

BUDGET CHOICES IN A TIME OF PANDEMIC: ADVANCING GENDER EQUALITY OR HOLDING IT BACK?

REPORT ALBANIA





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DISCLAIMER:

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LIST OF ABBREVIATIONS

MoFE	Ministry of Finance and Economy
MoARD	Ministry of Agriculture and Rural Development
MoHSP	Ministry of Health and Social Protection
MoESY	Ministry of Education, Health and Social Protection
MoI	Ministry of Infrastructure
MoET	Ministry of Environment and Tourism
MoEFA	Ministry for Europe and Foreign Affairs
MoI	Ministry of Interior
MoC	Ministry of Culture
MoJ	Ministry of Justice
MoD	Ministry of Defence
INSTAT	Institute of Statistics
IMF	International Monetary Fund
WB	World Bank
IFI	International Financial Institutions
RGA	Rapid Gender Assessment
MTBP	Medium Term Budget Programme
PM	Prime Minister
CMD	Council of Ministers Decision
NA	Normative Act



1. INTRODUCTION

C OVID-19 has radically changed the economic outlook for Albania. At the end of 2019, the economy was projected to grow by 3.5 per cent in 2020 but as early as April it was expected that real GDP would contract by 5 per cent in 2020.¹ The outbreak of the COVID-19 pandemic changed the structure of the overall planned budget for 2020 significantly. Expenditure increased by ALL 30.1 billion (around EUR 240.8 million) or 5 per cent of GDP.

The Government response to contain the spread of the virus and support the overstretched health system was immediate after the first registered cases of COVID-19 in March 2020. Different to the other countries

of the region, Albania was still facing the devastating effects² of the 6.3 magnitude earthquake of 26 November 2019 when the country had to endure another natural disaster in the form of COVID-19.

Under these circumstances, the decisions on budget cuts and reallocations were taken rapidly and without prior analysis of the needs and without including the gender perspective. The overwhelming need to prioritise the immediate needs related to the public health emergency and to strengthen prevention and safety was expected to reduce the funding available for other public investments, including the advancement of gender equality.



1. IMF Country Report No. 20/118, dated April 2020.

2. The earthquake affected around 202,000 people directly, while 51 people lost their lives, 903 were severely injured and 17,000 people transferred to temporary housing facilities.



2. METHODOLOGY OF THE ANALYSIS

This report draws mainly from the analysis of the data and financial documents provided by the Ministry of Finance and Economy as well as the line ministries. Further research was conducted for specific sectors, such as agriculture, the labour market and support to economic development, using official data from INSTAT and other sources of information available online.

During July 2020, UN Women Albania conducted a Rapid Gender Assessment of COVID-19³ in order to assess the impact that the pandemic had on the main challenges faced by women and men and how the changing situation had affected the socioeconomic situation and livelihoods. The gender analysis of Albania's financial response to COVID-19 together with the data from the Rapid Gender Assessment⁴ yielded important recommendations that can inform future planning and government prioritisation of socioeconomic policy measures.

The Government instituted a range of support measures aimed at protecting the health of citizens and the economy during the pandemic.

These measures included welfare benefits and other support for individuals and financial support/guarantees for businesses as well as home education support. The policy responses intended to mitigate the overall impact of the COVID-19 pandemic consisted of budget rebalancing (budget cuts and subsequent reallocations within 11 line ministries) and response measures funded through the public debt or through existing funds.

This report aims to identify how the financial rebalancing affected the advancement of gender equality in the country as per the legal acts issued by the central government in response to the unprecedented health, social and economic crisis caused by the pandemic. Moreover, the enduring situation and the yet to be calculated social and economic effects of the pandemic resulted in a lack of data and this combined with the restriction measures that were still in place prevented the relevant institutions from working at full capacity. Therefore, this report offers some main suggestions and recommendations on how to overcome these challenges and look toward the future.



3. <https://albania.unwomen.org/en/digital-library/publications/2020/12/the-impact-of-covid-19>.

4. <https://albania.unwomen.org/en/news-and-events/stories/2020/07/covid-19-is-taking-a-higher-toll-on-women-shows-un-women-albania-rapid-assessment#:~:text=The%20Rapid%20Gender%20Assessment%20reveals,compared%20to%2028%25%20men>.



3. POLICY RESPONSES

According to IMF⁵ estimations for Albania, the GDP growth rate for 2020 was expected to be -5 per cent down compared to the initial target of 4.1 per cent. The negative effects of a -0.9 per cent contraction of GDP translated into far less budget revenue and logically called for budget reallocations, budget cuts and a substantial increase in the budget deficit. The cost of the effects of the COVID-19 pandemic will increase the budget deficit by 4.7 per cent or a reduction in GDP of -5 per cent. It is planned that this deficit will be covered mainly through foreign sources such as loans from international financial institutions and the domestic banks.

Ministry of Finance and Economy⁶ projections for 2020 were a little more pessimistic than those of the IMF as the economic growth rate for 2020 was expected to be -6.1 per cent with an increase in public debt of 80.9 per cent of GDP (Table 1).

The structure of the total budget planned for 2020 changed significantly with the emergence of the crisis caused by the COVID-19 pandemic. Expenditure increased by ALL 30.1 billion (around EUR 240.8 million) or 5 per cent of GDP (Table 2).

TABLE 1 Economic projections before and after the pandemic

Economic projections before the pandemic	Economic projections after the pandemic
Economic Growth 2020 4.1%	Economic Growth 2020 -6.1%
Public Debt 2020 62.2% of GDP	Public Debt 2020 80.9% of GDP

5. www.imf.org/en/Countries/ALB.

6. www.financa.gov.al/projektbuxheti-2021/.

TABLE 2 Budget structure after reallocations

Designation	Budget 2020	NA 2020	Difference	% of GDP
Total revenue	509,675	446,570	-63,105	-12%
Revenue from foreign grants	23,000	18,000	-5,000	-22%
Total expenditure	549,374	579,535	30,161	5%
Current expenditure	446,035	441,498	-4,537	-1%
Local government expenditure	57,554	53,485	-4,069	-7%
Budget deficit	-39,699	-132,965	-93,266	235%
GDP	1,793,466	1,580,960	-212,507	-12%

Evidence from EU member countries shows that budgetary policies enforced through austerity measures come at the expense of basic human rights such as the right to work, healthcare, education, civil and political rights and freedom of expression.⁷

The Rapid Gender Assessment conducted in Albania also confirmed that both women and men have experienced a decrease in their income. One in two reported reduced earnings from employment, while two-thirds saw a loss of income from farming. Of the women who rely on remittances 74 per cent reported a decrease in this source of income during the health emergency.

The closure of non-essential businesses had an immediate impact on jobs with almost 15 per cent of respondents reporting having lost their job. Men appeared to face a greater risk of unemployment (17%) compared to women (12%), partly due to the large proportion of men employed in the sectors heavily affected by the lockdown. The assessment results also highlight the disproportionate impact on working time

for employed women who regardless of their employment status were more exposed to a decrease in their working hours and potential loss of income. Self-employed women in the 45-54 age group were hit hardest (66.7%) by a reduction in their working hours. Almost one in two (46%) self-employed women living with their children had to cut their working time mainly to look after their children and because of housework.

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7. Muižnieks, 2018.

3.1 CONTAINMENT MEASURES

Albania registered its first cases of COVID-19 on 8 March 2020, which was just two weeks after Italy registered its first case of COVID-19. The government response was immediate. All education institutions, starting with nurseries up to universities, were closed for two weeks. No other active actions were taken until a week after when the country went in total lockdown. Some of the containment measures are listed below.

Quarantine/Confinement⁸

- All persons entering Albania from COVID-19 affected areas were required to undergo mandatorily self-quarantine for a period of 14 days from the date of entry across the border.
- 24 March: The Prime Minister decreed a 'state of natural disaster' across the entire country. This measure suspended some basic rights and allowed the authorities to seize private property and to raid homes if deemed necessary (the Prime Minister is allowed to maintain such a measure for up to 30 days before calling a vote in Parliament in order to extend it).
- 5 April: The Prime Minister announced that the daily period for going out to buy food was to be extended to 90 minutes throughout the week and that citizens would be allowed to use their personal cars.
- The wearing of facemasks in closed spaces had been mandatory since July and this was made mandatory in all public spaces, including outdoors, as of 15 October. While lounge bars, discos and nightclubs remain closed, the interior of bars, restaurants and swimming pools could open from 6 a.m. to 10 p.m.
- As of 11 November, the Government put in place restrictive measures for an initial period of three weeks. These included a

curfew from 10 p.m. to 6 a.m. throughout the country, with the exception of necessary travel for work, health emergencies or other urgent needs. In addition, bars and restaurants were required to close from 10 p.m. to 6 a.m. with the exception of delivery services. Working from home became mandatory for public administration (adapted to the specifics of each sector). Exceptions included service delivery structures, which could continue their activities unchanged when implementing security protocols.

- On 17 November the Government announced further restrictive measures: interdiction of gatherings of more than 10 persons in both open and closed places, interdiction of political meetings and rallies and interdiction of conferences, holiday ceremonies, wedding ceremonies and all events other than funeral ceremonies with family members only, until a second order.
- One of the most important land border crossing points from Albania to Greece was closed on 20 November up until 4 December, while the remaining point continued to have a crossing limit of 750 persons per day (essential travel only) from 6 a.m. to 11 p.m. The latter was only interrupted by a 24-hour halt on 24 November.

Travel bans/restrictions

- Public and private transportation was suspended except for ambulances, vehicles performing public service functions and those in possession of an authorisation issued by the state police for transporting goods.
- 15 March: all land access to Albania was closed to all passengers using buses, minibuses and cars.
- 5 April: The Prime Minister announced that the Government would begin to impose



8. This measure refers to the first days of the response to the pandemic. For more updated information, please visit www.oecd.org/coronavirus/country-policy-tracker/.

severe penalties (e.g. imprisonment) for those who do not obey the measures.

- 27 April: Taxi services were allowed for a maximum of two passengers from the same family.
- 1 June: Public transportation remained closed, but Albania opened its land borders with all neighbouring countries.
- 15 June: Albania opened its air borders with Greece.

Several countries, including the UK and Germany, issued travel warnings for non-essential travel to Albania. The EU borders with Albania remained closed to non-EU residents. Countries such as Germany, Greece and Italy required a quarantine and/or negative PCR test result upon entry for residents.

Closure of schools/universities

- 9 March: all educational institutions were closed.
- The new academic year started on 15 September for all primary and secondary schools and institutions of higher education with restrictions on the number of pupils per class as well as limitations on the class hours set at a maximum of two hours for each group of pupils. Pupils were divided in two groups and followed classes with different schedules.
- 2 November: the academic year 2020/2021 started with distance learning for universities, the duration of which was extended until further notice. The Ministry of Health additionally recommended that starting from 1 December primary and secondary education should follow an alternating system of physical learning and distance learning.

Cancellation of public events/closure of public spaces

- 15 March: As part of the emergency Law adopted by the Government, a fine of ALL 5 million (EUR 40,000) was to be imposed in the event of the organisation of social, cultural or political gatherings.

3.2 FISCAL AND BUDGET MEASURES IN RESPONSE TO COVID-19

The need to reshape the budgets to fund the necessary measures in response to the pandemic came at a time when the new budget cycle for 2020 and the planning phase for the next three years was starting. Caught by surprise, the institutions in charge of the budget preparation were urged to rethink the budget allocations. Decisions on budget cuts and further reallocations were taken in accordance with the requirements of the legislation in place⁹ for cases of emergency and were expected to comply with the following conditions:

1. need and urgency as conditions for the issuance of a normative act with the force of law,
2. temporality of the measures contained in the normative act with the force of law,
3. the legal force of these acts and the restrictions on their issuance,
4. approval by the Assembly of the normative act with the force of law.

Under these circumstances, the decisions on budget cuts and reallocations were taken rapidly and without prior analysis of the needs and without including the gender perspective.

It was expected that the overwhelming need to prioritise public health emergency needs and to strengthen prevention and safety measures would reduce the funding available for other

9. Decision of the Constitutional Court, No.24/2006.

public investments, including the advancement of gender equality. Furthermore, the lack available data (including data disaggregation by sex, age, etc.) on the beneficiaries led to limited analysis of the possible implications of the imposed measures.

Table 3, below, outlines the main legal acts issued in response to the emergency caused by the pandemic and the amount of funds reallocated.

