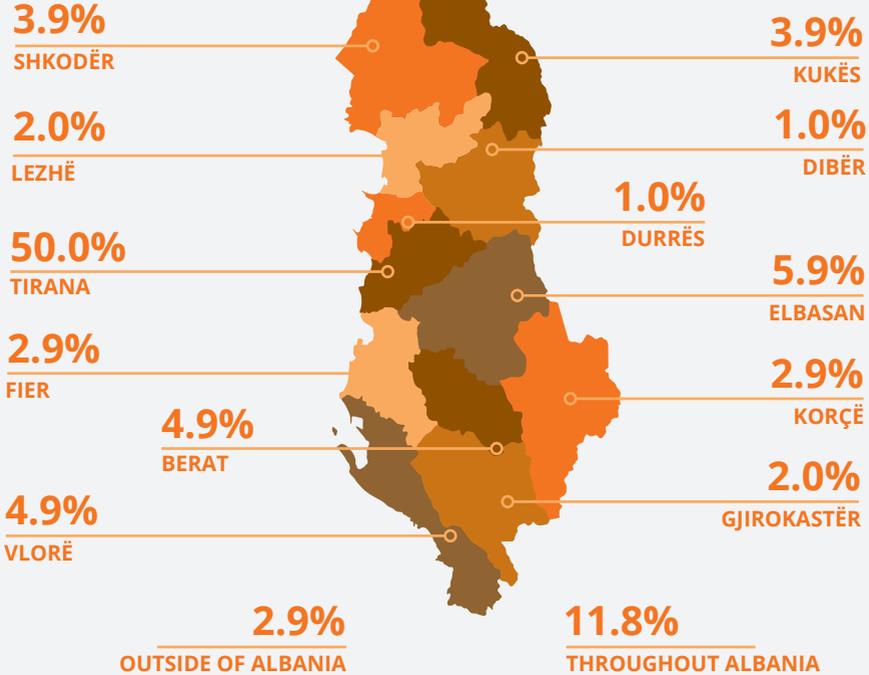




ANNUAL REPORT ON THE STATE OF PHILANTHROPY

QUICK FACTS



102

number of recorded instances



€4.8 million

total recorded value of donations



€1.7

average donation per citizen

Introductory remarks

The Annual Report on the state of philanthropy in Albania 2018 - Quick Facts will have a different look this year. There are a couple of reasons for that. First and foremost is the lack of sufficient data: our monitoring in the past five years demonstrated that the frequency of reporting in media (which are our main source of information) remains relatively small, while the data from direct sources – whom we use to verify information – is not always available and easy to access. Close monitoring of the situation in Albania also showed that philanthropic landscape in the country is changing from year to year, making it challenging to provide an accurate picture of the trends without having further access to more detailed information.

For these specific reasons, Quick Facts for Albania in 2018 will feature a more detailed account of the current year supported with numerous examples of good practice, while showcase trends at the end will be given only as an illustration of the sizeable changes in giving. We believe that continued monitoring over the years will point out trends in philanthropy development as well as trends in media reporting on the subject.

Methodology

This report has been prepared using the Giving Balkans database which remains the most reliable source of data on charitable giving in the region. Due to the absence of official data, Catalyst Balkans uses alternative ways to collect data, primarily media reports and other available resources. Media reports have been collected by following electronic, printed and online media at the local, regional and national level in Albania during the period from 1 January to 31 December 2018 .

The collected data are then processed in the Giving Balkans database. This methodology has certain limitations, including the most important fact that the media do not record all charitable giving. Nonetheless, we believe that our research provides a sufficiently reliable insight into the most important aspects of charitable giving, because the numbers, although not comprehensive, yield a minimum of relevant indicators, which allows these data to be used as indicators of the level of development of giving to social good in Albania. To conclude, under current conditions, we believe that the methodology allows for preliminary insight into status of philanthropy in Albania in 2018.

