

## **Consultancy Report**

# **Roma Integration 2020**

## **National Policy Workshop on Budgeting for Roma Integration Policies**

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*Disclaimer: The views expressed in this assessment are solely those of the author and do not necessarily reflect the views of the Regional Cooperation Council or of its participants, nor of the European Union and the Open Society Foundations.*

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## **Abbreviations**

**DPDFFA** - Department of Programming for Development of Foreign Financing and Assistance

**EU** -European Union

**IPMGs** - Integrated Policy Management Groups

**IPS** - Integrated Planning System

**LM** - Line Ministries

**MEI** - Ministry of European Integration

**MoF** - Ministry of Finance

**MSE** - Ministry of Sports and Education

**MSWY** – Ministry of Social Welfare and Youth

**MUD** - Ministry of Urban Development

**NAPIRE** -National Action Plan for Integration of Roma and Egyptian

**NRCP** -National Roma Contact Point

**RCC** -Regional Cooperation Council

**RI2020** -Roma Integration 2020 Project

## Introduction

This is a report following the consultancy on budgeting for Roma integration policies in Albania. The expert was required to design and implement a one day national workshop/training on budgeting for Roma integration policies that would contribute to increasing the understanding and building the capacities and skills of relevant public servants in the participating economy in mainstreaming and budgeting for Roma integration policy. The consultancy included preparing, delivering and reporting on the national policy workshop, including theoretical and practical parts.

The report also aims to contribute to improving the quality of governance and public services in Albania as relevant to Roma and Egyptian communities that differ from non-Roma population in terms of access to services such as education, health, employment, housing, social integration, social cohesion and so on. Aiming for a greater impact of the relevant national policies it is essential for public servants and decision makers to understand, and be able to apply Roma mainstreaming and budgeting to all the stages and procedures related to the overall budgeting process in Albania with the view to implementing the National Action Plan for Integration of Roma and Egyptians in the Republic of Albania, 2016-2020<sup>1</sup> (NAPIRE).

## Workshop Preparation

The workshop's main objective was to effectively assist the Albanian government to include Roma integration strategies into the budgeting process of the yearly and mid-term budget plan.

The purpose of the workshop was to increase the understanding of the relevant public servants at the relevant line ministries of the process of budget planning and the stages where the Roma policies could be integrated. The consultant has prepared the necessary documents and materials.

The consultant worked closely with different institutions in Albania with the view to supporting them in the implementation of Roma integration public policies and at the same time increasing their understanding of Roma integration issues as relevant to different priority areas outlined in the National Action Plan for Integration of Roma and Egyptians 2016-2020. The consultant liaised with the Ministry of Social Welfare and Youth (co-organizer of the event), Ministry of Finance, and Ministry of European Integration to identify guest contributors from different ministries to explain the different processes of budgeting to the participants. The workshop preparation process involved close consultations and meetings between the lead consultant, experts' team and the RI2020 Project Team.

## Workshop delivery

The one day National Workshop on Budgeting for Roma integration policies was held in Tirana, Albania on 24 May 2017. The training was organized jointly with the Ministry of Social Welfare and Youth (MSWY) and the RCC Roma Integration 2020 Action Team under the framework of the RCC RI2020 project.

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<sup>1</sup>[http://www.rcc.int/romaintegration2020/download/docs/2015%20Action\\_Plan\\_Albania%202015%202020.pdf/3e50b7165e9ea151a49dd99c0491ea64.pdf](http://www.rcc.int/romaintegration2020/download/docs/2015%20Action_Plan_Albania%202015%202020.pdf/3e50b7165e9ea151a49dd99c0491ea64.pdf)

One of the main objectives of the training was to develop the national government capacities to integrate measures from the existing NAPIRE to the sectorial policies (strategies, action plans) into the domestic budget and IPA funding planning. The training was organized following Albania's request at the closing session at the Regional Workshop in Skopje on Budgeting for Roma integration in March 2017, which achieved some good founding for each country where this project takes place<sup>2</sup>.

Furthermore, the training aims to ensure that there are concrete budget measures by line ministries incorporated in the 2018 budget proposal of the Government of Albania with specific focus in Roma and Egyptian communities.

The training brought together about 35 participants, all governmental officials working in the respective line ministries in charge of the six policy priorities and related budget, including the Ministry of Finance, Ministry of European Integration and the National Roma Contact Point.

Participants were deeply involved in the procedures of the budgeting as relevant to the integration process between different national strategies and the integration of NAPIRE into other national documents/strategies.

