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# Mid-Term Evaluation Report for the Social Housing Strategy

December 2020



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No One  
Behind

United Nations House

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# Mid-Term Evaluation Report for the Social Housing Strategy

for the project

**“Support to Ministry of Finance and Economy (MoFE) for conducting the mid-term review of the Social Housing Strategy (SHS) and its action plan and for Designing of Social Housing Municipal Plans”**

**Implemented by UNDP**

**in the framework of the United Nations Joint Programme “Leave No One Behind”, supported by the Swiss Agency for Development Cooperation.**

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## Abbreviations

ABA	Albanian Blind Association
ALL	Albanian Lek
CSO	Civil Society Organisation
DCM	Decision of the Council of Ministers
EU	European Union
GLTP	General Local Territorial Plan
GNTF	General National Territorial Plan
GoA	Government of Albania
INCSP	Integrated National Cross-sectorial Plan
INSTAT	National Institute of Statistics
MoFE	Ministry of Finance and Economy
Mol	Ministry of Interior
MTE	Mid-term Evaluation
MUD	Ministry of Urban Development
NGO	Non-Governmental Organisation
NSDI	National Strategy for Development and Integration
PDNA	Post-Disaster Needs Assessment
PPP	Public Private Partnership
PWD	People with disabilities
SDG	Sustainable Development Goals
SHS	Social Housing Strategy
SO	Specific Objective
UN	United Nations
UNDP	United Nations Development Program

## Introduction

The Ministry of Finance and Economy, with the support of United Nations Development Program, Albania through the programme "Leave No One Behind", funded by the Swiss Agency for Development and Cooperation has undertaken the process of the mid-term review of the Social Housing Strategy 2016-2025. As foreseen by the law<sup>1</sup> no. 22/2018 'On Social Housing', the Ministry responsible on social housing is responsible on the review of the Strategy's action plan.

The following document contains the assessment of the implementation of the Social Housing Strategy 2016-2025. The assessment is undertaken by MetroPOLIS shpk and Co-PLAN, on behalf of the Ministry. The scope of this assessment is the evaluation of the implementation of the Strategy for the mid-term period 2016-2020, as a basis to providing recommendations for the review of the Strategy and of its Action Plan.

### 1. The "Social Housing Strategy 2016-2025"

The "Social Housing Strategy 2016-2025"<sup>2</sup> was adopted on June 1<sup>st</sup>, 2016 through the decision of the Council of Ministers (DCM) no. 405. The Strategy was prepared by the Ministry of Urban Development, responsible for its implementation until 2017. The Directorate of Housing in the Ministry of Finance and Economy (MoFE)<sup>3</sup> has taken over the implementation of the SHS since.

The SHS embraces the principles of housing availability, accessibility, affordability and adequacy and aims at providing "low and middle income households who cannot afford a house in the open market, and in particular, to households with vulnerability indicators resulting in housing exclusion" with housing solutions (Government of Albania, 2016, p.5). The Strategy envisions "Social and economic inclusion through availability of housing alternatives that are available, accessible, affordable and appropriate, for more than 60% of the Albanian population with no financial means to afford housing at market rates, and in particular marginalised groups" (Government of Albania, 2016, p. 29). The Strategy has 4 strategic priorities that are further translated into five objectives, as follows:

- "Development of capacities of 61 LGUs for securing updated knowledge about demand and supply for social housing;
- Improving the legal and institutional framework for increasing access to housing to 50% of disadvantaged households;
- Coordination of efforts among institutions at central and local levels, for improving the process distribution of housing to 61 LGUs;
- Putting in place public private partnership (PPPs) agreements for improving alternatives of social housing and increasing the number of eligible households by 20%;
- Expanding housing alternatives through programs targeting low- and middle-income households, and mainly those at disadvantage by 30%." (Government of Albania, 2016 p.37).

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<sup>1</sup> Hereinafter referred to as the social housing law or simply the Law.

<sup>2</sup> Hereinafter referred to as the SHS or the Strategy

<sup>3</sup> As the social housing competence is transferred between different ministries, instead of mentioning them by name, this report may in certain parts refer the responsible ministry on social housing merely as the Ministry.

Each objective contains sub-objectives and issues to be addressed resulting into expected outcomes. Furthermore, for each sub-objectives a number of activities are listed, including the respective timelines, results and indicators, budget, potential donors and the implementing institutions, as well as risks and their mitigation measures. The monitoring of the Strategy's implementation and achievement of results and outcomes is based on a list of 39 indicators that will feed annual monitoring reports to be drafted by the respective department in the Ministry responsible for social housing. Besides assessing the progress of SHS implementation, the indicators are defined in such a way that enables municipalities and therefore the Ministry in developing a database on social housing at national level, with information disaggregated locally.

Finally, the SHS provides an overall cost estimate for its implementation of approximately 7.3 billion Lek, out of which, around 5.7 billion Lek or 78% of the total, should be covered by the state budget for projects and subsidies for housing programmes.

## 2. Scope, objectives and methodology of the evaluation

The mid-term evaluation of the Social Housing Strategy implementation results was undertaken as a mandatory step in the monitoring of progress of SHS and need for improvement.

The MTE for the Social Housing Strategy takes a realist evaluation approach, whereby the relationship between *the context*, *the mechanism*, and the *outcome* (as defined in the Strategy, see also Milligan *et al.* 2007) is analysed, leading to findings and recommendations for the improvement of the Strategy. The MTE for the SHS is a policy-level evaluation. It focusses on the evaluation of national goals and targets, making use of the SHS indicators and of the stakeholders' perception about the performance of the strategy and the mechanisms it employs. To achieve this, the MTE team investigated:

- **The context** in which the strategy was designed and implemented so far, and its cause-effect relationship with the implementation process and achievement of results. The contextual factors are internal and external to the scope of the strategy and its action plan. The internal aspects are the ones that have shaped the demand for social housing in the last four years since the Strategy was adopted. In the case of this evaluation the external context included: the EU integration process; the impact of the earthquake of November 26<sup>th</sup>, 2020; the impact of COVID-19; major institutional changes; other sectorial Strategies that were adopted and are being implemented; the status of social housing finances; other sectorial legislation than social housing.
- **The mechanisms** that were employed by the strategy – hence implementation actions, and whether their application was the only factor to affect the results. Some form of ontological depth is also required to understand whether behavioural, societal, institutional factors, etc. laying beneath the observable inputs (Milligan *et al.* 2007) have influenced the results, and the connection to the context is crucial in this respect.
- **The outcome or results** intended to be achieved till 2020. Being a mid-term evaluation, it was not possible to outline real outcomes, which are expected by the end of the strategy's time-validity, and perhaps even beyond. Nevertheless, at this point in time, the evaluation observed the outputs/targets and results for the given phase of SHS implementation, as well as the relevant indicators, as defined in the Strategy. These were evaluated for effectiveness,



efficiency, relevance and appropriateness (Rogers *et al.* 2005; Milligan *et al.* 2007; MacDonald and Tempest 2018).

The **mechanisms and the outcome** were assessed for aspects of *relevance, effectiveness* and *efficiency*, as defined in the terms of references for the MTE assignment. However, besides these three required aspects, the evaluation looked at the appropriateness of actions (combined with relevance), the partnerships built in order to implement the mechanisms, and the governance set-up that was employed by all stakeholders in the last 4 years to perform within the social housing sector and achieve the mid-term targets of the strategy. The partnerships are also considered as a form of governance. Research questions were formulated for each of the evaluation aspects, as follows:

*Relevance and appropriateness:* To what extent the proposals of the SHS are relevant and adaptable to the context (including contextual changes)? To what extent and how well the strategy and its action plan have responded to the needs of the target groups, hence leading to the appropriateness of objectives and actions? To what extent are the current strategic focus areas and approaches of the action plan still relevant and appropriate to the changing development context?

*Effectiveness (for outcome and process):* To what extent were the principles, objectives, activities, results and targets of the strategy satisfied for the given evaluation period? How many beneficiaries from the categories defined by law were able to access social housing and how does this stand in relation to the number of those who applied? What are the challenges so far in the delivery of the action plan? What are the key lessons learnt and recommendations in the delivery of the action plan?

*Efficiency:* To what extent the deployment and allocation of resources and procedures have influenced the delivery of the strategy so far (as planned, facilitated for better results and exceeding expectations, delaying and hindering implementation)? To what extent was the allocation of resources vis-à-vis the achievement or results (as planned, more resources required, less resources required, cost per unit of output versus input for different alternatives or versus targets set on the use of resources) sufficient and accessible? What were the challenges and gaps in the deployment and allocation of resources?

*Partnerships:* To what extent and in what ways the partnerships developed in the frame of SHS implementation were of support and contributed to achieve/improve effectiveness and/or efficiency in the delivery of the action plan and achievement of outcome/results?

*Governance:* To what extent and in what ways were the adopted governance arrangements contributed to achieving/improving effectiveness and/or efficiency in the delivery of the action plan and achievement of outcome/results? What type of improvements are can be made to the governance mechanisms for social housing?

In order to respond, the evaluation team made use of the following instruments:

- Desk review of documents, legislation and institutional set-up for the social housing sector.
- Key informant interviews with institutional stakeholders at national level, including not only the relevant ministries and agencies, but also associations of interested non-state actors.
- A structured survey of closed-ended questions with the 61 municipalities, focusing on the implementation of the SHS at local level.

- A limited number of follow-up interviews with representatives of housing departments from selected municipalities, aiming at complementing the understanding of the findings from the survey.
- The meeting of the Social Housing Consultative Council to discuss and validate the evaluation's recommendations to be applied in the revised SHS and Action Plan.

### 3. Context Analysis

#### 3.1 The EU integration process

The Council of Europe decided on 25 March 2020 to open accession negotiations with Albania, under a number of conditions. Hence, prior to the first intergovernmental conference, Albania should address five key priorities as a pre-step to starting examination of the chapters of the *Acquis Communautaire*. The initiation of the negotiations is very important for Albania, and for the social housing sector too, though the latter is not a core policy of the EU and remains an exclusive policy of member states. However, housing is recognised as a fundamental human right in the European Charter of Fundamental Rights, where in article 34 (social security and social assistance) "in order to combat social exclusion and poverty, the Union recognises and respects the right to social and housing assistance ..." (European Union, 2012, p.402). Fundamental rights are addressed by Chapter 23, which is one of the key chapters to start screening and negotiation on. The Government of Albania reports on social housing under 'Fundamental Rights' and during 2019-2020, in terms of social housing bylaws, the Housing Directorate gave first priority to the decree of the Government 'On the procedures for displacement and institutional cooperation'. This bylaw was approved in May 2019 with the decision of Council of Ministers no. 361, and was developed in accordance with the United Nation's guidelines on evictions and relocations, including procedures, timelines and institutional cooperation on resettlement cases. This decree is universal for all the Albanian citizens, regardless whether they are owners of the house or not. The decree no. 361 emphasizes that citizens will not be forced-evicted from their house or place of living, until an adequate solution is provided for them under the social housing programme.

Furthermore, Chapter 19 of the *Acquis Communautaire* touches upon social policy and employment, whereby social inclusion and protection involves practices of social housing too. The Ministry of Finance and Economy has allocated approximately 670 million Lek for the period 2019-2020, to implement the project 'Improving the living conditions of poor and vulnerable groups. Through this project (investments for improving houses, infrastructure, water supply and sanitation facilities) have benefited 1,516 families. Roma and Egyptian families consist of 42% of the total number of beneficiaries. During the same period, the state has allocated approximately 3.2 billion Lek to help poor and vulnerable families to afford rent in the private housing market. Out of this amount, 2.9 billion are allocated for subsidising the rent of the houses in the market, for families that became homeless as a result of the earthquake. 1,880 poor and vulnerable families have benefited from rent subsidy, out of which 15.9% of the total are Roma and Egyptian families.

The EU integration process is assumed not to have had a direct impact on the social housing sector in Albania during 2016-2020, due to social housing being an exclusive policy of states. In this perspective,

the social housing legislation is not a transposition of a particular directive of the EU. However, as social housing is a social and development sector, it is affected by other directives and official processes related to EU integration. GoA has already undertaken a social housing policy approach that is in line with Europeanisation efforts, be those societal or political. It is expected that the advancement of the integration will affect the implementation of the social housing policy. In a way, negotiations over the specific chapters will certainly have an impact on the implementation of social housing policy and programs for the various beneficiary groups.

### 3.2 The Earthquake of 26 November 2020

The devastating effects of the earthquake left several families of the Tiranë-Durrës region<sup>4</sup> without proper residential accommodation, or homeless. Besides those community categories that used to apply for enrolment in social housing programs (as defined by law), a new cluster of families (composed of different socio-economic statuses) is added to those who need housing assistance. The earthquake of 26 November 2019 had no precedent for the last 40 years and revealed some of the unspoken challenges of city-making and urban planning in Albania. Obviously, one of the sectors that was directly and strongly affected by it was the housing sector.

After the event, the GoA undertook an assessment of post-disaster needs, which served as a basis to raise financial support and initiate the [housing] recovery process. This Post Disaster Needs Assessment (Council of Ministers et al., 2020) highlights some of the most significant impacts of the earthquake on different socio-economic aspects, including housing. According to this assessment<sup>5</sup>, a total of 11,490 housing units were severely damaged or destroyed and need to be replaced; 18,980 housing units are recorded as having sustained medium to partial damage, and over 64,000 have been only slightly damaged (Council of Ministers; European Union; United Nations Agency; The World Bank, 2020). Indeed, the housing sector makes up around 85 % of the total damages and losses identified, with 662.30 million Euros estimated in loss. The Municipalities of Tirana and Durrës make for around 65% of this loss, while the other 9 affected municipalities range from 73 million to 4 million Euros in loss.

PDNA assesses that most damage has occurred in housing units built before 1993, because of their building typology: unreinforced masonry houses made with adobe or clay brick or concrete block walls. However, there is no clear indication on the social and economic status of the affected households vis-à-vis the housing and the building typology is not an indication of this either.

The provisions for the temporary accommodation of the affected population, as stated by the bylaws<sup>6</sup> were managed by the National Coastal Agency and the Ministry of Tourism and Environment. PDNA assesses that around 17,090 persons were accommodated in hotels (25% or 4,324) and tents (75% or 12,766). Others were either hosted at family and friends or rented accommodation, while about 1,000 were displaced to Kosovo (Council of Ministers, European Union, United Nations Agency, The World

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<sup>4</sup> The 11 municipalities affected by the earthquake are: Tiranë, Durrës, Shijak, Kurbin, Mirditë, Krujë, Lezhë, Rogozhinë, Kavajë, Vorë, Kamëz

<sup>5</sup> Hereinafter referred to as PDNA

<sup>6</sup> DCM 754, dated 30.11.2019, 'On the organization of temporary accommodation of the affected population because of the natural disaster in the Qarks of Durrës, Tiranë, Lezhë in accommodating structures'

Bank, 2020). In parallel, a renting subsidy program was provided for those who found a temporary dwelling on their own.

The provision of the temporary accommodation facilities was not necessarily arranged to address people with specific requirements, such as elderly, children, people with disabilities, and pregnant women, rather than addressing the urgent need for shelter after the quake. Psychosocial support was then provided for those in need. According to the PDNA report, this was more obvious for people with disabilities and elderly, who were also in need for social and healthcare due to their chronic conditions. People who were accommodated in tents suffered lack of heating (75%). Children made up 22% of the population accommodated in hotels and tents, where 17% (or about 2873 children) were located in tents with higher risks for diseases due to the cold and overall conditions (Council of Ministers; European Union; United Nations Agency; The World Bank, 2020). Finally, according the PDNA report, around affected 356 families belong to the Roma and Egyptian communities.

Currently as the GoA's program of reconstruction goes on, there are still a number of families being accommodated in tents, or having found solution individually. No official data is available on the situation of the accommodation of affected people to date. There is only scattered reporting from media, or few data provided by some of the affected municipalities in the survey conducted for the purpose of this assessment report.

The total effect of the earthquake on the housing sector is estimated at 696.3 million EUR (85.68 billion Lek), with the total damages amounting to 662.3 million EUR (81.50 billion Lek) and the total losses estimated at 34 million EUR (4.18 billion Lek). The damages' costs include both damaged buildings and lost furniture and belongings. The recorded losses are costs related to debris removal, costs covering temporary shelter (costs of setting up tents, accommodation in hotels, and governmental rental bonuses) and also rental losses from affected house / apartment owners.

Table 1. Estimated damage and losses from the 26 November Earthquake

Municipality	Lightly damaged	Partially damaged	Totally destroyed	Household goods	Total damages	Removal of Debris	Rental Losses (1 year)	Provision of Temporary Shelters	Total Losses
	<i>Damage in million EUR</i>				<i>Losses in million EUR</i>				
<i>Durrës</i>	69.6	61.1	61.6	6.8	208.6	4.3	0.25	7.65	12.2
<i>Shijak</i>	4.1	7.4	35.7	2.9	50.2	2.2	0.1	0.3	2.6
<i>Krujë</i>	7.4	13.7	4.4	3.6	69.7	2.8	0.2	0.3	3.3
<i>Lezhë</i>	3.6	5.6	10.4	0.9	20.6	0.6	0.04	0.9	1.54
<i>Mirditë</i>	1.3	1.83	1	0.06	4.3	0.06	-	-	0.06
<i>Kurbin</i>	3.6	6.3	12.4	1	24.1	0.8	0.04	0.4	1.24
<i>Tiranë</i>	54	52.8	84.9	9.2	204.8	5.46	0.68	3.3	9.44
<i>Kamzë</i>	5.6	2.2	5.6	0.4	14	0.35	0.02	0.06	0.43
<i>Vorë</i>	5.1	3.2	27.3	2.1	37.9	1.68	0.09	0.43	2.2
<i>Kavajë</i>	5.5	8.3	12.6	1.2	27.7	0.78	0.04	0.11	0.93
<b>Total</b>	<b>160.3</b>	<b>163.9</b>	<b>309.4</b>	<b>28.7</b>	<b>662.3</b>	<b>19.03</b>	<b>1.46</b>	<b>13.45</b>	<b>33.94</b>

Source: PDNA, 2020

To date, there are several parallel initiatives that address the post-earthquake recovery process at a national level. From a legislative perspective, the GoA has approved several bylaws that address the consequences of the natural disaster and regulate the conditions, criteria, priority categories, benefits, procedures and rules for the evaluation and selection of beneficiaries from the Reconstruction Program.

According to DCM no.5, dated 6.1.2020<sup>7</sup> the beneficiaries of the National Program of Grants for Reconstruction are individuals and families, who have lost one or more family members and / or have suffered damage to their homes and have remained homeless as a result of the natural disaster. The local government is responsible for the management of applications by affected households, and the creation, administration and update of the respective database.

The Reconstruction Program establishes several categories of beneficiaries in accordance to the level of damage in their dwellings, the location and other social characteristics.

1. Households living in urban areas, in high-rise dwellings that were either demolished, or declared uninhabitable, are eligible to receive a new apartment either in the same location (redevelopment areas), or in a new assigned location (new development areas). In some cases, these families can be compensated through the Housing Fund.
2. Families in urban areas, living in individual houses will receive a house in a new location, or profit from either the reconstruction grant, or the Housing Fund.
3. Families in rural areas that have lost their houses, but are outside of the designated 'urban areas' of the territory, benefiting either a house as part of the new developments program, or being refunded through the Reconstruction Grants.
4. Lastly, families that have suffered damages in their dwellings but are not part of the uninhabitable housing stock, are eligible to receive funding from the Reconstruction Grants.

While local governments have been responsible for managing the registration process of beneficiaries according to the above mentioned criteria, most of the administrative processes have been anchored to the National Level, from the designation of new development areas and redevelopment areas, to the actual drafting of Compulsory Local Plans in the 11 affected municipalities, which was delegated to the National Territorial Planning Agency<sup>8</sup>. To date, there are 39 assigned re-development areas, out of which 22 have an approved Compulsory Local Plan<sup>9</sup>. The implementation phase of these plans is still in its earliest stage.

The redevelopment program stipulates a budgeted grant of 8,736, 419,145 ALL (approx. 70,692,381 euro) for the rebuilding of individual dwellings, to be managed mostly by the Albanian Development Fund and municipalities. The Municipality of Tirana has received about 20% of this budget in the form of an Unconditional Grant<sup>10</sup>. As reported by the Housing Directorate at the Ministry of Finance and Economy,

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<sup>7</sup> DCM 5, dated 6.1.2020, 'On the definition of rules and procedures for the beneficiaries from the Reconstruction Grant Program and the Model Projects'

<sup>8</sup> DCM 9, dated 10.1.2020 'On the designation of implementation units for drafting the Compulsory Local Plans and their financing through the Reconstruction Fund, approved in the 2020 Budget'

<sup>9</sup> NTPA, <http://planifikimi.gov.al/index.php?id=1024>, accessed 21.9.2020

<sup>10</sup> DCM 202, dated 5.3.2020 'On the use of the Reconstruction Fund, approved in the 2020 Budget, for the financing of the reconstruction of individual houses'

an amount of 2.9 billion lek is allocated from the 2020 budget for subsidizing the housing rent in the market for around 14,000 families affected by the earthquake.

While the legislation that supports the reconstruction defines all procedures and financial mechanisms in relation to the physical damage of the dwellings, there is no well-defined support towards the social aspect of the affected population. The bylaws address the issue by merely categorizing the beneficiaries in terms of priority, in the following categories:

- families who have lost family members from the natural disaster;
- single parent families with dependent children, including young girl-mothers ;
- families with persons with disabilities;
- the elderly, who have reached retirement age;
- families benefiting from the economic assistance scheme;
- fallen in the line of duty.

Five out of the six categories are among those defined as potential beneficiaries of social housing by the social housing law. Nevertheless, the bylaw on reconstruction merely ranks them first in the registration process, and does not provide any additional tool for support for their post-disaster recovery. Indeed, an approach that targets specificities of social categories/needs is slightly absent altogether in the scheme of the Reconstruction Policy and Fund, though socio-economic recovery is one of the five programmes for implementation. As a matter of fact, the PDNA report reveals also that the assessment of damage and losses for social protection is minimal compared to other sectors, because most of them are reported under community infrastructure and housing. Similarly, recovery needs for social protection are estimated at 0.26%, being the lowest among all seven considered sectors.

The reconstruction process is based on pre-defined modules, which vary in size according to the number of family members. For 2-member families, the indicated apartment size is 60-70m<sup>2</sup>; for 2-4 member families the size will be 70-80 m<sup>2</sup> and for families with more than 5 members the size will be no less than 90 m<sup>2</sup><sup>11</sup>. This scheme could take better into consideration the existing size of the households, particularly when it exceeds 3 members, as the optimal housing area should fall under the standard of equal to or higher than 25m<sup>2</sup>/person<sup>12</sup>. Furthermore, the scheme does not account for the social conditions of the beneficiaries, particularly when they fall under the categories of elderly and people with disabilities.

The national reconstruction process is not focussed on social and economic aspects of vulnerable communities and those in need for social housing. Instead, it focuses mostly on the physical damage/loss of buildings and on the physical infrastructure (critical, utilities, and social). It also has a programme of social and economic recovery, which is aiming at facilitating employment and access to education, healthcare, cultural and other community services for affected people. On the other hand, there is no social housing strategic document that delves into the socio-economic dimension of the earthquake. Following the principle of 'no duplication of programs to the same beneficiary', the households already receiving social aid, social housing, etc., did not receive any additional support from the Reconstruction

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<sup>11</sup> DCM 5, dated 6.1.2020, 'On the definition of rules and procedures for the beneficiaries from the Reconstruction Grant Program and the Model Projects'

<sup>12</sup> The average floor area per person in EU 28 is 42,56 m<sup>2</sup> (EC, [https://ec.europa.eu/energy/content/housing-space-person\\_en](https://ec.europa.eu/energy/content/housing-space-person_en))

Grants. Nevertheless, it is not yet clear if and to what extent the beneficiaries of social programs, and especially the ones living in social housing, were affected by the earthquake. A rapid assessment on vulnerable communities were conducted in December 2019 by World Vision, but did not address social housing aspects. A mid-term impact of the earthquake on all vulnerable groups and on those benefiting for social housing in the pre-earthquake period still needs to be assessed. In the survey conducted with municipalities on the implementation of SHS, for purposes of this assessment report, municipalities were asked on the total number of families affected by earthquakes and on the number of families that benefit from social housing programs and were also affected by the earthquake. The following information was made available, though as one can see not all of the listed municipalities reported on both indicators.