Key points

- Level of giving** 102 unique instances of charitable giving were recorded in 2018, while the recorded amount is almost 4.8 million EUR.
- Geographic distribution** More than 50% of all donations in Albania in 2018 were directed to recipient entities in the Tirana region. Elbasan (5.9%), Berat (4.9%) and Vlorë (4.9%), but the remaining regions do not trail behind by more than a couple percent. When it comes to cities and towns, Tirana - the capital holds first position in geographic distribution with 43.4% of instances, resulting in an uneven distribution to other towns.
- Donors** 2018 has been marked by a series of corporate capital investments. In terms of the *recorded number of instances*, the corporate sector numbers at 38.2%, while individual donations and mass individual giving have peaked at 25.5% and 16.7% respectively. The “mixed” donor type has been featured in 7.8% of all instances, and others in 11.8%. Out of all the instances, 9.8% were donations from diaspora. Meanwhile, in terms of the *recorded values of donations*, the biggest share comes from the corporate sector (55.1%). Individuals comprise only 0.5% of the recorded value, followed by mass individual giving which is at an extremely low 0.1% share.
- Themes** Four themes have featured a significant percentage of instances, whereas other themes number at less than 4% each. Poverty relief lies at 36.3% of instances taking first place in donation frequency, while support to marginalized groups received 23.5% of all donation instances. Healthcare and education have been featured in 12.7% each, making the four key themes reach 85.2% altogether. Looking at other themes, emergency management, seasonal giving, culture and arts, environment, economic development and public infrastructure have been prominent in less than 5% of all instances each.
- Recipients** In 2018, the most frequent recipients of donations have been individuals and families (49%), institutions (29.4%), and nonprofit organizations (15.7%). Consequently, with strong support to educational and social institutions, *support to the state* (institutions and local and national government together) has peaked, taking more than a third of all donation instances (34.3%).
- Nonprofit organisations** This year, nonprofit organizations benefited from 15.7% of donation instances. The most frequent supporter for the nonprofit sector is the corporate sector, with more than 62% of donation instances, while citizens (6.3%) and individuals (25%) showed less interest for this re-

recipient type. Nonprofit organizations are supported for the theme of poverty reduction in the first place, with by far the biggest percentage of instances – 62.5%. Consequently, people in economic need are the most frequent beneficiaries that received support through nonprofit organizations (75% of recorded donations instances).

Use of donations

One-off support is predominant this year at 71.6% of all instances. Long-term support has been featured in 23.5%, while the remaining 4.9% have unknown uses.

Beneficiaries

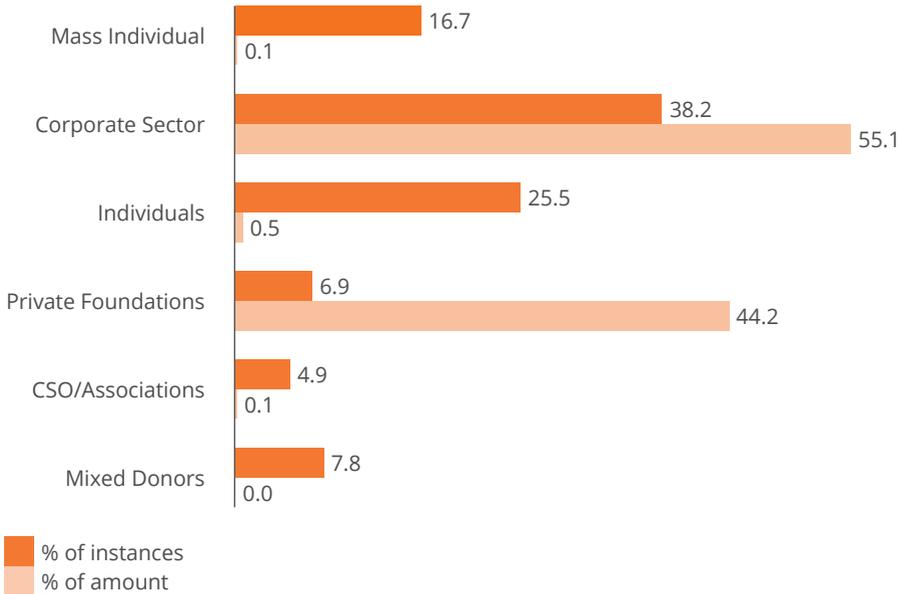
Four key beneficiary groups include people in economic need those who have attracted 37.3% of all donation instances, local communities with 23.5%, children without parental care at 11.8% and people with health issues (7.8%). Other supported categories of interest include elderly (4.9%), people living in other countries (3.9%), people with disabilities (2.9%) and others.

Data transparency

More than a quarter (26.5%) of instances have indicated the value of the donation, which represents a relatively low level of transparency.

