

WOMEN'S ECONOMIC EMPOWERMENT IN ALBANIA

Performance Audit Report



The report is produced in the framework of the regional project “Transformative Financing for Gender Equality towards more Transparent, Inclusive and Accountable Governance in the Western Balkans”, financially supported by Government of Sweden - SIDA.

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Abstract

Tirana 2023

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Abstract

The State Supreme Audit Institution has conducted a performance audit on the “Economic Empowerment of Women in Albania”, in the framework of the “Transformative Financing for Gender Equality Towards More Transparent, Inclusive and Accountable Governance in the Western Balkans” project, financed by the Government of Sweden – SIDA, with the technical support of UN Women Albania, under the cooperation agreement signed in March 2021 between the State Supreme Audit Institution and UN Women.

This audit aimed at assessing the effectiveness of the institutions responsible for materializing women’s economic empowerment in the country, pursuant to the Law on Gender Equality, implementing gender equality strategies, as well as gender-responsive budgeting mainly in the field of employment and rural agricultural development for the 2016–2021 period.

Social Context Overview

In 2016 gender equality was included as one of the core principles of the Republic of Albania Budget System at the national level

Albania has established a legal, institutional and policy framework to ensure women's individual rights and freedoms, as well as their economic empowerment. Our country has committed to establishing international institutions-recognized standards to ensure gender equality. Under the United Nations 2030 Agenda, SDG No. 5¹, "Achieve gender equality and empower all women and girls", the Albanian government has developed and adopted two strategies for gender equality for the 2016 - 2020 and 2021 - 2030 periods, respectively.

Notwithstanding the engagement in mitigating differences between men and women, annual INSTAT statistics show there is still room for substantial improvement². One of the policies adopted to mitigate the gender differences between men and women in the country is Gender-Responsive Budgeting (GRB), which is partially implemented at the national level, and less so at the local level.

Gender equality was included as one of the core principles of the Republic of Albania Budget System at the national level in 2016, to ensure equal access of women and men in Albania to rights and opportunities, while also integrated in the National Strategy for Development and Integration (2015 - 2020). This principle was also included in Law No. 68/2017 "On Local Self-governance Finances". Since 2015, the GRB share in the total central budget has increased from 1% to 9%. Gender inequality issues were included in 37 budget programs of 14 ministries in the 2019 budget, addressing some of the most important sectors, such as: education, health, agriculture, etc. However, GRB is yet to be adopted and implemented by all local government units. The first Gender Equality Index was published in Albania in 2020, with a Responsiveness score of 60.4 points (lower than the EU average)³.

1. Sustainable Development Goals.

2. INSTAT, Women and Men, 2021, p. 69. Employment data is collected considering everyone aged 15 and over, and disaggregated into three exclusive categories: employed, unemployed and not in the labor force (economically inactive).

3. Gender Equality Index for the Republic of Albania 2020; Eurostat. <https://ec.europa.eu/eurostat> Source: World Bank data. <https://data.worldbank.org/> Source: OECD data. <https://data.oecd.org/emp/employment-by-activity.htm>.

Ensuring the integrity of women and girls, promoting their socio-economic rights, supporting disadvantaged groups, as well as engaging men and boys in all activities aimed at empowering women and providing equal opportunities, must be at the center of gender policies and should have an effect on gender equality improvement, the eradication of poverty and the continuous progress of our society. For these reasons, SSAI decided to conduct an audit on women's economic empowerment, focusing on two sectors, namely employment policies and agricultural policies in the country.

Audit Objective

This audit aimed at assessing the effectiveness of the institutions responsible for materializing women's economic empowerment in the country, pursuant to the Law on Gender Equality, implementing gender equality strategies, as well as gender-responsive budgeting mainly in the field of employment and rural agricultural development for the 2016–2021 period.



Main Question
“Has the Albanian Government ensured women's economic empowerment in the country pursuant to the 2016 - 2021 National Strategy on Gender Equality?”