Table 2. Families affected by earthquakes and benefiting from social housing

Municipalities	Families affected by earthquake in total (number)	Families affected by earthquake, which benefit from social housing programs (number)
Devoll	253	23
Kamëz	2,827	480
Kavajë	2,036	505
Klos	58	58
Krujë	4,700	
Lezhë		389
Poliçan	68	
Tiranë		2,762
Tropojë	10	
Vorë	2,589	-
Grand Total	12,541	4,218

Source: The survey conducted with municipalities during September-October 2020

### 3.3 COVID-19 and Social Housing

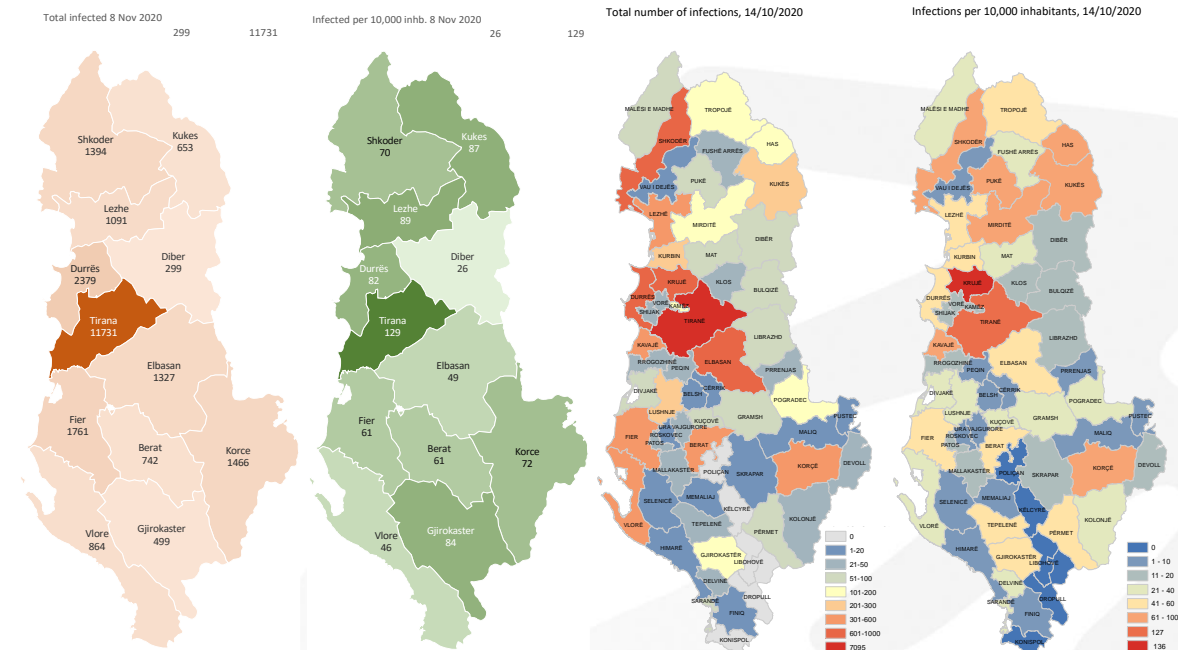
The COVID-19 pandemic was officially announced to hit Albania on March 9, 2020, when the first case of infection was reported by the Ministry of Health and Social Protection. Soon after, the government applied a strict isolation and confinement policy with a high stringency index of above 80% during March and April, 2020. This included among others curfews, halting of public transportation and use of public spaces, and 14 days of quarantine for suspected cases of infections. The application of such measures was challenging for the economy and population at large, but even more so for the vulnerable groups, such as homeless, Roma and Egyptian communities who do not have a fixed settlement, single-parent families, etc. who did not possess or could not afford appropriate housing. While the common phrase was 'stay at home' to prevent the spreading of the virus, was the motto of the isolation period in many countries, for several vulnerable groups this made no sense. A position paper from Housing Europe<sup>13</sup> emphasized that "*#StayAtHome is easier said than done for a very large part of the EU population!*". As the housing issue is both a national and local emergency, needing response alongside other uncertainties

<sup>13</sup> <https://www.housingeurope.eu/resource-1376/stayathome-and-europe-s-housing-crisis>

posed by COVID-19, short- and mid-term solutions have to be found on a policy level and locally, where people live.

The following figures show the distribution of COVID-19 in October and November. The total number of infected people has doubled since, but the patterns remain similar in time.

Figure 1. COVID-19 figures as per 14 October and 8 November 2020

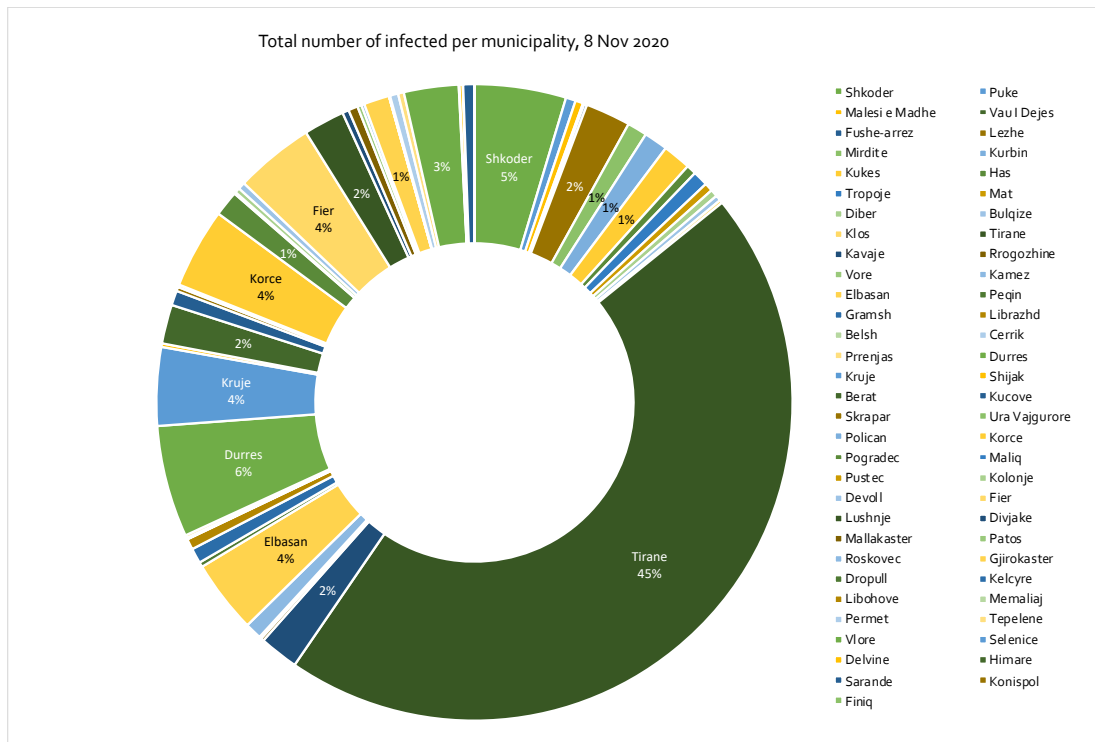


Source: Authors based on data from Ministry of Health and Social Protection and Open Data Albania<sup>14</sup>

Figure 2. Total number of infected people at local level, 8 November 2020

<sup>14</sup> Data from <http://open.data.al/covid-19/#ligje-section>, accessed on 15 October 2020.





Source: Authors based on data from Ministry of Health and Social Protection and Open Data Albania<sup>15</sup>

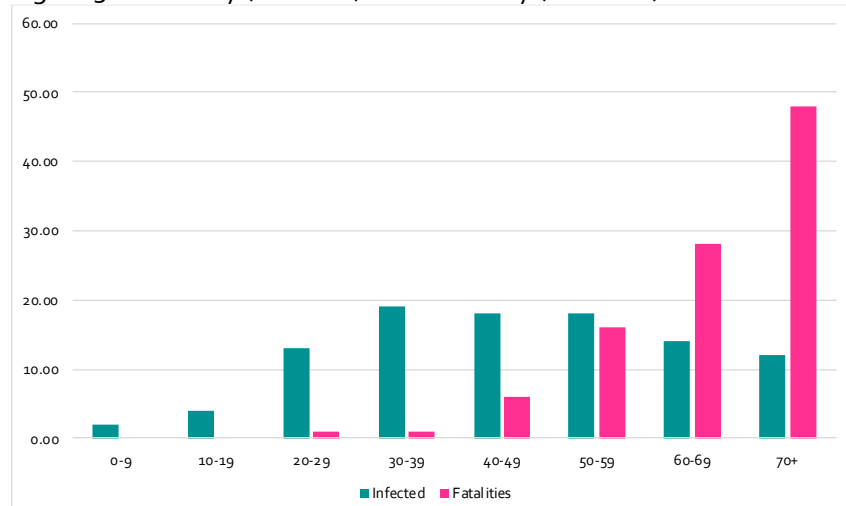
During the isolation of March-May 2019, municipalities were faced with the challenge of providing the regular local services (including social housing) next to responding to the need of vulnerable citizens for food and medical supplies (Toto et al., 2020).

COVID-19 data in the 11 municipalities affected by the November 2019 earthquake reveal that three municipalities (Rrogozhinë, Vorë and Shijak) had each a total number of infections of less than 40 people by 14 October 2020. The other seven municipalities report 3-digit numbers, with Mirditë recording 151 infections as of the cut-off date and Durrës 989 infected people. Tirana constitutes an outlier with 7095 infected people by 14 October and the numbers increasing. At the qark level, Tirana remains always the most affected in terms of both, total number of infections and infected people per 10,000 inhabitants. The latter indicator is visibly higher in the *qarks* north of Tiranë, except for Dibër which had the lowest number of infected people per 10,000 inhabitants as per both, 14 October and 8 November 2020. Several reports prepared by the Government of Albania in recent years on the regional disparities, show that some of the *qarks* mostly affected by COVID-19, are also the most disadvantaged in socio-economic terms. This finding is not true for Dibër though, which regardless of being a significantly disadvantaged *qark*, seem being less affected by COVID-19 infections as per the recorded dates. This might be due to lower commuting and transport accessibility, as compared to the other *qarks*, though a structured assessment to understand the pattern of the distribution of the infection is yet to take place.

<sup>15</sup> Data from <http://open.data.al/covid-19/#ligje-section>, accessed on 15 October 2020.

In Albania, to date COVID-19 tends to have higher occurrence (morbidity) in younger individuals and higher mortality for the older ones (figure 3). Hence, the most affected age-groups are those between 30 and 59 years of age, with 55% of the total of infected population as of December 14<sup>th</sup>, 2020 and the highest number of fatalities is recorded for the age group 60+ with 76% of the cases. The age group 50-59 is a bridging category, with morbidity and mortality at similar rates, 18% and 16% respectively.

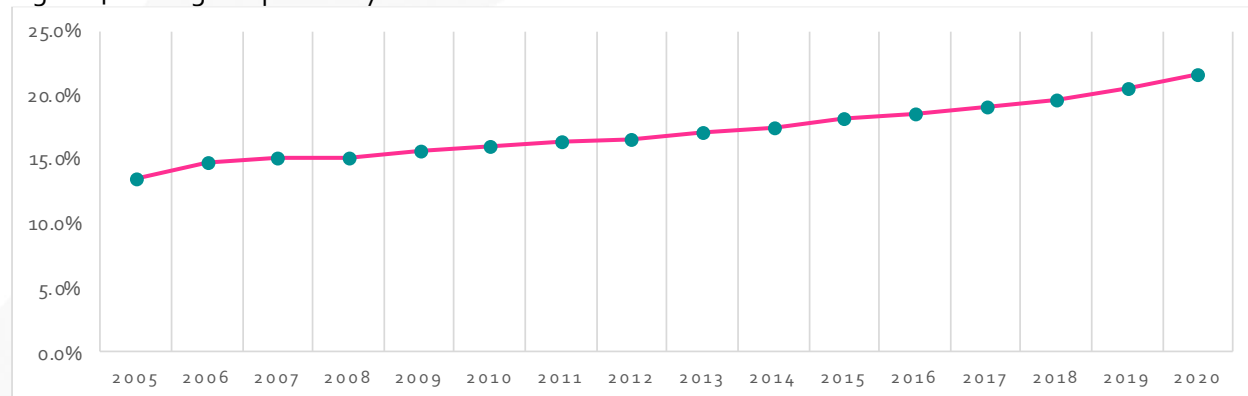
Figure 3. Morbidity (infected) and mortality (fatalities) in Albania



Source: Data from Coronavirus Albania, 14 December 2020, <https://coronavirus.al/statistika/>.

While the number of fatalities is higher so far within the older age groups, the old-age dependency index is also increasing in Albania. At national level, the value is 21.6% for 2020, showing the ratio between the number of persons aged 65 and over (age when they are generally economically inactive) and the number of persons aged between 15 and 64.

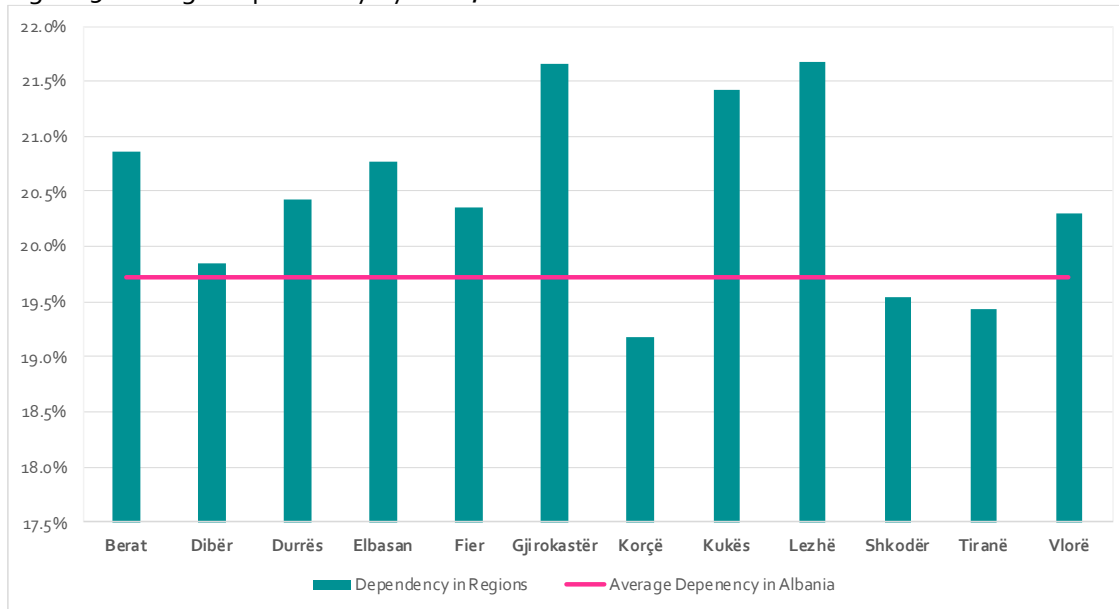
Figure 4. Old Age Dependency in Years



Source: Co-PLAN based on data Population from INSTAT.

At the qark level (figure 5) the highest values were recorded in Gjirokastrë and Lezhë, followed by Kukës and Berat. This territorial situation might be different for 2020. If the ratio of 2018 is used, then Kukës and Lezhë are also two of the most affected *qarks* for COVID-19. In a way, the increasing old-age dependency ratio, increases the challenge for government/s in providing social services and COVID-19 protection for a specific category of the vulnerable groups, as defined by age.

Figure 5. Old age Dependency by Qark, 2018



Source: Co-PLAN based on data Population from INSTAT.

The increased concern on [social] housing soon after COVID-19 outbreak became evident in several countries, where governments and/or other non-state agencies adopted temporary measures to help the most vulnerable. For instance, in Portugal<sup>16</sup> all evictions and foreclosures were suspended as long as the national emergency status was in place, meaning that no one would lose the home until the 1<sup>st</sup> of May 2020. Families living in social housing could also negotiate down their rent or get temporary exemption. In Belgium<sup>17</sup>, the temporary and limited closure of homeless shelters and food assistance grew high in concern. In March, the Belgian Red Cross opened a special sector in one of its homeless centres to house those who present symptoms. Similar initiatives were undertaken by other centres. The Federal Association of Housing and Real Estate Companies in Germany, stressed the need for coordinated partnerships, proposing that tenants who are not able to pay their rent or part of it due to COVID-19, should be eligible to apply for support the respective online platform to be set-up. The Italian Cooperative Housing sector proposed exceptional preventative measures to support low-income families paying their rent. In both, Ireland (according to the ICSH<sup>18</sup>) and Spain (according to AVS<sup>19</sup>), rents will be adapted automatically based on income. In the case of Albania, a decision was initially proposed by the Prime Minister on suspending the payment of housing rents during the months of isolation, which was not well received by the home owners. Therefore, the final decision was that of postponing rent payments to when home renters (particularly students) when the isolation measures were lifted. In addition, a postponement in the payment of mortgage instalments was approved by decision of Council of Minister till August 2020. The decisions were implemented by the National Housing Agency for as much as were their concern.

<sup>16</sup> <https://www.rosalux.eu/es/article/1644.covid-19-has-revealed-the-cracks-in-portuguese-welfare.html>

<sup>17</sup> [https://fra.europa.eu/sites/default/files/fra\\_uploads/belgium-report-covid-19-april-2020\\_en.pdf](https://fra.europa.eu/sites/default/files/fra_uploads/belgium-report-covid-19-april-2020_en.pdf)

<sup>18</sup> Irish Council for Social Housing (<https://icsh.ie>).

<sup>19</sup> The Spanish Association of Public Promotores for Social Housing and Land (<https://gestorespublicos.org>).

### 3.4 Institutional changes

The major institutional change taking place since the adoption of the social housing strategy, was the abolishment of the Ministry of Urban Development in 2017, after the national elections, and after functioning for one government mandate. Soon after, the social housing function was assigned to the Ministry of Finance and Economy, through the Directorate of Housing, under the General Directorate of Budget and Public Debt. The structure of the Directorate includes the director and four specialists. The Social Housing Strategy 2016-2025 was prepared by the staff of the previous Ministry. For almost a year, the newly appointed director engaged with the drafting of the social housing legislation, with the support of the Ministry's lawyers. Then, in 2019, two experts were added to the directorate through the program of the government facilitating employment for students graduated with excellent results. However, the completion of the social housing directorate with the necessary staff (two more experts) was finalised only by the end of 2020, in September and November respectively. Two major challenges are identified institutionally: 1) The knowledge gained during the SHS drafting process was not necessarily transferred to the new directorate. 2) The institutional memory was not maintained, due to complete change of staff. In addition, the newly established directorate was faced with the challenge of understaffing for almost two years.

### 3.5 Other strategies and programmes

The Strategy was drafted and has been implemented in a context of international initiatives and platforms where Albania adheres to, and national strategies that are connected to or affect the SHS results. The most important ones at both levels are:

*The Sustainable Development Goals (SDG) were adopted in 2015 by all United Nations Members (including Albania) with the aim to call action from member states to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 SDGs are integrated and have complementary impacts among them. SDG 1, "No Poverty" and more specifically its target 1.4 calls action with the aim that "by 2030, to ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance". This target is quite important in terms of access to and ownership of land and housing. Meanwhile, SDG 11, which focuses on Sustainable cities and communities, and especially target 11.1 focus on social and affordable housing. SDG 11.1 aims to ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums by 2030. Albania has integrated SDG targets in its strategic planning framework and over 80% of SDG targets are included in the National Strategy for Development and Integration. Additionally, the SDGs are an important component of the General National Territorial Plan, as well as have been included in other sectorial strategies. Hence, they play an important role and need to be integrated as part of the National Social and Affordable Housing Strategy.*

*The Habitat III – New Urban Agenda was adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador, on 20 October 2016. The Urban Agenda*

has been translated in Albanian and endorsed by the former Ministry of Urban Development as a guiding document for territorial planning and plans at national and local level. The new urban Agenda supports the implementation of SDGs in urban contexts and especially SGD 11 on sustainable cities and communities. As part of the New Urban Agenda, cities and settlements should fulfill *“the right to adequate housing as a component of the right to an adequate standard of living, without discrimination”*. As such, the members agree to work in developing housing policies that support the above vision, as well as develop housing policies that are gender and age sensitive, as well as pay attention to policies that promote well-connected and well-located housing. Additionally, members should promote *adequate housing options that are safe, affordable and accessible for members of different income groups of society, taking into consideration the socioeconomic and cultural integration of marginalized communities, homeless persons and those in vulnerable situations and preventing segregation*. Another important element is to promote policies and measures that guarantee access for *persons with disabilities including housing*. The new urban agenda seeks actions by authorities (national, subnational and local) in ensuring that the strengthening and *retrofitting all housing stock to make it resilient to disasters*. Urban planning plays an important element in the “Urban Agenda” and as such, it requires all urban plans to act appropriately in delivering mix-use development and affordable housing options. Within this framework, it is also encouraged to develop housing policies and strategies at different levels of governance through participatory planning approaches. The *agenda also promotes a diversity of housing provisions schemes*, including self-built and slum upgrades, as well as prioritizing well-located and well-distributed housing schemes in order to avoid peripheral and isolated mass housing developments.

The *Geneva UN Charter on Sustainable Housing*, endorsed by the United Nations Economic Commission for Europe on 16 April 2015, is a non-legally binding document that aims to support member States as they seek to ensure access to decent, adequate, affordable and healthy housing for all. The document has been translated in Albanian. The scope of the Charter is to *improve the sustainability of housing* in the ECE region through effective policies and actions at all levels. The Charter is based on four main principles that guarantee sustainable housing such as environmental protection; economic effectiveness; social inclusion and participation and cultural adequacy. The charter strongly promotes *increased availability of housing options, particularly affordable and social housing, through different instruments*. Spatial planning is seen as one of the main tools for achieving affordable and social housing. Governments at different levels need to develop policies under the principle of social inclusion, thereof developing instruments of support that guarantee access to housing and promote social cohesion.

*EU Urban Agenda*: as Albania aims to join the EU, the Urban Agenda (pact of Amsterdam) is one of the main leading documents that focuses specifically on urban areas. It is conceived as a tool to ensure maximum utilization of the growth potential of cities and to successfully tackle social challenges through the promotion of cooperation between Member States, Cities and the Commission. The pact of Amsterdam is developed around 12 Partnerships that tackle 12 urban challenges. *Partnership 4 focuses on Housing* with the objective to have affordable housing of good quality, and more specifically the focus is on public affordable housing, state aid rules and general housing policy.

*The Albanian National Strategy on Development and Integration (NSDI)* is the main strategic document at the national level that coordinates the priorities of European Integration and SDGs with those of the

sustainable economic, social and environmental goals of the country. The Strategy was finalized in 2020 and a new one will be prepared for the period 2021-2026. As part of its vision, one of the key elements is *guaranteeing basic human rights, which include to a certain extent also housing*. The strategy is based on four main pillars such as Growth through macro-economic and fiscal stability; economic growth through increased competition and innovation; investing in human capital and social cohesion; sustainable use of resources and territorial development. *Social Inclusion is one of the objectives that is linked to the social housing aspect although not explicitly stated in the strategy*. Within the pillar of sustainable use of resources, Energy plays an important part. The objective is for Albania to fulfill its engagement in terms of the EU 20/20/20 strategy. The NSDI promotes renewable energies and energy efficiency in building. Within the same pillar it is also the topic of spatial planning and sustainable urban development. Within this framework there are *two main strategic objectives* such as improvement of urban development through the preparation of territorial planning instruments at all levels as well as *improvement of the housing sector through better energy efficiency, retrofitting of the housing stock prior to 1993, direct improvement of Roma and Egyptian Community housing condition*.

