Commentary of the 2026 Budget for Albania from a gender perspective

Disclaimer:

This paper was prepared as part of the Gender Budget Watchdog Network (GBWN). GBWN is a global network of over 100 civil society organisations working to strengthen accountability, transparency, and gender-responsive public finance. The paper was prepared with the financial support of the Austrian Development Agency (ADA) and Sweden. The views expressed are those of the author and do not necessarily reflect the views of ADA or Sweden.

Executive Summary

The 2026 State Budget reflects the continuation of the Albanian government's approach toward fiscal consolidation, macroeconomic stability, and advancing the European Union integration process. The draft budget is based on projected economic growth of around 4%, a budget deficit planned at 2.3% of Gross Domestic Product (GDP), and a declining level of public debt, expected to fall to approximately 53.6% of GDP in 2026. Overall, the fiscal framework presents a stable and predictable macroeconomic outlook.

From a gender perspective, the 2026 budget marks a slight but important increase in the share of gender-responsive budgeting. According to official budget data, approximately 9.5% of total public expenditures are allocated to gender-related policies, distributed across around 85 budget programmes. This represents an increase compared to previous years (9.3% in 2024 and 9.1% in 2025), indicating the gradual institutionalization of gender-responsive budgeting at the formal level. The 2026 budget presents these policies as instruments to reduce gender inequalities and strengthen women's participation in the country's economic and social development.

However, as in previous years, this progress remains largely declarative. There are no annual evaluation reports showing how these funds have been implemented in practice, which groups of women and girls have actually benefited, and what concrete impact these budget policies have had on reducing gender inequalities. The lack of sex-disaggregated data, measurable indicators, and structured monitoring mechanisms significantly weakens transparency, public accountability, and the credibility of the budget's gender commitments.

In this context, although the 2026 budget reflects ambitions for economic development and social inclusion, gender equality continues to be treated more as a sectoral objective rather than as a cross-cutting principle integrated throughout the entire cycle of public policies and budgeting.

Nevertheless, despite these concrete interventions, the absence of systematic gender-disaggregated reporting limits the ability to assess whether these investments effectively contribute to reducing gender inequalities.

In this regard, the fuller integration of the gender perspective into budget planning, implementation, and monitoring remains essential to ensure that economic growth translates equally into benefits for women and men.

Macroeconomic and Fiscal Context

Total budget revenues for 2026 are projected at approximately ALL 823.1 billion, or 29.6% of GDP, while total expenditures are expected to reach around ALL 886.8 billion, or 31.9% of GDP. As a result, the budget deficit is projected at about ALL 63.7 billion. Fiscal policy continues to focus on maintaining macroeconomic stability and complying with the fiscal rule on the primary balance.

This macro-fiscal stability creates an opportunity to use public resources more strategically to address social and gender inequalities. However, the budget documents do not provide a clear analysis of how increased public spending and investments will affect women and men differently, limiting the assessment of the budget's distributive impact from a gender perspective.

Demographic Context and Labour Market from a Gender Perspective

Demographic data confirm that women and girls make up more than half of Albania's population. Women also continue to have a higher life expectancy than men, while their participation in the labour market remains significantly lower. According to official data, the employment rate for women is around 62.6%, compared to 75.7% for men, reflecting a significant gender gap in the labour market.

This gender gap reflects persistent structural barriers, such as the disproportionate burden of unpaid care work, the lack of support services, and gender segregation in the labour market. The gender pay gap also persists; however, the lack of detailed data by sector, occupation, and region makes it difficult to accurately assess its extent.

In the absence of active, inclusive, and well-targeted employment policies for women, especially women in rural areas, women with disabilities, and those from marginalized communities, there is a real risk that existing inequalities will persist and deepen further.

Gender-Responsive Budgeting in 2026

According to official budget documents, around 9.5% of total public expenditures in 2026 are allocated to gender-responsive policies, mainly in the sectors of education, health, social protection, justice, and public order. However, the methodology used to identify these expenditures remains unclear, and the criteria for classifying programmes as "gender-responsive" are not publicly available.

In the absence of a national framework for gender monitoring and reporting, gender-responsive budgeting remains fragmented and focused more on financial inputs than on measurable results and actual impact on the lives of women and girls.

Social Protection and Pensions

In absolute terms, the social insurance budget reaches approximately ALL 195.3 billion, while the health insurance budget amounts to around ALL 67.3 billion, confirming that social protection and healthcare represent some of the most critical sectors for the economic and social well-being of women.

This budget includes funds for pension indexation and pensioners' bonuses, while the government has declared its objective to gradually increase the minimum and average pension levels over the medium term.

