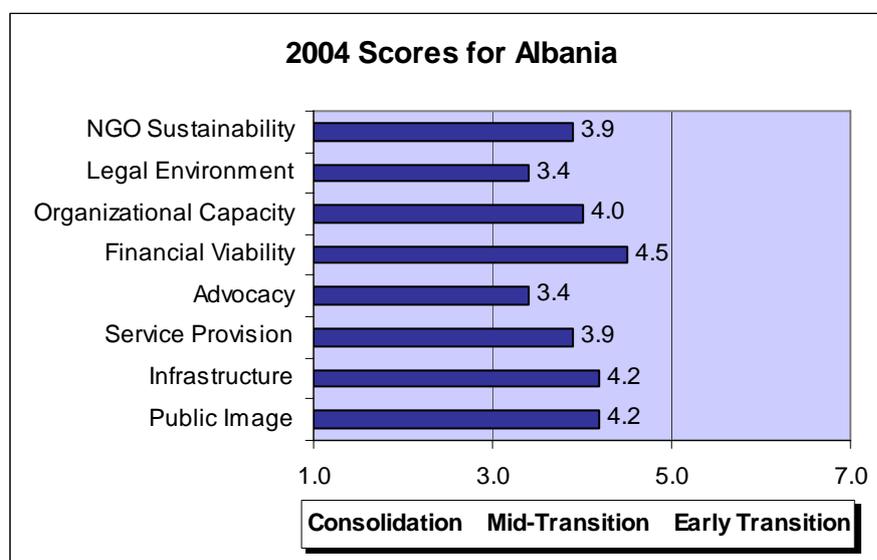


## ALBANIA



**Capital:** Tirana

**Polity:**  
Presidential-  
parliamentary  
democracy

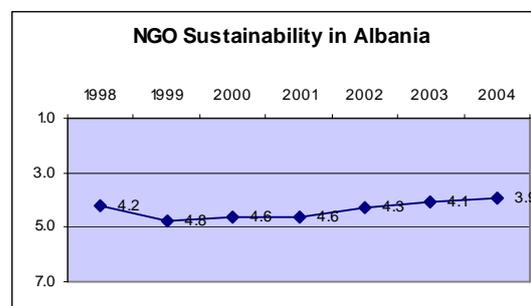
**Population:**  
3,540,000

**GDP per capita  
(PPP):** \$4,500

### NGO SUSTAINABILITY: 3.9

In 2004, the overall NGO Sustainability score rose significantly, overcoming what had been a sluggish but upward trend over the past few years. The score change is driven primarily by improvements in the Advocacy dimension, a reflection of civic participation in anticorruption and public sector reform movements. There were, for example, several visible campaigns by NGOs and coalitions on the issue of government corruption, several of which generated mobilizations that eventually reversed government policies on such controversial issues as utility rate hikes. In a few instances, government officials harassed NGOs participating in reform efforts, but these were isolated events. These advocacy efforts provided NGOs with many media and public relations opportunities, which they used effectively, leading to a more positive public image for the sector, as well as greater public

awareness of the issues for which NGOs advocate.

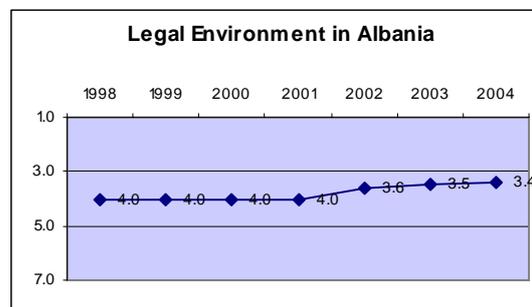


As most active NGOs remain dependent on external funding, the Financial Viability dimension was the weakest again this year. Some in the sector are searching for alternative and more sustainable sources of support such as government funding and local philanthropy. While organizations are beginning to contract more with local governments and charge fees for their services, funding of the NGO sector is still not sufficient or sustainable.

**LEGAL ENVIRONMENT: 3.4**

Though the legal environment did not change significantly in 2004, the government has another year of experience in implementing the laws, allowing for more efficient application, as well as a consolidation of the rules that govern organizations and their relations with the government. Legal assistance for NGOs is available in larger cities, and in Tirana, specialized centers such as the Women Advocacy Center provide NGOs with legal counseling to register NGOs pursuant to the new NGO law. The pool of attorneys trained in NGO law is still small and there are no ongoing efforts to train others. NGOs have begun making greater use of the legal provision adopted in 2001 that allows them to conduct fee for service activity. In one example, Tirana-based think tanks were hired by the government to draft various pieces of

legislation, including a conflict of interest law.