*The General National Territorial Plan 2030 (GNTP)* was prepared during 2014-2016. It is the highest order-planning instrument in the hierarchy of the Albanian planning system. The GNTP offers a comprehensive vision for the development of Albania for the next 15 years. The document is highly linked with the SDGs, the new Urban Agenda and EU targets. The *plan promotes mix-use development, inclusionary zoning and the regeneration and revitalization of urban settlements*. The *GNTP promotes affordable housing* in urban areas, promotion of adequate and well accessed and well-connected housing alternatives, as well as it promotes the increase of *energy efficiency and use of renewable energy resources in the housing sector*. Nevertheless, the *GNTP does not offer any direct provision in terms of social and affordable housing*. Rather it offers different principles and areas of intervention that the local government can work on and provide through their General Local Territorial Plans.

*The Integrated National Cross-sectorial Plan for Tiranë-Durrës (INCSP)* was prepared in the period 2014-2016 by the Ministry of Urban Development and National Territorial Planning Agency. It offers a long-term vision for the main economic Area Tiranë-Durrës. Although it has the form of a regional plan, as it is confined in terms of geographical scope, it is considered a national plan. *As part of the general policies for urban development, one of the main areas is social housing*. The plan *promotes mix-use and inclusionary zoning, as well as it promotes housing for marginalized groups through direct construction of housing, support of differentiated taxation for businesses that offer social housing*. The municipalities of Tiranë, Durrës, Shijak, and Vorë were expected to use the objectives of the INCSP as a wider framework while preparing their General Local Territorial Plans. Additionally, *the plan promotes affordable housing with an ambitious target that 15-20% of new residential development should be dedicated to affordable housing solutions*. *Municipalities in the area are recommended to prepare their social housing plans and that 10-15% of new development to focus on collective social housing solutions*.

*The National Strategy on Energy 2018-2030* was approved in July 2018. It sets out the goals and objectives of the sector in Albania until 2030. The strategy is in line with the NSDI and aims to achieve EU 20/20/20 target for Albania, especially in terms of reducing GHG emissions. While these play an important role in terms of improving energy efficiency in buildings and promotion of renewable energies, *the Strategy has*

*little relation with the housing sector in general and with the social and affordable housing sector in specific.* In addition, in terms of renewable energies, the strategy focuses mostly on large-scale projects rather than promotion of use of renewable for individual/housing purposes.

*The National Strategy on Social Protection 2015-2020* was prepared by the Ministry of Social Affairs with the support of UNDP in 2015. Its vision is to create a system of social protection that reduces social and economic disparities, promotions of a system and mechanisms for adequate social protection of vulnerable people and promotion of inclusion of vulnerable groups. *The strategy does not have any direct provision in terms of social housing.* Currently the Ministry of Health and Social Protection is in the process of reviewing all strategies related to social protection and development.

*The National Action Plan for the Integration of Roma and Egyptians 2016-2020* was approved by a decision of the Council of Ministers in 2015. The document is in line with the NSDI and the SDG goals. *One of the main strategic objectives of the NAP is the improvement of housing conditions of Roma and Egyptians.* Through this objective, there are two main actions expected such as support Roma and Egyptians with the legalization procedures by improving mechanisms of involvement. The second area of intervention aims to increase the number of Roma and Egyptian families who benefit from the direct and indirect housing programs. Within the legalization objective, the target was that 80% of the Roma and Egyptian families to have finalized their legalization processes. This target would be achieved through free legal advice, pilot projects for the urbanization and legalization of the informal areas where Roma and Egyptians live, and support of local authorities in mapping Roma and Egyptian Settlements. The mapping process will start with the support of European Commission. *Meanwhile, the target for the benefits from housing programs is that 1500 Roma and Egyptian families benefit from the direct and indirect programs.* Such target has been achieved through support with rent and loans, training of local government staff to prepare and apply for projects for the Roma and Egyptian community, and the *new law on social housing, as based on ombudsman recommendations.* Additionally, through small grants, it is aimed to improve living conditions. Piloting of housing with high-energy efficiency, including that of Roma and Egyptian communities, and improvement of buildings not considered as housing for Roma and Egyptian communities. Another important action is to include alternative criteria in order to increase the inclusion of Roma and Egyptians in the housing programs.

**Conclusion:** Albania has mostly addressed aspects of social housing through adopting international strategies and platforms and in the cross-sectorial strategies too. However, this has not always taken place in a direct way. While the other national strategies should reconsider social housing in their review, improvements are needed also in the mid-term review of the Social Housing Strategy.

- The SDGs, particularly 1 and 11 should carefully be addressed in the objectives of the revised Strategy.
- The current Strategy provides for a diversity of housing schemes, which is in line with the New Urban Agenda and Geneva UN Charter on Sustainable Housing. Yet, the Strategy should make a better connection to the New Urban Agenda, particularly with respect to housing retrofit for vulnerable groups and to the provision of social housing that is resilient to disasters, besides being qualitative, accessible and affordable. The revised SHS, in line with the Urban Agenda, should also emphasise the local territorial plans as means to convey the achievement of its

objectives. Most local territorial plans do not currently suggest areas or settlements for social housing programs, let alone introducing instruments for mixed-use inclusive housing options. In addition, the SHS should make a clear point on the location of housing programs/options across the territory vis-à-vis the services that are needed for different groups of beneficiaries.

- In these same lines, the Strategy would then employ also the principle of environmental protection as defined in the Geneva UN Charter on Sustainable Housing. In operational terms, this intention can be achieved especially once the revised SHS establishes clear connections with the General National Territorial Plan, and includes actions that streamline social housing through local territorial planning.
- As the NSDI has now entered in the review phase, the social housing institutional actors should advocate for the direct appearance of the sector in the NSDI objectives, at least clearly spelled out within the social and economic inclusion priority. Similarly, the social development and protection strategies being revised by the Ministry of Health and Social Protection should consider provision of housing for their target groups directly in the strategies' objectives and actions.
- Last but not least, the goals of energy efficiency in buildings should be clearly defined for social housing programs as well.

### **3.6 Social housing costs and expenditures**

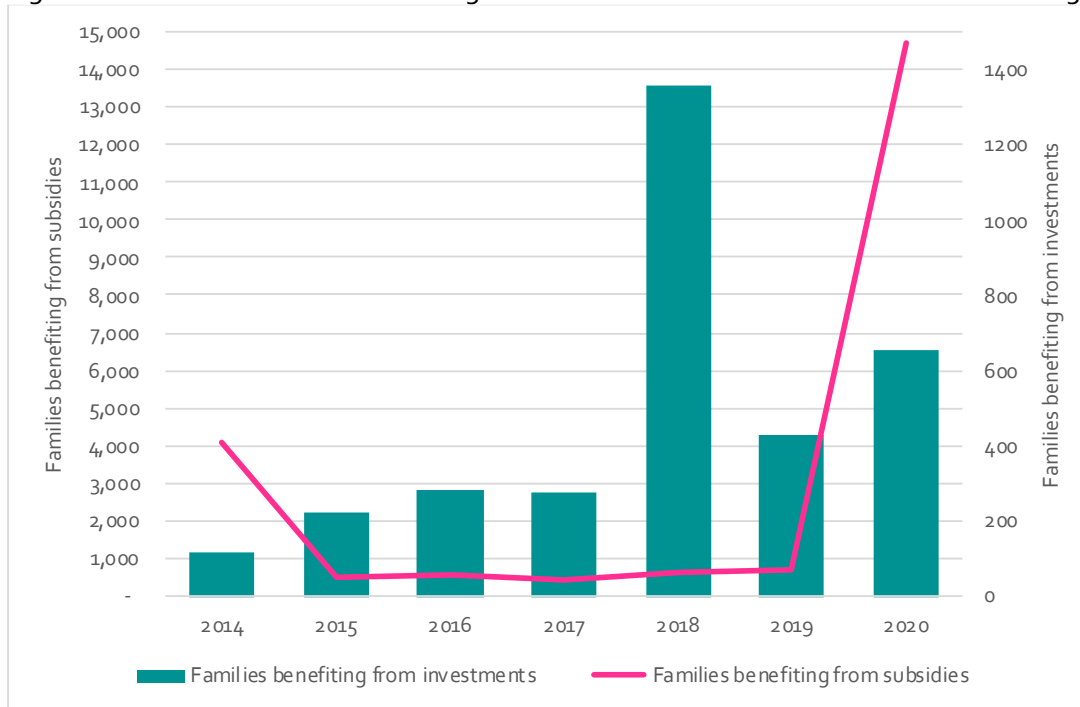
The total cost planned in the SHS for the implementation of its activities for its full duration (2016-2025) was 7.2 billion Lek, out of which approximately 5.7 billion Lek were to be covered by State Budget. The Strategy provides a breakdown of costs for the mid-term period too, where the contribution of the State Budget for 2016-2020 was planned to be around 1.5 billion Lek and the total costs around 1.6 billion Lek. Based on expenditures (source of data: Ministry of Finance and Treasury System), during 2016-2019, the central government has spent approximately 1.9 billion Lek and the total of expenditures for social housing (local and national) was approximately 2.8 billion Lek (table 2).

The activities of the SHS implemented so far (completed or in process), excluding the housing programs, have a total cost of 60,670,000 Lek (as foreseen in the Strategy). The SHS activities that are not implemented, hence not initiated, have a total cost of around 1.5 billion Lek and are mostly related to the PPP activities listed in Strategic Objective no.4. All these activities (completed or not) belong to the first phase of the SHS implementation, hence 2016-2020.

Looking at expenses on the housing programs, it appears that the number of families benefiting from subsidies has been higher over the years, except for 2018 where the reverse is noted (figure 6). In 2020 the families benefiting from subsidies increase tremendously compared to previous years, due to the impact of the November 26<sup>th</sup>, 2019, earthquake. Hence the year 2020 represents an outlier in terms of social housing subsidies and number of families benefiting from. While the value of investments is around 514 million lek in 2020, the subsidies reach up to 3.2 billion lek, out of which 2.9 billion is subsidies for the families affected by the earthquake in 2019.



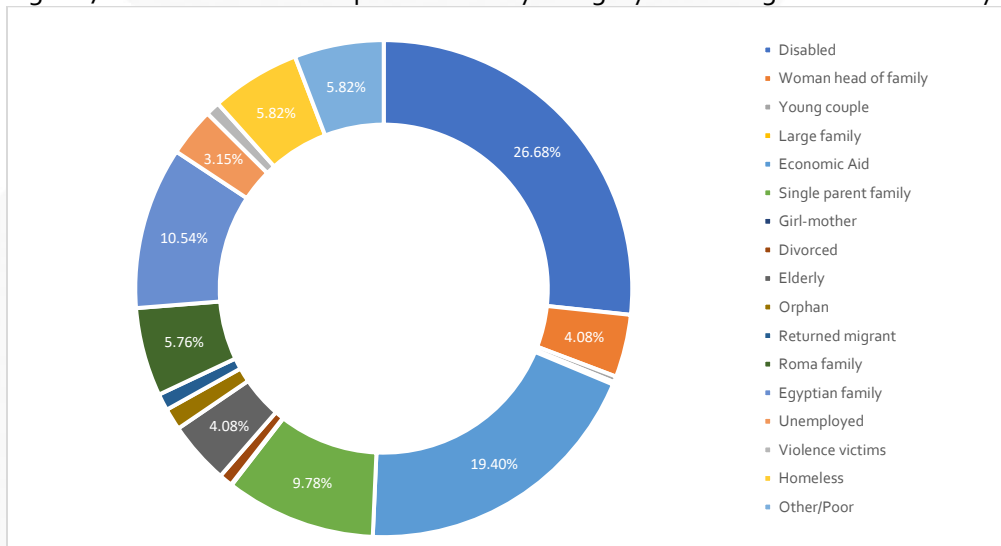
Figure 6. Number of families benefiting from investments and subsidies on social housing



Source: Authors based on data from Ministry of Finance and Economy

The Ministry has disaggregated data on the number of families benefiting from the rent subsidy program per beneficiary category, for the two latest years, respectively 2019 and 2020 (figure 7). The data show that for the last two years, in cumulative terms, the categories that benefited the most are disabled people and those receiving economic aid, with 26.68% and 19.4% of the total number of families respectively. These categories are then followed by Egyptian families and single-parent families with 10.54% and 9.78% respectively. In total, for both years, 26 families of the disabled people category have benefited from the lump-sum subsidy.

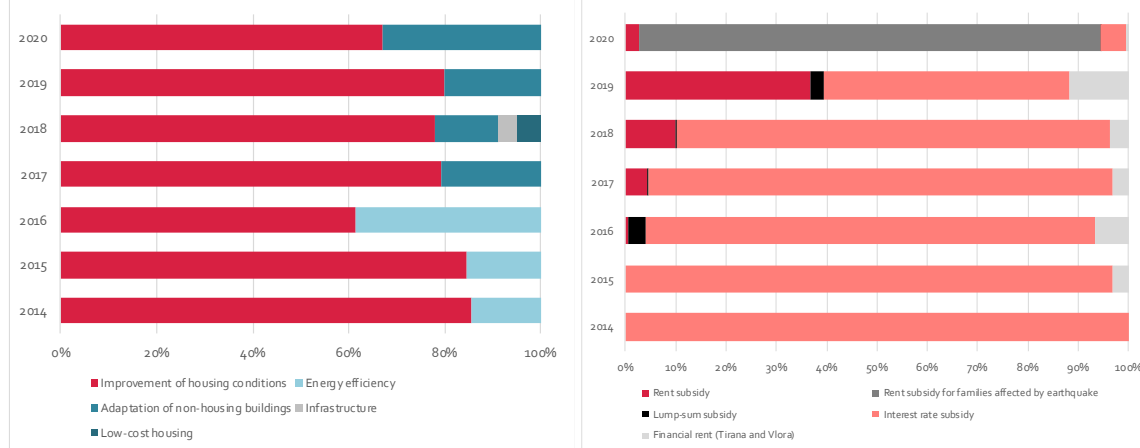
Figure 7. Number of families per beneficiary category benefiting from rent subsidy (2019 and 2020)



Source: Authors based on data from Ministry of Finance and Economy

Figure 8 shows also that among the various investment programs, the improvement of housing conditions has absorbed most of the investment funds over years (from 61% in 2016 to 80% or more in other years).

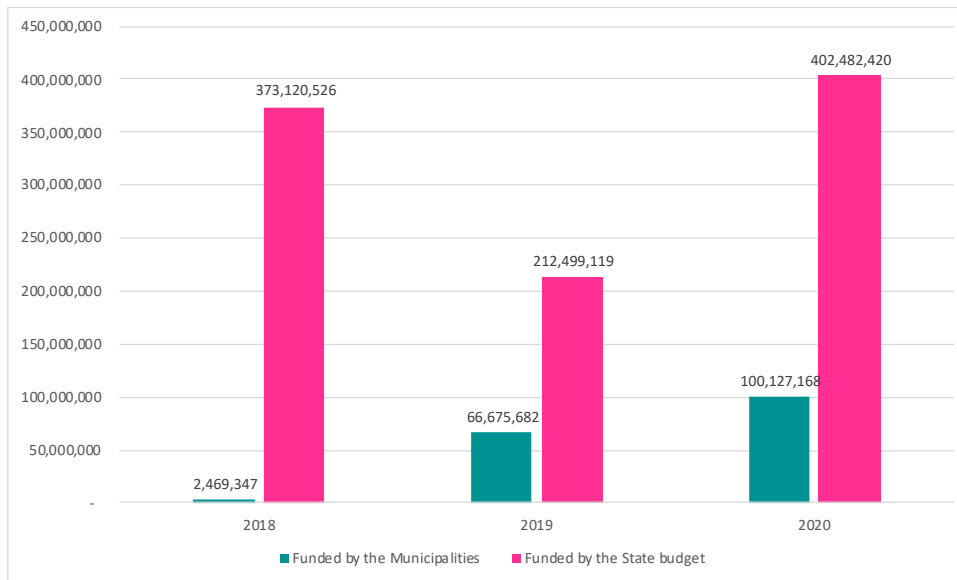
Figure 8. Social housing programs' expenditures per year: Investments (lhs.) and Subsidies (rhs.)



Source: Authors based on data from Ministry of Finance and Economy

In the case of the subsidies, except for 2020, where most of the money goes for the housing recovery after the earthquake, the largest portion has always gone to the interest rate subsidy (from 100% in 2014 to 49% in 2019), though values have decreased over years, leaving more space to the rent subsidy program. In 2019, there is an obvious increase of the value of the rent subsidy, reaching up to 37% of the total. For the investment programs, the Directorate of Housing at the MoFE has chosen to execute projects' funding over two budgetary years, so that there are no projects excluded due to lack of funds, and more families can benefit. The investment funds have increased particularly the last three years (2018-2020), and so has the contribution of local governments as co-financing in investment programs (figure 9).

Figure 9. The investments on social housing by source, as per contract



Source: Authors based on data from Ministry of Finance and Economy

According to the social housing law, local governments should adopt local housing programs of 5-years duration, where they should (among others) define the sources of funding. These funds are to be planned for in the annual and in the mid-term budgets. Particularly in a context where local governments are incentivised to contribute to social housing programs through own funds, it is extremely important that a clear alignment is made between the mid-term budget and social housing program at local level. This coordinated planning would serve to the improved efficiency of social housing financing and to more families benefiting from the legally defined programs. After all, the local 5-year programs and their alignment with territorial plans and budgeting instruments are a condition for local governments in accessing national social housing funds.

### 3.7 Legislation on and crosscutting to social housing

The adoption of the law no. 22/2018 'On Social Housing' constitutes a milestone in the implementation of the SHS in general, and in particular with regard to Objective 2 'Improving the legal and institutional framework for increasing access to housing to 50% of disadvantaged households'. The Law contains 32 references (articles) defining an obligation for the adoption of bylaws. To fulfil all obligations stemming from these legal references, a total of 26 bylaws is defined, out of which 22 are completed (approved) and 4 are in the process of receiving feed-back from line ministries.

A list of the bylaws, including connection to the Law's articles, therefore allowing for a quick understanding of their overall scope, is provided in Annex 1 of this report. The social housing legislation provides a complete package of instruments, definitions and regulations that facilitate and regulate the implementation of social housing as a service. The following issues were identified in the analysis of legislation, which may need further attention by the Directorate of Housing and other actors:

- Article 16, paragraph c/i of the Law defines that the social conditions of families are one of the key criteria for selecting beneficiaries and people with disabilities constitute one of the priority

categories. As per the Law, the council of Ministers should adopt bylaw/s that regulate the implementation of article 16. As the social housing bylaws (adopted or in process) do not provide any specifications in line with the above citation of the Law, it is expected that only the sectorial legislation for people with disabilities (PWD) will be applied in their case. Nevertheless, representatives from this stakeholders' group declared that the current practice of social housing provision is only partially considerate of the PWD legislation, and to a lesser degree than the previous legislation on social housing. Hence, based on the interview with the Albanian Blind Association (ABA), their perception is that the opportunities of disabled people for acquiring social housing have worsened rather than improved, due to lack of specificities in the social housing bylaws for their particular needs and to the way some local governments interpret the Law. According the ABA, there have been no members of their category newly benefiting from social housing after 2018. They also consider inclusionary housing as important in terms of having opportunities for living in areas close to infrastructure hubs and utilities and in mixed-use areas, to avoid potential ghettoization.

Thus, according to them, there should be further differentiation of the social housing programs where PWD can benefit, based on the income groups within their category. For instance, PWD applicants can benefit from the lump-sum grant or interest rate subsidy program for buying low-cost housing. Yet, as most of them lack employment and therefore income, their access to the programs becomes difficult. And, as they confirm, there have been no cases of any of them getting 100% subsidy for their accommodation. In addition, as confirmed in the interviews with the relevant stakeholders, the accessibility standards in houses provided for PWD are rarely implemented or available. Furthermore, when applying to the Municipality of Tiranë, they still have to submit all of the documents required in the general procedure, regardless of the simplifications that the Law has introduced for their category. To sum up, the representatives of the Albanian Blind Association and of the Paraplegic and Tetraplegic Association argue that they would like to see the social housing legislation taking better into account their particular needs. It can be done through potential refinements in the social housing legislation, ensuring also a better coordination with the respective sectorial legislation and omitting any ambiguities that leave space for interpretation to municipalities. However, it can also be achieved through more cooperation between the Housing Directorate at MoFE, the National Housing Authority and the above-mentioned associations. Finally, perhaps a minimum quota can be defined for the PWD as it has been done for the Roma community.

- According to the article 55/3 and 58/2 of the Law, the conditions and design standards of the temporary housing and specialised housing respectively (two of the social housing programs) are to be defined in a guideline of the Ministry responsible on social housing and in a DCM (respectively). So far, a guideline on the administration of the temporary housing is being drafted, but it does not contain specifications on the conditions.
- The article 6 of the Law provides definitions on the procedure of displacement for families and individuals whose house is to be demolished for a number of reasons. This article does not cite displacement due to disaster events in a direct way, though by saying "other cases ... defined in

other laws”, it also provides space for the families affected by natural disasters. Generally speaking, the DCM no. 361, date 29.5.2019, “On the procedures of displacement of families/individuals from their housing for cases foreseen by law and institutional cooperation” does not address directly the families to be displaced due to natural disasters (such as the case of the November 26 earthquake). Based on the need for all sectors to take a resilience and prevention approach (as defined in the civil protection law), it might be plausible to endorse such principles in the social housing legislation too. Most importantly, though not a direct objective of SHS, families losing housing due to disasters could also constitute a potential beneficiary to be treated in line with the civil protection legislation, but under the broader frame of social housing. These beneficiaries should better be treated with strategic rather than ad-hoc measures based on emergency legislation, as it has been the case so far. The Social Housing Strategy could be forthcoming and consider this group of beneficiaries beforehand, adding thus to the preparedness efforts to be undertaken by all institutions, and employing a resilience dimension.

- In several articles of the Law and in most of the bylaws the social housing database appears as a conditional criterion for the housing programs and their procedures to function in compliance with the legislation. For instance, according to DCM 459/2019 on the administration of housing requests, the municipalities cannot apply for funds unless providing a complete analysis of the need. The latter can only be satisfied with updated information stemming from a dynamic and complete information system. In addition, the DCM 369/2019, on the criteria for distributing rent subsidies defines that the value of the subsidy for houses from social owners is based on the average market rent, the revenues of the benefiting families and their affordability to pay the monthly rent. Hence the municipality should keep a real-time updated database on the housing market and the socio-economic conditions of the beneficiaries and the local community. The same applies to DCM 453/2019 on the value of subsidy for loans in the case of low-cost housing schemes; as well as to the ministerial guideline 22/2019 on the interaction between social housing programs and other social protection programs, where only an integrated data-base can facilitate the cooperation between the relevant ministries and programs. Yet, the guideline on the data-base on social housing programs is still in the drafting stage, which imposes delays in the establishment of the data-base in practical terms.
- The social housing bylaws make seldom reference to the legislation on territorial planning and development. In certain cases, such as article 11 in DCM 458/2019 (on state properties classified as housing fund), a terminology which is not any more legally compliant is used, leading, among others, to the underuse of planning instruments and thus to legal nonconformities (i.e. urban studies instead of local detailed plans). In addition, particularly the program on area development for social housing could make use of the regulations deriving from the territorial planning legislation as the legally binding procedures that lead towards issuing the respective building permits. Furthermore, the social housing law itself (article 19, point 2) risks bypassing the law no. 107/2014, ‘On Territory Planning and Development’, as amended, by reintroducing the ‘conditional building intensity’ instrument with a slightly different set of regulations. In addition, the intention of the social housing law to create conditions for inclusionary housing (article 19, point 1) may also be undermined, due to certain aspects of the process left open by the Law and

which may require regulation in bylaws. In regard to the latter case, the Association of Builders of Albania declared that their position on the matter was disregarded during the drafting of the Law and a number of irregularities were observed in the implementation since. Thus, for instance the municipality of Tiranë, has requested the equivalent contribution in cash of the 3% of the functional building area of the development. Such contribution is to be paid upon the issuing of the building permit. On top of this, the developers are obliged to pay the tax on impact on infrastructure for this building area equal to 3% of the development. They consider the application of the tax as unjust in the conditions that they donate the building area to the Municipality for social housing purposes. As a result, the builders are prepared to sue the municipality of Tiranë on the application of the instrument, and this may result unproductive to the aim of the social housing law to facilitate inclusionary housing.

