</b>	0	1653	0	0	1.653	<b>10.943</b>	12.596
<b>2)Kater Qendra Komunitare per moshen e trete</b>	0	2474	0	0	2.474	4.915	7.389
<b>3) Qendra Ditore e Zhvillimit PAK</b>	0	492	0	0	492		492

4) Shtëpia e Foshnjes"Lulet e vogla	1610	158	0	0	1.768	1.768
5) Qendra rezidenciale e zhvillimit	0	498	0	331	829	829
6) Qendra/Streheza e emergjences per dhunen ne familje	0	93	0	0	93	93
7) Qendra Multifunkionale Komunitare	0	150	0	0	150	150
<b>Management costs (21 staff)</b>	<b>1.643</b>	<b>661</b>	<b>-</b>	<b>442</b>	<b>2.746</b>	<b>2.746</b>

## 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).
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 18 Pogradec municipality funding for social services**

2017 (outturn)							
	Personnel	O&M	Transfers	Investment	Total	Extrabudgetary funding	Total funding
<b>Total</b>	12.057	344	0	0	12.401		12.401
<b>Social care centres</b>	2.427	344	0	0	2.771		2.771
<b>Qendra Komunitare Multifunkionale per PAK(6)</b>	2388	224	0	0	2.612		2.612
<b>Qendra multifunkionale (integrimi i romeve per gjithe moshat)_</b>	39	120	0	0	159	53.164	53.323
<b>Management costs (24 staff)</b>	9.630	-	-	-	9.630		9.630

## Municipality of Prrenjas

Prrenjas 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).

**Table 19 Prrenjas municipality funding for social services 2017**

	2017 (outturn)				
	Personnel	O&M	Transfers	Investment	Total
<b>Total</b>	5.657	385	0	164	6.206
<b>Social care centres</b>	0	0			0
<b>Qendra/Strehez e Dhunes ne familje (1)</b>	514	385	0	164	1.063
<b>Management costs (23 staff in 2018/18 in 2017)</b>	5.143				5.143

### 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)
2. Berat daycare center for the elderly provides services to 50 beneficiaries and is financed by the Red Cross. (3 staff)
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).
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)
7. Berat Association for Roma Women Rights is a community center for people with disabilities, providing services to 15 beneficiaries (capacity 25)

### Municipality of Diber

1. Diber daycare center for the elderly provides services to 80 beneficiaries and is financed by the Red Cross (5 staff).
2. Diber Shoqata Ardhmeria is a local community center providing services to schoolchildren (200 beneficiaries; capacity 130) financed by donors (staff 3)
3. Diber Shoqata Selimije is a local community center providing services to children from families in need, It is funded by religious organisations (staff 6)

## Municipality of Kruje

1. Kruje daycare elderly center provides services to 155 beneficiaries and is financed by the municipality (4 staff)
2. Kruje Bethany Christian Services is a public residential center for children without parental care, financed by Save the Children. (9 staff).
3. Kruje “Jete ne Zhvillim” is a daycare center for adults with disabilities providing services to 31 beneficiaries (capacity 35) and financed by Caritas (staff 11).
4. Kruje “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)
5. Kruje Arsis is a community multifunctional daycare center for 100 children in street situation financed by Save the Children (2 staff)
6. Kruje Bashkësia e Jezusit is a multifunctional dayv=care center for families in need (30 beneficiary families), supported by the Catholic church (9 staff).
7. Kruje Foundation Porta Roma is a local community center for children with disabilities (250 beneficiaries) financed by ADRA (staff 4).
8. Kruje 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).

## Municipality of Kukes

1. Kukes daycare development center 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).

## Municipality of Tirane

1. Tirane residential elderly center is financed through a conditional transfer from the national budget.
2. Tirane 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. Tirane “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. Tirane 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 "Shtëpia 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 "Shtëpia 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 "Shtëpia e ngjyrave" is a multifunctional daycare social center providing services to families in need.

