

# ALBANIA



## Country disaster risk profile

Albania is vulnerable ([World Bank, 2021](#)) to the impacts of climate change, with increased vulnerability due to its infrastructure needs, and poverty in rural areas. The country is prone to numerous natural hazards, including hydro-meteorological hazards: floods, droughts, forest fires, and landslides. The country is also at high-risk to geophysical hazards such as earthquakes. Changes to Albania's climate, specifically the frequency of extreme weather events and temperature variations, are expected to have the most significant impact on the country's key sectors, its economy and population. The evaluation of the 2019 earthquake ([GFDRR & World Bank, 2020](#)) suggested that around 23 percent of the damages were in relation to public assets; with a concentration of exposed assets in larger cities. Average damage from earthquakes and flooding is estimated at US\$147 million per year, with a catastrophic event, such as a 1-in-100-year earthquake causing over US\$2 billion in damages.



## COVID-19 impact

Albania was **mildly affected** in the first wave of the pandemic and adopted some of the **toughest lockdown measures** in Europe in March 2020. The government proclaimed a state of natural catastrophe which enabled it to use extended powers for the three month duration which ended on June 23, 2020. ([IMF, 2021](#))

The **epidemiological situation has generally improved between spring 2021 and present**, and COVID-19 conditions have been relaxed, with no quarantine or testing requirement currently in place for foreign visitors. ([IMF, 2021](#))

As of February 2022 ([georank 2022](#)), over 270,000 cases were confirmed (9,952/100k), over 4,500 cases active (150/100k), over 262,000 recovered (8,688/100k) and over 3,400 deaths (114/100k).



## Fiscal and social protection measures

In 2020, the government put in place **two support packages** for affected people / businesses of a combined amount of Lek 45 billion (2.8 percent of GDP) consisting of budget spending, sovereign guarantees, and tax deferrals. A **third smaller support package** was adopted on 13 August, providing an additional minimum wage to public transport workers who resumed work one month later than the rest. ([IMF, 2021](#))

On **social assistance**, several measures were taken: cash transfers (conditional and unconditional) - economic assistance (Ndihma Ekonomike) and some lump-sums for various categories, monetary assistance by local authorities; home delivery to the persons in need of food, medical products, and other services; and utility waivers (electricity, renting, taxes, etc.).

On **social insurance**, a series of measures were taken on both pensions indexing and unemployment benefits whereas on the **labour markets** the focus was on several regulations, reduced worktime and wages subsidies.



## Structure of subnational governments

Albania has a **two-tier subnational government structure**, made up of 12 regions (qarks) and 61 municipalities (bashkite). Municipalities comprise towns/cities (qytete) and villages (fshatra): the 61 municipalities so far encompass 72 cities and 280 villages ([OECD/USLG, 2019](#)).

**12 regions** were created in 2000, with a total of 36 districts (rrethe) and **12 prefectures** (qark). The **prefectures are headed by the prefects who are appointed by the Council of Ministers**. These structures are deconcentrated levels of the state with no real competences, except for ensuring supervision of the local government activities' legitimacy on behalf of central government. In addition, there are regional/local directorates/offices of sector ministries.

# Documentation of how governments in Europe and Central Asia have responded to disasters and crises through subnational social protection systems

## Case study: Albania

Towards a disaster response through subnational systems allowing for effective response to the economic and social needs of children and their families, including through social protection measures

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## 1. Introduction

Within the overall documentation of how governments in Europe and Central Asia (ECA) have responded to disasters and crises through subnational social protection systems, the case study of Albania has a multiple stake value:

- The **earthquake of November 2019** has set the grounds for more action in terms of shock responsive social protection and better coordination among main stakeholders, with a potential for lessons learnt and their application during the COVID-19 pandemic. It also brought light to the need for decentralizing further the civil emergency preparedness system.
- The overall social protection system is under **extensive reform**, with a series of programmes ongoing, in partnership with various International Organisations, particularly the World Bank. The EU, through budget support, and the UN also are recognised as key partners for the social care services.
- While Albania has been mildly affected by **COVID-19**, in general and mainly compared with the neighbouring countries, the **Governmental SP response was tremendous**, with a very large diversity of preventive and protective measures.