Donors

Donations by Type of Donors



Examples of corporate sector giving

Construction initiatives were the predominant type of corporate support. In a series of massive investments throughout the year, the Trans Adriatic Pipeline supported the construction and reconstruction of various facilities with educational, cultural and infrastructural significance. Investing over 2.5 million EUR throughout Albania, the corporation helped (re)build several schools in Ura Vajgurore and Devoll, a kindergarten and a library in Berati, a museum in Korça, and the Mbrostar water supply system in Fier.

The donation of INCOMED LLC is another great example: the pharmaceutical distributor supported the partial renovation and the construction of new premises at the Mother Teresa Medical Center with more than 11,300 EUR.

Some companies such as Alpha Bank focused their efforts more on individual recipients, helping an impoverished family of four to

purchase a new house in April, with a value of over EUR 30,000. Similarly, recognizing the crisis that a family in Tirana faced after their house burned down in February, the Different Weekend Foundation and three companies (Next SH.A, Sela & Dini Construction, and Casagres AL) joined efforts to construct their new home. Thanks to the contribution of this nonprofit-corporate partnership, the crisis was addressed with a new home in May. Also, the initiative of Tirana city to provide social housing to 50 families was answered with a donation of household appliances of the Globe Company Albania to satisfy the overall need.

In an example of continuous support within corporate volunteering efforts, Alpha Bank led the way by organizing the "Volunteering Day of the Bank" for the tenth year in a row.

Another continuous although much shorter tradition in comparison, comes from an SME. Life Care Nannys, a company from Tirana that specializes in retail of clothes for children, donated baby food for the children of the Home for Infants in Tirana - the company had donated supplies to the Home several times since August 2017.

Finally, humanitarian support also marked 2018. In response to the flooding in March 2018, Big Market donated 420 packages and 15 tons of animal feed for livestock to the affected families in Shkodra. Elsewhere, Universiteti WISDOM donated food to the Home for Elderly in Tirana in May, while Fibank employees volunteered at the Red Cross Public Kitchen in October.

Examples of mass individual giving

While various beneficiaries have benefited from the assistance generated by citizen's giving in 2018, most of the campaigns in Albania were focused on people in economic need. For example, the "METROPOL" Theater organized three weeks of promotional offers in partnership with Food Bank Albania, wherein all spectators who were interested in the performance of the "Twelfth Night" play were invited to donate food and receive a 40% discount on the ticket.

Two humanitarian projects centered around more symbolic periods. One occasion was Ramadan, amid which a fair has been organized (on the 28th of April) by the Educational-Cultural Association Sulejmanie, with the intention to collect money for children and youth in economic need. A different fair, the Basque initiative of Tirana, has been organized on the International Day of Volunteering (5th of December) to collect toys and clothes for kindergartens and schools.

Humanitarian concerts and auctions marked the spring of 2018. The soloists of the Opera and Ballet Theater supported a charity concert on March 6th at the "Petro Marko" Theater in order to collect funds for two-year-old Anxhelino who suffered a deterioration in eyesight due to malnourishment. April 11th featured a charity concert in the Skanderbeg Square, bringing together many well-known Albanian artists, with the intention of collecting funds for children with terminal diseases. Several artistic auctions were featured in March - one where students in Gjirokaster organized a sale of paintings made by children from the Center for Children with Autism, and another one where a TV show host auctioned a painting she received from a girl with Down Syndrome. Both "auctioneers" forwarded the funds to the young artists.

Some campaigns of interest focused on raising awareness and generating results simultaneously. The founder of the Firdeus Foundation, Elvis Naci, initiated his own TV show on the News 24 station from April, with the goal to broadcast fundraising activities that help children without parental care and impoverished families.

The Different Weekend foundation provides a direct example of a continuously-proactive stakeholder in Albania - one which has successfully mobilized citizens as well as corporate support who contributed with funds and supplies. Namely, under the season of its Stop TV Show that ran from February to June, it helped purchase, construct and reconstruct houses for at least 5 families.

Youth in action

It is very important to emphasize that the youth are getting more active in organizing activities and campaigns to help others. Several very interesting initiatives were noted:

On a more grassroots level, the youth in Tirana organized a decentralized jacket collection activity with the aim to motivate people to leave unused jackets on tree trunks for the homeless - they named the campaign "Give a jacket, warm a soul!"

Another unique example, not only in Albania but in the region as well comes from the capital - on the occasion of the Women's Month in March, two young girls collected 200 books, distributing them to the women who are serving life sentences at the Tirana prison.