**Table 20 Tirana social services: public financing**

	2016 (outturn)					2018 (budget)				
	Personnel	O&M	Transfers	Investment	Total	Personnel	O&M	Transfers	Investment	Total
<b>Total</b>	286.971	90.622	34.829	22.834	435.256	184.350	126.480	14.000	324.829	324.829
<b>Social care centres (local)</b>	186.079	9.456	34.829	22.834	253.198	69.500	37.000	14.000	120.500	120.500
<b>G.1.Qendra Social Multidisiplinare</b>	44.335	2.548	6.495	3.262	56.640	17.900	6.900	2.000	26.800	26.800
<b>G.2. Qendra Komunitare "Të qëndrojmë sëbashku"</b>	51.351	2.560	8.378	8.155	70.444	19.400	8.900	5.000	33.300	33.300
<b>G.3. Qendra Sociale " Shtëpia e Përbashkët"</b>	43.319	1.973	10.072	6.524	61.888	14.500	10.700	4.000	29.200	29.200
<b>G.4. Qendra Komunitare Shkozë</b>	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>	100.892	81.166	0	0	182.058	114.850	89.480	0	204.329	204.329
<b>Shtëpia e të Moshuarve</b>	10.409	14.946	0	0	25.355	10.373	14.894	0	25.267	25.267
<b>Shtëpia e Foshnjes</b>	23.694	14.405	0	0	38.099	26.979	16.402	0	43.380	43.380
<b>Qendra e Zhvillimit</b>	17.153	7.846	0	0	24.999	23.940	10.951	0	34.892	34.892
<b>Qendra Pritëse Viktim Linzë</b>	12.250	9.757	0	0	22.007	12.413	9.887	0	22.300	22.300
<b>Qendra Kombëtare Viktimave Dhunës</b>	10.475	10.270	0	0	20.745	11.205	10.985	0	22.190	22.190
<b>Qendra Kombëtare Emergjencës</b>	5.603	8.209	0	0	13.812	5.854	8.577	0	14.430	14.430
<b>Shtëpia Fëmijës Shkollor</b>	21.308	15.733	0	0	37.041	24.086	17.784	0	41.870	41.870

## Municipality of Lushnje

The development day care center for people with disabilities in Lushnje was reconstructed by UNDP. It is administered and financed by the municipality and receives support by UNDP. The capacity is 24 children, but provides services to 54 children between 3 and 16 years of age, in two work shifts. The center does not provide food for children who come from out of town due to the lack of funds.

**Table 21 Lushnje social services: public financing**

	2017 (outturn)					2018 (budget)				
	Perso	O&M	Transf	Invest	Total	Perso	O&M	Transf	Invest	Total
			ers	ment		nnel		ers	ment	
<b>Total</b>	25.020	1.Inve stmen t (non- fixed assets)	0	0	26.250	26.723	2.417	0	0	29.140
<b>Social care centres</b>	10.816	1.Inve stmen t (non- fixed assets)			12.046	<b>11.848</b>	<b>2.417</b>			14.265
<b>Of which:</b>										
<b>Development Center</b>	10.816	1.Inve stmen t (non- fixed assets)			12.046	<b>11.848</b>	<b>2.417</b>			14.265
<b>Management costs (23 staff in 2018/18 in 2017)</b>	14.204				14.204	<b>14.875</b>				14.875

## Municipality of Durres

**Table 22 Durres municipality financing for social services in 2017**

	2017 (outturn)						
	Personnel	O&M	Transfer	Investment	Total	Extrabudgetary funding	Total funding
<b>Total</b>	43.658	8.017	5.299	138.Sala ry	43.271		43.271
<b>Social care centres</b>	12.297	5.296	5.299	0	22.892		22.892
<b>Qendra Ditore e të Moshuarve (15)</b>	9941	5174	0	0	9.642		9.642
<b>Qendra Komunitare per femijet PAK (jashte buxhetit)</b>	0	0	0	0	17.385	7.060	24.445
<b>Qendra multifunkionale (integrimi rom) (5)</b>	2356	122	0	0	0		0
<b>Shtepia e Foshnjes/Familje me femije rruges (QQ)</b>	0	0	0	0	325	28.121	28.446
<b>Sherbime te tjera sociale</b>	0	0	5299	0	325		325
<b>Management costs (32 staff)</b>	31.361	2.721	-	138.Sala ry	20.379	20.379	40.758