Besides the legislation on social housing, 42 pieces of legislation on sectorial aspects were consulted to understand the reciprocal implications among these sectors and social housing. 14 out of the total number of acts are international conventions on several aspects of human rights and 14 were sectorial laws. The rest of acts were mostly decisions of the Council of Ministers. A detailed overview of the sectorial legislation is provided in the Appendix 1 of this report. Some important implications to mention are:

- The United Nations convention on people with disabilities defines, among others, the obligation for countries to provide adequate [social] housing to the beneficiaries in both, urban and rural areas. Currently, the legislation on social housing is not specific to rural areas. The provided instruments are applicable to all settings, under different circumstances. It is up to the municipalities to interpret the use of each instrument within the Law and apply it to their own contexts. However, municipalities, are more inclined to interpret the Law in the view of implementation of social housing programs for urban areas. Regardless of cases where the programs were suited to the rural context, most municipalities reflect inadequate knowledge of how to address social housing in rural areas.
- The normative act 9/2019 that regulates the process of reconstruction of housing for those affected by the November 26 earthquake makes continuously reference to the social housing legislation. In addition, every category of social housing beneficiary which is affected by the earthquake, is addressed by the Law and the reconstruction program. Yet, the normative act, the bylaws and the whole reconstruction program is implemented separately of social housing programs, as well as managed by other institutions than the Housing Directorate in the Ministry of Finance and Economy.
- The laws no. 124/2015 'On Energy Efficiency' and no. 116/2016 'On the Energy Performance in Buildings' do not make direct reference to social housing. However, as social housing is a public policy, the implementation of energy efficiency measures in social housing programs should be a showcase for the above laws.

### 3.8 Final take-away from context-analysis

Social housing should appear strongly in cross-sectorial national programs and strategies, while the revised **Strategy should include the principles of environmental protection, disaster resilient housing, energy efficiency** in its objectives and actions.

**A clear linkage should be established between spatial (territorial) planning and social housing.** The latter should be streamlined in the territorial plans as a key policy for the implementation of the territorial plans. This should happen at national and local level plans. The territorial plans should encompass the implementable social housing programs for each municipality, and vice-versa, the 5-years social housing local programs should make reference to definitions stemming from the local territorial plans.

A clear connection should be established between social and economic inclusion strategies and programs and social housing programs and mechanisms. To date there is a disconnect at the local level and, regardless of the legal specifications, the local stakeholders raise questions over social housing being considered as social protection priority, an economic investment, or an urban development intervention. In principle, social housing is all of these three dimensions. Yet, **a clear connection between these three objectives** would certainly benefit the efficiency of programs and instruments being used from a social-economic, environmental and urban perspectives.

Financially speaking, the government has assigned increased funding to social housing programs, as a result of new programs introduced by the Law, but also due to the earthquake of November 26<sup>th</sup> in 2019. Furthermore, the Housing Directorate has collaborated with local governments to promote co-financing through municipalities own funds. This is a positive development, which needs to be completed further by schemes of public-private partnerships, as efficient ways of securing more and better social housing units.

**The social housing bylaws** are mostly in place and fulfilling the requirements of the Law. Few are work in progress and yet to be approved. In addition, refinements may be needed in some of the bylaws to respond properly to the various needs of the beneficiaries as defined by law. For this to happen, the government should closely cooperate with the various groups of beneficiaries and discuss their concerns. furthermore, the guideline on the social housing programs database should be adopted as soon as possible and the efforts to build an integrated information system should be intensified. The existence of a database is key to the implementation of most programs and of the Strategy itself, as well as to the vertical and horizontal coordination among government institutions. In this respect, the Strategy should also emphasise the **establishment of the database as a priority action.**

Furthermore, **the Strategy** should not only be used as an instrument that outlines the government/s response to the demand for social housing, but also **as a means to envision and address the future uncertainties.** In this respect, the Strategy could contain **a section and/or activities on disaster risk reduction/management in relation to social housing.** The displacement of families/individuals due to disaster events is a relevant illustration. The location of new housing units is another one. For the municipalities and government institutions to be able to respond properly in case of dislocation triggered by disaster events, two conditions should be fulfilled: sanitation and safety for the temporary housing and timely provided adequate housing (as defined by law) in areas of low- or no-disaster threats. These

conditions are to be supported by **clear legal procedures and housing standards**, as well as a dynamic and **up-to-date database on social owners** should be in place as one of the best options to use in case of emergency.

Finally, the Strategy could highlight the need for **better coordination between the social housing legislation and practice and other sectors**, besides those concerned with social protection. Particularly of importance is the coordination with the legislation on **territorial planning**, the **civil protection** and **energy** efficiency and performance. In relation to the latter, the strategy could bring up strongly the need for: high standards of energy efficiency for the new social housing units; energy audits for the existing units, especially those declared by social owners; and eco-labelling for social housing units as a requirement for the local housing plans.

The institutional changes that have taken place in 2017 and the slow process of staff completion at the Housing Directorate in the Ministry of Finance and Economy have put an extra pressure on the team at national level. The follow-up of the SHS implementation in these conditions has been challenging and faced with time delays in regard to the drafting of legislation, or the establishment of the social housing database.

The **Strategy could emphasise the need for more stakeholders' involvement** in the drafting and implementation of the social housing legislation. To date, the representatives of vulnerable communities feel underrepresented in the Social Housing Consultative Council, which as per legislation, does not have more than one member from the myriad of these communities. In the stakeholders' interviews it was revealed that such representation is insufficient to advocate for the needs of all groups, which are diverse and often significantly different from one-another.

#### **4. The Mid-Term Evaluation of the Social Housing Strategy 2016-2025**

The following sections refer to the survey conducted with municipalities, open interviews with few municipalities, findings from interviews with stakeholders at national level, and the examination of the action plan with the Housing Directorate at the Ministry of Finance and Economy. The survey was in particular a key instrument to assessing the implementation of the Strategy at local level, and was distributed to 61 municipalities, out of which 37 responded (figure 10). However, not all municipalities provided response or data for all questions. In certain cases, this was due to the non-relevance of particular questions or housing programs for some municipalities, while in other cases it is because the municipalities have no opinion on the implementation of the Strategy, or did not participate in the implementation of a certain action/measure. Particularly the latter was confirmed through interviews or phone calls held with municipalities to understand the lack of data. The level of response from municipalities is low if considered a contribution to the database of social housing programs at local level. However, the level of response is satisfactory in terms of evaluating the implementation of the Strategy.

Figure 10. The distribution of municipalities that responded to the local Survey (blue)





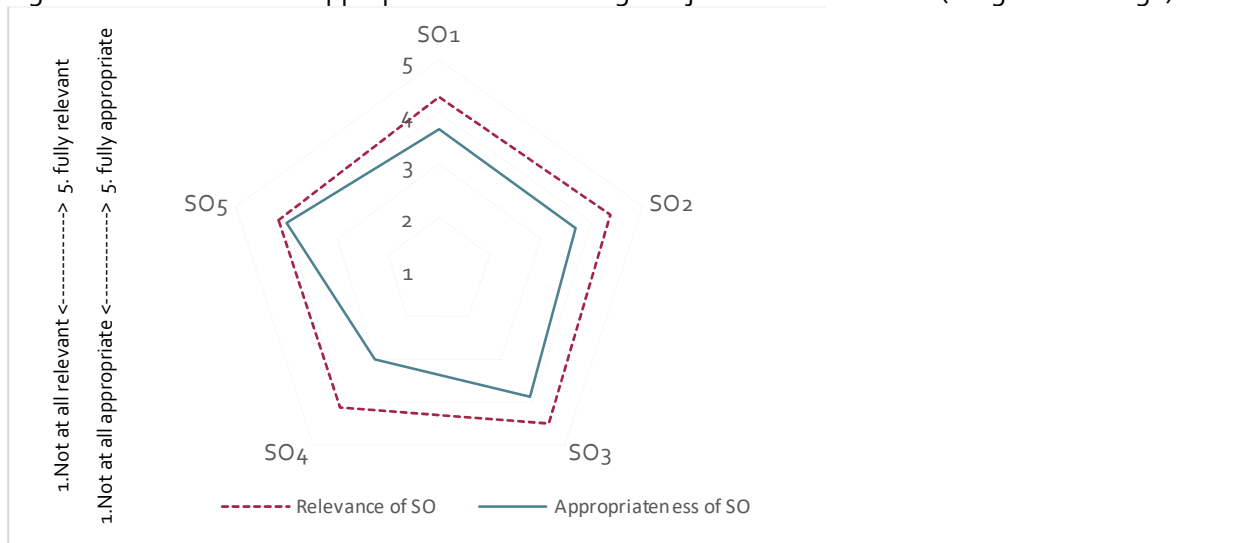
#### 4.1 Relevance of goals, targets, outputs and results and appropriateness of actions

The overall relevance of the Strategy remains high in 2020, with the contextual developments after 2016 having only strengthened more the need for a strategic framework on social housing at national level. The two major disaster events (the earthquake and COVID-19) have revealed that disaster risk preparedness in the social housing sector, for both the national and the local government level, is low and it is thus a matter of urgent intervention, which should be considered in the revised Strategy as well.

More in-depth, the relevance and appropriateness of the SHS were assessed at the local and national level, through interviewing municipalities and discussing with stakeholders. The stakeholders contacted at the national level (different vulnerable/disadvantageous groups, the developers and the National Housing Authority) consider the objectives and sub-objectives of the strategy as relevant and appropriate. However, they keep raising concerns on implementation, highlighting different challenges and/or gaps, as guided by their specific interests. Generally speaking, all conclude that local governments, as the key actor in securing social housing, lack proper capacities and data-bases needed to implement the various programs. As a result, they do not to implement some of the programs designated in the Law, though the respective relevance might be high.

Municipalities were asked whether the strategic objectives of the SHS are relevant and appropriate<sup>20</sup> to their contexts (figure 11). Regardless of the diversities that are present locally, all of the objectives were rated above average for relevance and appropriateness. Yet, while relevance of the strategic objectives is considered high, appropriateness is closer to the average, hence indicating that the Strategy could do better in capturing local differences and idiosyncrasies.

Figure 11. Relevance and appropriateness of strategic objectives at local level (weighted average)



Source: The Social Housing Survey with Local Governments, October 2020

The evaluation is based on the scores 1 (not at all relevant/appropriate) to 5 (fully relevant/appropriate) that the responding municipalities provided for each objective used as a basis to calculate the weighted average (values\*frequency). All strategic objectives are considered relevant, but the highest weighted average (4.5) is for strategic objective no. 3 (coordination and improved allocation of social housing), which is considered as fully relevant from 77.1% of the responding municipalities (27 out of 35). This objective is about improved coordination among institutions for better distribution of housing at local level. The other strategic objectives have values of weighted average of 4.1 – 4.4 for relevance. The value 4.4 is given for SO2, which is about the improvement of the legal framework and is one of the most achieved objectives to date.

In the case of the appropriateness, the values are lower, ranging from 3 for SO4 (the average level) to 3.7 (SO1 and SO2, close to the average), and 3.9 and 4 for SO3 and SO5 respectively. The least appropriate objective (SO4) is about public private partnerships as a means to increase the number of eligible households by 20%. It seems that local governments do not find such an objective as very appropriate, in the conditions where (according to them and other stakeholders) the know-how on the PPP legislation and instruments is low, and the willingness for public-private cooperation is also lagging behind. This might be due to insufficient understanding of PPP mechanisms for social housing. However, besides the need for enhanced capacities, based on communication in public forums, the low willingness may be due

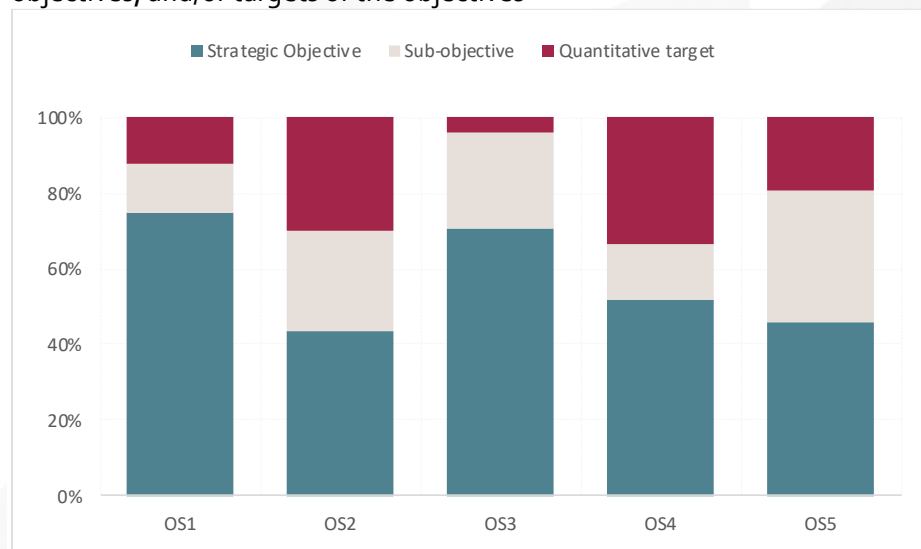
<sup>20</sup> Relevance is about connectedness and pertinence to the topic, hence to the objective in a broader sense, seen at national level. Appropriateness is about suitability to and belonging peculiarly to a context, place, or situation, hence an objective fit to the local context.

also to an overall perception in Albania about PPP practices as being covered by a veil of deception. While the perception cannot be considered an indicator defining the progress of PPPs, it may be a factor pushing local stakeholders towards being reluctant in adopting them.

The third objective (cooperation) is considered as appropriate with a score of 3.9, but the highest value (4) is assigned to the objective no. 5, which is about expanding housing programs alternatives, to better target low- and middle-income groups and mainly the disadvantageous ones by 30%. Hence, all in all, the efforts to improve program delivery and address the needs of the disadvantageous remain the most appropriate at local level. After all, the social housing legislation introduced after 2018 contributes exactly to the expansion of alternatives, by introducing more instruments and by increasing the categories that benefit from social housing.

Municipalities were also asked about what needs to be changed in the objectives of the Strategy, for higher appropriateness to their specific contexts, and whether the change should address the objective/s, the sub-objective/s, or target/s (figure 12). There is a correlation for SO<sub>3</sub> (cooperation) between being valued as the most relevant and the second most appropriate by municipalities and as in need to be changed for around 71% of the responding municipalities. 25% of the responding municipalities need also to see change at the level of sub-objectives for SO<sub>3</sub>. This might be related to a formulation that yields better and more feasible results in terms of cooperation vertically and horizontally, but also in terms of securing an effective information system, which not in place to date.

Figure 12. Percentage of municipalities that would like to see a change in the strategic objectives, sub-objectives, and/or targets of the objectives



Source: The Social Housing Survey with Local Governments, October 2020

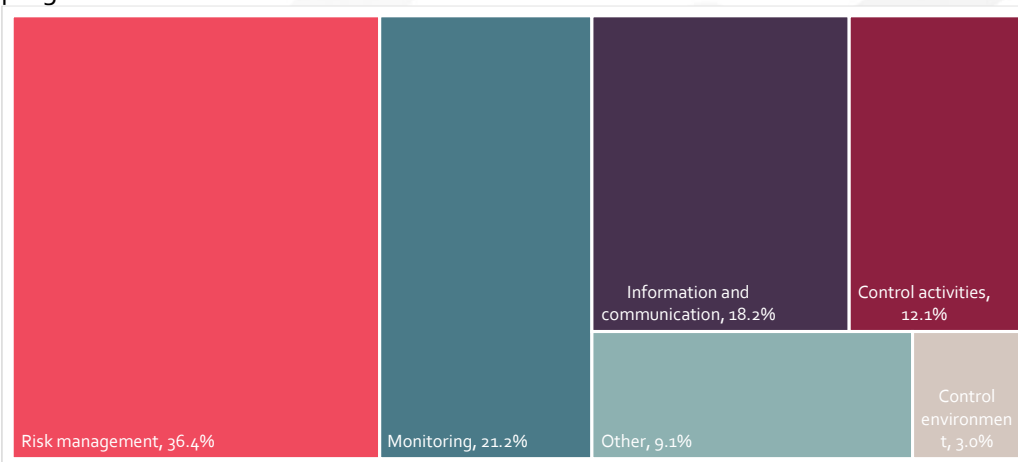
**In case of SO<sub>1</sub> (capacity development for local governments), 75% of municipalities would like an improvement of the objective.** This might be related to the relatively low level of implementation of this objective, as shown by the progress of the activities in the SHS action plan, or to the perception that more capacity development is needed. In the case of each, SO<sub>2</sub> (legal framework) and SO<sub>5</sub> (housing programs), more than 50% of the municipalities would like to see a change at the sub-objective and/or target level. For SO<sub>2</sub> this might be related to the fact that the activities of this objective are almost

completed and the continuation is linked to improvement of some bylaws and particularly to fair and compliant implementation. However, in the case of SO<sub>5</sub>, where the implementation is partial (programs are under continuous implementation), **it seems that municipalities are more worried about how to implement the objective and how to reach the target, rather than review it at a strategic level.**

The above findings are related to the level of understanding that local governments have on the Social Housing Strategy as well as to their capacities for implementing the programs. The interviews with stakeholders and the survey reveal that municipalities feel more comfortable in implementing programs such as social rent, followed by low-cost housing and in some specific cases also the program of improving housing conditions. Most municipalities are not knowledgeable about how to implement the program on area development for social housing and none has initiated any effort on building specialised housing.

Municipalities list a number of hindering factors and difficulties in delivering the social housing programs, all linked somehow to capacity development and internal processes (figure 13). 36.4% of the municipalities consider the lack of ability to manage risks associated with the implementation of the various programs and assurance of funds as the most important hindering factor to their performance. Around 51% of them think that communication, information sharing, and monitoring and control are the major internal factors to encumber their social housing activities.

Figure 13. Difficulties in financial management and internal monitoring of processes for social housing programs

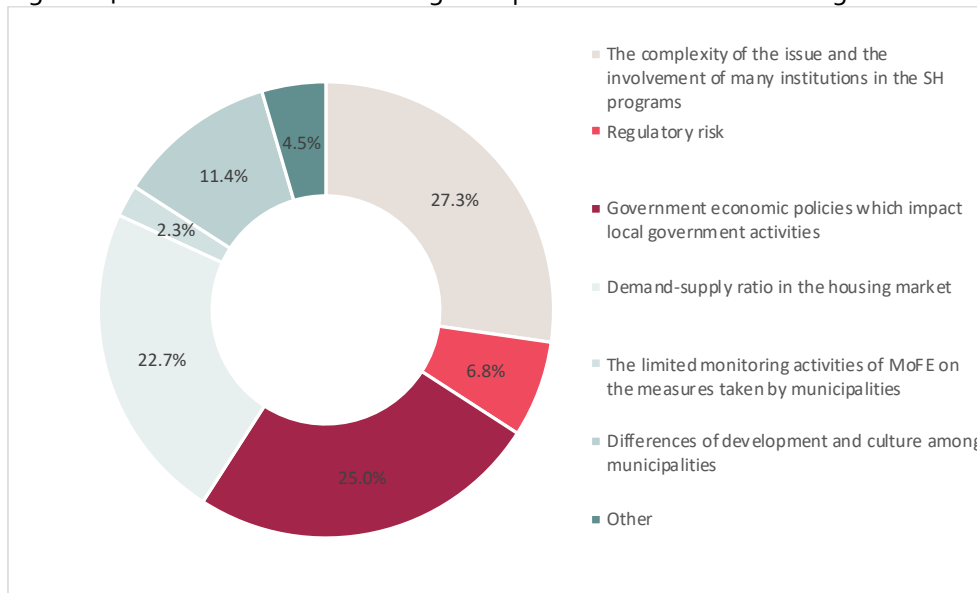


Source: The Social Housing Survey with Local Governments, October 2020

Besides internal factors, there are also external ones that hamper local processes for social housing (figure 14). The three most important factors are: i) the complexity of aspects and institutional procedures in dealing with social housing; ii) government economic policies, which affect also social housing; and iii) the demand-supply ratio in the housing market, which is affected not only by the high demand for social housing, but also by the high prices in the market. The first factor, though an external one, is clearly related with the future of the SO<sub>1</sub> (development of capacities), as an objective whose activities can play a crucial role in unravelling complexity and enabling municipalities to understand better the programs and the connected implementation arrangements. While municipalities or stakeholders at the national level can hardly influence the overall path of government economic policies

that affect social housing (directly or indirectly), they can definitely make better predictions of the demand for social housing, by establishing functional information systems (SO1).

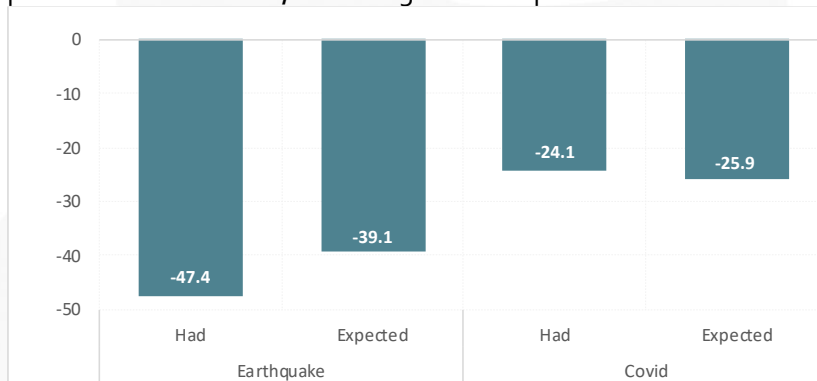
Figure 14. External factors hindering local processes for social housing



Source: The Social Housing Survey with Local Governments, October 2020

More in detail, two important external factors that are implied to have impacted social housing processes and programs are the **earthquake of November 26<sup>th</sup>** and the **COVID-19 pandemic**. Municipalities were addressed a number of questions to understand the impact as perceived by them. When comparing the two disaster events, there are more municipalities perceiving that the earthquake had and will continue to impact social housing in the near to mid-term future, than those perceiving the same for COVID-19 (figure 15).

Figure 15. The perceived impact (net balance) of November 26th earthquake and of COVID-19 pandemic at local level, according to municipalities.