**Private
foundation
(diaspora)**

The Biberaj Foundation, funded by the Biberaj family who emigrated to the United States in 1968, has contributed to a call for scholarship applications intended for Albanian students. In cooperation with the Albanian-American Development Foundation (AADF), the Biberaj Foundation marked the 50th anniversary of the family's emigration – and the first year of its existence - by dedicating more than 2.2 million EUR to the endeavor of educating Albanian youth further and by sending them overseas. The scholarships are open to young Albanian professionals who wish to study Business Administration, Education, Hospitality and degrees in similar fields in the United States.

**Individual
contribution**

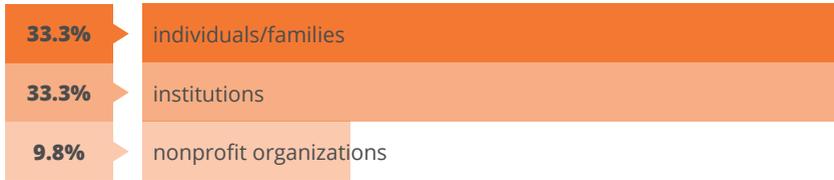
One of the most prominent examples of individual donations in 2018 is the campaign of the famous rapper Noizy, who donated EUR 20,000 in May for the medical treatment of a two-year-old girl that suffered severe burns earlier. Intending to create cascading effects, he also initiated a fundraising campaign that same month to house five orphan girls from Kukesi, to which the local deputy Agron Shehaj donated his salary as well. In a different initiative, Xhevahir Sukaj, an Albanian football player donated monetary support to the Vendresh School in Berat municipality, for the rebuilding of the school which was in a very bad state. Thanks to this donation, pupils will now have new bright premises to study in.

The majority of support, however, comes from many other individuals seeking to help. Food donations have been common. Two care packages of food were distributed anonymously to the Home for the Elderly in Tirana in April and June, while Dafina Tafa and Razie Caushmena donated milk and food to the homes for the elderly in their local communities. Where professional help was needed, doctors have stepped in. Two retired doctors from Saranda, prompted by a deficiency of new doctors in their town, offered their services to hospitals in need as part of an ongoing initiative. According to the reports of other doctors who have participated earlier, this tradition has been going on for almost ten years.

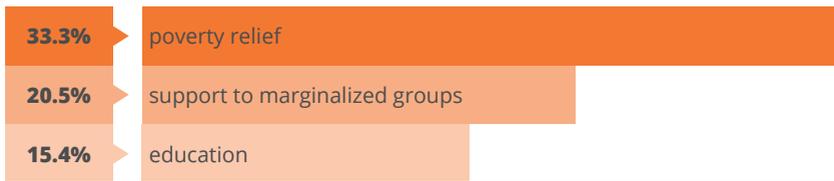
Profiles of the most common types of donors

Corporate Sector (% of instances)

Top 3 Recipient Entities



Top 3 Themes for Giving

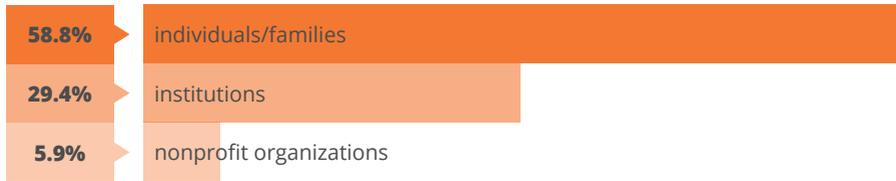


Top 3 Final Beneficiary Groups



Mass Individual (% of instances)

Top 3 Recipient Entities



Top 3 Themes for Giving

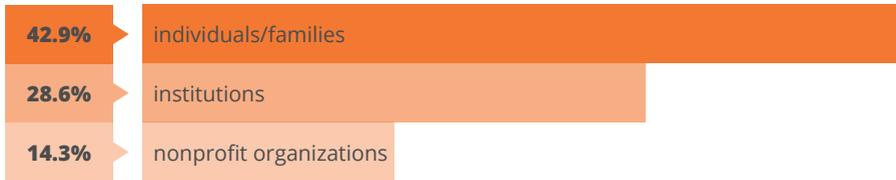


Top 3 Final Beneficiary Groups



Private Foundations (% of instances)