TABLE 3 Decisions and measures by the Council of Ministers

Council of Ministers Decision	Measures
<p>No. 240, dated 21 March 2020 No. 205, dated 9 March 2020 No. 249, dated 27 March 2020</p>	<p>1. Issuance of a monthly bonus to the amount of ALL 125,000 (one hundred and twenty-five thousand) for medical personnel, public health specialists dealing with epidemiology, nurses and laboratory service specialists engaged in the diagnosis and medical treatment of persons affected by the COVID-19 infection.</p> <p>2. Issuance of monthly remuneration to the amount of ALL 65,000 (sixty-five thousand) for the support staff engaged in the institutions where persons affected by the COVID-19 infection are treated.</p> <p>3. According to point 1 of this Decision, the remuneration is to be given to retired doctors and nurses who want to provide treatment to persons affected by the COVID-19 infection.</p>
<p>No. 259, dated 27 March 2020 No. 354, dated 29 April 2020 No. 371, dated 6 May 2020</p>	<p>Measures to provide door-to-door assistance to vulnerable groups (including the elderly, female victims of violence, women from marginalised groups, etc.) conducted within the context of the COVID-19 epidemic.</p> <p>The determination of the amount of products (food and non-food) and the minimum amount and type of assistance shall be carried out in accordance with a decision of the Central Commission for the Provision of Assistance established for this purpose.</p> <p>The interventions include aid 'in-kind' such as food and materials for hygiene and disinfection that will be delivered 'door-to-door' to those people recognised as vulnerable and marginalised, especially because of the pandemic.</p>
<p>No. 254, dated 27 March 2020 No. 378, dated 8 May 2020 No. 204, dated 9 March 2020 No. 254, dated 27 March 2020</p>	<p>Financial assistance for employees of business entities with annual income up to ALL 14 million, economic assistance for the payment of income from unemployment during the period of natural disaster, declared as a consequence of COVID-19. This measure mostly targets women, because they comprise a good portion of small family businesses and the self-employed as employees or as owners (clothing stores, hairdressers, grocery stores, tailors, etc.).</p>
<p>No. 305, dated 16 April 2020</p>	<p>State loan guarantees with the second tier banks for the salaries of traders or companies the activity of which is affected by the decisions of the Council of Ministers within the framework of managing the situation created by COVID-19. A good part of the businesses envisaged as beneficiaries are <i>fassoneries</i>¹⁰, where most of the employees are women. Credit lines in this case aim to pay up to 2 monthly salaries for employees in these businesses.</p>
<p>No. 34, dated 16 December 2020</p>	<p>ALL 3.3 billion for the subvention of pensions to the amount of ALL 5,000 and ALL 1.4 billion for pandemic and social assistance for vulnerable families and PAK¹¹.</p>



10. Big businesses that work on production of clothing or shoes especially, on demand. The production is commissioned from companies outside the country.

11. People with Disabilities.

The table below provides detailed information on the aid packages, the total number of beneficiaries¹² (not disaggregated by sex) and the corresponding costs for each of them. It not only shows the amount of funds but also the gender blindness of the designated policy responses.

3.3 BUDGET REBALANCING

The funding of the measures was made possible by the budget rebalancing and the increase in the public debt. The budget cuts and reallocations affected all line ministries. The Ministry of Defence was most affected by the budget cuts, while the Ministry of Finance

and Economy was the major recipient of the reallocations. The cuts mostly affected current expenditure not linked to strategic or crucial activities of the institutions or to capital expenditure linked primarily to infrastructure projects. The total budget designated to fund the measures in response to the COVID-19 emergency was around ALL 18 billion (EUR 144 million):¹³

- A total of ALL 13.5 billion¹⁴ (EUR 108 million) was designated to fund the ‘war wages’¹⁵ for all workers that lost their job during the pandemic and/or who could not work due to the restriction measures.
- A total of ALL 3.8 billion¹⁶ (EUR 30.4 million) was designated to the Ministry of

TABLE 4 Aid packages, number of beneficiaries and related costs

Aid package	No. of beneficiaries	Unit (in ALL) cost/beneficiary	Frequency of payment/beneficiary	Total cost (in ALL)
1 Aid Package (war wage)	65,000	26,000	3	5,070,000,000
Aid Package 2 (war wage)	172,400	40,000	1	6,896,000,000
Assistance Package 3 (Reimbursement of fines for Albanian citizens who violated the residence permit in Greece)	60		1	26,000,000
Aid Package 4 (Public transport companies)	5190	26,000	1	134,976,000
Aid Package 5 (Manufacturing businesses for anti-Covid-19 expenditure)	46,750	4,000		187,000,000
Aid Package 6 (ARMO oilmen wage arrears)	836	55,000	2	92,000,000
Total	290236			12,405,976,000

12. To date, there is no official gender-disaggregated data on the number of beneficiaries of the aid packages.

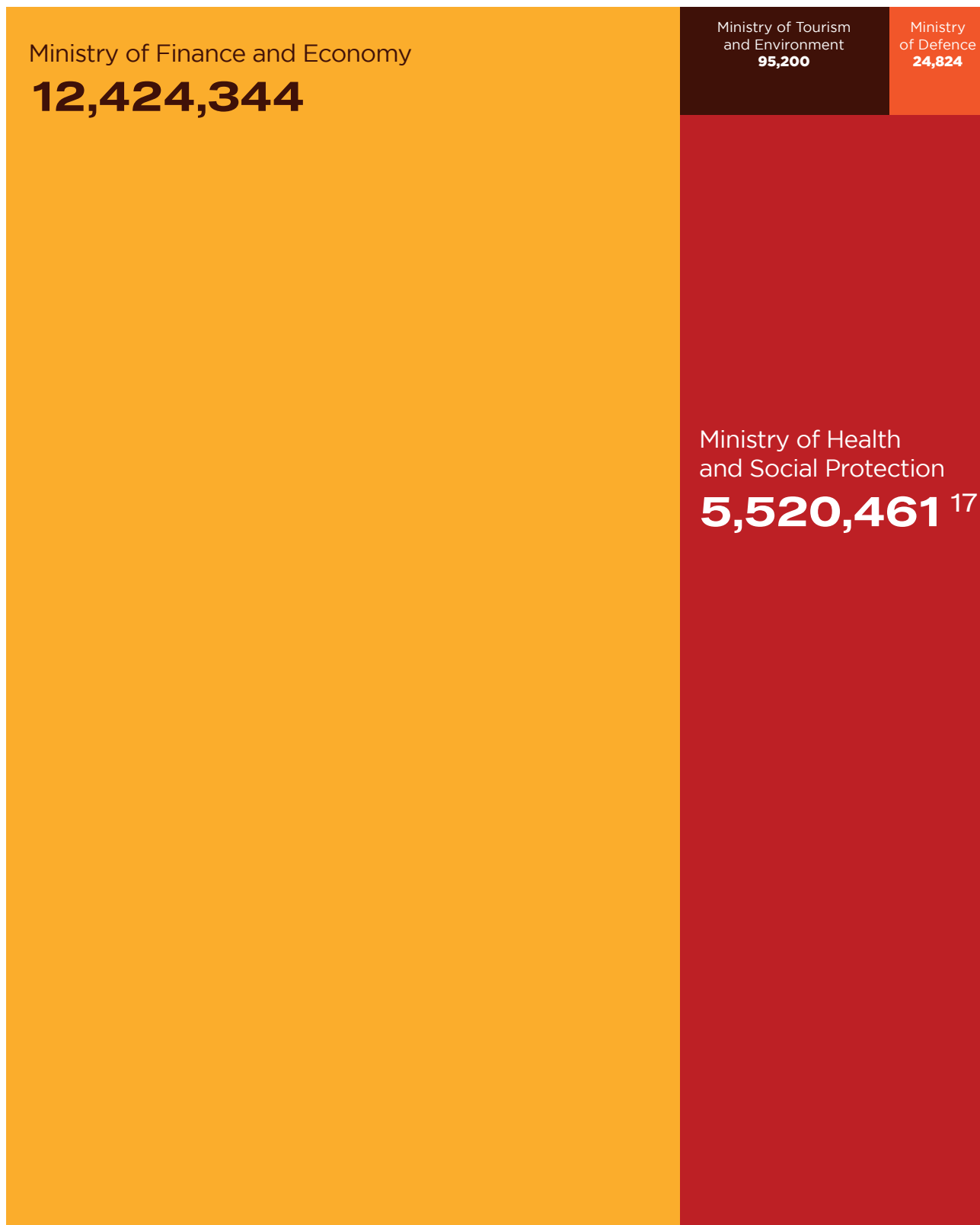
13. Exchange rate EUR 1 = ALL 125.

14. This is the total amount planned to be allocated for the financial measures in response to the pandemic and not only the reallocations from the budget.

15. The ‘War wage’ is the cash benefit/partial wage reimbursement provided by the Government to those who were unable to work during the weeks of restricted movement.

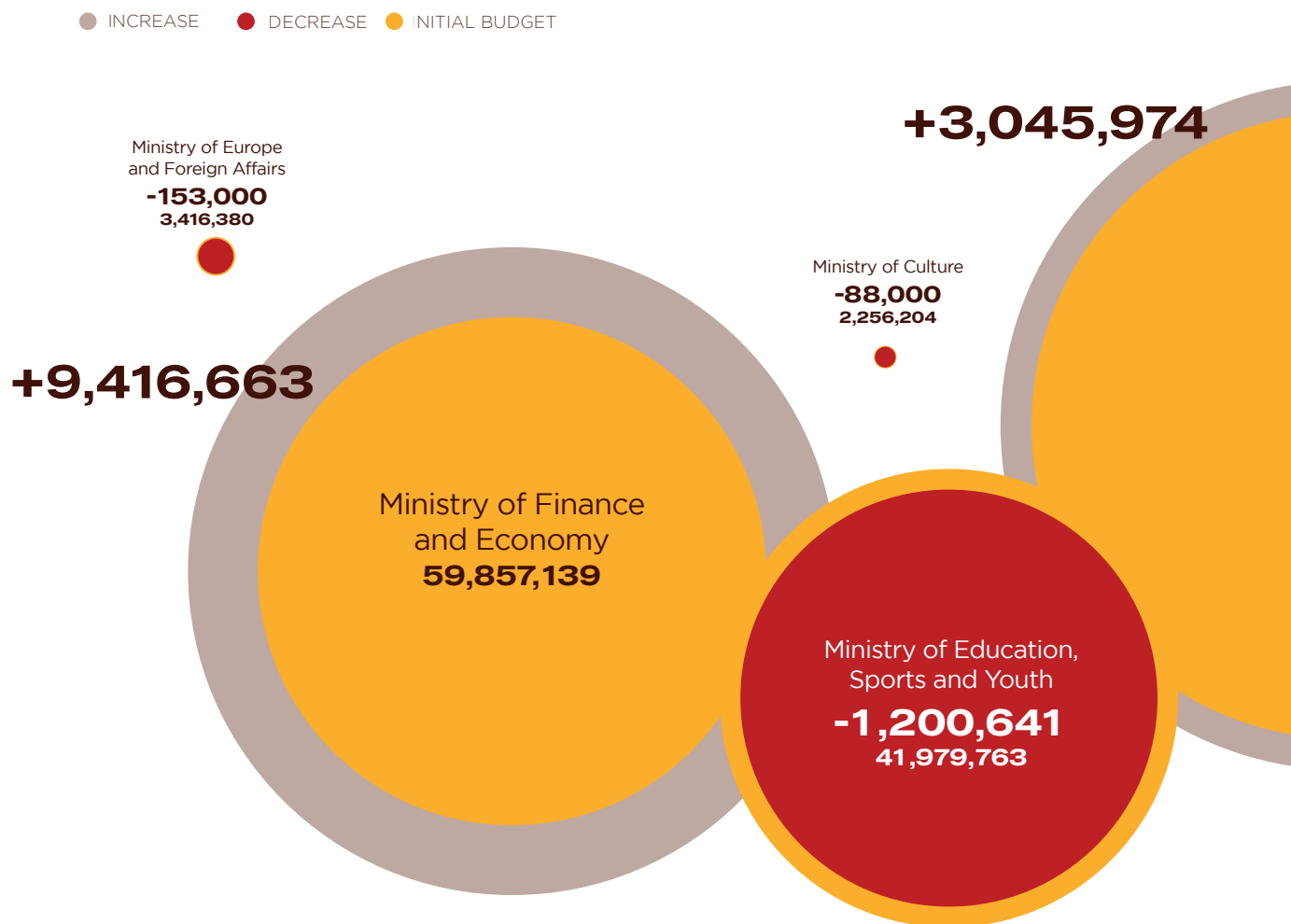
16. This is the total amount planned to be allocated for the financial measures in response to the pandemic, not only reallocations from the budget. The last Normative Act reallocated ALL 1.4 billion to the Ministry of Health and Social Protection and the total amount of funds reallocated for measures in response to the COVID-19 pandemic as of now is ALL 3.8 billion with ALL 2.4 billion reallocated from the first budget rebalancing.

FIGURE 1: Line ministry recipients of COVID-19 funds (IN 000 ALL)



17. Out of the total of ALL 5,520 billion, the amounts of ALL 46 billion and ALL 3.8 billion were reallocated from other institutions, while the remaining ALL 1.7 billion came from the increase in the public debt.