Audit Subjects

The following organizations were included as audit subjects in addressing this topic:

1. The Ministry of Health and Social Protection, in the capacity of the institution leading and guiding gender equality government policies in the country;
2. The Ministry of Finance and Economy, in the capacity of the key institution for the implementation gender-responsive budgeting principles and legislation;
3. The Ministry of Agriculture and Rural Development, in the capacity of the institution responsible for implementing policies benefiting women farmers, and its subordinate institutions, such as: Agriculture and Rural Development Agency, Regional Agriculture Extension Agencies and Agriculture Technology Transfer Centers;
4. The National Employment and Skills Agency, in the capacity of the institution responsible for implementing employment promotion and vocational training programs in the country.

Methodology

A pragmatic results-oriented approach was employed as the most adequate methodology for executing this audit mission. This has resulted in the use of both quantitative and qualitative data, feeding an adequate and accurate evidence analysis, resulting in useful recommendations for the institutions involved in this audit.

Field visits were conducted under the audit with institutions at the central and local level, including AERA, CATT and NAES in Shkodra, Korça, Lushnja, Vlora, Berat, Dibra and Fier. Central and local level employees from relevant structures were interviewed and institutions being audited were sent questionnaires on issues under their purview.

In addition, a desk review of archival documentation, databases and other data related to women's engagement in employment promotion and training programs and agriculture policy benefit programs was undertaken.

Legal framework on gender equality and women's economic empowerment in Albania:

- ▷ Law No. 9970, dated 24.07.2008 "On Gender Equality in the Society".
- ▷ Law No. 9936, dated 26.06.2008 "On Budget System Management in the Republic of Albania", as amended.
- ▷ Law No. 139/2015 "On Local Self-Governance", and Law No. 68/2017 "On Local Self-Governance Finances".
- ▷ DCM No. 465, dated 18.07.2012, "On Gender Mainstreaming in the Mid-Term Budget Program".
- ▷ Law No. 221, dated 04.02.2010, "On Protection from Discrimination", as amended.
- ▷ Law No. 15/2019 "On Employment Promotion".
- ▷ Law No. 9817, dated 22.10.2007, "On Agriculture and Rural Development".
- ▷ DCM No. 733, dated 20.10.2016, "2016 - 2020 National Strategy on Gender Equality".
- ▷ DCM No. 400, dated 30.6.2021, "2021 - 2026 National Strategy on Gender Equality".

Audit Directions

1 | Gender responsive budget implementation effectiveness in the country.

2 | Policies for women's economic development in the field of employment and rural agricultural development and their effectiveness.

3 | Gender machinery activity in evaluating and monitoring national gender equality policies.



Main audit findings

Based on the evidence collected and the terms defined, the following issues were identified:

- 1.** The Ministry of Finance and Economy and the Ministry of Health and Social Protection have been partially effective in achieving the objectives on the number of programs that would mainstream gender-responsive budgeting, with only 31% of them out of the targeted 70% of programs having included GRB in the MTBP. In addition, no GRB has been implemented by LGUs. GRB planning in existing line ministry programs does not include a gender disaggregation indicator. Budget expenditure monitoring and tracing, and impact assessment and measuring has not been completed. MoFE electronic budget management and monitoring systems do not have a codification in place for gender-disaggregated output indicators.
- 2.** The National Agency for Employment and Skills has not been completely effective in its women employment related activities, especially concerning women attending vocational training courses, resulting in failure to achieve its 85–88% of objectives. The gender equality index for vocational training courses is 36–44% of women participants for 2017–2021 and their employment rate is 39.7%. Almost half of unemployed women are not registered with employment offices, while only 1/3 of unemployed individuals turn to employment offices to look for a job.
- 3.** The National Agency for Employment and Skills
 - Has not integrated gender equality instruments, tools and mechanisms in its policies the regulations, guidelines and standard operating procedures;
 - Has not integrated the SVE 2014-2021 purpose and strategic objectives in its action plans in terms of gender equality, failing to break them down into specific, measurable, achievable, realistic and time-bound gender objectives in its performance card;
 - Has not integrated GRB in all phases of the budget cycle for the 2017–2021 period at its two organizational levels, and has not developed gender disaggregated budgets with goals, objectives and output indicators in the framework of its central level MTBP planning. At the secondary level of administration, the standard template of the MTBP with objectives and budget outputs, as well as that for monitoring reports, is not completed.
 - Has not conducted training sessions on gender equality mainstreaming in policies, budgets, as well as their implementation, monitoring and evaluation.
 - Numerous revisions of the budget and indicators at the central and regional level have been carried out, in most cases resulting in fund cuts, but no gender analysis has been carried out before budget revisions; furthermore,