*\*Net balance: is calculated as the difference between the weighted amount of the answers of "no effect at all/no effect" and "effect/high effect" and it is provided in percentage points. The negative value shows that the earthquake and COVID-19 had and are expected to have an impact on the social housing programs.*

Source: The Social Housing Survey with Local Governments, October 2020

At least 83% of municipalities think that the earthquake had an impact on social housing compared to almost 59% in the case of COVID. As for future effects, the values are lower in both cases with 71.4% and 56.3% respectively. However, in both disaster events and for both, current and future impacts, **the net balance** between 'no effect at all/no effect' and 'some effect/high effect' responses **remains negative**, with significant values ranging from -24% to -47%. Furthermore, for both disaster events, there are municipalities, varying from 8.6% to 28% that are not able to take a stand on the perceived impacts, therefore not classifying the events as 'not affecting social housing'. It is understandable also that the earthquake is perceived as a disaster with more direct implications to social housing than the pandemic, given the nature of the phenomenon and the way it affects the built environment. The perceptual findings are to an extent backed up also by the number of applications in both cases, which has changed (increased) as stated by 68.6% of the responding municipalities after the earthquake. In case of COVID-19, even though the event is national (as compared to the November 26<sup>th</sup>, which was regional), only 44% of the municipalities confirm having seen a change in the number of applications for social housing. **Obviously, the COVID-19 situation is very dynamic and the position of municipalities and vulnerable groups may change as the pandemic evolves.**

Furthermore, it should be noted that most of the municipalities (60%) are not able to say whether the Social Housing Strategy was helpful in some way to addressing the needs and challenges of social housing during both disasters. This may be related to a number of factors: the level of understanding and knowledge that these municipalities have on the Strategy; the fact that the Strategy was not conceived with mechanism that can adapt to unfortunate and disastrous circumstances; or perhaps to the municipalities' lack of capacities in translating the relevant activities of the Strategy to their local contexts. **Almost 72% of the municipalities believe that the Strategy should be revised to reflect better the two disaster events, or similar ones in the future**, therefore guaranteeing enhanced resilience for the sector. Yet, on the other hand, the lack of appropriate social housing databases at local level, the limited knowledge that municipalities have on some of the housing programs, as well as the limited role that local governments have had on the governance of the pandemic, show that the **Strategy may need both, a revised risk assessment/mitigation plan and better ways of conveying its message and knowledge to the local level.**

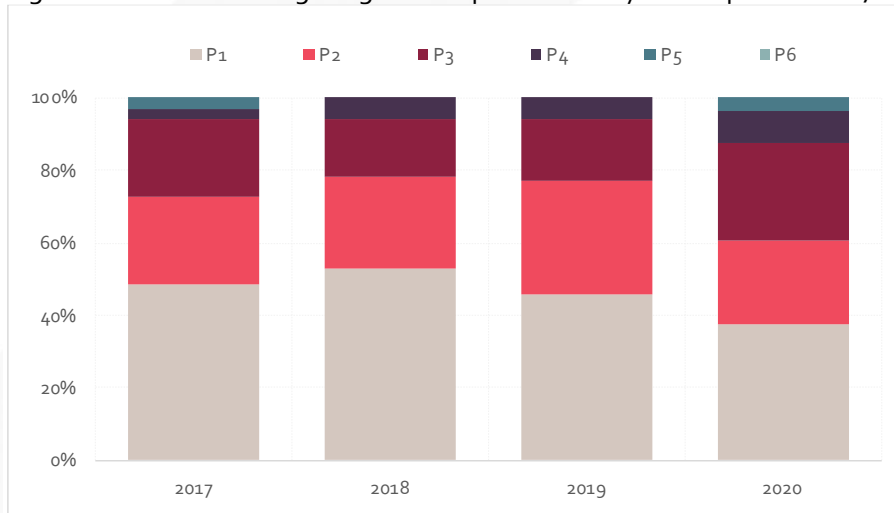
To conclude, due to dramatic changes in the external context, but also because of difficulties experienced internally by municipalities, **the relevance and appropriateness of the Social Housing Strategy remain significant, yet to be improved. It appears that the revision of the strategic objectives, sub-objectives and targets is related to local capacities in implementing the social housing programs and the lack of respective databases.** Furthermore, the cooperation between public institutions should improve further, as well as the inclusion of the stakeholders' groups in social housing decision making should intensify, therefore adapting the implementation of the Strategy to the local context. Last, but not least, **the Strategy needs a revised risk mitigation plan**, which improves further the resilience of the sector. In overall, in terms of relevance and appropriateness, **most changes and improvements are expected to happen at the action-plan level, rather than at the level of objectives.**

## 4.2 Effectiveness against principles, objectives and actions

The Vision of the Social Housing Strategy is based on **three main principles**, namely: i) the need for housing families with low income, and especially, of groups in unfavourable positions (as defined by law) are a priority; ii) the housing policy is a result of an integrated approach for housing based on the principles of readiness, accessibility and affordability for the alternatives of quality housing; iii) the housing sector is integrated with other sectors, such as education, health, employment, social protection, and impacts social and economic welfare of households (p.29). The Social Housing Strategy 2016-2025 has also five (5) main objectives, namely i) Increasing local capacities regarding knowledge on supply and demand for social housing; ii) Improving the legal and institutional framework for increasing the access in social housing of 50% of the families in unfavourable position; iii) coordination between central and local level for the improvement of the distribution of social housing in the 61 local authorities; iv) development of public private partnerships for improving the alternatives of social housing to increase access to social housing by 20% v) expanding the alternatives for social housing for families with middle and low income and especially those in unfavourable positions by 30%. This section deals with the analysis of effectiveness in the achievement of the objectives and principles of the strategy. It provides a status for each objective at the broader level of Strategy's actions and also a more detailed overview of achievements, based on the local survey.

**Regarding the first principle**, over the last four years (2017-2020), **municipalities have implemented different programs to support vulnerable groups**. The most used program is the market rent subsidy. The implementation of this program may come as a result of the lower levels of investment required by municipalities. Besides, this program makes also use of the availability of rental housing in the market, therefore increasing potentially the supply.

Figure 16. Social Housing Programs implemented by municipalities 2017-2020<sup>21</sup>



Source: The Social Housing Survey with Local Governments, October 2020

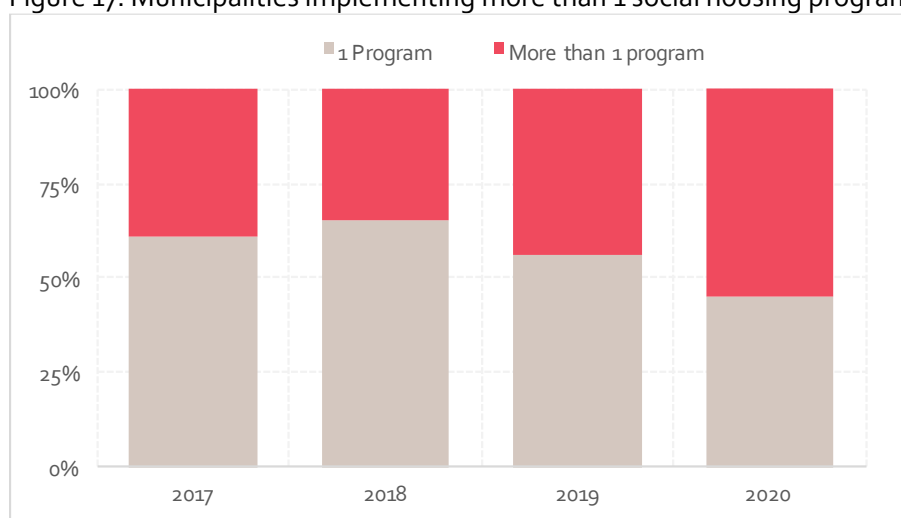
The 2<sup>nd</sup> most implemented program is related to the improvement of housing conditions, followed by

<sup>21</sup> P1. Rent subsidy; P2. Improvement of housing conditions and adaptation of non-housing buildings; P3. Low-cost housing; P4. Area development for housing purposes; P5. Temporary housing; Specialized housing.

the program on low cost housing. Meanwhile, **program 6, on specialized housing, has not been implemented in any of the responding municipalities.** This could also be because it is a newly introduced program and **the respective legal framework for its implementation has only been prepared recently.** This was also a concern raised from the Ministry of Health and Social Affairs. Additionally, the program 5 (temporary housing) also has a low level of implementation, though temporary shelter has been provided to the families affected by the earthquake, but under the emergency legislation.

Until 2017, 63.6% of municipalities implemented only one social housing program. However, over the years, **there is a positive trend as municipalities have started to implement more than one program,** therefore responding to the needs of different categories subject to social housing (figure 17).

Figure 17. Municipalities implementing more than 1 social housing program



Source: The Social Housing Survey with Local Governments, October 2020

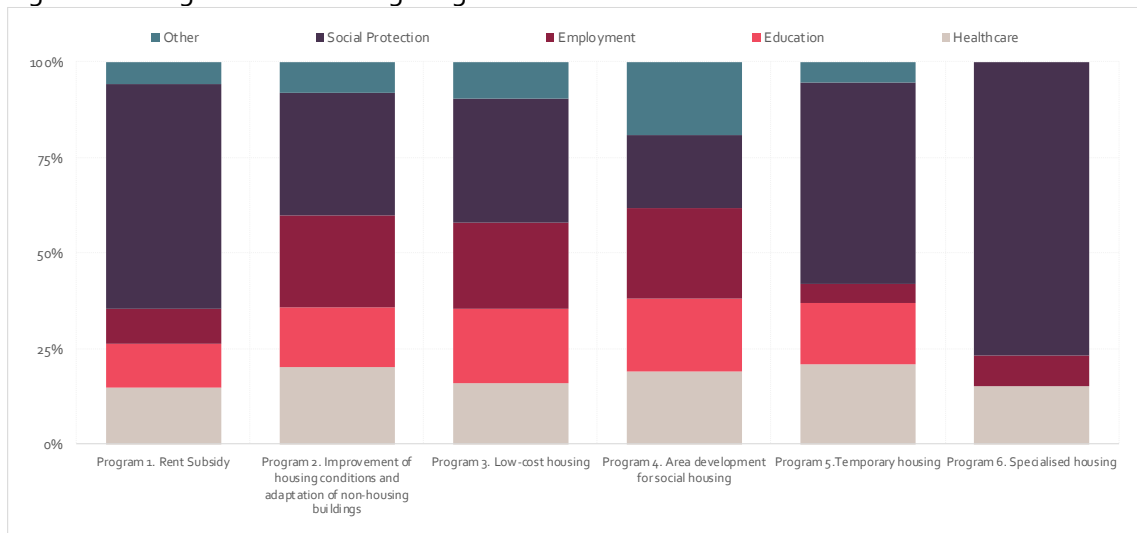
**In 2020, 17/29 responding municipalities apply more than one program, compare to 9/23 in 2017.** This is an indication that the priority to serve a variety of different groups at the local level, has increased over the years.

Regarding principle ii) **67,7% of the responding municipalities believe that the current housing programs are sufficient to respond to the housing needs and the vulnerable groups.** On the other side, **municipalities fall short in terms of readiness of social housing units/supply. 83.3% of municipalities report that they do not have social housing stock ready.** Additionally, municipalities claim that with the existing social housing stock they can support on average 10% of the social housing requests, and at maximum 30%. There are also municipalities that do not have any housing stock and they can't support any requests.

Regarding principle iii) **integration of housing policy with other sectors, municipalities try to integrate their housing programs with the relevant different sectors.** Figure 18, offers an overview of the combination of different housing programs with other sectors:



Figure 18. Integration of Housing Programs with different sectors

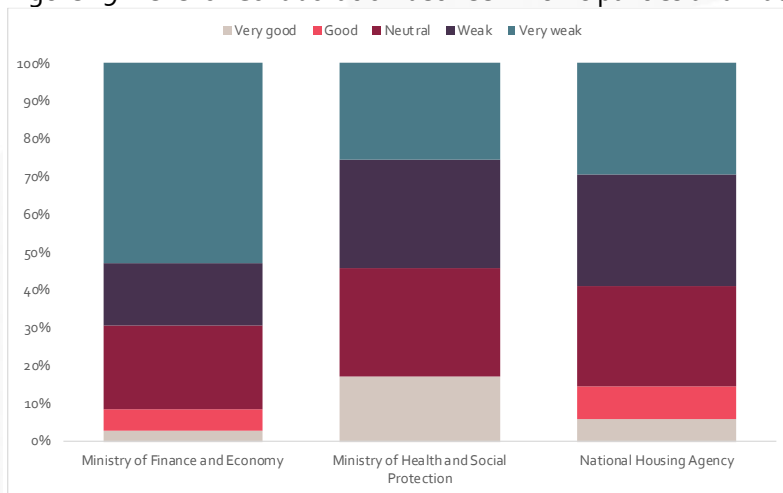


Source: The Social Housing Survey with Local Governments, October 2020

**Social protection is well integrated, though not equally, across all housing programs** based on answers from municipalities. The graph shows that the highest level of integration is between programs of social protection and specialised housing (76.9%), followed by social protection and rent subsidy (58.8%) and social protection and temporary housing (52.6%). Healthcare and education are almost equally distributed across the different housing programs and show similar trends in the municipal response. Meanwhile, employment is mostly integrated with programs such as low-cost housing, development of areas for social housing, and improvement of housing conditions, where municipalities that have responded to the survey fall between 22.6% - 24%, compared with other types of housing programs.

One of the aspects related to the coordination among different programs, is also the collaboration between municipalities and national level institutions. The figure 19 provides an overview of the level of collaboration between 3 main national level institutions and municipalities, as reported by municipalities.

Figure 19: Level of Collaboration between Municipalities and National Level Institutions



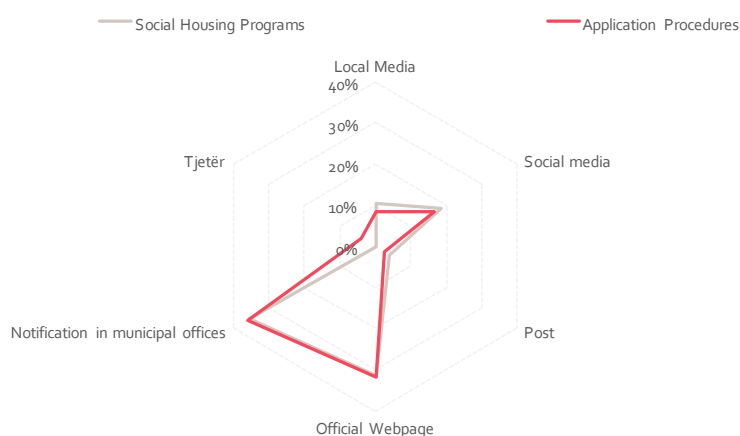
Source: The Social Housing Survey with Local Governments, October 2020

As it can be seen from the chart, **municipalities have a weak to very weak collaboration** with the Ministry of Finances and Economy, ministry of Health and Social Affairs and the National Housing Entity. More than 50% of the municipalities report a weak to very weak level of collaboration with the national level. Considering municipal capacities, collaboration with this institution is very important in enhancing and better integrating housing programs with other social sectors, and achieving higher efficiency in the implementation of the programs.

At the overall level of objective 3 of the Strategy (focused on the institutional cooperation between national and local level as well as stakeholder involvement in the programs of social housing), there have been two main activities. The production of informative materials regarding social housing programs has been partially completed, and it is mostly done at the local level by municipalities, as explained below for communication and information sharing. Meanwhile, the other activity, focusing on the distribution of roles for social housing between the Ministry of Health and Social Affairs, CSOs and local authorities has not been conducted. Yet, a bylaw defining the roles of each institution is in place, under Objective 2.

Important to increasing the access of vulnerable groups to social housing programs is also the sharing of information by municipalities. **The most preferred methods for information sharing are notification in municipal offices, publication in municipal official websites and to a lesser extent also social media.**

Figure 20. Methods of sharing of information



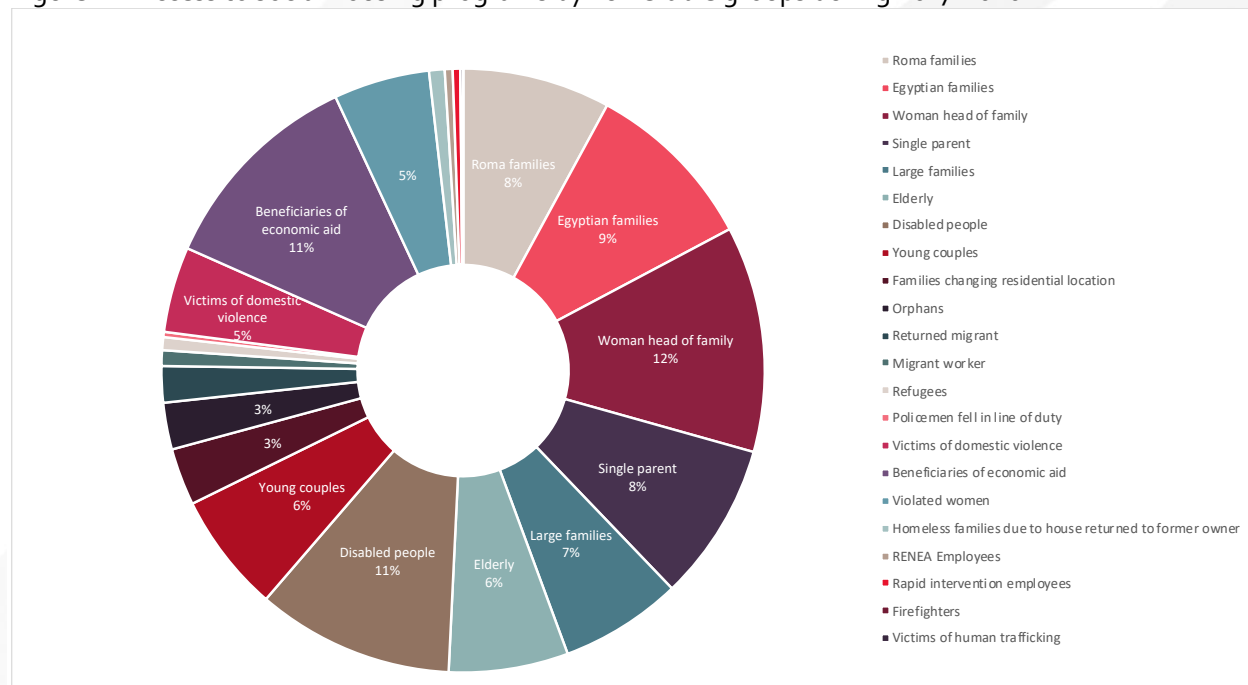
Source: The Social Housing Survey with Local Governments, October 2020

Nevertheless, when talking to municipalities (for instance Përmet and Vau Dejës), it was reported that community awareness quite low. Perhaps is different in larger municipalities, such as Tiranë, Shkodër or Vlorë where communities or beneficiary groups are better organised. Municipalities see communication with communities as a challenge and often organise dedicated sessions, where one staff of the housing sector goes to the different administrative units to support with knowledge sharing. 66.7% of Municipalities believe that the current methods of communication are sufficient, however on the other hand 60% of respondent municipalities believe that they should make more efforts to improve the communication regarding social housing programs.

Based on the data from 34 responding municipalities, the social housing programs have been accessed by almost all target groups. Exception is for firefighting brigade employees, minors in conflict of law after

executing their sentence and victims from the LGBTI community. Yet, **not all of the beneficiaries have had the same access to housing programs**. Beneficiaries of economic aid, women head of family and disabled people stand at 11-12% of the benefiting families for each category, followed by Roma, Egyptian and single parent families with 8-9% of the benefiting families for each category. The third group, where 5-7% of families for each category benefit from programs is composed of elderly, large families, young couples, victims of domestic violence, and violated women. It is also noticeable from the data, that **the ratios between the groups of beneficiaries have experienced only minor changes during the last four years**. Additionally, compared to 2017, during the last two years, there is a growth in the type of categories that have accessed social housing programs. This is also supported by the fact that **municipalities responding to the questionnaire believe (90.3%) that the criteria used in the point-based system for the selection of beneficiaries of housing programs are realistic**, therefore enabling more citizens to a fair selection procedure. Similarly, **82.4% of the responding municipalities believe that besides being realistic, the points-based system is also appropriate**. A group of beneficiaries that remains a concern in term of human rights at a higher policy level and in terms of EU integration, is that of refugees. The EU progress report 2020 for Albania states that “The exclusion of refugees from social housing ... still needs to be addressed, as efforts to provide integration assistance remain rather limited.” (European Commission, 2020, p. 47). In the municipalities that responded to the survey, the asylum seekers (combined) constitute only 1% of the beneficiaries during 2017-2020.

Figure 21. Access to social housing programs by vulnerable groups during 2017-2020

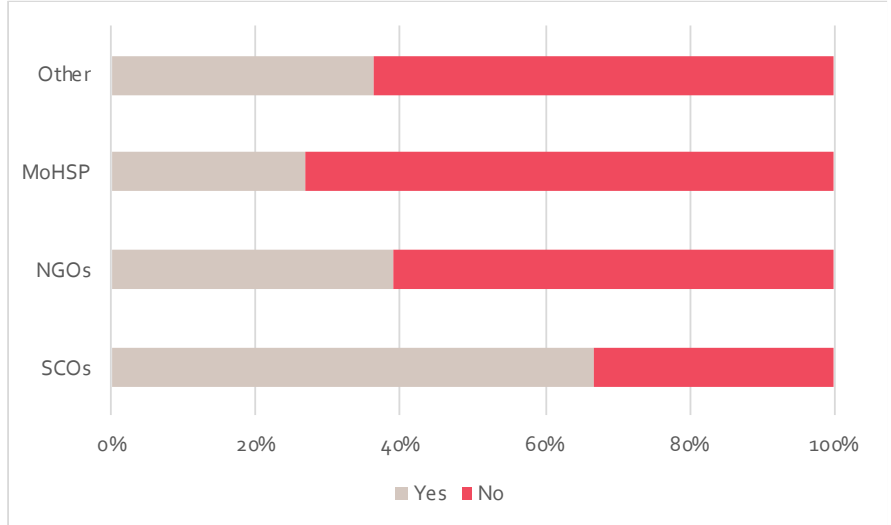


Source: The Social Housing Survey with Local Governments, October 2020

Another important aspect, that may have impacted the distribution of social housing among beneficiary groups is the cooperation between local authorities and civil society organizations (CSOs). According to the response from municipalities, **43.8% of them work with CSOs for the identification of vulnerable groups, and 46.9% work with CSOs for the allocation of social housing to the vulnerable groups**. This

is an important process, as the collaboration between municipalities and CSOs can help in improving access to the social housing programs for vulnerable groups. In terms of consultation, the preparation of the points-based system is also important. When municipalities were asked whether they had consulted their point-based systems with 1) civil society organizations, 2) NGOs, 3) Ministry of Health and Social Affairs and 4) other (Local Municipal Council), their responses were quite mixed:

Figure 22. Consultation of point-based selection criteria with stakeholders



Source: The Social Housing Survey with Local Governments, October 2020

Municipalities have a tendency of 66.7% to consult their points-based systems with civil society organizations. Meanwhile, the consultation with other institutions such as the Ministry of Health and Social Affairs or the local Municipal Council is lower.

Objective 5 of the Strategy was composed of 5 main activities. One of the activities focusing on the improvement of living condition of Roma and Egyptian community has continued its implementation throughout the period 2016-2020 and for the last year, the allocated fund was 120 million ALL. Similarly, activity 5, focusing on the program of rent subsidy has been implemented. Activity 2, focusing on the energy efficiency of housing has been implemented only till 2017 with a specific program in the state budget, but after that (corresponding also with the dissolution of the Ministry of Urban Development) the program has stopped. Meanwhile, activities 3 & 4, focusing on a feasibility study for converting and designing areas with public land for social housing and the rehabilitation of buildings for the housing of orphans, have not been conducted. Yet, a lot of activities have taken place at local and national level that have expanded housing opportunities for the various categories, not foreseen in the Strategy, but aligned with the legal changes.

The aspects that were taken in consideration **to understand the extent of meeting social housing standards** in Albania for the purpose of this assessment report were **the location of housing (meeting location preferences of vulnerable groups) accessibility standards for people with disabilities, energy efficiency and the inclusionary housing** (meaning the extent that social housing is settled within mixed-use development).