Top 3 Recipient Entities



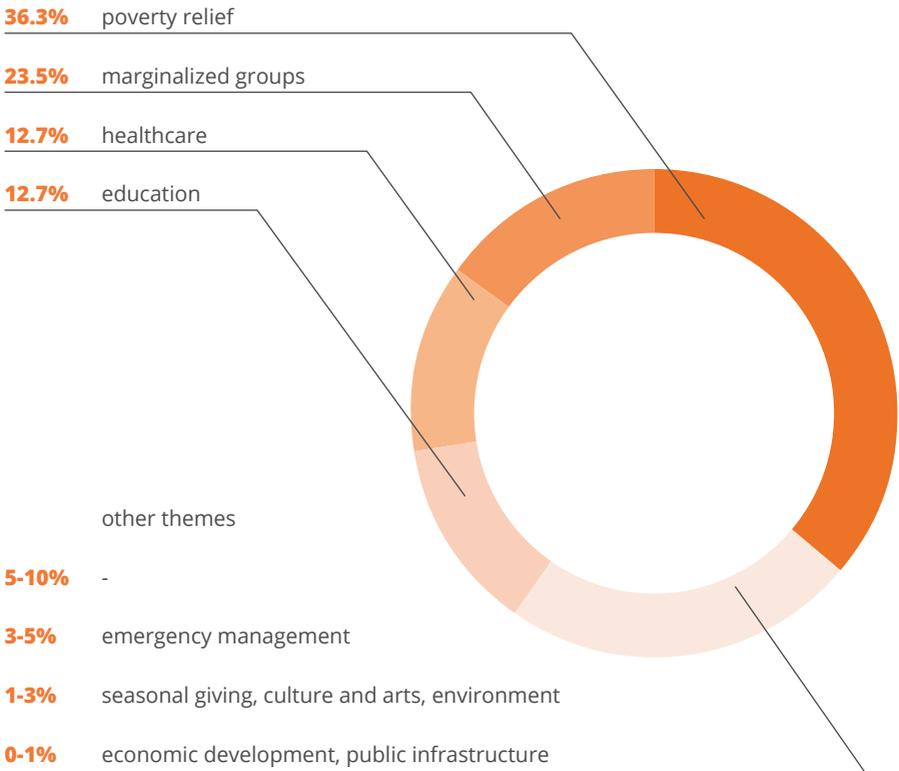
Top 3 Themes for Giving



Top 3 Final Beneficiary Groups



Key themes

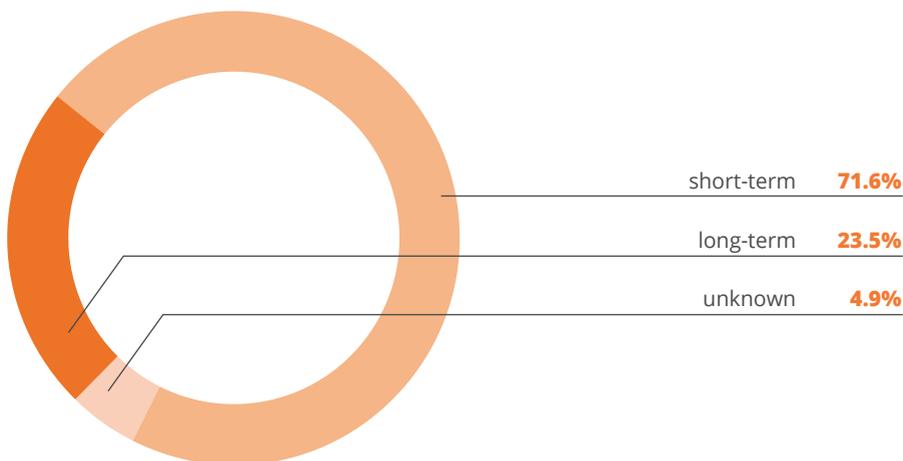


Key points

The four key themes supported were: poverty relief, support to marginalized groups, healthcare, and education. The donation instances directed to these themes add up to 85.2% all recorded instances, with the note that poverty relief is the most supported theme. Healthcare and education were equally supported.

The range of other themes that were supported with a smaller percentage of instances featured emergency management in the face of natural disasters (4%) - such as the floods in March - seasonal giving (2.9%), culture and arts (2.9%), environment (2%), economic development (1%), public infrastructure investments (1%) and other (1%).

Use of donations



The distribution of assistance is divided according to the level of strategic support.