## Annex 2. Local government spending in social areas

Table 23 Social spending at local government level by programme, institution and economic classification in 2016 and 2017

Sum of Actual Row Labels	2.016		2.017	
	Actual budget	% within institution	Actual budget	% within institution
<b>Social Care Services</b>	<b>394.352.104</b>		<b>485.655.457</b>	
<b>Local governments</b>	<b>394.352.104</b>	<b>84%</b>	<b>485.655.457</b>	<b>85%</b>
Administrata Kopshte Cerdhe (0808)	22.455.813		24.679.134	
Investment	403.918		0	
Salary	15.546.927		17.766.108	
Insurance	2.596.554		2.977.605	
O&M	3.908.414		3.935.421	
Bashkia Bajram Curri (1836)	2.947.146	<b>0,6%</b>	3.074.619	<b>0,5%</b>
Salary	1.954.054		2.494.229	
Insurance	318.352		416.108	
O&M	674.740		164.282	
Bashkia Ballsh (0924)	6.074.637	<b>1,3%</b>	5.229.847	<b>0,9%</b>
Salary	2.289.906		2.443.045	
Insurance	435.247		418.355	
O&M	3.349.484		2.368.447	
Bashkia Bilisht (1505)	2.913.016	<b>0,6%</b>	2.689.417	<b>0,5%</b>
Investment	0			
Salary	1.818.762		1.931.789	
Insurance	347.528		334.205	
O&M	746.726		423.423	
Bashkia Bulqize (0603)	8.926.949	<b>1,9%</b>	10.690.643	<b>1,9%</b>
Investment	0		876.000	
Salary	6.169.541		7.406.944	
Insurance	995.304		1.204.586	
O&M	1.762.104		1.203.113	
Bashkia Corovode (0232)	4.279.799	<b>0,9%</b>	4.896.253	<b>0,9%</b>
Salary	2.928.280		3.571.663	
Insurance	486.715		594.645	
O&M	864.804		729.945	
Bashkia Delvine (3704)	3.030.141	<b>0,6%</b>	3.162.305	<b>0,6%</b>
Salary	2.057.964		2.277.345	
Insurance	343.805		368.687	
O&M	628.372		516.273	
Bashkia Durres (0707)	9.220.974	<b>2,0%</b>	22.461.030	<b>3,9%</b>
Investment	7.220.974		21.242.833	

O&M	2.000.000		470.197	
Transfer to institutions			748.000	
Bashkia Fushe-Arrez (3330)	2.372.910	<b>0,5%</b>	2.287.697	<b>0,4%</b>
Salary	1.554.000		1.745.783	
Insurance	254.508		287.454	
O&M	564.402		254.460	
Bashkia Kruje (0716)	5.886.846	<b>1,3%</b>	15.775.064	<b>2,8%</b>
Salary	2.273.685		12.962.193	
Insurance	383.967		2.297.839	
O&M	3.229.194		515.032	
Bashkia Lac (2019)	3.970.574	<b>0,8%</b>	4.966.060	<b>0,9%</b>
Salary	2.664.741		3.097.706	
Insurance	471.494		518.790	
O&M	834.339		1.349.564	
Bashkia Lezhe (2020)	8.199.301	<b>1,7%</b>	5.638.343	<b>1,0%</b>
Investment	106.800		0	
Salary	5.966.286		4.683.015	
Insurance	1.027.372		876.402	
O&M	1.098.843		78.926	
Bashkia Librazhd (0821)	275.692	<b>0,1%</b>		<b>0,0%</b>
Salary	236.240			
Insurance	39.452			
Bashkia Lushnje (0922)	898.700	<b>0,2%</b>	725.400	<b>0,1%</b>
O&M	898.700		725.400	
Bashkia Permet (1128)	2.305.350	<b>0,5%</b>	2.488.377	<b>0,4%</b>
Salary	1.806.297		1.890.000	
Insurance	291.128		314.624	
O&M	207.925		283.753	
Bashkia Peshkopi (0606)	17.435.053	<b>3,7%</b>	16.011.985	<b>2,8%</b>
Investment	765.Salary		0	
Salary	9.778.626		12.115.386	
Insurance	1.625.482		2.027.688	
O&M	5.265.345		1.868.911	
Bashkia Pogradec (1529)	1.717.435	<b>0,4%</b>		<b>0,0%</b>
Salary	1.272.881			
Insurance	123.488			
O&M	321.066			
Bashkia Polican (0232)	3.286.010	<b>0,7%</b>	6.105.536	<b>1,1%</b>
Salary	2.517.804		3.127.939	
Insurance	420.472		640.000	
O&M	347.734		2.337.597	
Bashkia Puke (3330)	3.914.905	<b>0,8%</b>	4.243.274	<b>0,7%</b>
Salary	3.053.669		3.349.205	