there was a budget execution failure between 80.7% and 94.44%.

- NAES has not measured the overall employment outcomes of women as the final goal of the three active employment policy programs.
- 4.** In 2021, the National Agency for Employment and Skills experienced higher budget outputs costs, which are above the average of the last five years, indicating lower operational organizational efficiency. *The mediation, employment program costs increased by 22%, unemployment allowance program costs increased by 10%, employment promotion programs costs increased by 28.4% and the program for vocational training courses costs increased by 41%, respectively.*
- 5.** The following was found regarding the implementation of rural agricultural development policies benefiting women:
- A lack of local gender officers at AERAs and CATTs;
 - An increase in the number of cases of non-reporting data on the monitoring and implementation of financing expenses for women's economic empowerment and a failure to comply with legal obligations pursuant to the NSGE as regards the usage of state budget funds;
 - MoARD has appointed a gender officer, but no description of their functional tasks in the MoARD's internal regulation on functioning and organization has been developed, resulting in a lack of audit trails for core procedures and, consequently, in a lack of precise statistics related to NSGE objectives;
 - In terms of the NSGE indicator of enhancing the legislation on land ownership registration to the benefit of women, young women and girls, MoARD has not carried out any awareness-raising/advisory activities in rural or urban areas, and has not proposed any bylaws, thus passively accepting the non-implementation of this redundant indicator, adopted by the Council of Ministers, which has failed to make reference to the Civil Code of the Republic of Albania, which sanctions this matter exhaustively.
 - MoARD did not draft the 2022 Action Plan on Gender Equality and Rural Women's Empowerment, despite having adopted the 2021-2027 ARDS.
- 6.** The gender output spending, as extensively described in the 2016–2020 and 2021–2030 National Strategies on Gender Equality, was not allocated in full or was at insignificant levels when comparing the total MoARD budget to the CATT, AERA and ARDA budgets by outputs and activities, which makes it difficult and even impossible to achieve the objectives defined in the NSGE, and as such:
- They did not follow the same upward trend compared to the total MoARD budget over the years for the "Agriculture Advice and Information" program versus the MoARD budget, which shows that for the 2018-2022 period, the program's share remained between 4% and 5%.
 - There are no systems for measuring and reporting on the rural women's

counselling at AERAs and the MoARD as regards the indicator of rural women beneficiaries of extension services, with no specific disaggregation between the number of women/girl farmers and men farmers.