This year, one-off support, featuring the donation of supplies and individual housing (among other categories), comprises the majority of donations with 71.6%. Long-term support consisting of equipment, capital investments and donations for scholarships and services is at 23.5%. Finally, the category where the type of support is unknown sits at the remaining 4.9%, meaning that the exact use of the donation has not been made clear by any of the parties. When it comes to the corporate sector's investments, in 2018 companies and SMEs participated in 28.2% long-term support instances, while the value share is impressively higher: 98.8% of the amount donated by the corporate sector was given in the form of the strategic investments.

Examples of long term support

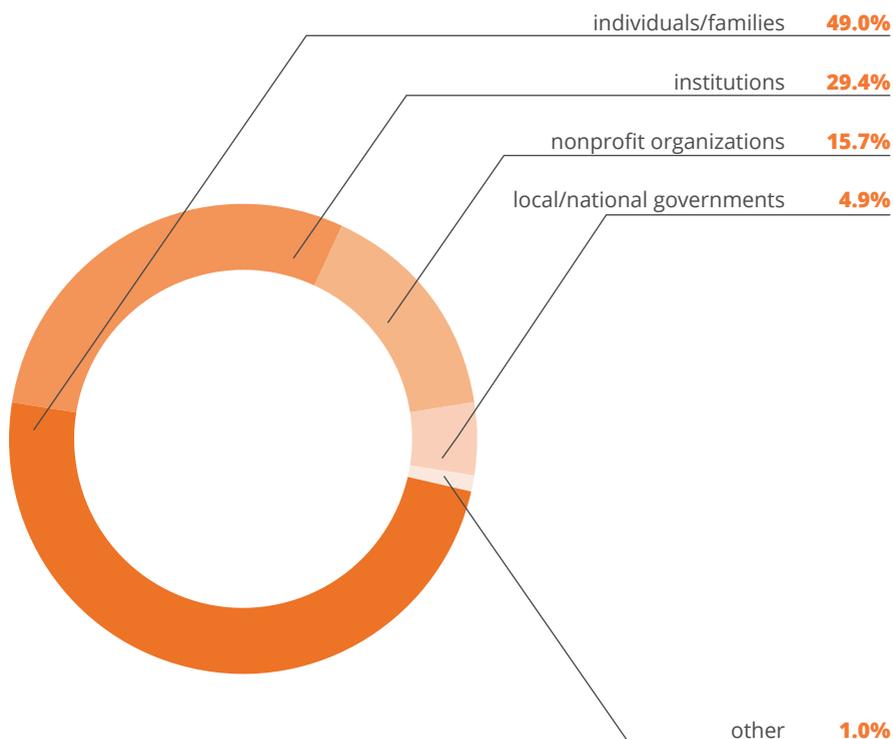
Despite long-term support making less than a quarter of instances, donations of the Biberaj Foundation (through scholarships) and the Trans Adriatic Pipeline (through capital investments) have brought extraordinary strategic impact worth almost 4.7 million EUR. These examples of philanthropy brought support to studious Albanians both globally and locally, allowing education to thrive within and across borders.

ALSAR Foundation inaugurated its Excellence Grants Program in 2018 with scholarships that were provided in July to 150 excellent students across Albania. The new edition of this program was developed in December 2017 as a strategic plan to further invest in education, with the intent to continue in the following years.

Other long-term initiatives carry significance as well. Through the fundraising campaign initiated by the “You are a Sunflower” Foundation during which specially designed t-shirts were sold, funds were collected for various equipment for hospitals and health centers that would improve the treatment of children with health issues. The purchase of 419 blouses by the Alpha Bank, valued at EUR 9,500, contributed to the fundraising activity.