Insurance	484.439		562.422	
O&M	376.797		331.647	
Bashkia Shijak (0707)	3.084.616	<b>0,7%</b>	3.816.781	<b>0,7%</b>
Salary	2.650.216		3.184.583	
Insurance	410.592		530.198	
O&M	23.808		102.000	
Bashkia Shkoder (3333)	1.013.801	<b>0,2%</b>	0	<b>0,0%</b>
Investment	0			
O&M	11.720		0	
Transfer to institutions	1.002.081			
Bashkia Tepelene (1134)	1.679.938	<b>0,4%</b>	3.065.286	<b>0,5%</b>
Salary	1.199.938		1.924.000	
Insurance	180.000		263.237	
O&M	300.000		878.049	
Bashkia Tirana (3535)	24.796.585	<b>5,3%</b>	69.955.543	<b>12,2%</b>
Investment (non-fixed assets)	0		0	
Investment	18.030.495		56.484.158	
O&M	6.551.140		10.003.043	
Transfer to institutions	214.950		3.468.342	
Bashkia Ura Vajgurore (0202)	5.171.369	<b>1,1%</b>	3.796.429	<b>0,7%</b>
Investment	1.395.388			
Salary	2.435.308		2.481.239	
Insurance	399.612		385.786	
O&M	941.061		929.404	
Transfer to institutions	-			
Bashkia Vau Dejes (3333)	4.015.159	<b>0,9%</b>	1.932.628	<b>0,3%</b>
Salary	3.388.618		63.876	
Insurance	559.241		0	
O&M	67.300		1.868.752	
Bashkia Vlore (3737)	7.812.695	<b>1,7%</b>	8.091.052	<b>1,4%</b>
Salary	5.756.596		6.162.000	
Insurance	956.099		1.029.052	
O&M	1.100.000		900.000	
Drejtoria e Cerdheve (3333)	30.235.506	<b>6,4%</b>	30.003.501	<b>5,2%</b>
Investment	343.880		409.680	
Salary	18.497.120		20.210.391	
Insurance	3.104.443		3.379.790	
O&M	8.290.063		6.003.640	
Ndermarrja e Pasurive PNdermarrja e Pasurive Publike Lushnje (0922)	530.464	<b>0,1%</b>		<b>0,0%</b>
Salary	451.618			
Insurance	78.846			
Qendra Arsimore Pogradec (1529)	2.251.879	<b>0,5%</b>	3.904.260	<b>0,7%</b>