In order to increase the recognition and inclusion of the policies, programs, projects and activities of the NAPIRE in the budget, special importance was given to the explanation of the essential budgeting topics:

- i. identification of the main principles of budgeting
- ii. recognition of the stages of
  - a. preparation,
  - b. adoption,
  - c. implementation,
  - d. external monitoring and auditing of the state budget.

This information helps line ministries, the Ministry of European Integration, the local government and NGOs focused on Roma and Egyptian communities to be more effective and provide higher contributions in the overall process.

Familiarization with the Organic Budget Law No.9936, dated 26.6.2008 had a significant part of the workshop. This law regulates the budget system in the Republic of Albania and specifies:

- the structure,
- principles,
- the fundamentals of the budget process,
- intergovernmental financial relations,
- responsibilities for the implementation of budget legislation as a whole.

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<sup>2</sup>[https://www.google.al/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwiO3IKiuqnVAhWC1xQKHFFB5YQFggpMAE&url=http%3A%2F%2Fwww.rcc.int%2Fmaintegration2020%2Fdownload%2Fdocs%2FFinal%2520Report%2520Budgeting%2520Workshop%2520\(2\).pdf%2Fa41ec321c0c1aebd4dde51298ed5dc21.pdf&usg=AFQjCNGl52t5M114DuHKC5gbt9lnLqmM4A](https://www.google.al/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwiO3IKiuqnVAhWC1xQKHFFB5YQFggpMAE&url=http%3A%2F%2Fwww.rcc.int%2Fmaintegration2020%2Fdownload%2Fdocs%2FFinal%2520Report%2520Budgeting%2520Workshop%2520(2).pdf%2Fa41ec321c0c1aebd4dde51298ed5dc21.pdf&usg=AFQjCNGl52t5M114DuHKC5gbt9lnLqmM4A)

This principle is applicable to all government units at all stages of the budget process. It is essential that all interested groups and stakeholders have a sound understanding of the budget stages as their involvement is strongly related.

There are four main stages in the budget process of Albania:

- preparing, reviewing and approving the budget;
- implementing, following and reviewing the budget;
- rights and restrictions on borrowing, warranties, and other forms derived from them;
- control, accounting, reporting, auditing and auditing of the budget.

The participants looked at all the stages and learnt about the management of public expenditure, as well as its planning in consistence with the mid-term and annual budgeting process.

Based on past experience where commitments of ministries, local government authorities and NGOs was incomplete, weak and/or delayed, it was considered necessary to do a clarification on the actors implementing the national strategy. They should be aware that their effectiveness will increase if they follow closely and contribute specifically to the drafting of mid-term national strategies and in particular in this case in the national strategy of the Roma. This will clarify the main objectives, the construction of specific indicators, monitoring the implementation of the national strategy and will increase their role in the periodic reviews of strategic documents as well as the mid-term and annual budget.

It was noted during the discussion that the mid-term budget (MTB) is very flexible and lots of issues can be incorporated into it. In the case of Albania, so far such examples are gender-sensitive budgeting and budgeting for environmental protection. Some ministries like Ministry of Spatial Planning and Housing, Ministry of Social Welfare and Youth and Ministry of Environmental have benefited from it.

One of the main topics of the workshop was the Integrated Planning System (IPS), which is an instrument for coordination and integration of strategic directions and resource allocation. This system closely links policy planning with budgeting for National Strategy for Development and Integration (NSDI) 2015-2020, Public Finances and National Implementation Plan for Stabilization and Association Agreement.

Attention was given to the role of NGOs on the quality of drafting and implementation of the budget. NGOs in many cases have good knowledge about the groups that they represent and they should play a significant role in all stages of the budgeting.

This requires, first of all, collaboration between the NGOs themselves because they often pose a separate problem and cannot become an active part of drafting, adopting, implementing and monitoring the national strategy for the Roma community. NGOs should have a particular role, especially in monitoring the inclusion of the Roma national strategy in the medium and annual budgets at the national and local level.

They can help improve budget policies by providing information on public needs and priorities through their connections with citizens, communities, and sectors. On the other hand, they can also play an important role in holding the executive accountable for how it uses public resources. When civil society and others lack access to budget information or opportunities to engage in budget processes, it opens the door for the executive to choose unpopular or inappropriate programs, waste money, and allow or engage in corruption.

The Law for the Management of the Budget System in the Republic of Albania (Nr.9936, date 26.6.2008) was explained in detailed, which states the role of the civil society in the medium - term budgeting process as consultative and suggestive. Some of the articles highlighted in this law were:

- Article 24: *“The budget unit at the Ministry of Finance conducts consultations with civil society in the budget programming process. After reflecting on the conclusions of the hearings and consultations, the first authorizing officer submits the draft medium-term budgetary document to the Minister of Finance. Any proposal for a public investment project that has a full value over a certain limit must undergo a full evaluation process before the start of the budget process. The limit value is determined by the instruction of the Minister of Finance. The relevant proposal is sent for review to the Ministry of Finance as an integral part of the budget requests, within the medium-term budget program.”*

This article allows and encourages the civil society to propose public investment projects and then the Ministry of Finance would determine if they would be part of the medium – term budget.