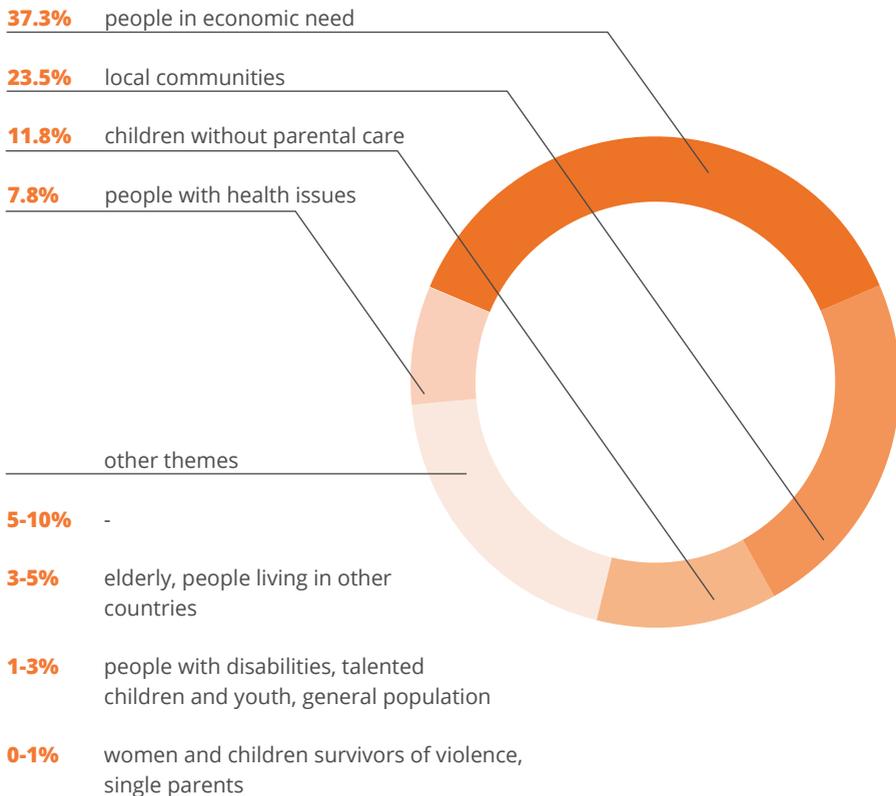
Donations to, and in cooperation with, various governmental agencies can sometimes take unique forms, but usually Tirana is the city where such cooperation is registered. In an effort to provide better conditions and safer environment, earlier in the year Tirana International Airport donated two new machines for waste removal to the same municipality.

Recipients



In 2018, the most frequent recipients have been individuals and families with 49% of all instances. They are followed by institutions which have received 29.4% of instances, while nonprofit organizations were supported in only 15.7% of donation instances. Consequently, these three key recipient entities take the overwhelming majority, while the last prominent recipient, local/national governments, received 4.9% of total recorded donation instances.

Beneficiaries



The top four final beneficiary groups (people in economic need, local communities, children without parental care and people with health issues) comprised 80.4% of the overall number of instances of giving in 2018. Along with poverty relief being the most supported theme, people in economic need received the biggest percentage of donation instances – over 37%.

The largest subset of instances related to people in economic need has been directed for individual housing, while humanitarian support

and the provision of supplies slightly trail behind in the percentage. Similarly, most donations which local communities have received were capital investments that sought to provide public infrastructure and improve educational facilities.

In Albania children without parental care have always received strong support, more than in other countries in the region. In 2018 this beneficiary type benefited from 11.8% of the total number of donation instances.

Other beneficiary groups supported with significant percentage of instances involve the elderly (4.9%), people living in other countries (3.9%), but also talented youth (2.9%), people with disabilities (2.9%), general population (2%), single parents (1%), survivors of domestic violence (1%) and others.

Trends in donor type

% of Instances

Types of donor/year	2016		2017		2018
Mass individual	28.8%	↓	13.3%	↑	16.7%
Corporate sector	22.5%	↑	40.5%	↓	38.2%
Individuals	28.8%	↓	27.2%	↓	25.5%

% of Recorded Sum

Types of donor/year	2016		2017		2018
Mass individual	6.2%	↑	13.1%	↓	0.1%
Corporate sector	15.8%	↑	38.0%	↑	55.1%
Individuals	75.8%	↓	10.2%	↓	0.5%

Percentage of donation instances coming from the corporate sector varies from year to year, therefore it is hardly possible to identify a trend: after last year's intensive participation, in 2018 corporate sector has experienced a slight downturn in the number of donation instances.

On the other hand, as of 2015 citizens have been less active with reduced percentage of instances in the following years, but again in 2018 slightly strengthened their support for more than 3%. As for individual donors, their interest for various causes has continued to decrease since 2016 with slight drops up to 2%.

Looking at the value of donated funds, the corporate sector has been strengthening its support very positively in the past couple of years. Significant growth of the corporate sector giving (55.1% this year) was marked by a series of very large investments in projects related to infrastructure, which make more than 98% of the total value that came from the corporate sector. After taking extremely high share of recorded values in 2016, individual donors have been

gradually reducing this percentage over the years to less than 1% of total recorded amount in 2018. On the other hand, citizens giving extreme drop in 2016 has led to an increase in 2017, and then again decrease for more than 10% in 2018. The future of these trends is unknown at this time, as corporate giving has moved the goalposts, affecting the calculation of the final ratio between types of donors.