These specificities have an important knowledge generation and sharing of good practices and lessons learnt potential, in a context where the **structure of the subnational governments** is relatively simple in nature, with a significant role of the municipalities both in terms of social protection (SP) and disaster risk management/reduction (DRM/R).

## 2. Provision of social protection by subnational governments within an articulated national SP system

**Social assistance and social care services** in Albania consist<sup>1</sup> of (i) the economic assistance (Ndhma Ekonomike), which is a means-tested social assistance programme providing support, cash or in kind, to families and individuals in need; (ii) the disability allowance providing monthly payments to persons with disabilities who are not eligible under the contributory scheme; (iii) social care services providing a range of services to individuals and groups in need, who are unable to meet their life needs with their own resources.

In terms of institutional configuration, the **Ministry of Health and Social Protection (MoHSP)** is responsible for drafting, costing, and budgeting and monitoring policies for social protection, including economic assistance, disability and social care services.

The **State Social Service** is a public institution under the policy guidance of MoHSP being responsible for implementing the economic assistance and the disability allowance. It has a central office and **12 regional offices** working in close coordination with the social workers in the social assistance and social services units established in each municipality. Economic Assistance Inspectors within the State Social Service at central and regional levels are responsible for monitoring both the economic assistance and disability allowance programmes.

The **Municipal Council** may approve social assistance for families that have applied through the Management Information System (MIS) but are not eligible. The procedure is regulated by a Ministerial Instruction. Municipalities can budget up to 6 percent of the total amount of cash assistance for this purpose. **Local government units are responsible for the delivery of social assistance and transfers to individuals, households, and families.** Local government units are also responsible for delivering social care services (as the only element of social protection in Albania that is totally decentralized to the local municipalities) and cooperating with other stakeholders and supporting them in their capacities to provide services. Social Administrators within **Local government units are in charge of the application process for social assistance.** Home visits and socio-economic assessment of the family conditions are carried out by the social administrator.

In terms of **benefits provision**, these are divided into **contributory schemes** – (i) old age pensions, (ii) disability pensions, (iii) survivor's (family) pensions, (iv) maternity benefits, (v) sickness benefits, (vi) employment injury benefits, and (viii) unemployment benefits; and **non-contributory programmes**, including – (i) Economic assistance (Ndhma Ekonomike), (ii) disability allowance, (iii) social pension and special government programmes, and (iv) social care services.

### 3. Highly complex DRM/R mechanism propitious for incorporating SP measures at subnational levels

From a **DRM/R perspective**, the institutional configuration<sup>2</sup> is much more complex than the SP one, and several levels of stakeholders and responsibilities are to be considered, even though the focus is on the subnational level. They include:

- **Assembly:** budget approval and extending the state of disaster/emergency.
- **Council of Ministers:** approval of National Civil Emergency Plan, central-level risk assessment document; declare state of natural disaster emergency; request extension of the state; approve policies on responding to, and addressing, consequences of natural and other disasters.
- **Ministry of Finance and Economy:** design financing strategies to optimize the allocation of government funds and resources, develop annual budget proposal, approve reallocation of funds; define debt management strategy; coordinate public financial management across participating institutions; review funding requests for post-disaster needs.
- **Ministry of Defence:** may review funding requests for post-disaster needs.
- **Minister responsible for civil protection (Minister of Interior):** define strategic directions and objectives of the National Civil Protection Agency (NCPA); develop and oversee the implementation of disaster risk reduction and civil protection policies; periodically inform the Council of Ministers about disaster risk reduction and civil protection; oversee NCPA budget management, in accordance with the applicable financial legislation.
- **National Civil Protection Agency under Ministry of Defence (operationalized in 2020) – now, the Minister of Interior:** implement the Council of Ministers' disaster risk reduction and civil protection policies, as well as strategic directions and objectives set by the minister responsible for civil protection; coordinate efforts under the National Strategy for Disaster Risk Reduction and the National Civil Emergency Plan, and as part of disaster risk assessment at the national level, cooperate with international bodies and counterpart international organizations within the framework of civil protection and disaster risk reduction; plan funds for disaster prevention and

rehabilitation measures in damaged infrastructure, as well as other activities in the field of civil protection; establish and implement a method for developing the Civil Emergency Plan; conduct inspections to determine whether provisions of the Law on Civil Protection are being implemented by state institutions and structures and by private entities; collect, manage, process, and assess all preliminary assessment reports, in-depth experts' reports, and any other data on the consequences of natural and other disasters that are received from local self-government units or other government authorities; receive and evaluate funding requests from local governments after disasters; decide on provision of compensation and other types of support after disasters;