Salary	1.435.833		2.858.100	
Insurance	267.928		477.304	
O&M	548.118		568.856	
Qendra Ditore Moshuarve (0707)	18.327.330	<b>3,9%</b>	17.595.060	<b>3,1%</b>
Investment	398.200		0	
Salary	10.674.307		10.538.043	
Insurance	1.779.754		1.760.387	
O&M	5.475.069		5.296.630	
Qendra e Arsimit Lushnje (0922)	7.507.721	<b>1,6%</b>	15.359.263	<b>2,7%</b>
Salary	6.147.569		12.941.733	
Insurance	1.014.823		1.920.079	
O&M	345.329		497.451	
Qendra e Zhvillimit Berat (0202)	199.916	<b>0,0%</b>		<b>0,0%</b>
Investment	90.000			
O&M	109.916			
Qendra e Zhvillimit Ditor Lezhe (2020)		<b>0,0%</b>	283.500	<b>0,0%</b>
O&M			283.500	
Qendra e Zhvillimit Korce (1515)	703.845	<b>0,1%</b>	828.938	<b>0,1%</b>
Investment	198.200		330.910	
O&M	505.645		498.028	
Qendra e zhvillimit Korce nr.2 (1515)	530.310	<b>0,1%</b>	492.390	<b>0,1%</b>
O&M	530.310		492.390	
Qendra Ekonomike Arsimit (0202)	17.213.710	<b>3,7%</b>	20.588.462	<b>3,6%</b>
Salary	12.358.085		14.820.046	
Insurance	2.078.665		2.294.995	
O&M	2.776.960		3.473.421	
Qendra Ekonomike Arsimit (0217)	8.878.176	<b>1,9%</b>	13.119.161	<b>2,3%</b>
Salary	6.449.137		7.407.557	
Insurance	1.158.398		1.335.223	
O&M	1.270.641		4.376.381	
Qendra Ekonomike Arsimit (1111)	23.802.855	<b>5,1%</b>	17.518.557	<b>3,1%</b>
Salary	8.227.260		12.999.826	
Insurance	1.658.265		2.169.266	
O&M	13.917.330		2.349.465	
Qendra Ekonomike e Arsimit (0707)	52.867.844	<b>11,2%</b>	53.960.827	<b>9,4%</b>
Investment	400.000			
Salary	31.268.182		33.367.229	
Insurance	5.222.281		5.572.400	
O&M	15.977.381		15.021.198	
Qendra Ekonomike Kultures (0821)	1.462.233	<b>0,3%</b>	2.130.019	<b>0,4%</b>
Salary	1.270.923		1.827.844	
Insurance	191.310		302.175	



Qendra Komunitare Shkoze (3535)	16.420.513	<b>3,5%</b>	17.254.971	<b>3,0%</b>
Investment	1.118.979		0	
Salary	10.876.692		11.986.510	
Insurance	1.772.660		1.959.327	
O&M	2.652.182		3.309.134	
Qendra polivalente Sarande (3731)	2.826.376	<b>0,6%</b>	2.103.366	<b>0,4%</b>
Salary	1.168.897		1.691.192	
Insurance	195.368		282.574	
O&M	1.462.111		129.Salary	
Qendra Shtepia e Perbashket (3535)	14.543.765	<b>3,1%</b>	18.552.994	<b>3,2%</b>
Investment	0		0	
Salary	8.019.489		10.970.899	
Insurance	1.279.787		1.788.507	
O&M	5.244.489		5.793.588	
Qendra Sociale Balashe Elbasan (0808)	2.916.522	<b>0,6%</b>	4.561.609	<b>0,8%</b>
Investment	0		0	
Salary	708.237		3.152.933	
Insurance	213.236		536.632	
O&M	1.995.049		872.044	
Qendra Sociale Multidisiplinare (3535)	14.247.589	<b>3,0%</b>	18.855.374	<b>3,3%</b>
Investment	0		0	
Salary	8.755.522		13.707.862	
Insurance	1.430.478		2.238.173	
O&M	4.061.589		2.909.339	
Shtepia e Femijeve Shkollor Sarande (3731)	729.268	<b>0,2%</b>	786.313	<b>0,1%</b>
O&M	729.268		786.313	
Shtepia e foshnjes Durres (0707)	500.000	<b>0,1%</b>	0	<b>0,0%</b>
Investment			0	
O&M	500.000			
Shtepia e Foshnjes Korce (1515)	1.753.627	<b>0,4%</b>	1.688.477	<b>0,3%</b>
Investment	91.800			
Salary	1.177.143		1.379.874	
Insurance	219.697		Investment (non-fixed assets).622	
O&M	264.987		77.981	
Te qendrojme se bashku (3535)	18.217.241	<b>3,9%</b>	20.285.712	<b>3,5%</b>
Investment	263.999		319.800	
Salary	10.914.306		13.824.872	
Insurance	1.793.903		2.235.788	
O&M	5.245.033		3.905.252	
Undefined	0	<b>0,0%</b>		<b>0,0%</b>

