

# Enabling Social Innovation in Albania

## Country Snapshot

**Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." <sup>1</sup>**

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Albania's social innovation ecosystem.

✓ Direct focus on social innovation    🔗 Connected but indirect focus on social innovation    ✗ No focus on social innovation

## INSTITUTIONAL FRAMEWORK

### Official Definition of Social Innovation



Albania does not currently have a formal legal definition of social innovation. Instead, policy discourse focuses primarily on **social enterprises**, defined in legislation as organizations pursuing social objectives through economic activities that support the employment and inclusion of disadvantaged groups <sup>1,2</sup>.

Law No. 65/2016 establishes that social enterprises are organizations operating to promote social objectives, particularly employment and services for vulnerable groups, while reinvesting revenues into social purposes rather than distributing profits <sup>2,3</sup>.

### Government Body for Social Innovation



Rather than a dedicated body for social innovation, responsibility for policies related to social enterprises and social inclusion lies mainly with the **Ministry of Health and Social Protection**, which oversees policies and support measures promoting social enterprises and the integration of disadvantaged groups <sup>2</sup>.

### Government Strategy for Social Innovation



Albania does not have a dedicated national strategy for social innovation. However, the **Roadmap for Government Policy Towards a More Enabling Environment for Civil Society 2019–2023** includes measures to strengthen social enterprises, including awareness raising and financial support mechanisms <sup>4, 5</sup>.

### Policies, Laws & Regulations



#### Law No. 65/2016 "For Social Enterprises in the Republic of Albania" (2016)

- Establishes the legal framework for recognizing social enterprises and defining eligibility criteria, including employment of disadvantaged groups and reinvestment of income into social goals <sup>2,3</sup>.

#### Decision of the Council of Ministers No. 789 on the Social Enterprise Support Fund (2018)

- Establishes a fund and financial support mechanisms for registered social enterprises <sup>5</sup>.

#### Law on Non-Profit Organizations No. 8788/2001 (amended)

- Regulates associations and foundations that form the legal basis for most social enterprises, as only non-profit entities can obtain official social enterprise status <sup>5</sup>.

#### Public Procurement Law No. 162/2020

- Allows social enterprises to participate in procurement procedures, potentially enabling them to deliver public services <sup>5</sup>.

## Official Statistics



The government does not currently collect dedicated national statistics on social innovation. Available data mainly concerns the **non-profit sector and social enterprises**, with administrative records maintained by the Ministry of Health and Social Protection for organizations applying for social enterprise status <sup>5,6</sup>.

## Government Programs



### Social Enterprise Support Fund (from 2018)

- Provides subsidies and financial support to recognized social enterprises to facilitate employment and service delivery for disadvantaged groups <sup>5</sup>.

### Civil Society Support Agency Programs

- Public grant schemes supporting NGOs and community initiatives addressing social and economic challenges, indirectly fostering social innovation activities <sup>7</sup>.

# ECOSYSTEM

## Stakeholders



Several civil society organizations and ecosystem intermediaries play key roles in supporting social innovation and social entrepreneurship:

### Partners Albania for Change and Development (2001)

- A leading NGO promoting social enterprise development, impact entrepreneurship, and civil society capacity building in Albania <sup>6</sup>.

### Caritas Albania (1993)

- A humanitarian and social development organization delivering social services and programs targeting vulnerable groups, including Roma communities and people with disabilities <sup>8</sup>.

## Sectoral Networks



### Partners Albania Social Enterprise Network

- Supports advocacy, policy dialogue, and capacity-building for social enterprises and nonprofit organizations <sup>6</sup>.

### Business Network Albania (2025)

- A nonprofit platform connecting entrepreneurs, investors, and diaspora stakeholders to support economic development and collaboration <sup>9</sup>.