- **State Ministry for Reconstruction** (established after 2019 earthquake, with potential to be established after other major disasters): draft and approve the general reconstruction programme, coordinate the activities of government institutions and private entities, including donors, in line with the general reconstruction programme and the reconstruction process, submit, through the minister responsible for reconstruction, a proposal to the Council of Ministers on use of the reconstruction fund by implementing units and local self-government units subject to a state of natural disaster, and on designation of the project implementation units in the context of the reconstruction process, ensure public information and transparency on the reconstruction process, submit fund use proposals to the Council of Ministers for approval;
- **Inter-Ministerial Committee on Civil Emergencies (Temporary):** coordinate all civil protection institutions and structure activities, determine methods and procedures for employment of material and financial resources, decide on the allocation of funds aimed at recovery from natural disasters.

- **Civil Protection Committee (Temporary):** Implement policies on disaster risk reduction and civil protection;

- **Ministries and National Government Institutions:** draft, approve, and update the Civil Emergency Plan and submit it to the NCPA, plan an annual budget for disaster risk reduction and civil protection, equal to between 2 percent and 4 percent of the total annual budget, for ministries responsible for civil protection, defence, internal

affairs, transport, infrastructure, agriculture, health, energy, education, environment, and culture, establish a disaster loss database in the area of responsibility, analyse the existing state of administrative, technical, and financial capacities for civil protection, conduct an assessment of disaster losses within the area of responsibility;

- **Implementing Units:** manage the funds that the Council of Ministers transfers out of the reconstruction fund, including any contributions in kind, and conduct procurement procedures.

- **Local Self-Government Units (or the municipalities):** Manage the funds that the Council of Ministers transfers out of the reconstruction fund and other contributions in kind, when appointed as implementing units in a Council of Ministers' Decree, adopt mandatory local plans, detailed local plans, and development and building permits in the context of the reconstruction process, establish, manage, and update a database of those who suffered casualties and / or became homeless as a result of a natural disaster, and meet their needs under the reconstruction process programmes.

#### 4. A legal and institutional setting articulating DRM/R and SP at all levels of decentralisation, particularly at municipal level

Whereas the NCPA is in charge of the elaboration of the National Strategy for Disaster Risk Reduction and the National Civil Emergency Plan, and centralizing data from both central and local levels, it is also acknowledged that line ministries – including health (and social protection) – have explicit **responsibilities in terms of setting aside budgets for DRM/R and civil protection** and ensuring **disaster loss data analysis and data management** in their respective areas of responsibility.

Although of temporary nature, the **Civil Protection Committees** also have a critical role in coordination among stakeholders at various levels of decentralisation. In the case of Albania, these committees operate at several levels:

- **central level** - Inter Ministerial Committee for Civil Emergencies,
- **sub-regional level (prefectures / qark)** – the Civil Protection Committee under the coordination of

the Prefect, with responsibilities at district and/or cluster of municipalities level, and

- **municipality level** – where the Civil Protection Committee operates in close articulation with: **social protection services**, municipal police, fire protection and rescue, public services, infrastructure, and health services.

Particularly, this close articulation with social protection services is of high interest in the case study, and the field research identified an example of best practice combining both the experience and lessons learnt from the 2019 earthquake and the current COVID-19 pandemic (see chapter 6, sections inspired by the work done at the level of **Korçë municipality** for details).

#### 5. A sustained, complex and extended COVID-19 related social protection response by the Government of Albania, including provisions at subnational level

At national level, according to the World Bank “living paper<sup>3</sup>” Albania is ranking high<sup>4</sup> in the region in terms of number and diversity of SP measures, with a total of nine core groups of measures. The details of these measures are presented in the annex and could constantly be consulted in the regularly updated version of the living paper. The purpose of this section is to set out the framework of measures taken by the Government of Albania and further corroborate the information with the field findings.