Investment	0			
O&M	0			
<b>Social care</b>	<b>73.998.992</b>		<b>83.907.769</b>	
<b>Local governments</b>	<b>73.998.992</b>	<b>15,7%</b>	<b>83.907.769</b>	<b>14,7%</b>
Administrata Kopshte Cerdhe (0808)	0	<b>0,0%</b>		<b>0,0%</b>
Insurance	0			
Bashkia Elbasan (0808)	0			
Insurance	0			
O&M	0			
Bashkia Kukes (1818)	1.806.160	<b>0,4%</b>	2.731.288	<b>0,5%</b>
Salary	1.795.162		2.273.502	
Insurance	10.998		457.786	
Bashkia Lezhe (2020)		<b>0,0%</b>	300.000	<b>0,1%</b>
O&M			300.000	
Bashkia Libohove (1111)		<b>0,0%</b>	0	<b>0,0%</b>
Salary			0	
Insurance			0	
O&M			0	
Bashkia Shkoder (3333)	19.360.903	<b>4,1%</b>	25.197.633	<b>4,4%</b>
Investment	399.960		0	
Salary	1.301.655		4.045.046	
Insurance	217.356		676.729	
O&M	1.796.131		2.575.134	
Transfer to institutions	15.645.801		17.900.724	
Qendra e Zhvillimit Ditor Lezhe (2020)	470.100	<b>0,1%</b>	105.700	<b>0,0%</b>
Investment	20.000			
O&M	450.100		105.700	
Qendra e Zhvillimit Vlore (3737)	8.149.603	<b>1,7%</b>	7.318.155	<b>1,3%</b>
Investment	199.999		0	
Salary	4.188.182		4.335.467	
Insurance	688.701		723.727	
O&M	3.072.721		2.258.961	
Qendra Ekonomike Arsimit (0217)	1.830.421	<b>0,4%</b>	2.179.886	<b>0,4%</b>
Salary	1.215.517		1.503.532	
Insurance	217.478		252.283	
O&M	397.426		424.071	
Qendra Lira (0202)	17.129.594	<b>3,6%</b>	20.673.465	<b>3,6%</b>
Salary	10.468.110		13.285.661	
Insurance	1.753.002		2.218.431	
O&M	4.908.482		5.169.373	
Qendra Sociale Balashe Elbasan (0808)	19.897.907	<b>4,2%</b>	19.564.701	<b>3,4%</b>
Salary	14.077.282		14.217.000	

Insurance	2.245.000		2.350.000	
O&M	3.575.625		2.997.701	
Shtepia e Foshnjes Vlore (3737)	5.354.304	<b>1,1%</b>	5.836.941	<b>1,0%</b>
Investment	182.500		141.000	
Salary	3.034.697		3.721.050	
Insurance	501.277		620.495	
O&M	1.635.830		1.354.396	
<b>Social Inclusion</b>	<b>1.932.943</b>		<b>3.140.536</b>	
<b>Local governments</b>	<b>1.932.943</b>	<b>0,4%</b>	<b>3.140.536</b>	<b>0,5%</b>
Bashkia Çorovode (0232)	1.650.952	<b>0,4%</b>	2.253.197	<b>0,4%</b>
Salary	1.223.800		1.743.694	
Insurance	203.872		327.213	
O&M	223.280		182.290	
Bashkia Shkoder (3333)	281.991	<b>0,1%</b>	238.699	<b>0,0%</b>
O&M	281.991		238.699	
Qarku Shkoder (3333)		<b>0,0%</b>	648.640	<b>0,1%</b>
O&M			118.640	
Transfer to institutions			530.000	
<b>Grand Total</b>	<b>470.284.039</b>		<b>572.703.762</b>	