## Non-Financial Support Organisations



Common types of support organizations include:

- **NGO intermediaries and capacity-building organisations:** Partners Albania.
- **Faith-based and humanitarian organisations:** Caritas Albania.
- **International development actors:** EU, GIZ, and other donors implementing programs for inclusive employment and community development in the Western Balkans <sup>10</sup>

## Support Initiatives



Typical non-financial support initiatives include:

- **Incubation and training programs** for social enterprises and youth entrepreneurs (e.g., EU-supported programs through civil society partners).
- **Regional initiatives** such as the **Regional Incubator for Social Entrepreneurs (RISE)** supporting youth social enterprises in the Western Balkans <sup>11</sup>.

## Collaboration



Partnerships between NGOs, municipalities, and international donors are common in social service delivery and community development. For example, regional projects supported by GIZ and EU institutions promote inclusive employment and municipal service innovation across Western Balkan countries, including Albania <sup>10</sup>.

## Events & Awards



### Events

- Social entrepreneurship workshops and regional networking events organized by civil society and international donors.

### Awards

- Albania has limited dedicated awards specifically for social innovation, though entrepreneurship and civil society awards occasionally highlight socially impactful initiatives.

# FINANCE

## Financing Schemes



Reliable estimates of the total annual funding dedicated specifically to social innovation in Albania are not publicly available. Funding is fragmented across government grants, donor programs, and philanthropic initiatives <sup>5,6</sup>.

Key sources of financing include:

- **Government grants:** Social Enterprise Support Fund.
- **International donors:** EU programs, GIZ, UN agencies, and development cooperation funds supporting social inclusion and entrepreneurship initiatives.
- **Philanthropy and foundations:** Domestic and international NGOs funding social programs.
- **NGO revenue-generating activities:** Many social enterprises operate within nonprofit organizations delivering services <sup>5</sup>.

## Inclusiveness of Financing



Funding initiatives frequently prioritize vulnerable groups, including:

- Women and youth
- Persons with disabilities
- Roma communities
- Long-term unemployed individuals

These priorities align with the objectives of the social enterprise legislation focused on employment and social inclusion <sup>2,5</sup>.

# SOCIETY

## Public Awareness of Social Innovation



Public discourse around social innovation remains limited, with the concept often discussed indirectly through **social entrepreneurship, civil society development, and EU integration policies** <sup>6</sup>.

## Research



Academic research on social innovation is emerging but still limited. Studies from Albanian universities and international collaborations have analyzed the **legal framework, ecosystem challenges, and potential of social enterprises in Albania** <sup>3,6</sup>.

Practitioner research initiatives include:

- Ecosystem mapping and policy analyses by Partners Albania and regional networks studying social enterprise development <sup>6</sup>.

## Education & Human Capital



There are few formal educational programs dedicated specifically to social innovation. However, topics related to **social entrepreneurship and nonprofit management** are increasingly integrated into university curricula and civil society training programs <sup>6</sup>.

Reliable national estimates of graduates specializing in social innovation fields are not publicly available.

## Entrepreneurship



**Business Environment (Global Entrepreneurship Monitor – NECI):**

Data limited for Albania in recent reports.



**Innovation Capacity**

Albania ranks within the lower half of the Global Innovation Index, reflecting moderate innovation capacity in comparison with EU countries.



**Social entrepreneurship prevalence**

The sector remains small but growing, largely driven by NGOs operating revenue-generating activities <sup>6</sup>.

## Social & Environmental Consciousness



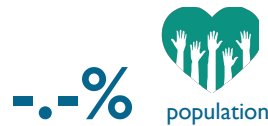
**Solidarity**

Albania demonstrates relatively strong community solidarity rooted in family and community networks, though formal civic engagement varies across groups.



**Political participation**

Participation remains moderate, reflecting ongoing democratic development in the Western Balkans



**Volunteering**

Participation in volunteering activities remains relatively limited compared with EU averages.



**Commitment to Sustainability**

Albania participates in international environmental frameworks and sustainability initiatives, though environmental governance capacity is still developing.