Municipalities had a low response rate regarding the question of social housing positioned within mixed-

use development. In addition, from the received responses, a low percentage of **only 7.8% of current social housing supply seems located within mixed-use developments**. This is mostly for low-cost housing, while rent subsidy programs depend on the type of subsidies offered. Hence, the main approach in terms of offering social housing at the local level is through secluded social housing developments. Although, this approach manages to deliver housing, it does not suffice to meet housing standards. Inclusionary housing is one of the main principles and policies being applied worldwide in trying to move away from the creation of neighbourhoods dedicated entirely to social housing, which may increase the risks of ghettoization, to more social housing in mixed-use developments. This is important in terms of social integration of vulnerable groups and their access to other services. Furthermore, as the social housing law provides for a financial instrument that guarantees inclusionary housing, it means that municipalities should make an increased effort in deploying public-private partnerships as an instrument for social housing delivery.

Yet another important aspect related to standards, is the location of social housing, **i.e. the availability of housing in positions preferable/appropriate to the needs of vulnerable groups**. From a total of 22 answers, **45.5% of municipalities replied that the housing is located in positions partially preferred** by the vulnerable groups, **while 27.3% replied that housing is located in areas that are mainly preferable** by the vulnerable groups. This shows, that **housing supply has a general tendency to meet the location preferences of social housing demand**. Yet, this is not always the case, as revealed by interviews with people with disabilities, who have more requests for housing location appropriateness. Matching housing location beneficiaries' needs is crucial in terms of social and economic integration of vulnerable groups. Social housing located in areas accepted and/or preferred by vulnerable groups leads to more opportunities for accessing work and other services.

In terms of standards of social housing, the other two main aspects that were analysed refer to **energy efficiency and the accessibility of disabled people**. For both questions, the response rates from municipalities were low. The responses reveal that in Albania **only 16.9% of the current social housing stock fulfils the energy efficiency standards**. Considering that the legislations for the energy efficiency has evolved quickly over the period 2013-2016, the social housing sector seems slow to adapt to these new requirements. In this regard, the fact **that the energy audit and certification of buildings has not been conducted** yet, the 16.8% needs to be considered as an opinion on the housing sector, rather than a definite and verified answer. Also, the low response rate **shows to a certain extent the absence of awareness and data at the municipal level regarding this issue**. As far as accessibility is concerned, for disabled people in social housing only 7.8% of the current housing stock fulfils some standards. Additionally, referring to interviews with stakeholders (Para- and Tetraplegic Federation and Association of Blind in Albania) the standards that are fulfilled are primarily related to the presence of ramps, elevators, and signs. Meanwhile, within the apartment, there is a general gap in terms of space and needs of these vulnerable groups.

Objective 4, is related to the use of Public Private Partnerships (PPPs) for the improvement of alternatives of social housing, had six activities and only one of them has been partially completed. This activity focuses on the evaluation of the PPP models that can be applied for social housing alternatives. **Only one of 23 municipalities has managed to apply PPPs for the improvement of social housing supply**. In this

case, through a PPP the municipality has managed to improve building conditions for 75 households and guaranteed 60 new low-cost dwellings. This has been managed through four PPP contracts. **88.9% of the municipalities report that private companies do not have any interest in engaging in social housing.** This is also reinforced by the fact that 94.4% of municipalities report that they have not had any official request/ interest from private companies to engage in this sector. However, on the other side, **municipalities (85.3%) have not presented any incentives for private companies to engage in social housing.**

Activities under objective number two of the Strategy have been completed in the majority of cases. Out of 15 activities planned, 13 have been fully completed, while 2 are in process. This objective focused mostly on the legal and institutional framework. Following the approval of the law on social housing in 2018, most of the bylaws were adopted as well, with few being under preparation. The implementation of this objective was assumed to take place during 2016-2017. Yet, as the Law was adopted in 2018, the preparation of all bylaws occurred latter, causing further postponement in activities under some of the other objectives.

**According to the responding municipalities, 88.9% report that most of the issues related to the social housing are now covered by legislation.** Additionally, as a result of the legal improvements, **63.6% of municipalities (21/33) report that the number of beneficiaries from social housing programs has increased since 2016.** Nevertheless, some municipalities claim that for families with income below average, which can build their own houses, the financial burden for completing the technical documentation and procedures is high. Hence, there could be some type of support provided, in order to lower the institutional costs for building a house for these types of families.

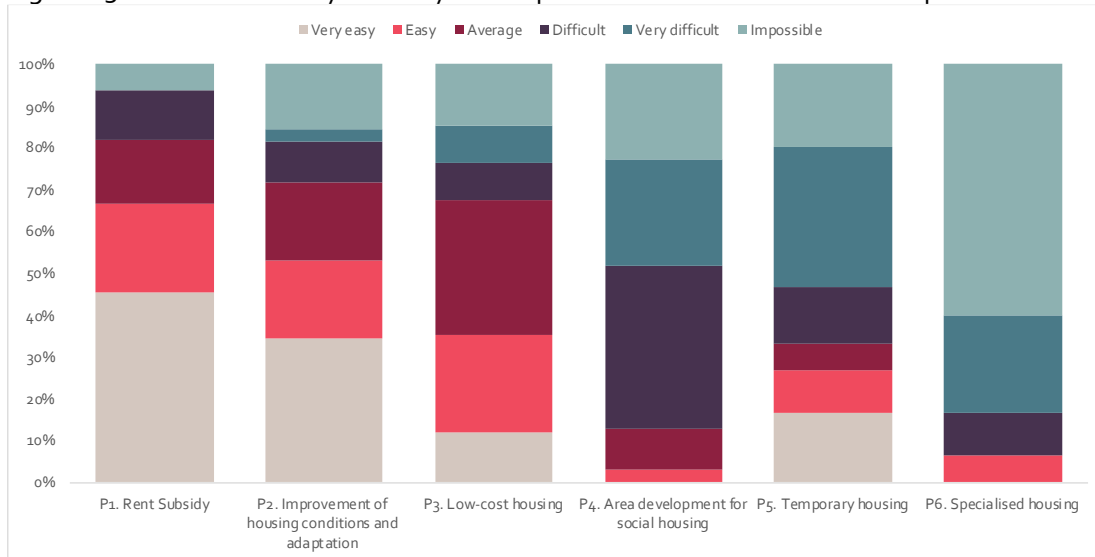
One of the main factors that is related to the success of the different housing programs is related to the procedures applied by municipalities. As such, **48.6% of municipalities agree that the procedures and the required documents for the application in social housing programs are easy, understandable and well-communicated by municipalities, while 34.3% are neutral.** However, when discussing with representatives of the different vulnerable groups, it can be understood that this is a challenge in some municipalities. For example, the Roma and Egyptian communities, **highlight the fact that some municipalities apply extra procedures and documents' requirements,** therefore making the process difficult and discouraging for the applicants. Especially, the municipality of Tiranë, does not follow legal requirements, as through a special regulation requires applicants to provide all documentation, while the legislation states that it is the duty of the municipality to gather it and make the necessary verifications. One example is that **of the program of rent subsidy, where the municipality of Tiranë requires a signed contract between the applicant and the owner prior to application.** This procedure creates a lot of burden and stress to the applicants, as there are no homeowners who would sign a contract prior to having guarantee that the family has the possibility to pay.

Regarding objective 1 of the Strategy, out of 21 activities, only 3 have been fully completed and 2 have been completed partially. In general, this activity focused in preparing reports for the conditions of social housing supply at the local level and offering support to local authorities to better understand the situation regarding social housing. The electronic system, intended to be the backbone of this objective has been delayed in time and is planned to be functional in 2021, therefore delaying most of the other

activities.

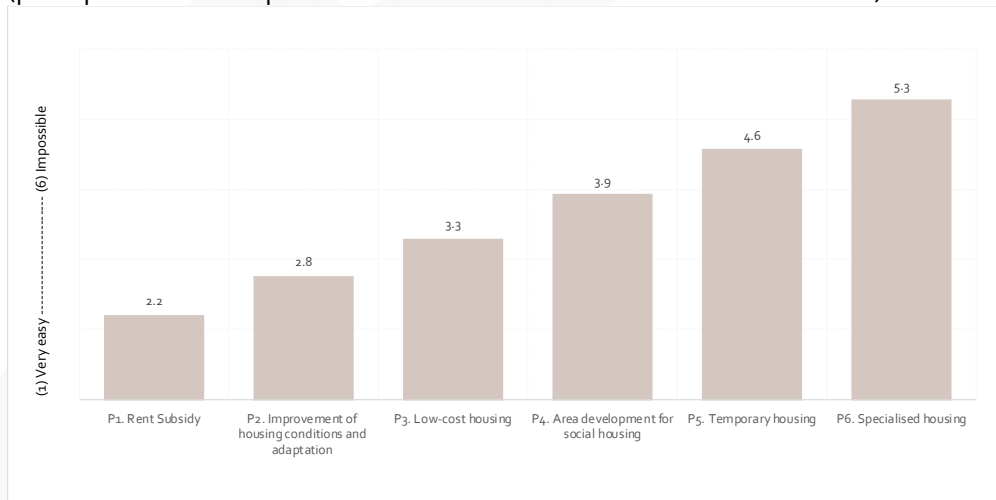
One of the **main challenges** that municipalities face for the implementation of the different housing programs is related to **financial capacities**. Figures 23 and 24 offers an overview of the level of difficulty faced by municipalities for implementing each of the housing programs vis-à-vis their financial capacities.

Figure 23. Level of difficulty faced by municipalities in relation to financial capacities



Source: The Social Housing Survey with Local Governments, October 2020

Figure 24. Average evaluation from 1 (very easy) to 6 (impossible) for each housing program (perception of municipalities based on technical and financial difficulties)



Source: The Social Housing Survey with Local Governments, October 2020

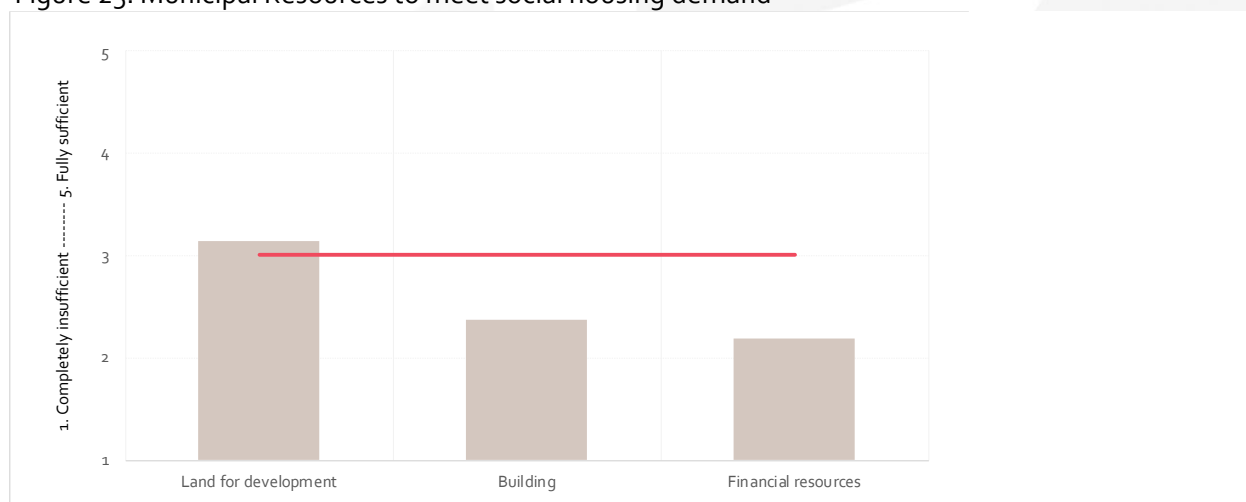
It appears that **the programs considered easier for implementation by municipalities are the rent subsidy and the improvement of housing conditions** (existing homes). Meanwhile, programs such as temporary housing, specialized housing, or development of an area for housing, are highly difficult, and in some cases almost impossible to be implemented, given municipal financial capacities. Within the

same framework, **40% of responding municipalities say that their financial capacities during the period 2017-2020 have increased, while 45,5% claim that it has remained the same.** Perhaps the perceived level of difficulty might relate to capacities and knowledge in implementing the program rather than funds.

Thus, while municipal financial capacities are very important in order to implement the different housing programs, so are human resources. **70.3% of the responding municipalities claim that the number of staff is not sufficient to cover all six social housing programs.** Besides the staff number working in the housing sector, **municipalities are split regarding the qualification of their staff for the management of the housing programs at 50%.** This shows that the situation varies from municipality to municipality and that a tailored approach might be necessary to increase human capacities, as well as their qualifications.

In overall, in terms of resources (figure 25), municipalities claim that they have sufficient land for the development of social housing, while lacking mostly funds and buildings. Obviously, the situation is not universal, as it is also often the case that municipalities claim of not having land.

Figure 25. Municipal Resources to meet social housing demand



Source: The Social Housing Survey with Local Governments, October 2020

The Social Housing Strategy 2016-2025 has proposed a **system for monitoring the implementation** of the Strategy as well as the situation with the social housing sector in general in Albania. The monitoring system is composed of a series of indicators. Looking at the monitoring system (indicators for the action plan and Strategy targets), most of the data are expected to be provided by the local level (municipalities). Additionally, an electronic system was envisioned to be installed which would provide this information automatically. Currently, **the electronic system is in its final stages, and it is expected to be functional by the end of 2020, or beginning of 2021 the latest.** MoFE has conducted also training with municipalities regarding the electronic system. **75.5% of the responding municipalities confirm taking part in these trainings for the electronic system.** The delays with the electronic system, have affected the reporting of and data collection by municipalities and the central level. Thus, the question here is not as much related to the indicators that are being used, but rather the way they are collected.

Municipalities **were expected to identify the vulnerable groups in their municipality** over the period

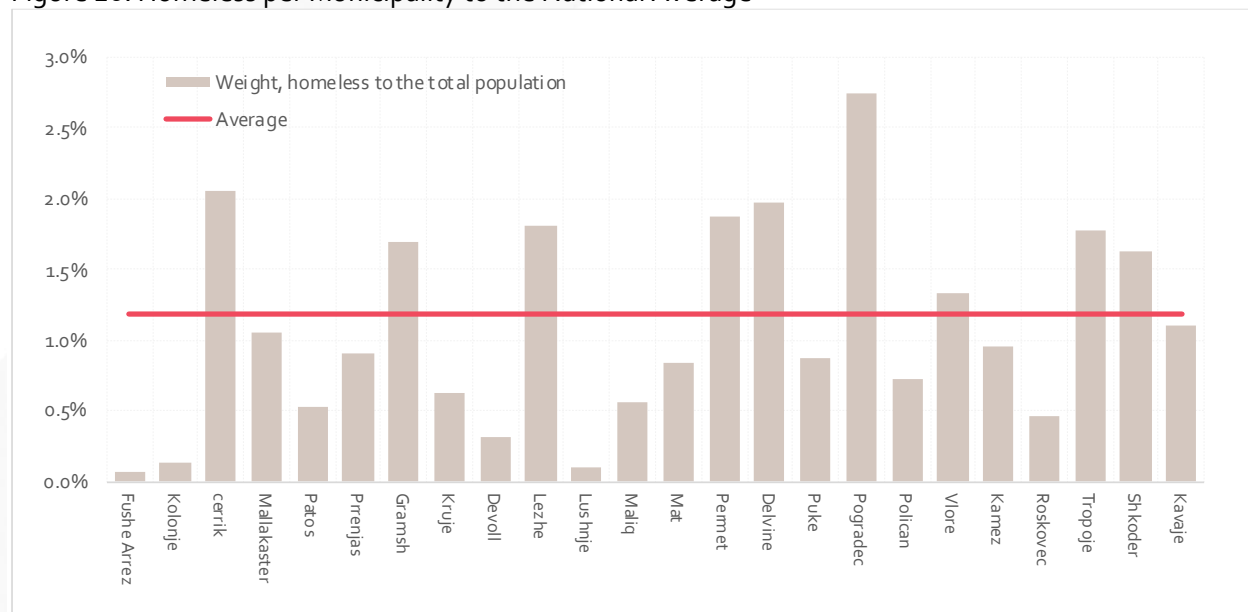


2016-2020, as part of the establishment of an integrated information system for social housing. However, so far only **77.1% of the reporting municipalities has conducted this activity, while only 61.8% of the reporting municipalities has also identified their territorial location.** This is one of the essential activities in starting to create databases. Although the majority of municipalities confirm having identified the vulnerable groups territorial location, **no municipality uses GIS for the purposes of creating a database.** Most of the data at the municipal level are kept on excel spreadsheets, where **23.5% of the responding municipalities claim to have detailed databases in excel, while 50% keep on excel only the main data.** Worrying in this case is that the remaining **26.5% of municipalities either keep data on physical documented or they have no data at all (14.7%).** Considering that most data for the monitoring of the implementation of the strategy and the situation with the social housing sector are expected to come from the local level, **this lack of data can be considered one of the main challenges of the process.**

Nevertheless, one positive improvement since 2016, is that municipalities report to have expanded and diversified the data that they collect regarding social housing. **82.9% of the reporting municipalities have diversified and expanded the type of data they collect and maintain regarding social housing aspects and the respective programs.** Mostly, the new data focus on the different categories that are eligible for social housing programs. However, on the other side, **81.8% of the reporting municipalities do not have data on the Social Owners.** The registration of the social owners is an important element for the housing programs, especially for the rent subsidy program.

Finally, **25 municipalities report to have a functional Homeless Register,** with a total reported number of 11,530 homeless. Figure 26 shows the total number of homeless reported by each of the municipalities compared to the national average.

Figure 26. Homeless per Municipality to the National Average



Source: The Social Housing Survey with Local Governments, October 2020

The highest number of reported homeless is from the municipality of Shkodër, with around 2200

homeless (19.1% of the total). In the municipality of Pogradec there are 1,688 homeless, representing 14.6% of the total of homeless people in the 24 reporting municipalities, followed by the municipalities of Vlorë (12.1%) and Lezhë with 10.3% of the total. Compared to the total Census population, the number of homeless people in the municipalities that have responded is, on average, 1.2% of the respective population.

#### 4.3 Efficiency against outputs

The implementation of the SHS for the evaluation period has progressed at a rather slower pace than anticipated, focusing more on the preparation of legislation. Out of the 55 activities planned in the Strategy, 23 are reported by the Ministry as not-implemented. The other activities are either implemented or in process, with a planned value of 60,670,000 Lekë. Around 1,5 billion Lekë were planned in the Strategy for the implementation of PPP agreements for building social housing during 2016-2020, but the corresponding activities (under SO4) are reported by the Ministry as non-implemented. Yet, there has been at least one PPP reported by one municipality as well as the cooperation with banks for the rent subsidy program. Furthermore, the activities of SO5 consist of implementation of different housing programs and subsidies for social housing and are planned for the whole duration of the Strategy with a total value of around 5.6 billion Lekë.

As municipalities have continued executing expenditures on social housing programs, around 2.8 billion Lek are spent in this regard. The Ministry of Finance and Economy reports on investments and subsidies for the 2016-2020 period as in the following table.

Table 3. Funds planned for SO5 and Investment and Subsidies implemented during 2016-2020, in Lek

Period 2016-2020	SO5 planned funds (2016-2025)	Investments and Subsidies (2016-2020)
Housing programs	2,176,434,000	1,505,741,212
Subsidies and grants	3,484,317,624	4,240,633,213
<b>Total</b>	<b>5,660,751,624</b>	<b>5,746,374,425</b>

Source: Social Housing Strategy 2016-2025 (table 3.1 Necessary Budget) and Ministry of Finance and Economy (reported expenditures)

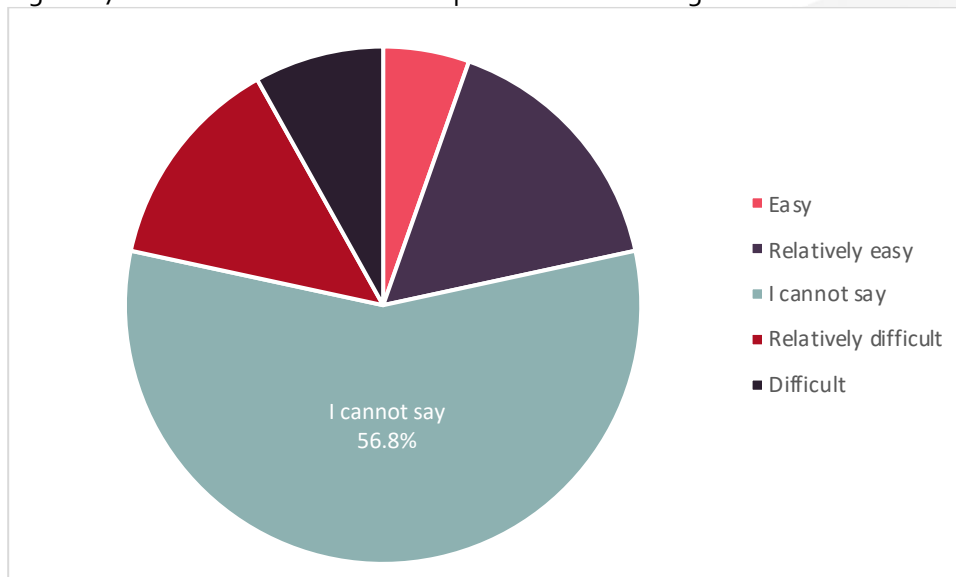
It appears from the table that the amount planned for social housing programs and subsidies for the whole duration of the Strategy is already spent and exceeded during the mid-term. This so particularly due to 24 million Lekë spent in Vorë, Krujë, Kavajë and Kurbin during December 2019, in the aftermath of the earthquake and 2.9 billion Lekë spent during 2020 in all of the municipalities affected by the earthquake.

In overall, the implementation of the Strategy has gone hand in hand with the reported expenditures, with no increased efficiency during the mid-term period. However, while it may seem as an equal or even larger amount of money than planned was spent to provide social housing, this is so due to the unexpected conditions caused by the November 26<sup>th</sup> earthquake and the extremely high burden that this disastrous event put on the national finances. Furthermore, the resulting several-fold increase in housing

demand during 2020 has concentrated additional funds in one specific region in the country. These additional funds have not impacted those planned for social housing. However, it is also important that, in the coming years, the financial burden created by the earthquake does not cause a decrease in funds to be allocated for social housing.

In terms of funds, 87% of the responding municipalities consider them as insufficient to address their social housing needs. In addition, 60% of the responding municipalities report having invested resources from own funds in social housing (confirmed also by the MoFE). More than half of the responding municipalities feel unable to provide an opinion on whether the access to social housing funds provided by central government is easy (figure 27). In addition, it is also unclear whether the municipalities relate somehow the convenience of accessing funds to the quality of their human resources. As a matter of fact, only 44% of the responding municipalities have invested on human capacities, and in most cases this includes an increase in staff, but no training.