FIGURE 2: Budget cuts and reallocations to the line ministries (IN 000 ALL)



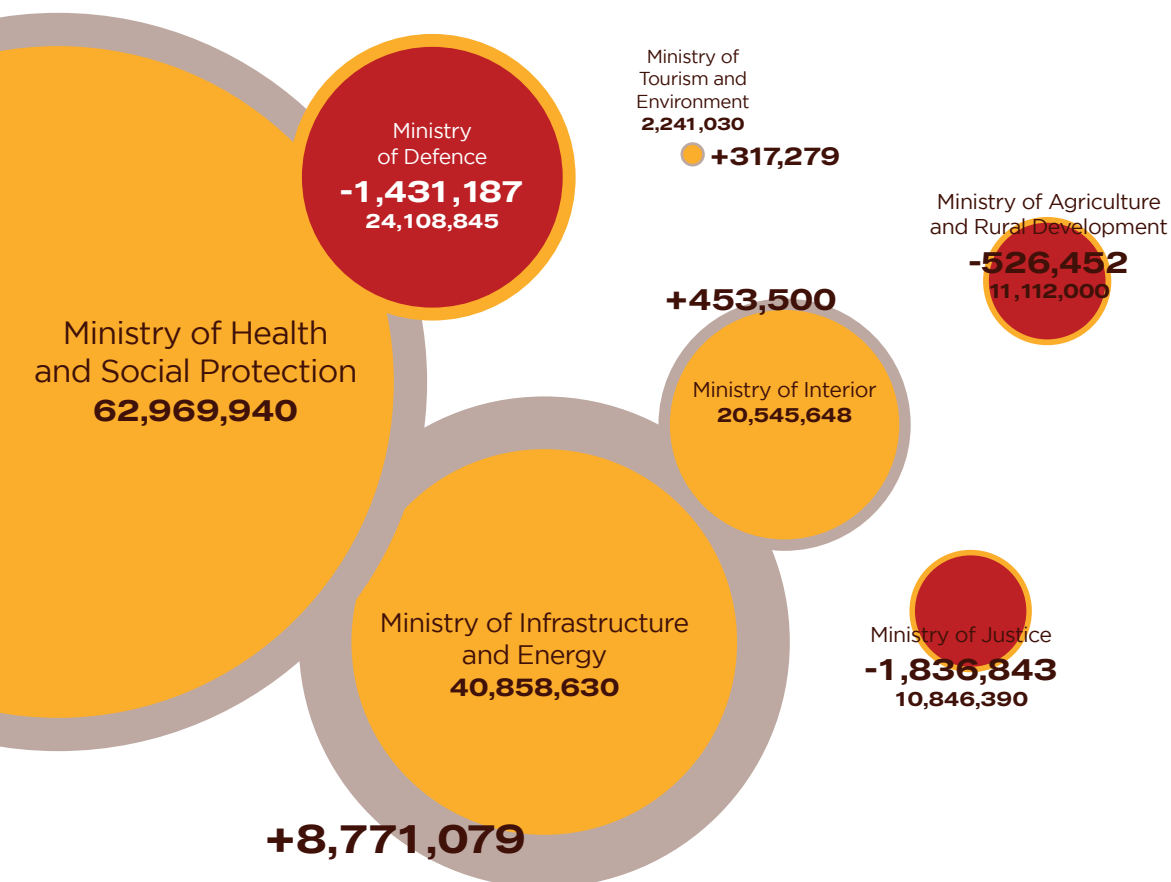
Health and Social Protection to be used to cover the wages of frontline medical staff and the necessary investments required in order to respond to the further increase in COVID-19 cases as well as the payment of economic aid in cash to families from vulnerable groups¹⁸ as per the fiscal scheme¹⁹ designed by the government.

Economy was the institution responsible for implementation of the financial measures targeting unemployment during the lockdown. The total amount of funds planned for the COVID-19 response measures to be implemented by the Ministry of Finance and Economy was ALL 13.5 billion (EUR 108 million), but only ALL 12.4 billion (around EUR 100 million) had been spent as of December 2020. Of this amount only ALL 9.4 million (EUR 7.5 million) had been reallocated from other institutions with the rest coming from the increase in the public debt.

Figure 2 above shows the main recipients of the COVID-19 funds originating from the budget reallocations and the increased public debt. The Ministry of Finance and

18. The vulnerable groups targeted by this scheme were mostly Roma and ethnic Egyptian women and men working in the green economy, but no gender-disaggregated data on the beneficiaries was provided.

19. The Government temporarily doubled the monthly social benefits for about 70,000 very poor families at a cost of ALL 340 million (around EUR 2.8 million).



The Ministry of Health and Social Protection, as the second biggest recipient of the COVID-19 funds, was in charge of implementing the protection measures, which mainly targeted frontline medical staff. The total of ALL 5.5 billion (EUR 44 million) derived from the ALL 3.04 billion that was reallocated from other institutions with the remaining ALL 2.04 billion coming from the increase in the public debt that was designated to fund the remuneration, including a bonus, for the frontline medical staff as well as all of the

necessary equipment to help them during the pandemic. In total, 522 physicians, 1,130 nurses and 134 epidemiologists received a EUR 1,000 bonus as a reward for their work with COVID-19 patients. Women comprise most of the frontline medical staff, especially nurses, and therefore women benefited directly from this measure.²⁰ The cuts mostly affected current expenditure not linked to strategic or crucial activities of the institutions and capital expenditure linked primarily to infrastructure projects.



20. No gender-disaggregated data was provided in the budget document and so it was not possible to sum up the financial effect of the scheme separately for female and male medical staff. The assumption was made based on the data provided by INSTAT in previous years. Available from www.instat.gov.al/en/publications/books/2019/women-and-men-in-albania-2019/.

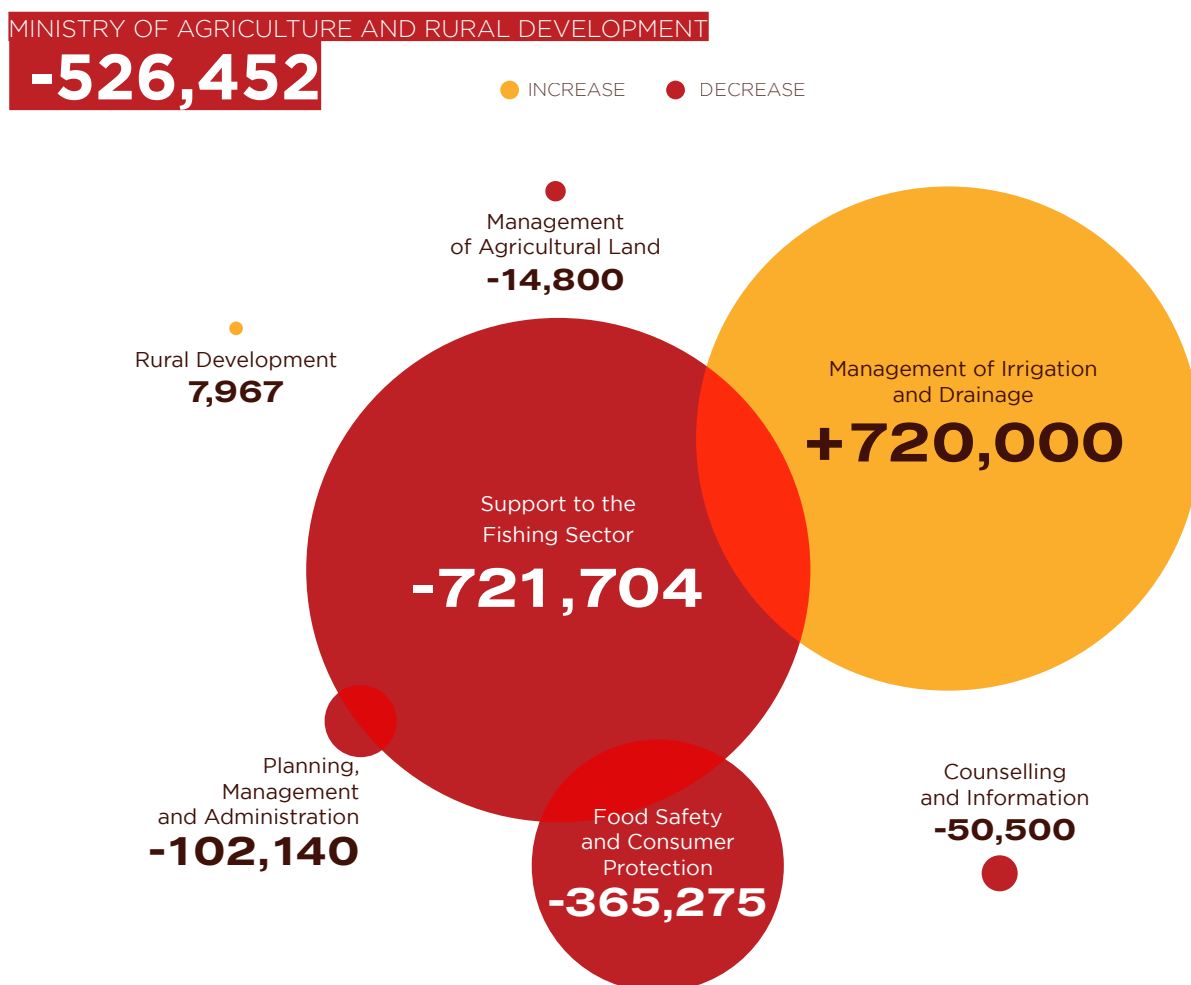
Ministry of Agriculture and Rural Development

The Ministry of Agriculture and Rural Development saw a total budget cut of ALL 526 million (EUR 4.2 million) coming both from current and capital planned expenditure for 2020. The budget cuts affected all but two budget programmes. The first budget rebalancing resulted in an increase of ALL 400 million (EUR 3.2 million) for the 'Rural Development' budget programme and a decrease of ALL 721 million (EUR 5.76 million) for the 'Support to the Fishing Sector' programme, while almost ALL 300 million was cut from the other budget programmes of the Ministry. The last budget rebalancing

on 16 December 2020 resulted in an increase of just ALL 7 million (EUR 56,000) for the Rural Development budget programme. This change was determined by the impossibility of using all of the funds for the subvention schemes and the reallocation of the funds for other purposes.

Only four of the seven budget programmes of the Ministry of Agriculture and Rural Development had previously included the gender aspect in the planning phase of the Medium Term Budget Programme 2020-2022.

FIGURE 3: Ministry of Agriculture and Rural Development budget programme cuts and reallocations (IN ALL)



Activities aimed at improving the overall situation of female and male staff working within the of the Ministry of Agriculture and Rural Development are planned in the **Planning, Management and Administration** budget programme as capital expenditure for the maintenance and improvement of the building of the Ministry. These are indirect allocations and do not include gender equality as an explicit objective but do include women beneficiaries. The budget cuts affected this expenditure directly but no information was available on how the gender related targets have changed (e.g. Number of toilets available for men/women).

Another direct allocation linked to the gender objective was included in the Planning Management and Administration budget programme with the objective to *“Increase and develop planning and management capacities through training and development programmes in respect of the principle of gender equality”* and in the gender sensitive Key Performance Indicators with the objective to increase the *“Share of women personnel trained against the total.”*

The latter objective was also affected by the budget cuts but no information was available on how the output and the related Key Performance Indicators had changed. The budget reallocations within the planned capital expenditure also affected the budget programme for the **fishing sector**, which had previously incorporated the issue of gender. Indirect allocations were linked to one of the objectives, namely *‘achievement of fishing policies according to the EU standard’*. One gender sensitive Key Performance Indicator was also identified for this programme in the form of the *‘Number of women working in the fish processing field’*, yet no information

“Almost 45 per cent of employed women work in agriculture compared to 35 per cent of employed men in the same sector.”

was available on how the reallocations had affected them as they relate to general activity in the sector.

The budget programme for ‘Rural development’ had previously incorporated the issue of gender and had included specific activities and outputs related to the subsidies for women farmers. The objective was to *‘improve the competitiveness of agriculture and the agri-food industry and improve the quality of life by promoting the diversification of economic activities in rural areas’*. In terms of gender sensitivity, there is the Key Performance Indicators on *‘the number of women benefiting from subvention schemes’*.

According to the subsidies scheme, every woman that applies for a subsidy is assigned a total of 5 points providing women with a good advantage, especially for the schemes where each year predominantly men apply and win. The scheme provides that all owners of an agricultural farm, meaning all members of a family farm, can apply for subsidies.

The Law on immovable property stipulates that women have the same rights as men to immovable property and that the property should be registered both under the name

It is projected that in 2021 of the 2,400 farmers just 360 women will benefit from the national schemes, which means only 15 per cent. In order to include gender in the subsidy schemes and within the existing budget plans, it is proposed that the number of women beneficiaries be increased to 600 for 2021, 613 for 2022 and 625 for 2023.

of the husband and of the wife, thus giving women the same possibility as men to apply for subsidies. However, the scheme is unable to ensure that women benefit directly and equally from the subsidies as most of the time, as studies show, the husband forces his wife to apply for a subsidy but then he becomes the actual beneficiary of the subsidy.

Nevertheless, the increase in the current planned expenditure on the Rural Development budget programme (ALL 400 million in total) is dedicated to increasing the number of beneficiaries of the subsidies scheme.

Around ALL 295 million comes from current funds and the rest comes from reallocations, mostly investment, within the Ministry of Agriculture and Rural Development budget programmes. Because the applications are still in process it is not possible to calculate the number of women benefiting from the increase, but an increase in the amount of

funding for this budget programme will result in a consequent increase in the number of beneficiaries of the subsidies scheme and this will signal an increase in the number of female beneficiaries.

The Ministry of Agriculture and Rural Development has continued its efforts to mitigate the effects of the pandemic in rural areas. Therefore, a new scheme of ALL 1 billion (EUR 8 Million) targeting registered farmers that use heavy machinery had been approved and was in the process of implementation. According to the information provided by the Ministry of Agriculture, all registered farmers using this type of machinery are men and therefore no women will be benefiting directly from the scheme.

Almost 45 per cent of employed women work in agriculture compared to 35 per cent of employed men in the same sector. The Agricultural Subsidies Scheme has seen an increase to the amount of ALL 400 million as a response to help mitigate the damage caused by the pandemic. This scheme should ensure that in rural areas all women holding the burden of unpaid care workers as well as unpaid workers on farms owned by men receive equal benefit from public money. Given that the number of female beneficiaries of the Agricultural Subsidies Scheme only account for around 14-15 per cent of the total beneficiaries of this scheme, as in most small subsidy schemes, it was recommended to the Ministry of Agriculture to increase the number of female beneficiaries of this scheme up to 25 per cent of total beneficiaries (25% of the beneficiaries from each subsidy within the scheme) for the following three years.