Table 24 Budget outturn of 15 municipalities by source of financing

	2016						2017						Comments
	Own revenue	Unconditional transfer	Specific transfer	Funds to institutions	Cash benefit programme	Total	Own revenue	Unconditional transfer	Specific transfer	Funds to institutions	Cash benefit programme	Total	
1. Berat	4.500	4.362	19.108	22.003	377.590	427.563	7.829	6.587	26.172	22.976	388.014	451.578	Specific transfer: Lira Center; Funds for institutions Development center (Balash)
2. Dibër	460	110	0		754.431	755.001	520	0			835.338	835.858	
3. Krujë	6.717	5.000			334.928	346.645	18.559	5.250			352.855	376.664	
4. Kukës	0	0	1.806		606.329	608.135	0	0	2.407		623.764	626.171	Specific transfer for Development Center
5. Përmet		60			91.607	91.667		800			88.982	89.782	
6. Tiranë	221.974	0	0	175.160	2.293.834	2.690.968	317.508		0	182.058	2.375.458	2.875.024	Delegated for Shtëpia e të Moshuarve; Shtëpia e Foshnjes; Qendra e Zhvillimit; Qendra Pritëse Viktimave Linzë; Qendra Kombëtare Viktimave Dhunës; Qendra Kombëtare Emergjencës; Shtëpia Fëmijës Shkollor
7. Ura Vajgurorë	6.050	1.600	0	0	132.563	140.213	6.530	0			136.422	142.952	
8. Fier						0	23.317	11.830		0	750094	785.241	
9. Korce						0	13.666			-	538.016	551.682	Extra 10,9 million lek funded outside the budget by an organisation for two SC. Other funding not reported
10. Lezhe						0	1757	31232		10500	497532	541.021	Extra 21,8 million lek funded outside the budget for 3 SC, by 3 organisations
11. Prrrenjas						0	1063	5143			389647	395.853	Donation for DV by NGO, 549 thousand lek
12. Shkoder						0	9.967	20.379	17.385		917.528	965.259	T. specifike: Projekti Shpresa (PAK). The municipality does not report central funding for social centers

<b>13. Pogradec</b>						0	2.771	9.630			-	699.522	711.923	Extra 53 million lek funded by UNDP for PAK center
<b>14. Lushnje</b>						0	16.666	14.204				525.145	556.015	
<b>15. Durres</b>						0	21.617	173.957			-	28.121	927.162	1.150.857
<b>Total</b>	239.701	11.132	20.914	197.163	4.591.282	5.060.192	441.770	279.012	45.964	243.655	10.045.479	11.055.880		

Source: Municipal budgets/reporting. Differences with actual treasury outturns may persist.

**Table 25. Relative weights of social spending in 15 municipalities (excluding social housing)**

	Own revenue	Unconditional transfer	Specific transfer	Funds to institutions (conditional)	Cash benefit programme (conditional)	Social sector – non-cash expenditure in % of the total budget*
<b>Berat</b>	1,7%	1,5%	5,8%	5,1%	85,9%	7%
<b>Diber</b>	0,1%	0,0%	0,0%	0,0%	99,9%	0,1%
<b>Kruje</b>	4,9%	1,4%	0,0%	0,0%	93,7%	3,4%
<b>Kukes</b>	0,0%	0,0%	0,4%	0,0%	99,6%	0,4%
<b>Permet</b>	0,0%	0,9%	0,0%	0,0%	99,1%	0,3%
<b>Tirane</b>	11,0%	0,0%	0,0%	6,3%	82,6%	3,9%
<b>Ura Vajgurore</b>	4,6%	0,0%	0,0%	0,0%	95,4%	2,1%
<b>Fier</b>	3,0%	1,5%	0,0%	0,0%	95,5%	1,9%
<b>Korce</b>	2,5%	0,0%	0,0%	0,0%	97,5%	0,7%
<b>Lezhe</b>	0,3%	5,8%	0,0%	1,9%	92,0%	4,9%
<b>Perrenjas</b>	0,3%	1,3%	0,0%	0,0%	98,4%	1,9%
<b>Shkoder</b>	1,0%	2,1%	1,8%	0,0%	95,1%	3,4%
<b>Pogradec</b>	0,4%	1,4%	0,0%	0,0%	98,3%	1,9%
<b>Lushnje</b>	3,0%	2,6%	0,0%	0,0%	94,4%	3,0%

Durres	1,9%	15,1%	0,0%	2,4%	80,6%	8,5%
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\* Excludes funding for social housing.

Source: For social spending, municipal budgets. For total budget, MOFE treasury database.