Figure 27. The convenience of municipalities for accessing funds for social housing at the central level



Source: The Social Housing Survey with Local Governments, October 2020

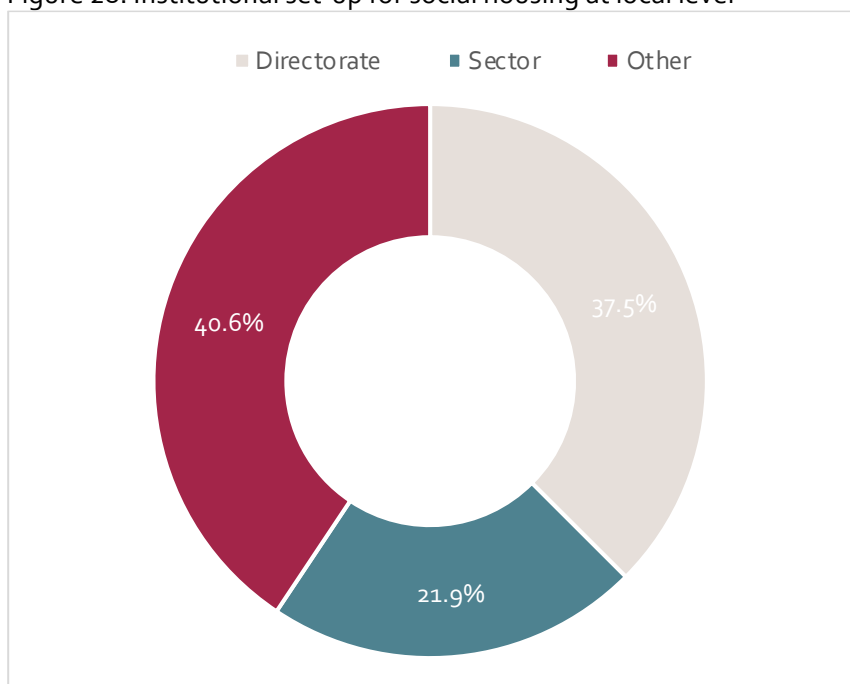
As far as procedures for accessing social housing programs are concerned, it appears that municipalities are divided in almost equal numbers between 'a complex procedure' and 'an appropriate procedure'. This seems being supported by the information that the municipalities provide on the number of days to complete procedures. The average number of days spent to complete the procedures locally is 19, where the minimum is one and the maximum is 90 days. Similarly, when it comes to bank procedures related to social housing programs (where relevant), there are still extremes in the reported time – the average is 90 days, with a minimum of two days and a maximum of one year, as confirmed by the municipalities.

#### 4.4 Governance

Social housing is an own function of local government, defined as **social service** by the article 24 of the law no. 139/2015 'On Local Self-Governance'. This is a clear indication that social housing falls under the social protection services and should be treated as such in the respective governance arrangements. As data from the local survey show, in almost 41% of the responding municipalities social housing is

provided by an internal structure (directorate, department, sector or office) that is primarily responsible on other services such as: territorial/urban planning, infrastructure and utilities, economic aid, civil protection and/or emergencies, and public investments. The other municipalities have either a specific directorate on social housing (37.5%) or a sector (21.9%).

Figure 28. Institutional set-up for social housing at local level



Source: The Social Housing Survey with Local Governments, October 2020

Such institutional arrangements are due to the access on human resources and budget implications for each municipality. As a result, the average number of social housing experts employed in the municipalities responding to the survey is two, with 66.7% of the municipalities having only one staff employed for the service. Often, this person is also responsible on other tasks beyond social housing. The highest number of the social housing staff is reported by the Municipality of Tiranë, with 10 dedicated employees, followed by Roskovec and Pukë with 8 employees each and Delvinë with 7 employees. While the latter municipalities have a relatively high number of social housing staff, this is either linked to a specific time-bound event (the case of Pukë), or it is experts who perform other tasks as well. The lack of sufficient human resources is also reflected in the absence of a social coordinator in 65.7% of the responding municipalities.

The low number of employees dedicated to social housing, and sometimes also their insufficient knowledge on the programs, are in fact two of the reasons that impact the quality of the service provided by municipalities and subsequently, the implementation of the SHS at local level. However, most municipalities mention also lack of funds, lack of housing structures (buildings) and/or land, and the match between legal procedures and criteria and the ability of the categories in need to fulfil these criteria. Though not often, some municipalities mention also the lack of local social housing strategies/plans, and the low level of coordination between planning instruments.

As a matter of fact, when asked about the presence of a social housing strategy/plan for the next 5-10 years, 66.7% of municipalities responded they do not have such a document, or are not aware about. While the current social housing law requires for a 5-years local housing program to be in place in each municipality, those (12 out of 36) that claim to have the document do so on the basis of the 10-years local housing strategy required by the previous law. Hence, rather than governing a local function, the municipalities act as implementers of a service, mostly based on what seems more feasible for their territories, as defined by the demand for social housing. Due to this, but also lack of knowledge on some of the programs, the municipalities focus mainly on the implementation of the rent subsidy program.

Furthermore, some municipalities (18 out of 36) have addressed social housing in a strategic way, by including respective objectives in their local territorial plans. This approach ensures also a spatial dimension to social housing, at least on a strategic level. Though the number of municipalities is low, this integration is very positive, especially when keeping in mind that all of the current local information systems on social housing are not territorially referred. Exception is made only for the mapping of some of the disadvantaged categories benefiting from the law on social housing, as explained further below. Such an approach facilitates also a coordination of social housing and territorial planning policies at the local level.

Yet, only 12 municipalities report of having included social housing projects in their GLTPs and 15 municipalities have designated areas for the development of social housing in the GLTP maps. The size of such areas varies from 665 m<sup>2</sup> in the Municipality of Klos to 60,000 m<sup>2</sup> in Korçë. However, only four municipalities report having used relatively limited portions of the planned areas. In line with both, the territorial planning law and the social housing law, seven municipalities out of 36 report having used the program of conditional building intensity<sup>22</sup> for providing social housing in return.

Figure 29. The size of areas (m<sup>2</sup>) designated for social housing in the General Local Territorial Plans



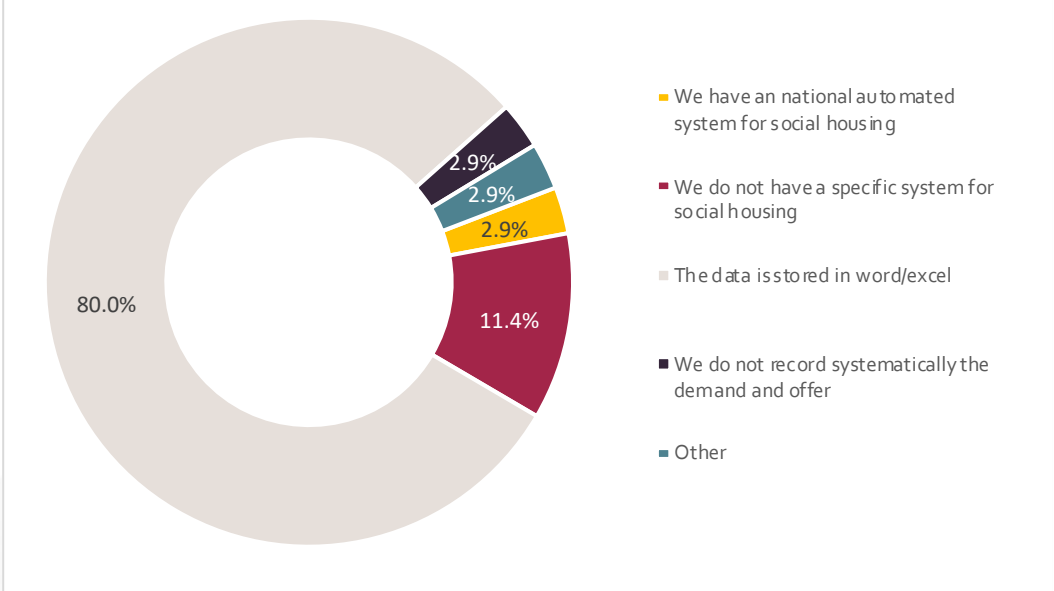
Source: The Social Housing Survey with Local Governments, October 2020

<sup>22</sup> Otherwise known as 'bonus Floor Area Ratio'.

Moreover, 13 municipalities have used the instrument of '3% of the development area' to be donated by developers to municipalities for social housing. While the conditional building intensity is considered as plausible instrument by the developers, municipalities prefer the second instrument, though the latter is strongly objected by the developers, on both ethical and legal grounds. In addition, it is not clear to what extent the funds collected through the '3% of the development area' instrument have been used for social housing. The Law is specific that the 3% has to be calculated on the functional area of the development, but some municipalities apply the equivalent in Cash contribution. Besides being a new instrument and with a limited implementation history, expenditures that relate its use to social housing programs are not traced. Municipalities do not report any values when asked on the social housing funded through these revenues. In overall, municipalities do not carry out expenditure tracking for mere purposes of financial accountability. The revenues, unless coming from a tariff, being always insufficient are usually mixed and used upon needs rather than the generation source. While municipalities make efforts in assessing the social housing needs (85,7% of them), a smaller portion (51.5%) assesses fiscal capacities to respond to the need as well.

In order to carry out social housing as a function, municipalities collect data on the demand for and record data on the implementation of the various programs. The situation with the local databases is however far from satisfactory. 70.3% of the 37 responding municipalities record data on the demand for social housing, while only 20.6% (out of 34 municipalities) maintain inventories on the offer. The databases are mostly built on excel and word tables (80%) as figure 30 shows, and there is no connection to the territory.

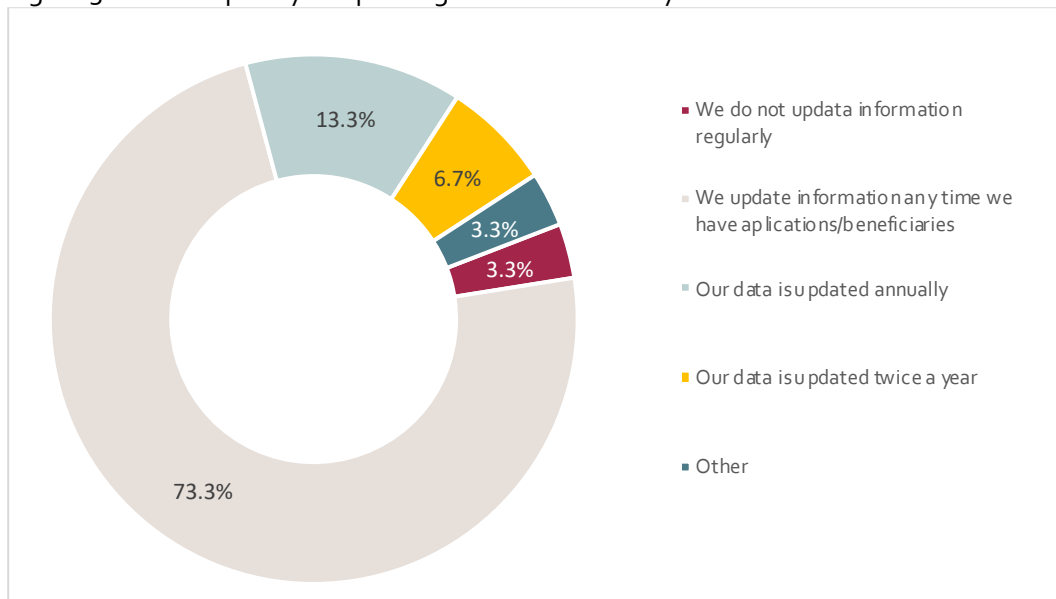
Figure 30. The system used by municipalities to record and store data on social housing



Source: The Social Housing Survey with Local Governments, October 2020

Only two municipalities update their data twice a year and 73.3% of the municipalities update their data anytime there is an event, hence there are applications and beneficiaries are chosen (figure 31). It should be noted though that the information systems are not equally consolidated in terms of timeframe. In several municipalities there is information in the database only for the last two years, even if specific project folders exist in the archive and protocol offices.

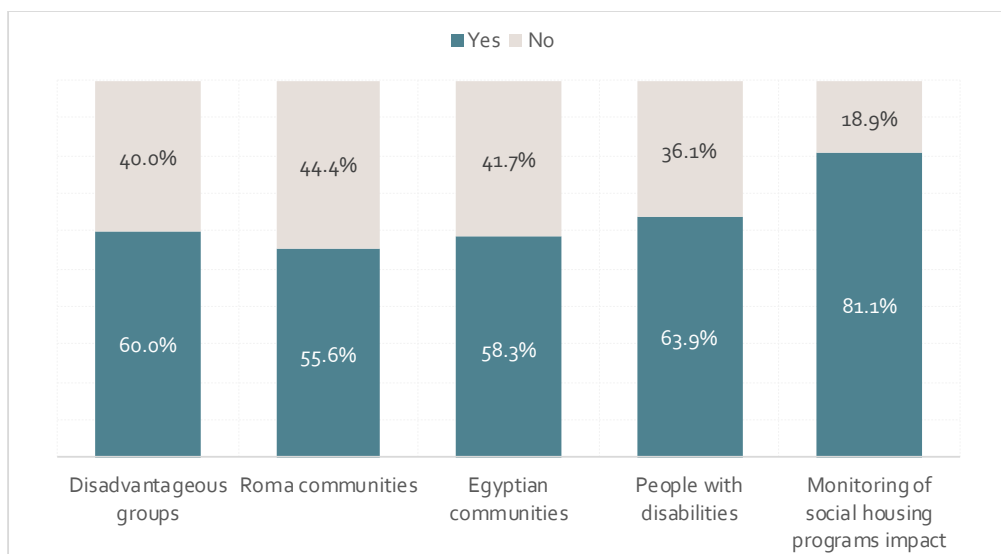
Figure 31. The frequency of updating the information systems at local level



Source: The Social Housing Survey with Local Governments, October 2020

The territorial information on the beneficiaries or groups in need for social housing is limited. 20-23 municipalities confirm having mapped disadvantageous communities, such as Roma, Egyptians and people with disabilities (figure 32). These municipalities have usually received support by donor-funded programs aiming at strengthening the social services at local level. Hence, the mapping is very specific and related to projects, rather than a routine activity. The number of municipalities that monitor the impact of social housing programs on the disadvantageous communities is higher (30), but it is not clear whether they undertake regular monitoring processes and well-structured upon a methodology, or merely keep note of the applicants and final beneficiaries.

Figure 32. Mapping of disadvantageous communities at local level and monitoring of housing programs' impacts



Source: The Social Housing Survey with Local Governments, October 2020

The implementation of SHS (the action plan) has had limited impact on the governance arrangements for social housing at local level. The capacity building activities were useful to municipalities in understanding better the social housing programs, but the other aspects of governance are the result of several other factors (decentralisation, own revenues, human resources, internal procedures, etc.) rather than the Strategy. For instance, a training needs assessment on the use of electronic system has been conducted, without being followed by on the job assessment and piloting, because the electronic information and application system is not yet in place. The latter includes a database on social housing needs at local level (to be established in cooperation with INSTAT) and an electronic system for online applications by citizens. The applications are to be administered by local governments and monitored by the Ministry, guaranteeing hierarchical integration of governance mechanisms. Yet, as the system is not in place and the municipalities make minor-to-moderate efforts in creating local databases, the management processes conducted locally remain rather detached from the actions of the Strategy.

An important aspect of governance is the communication between the Housing Directorate and local governments and other institutions. The Housing Directorate communicates regularly with Municipalities on their needs, while also involving them in the drafting of the social housing bylaws, and assisting them in managing their application processes, as relevant. Recently, a bylaw on the creation and/or enhancement of the public social housing stock (873/2020) supports further the strengthening of the institutional cooperation between the Ministry and the local governments. Furthermore, the Housing Directorate at the Ministry of Finance and Economy cooperates with the Ministry of Health and Social Protection. The cooperation is materialised particularly through common bylaws on social programs. However, when referring to the SHS action plan, an assessment report on “Description and assessment of the coordination roles of MSWY, CSOs and LGUs” (activity 3.1.1, p79) is not in place. On the other hand, the “Development of information materials about the possibilities for benefits and application, and cooperation with LGUs and central government for their distribution, with special focus on reaching disadvantaged groups, the blind, the persons with hearing impairment, the Roma community, etc.”



(activity 3.2.1, p. 79) is partially in place. However, information on this activity is limited as such campaigns are implemented independently by municipalities.

## 5. Conclusions of the Mid-Term Evaluation

### 5.1 Achievements, challenges and gaps

#### 5.1.1 Context

The major contextual factors that have had an effect on housing conditions in general, including social housing, are the **earthquake of November 26<sup>th</sup> 2019 and the COVID-19 pandemic** and the major **institutional changes** that took place at national level in 2017 (after national elections). While the institutional shifts caused a general delay in the delivery of the actions of the Strategy, the two disasters increased pressure and burden on social housing needs, resulting into more requests to be administered by municipalities and the national government. From a financial perspective, both the national and the local governments did not reduce their efforts in responding to the requests. As a matter of fact, the resources planned prior to the events remained intact and were allocated to address the demand prior to the events. The government addressed the new requests (those due to the earthquake) with additional funds. As for COVID-19, the government financial support focused on three packages for businesses and supply of food and medical supplies to vulnerable households, but not on the delivery of housing. Due to lack of data, it is not possible to date to define what portions of the families affected by the earthquake and COVID-19 belong to vulnerable groups/communities and to categories that can, by law, be classified as eligible for social housing.

The earthquake of 26 November 2019 hit severely the housing and infrastructure sectors. An assessment report prepared by the Government of Albania with the support of the UNDP, World Bank, and the EU, led to the establishment of the post-earthquake reconstruction program and fund, and the mobilisation of financial support by donors. Both, the assessment report and the reconstruction program address damage and losses in seven sectors, housing included, and provide funding mechanism for socio-economic recovery. Yet, an assessment of the impacts of the earthquake on social housing (as a sector and as beneficiaries) and on vulnerable categories of community (as beneficiaries of social housing) is not made. In these circumstances, it is difficult drawing a conclusion on how the social housing sector was hit. However, it is clear that the earthquake disaster has contributed to the increasing number of families in need for housing support through social schemes. As a result, the Government of Albania allocated from the 2020 budget an amount of 2.9 billion Lek for subsidising the housing rent in the market for around 14,000 earthquake affected families.

The Social Housing Strategy 2016-2025 was designed without prior consideration to major natural and/or biological disasters that could affect housing. Therefore, the institutions that provide / facilitate access to social housing were not strategically prepared to dealing with the situation created by the earthquake of 2019 and COVID-19. Both events were addresses through national emergency interventions, at policy/legal and implementation levels. Due to the nature of the emergencies, the earthquake had a direct

and visible effect on housing, contributing to an increasing demand for social provision of housing. COVID-19 did affect (among others) the social interaction within families, due to the isolation measures established particularly in the first half of 2020. It also highlighted the need for better housing and public space conditions as means to dealing with hygiene, distancing, and psychological health requirements. However, in both emergencies, it was not possible to establish a proper cause-effect relation with social housing programs and beneficiaries, due to lack of targeted data.

Gathering information such as the number of social housing applicants and beneficiaries affected by the earthquake and/or COVID-19 at local level, including all relevant aspects of their vulnerabilities and socio-economic conditions is a major data-collection effort. While it may have been unrealistic to enter into such arrangements during 2020, this information is important to the financing of social housing in the future, in the light of disaster risk reduction processes that each public institution should undertake. It is suggested to collect this information in combination with the upcoming efforts of the Housing Directorate on the functioning of the online system for social housing applications and on the establishment of an integrated database (GIS included) on social housing. In its plan for COVID-19 socio-economic recovery and response plan, UN Albania foresees support to GoA on analysing challenges and gaps in the local level service delivery (housing included) due to COVID-19, and the behavioural change of the COVID-19 affected population, with a focus on vulnerable groups (UN Albania, 2020, p.72). The assessments are to be coordinated with the relevant ministries. Such potential support and more could prove beneficial to the Government and could be used by MoFE for the integrated database. Yet the interest of MoFE on the database needs to be formulated clearly in the SHS review.

#### 5.1.1 Results

The **principles of the Strategy have been applied and its strategic focus on affordable and appropriate housing, particularly for the vulnerable communities, remains endorsed by the stakeholders.** The **Strategic Objectives are considered as relevant and appropriate** by most municipalities, at a level above the average, as well as by the stakeholders' groups. The objectives remain relevant, regardless of a dynamically changing context, but may need a review based on completion of actions so far. For instance, Objective no. 2 which is all about adoption of the relevant legal framework is almost fully achieved, with some work in progress for adoption of the final adoption of few bylaws. Obviously, this objective, though universally relevant, needs a review to reflect its level of achievement. Similarly, Objective no. 5, which is about the expansion and implementation of housing programs, should also be considered for review to reflect the changes that the new social housing law brought in regard to new programs.

**Relevance is however rated higher than appropriateness**, showing that there is a need for the Strategy to **convey strongly the message of reflecting the diversity and idiosyncrasies of the local context.** This could imply some review in the language of the Strategy, but mostly in its actions, focusing particularly on tailored capacity building at local level. The lower appropriateness (as a perception of municipalities and some stakeholders) is supported also by the finding that, while having completed successfully the legal framework, the Strategy is faced with challenges of implementation due to: i) insufficient of local capacities and low understanding of the Strategy and the various housing programs at local level; ii) lack

of databases and resources (human and financial) at local and national level; and iii) risk mitigation plans which do not sufficiently capture all disaster events at national level, and are missing at the local level.

These challenges of implementation are linked directly to the **governance arrangements** applied by local governments on social housing. While there is a general course in motion towards expanding the housing programs and increasing local efforts in their implementation, **there are still weaknesses, due to lack of capacities (financial and human)**. The number of local officials per municipality, dedicated as staff for social housing, is very low and in various cases these people carry out other tasks too. Increasing the number of staff at local level goes perhaps beyond the scope of the Strategy, but because of posing a serious risk for its implementation locally, it could appear in its action plan, under the cooperation with other institutions. Similarly, the Strategy could emphasise further the need for local governments to explore new mechanisms of increasing local own revenues for social housing, by keeping the Objective on PPPs. When it comes to funds, local governments should not remain in a waiting position for national governments to provide. Instruments of public-private partnerships, though currently not so preferred/applied locally, should become new and significant avenues for local governments to explore.

One of the main pitfalls in social housing governance and implementation of the Strategy is the lack of data at the local level. **The current data that municipalities have are not unified (in time and format), are scattered and not always held in electronic version, let alone in integrated databases.** The electronic register (already in the Strategy) will help in this regard, but it will not solve the problem if supplied with information only by applicants at the moment of application. There are several other types of information on social housing aspects that should be entered in the system by the municipalities. While most of the burden in establishing local databases falls on municipalities, the Strategy could emphasise the need for an integrated system by promoting it its actions and by including relevant activities of capacity building support.

Another lesson learned so far, is that there is a general **gap in the understanding of the different housing programs by the community**. Municipalities publish the selection criteria and the calls for application, but it seems that the community has a rather low level of knowledge/understanding on what is published and how it could benefit. This is confirmed by some of the municipalities, but also by other stakeholders, especially the representatives of Roma and Egyptian communities. All this implies that municipalities should increase significantly their communication and information sharing efforts in the social housing delivery processes. As for the Strategy, it could emphasise communication and knowledge activities in its objectives and actions, at least at national level. Yet, it is very much in the discretion of municipalities to implement such activities locally. Most importantly they should provide information in a tailored way, addressing the needs of the specific communities.