The **Extension and Counselling** budget programme, which experienced cuts to the current and capital funds amounting to ALL 50.5 million (EUR 0.4 million), had previously included gender within the programme. The objective was to *“Provide farmers with*



continuously improved technological cards and packages, while the output related to the percentage of women farmers informed through the structures of the Regional Agricultural Extension Agencies versus the total number of informed farmers.”

The gender sensitive Key Performance Indicator was *‘the number of informed women farmers from the Regional Agricultural Extension Services’*.

The planned expenditure targeting women in this programme involves direct allocations linked to current costs. The budget cut of ALL 10 million affected the overall activity of the Extension and Counselling budget programme but is not linked and therefore does not affect the gender output, namely the *‘number of women benefiting from the counselling and extension programme’*.

Although the budget cuts did not affect the gender output directly, the Ministry recommended that all the funds planned for the extension and information activities should be reallocated further. The rationale behind this cut was that because it was not possible to conduct the counselling and extension services face-to-face under the circumstances of the ongoing pandemic the funds should be reallocated to other activities. The Ministry of Agriculture and Rural Development proposed alternative innovative solutions such as conducting training through digital platforms; however, the latter proposal was quite impossible for women farmers living in remote rural areas where electricity is sometimes missing let alone the internet and the necessary electronic devices.

Given that the two budget programmes, namely ‘Agricultural Advisory and Information’ and ‘Rural Development’, have a reciprocal and important link in terms of the number

“8 Million EUR targeting registered farmers that use heavy machinery had been approved and was in the process of implementation. All registered farmers using this type of machinery are men and therefore no women will benefiting directly from the scheme.”

of women farmers and non-farmers who generally benefit from the funds allocated from the state budget for agriculture, it was recommend that the Ministry of Agriculture and Rural Development should continue budgeting the counselling and information activities for women farmers and non-farmers for the forthcoming years and to carry out all of the activities envisaged within this objective.

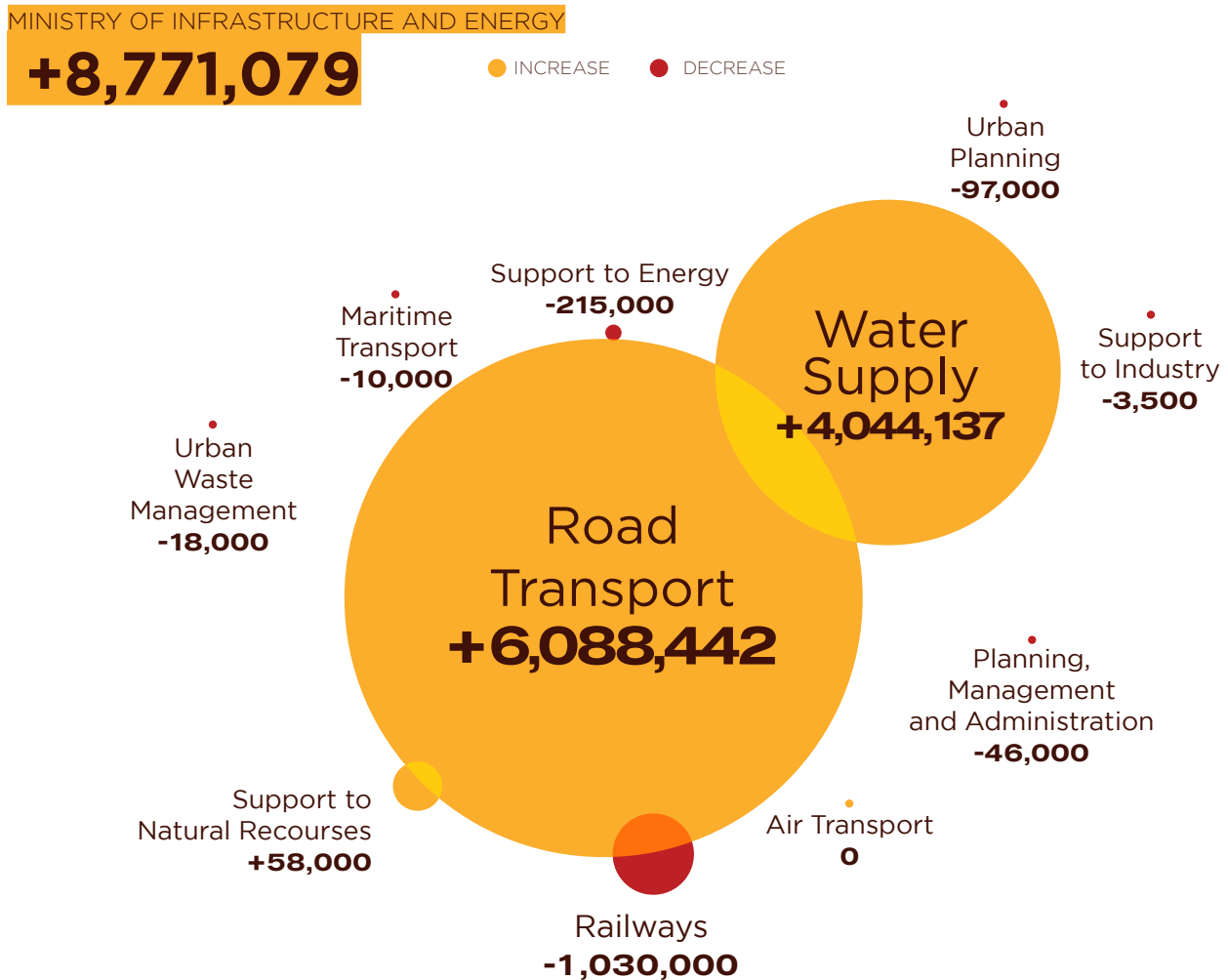
The major budget cuts within the Ministry of Agriculture and Rural Development have affected the **‘Food Safety’** and the **‘Management of Rural Land’** budget programmes. The budget cuts affected current expenditure and investment, while the reallocations affected current expenditure. Neither of these programmes included the gender perspective prior to COVID-19.

Ministry of Infrastructure and Energy

None of the Ministry of Infrastructure and Energy budget programmes had incorporated the gender perspective and there was no information on whether the increased funds allocated to this Ministry was financing gender equality related activities. Most of these funds were assigned to financing public works on the national roads²¹ and there was no direct correlation with the COVID-19 measures.

As there was no sex-disaggregated data on the number of women and men benefiting from the public works or on why these public works were prioritised over the COVID-19 emergency, this meant that it was not possible to make any assumptions and/or estimations on how the expenditure would affect gender equality.

FIGURE 4: Ministry of Infrastructure and Energy budget programme cuts and reallocations (IN ALL)



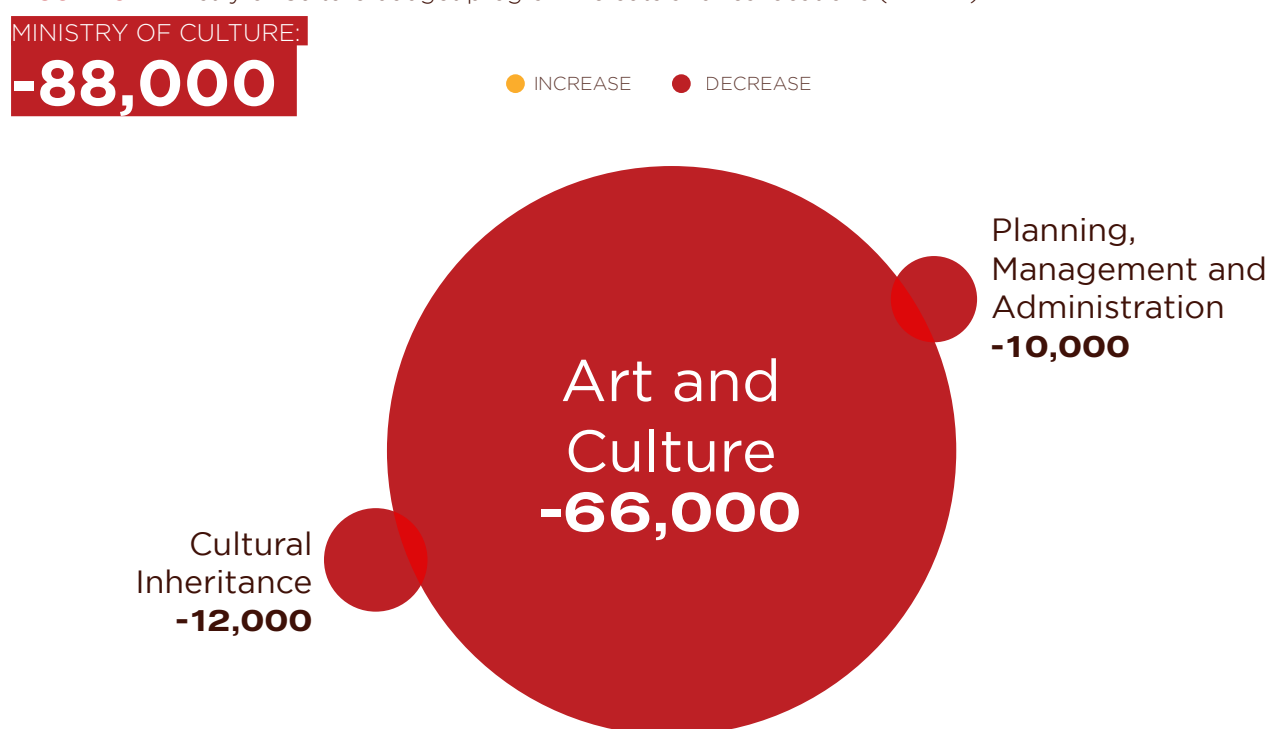
21. A gender analysis of the beneficiaries would show the implications of the construction of these roads for the lives of women and men.

Ministry of Culture

The Ministry of Culture has suffered major cuts but not in terms of total amounts but in terms of the overall budget of the Ministry. The cuts affected investment and current expenditure mainly, which does not relate directly to the previously planned gender activities such as the funding allocated for artistic projects of female artists (45% of the beneficiaries are women) or female artisans (35% of the beneficiaries are

does not envisage direct allocations but the inclusion of female artisans as beneficiaries of the funding. It remains unclear whether the Ministry of Culture will further rebalance the funds within the budget programmes. Most of the cultural activities were rescheduled to take place virtually²² or in open areas in full consideration of the COVID-19 rules, while open calls for cultural projects have already been launched.²³

FIGURE 5: Ministry of Culture budget programme cuts and reallocations (IN ALL)



22. www.culturalpolicies.net/covid-19/country-reports/al/.

In March, the public cultural institutions quickly raised awareness by sharing the digital official information from the Ministry of Health and Social Protection on safety recommendations and regulations for COVID-19. There also was strong digital promotion of artists and increased dissemination of public cultural archives on social media. On 14 March, the Ministry of Culture began promoting cultural initiatives mainly through social media. For example, 'Open the Windows, let the Music in' and a series of digital meetings with all of the Ministry's subordinate institutions under the themes 'Music from Home', 'Music from the Window', 'Read at Home', 'Opera at Home', 'Opera in Pyjama's and many more. The National History Museum organised 'Drawing History from Home', the National Film Archive shared archived films covering diverse age groups and the National Library promoted its digital library. All Albanian public cultural resources were highly promoted by the Ministry of Culture through virtual tours and digital resources. April was declared as the 'Book Month' and the Ministry engaged public institutions in digital events. The National Photography Museum 'Marubi' shared colouring pages from its book for anyone to use at home.

23. <https://kultura.gov.al/hapen-thirrjet-per-projekte-kulturore-per-vitin-2020/>.

Ministry of Finance and Economy

The reallocations within the Ministry of Finance and Economy affected two of the major budget programmes that had previously included the gender perspective: Social Insurance, to the amount of ALL 7.2 billion (EUR 58 million), and Social Housing, ALL 1.9 billion (EUR 15 million).

The Ministry of Finance and Economy implemented almost all fiscal measures and support for unemployment, SMEs and other businesses. The most important are listed below.

Fiscal measures

- A total of ALL 10 billion (EUR 80 million) was provided to companies that had difficulty in paying employee wages. This was done through the instrument of a Sovereign Guarantee that enabled the companies to benefit from credit lines with low interest rates from the second tier banks.

According to the data provided by the Ministry of Finance and Economy, the total number of beneficiaries of this scheme was 760 businesses.