Though the Citizens Advocacy Office, which was involved in the anti-corruption campaigns this year, reported instances of harassment by the State Tax Office, public debate continues and citizens enjoy the freedom to express criticism of the government without fear of being harassed. The limited cases of harassment did not have an impact on the groundswell of civic engagement on social issues, and advocacy remains strong.

**ORGANIZATIONAL CAPACITY: 4.0**



Though the NGO sector remains generally weak and donor dependent, several of the larger organizations have made notable progress in their organizational development over the past year. More NGOs have strong organizational structures and generally recognize the division of responsibilities between their boards of directors and staff. In addition, more organizations are operating with

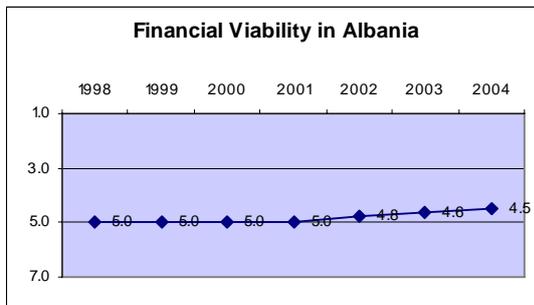
clear strategic plans and greater transparency, publishing annual activity and financial reports. The sector has also created national NGO networks that organize around public interest issues. Outside Tirana, organizations have increased access to modern office equipment such as computers, internet and email, and phone services.

More NGOs are developing partnerships with prestigious international organizations. One example is the Citizen Advocacy Office, which is partnering with Transparency International to strengthen the organizational structures of beneficiary NGOs, providing necessary resources and capacity building. The continued implementation of small grants by these international organizations ensured that

local NGOs were able to provide a variety of social services to hundreds of underserved people across the country. As NGOs have become more involved in

advocacy projects, their constituencies have increased.

### FINANCIAL VIABILITY: 4.5



The NGO sector remains heavily dependent on donor funding. This dependence is due in part to the historical lack of autonomous organizations in Albania. In addition, government officials have never trusted the NGO sector and at times see NGOs as adversaries rather than allies. NGOs have never had the benefit of local philanthropy or favorable tax provisions that provide sufficient incentives for giving. Relations with the government are improving, as evidenced by the increased number of NGOs partnering with local governments to provide basic services. Some organizations have started contracting with local officials to assist with municipal

planning, as well as developing and implementing certain community services.

Albania's economy has had several years of continual growth, though per capita income remains among the lowest in Europe. Because incomes have not risen, the already low levels of corporate and individual philanthropy have stagnated, leaving most organizations financially precarious, similar to NGOs in the neighboring Balkan countries. NGOs are taking greater advantage of the provisions allowing them to engage in economic activities, providing services to the public and private sectors for fees. For example, in 2004, NGOs provided training services for local government officials, covering topics such as transparency and accountability, financial reporting, and ethics. While NGOs are charging fees for their services on a regular basis, these fees are rarely sufficient to cover their costs. Most organizations are diversifying their funding sources, as foreign donors decrease their finding.

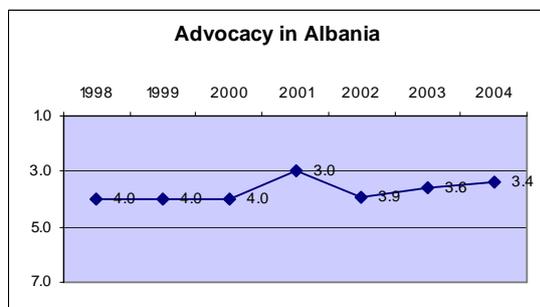
### ADVOCACY: 3.4

The NGO sector's greatest advances in 2004 were in advocacy, as NGOs initiated more campaigns and had more successes than last year in terms of changes or reforms of laws and policies. Successes included campaigns by the Albanian Coalition Against Corruption, the Citizen Advocacy Office, and the "Mjaft" movement, which resulted in the repeal of

a series of controversial government decisions regarding utility rates and other issues. The Citizen Advocacy Office and Transparency International, a global anti-corruption organization, partnered to focus on anti-corruption issues. In addition, the Albanian Coalition Against Corruption and the Citizens Advocacy Office monitored asset disclosures for the High