Here below are listed the core measures by the three components of social protection:

**Social assistance:** (i) cash transfers, (ii) food, vouchers, and others, (iii) utility waivers.

**Social insurance:** (i) pensions, (ii) unemployment benefits, (iii) social security contributions.

**Labour market:** (i) labour market regulations, (ii) reduced work time, (iii) wage subsidies.

Among the above measures, regarding the social assistance support, it is stipulated that “Retired persons as well as individuals and families benefitting from various social protection public services/programmes will be **provided home based assistance (monetary assistance) by the local authorities** and relevant institutions”.



## 6. Implementation approaches and practical models of action during emergency and crisis, particularly at subnational level

While the qualitative analysis<sup>5</sup> only considered a few interviews in each of the five countries<sup>6</sup> selected for case studies, the richness of collected information and the triangulation with data and information emerging from the desk review allowed for summarising a few interesting examples of action that might inspire other municipalities in developing similar approaches. Moreover, UNICEF Albania has embarked on a broad social protection programming with focus on shock responsiveness following the 2019 earthquake, hence, there is an opportunity to understand more in-depth the challenges and opportunities of a shock responsive social protection (SRSP) system in Albania.

### A “social dialogue group”:

Following the earthquake of 2019 the Municipality of Korçë, with UNICEF Albania support, put in place, a “social dialogue group” directly linked with the DRM/R response at municipal level. It gathers representatives from the public and private sector and civil society organisations, in a transparent process of cooperation and data sharing. Once the emergency state was declared in March 2020 due to the COVID-19 pandemic, this group was reactivated.

The main strengths of this mode of cooperation are:

- Mutual sharing of data through a **joint data-base regarding the families in need**, the specific needs they have, and the capacities of response by each member of the group;
- During the first stages of the emergency, mainly the **municipality funding ensured aid provision** to these families, but the other members of the group, including CSOs, brought their own contributions, even if they were not prepared to respond to the emergency situations.
- In terms of **operating procedures**: (i) three hot-lines where vulnerable people could call and ask for support, (ii) a youth volunteers’ group - outreach activities to isolated and single elderly, and (iii) procedures to identify and support vulnerable families with many children or single parent families.
- Most of the actions were **supported by UNICEF CO** and were highly appreciated by the counterparts. The local aid continued **till entering into force of the national SP measures**.

## Social assistance funds set aside at municipal level vs. national social assistance system

Whereas the beneficiaries of the SP measures are registered within a national data base through the national Management Information System<sup>7</sup>, the eligibility criteria mean that some vulnerable families very close to complying with these criteria remain unattended although their level of poverty, deprivation and vulnerability is very close to the official threshold. For these cases, the Municipality set aside a specific yearly budget to provide social assistance to those in need but not part of the MIS, while applying the state’s type and level of benefits.

In terms of the overall management process, it should be considered (ILO, 2021, Op. Cit.) that:

The **MoHSP** is in charge of policy making and legal framework, guides and monitors the reform actions carried out by the respective responsible entities, and is currently implementing nationwide the Social Assistance Modernization project.

The **State Social Service** (central office and 12 regional offices) is in charge of management, monitoring and reporting, is responsible for administration of cash assistance, implementation of scoring formula, administering the management information system, and training and capacity building.

The **Municipalities (61 offices)** are responsible for distributing economic assistance benefits, monitoring of the beneficiary families, and administering the data base of beneficiaries. It is in this capacity that the Municipality of Korçë is **planning the budget and setting funds aside**, in a context where the assessment of vulnerable people in the municipality allows for the identification of those needing support but not being included in the MIS.

### Opportunities for a SRSP system in Albania<sup>8</sup>

According to the feasibility study (UNICEF 2020, Op. Cit.) cash based SRSP would be welcomed by Municipalities and positive signs on the side of the Central Government are also noted. The 2019 earthquake and COVID-19 crisis provided opportunities for the Government to pilot unconditional cash transfers to persons affected by these covariate shocks, and it appears to have been a convincing experience. Conversely, the distribution of food packages proved difficult, costly and unsuited to

respond to specific needs. The technical conditions for a cash-based response are fulfilled (notably delivery mechanism, access to functioning markets, adequate infrastructure, and services).