FIGURE 6: Ministry of Infrastructure and Energy budget programme cuts and reallocations (IN ALL)

MINISTRY OF FINANCE AND ECONOMY:

+9,416,663

● INCREASE ● DECREASE

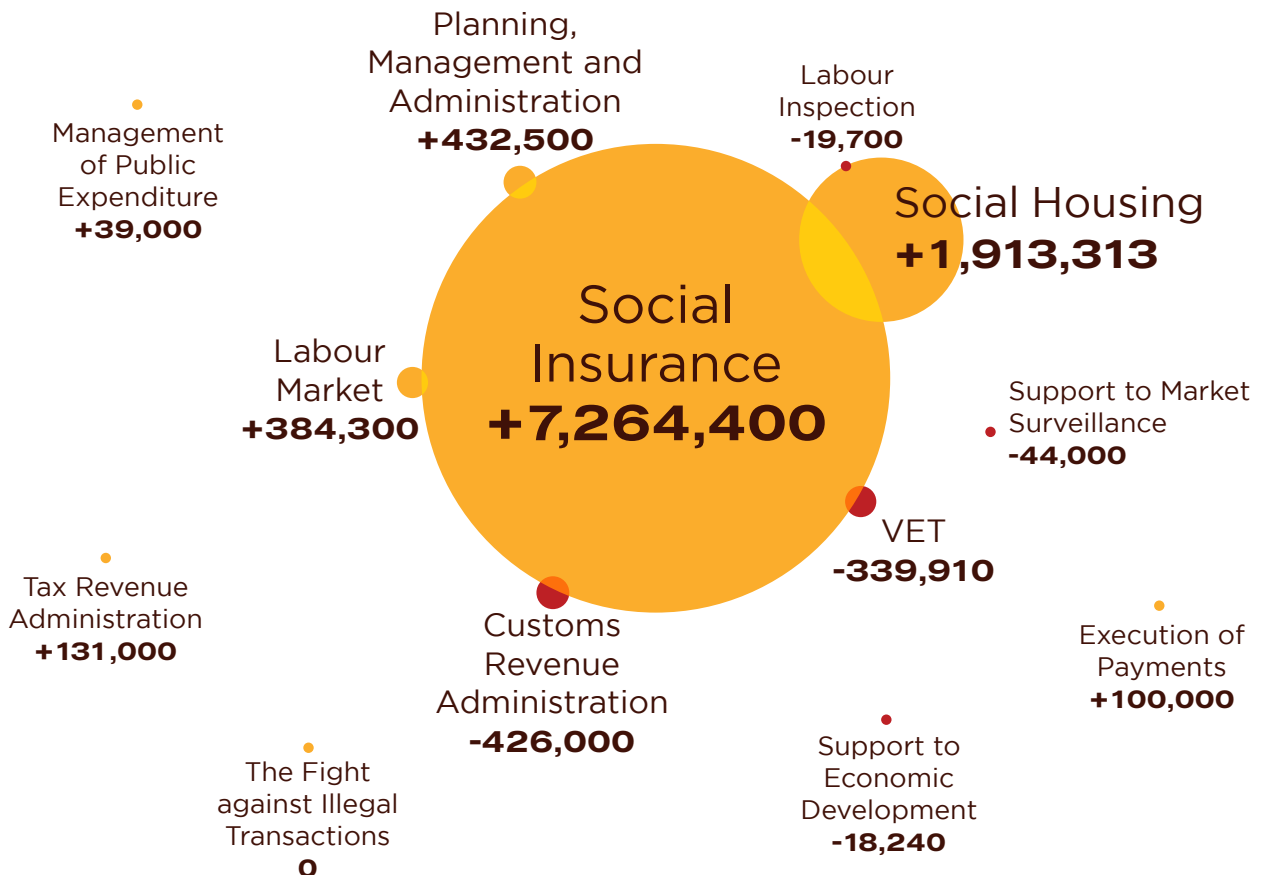


TABLE 5 Ministry of Finance and Economy Sovereign Guarantee Scheme, December 2020.

Scheme	Total amount designated (in billion ALL)	Approved (in billion ALL)	Disbursed (in billion ALL)	Interest rates	Beneficiaries
GS1	11.00	5.901	5.331	2.01% - 2.85%	492
GS2	15.00	7.815	7.054	0.50% - 5.00%	268
Total	26.00	13.72	12.39		

The measures for the **Industry Sector** were funded mainly through the Sovereign Guarantee Scheme.²⁴ There was no specific rebalancing of the budget²⁵ but the impact on gender equality resided on the beneficiary side. As per the official data of the National Chamber of Commerce of Women in Albania,²⁶ the number of businesses owned by women that could benefit from the Sovereign Guarantee scheme was 105 out of 760 big businesses registered in Albania or only 14 per cent of the potential beneficiaries. The total amount of funds already disbursed for this scheme was around **ALL 12.3 billion** (EUR 9.84 million), but there was no disaggregation of the data on the beneficiaries of this scheme.

Income support measures for individuals and households, excluding tax and contribution changes

- The Government subsidised the wages of around 60,000 employees of small businesses or self-employed persons to around ALL 1.57 billion (EUR 13 million).

- The Extended Aid Package or ‘war wages’ supported 100,000 employees in small businesses, 66,000 employees in large businesses and 10,000 employees in the tourism sector. As of April 2020, 176,000 families were in receipt of a direct payment of ALL 40,000 (EUR 319.5), which amounts to a total of ALL 7.04 billion (EUR 5.06 million).
- The Government temporarily doubled the monthly social benefits for about 70,000 very poor families, mostly Roma and ethnic Egyptians working in the green economy²⁷ at a cost of ALL 340 million (around EUR 2.8 million).
- ALL 6.5 billion (EUR 52 million) was allocated for the immediate needs of disadvantaged groups, such as people in remote rural areas, Roma and ethnic Egyptian women and men living in slums, and addition funds to support small businesses.

Although necessary for saving lives, the containment measures have had a negative

24. ALL 10 billion (EUR 80 million) was provided through the instrument of a sovereign guarantee to companies that had difficulty in paying employee wages.

25. There were no funds reallocated from the budget rebalancing, but the level of Sovereign Guarantees within the public debt stock was increased.

26. <https://www.cci.al/anetaresia/>.

27. Women and men working in recycling industry by collecting different materials and selling them to recycling businesses.

An extended aid package was issued to support 100,000 employees in small businesses that were affected during the weeks of restricted movement, 66,000 employees in large businesses that were affected during these weeks in their workplaces and 10,000 employees in the tourism sector.

effect on the lives of women and men in Albania. Evidence from the Rapid Gender Assessment of COVID-19²⁸ shows that **female self-employed workers** were affected most by COVID-19. The Assessment highlights the disproportionate impact that the lockdown had on the working time of employed women. The pandemic has hit the income generation sources of both women and men hard, with **women suffering a significant decline in income from farming** and remittances.

The Rapid Gender Assessment shows that the COVID-19 outbreak has led to every second employed woman (51%) working remotely (from home) compared to almost every fourth man (27%). The rise in the burden of unpaid care work, economic uncertainty, the increased risk of domestic violence during the confinement,

restricted and unsafe mobility as well as poor access to health services²⁹ constitute just part of the risks that are causing an amplification of inequality between women and men during the pandemic.

According to the official data from the Ministry of Finance and Economy, the cash transfer for unemployment payment prior to COVID-19 was ALL 13,000 (EUR 105) or 50 per cent of the minimum wage. The Decree of the Council of Ministers with regard to the support scheme for social benefits provided for this payment to be doubled to the amount of ALL 26,000 (EUR 210) as the minimum wage. Once again, the support only targeted those persons already registered in the Financial Aid Scheme prior to 10 March 2020; the total number of beneficiaries was 2,823³⁰ of which 55 per cent were women, which reconfirms the higher rate of women among the unemployed.

Because the government measure only targeted registered unemployed women and men those not legally registered as jobseekers by 10 March 2020 and/or those working informally were left behind. In total, **60,000 employees** of legally registered small businesses and/or legally registered self-employed persons were the beneficiaries of the ALL 1.57 billion (EUR 13 million). An extended aid package was issued to support **100,000 employees** in small businesses that were affected during the weeks of restricted movement, **66,000 employees** in large businesses that were affected during these weeks in their workplaces and **10,000 employees** in the tourism sector.



28. <https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/2020/07/factsheet-albania-fin-min.pdf?la=en&vs=1208>.

29. Most of the problems concerning access to health and other public services were caused by the containment measures, especially the lack of public transport and the prohibition on the use of private transportation.

30. The Ministry of Finance and Economy reported that the total amount paid for the period (April, May and June) was ALL 2.2 billion (EUR 1.76 million).

All of the financial schemes targeted legally registered employed or unemployed women and men.³¹ **Self-employed women and men were most affected by the lockdown measures.** Those not registered were given the opportunity to be registered (by declaring the name of their employer) and benefit from a cash transfer. No data was available on the number of women and men who benefitted from this opportunity but the Rapid Gender Assessment shows that 29 per cent of women as employees compared to 27 per cent of men as employees and 56 per cent of women as self-employed compared to 50 per cent of self-employed men were the most affected by the crisis.

Almost all women³² working in the care economy, such as cleaners, babysitters, kindergarten and nursery workers as well as fasoneries, and men working in construction and farming are not legally registered (undeclared work) and therefore are excluded from the mitigation schemes. *One of the unique features of this crisis compared to previous events is that it disproportionately affects low-wage workers in the service sector.*

The ALL 13.5 million (EUR 10.8 million) dedicated to the **Economic Development Sector** enabled the payment of cash transfers to the amount of ALL 74 million (EUR

588,000) to 2,823 registered unemployed women and men.³³

ALL 12.4 billion (around EUR 99 million) designated for the cash transfers was spent on the following:

- **290,236** women and men who lost their job because of the pandemic,
- Transport companies that could not deliver transport services over the period of the lockdown,
- Manufacturing businesses,
- Albanians affected by the lockdown measures whilst outside the borders and unable to comply with the Schengen rules on a 3-month stay in a Schengen country,
- Albanian refinery workers who lost their job because of the pandemic.

The Ministry of Finance and Economy has designed a new financial scheme targeted at SMEs that was in the approval process.³⁴ Based on the above analysis and on the data from the Rapid Gender Assessment, UN WOMEN proposed that the Ministry further incorporate gender into the newly approved financial measures for the equitable inclusion of Women and men in support schemes with a view to mitigating the effects of the COVID-19 pandemic.



31. According to the Labour Force Survey, women are less likely to participate in the labour market. Male employment in the 15-64 age range remained relatively stable, while women's participation in the labour market in 2018 increased to 59.7% compare to 50.1% in 2013. According to the causes of inactivity, generally speaking, women remained outside of the labour force mostly because they were busy with unpaid work at home (21.4%) or were attending school (22.0%). On the other hand, only 1.0% of men declare homework as the reason for their inactivity and 30.4% were students or pupils.

32. Recent studies from different CSOs have shown that individuals who have experienced several months of unemployment in a given year or only worked part time are more likely to be disqualified for this reason. This represents a disadvantage for those who were not consistently attached to the labour market in the last year, including many students, low-wage workers, parents, people with minor disabilities and formerly incarcerated persons. Because of occupational segregation patterns and labour market discrimination, these requirements also tend to exclude women, Roma and ethnic Egyptian minorities working in the green economy disproportionately.

33. It only referrers to women and men that were registered as unemployed from January to 10 March 2020.

34. Refer to Annex 2 attached to this report for more information.

This includes the following:

- Consider ways and incentives (such as subsidising the social insurance contribution for the first year or other measures of tax relief) to target all affected women and men in the newly approved unemployment scheme without excluding those not legally registered (undeclared work) and those living in remote rural areas and from vulnerable groups.
- The new financial support scheme targeting SMEs should prioritise female owned SMEs as beneficiaries of the funds, given that the percentage of female owners and/or administered small enterprises (1-4 employees) is 26.2 per cent and therefore lower than in other categories (The number of businesses with female owners or administrators is greater in the service sector than in the production sector at 33.2% and 11.8 % respectively).
- The actual Ministry of Finance and Economy managed SMEs fund, which targets mainly artisans and new technologies, needs to be adequately capitalised in order to ensure the sustainability or significant market share of the SMEs benefiting from the scheme.

An increase of ALL 384 million (around EUR 3 million) affected the '**Labour market**' budget programme but no direct expenditure targeting women was planned. The new unemployment schemes that target vulnerable groups in particular have only partially included gender and they still do not target women and men working in the care economy and those not legally registered.

According to the statistics³⁵ for the second trimester of 2020, the Labour Force Participation Rate was 60.7 per cent for

women and 75.7 per cent for men. The Labour Force Participation Rate for men was therefore 15.0 percentage points higher than for women. Compared to the same quarter of 2019, the rate for women decreased by 1.2 percentage points and decreased by 2.1 percentage points for men.

The employment rate for men was 66.2 per cent, while for women it was 53.2 per cent. Compared to the same quarter of 2019, the employment rate for men decreased by 2.2 percentage points and for women it decreased by 1.4 percentage points. The youth employment rate was 39.7 per cent. For the population aged 30-64, the employment rate in the second quarter of 2020 was 69.9 per cent.

The unemployment rate was higher for the industry sector, which in Albania is based mostly on fasoneries of clothing and shoes and which employs mainly women from suburban areas. Fasoneries were probably the only businesses not affected by the total lockdown, because they were able to continue their work. On the other hand, the containment measures and the suspension of public transport services meant that women working in these fasoneries were the most affected.

Business owners of fasoneries reported that almost 31 per cent of their employees did not return to work after the lockdown and that because of these difficulties they have lost their job. It is a well-known fact that these businesses have the highest informal employment rates, especially for women. This in turn means that the women who lost their job in these fasoneries have not benefited from any of the government aid schemes.

35. www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/pun%C3%ABsimi-dhe-papun%C3%ABsia/publikimet/2020/anketa-tremujore-e-forcave-t%C3%AB-pun%C3%ABs-t1-2020/.