While **access of vulnerable groups** to housing programs has slightly **improved**, the municipalities still find it difficult to offer housing solutions for middle-income and low-to-middle income groups. One of the main pitfalls, recognized by municipalities but also stakeholders, is the registration of the **social owner**. This is important not only to the implementation of the Strategy, but also for the preparation and implementation of the local housing plans (5-years programs as defined in the Law). The lack of willingness of property owners to register as a social owner is due to (among others) the informality in the rental housing sector and declaration of taxes. In addition, housing PPPs have not managed as yet to

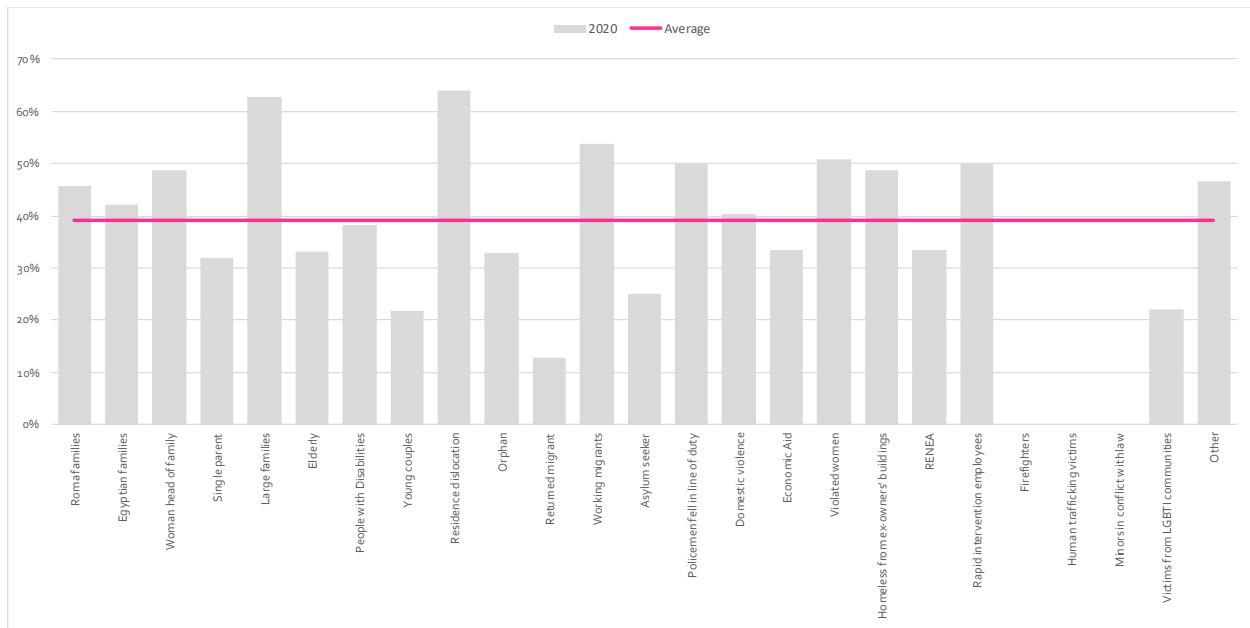
provide a viable alternative for increasing the social housing supply. Municipalities have not found ways to attract private companies in the process of delivering social housing, although it could also be that municipalities themselves miss knowledge on how to benefit from the PPPs as an instrument for housing. On the other hand, some of the stakeholders in the urban development sector suggest that measures could be taken, such as reducing/removing the infrastructure impact tax to support the process the application of PPPs.

An issue that was firmly raised by groups of beneficiaries as a major concern, is the **representation of civil society, and especially of vulnerable communities, in the social housing Consultative Committee**. Currently, according to representatives of the Blind Association in Albania and the Federation of Para & Tetraplegic, the representation in the Committee is done **on a rotational basis**. However, as the needs of the different PWD segments are different, this type of representation in the Committee is regarded by stakeholders as not always sufficient or appropriate to defending the interest of each respective community. Most importantly, as these organisations report, their cooperation with the municipality is not satisfactory and the implementation of the legislation is sometimes distorted. Therefore, closer communication and cooperation with the Housing Directorate in MoFE is seen as key to addressing their problems. Besides intensified communication, these groups have demanded for increased representation in the Consultative Committee, as well as a better a matching of the topics discussed with the interest groups to participate.

Finally, the results of the strategy were assessed towards achievement of targets, as expressed in the indicators of the monitoring framework. The table 4 provides the 39 indicators, their baseline, planned values of indicators for 2020 and 2025, as well as the reported values for 2020 and the reported annual values for 2017-2020. The values should be considered with caution because are drawn based on the response from local governments. For few of the indicators, data is collected and maintained at national level, therefore reference should be made to the earlier chapters of the report. In some cases, the formulation of the indicator has been rather vague in terms of defining clearly the reference group. Notes on these aspects are made in the indicators table in the “comments of reviewers” column.

Generally speaking, based on the table of indicators, 21 out 39 indicators were achieved and exceeded in value. 10 out 39 have positive values, but are below the planned target. 8 out 39 are considered as “impossible to provide a plausible value”, due to one of the following: i) lack of data from the survey to calculate the value; ii) data which are available, but are not comparable to the planned value and formulation of the indicator; and iii) the formulation of the indicator is not clear and does not provide a reference against which is to be measured. In average, 39% of the applicants (apply to any program) have received social housing. 11 out of 25 categories stand above the average, and only six are above 50% (figure 33).

Figure 33. Ratio of beneficiaries against applicants per category defined in the strategy (2020)



Source: The Social Housing Survey with Local Governments, October 2020

Table 4. Monitoring and Evaluation indicators of the Social Housing Strategy for the mid-term period 2016-2020

ID	Indicators	Baseline	Target Annual periodicity		Comments of the reviewers	Indicator value per year				Total
			2013-2015	2020		2025	2017	2018	2019	
1	Share of Roma and Egyptian households in need that have benefited from social housing programs.	10%	40%	80%		29%	47%	49%	48%	43%
2	Number of Roma and Egyptian households that have benefited from infrastructure improvement program.	282 (23%)	458 (38%)	480 (39%)		0%	0%	0%	0%	
3	Share of LGUs that have established a system for data collection and have used gathered evidence for improving housing programs.	0%	40%	80%	Question 1.20 in the survey. 25 municipalities out of 36				69%	
4	Share of applicants that are satisfied with the quality of service provided by housing experts in the LGUs	No information	50%	80%	A separate survey is needed, to be conducted with applicants and beneficiaries					
5	Percentage of successful funding requests by LGUs, annually	90%	100%	100%	The indicator needs unravelling					
6	Share of state budget that goes for social housing programs. (note: budget of the Ministry)	19%	100%	100%	In the Mid-term budget of the Ministry					
7	Percentage of LGUs that have funded housing programs through their own sources	Less than 5%	30%	50%	Calculated as the no. of municipalities that report having carried out expenditures for social housing with their own revenues towards the total of the responding municipalities.	19%	22%	28%	36%	
8	Number of evicted families	129	0	0	Yes (6.1) Table 14 of the survey	0	19	0	1	20

9	Percentage of applicants with access in more than one social program (for e.g. percentage of unemployed applicants that have a housing bonus and were employed).	No information	20%	50%	Yes (6.1) Table 2 of the survey	231	207	253	453	1,144
10	Number of plots of land that has gone to LGU for social housing purposes, annually	No information	Depending on free land plots state property that can be used for housing	Depending on free land plots state property that can be used for housing	At the ministry					
11	Number of households that have benefited from the programs for land equipped with infrastructure.	0	Depending on available land plots	Depending on available land plots	Yes (6.1) Table 4 of the survey	0	0	8	0	8
12	Number of households that have benefited from PPPs	0	500	Depending on agreements that will be developed	Yes (6.1) Table 5 of the survey	1	50	14	24	89
13	Number of households that have benefited as a result of public -private and community agreements	0	Depending on agreements that will be developed	Depending on agreements that will be developed	Yes (6.1) Table 7 of the survey	3	5	4	3	97
14	Number of households sheltered in unutilized facilities (adjusted for housing purposes).	0	Depending on demand from municipalities		Yes (6.1) Table 8 of the survey	123	147	112	136	518
15	Number of approved projects for improving Roma and Egyptian communities settlements, with the participation of the communities and approved by the LGUs	13	50	100	Yes (6.1) Table 6 of the survey	72	74	41	18	205
16	Number of families beneficiaries from the schemes of housing for disadvantaged groups.	282	400	700	Total no. of beneficiaries. It is not clear what the reference category is.	1,582	2,002	1,553	2,057	7,194
17	Percentage of groups at disadvantage that have benefited from any of the financial instruments, in months	0	20%	60%	Not possible to calculate due to gaps in data					

18	Amount of funding from international donors	0	79,620,000	6,700,000	To be collected at the ministries	Aktivitetet soft u financuan me mbështetje nga donatorë.				
19	Ratio of beneficiaries (number of beneficiaries/applicants) from funding of energy efficient housing projects.	57	163	170	Yes (6.1) Table 10/11. The indicator requires a ratio, but the target value is given in absolute figures	20	2	4	6	32
20	Number of beneficiaries from facilitated loans whose loans have been disbursed	3,894	5,000	7,000	Yes (6.1) Table 12 of the survey	413	549	30	349	1,341
21	Percentage of groups at disadvantage beneficiaries from rent subsidies for facilities in the ownership of the municipalities.	No information	Depending on information from municipalities	Depending on information from municipalities	It is considered category 1 of P1	27%	70%	46%	74%	47%
22	Percentage of beneficiaries of rent bonus (number of beneficiaries/applicants) for houses in the free market contracted by LGUs.	No information	Depending on information from municipalities	Depending on information from municipalities	It is considered category 2 of P1	219%	206%	139%	28%	73%
23	Percentage of beneficiary households where the head of the household is a woman	18.7%	25%	50%	The accuracy of indicators should be taken with caution, because sometimes mistakes are observed in the reporting of municipalities.	30%	33%	80%	50%	49%
24	Percentage of beneficiary households with single parents as beneficiaries	31.70%	50%	60%		26%	18%	85%	53%	32%
25	Percentage of extended households' beneficiaries	25.50%	30%	35%		21%	27%	46%	75%	63%
26	Percentage of elderly beneficiaries	25.40%	35%	50%		21%	25%	37%	55%	33%
27	Percentage of PWDs beneficiaries	13.50%	25%	40%		26%	23%	51%	42%	38%
28	Percentage of young couples' beneficiaries	40.20%	45%	50%		13%	26%	22%	46%	22%
29	Percentage of households' beneficiaries that have changed residence	28.60%	35%	40%		36%	37%	13%	98%	64%
30	Percentage of orphan beneficiaries	4.70%	30%	50%		17%	15%	0%	69%	33%
31	Percentage of returning emigrants beneficiaries	27.90%	30%	30%		10%	11%	8%	19%	13%
32	Percentage of migrant workers beneficiaries	30.80%	35%	35%		20%	0%	50%	85%	54%



33	Percentage of asylum seekers beneficiaries	0%	5%	5%		0%	33%	0%	100%	25%
34	Percentage of households of fallen police officers	0%	10%	25%		25%	0%	100%	100%	50%
35	Percentage of victims of domestic violence who are beneficiaries	0%	20%	40%		21%	17%	113%	68%	40%
36	Percentage of Roma households who are beneficiaries	37.20%	50%	70%		29%	46%	69%	53%	46%
37	Percentage of beneficiary Egyptian community households	11.20%	30%	50%		28%	47%	42%	46%	42%
38	Percentage of social assistance beneficiaries	22.80%	40%	60%		22%	20%	57%	32%	33%
39	Other groups of beneficiaries	35.90%	40%	50%		34%	52%	108%	54%	46%

Source: Data reported in the Local Governments Survey (2020) on the indicators of the SHS

## Policy, legal, institutional and organisational

The review of SHS is timely and as foreseen by law. However, the annual monitoring has not taken place and the process should be introduced. Even if the annual monitoring and assessment reports might not capture all of the necessary information due to difficulties in establishing and populating the database, the process should take place so that the tradition is established. This is necessary for the consolidation of the Strategy as a policy instrument, but also for the bringing social housing governance to a next level, both nationally and locally.

The legislation is complete. Some work is still in progress to adopt the final bylaws. It might be early to discuss improvements to the legislation as its implementation has yet to take place. It is only through full implementation that legal gaps or hindrances are fully understood. Yet, based on the meetings with stockholders' groups, it seems that there might be as of now issues of concern. Some of these issues of concern are clearly formulated based on arguments, while others might be due to insufficient communication or misperception. Whatever the case, as these issues (as raised in the report) come from the stakeholders' groups, it means that the cooperation between the Housing Directorate and the various stakeholders could benefit from further strengthening. This would then result in improvements made to the legal framework. In this respect, the Objective no.2 could be revised to include continual improvement of the legislation, based on continuous cooperation with the stakeholders and the municipalities. As for the cooperation between MoFE and the other ministries, this needs to continue and become stronger, as a means to increase welfare and improve living conditions and social status for vulnerable communities. Besides legislation, that is now in place, this cooperation can be materialised through a common access in an integrates system of social housing data and sharing of information, and through efforts of the Housing Directorate to push more actively for implementation of the sectorial legislation (when relevant) in relation to social housing (for instance energy efficiency, spatial planning and informal developments).

### 5.1.3 Resources

Financially speaking, **the deployment of planned resources has happened alongside the implementation** of activities. Soft activities were supported by donors, particularly UNDP through "Leave no One Behind". State budget funds were allocated for the implementation of the housing programs and the total amount spent (investments and subsidies) by the mid-term (2016-2020) for the programs is 50% of the costs foreseen in the strategy. This ratio is kept also for each of the categories, investments and subsidies. This spent amount does not include extra resources made available for the households affected by the earthquake. **The financial efficiency of achieving the housing programs is kept, but not increased**, keeping in mind that the planned PPP fund was not generated (activity 4.1.4) and that some Strategy activities (such as the database and online system) are yet to be finalised, beyond the foreseen time. The efficiency in this case might have been affected by the institutional changes, delays with the legislation and the insufficient number of staff, both at the national and local levels of government.

Finally, the sustainability of the results cannot to be properly assessed at the current moment. The considerable time dedicated to the preparation of the legislation and the respective participatory process, as well as the achievement of housing programs as planned (including changes introduced by



the Law), are indicators of a potentially sustainable approach and instrument. However, due to the delay in the implementation of the strategy, the changes in the legal and institutional framework occurring over the last two years, and being only in the mid-term phase of implementation, it is too soon to assess the sustainability of the Strategy.

## **5.2 Synergies with other strategies, programs and instruments**

Besides SHS and the social housing legislation, the Government of Albania has also addressed the various aspects of social housing through adopting international strategies and platforms and in the cross-sectorial strategies. However, this has not always taken place in a direct way. The analysis shows that some of the relevant other national strategies should reconsider social housing in their review. On the other hand, SHS could emphasise further the connection of social housing to other sectors.

The SDGs, particularly 1 and 11 should carefully be addressed in the objectives of the revised Strategy. The current Strategy provides for a diversity of housing schemes, which is in line with the New Urban Agenda and Geneva UN Charter on Sustainable Housing. Yet, the Strategy could make a better connection to the New Urban Agenda, particularly with respect to housing retrofit for vulnerable groups and to the provision of social housing that is resilient to disasters, besides being qualitative, accessible and affordable. The revised SHS, in line with the Urban Agenda, should also emphasise the local territorial plans as means to convey the achievement of its objectives. Most local territorial plans do not currently suggest areas or settlements for social housing programs, let alone introducing instruments for mixed-use inclusive housing options. In addition, the SHS could make a clear point on the location of housing programs/options across the territory vis-à-vis the services that are needed for different groups of beneficiaries.

In these same lines, the Strategy would then employ also the principle of environmental protection as defined in the Geneva UN Charter on Sustainable Housing. In operational terms, this intention can be achieved especially once the revised SHS establishes clear connections with the General National Territorial Plan, and includes actions that streamline social housing through local territorial planning.

As the NSDI has now entered in the review phase, the social housing institutional actors could advocate for the direct appearance of the sector in the NSDI objectives, at least clearly spelled out within the social and economic inclusion priority. Similarly, the social development and protection strategies being revised by the Ministry of Health and Social Protection should consider provision of housing for their target groups directly in the strategies' objectives and actions. Last but not least, the goals of energy efficiency in buildings should be clearly defined for social housing programs as well.

## **6. Recommendations for the review of the Social Housing Strategy 2016-2025**

Most recommendations on the potential changes to the Social Housing Strategy are already provided in the Chapter 5 of this report - Conclusions. This final chapter contains a summarised list of the recommendations, formulated specifically for intervention in the Strategy. The Housing Directorate,

based also on the stakeholders' meetings will finalise the inclusion of such recommendation in the Strategy.

(1) The content of chapter 1 (Current Situation) of the Strategy was relevant at the moment the Strategy was adopted. This chapter set the basis for the subsequent chapters that lay the vision and measures taken to address the context. Since 2016, the context has changed and, while some challenges still remain, most of them (related to capacities, diversity of programs and most importantly legislation) are fully or partially addressed through the implementation of the Strategy by 2020. This is a mid-term review, and not a process for drafting a new Strategy. While the current Strategy is in force, the purpose of the mid-term review is to re-validate the principles, vision and objectives of the Strategy with stakeholders, and revise activities to fit the context and the progress of implementation. In these circumstances, it is strongly recommended that no modification happen in the text of the Strategy itself. On the other hand, the mid-term assessment report contains findings and recommendations in relation to the review of the Strategy, including few modifications to chapters 2 onward. In this context the following is suggested:

- Maintain the text of the Strategy unchanged;
- Include an Annex to the Strategy that contains a summarised overview of the demographic situation and of the housing market in Albania and the conclusions of the mid-term assessment report, which lead to the review of the Strategy;
- Include an Annex to the Strategy which provides the potential changes of the Vision and Objectives (as follows), in case approved by MoFE;
- Include an Annex to the Strategy with the revised Action Plan and the revised Table of Indicators from the Monitoring section. The Action Plan will also make financial indications;
- Include an Annex to the Strategy with a revised risk management plan that reflects any changes to the Objectives and especially changes to the Action Plan.
- All annexes listed above can make use of the recommendations for modification provided in points 2 to 6 below.

(2) The Vision and the three strategic principles remain intact. However, the MoFE may wish to reconsider, based on the results of the evaluation and on the challenges of the context, any of the following:

- Change of the target of 60% in the vision to a more feasible value, particularly after the earthquake;
- Add a principle on ecological resilience and disaster risk preparedness;
- Review the third principle, that of cooperation and coordination with other sectors, to include also territorial planning, energy efficiency, and civil protection. Better coordination among social housing and these three sectors will also contribute to the continuous achievement of the three current principles of the Strategy.

(3) The overall goal of the Strategy has a target of 25,000 households, excluding those that may benefit in case of emergency, such after the earthquake. The total number of beneficiaries for the period 2017-

2020, based on the survey (37 responding municipalities) is around 7,200 families. According to the MoFE, 1,840 families benefited from the rent subsidy program only during 2019-2020. Furthermore, an approximate assessment of beneficiaries during the mid-term period (based on data from MoFE) leads to more than 10,000 families. Hence, it is assumed that at least half of the targeted households have received support in the first half of the Strategy's life. The Housing Directorate may wish to reconsider the target, setting a more feasible one, matching finances, and perhaps increasing it. On the other hand, the target may also remain unchanged, but it is important for the Strategy to amplify the efforts that all institutions should make towards achieving and even exceeding it.

(4) All four strategic priorities remain intact and fully relevant. The formulation of the strategic priority no. 2 (better access through review of legislation and institutional framework) needs some review to reflect the fact that the legislation is already in place and that continual improvement of legislation should always remain a priority for the Housing Directorate.

(5) The five objectives of the strategy have high relevance, but a slight review is needed to improve the appropriateness, as defined in this report, as well as to reflect contextual changes. In addition, in case the principles of the Strategy will be slightly revised to include resilience and disaster risk reduction dimensions, this must also be reflected in the Objectives, sub-objectives, expected results and activities of the Strategy. Potential reviews at the level of objectives are the following:

- Revise Objective 2, so that from "improvement of the legal and institutional framework to increase access to housing to 50% of disadvantaged households", transforms into "continual improvement of and clarity on the social housing legislation, institutional and regulatory framework, to guarantee access to all groups of beneficiaries defined in the Law". It is proposed to remove the target of "50%" because the legislation is already in place and provides space and opportunity for social housing for more than 50% of the vulnerable and disadvantaged communities/categories. Hence, from a legal perspective the defined categories are comprehensive, all-inclusive and all benefit from equal treatment. Furthermore, if the target is to mean the ratio between beneficiaries and applicants, then it is not feasible to assign such target, or any other value of the target to the legislation only. With the legislation already in place, the number of beneficiaries can only increase if the other objectives of the Strategy are achieved.
- Revise Objective 3 for language, hence substitute "coordination of efforts" with "coordination between institutions" and "distribution/allocation process" with "provision and supply of social housing", in order to make a firm statement and avoid subjectivism on a matter (coordination and cooperation) that is crucial to the provision and allocation of social housing. It should be reminded here that Objective 3 had the highest relevance and the second highest appropriateness, as reported by local governments, but it also needed improvement at objective and sub-objectives levels, for more clarity.
- Revise Objective 4, by potentially removing the target. The Strategy did not deliver most of the activities of objective 4 and it is therefore difficult to think of a target that may suit the review of the objective. A positive development, unplanned for in the Strategy, is the collaboration between the MoFE and three commercial banks, including also the National Housing Authority,

for the loan subsidy program, under the low-cost housing program. As a result, agreements were signed in 2019, and 1000 beneficiaries were planned to be added to those receiving subsidies on loans in 2020. This stands as 13% of the total number of beneficiaries for 2020, which is very promising in terms of the target. Yet, as most probably the activities of objective 4 will also change (as suggested below), a review of the target may become necessary as well.

- Objective 5 needs revision to include in its formulation all of the programs and all of the groups of beneficiaries as defined by the Law. These groups include the vulnerable communities, as well as the low and low-to-middle income households. The current formulation of the objective is also unclear in relation to the target. Hence, is the 30% increase set for the housing programs (defined as alternatives) or for the number of the beneficiaries? As the Law is very specific with regard to programs/instruments, introducing also new ones, all applying to all contexts, it makes sense to attribute the target to the number of beneficiaries. It should also become clear that the 30% increase does not mean percentage of beneficiaries against applicants, but the increase of the percentage of beneficiaries against applicants. Yet, as the table of indicators contains various such percentages, it might be more appropriate to remove altogether the target from the objective. This would not lower the ambition of the Housing Directorate and municipalities in achieving higher rates of beneficiaries, as they will however have to achieve the indicators set in the monitoring table.

(6) The review of the objectives will lead to the review of activities and the respective indicators in the action plan. Some key changes for consideration are as follows:

- Inclusion of all housing programs defined by law, in the Strategy, particularly in the activities of Objective 5. The Law has created the basis for improved effectiveness in the delivery of housing options under more programs and for more vulnerable groups. Yet, this has to be reflected in the Strategy as well. Through the legal changes, the number of beneficiaries accessing social housing in case of Roma community has even managed to attain the 5% quota. Perhaps similar quotas can be set for other categories of beneficiaries, such as the PWD. Furthermore, specifications can be made to highlight the need for implementation of housing standards for all categories, upon their needs, and for proper location of housing options, close to services and preferably in mixed-use areas.
- Review of activities in Objective 1, to emphasise further capacity building actions. As a matter of fact, capacity building activities should increase in general and be crosscutting to most of the objectives. These could include training and on-the-job assistance provided by the Housing Directorate, potentially with the support of donor programs.
- The activities of Objective 3 should also increase in number and should be diversified to include institutions and sectors other than merely the ministry responsible for social protection. This will also provide the opportunity for the Strategy and its actions to embrace a resilience and disaster preparedness dimension, as at least one activity under Objective 3 can imply cooperation with the civil protection institutions. The resilience dimension can also be addressed through a revision of the risk assessment and mitigation plan of the strategy.

- Finally, either in Objective 1 or Objective 3, the Strategy could also foresee more activities of cooperation between the Housing Directorate and beneficiaries and stakeholders. This would imply also that the potential for PPPs can be explored further and made better use. Then again, besides financial feasibility, PPPs should be based on trust. Forging alliances with the developers, could provide beneficial for the MoFE in increasing the financial sources for social housing.

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## **Appendixes**

### **1. Legal Review**

The legal review is provided as a separate excel file

### **2. List of stakeholders consulted and minutes**

Albanian Association of Builders

Center for Social Advocacy

Egyptian and Roma Youth Movement

Help the Life Foundation

Paraplegic and Tetraplegic Association

National Housing Authority

Ministry of Health and Social Protection

The minutes of each meeting are provided as separate files.

### **3. The structure of the questionnaire for the Survey with Municipalities**

The questionnaire is provided as a separate file