## 2004 NGO SUSTAINABILITY INDEX

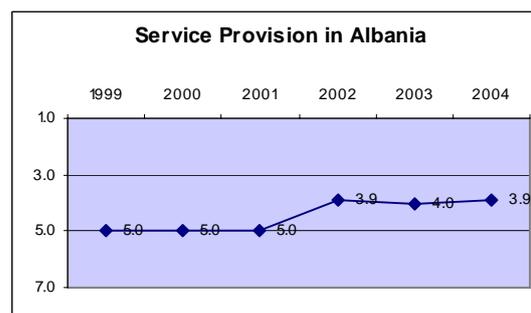
Inspectorate for the Declaration and Audit of Assets (HIDAA). These advocacy organizations and coalitions have pursued aggressive, media savvy approaches that have resulted in increased media coverage of their anti-corruption activities.



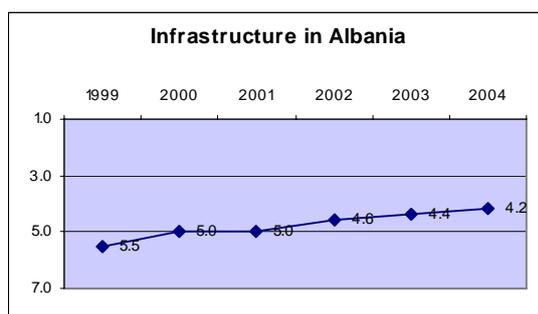
Increased visibility of NGOs has, in some instances, resulted in better relationships between the NGO sector and government, evidenced by an increase in the number of services entrusted to NGOs by government. The government recently contracted with a group of NGOs to assist with strategic planning. One example is the Ministry of State's Planning Anti-Corruption Monitoring Unit, which includes regular consultations with representatives of the Albanian Coalition Against Corruption (ACAC).

### SERVICE PROVISION: 3.9

The NGO sector has expanded the variety of goods and services it offers. Over the past year, an increasing number of NGOs have addressed the needs of marginalized citizens who lack access to social programs. NGOs offer education, health, and conflict mediation services for rural citizens who have migrated to urban areas such as Tirana, Durrës, and Vlora. Some local governments contract out a variety of services exclusively to NGOs. These include services for the disabled, human trafficking, and domestic services. Such contracts are generally granted where NGOs have developed projects based on needs identified at the grassroots level. While such contracting has led to more organizations identifying their constituents, few NGOs design projects based on the needs of a well defined constituency.



More organizations are now charging fees for their services, but it is generally insufficient to cover costs and the practice is not widespread. The organizations that have had the most success charging fees are those that have focused on training and technical assistance for the not-for-profit sector and business community. The organizations that provide services such as health and education for women and children in remote areas are generally less able to charge fees for their services.

**INFRASTRUCTURE: 4.2**

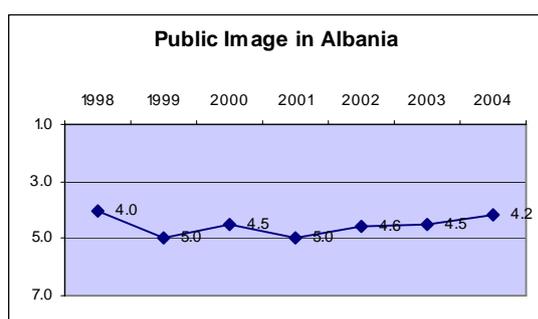
Contributions from international donors have increased the number of ISOs and resource centers offering services to NGOs. As these resources depend heavily on foreign funding, their financing is not sustainable and their long-term survival is

questionable. Some do charge fees for their services or have other alternative funding sources. Unfortunately, most of the training services are offered in the capital with far fewer in the secondary cities. Albania does not have any local grant-makers, other than those that redistribute foreign grant money.

One improvement is that grassroots organizations are more willing to be involved in coalitions and take on projects together, as evidenced by the advocacy efforts mentioned above. Inter-sectoral partnerships, however, are few and far between.

**PUBLIC IMAGE: 4.2**

Local NGOs improved their public image this year with successful advocacy campaigns and increased attention from the media. The general public and business sector have a much better perception of NGOs, no longer seeing them as extensions of the government, but more as monitors and watchdogs.



NGOs employed more media-savvy approaches and strategies this past year. These efforts are beginning to pay dividends in terms of public recognition of the groups themselves, as well as public awareness of the issues for which they advocate.

The NGO sector does not yet have a code of ethics, though efforts are being made to draft one. More organizations are increasing their transparency by publishing annual activity and financial reports.