The design of the main social protection programming in the country, Ndihma Ekonomike, a priori allows a tweaking or refocusing exercise in order to make it shock responsive, although this would require some restructuring. This would leave room for adequate vertical expansion and most importantly horizontal expansion to swiftly reorient targeting in case of natural disasters.

Risks to a cash-based system are existing, but can be overcome. In particular the risk of fraud, abuse of power or tensions within communities may be prevented by adequate monitoring and communication systems.

Government authorities need to address the remaining coordination issues at various levels such as (i) coordination between Ministries, (ii) between Government and Municipalities, and (iii) between civil protection and social protection services.

The breakdown of the budgetary responsibilities between the Central Government and Municipalities on the issue of response to natural disasters appears to be a major stumbling block that should be removed to clear the process.

## **7. Learning from experience and moving further towards an effective response to the economic and social needs of children and their families, including though social protection measures by subnational governments**

The review of available documentation and the information shared by the key informants at central and local levels indicate **the current legal, policy and institutional configuration regarding DRM/R and SP response by subnational governments in Albania is not only propitious to developing a (joint) model of intervention but it is also a reality on the ground.**

The identified models are limited by the scope of the research while others are to be found elsewhere. However, the proposed ones could be further replicated based on a capacity assessment of replicability, contributing to SP system consolidation and better articulation with DRM/R response.

**Subnational governments, particularly at municipal level, are best placed, and often equipped, to respond to the needs of vulnerable families with children, on a regular basis and in crisis and emergency contexts.** When the capacity at municipal level is lower, the National Government should envision the appropriate support in order to capacitate the municipal services to better respond to the complex needs on the ground.

**Subnational governments should be considered reliable allies within the national strategic efforts,** mainly because of their thorough (and irreplaceable) knowledge of the needs on the ground, but also because of their rapidly adaptive capacity.

While **local initiatives of mutual support, including better articulation, data sharing and management, financing, etc. have proved their efficiency,** the regulatory frameworks should consider these models and adjust the legislative provisions in order to make the cooperation a working reality, through standard procedures and nationwide implementation (e.g. a social dialogue group in each municipality).

**Cash and voucher assistance (CVA), instead of in-kind support, appear to better respond to the needs of vulnerable people particularly in crisis and emergency situations.** COVID-19 pandemic constraints clearly indicated that the costs related to transportation, the time to deploy the operations, and the health risks related to personnel contagion could have been avoided if a CVA approach had been in place from the very beginning. UNICEF CO quickly mobilised in order to support the municipalities to implement a CVA system, prior to entering into force as the national SP response to COVID-19.

**Effective and efficient cooperation among the main stakeholders is critical.** This should involve the relevant public (municipal) services, the civil society organisations and, if possible, the private sector too. A protocol of cooperation, with standard and transparent operating procedures is also critical, particularly in terms of data management and data protection, but also in order to avoid overlapping of aid or exclusion of beneficiaries.

This also contributes to **more effective and efficient planning** by each stakeholder individually but also in terms of a joint response to crisis and emergency situations.

## Annex: summary of COVID-19 related SP measures

### In terms of **social assistance**:

1. **Cash transfers:** Economic assistance (Ndihma Ekonomike) received by the eligible individuals doubled in amount during the COVID-19 situation; A lump sum for every employee of the Ballsh Refinery. A 2<sup>nd</sup> anti-COVID-19 Financial Package of 70,4 million US\$ on April 13, 2020, 176,000 workers received a payment of 400US\$; Self-employed families received a special benefit equivalent to a state-set monthly salary; Retired persons as well as individuals and families benefitting from various social protection public services/programmes provided with home based assistance (monetary assistance) by the local authorities and relevant institutions.
2. **Food, vouchers and others:** Additional responsibilities to government institutions in order to ensure home delivery to the persons in need (elderly, disabilities, recipients of economic assistance etc.) of food, medical products and other services. Retired persons as well as individuals and families benefitting from various social protection public services/programmes provided with home based assistance (monetary assistance) by the local authorities and relevant institutions.
3. **Utility waivers:** Loan instalments payments postponed. Relaxation and provision of exceptional procedures on metering the consumed electricity during the COVID-19 emergency. Those eligible, were able to postpone property, premises, and house rental payments for two months in the period of April and May 2020. The government adopted two support packages in 2020 for people affected by the COVID-19 pandemic of a combined size of Lek 45 billion (2.8 percent of GDP) consisting of budget spending, sovereign guarantees, and tax deferrals.