Table 26 Planned vs. actual expenditure by programme and level of government, years 2016 - 2017

All social (incl. cash)	Column Labels					
	Row Labels	2016			2017	
Sum of Actual		Sum of Initial Budget	Actual vs planned in %	Sum of Actual	Sum of Initial Budget	Actual vs planned in %
Social inclusion	67.856.531	133.400.861	51%	87.956.396	122.050.760	72%
	21.410.777.03			21.770.386.93		
Social care	1	21.771.743.640	98%	9	21.563.108.115	101%
Social care services	465.938.711	460.004.308	101%	594.564.032	793.630.364	75%
<b>Grand Total</b>	<b>21.944.572.27</b>	<b>22.365.148.809</b>	<b>98%</b>	<b>22.452.907.36</b>	<b>22.478.789.239</b>	<b>100%</b>

Non-cash expenditure	Column Labels					
	Row Labels	2016			2017	
Sum of Actual		Sum of Initial Budget	Actual vs planned in %	Sum of Actual	Sum of Initial Budget	Actual vs planned in %
Social inclusion	67.826.531	133.400.861	51%	87.926.396	122.050.760	72%
Social care	1.382.451.632	1.261.726.640	110%	1.053.815.892	1.058.461.115	100%
Social care services	394.352.104	432.094.476	91%	485.655.457	656.935.401	74%
<b>Grand Total</b>	<b>1.844.630.268</b>	<b>1.827.221.977</b>	<b>101%</b>	<b>1.627.397.745</b>	<b>1.837.447.276</b>	<b>89%</b>

Non-cash by central/local	Column Labels					
	Row Labels	2016			2017	
Sum of Actual		Sum of Initial	Actual vs planned in	Sum of Actual	Sum of Initial	Actual vs planned in

	Budget		%	Budget		%
<b>Social inclusion</b>	<b>67.826.531</b>	<b>133.400.861</b>	<b>51%</b>	<b>87.926.396</b>	<b>122.050.760</b>	<b>72%</b>
MSWY	65.893.588	131.614.000	50%	83.186.993	119.200.000	70%
MoHSP				1.598.867	0	
Local governments	1.932.943	1.786.861	108%	3.140.536	2.850.760	110%
<b>Social care</b>	<b>1.316.780.432</b>	<b>1.196.055.440</b>	<b>110%</b>	<b>986.831.357</b>	<b>991.476.580</b>	<b>100%</b>
MSWY	1.242.781.440	1.138.300.000	109%	775.039.723	922.790.000	84%
MoHSP				127.883.865	0	
Local governments	73.998.992	57.755.440	128%	83.907.769	68.686.580	122%
<b>Social care services</b>	<b>394.352.104</b>	<b>432.094.476</b>	<b>91%</b>	<b>485.655.457</b>	<b>656.935.401</b>	<b>74%</b>
Local governments	394.352.104	432.094.476	91%	485.655.457	656.935.401	74%
<b>Grand Total</b>	<b>1.778.959.068</b>	<b>1.761.550.777</b>	<b>101%</b>	<b>1.560.413.209</b>	<b>1.770.462.741</b>	<b>88%</b>

Table 27 Central and local government financing for social services (excluding 606 – transfers to individuals) in values and share of respective budgets

	2016	2017
CG social in % of central budget (w/o cash programme)	0,34%	0,24%
LG in % of Local Budget (all sources, excl. cash programme)	0,85%	0,88%
LG in % of Local Budget (discretionary sources, excl. cash programme)	0,43%	0,42%
CG total financing in % of central budget	0,40%	0,32%
LG social non-edu from discretionary sources in % of local budget	0,25%	0,34%
Social LG (w/o cash programme)	470	573
SOC LG discretionary (w/o cash programme)	237	276
Social LG from state budget (w/o cash programme)	234	297
Social CG (w/o cash programme)	1.309	988
Total CG financing for services (centrally and transferred to local level)	1.542	1.284
Local government: Non - education social expenditure (excluding cash programmes)		
Budget transfer (non edu)	162	169

<b>Discretionary (non-edu)</b>	139	219
<b>Secondary revenue (non edu)</b>	0	1
<b>LG total budget (discretionary sources)</b>	55.111	65.004
<b>CG total budget</b>	385.130	404.229