Ministry of Health and Social Protection

The Ministry of Health and Social Protection has been one of the main beneficiaries of the COVID-19 funds and the budget reallocations in general. It received an increase of around ALL 3 billion (around EUR 24 million) of which ALL 2.4 billion (around EUR 19.2 million) was dedicated to the health service.

Female medical workers comprise the majority of frontline workers battling against COVID-19. Their day-to-day challenges include, among others, high levels of exposure to the virus, long working hours, psychological stress, fatigue, occupational burnout and stereotypes.

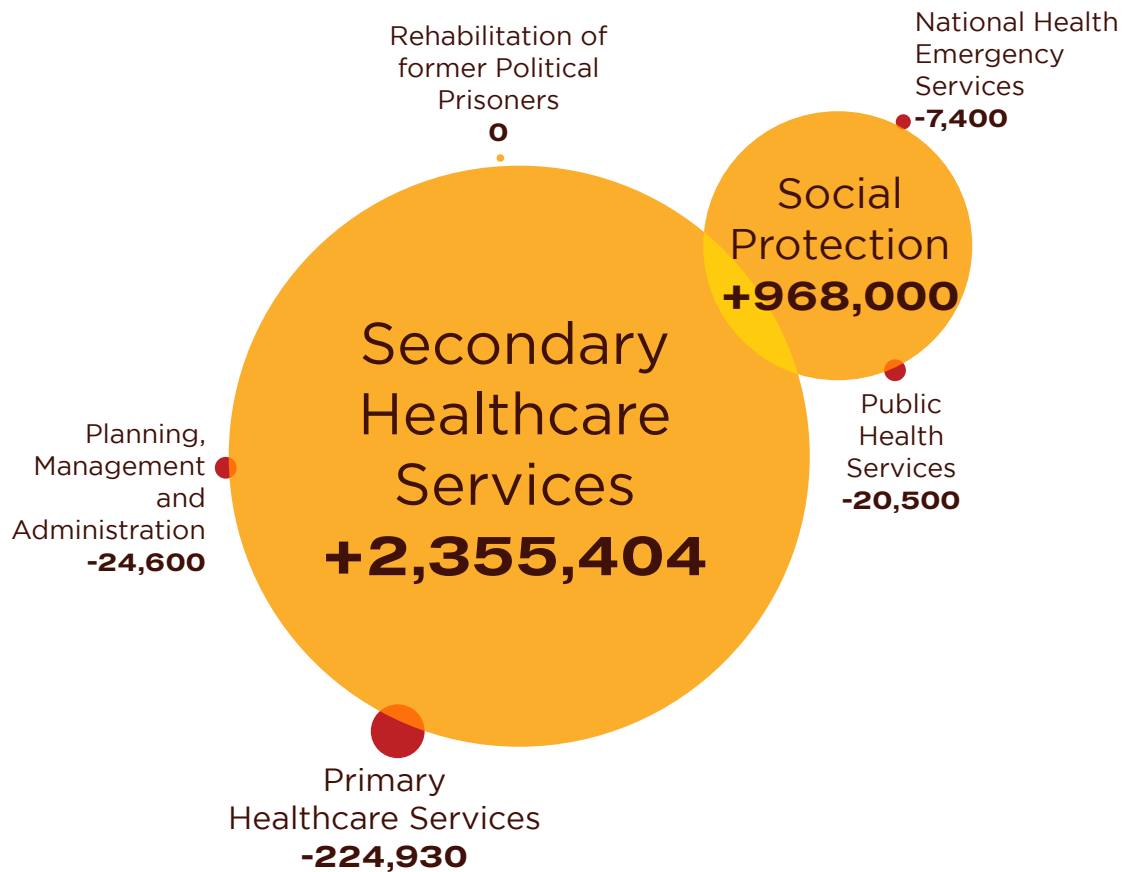
FIGURE 7: Ministry of Health and Social Protection budget programme cuts and reallocations (IN ALL)

MINISTRY OF HEALTH AND SOCIAL PROTECTION:

+3,045,974

● INCREASE

● DECREASE



1,000 EUR

Bonus received on their monthly wage as a reward for their work with COVID-19 patients, a total of 522 physicians, 1,130 nurses and 134 epidemiologists.

The funds reallocated to the 'Secondary Healthcare Services' budget programme were designated to fund the remuneration, including a bonus for frontline medical staff as well as all of the equipment necessary to help them during the pandemic. A total of 522 physicians, 1,130 nurses and 134 epidemiologists received a EUR 1,000 bonus on their monthly wage as a reward for their work with COVID-19 patients. A total of 739 support staff received a bonus of EUR 500 (over the monthly salary) as a reward based on the work they do with COVID19 patients and 150 healthcare personnel were hired to ensure increased human resource capacities in the covid hospitals. Most of the frontline medical staff, especially nurses, is comprised of women and therefore women benefitted directly from this measure.³⁶

No major financial changes affected the other budget programmes of the Ministry

of Health and Social Protection during the first months of the pandemic as all of the emergency responses were managed through the Ministry of Defence³⁷ and the Ministry of Finance and Economy. A budget reallocation of about ALL 1 billion (EUR 80 million) was enacted on 16 December 2020 in order to provide support to vulnerable groups with a focus on people with disabilities³⁸ who did not benefit from the first aid packages.

The Rapid Gender Assessment showed that, "Women experienced more challenges seeking health services" (55% of women compared to 45% of men). No official data was available on whether women and men faced specific difficulties in seeking health services as all primary and secondary health services as well as emergency health services were promoted to work 24/7 throughout the duration of the pandemic. No specific funds were provided to the Primary Healthcare Services budget programme for their functioning throughout that period. The expenditure on the equipment required to help the medical staff during the pandemic was designated for all medical staff across all levels of the health service. Most of the problems concerning access to health and other public services were a consequence of the containment measures and in particular the lack of public transport and the restrictions on the use of private means of transportation.

Given the information coming from different CSOs as well as other available public information³⁹ on the increase in the frequency



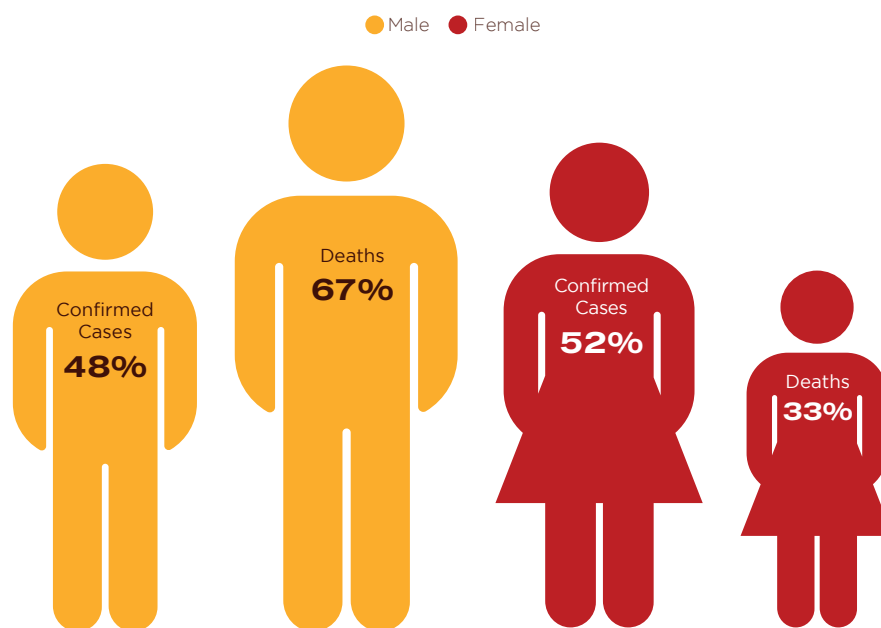
36. No gender-disaggregated data was provided in the budget document and so it was not possible to sum up the financial effect of the scheme separately for female and male medical staff. The assumption was made based on the data INSTAT provided for the previous years. Available from www.instat.gov.al/en/publications/books/2019/women-and-men-in-albania-2019/.

37. The Ministry of Defence managed the emergency funds and the Ministry of Finance and Economy managed the financial funds on unemployment, including cash transfers.

38. No gender-disaggregated data was provided on the beneficiaries.

39. www.avokatipopullit.gov.al/sq/articles-layout-1/home/news/this-article-is-available-only-in-albanian-418/.

FIGURE 8: Overview of the spread of Covid-19 and the implications for the Western Balkans according to gender⁴¹



Source: <https://globalhealth5050.org/>, dated 16 December 2020.

of gender-based violence, especially domestic violence during the complete lockdown, the Ministry of Health and Social Protection provided full support for the activities of the only 24/7 national centre for helping the victims of sexual violence. Yet this is not shown as a separate output in the Medium Term Budget Programme document of the Ministry but it will be included as such in the 2021-2023 Medium Term Budget Programme document.⁴⁰

The infections were recorded in both women and men, with small but significant gender gaps: more women in Albania caught the virus (confirmed cases) whereas the consequences were disproportionately more

deadly among male patients with 67.02 per cent of all pandemic deaths in Albania among men (Table 10).

One of the gender Key Performance Indicators used in the Primary Healthcare Services budget programme was the number of men aged 35-70 benefiting from the check-up services,⁴² which amounts to around 49 per cent of those eligible for the service. Given this information and the global statistics⁴³ that men aged 40-60 with a history of chronic diseases are those most affected by coronavirus, it was to be expected that the Ministry of Health and Social Protection would undertake specific awareness campaigns targeted at this group.



40. UN Women Albania carried out the costing as well as the analysis of the activities of the Lilium Centre in support of the Ministry of Health and Social Protection.

41. <https://globalhealth5050.org/>, dated 16 December 2020.

42. The check-up services have been postponed because of the pandemic and the new health emergency.

43. [www.frontiersin.org/articles/10.3389/fpubh.2020.00152/full#:~:text=While%20men%20and%20women%20had,%25%20were%20males%20\(5\)](http://www.frontiersin.org/articles/10.3389/fpubh.2020.00152/full#:~:text=While%20men%20and%20women%20had,%25%20were%20males%20(5).).

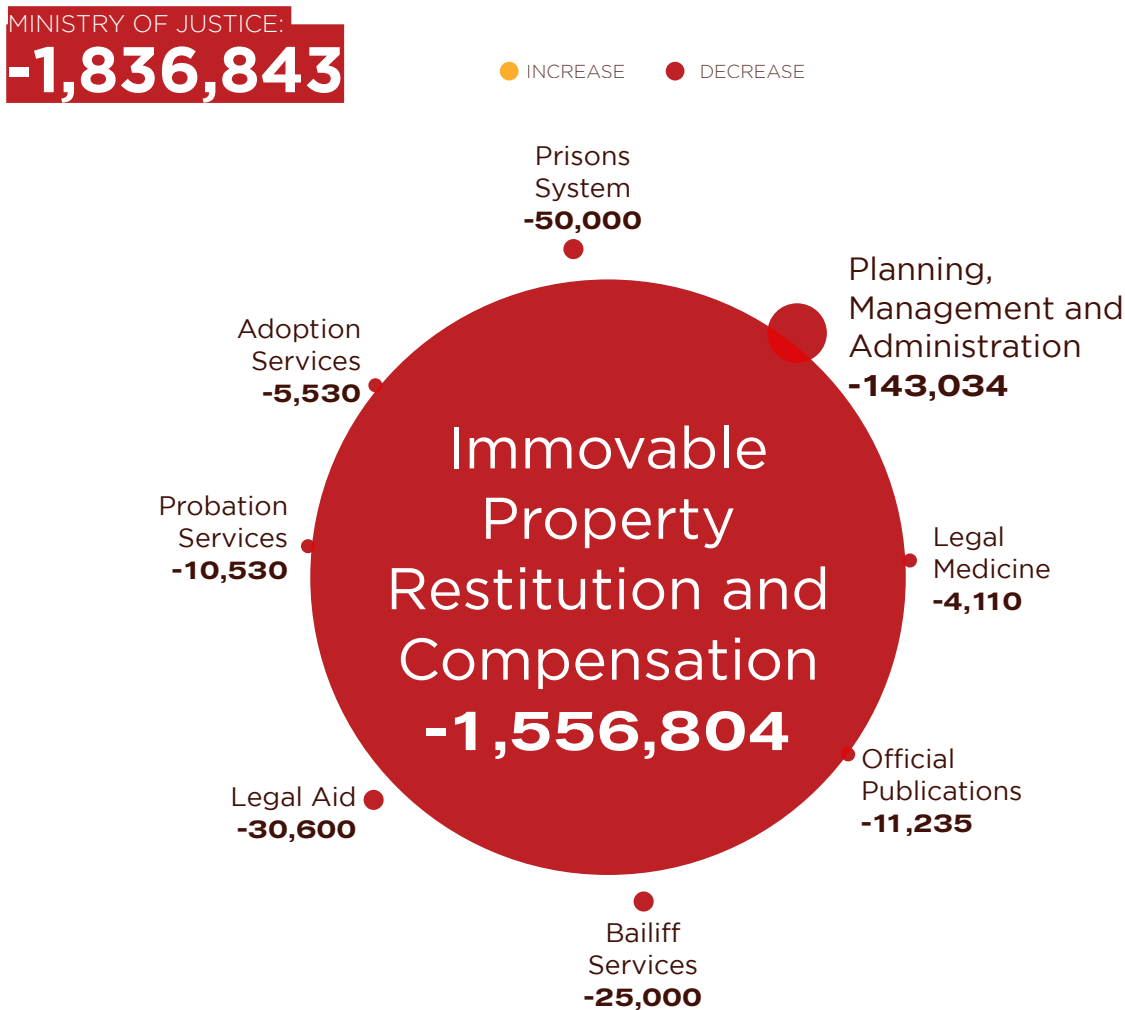
Ministry of Justice

The total amount of reallocations to the Ministry of Justice was ALL 1.8 billion (EUR 14 million).