- Article 26: *“The medium -term budget program reflects the medium-term budget allocations of the general government units, which are calculated in accordance with the rules and deadlines provided for in the respective instruction of the Minister of Finance.”*

And Paragraph Five of this Article states that the medium – term budget should include:

*“A summary report of hearings conclusions between central government units and civil society, developed in the framework of preparing budget request. ”*

The obligation to document such meetings while highlighting Roma integration (with relevant comments, proposals and suggestions) into the preparation of short and medium-term budgets is a very good legal instrument that should be used by NGOs. The legislation provides that such documentation should be presented to the Minister of Finance in a summarized version. Further, any request that has not been approved must be given legal or financial reasons for its rejection. Such finding has to be also sent to the relevant committees of the Assembly of Albania while also respecting the obligations deriving from RI2020.

In this way, the proposals of the civil society are made public together with the decisions and arguments to accept or withdraw these proposals. Civil society can observe whether its proposals have been evaluated or totally ignored and at the same time having feedback about the reasons of rejection, which could help both parts to make significant improvements in the future.

A problem that arises in the cooperation of NGOs with ministries that have to implement the NAPIRE is the lack of access or delays in verbal communication. The relevant ministries do not respond in time to the concerns raised. A possibility to improve the collaboration and the implementation phases of the respective strategy and budgets is by creating a periodic reporting system from NGOs to donors. This would promptly eliminate the unnecessary obstacles and will improve the cooperation.

The Roma integration budget planning was looked at as relevant to each line ministry, using the Ministry of Urban Development and the Ministry of Sports and Education as examples.

In the NAPIRE the Ministry of Urban Development has a total budget of ALL 1.5 billion to implement policies regarding low cost housing, ease of the house loan interest rates, social housing and lease subsidy for socially rented flats owned by municipalities.

This plan intends to improve the mechanisms that will affect the facilitation of Roma families for legalization procedures and to increase the number of families involved in direct and indirect housing programs.

The Ministry of Sports and Education has a total budget of nearly ALL 3 billion to implement a series of policies, such as increasing the number of Roma boys and girls who complete all levels of education, strengthen the interaction of the school with social services, addressing the cases of Roma children with socio-economic problems, integration of Roma youngsters into the labour market through Education and Vocational Training and active employment programs. Also from the representatives from Tirana Municipality was share the positive experience regarding the acute housing problem for the Roma community.

The Ministry of European Integration presented IPA funds and project preparation facilities. IPA funds help the beneficiaries make political and economic reforms, preparing them for the rights and obligations that come with EU membership. Those reforms tent to provide Albanian citizens with better opportunities and allow for development of standards equal to the ones of EU citizens.

The importance of IPA funds for Albania is noticed in the priorities that are given to the improvement and development of specific sectors. The IPA funds for Albania aim to strength democratic institutions; to enable better economic governance; to reform the civil service and public service delivery and to empower civil society; to enable independent and efficient judiciary in order to respect human rights conventions; to control and improve different environment issues in line with EU law and standards. In order to reach a progressive development, it is given priority to the education, employment, social policies and the encouragement of competitiveness and innovation.

The last part of the training focused on concrete examples in the working groups. They were composed of one representative from each institution to have a better coverage of the topics. The objective of the exercises was to understand better the mainstreaming of Roma integration issues in the budgeting process. Exercises were related with Social Protection, Social Services, Emergency Center and Education and promoting intercultural dialogue.

The participants identified the possibilities for an intervention in 2018-2020 MTB, such as ensuring children benefit from free school and kindergarten transportation, however it should take place latest in September.

With the view to further work, a proposal was made by the NRCP to develop Guidelines and Methodology on Roma Budgeting to be used by all line ministries, including drafting of manual, series of trainings for public administration and civil society to ensure efficient budgeting process.

## **Main findings and Recommendations**

The training pointed out specific problems with Roma integration in Albania, keeping in mind that Roma and Egyptian population are among the most disadvantaged ones. Further, it was observed that the public servants were not familiar with the relevant legislation and the procedures on budget's preparation. They were also not familiar with the budgeting stages. Most of them were not familiar with the concept of Roma and Egyptian sensitive budgeting and had difficulties in linking the general budgeting procedures to budgeting of NAPIRE. The participants agreed that it is essential to bring together financial and programmatic staff

at the line ministries when planning the budgeting process. The participants also mentioned the necessity of understanding the possibilities of intervention in the mid-term budget (MTB).