### In terms of **social insurance**:

4. **Pensions:** Increased (indexing) by 2.3 percent, establishing also new limits (minimum and maximum) plus compensations for the lower levels.
5. **Unemployment benefits:** Unemployment assistance received by the eligible individuals was doubled during the COVID-19 situation; Support with a lump sum to formal employees in enterprises with specific annual turnover who were imposed to close down; Lump sum to dismissed employees during the period until April 10th (starting from the time the restrictions applied) in enterprises allowed to operate by the government restrictions. Temporary increase in the payments for unemployment benefits in 2021.
6. **Social security contributions:** Informal sector employees who lost their jobs during the lockdown, have the full cost of social contributions (employees and employers share) covered for one year if they formalize.

### In terms of **labour market**:

7. **Labour market regulations:** Increased budget for doctors and nurses. New penalties on employers noncomplying with measures and protocols related to occupational safety and health during the COVID-19 pandemic. Additional minimum wage to public transport workers who resumed work one month later than the rest.
8. **Reduced work time:** Public Administration institutions were allowed to work from 08:00 to 13:00, including teleworking for carrying out various tasks.
9. **Wage subsidies:** Support to businesses who were imposed to close down. Employment promotion programme, that aims to cover part of reemployment costs of those who lost their jobs during the lockdown. For formal sector employees the government will cover half of the wages (at the legal minimum level) and the full employers' share of social contributions for the duration of the programme (4 or 8 months). Financial package to support - lump sum to formal employees in enterprises with annual turnover up to Lek 14 million, allowed to operate by the government restrictions, with the exception of certain activities. Allocation of a part of the total budget necessary to pay the salaries for small business' workers.



## References

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- <sup>2</sup> World Bank and GFDRR, 2020, Disaster risk finance diagnostic – Albania, December 2020
- <sup>3</sup> Gentilini U., Almenfi M.B.A.; Blomquist J.D.; Dale P., De La Flor Giuffra L., Desai V., Tharmaratnam Fontenez M.B., Galicia Rabadan G.A., Lopez V., Marin Espinosa A.G., Natarajan H., Newhouse D.L., Palacios R.J., Quiroz A.P., Rodriguez Alas C.P., Sabharwal G., Weber M., Social Protection and Jobs Responses to COVID-19 : A Real-Time Review of Country Measures (May 14, 2021) COVID-19 Living Paper Washington, D.C. : World Bank Group.
- <sup>4</sup> During the inception phase the SP measures were mapped for all the 22 countries in the region. Three categories/groups of countries were identified, by the number of measures taken: seven countries with 3 to 5 measures, eight countries with 6 to 8 measures and another seven countries with 9 to 11 measures (none were take all the 12 possible measures). Hence, Albania is part of this last group of countries.
- <sup>5</sup> A full methodological approach including an annex regarding the field research are available in a separate Inception Report.
- <sup>6</sup> During the inception phase, a set of criteria was set in order to select a group of maximum five countries to carry out the case studies. These criteria were agreed upon with UNICEF ECA Regional Office and the Country Offices of selected countries and can be found in the Inception Report. The countries are Albania, Bosnia and Herzegovina, Montenegro, Tajikistan and Ukraine.
- <sup>7</sup> World Bank, 2014, Planning and Management of Social Protection MIS: Albania Case [Albania Case PPT \(worldbank.org\)](#)
- <sup>8</sup> Bonard P., 2020, (UNICEF) Establishing a cash-based shock social protection system in Albania

This study was conducted by Mihai Magheru.  
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### Disclaimer

Any views, opinions and recommendations presented in this case study are solely those of the author and do not necessarily represent those of the Government of Albania or UNICEF Albania.

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