The Ministry of Justice saw a decrease in funding of the 'Probation Services' budget programme. This programme previously included gender and this directly affects how women offenders benefit from this service. The first budget rebalancing resulted in an increase in funds and was in response to the

Ministry of Justice provision to commute the sentences of certain offenders⁴⁴ that had not committed major crimes for the duration of pandemic, with special emphasis on women and girls. This led to the need for more staff in the probation services to supervise these offenders. Given that the funds were not used, the funding was later reallocated for other purposes as provided for in the last budget rebalancing on 16 December 2020.

FIGURE 9: Ministry of Justice budget programme cuts and reallocations (IN ALL)



44. Sex offenders as well as those charged with gender-based violence were not included and could not benefit from this provision.

The Legal Aid budget programme saw a decrease of around ALL 30 million (EUR 240,000). This mostly affected capital and current expenditure and therefore had no effect on the overall activities of the Free Legal Aid Service. The structures of local government actually provide this service although the Ministry of Justice manages it at the central level. Given the increase in the number of cases of domestic violence and gender-based violence, in general an increase in the number of cases managed through these structures was expected.⁴⁵ According to CSOs working in the field, the major difficulties for the female victims of violence or other women from vulnerable groups that are eligible and in need of the free legal aid services are caused mainly by the non-functioning of the courts during the lockdown and the impossibility of transportation. This had no direct link in terms of budget reallocations but was definitely linked to the government imposed containment measures.

The Prisons System budget programme saw a decrease of around ALL 50 million (EUR 400,000) that affected the overall activities of the detention service.

No specific expenditure was planned for measures in response to the pandemic because the Ministry of Health and Social Protection provided all health services and equipment required for COVID-19 prevention at the detention institutions.

The Bailiff Service that had previously planned direct linked gender outputs (court decisions executed on restraining orders) saw a decrease of around ALL 25 million (EUR 200,000). There was no information on whether this cut has affected the activities related to the execution of restriction orders but given the effects of the lockdown in terms of the closure of the courts a decrease was expected in the number of restraining orders executed, especially in the second trimester.



45. The information will be available after the line ministries submit the monitoring reports.

Ministry for Europe and Foreign Affairs

The Ministry for Europe and Foreign Affairs budget programmes were all affected by the budget cuts.

The funds are linked to capital and current expenditure that can be postponed and are not linked directly to the implementation of gender related activities.

FIGURE 10: Ministry of Europe and Foreign Affairs budget programme cuts and reallocations (IN ALL)

MINISTRY FOR EUROPE AND FOREIGN AFFAIRS:

-153,000

● INCREASE ● DECREASE

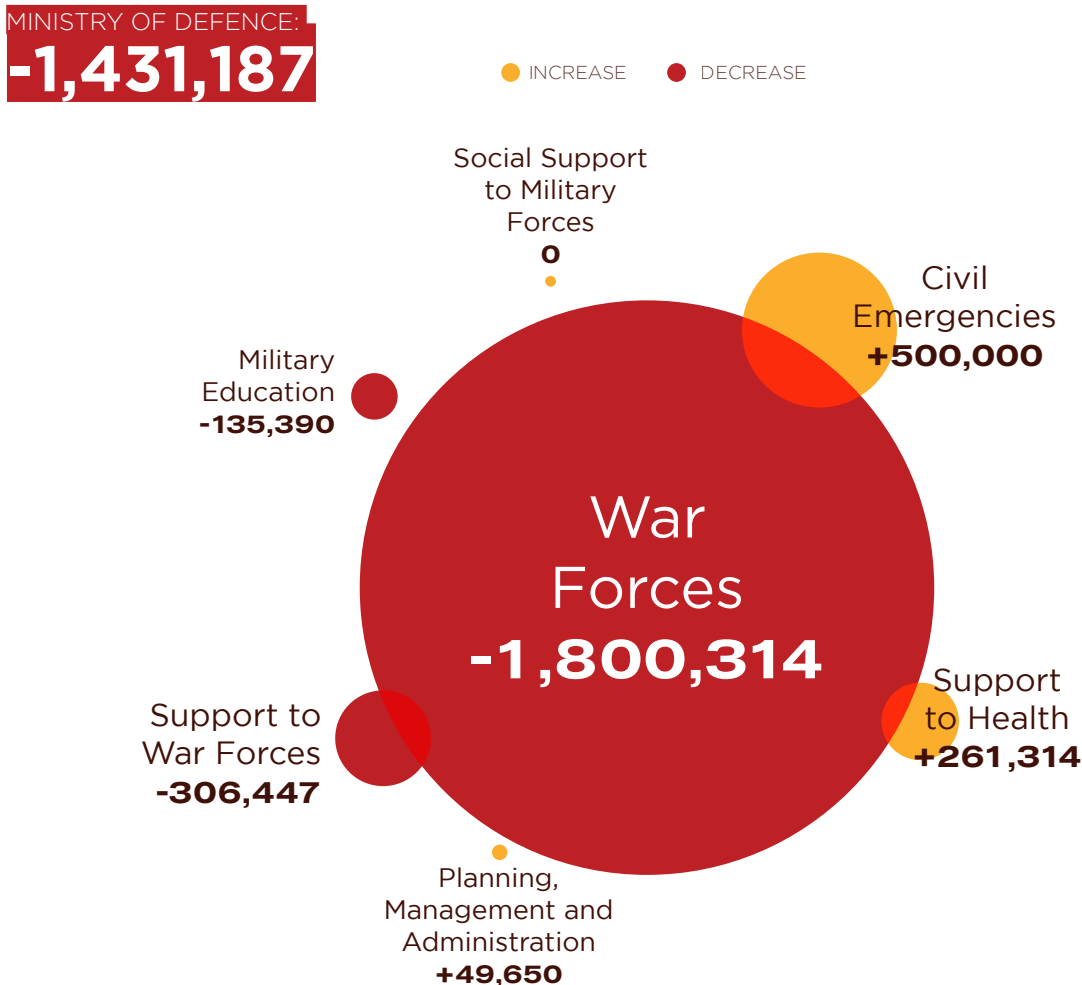


Ministry of Defence

The Ministry of Defence was in charge of the emergency response delivery of aid packages to vulnerable groups during the first phase of the lockdown, but the measure was funded mainly through existing funds. The budget cuts and reallocations affected all of the budget programmes of the Ministry with 'War forces', a programme budget that previously incorporated gender, most affected suffering a budget cut of ALL 1.8 billion (EUR 4 million). The cuts mainly affected capital expenditure and current expenditure that could be postponed, but no significant changes were made to the overall planning of the funds. This relates mainly to the NATO commitments that are prioritised over other military activities in times of peace and which the Government is expected to fulfil.

Although the institution charged with managing the overall activities of the emergency response was the Ministry of Defence it was only responsible for the implementation of the measures, while the Ministry of Finance and Economy and the Ministry of Health and Social Protection designed the measures. The decisions of the Council of Ministers aimed at dealing with the situation created by COVID-19 (DCOM236/2020 and DCOM 243/2020 respectively) were drafted without any consideration of gender equality and the different needs of women, men and boys and girls in such a situation. Therefore, it is highly recommended that the Ministry of Defence or more specifically the Central Commission for the Provision of Assistance consider some targeted measures to benefit women and girls from the

FIGURE 11: Ministry of Defence budget programme cuts and reallocations (IN ALL)



vulnerable groups hardest hit by the lockdown measures:

- The interventions foreseen by the Central Commission for the Provision of Assistance intended to deal with the emergency should take into account the different needs of women, men and boys and girls.
- Women, men and boys and girls in Albania should benefit equally from all social, health, financial and non-financial support schemes related to the actual status of the natural disaster situation caused by COVID-19.
- When it comes to the provision of government support in Albanian during the actual emergency, no one should be left behind.

After the initial analysis of the needs as well as other financial data related to the Medium Term Budget Programme documents of the line ministries, a few detailed recommendations were proposed in order to help the Commission address gender issues that were not included in the Decision of the Council of Ministers. While drafting the lists of beneficiaries, as referred to in points 5 and 6 of the Decision of the Council of Ministers 236/2020, the following should have had priority:

- female victims of domestic violence, as one of the most vulnerable categories in a natural disaster or civil emergency situation;
- single female heads of household;
- unemployed women, men and boys and girls who are not registered as such with the employment offices;
- young mothers;
- victims of sexual violence;
- the list of beneficiaries to be compiled by the municipalities and the prefectures should have been drafted in collaboration with the Local Coordinators for Gender Equality and Domestic Violence who are in possession of recent data on domestic violence cases, vulnerable women and beneficiaries in receipt of economic aid;
- in those municipalities where emergency shelters exist, the municipalities should have drafted specific requests aimed at enabling support through the provision of food, utilities

and sanitising products for a specific number of cases with forecasts based on the number of shelter cases in 2019 as a reference.

As the Decision of the Council of Ministers gives authority for managing the emergency to the heads of the regions it is also recommended that the Minister of Defence, within the Minister's capacity as Chair of Central Commission for the Provision of Assistance, should instruct the heads of the regions (prefects) and the mayors as well as the commissions of civil protection and volunteers as follows:

- The municipalities should apply gender responsive budgeting when reassessing their annual budgets and the new plans to utilise their financial resources should consider carefully the measures needed to support vulnerable women, such as victims of domestic violence and single female heads of households, and unemployed and unregistered women and men working in the informal sector.
- Any type of support should have been provided directly to the beneficiaries and this should have been provided to the women of the household as opposed to the head of household in the case of family support. The latter is in line with the Economic Aid Law that foresees that aid be officially received by the women of the family (This is particularly essential for female victims of domestic violence who despite having a protection order continue to live in the same house as the abuser, who is officially recognised as the head of household as per the Civil Registry).
- Gender equality balance and representation should be included in the selection criteria for the constitution of civil protection commissions, using a 30 per cent quota.

The Ministry of Defence spent **ALL 103,327,879 (around EUR 850,000)** on the provision of aid packages for **22,369 women and men** during the lockdown. Of the beneficiaries of this aid, **12,303 or 55 per cent** were **women**. This again confirms the high rate of representation of women among those more in need and more affected by the pandemic.

Ministry of Environment and Tourism

The Ministry of Tourism and Environment was in charge of the structures that served as quarantine for those entering Albania during the lockdown and other similar measures.

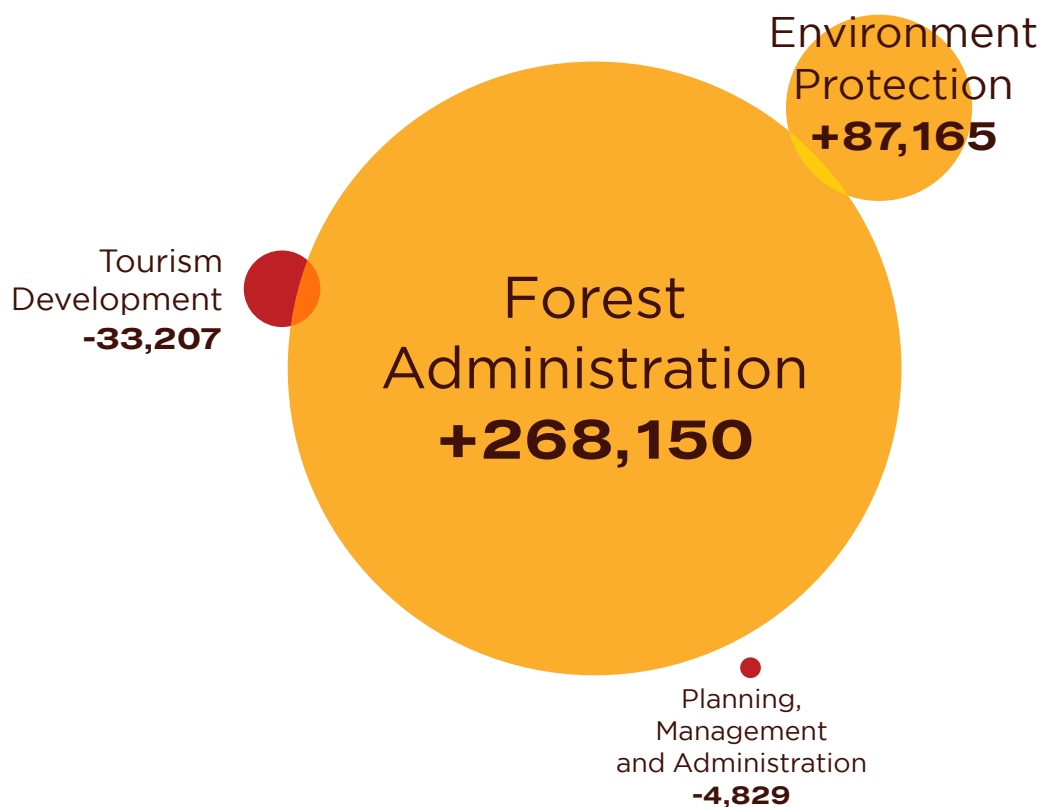
Two of the budget programmes of this ministry were affected by the cuts, but this was linked mainly to capital and current expenditure that could be postponed.