With regards to that:

- There is a need for better understanding of the budgeting process among the public servants at all levels, and no relevant trainings or training materials are available.
- Better coordination and communication among line ministries, especially for financial and programmatic staff is needed.
- Improvement of the coordination and cooperation between MSWY, LM, Local government and other involved institutions as needed, under the National Roma Contact Point.
- There is a need to identify possible gaps (budgetary, human resources, missing data or inability to collect crucial data etc.) as relevant to Roma integration that can better inform the decision making bodies,
- There is a need to deliver an exercise on inclusion of policy objectives and related performance indicators of NAPIRE, as mandatory in the Budget Preparation Instructions of the Ministry of Finance.
- Close cooperation between, NRCP/ MSWY with line ministries, Ministry of European Integration and local government bodies on the implementation of NAPIRE is recommended.
- Future trainings on the objectives of medium term strategies are needed for Roma and Egyptians groups and more specifically to the NGOs or other institutions that advocate their interests and rights.
- Government with the support of the RCC should raise the awareness of the EU delegation to Albania and EU and lobby with them in order to channel the planned funds for Roma Integration in the form of a “Budget Support”, that eventually will be disbursed upon completion of key performance indicators and benchmark that the key stakeholders in the public domain (be it central and local level) should fulfill.
- Training of line ministry experts and NGOs to include relevant performance indicators in their sectorial and local strategies is needed. RCC should facilitate further training of public servants who will work for Roma and Egyptians budgeting.
- Development of the Guidelines and Methodology on Roma budgeting to be used by all line ministries, including drafting of manual, series of trainings for public administration and civil society to ensure efficient budgeting process.
- Creation of a so called core group composed of the NRCP and three experts namely Mr. Malaj, Mr. Opre and Mr. Gedeshi with possibility to engage other relevant experts as needed and RCC RI2020 Policy Officer for Albania.

## Key recommendations

- **A professional manual and training for Roma budgeting.** Based on the positive experience of gender budgeting and its implementation, it is important to have a manual for Roma budgeting. Its drafting should be accompanied with trainings for responsible experts from local government working with education, housing, social cohesions and so on, insuring in this way a better implementation of NAPIRE.
- **A guide for indicators costing and budgeting** is a concrete necessity. Training of relevant staff of the ministries, local government and NGOs increases their effectiveness.
- **An annual report from experts about including and respecting of priorities of RI2020 in mid and annual budget of Albania.** In order to raise funds and their effectiveness from donors, it is important that in the annual report that the Albanian government does for the management of public finances, a special section of Roma engagement commitments should be presented. This will increase the government's accountability in budget planning for Roma and raise awareness for the inclusion of achievable objectives in mid and annual budgets.
- **Technical assistance to improve the desegregated data for Roma,** based on the EUROSTAT methodology **is needed.** The increase in the quality of data remains a priority; their absence undermines the quality of drafting the national data strategy and especially at the local level.
- **EU conditionality on the budget support for Albania.** It is very important because about 55% of financing of the National strategy of Roma community is from bilateral and multilateral donors. This conditionality will also have a positive effect on increasing the absorption rate of EU funds, but also by other donors, by improving the quality of priorities which will reduce the prolonged time of severe problems related to housing, education, health care, social cohesion and employment growth.
- **Identification of the financial needs to fulfill the objectives of Roma strategy.** This has to be seen in the precise identification of the financial needs and gaps to meet the concrete objectives of the strategy. RCC has to be timely informed with the financial needs in order to try to cooperate with donors to cover these gaps. The assessment of project budget estimates and factual budgets, in relation to the support of the NAPIRE objectives, is a very good tool for improving the design and implementation of Roma strategy in the national development and integration strategy and annual and medium-term budgets.
- **Better use of expenditure financed by internal budget is needed to improve the absorption rate of financial funds from donors.** Any risk of non-realization of expenditures and investments financed by the internal budget should be eliminated. This undermines the absorption of donations by donors who base their decisions on the extent of the use of internal finance resources.
- **Training on EU and donors fund.** There is low awareness on IPA roles and functions as possible sources of finances from the EU, both vis-à-vis the national level and also for NGOs and other interest groups.
- **The assessment of project budget estimates and factual budgets,** in relation to the support of the NAPIRE objectives, is a very good tool for improving the design and

implementation of Roma strategy in the national development and integration strategy and annual and medium-term budgets.

- **A regional conference has to be done every year to identify best practices and identify problems in priority areas of the RI2020 strategy and National Roma strategies, enhances the awareness, sustainability and successful implementation.**