Trends in Key Themes (by % of instances)

	2016		2017		2018
Poverty relief	21.3%	↓	11.0%	↑	36.3%
Support to marginalized groups	18.8%	↑	36.4%	↓	23.5%
Healthcare	20.0%	↓	10.1%	↑	12.7%
Education	5.0%	↓	3.2%	↑	12.7%

Distribution of donation instances to key themes looks completely different compared to the previous year. After a drop in 2017, poverty relief experienced a significant increase of over 25% in the number of instances in 2018. Reasons for such change are not known, and data show that this theme is supported differently over time. Although poverty in Albania declined to almost half in the past several decades, global financial crisis made Albanian growth fragile, keeping poverty one of the main issues in Albanian society. Unlike 2017 where this topic was mostly supported by citizens, this year corporate sector was way more interested in poverty relief.

As for other topics, support to marginalized groups takes the second place after decline from 36.4% to 23.5% of instances – which has been mostly directed to children without parental care. Education has experienced a jump in donation instances received (12.7%), which is a commendable gain in Albanian philanthropy compared to the stagnation at 5% or below in the last two years; it is noteworthy that this year education saw the highest level of support since 2013. Finally, healthcare took exactly the same percentage as education – 12.7%, and for this theme it represents an increase from last year too.

Trends in Key Beneficiary Entities (% of Instances)

	2016		2017		2018
Individuals/families	53.8%	↓	22.0%	↑	49.0%
Institutions	35.0%	↑	57.2%	↓	29.4%
Nonprofit organizations	8.8%	↑	16.5%	↔	15.7%
Local/national governments	0.0%	↑	3.5%	↑	4.9%

The situation for individual/ family recipients and institutions has been unsteady over the years, with no specific trend. Institutions have encountered several changes in number of donation instances in the past couple of years, first showing quite an increase in 2017, and then significant reduction from 57.2% in 2017 to 29.4% in 2018. Donors opted more for grass root direct support to beneficiaries. Consequently, and in line with a stronger support to poverty relief, this year individuals and families have seen significant rise in donor's interest, as 49% of donation instances was directed to them, which marks an increase of 27% from 2017. Meanwhile, frequency of giving to the nonprofit organizations stays at the same level, while local and national governments have experienced a slight improvement by 1.4%.

Trends in Key Final Beneficiary Groups (% of Instances)

	2016		2017		2018
People in economic need	31.3%	↓	13.6%	↑	37.3%
Local communities	11.3%	↑	15.6%	↑	23.5%
Children without parental care	12.5%	↑	34.7%	↓	11.8%
People with health issues	20.0%	↓	8.4%	↔	7.8%

When the theme of poverty relief shows as most frequently supported, usually people in economic need are featured. This year they are at 37.3% of all recorded donation instances, which is almost 24% higher than in 2017, turning over the one-year ebb. The increase in percentage of instances has tackled local communities as well, who have experienced another slight surge of almost 8% in 2018, after a 4.3% increase in 2017. After last year's extreme increase in number of instances directed towards children without parental care, in 2018 this final beneficiary group has returned to the level from 2016. Finally, people with health issues stay at the same level (7.8%) as in 2017.

Trends in Use of Donations (% of Instances)

	2016		2017		2018
One-off support	71.3%	↓	68.5%	↑	71.6%
Long term support	18.8%	↑	26.0%	↓	23.5%
Unknown	10.0%	↓	5.5%	↔	4.9%

The landscape according to the use of donations is close to the one established in 2017. One-off support has registered a small increase of 3.1%, while support that results in long-term effects a slight decrease of 2.5%, showing a small trade-off that changes year after year. Instances for which the use of donations was not possible to be identified stay at a similar level in 2018 (4.9%) after falling from 10% in 2016 to 5.5% in 2017. This can be marked as a positive aspect of Albanian philanthropy, as the reduction of unknown uses is a direct result of better transparency practices by the stakeholders involved.

Research Giving Albania 2018 - Annual Report on the State of Philanthropy – Quick facts is part of a broader initiative to promote and stimulate philanthropy in the region carried out by the Catalyst Foundation. The underlying research and this publication were created by Catalyst Foundation (Catalyst Balkans) and with the generous support of the C. S. Mott Foundation.

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