FIGURE 12: Ministry of Tourism and Environment budget programme cuts and reallocations (IN ALL)

MINISTRY OF TOURISM AND ENVIRONMENT:

+317,279

● INCREASE ● DECREASE



Ministry of Interior

Budget cuts and reallocations affected the budget programmes of the Ministry of Interior to the amount of ALL 453 million (EUR 360,000) but the reallocations were not linked directly to the COVID-19 measures. The cuts had very little effect on the budget programme of the State Police and did not result in any changes in terms of the gender related outputs. Despite the fact that there was an increase in the number of registered cases of gender-based and domestic violence

there was no increase in the budget of the structure that deal with the immediate imposition of restraining orders and/or community policing orders. This makes it imperative that the staff of the State Police conduct a more in-depth gender analysis of the situation of women and girls who are victims of domestic violence during the pandemic and that an immediate reprioritisation of the related activities and budget is instigated.

FIGURE 13: Ministry of Interior budget programme cuts and reallocations (IN ALL)



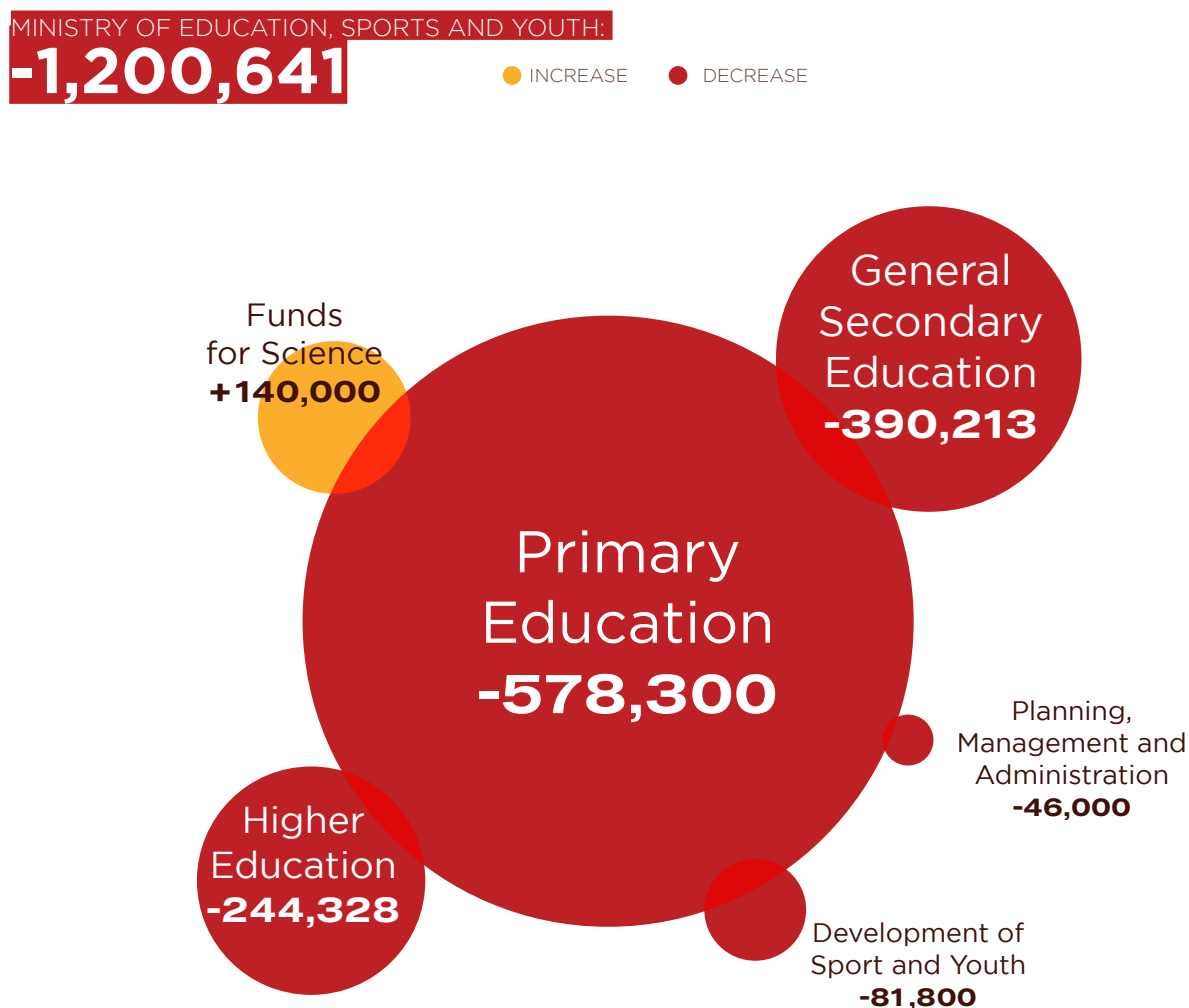
Ministry of Education, Sports and Youth

The Ministry of Education, Sports and Youth saw a total budget cut of around ALL 1.2 billion (around EUR 1 million) that affecting almost all budget programmes with the exception of Higher Education and Funds for Science, which are mainly financed through their own revenue (student tariffs, etc.).

The rationale behind the cuts lay in the lockdown measures that closed all schools

and the online learning activities that continued for the remaining trimester. There was no evidence on the number of boys and girls that attended online learning; however, considering that only 47 per cent of girls from rural areas could attend normal school activities it is expected that the difficulties in accessing the Internet and technological devices further decreased the number attending online classes.

FIGURE 14: Ministry of Education, Sports and Youth budget programme cuts and reallocations (IN ALL)





4. CONCLUSIONS

The earthquake that hit Albania at the end of 2019, the spread of the COVID-19 virus, the upcoming general elections and the country's EU membership commitments were the main factors that affected public finance in Albania in general. The national legislation on public finance, which already included gender equality as one of the main principles of budgeting⁴⁶ (Organic Budget Law and all corresponding bylaws), commitments related to EU membership and the specific requirement to advance the gender equality agenda in the country were the key factors in preventing the gender equality activities from being cut as part of the government priorities. Nevertheless, these priorities have not been included significantly or increased in the planned budget for the next few years and this means that there is still a lot for the government officials to do in terms of capacity building and the better use of gender responsive budgeting. The overall planning of the recovery measures and allocation of budgets for implementation lacked gender-disaggregated data and gender analysis and therefore it was not possible to assess the impact that the budget rebalancing may have had. Application of gender-responsive budgeting as a tool would

have enabled better planning of the budget reallocations and prioritisation of the interventions, especially after the enactment of the first response measures. This would have further mitigated the effects of the pandemic through the financial schemes following the immediate aftermath of the health crisis.

The analysis of the budget rebalancing caused by COVID-19 led to the following preliminary conclusions on the impact that the budget cuts and reallocations have had on the lives of women and men and the effect on the gender equality gap in Albania.

- The total amount of funds designated to fund the measures in response to the COVID-19 emergency was around **ALL 18 billion (around EUR 144 million)**. Of the total amount, **ALL 13.5 billion** was designated to fund 'war wages' for all people that lost their job during the pandemic and/or that could not work because of the imposition of the restriction measures; **ALL 3.8 billion** was designated for the Ministry of Health and Social Protection to be used to cover the wages of the frontline medical staff and



46. Please visit the official website of the Ministry of Finance and Economy for more information. Available from www.financa.gov.al/buxheti/.

the investment required to face a further increase in the number of COVID-19 cases.

- The total number of beneficiaries from the financial aid schemes was **293,059 persons**.
- **ALL 10 billion (EUR 80 million) was provided through the instrument of a sovereign guarantee to those companies that had difficulty in paying employee wages. A total of 760 large companies benefited from the scheme and yet only 14 per cent of large companies are owned by women, meaning that the percentage of female owned companies receiving support was very small. On the other side, no direct support scheme (apart from the war wages) was designed for SMEs where female owned companies comprise 26.2 per cent of the sector. ALL 103,327,879 (around EUR 850,000) was spent through the Ministry of Defence on the provision of aid packages for 22,369 persons during the lockdown. Of the beneficiaries of this aid, 12,303 or 55 per cent were women and this once again confirms the high rate of representation of women among those more in need and more affected by the pandemic.** Only **55 per cent** of the beneficiaries of the cash transfers for those legally registered as unemployed were **women**.
- The Agricultural Subsidies Scheme was increased but the projected target for 2021 only foresees 360 women (15%) out of the 2,400 farmers benefiting from the subsidies.

- Counselling and information activities for women farmers were cancelled because of the government imposed restriction measures and the funds amounting to around ALL 10 million (EUR 80,000) were reallocated for other purposes.
- Self-employed women working on family farms and unemployed women in rural areas held the burden of unpaid care work as well as unpaid work on farms owned by men and did not benefit equally from the policy measures in response to the pandemic. Most of those who benefited from the expenditure in the health service were **frontline female health workers**.
- In rural areas, **47 per cent of girls** did not attend secondary school and might not have had the means to follow online learning activities during the lockdown.

The analysis of all of the financial documents provided by the line ministries led to the following conclusions:

- government measures in response to the COVID-19 pandemic did not consider the different impact that the designed actions would have on the lives of women, men and boys and girls.
- No gender-disaggregated data on the beneficiaries of each of the measures was included when calculating the amount of funds necessary to mitigate the effects of the pandemic.
- The budget cuts and reallocations were not based on specific sector analysis and/or any gender analysis of the sectors.

RECOMMENDATIONS

GENERAL RECOMMENDATIONS ON THE INCLUSION OF GENDER WITHIN THE COVID-19 RESPONSE AND RECOVERY EFFORT

- Use gender-disaggregated data and statistics to conduct an ex-ante gender analysis to assess the situation of women and men and the anticipated impact of the policy responses.
- Prioritise interventions across sectors in line with the expected impact of the policies and measures to be implemented.
- Ensure transparency within the decision-making processes through public participation and discussion involving women and persons from the most vulnerable groups.
- Incorporate gender into policy documents in order to reflect accurately on how women and men benefit from the government policies.
- Apply gender responsive budgeting as a tool in order to assess the situation caused by the pandemic from a gender perspective and to enable gender responsive planning of the budget reallocations and prioritisation of the interventions in order to mitigate the negative effects of the pandemic and its long-term impact on gender equality.

- Ensuring that female empowerment is one of the focus points of policy responses is one way to close the gender gap and to avoid hindering progress toward reducing existing gender inequalities in all sectors.
- When it comes to addressing gender inequalities, inter-institutional dialogue and cooperation would help improve the process of designing and implementing policy responses.

SECTOR SPECIFIC RECOMMENDATIONS

Analysis of the financial changes caused by the rebalancing of budgets across institutions in combination with the key findings of recent gender assessments of the impact of COVID-19 yielded some specific recommendations for the sectors of Agriculture and of Economic Development. This will help the relevant institutions incorporate gender within the financial measures in an attempt to mitigate the negative effects that the pandemic has on the lives of both women and men.

The Ministry of Agriculture and Rural Development should prioritise response measures that target women farmers and non-farmers in rural areas by **allocating funds for counselling/information on new**

technologies and ways to benefit from the subsidy schemes.

While social distancing has to be observed and face-to-face meetings are not possible during the pandemic, new technologies and innovative means of communication, such as virtual/online meetings, SMS and phone applications, could be considered as alternative ways to develop activities that target women in rural areas. A reallocation of funds would enable the **purchase of electronic devices and delivery of online services for women farmers.**

While designing the subsidy schemes, especially during the emergency, the Ministry of Agriculture and Rural Development should ensure that the criteria are gender responsive and target **women and men in rural areas equally.** Special attention should be paid to **single parent families (both farming and non-farming) and isolated⁴⁷ women farmers and girls who do not attend education.** These categories may be unable to benefit from any of the previously designed response and recovery measures.

Despite being considered a very important part of the culture and tradition, the preservation of **women and girls engagement in handicrafts in rural areas** was not included in any of the financial measures designed in response to the pandemic.

Therefore, inter-institutional cooperation between the Ministry of Agriculture and Rural Development, the Ministry of Tourism and Environment and the Ministry of Culture should be enacted in order to ensure a reallocation of funds and implementation of specific subsidy schemes in this area.

Considering that the percentage of female owners or administrators of small enterprises (1-4 employees) is only 26.2 per cent,⁴⁸ the new financial support scheme targeting small and medium enterprises (SMEs) designed by the Ministry of Finance and Economy should **prioritise SMEs owned by women** as beneficiaries of the funds. These women have been hard hit by the pandemic and this has contributed to a widening of the existing gap between women and men in the economic sector.

The Ministry of Finance and Economy should consider ways and incentives to **target all women and men affected by the pandemic without excluding those not legally registered engaged in undeclared work such as cleaners, babysitters and construction workers.** Subsidising the social insurance contribution for the first year or other similar tax relief measures would provide good stimuli for employers to legally register these undeclared workers and help both to benefit from the financial support schemes.



47. Women that have been isolated with their families because of a blood feud, especially in northern Albania. These women are usually the only breadwinners of the family as they are the only ones who can leave the house.

48. This rate is lower than in the other categories (the number of businesses with female owners or administrators is greater in the service sector than in the production sector at 33.2% and 11.8 % respectively).

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