- › Gender output expenses in terms of the ARDA makes up a small share of the budget expenses carried out under the program, while the total MoARD budget over the years has significantly increased. The range of the gender output rate in the MoARD's Rural Development program budget varies from 9% in 2019 to 4% in 2021, with a notable 5% drop;
- › ARDA budget allocation is not gender-based, failing to reflect the measuring and reporting of the indicator of the number of national and IPARD-EU scheme funds women beneficiaries, pursuant to the gender equality strategies.
- › The Directorate of Scheme, Risk and Report Monitoring (DSRRM) at the Agriculture and Rural Development Agency does not conduct any detailed analyses on the number of women employed in the agriculture sector following funds appropriation and the development of the rural setting enabled by such funds, nor any comparative analyses on whether the employment rate of women in rural areas has increased;
- › Neither the MoARD, nor its subordinate institutions took into consideration the improvement of gender indicators during the MTBP drafting stages in terms of addressing gender priorities, based on the rural development strategy and the gender equality strategy, specifically:
 - › Determining the number of women and men working in the rural development sector,
 - › Defining the number of recorded women and men farmers as a performance indicator,
 - › Defining the number of women and men farmers benefiting from support schemes versus those who apply to every support scheme as a separate performance indicator,
 - › Defining the amounts of support scheme funds benefitting women farmers versus the total national and IPARD scheme amounts as a performance indicator,
 - › Determining the number of women and men participating in activities promoting Albanian agricultural, livestock and agro-processing products,
 - › Defining the number of women and men benefitting from agribusiness loans as a performance indicator
 - › Defining the "Support for the Sustainable Development of Rural Areas in Albania - SDRA (GRAND)" program beneficiaries as a performance indicator disaggregated by gender.

- 7.** To date, MoARD has issued no official statistics regarding the number of progressive farmers and consequently, there is no accurate number of how many of them are men and women, and how many farmers were

passive during the audited period. The General Tax Directorate website information showed that as of 21.12.2022, a total of 84,344 farmers are active in the Republic of Albania.⁴ The lack of such data required for the performance and work of MoARD fails to provide a clear view of the outcome and progress of the work carried out driven by policies to support women in rural areas, as well as in terms of implementing the well-defined objectives under both NSGEs.

- 8.** The composition and reorganizations of the National Council on Gender Equality did not comply with the principle of equal representation according to gender, with women being overrepresented at 70% of the membership during the audited period. Furthermore, the relevant timeframes related to the change of members' job positions were also not observed.
- 9.** The National Council on Gender Equality did not convene on a regular basis, whether as an advisory body, or an actor in women's economic empowerment in the country under normal or civil emergency and natural disaster circumstances. The NCGE Technical Secretariat did not operate as a complete structure and does not possess documented minutes and relevant decisions. In addition, the Sector of Social Inclusion and Gender Equality operation organization in its capacity as the NCGE Secretariat is not included in the MoHSP Order No. 178, dated 22.02.202 "On the Adoption of the Internal Regulation on the Organization and Functioning of the Ministry of Health and Social Protection", especially considering that, institutional reforms have been undertaken in recent years resulting in changes to the MoHSP organizational structure.
- 10.** The NCGE has had no correspondence with the National Gender Equality Coordinator.
 - › No interaction has been in place between IPMGs, the Parliamentary Subcommittee on Gender Equality and Prevention of Violence against Women, SSC, etc. regarding women's economic empowerment and gender equality improvement. In addition, the NCGE has never conducted a performance review of its operations, whether in terms of being an advisory body, or as an actor for women's economic empowerment in the country, which would enhance the efficacy of its operations.
- 11.** The National Strategy on Gender Equality's indicator regarding the number of full-time Gender Officers at the central level, who are completely dedicated to the implementation of the legislation on gender equality, although posting a 100% increase, is not fully accomplished, because only some central institutions have appointed gender officers and only some have

4. Retrieved from the www.tatime.gov.al website, list of active farmers, dated 21.12.2022.

included their job description in the institutional regulations. At the local level, gender equality officers have been appointed in 61 municipalities, but in the majority of cases, they are the local domestic violence coordinators, child protection workers, economic assistance and disability allowance specialists, etc., which results in overlapping of duties and work overload.

- 12.** As seen in the 2016–2020 NSGE Evaluation Report, the strengthening of the Gender Equality Sector at the Ministry of Health and Social Protection⁵ did not meet expectations because of the vacancies during 2016–2022; some specialists lack duties and tasks focused on gender equality and domestic violence and gender-based violence issues in their job descriptions; at the time of the audit conclusion, the gender equality specialist position was again vacant.

5. "Strengthening the Gender Equality Sector at the MoSWY by the end of 2020 (with a consolidated and efficient set-up), in line with its coordinating and monitoring role."