From a gender perspective, these measures are particularly important, as women make up a significant share of pension beneficiaries and are more exposed to poverty in old age due to lower wages and interrupted career paths. In addition, social protection programmes include targeted measures for women in vulnerable situations. According to the 2026 budget, around 61,000 families receive economic assistance, of which around 40% are women survivors of domestic violence. Furthermore, approximately 8,300 women benefit from supported social insurance contributions, with an allocated budget of around ALL 850 million, and about 2,000 women and girls benefit from social housing programmes. The housing programme also provides rent bonuses for approximately 1,900 beneficiary families, as part of policies aimed at supporting vulnerable households and improving access to affordable housing, with a significant share of beneficiaries being women and female-headed households. These measures are intended to strengthen women's economic security and promote their social inclusion, particularly among those in vulnerable situations. Furthermore, the budget foresees support for approximately 94,000 persons with disabilities and their caregivers, as well as around 780,000 pension beneficiaries, highlighting the critical role of social protection in ensuring income security for vulnerable groups, including a significant number of women.

Additionally, the budget provides childbirth benefits for around 14,329 mothers or fathers, with a total allocation of approximately ALL 6.1 billion, supporting the economic security of families during the period of childbirth. This measure is particularly important from a gender perspective, as it contributes to supporting women during the maternity period and helps ease the economic burden associated with childcare.

However, the lack of gender-disaggregated data on the level of benefits and their long-term impact limits the assessment of the effectiveness of these programmes in reducing gender poverty.

Wages, Employment and the Care Economy

The 2026 budget continues the implementation of the government's wage policy, including increases in the minimum wage and wage indexation in the public administration. The increase in the minimum wage to ALL 50,000 per month, along with wage increases in the public sector, is expected to have a positive impact, particularly for women, who are overrepresented in public sectors such as education, health, and social services.

However, the lack of sex-disaggregated data on the beneficiaries of these increases makes it difficult to assess their real impact on reducing the gender pay gap. In addition, the budget does not explicitly address the care economy and unpaid care work, which continues to place a disproportionate burden on women and remains a major barrier to their participation in the formal labour market.

Investments in childcare services, such as nurseries and kindergartens, remain a critical component for increasing women's participation in the labour market, as the lack of these services represents one of the main barriers to women's employment, particularly in rapidly growing urban areas.

The budget, however, does not provide a clear analysis of the level of investments in childcare infrastructure and their impact on increasing women's employment.

Health 2026 – Gender Perspective and Health Insurance

The health insurance budget for 2026 is projected at approximately ALL 67.3 billion, with significant transfers from the state budget. Health policies continue to focus on primary care, hospital services, and the reimbursement of medicines.

Women are the primary users of health services throughout their life cycle. Screening programmes for breast cancer and cervical cancer remain part of health priorities; however, their coverage is still limited compared to the actual needs of the female population. Health programmes also foresee breast cancer screening for approximately 5,000 women per year, cervical cancer screening for around 12,500 women per year, as well as funding for breast reconstruction procedures for about 350 women annually. These measures represent direct interventions to improve women's health and reduce gender-specific health risks.

Additionally, the lack of detailed data on the actual coverage of women by health insurance schemes limits the assessment of equal access to quality healthcare services.

At the same time, there are no dedicated gender-sensitive mental health programmes, despite the increasing cases of anxiety, depression, and trauma, particularly among women survivors of domestic violence and those in vulnerable socio-economic situations. There is also a lack of detailed analysis on the actual access of Roma and Egyptian women, women with disabilities, and women living in remote rural areas to health services.

Education and Vocational Training

Education remains a priority sector in the 2026 budget, both in terms of infrastructure investments and wage policies for education staff. Women make up the majority of teachers, particularly in pre-primary and primary education.

However, the budget does not clearly address gender inequalities in career development, access to leadership positions, and working conditions within the education system. In addition, there is a lack of data on the gender impact of investments in school infrastructure, particularly in rural areas, where girls face higher risks of dropping out of school.

Vocational training programmes continue to be aligned with labour market needs; however, there is limited data on women's participation and their actual employment outcomes.

According to the 2026 budget data, employment promotion programmes are expected to directly benefit around 744 women and girls, while approximately 7,900 individuals will be trained in public vocational training centres. These measures aim to enhance skills development and contribute to increasing women's participation in the labour market.

At the same time, the lack of data on employment rates after the completion of these programmes limits the assessment of their effectiveness in the long-term integration of women into the labour market.

Local Government Budget, Transfers and Gender Equality.

Local government expenditures for 2026 are projected at approximately ALL 97.7 billion, or 3.52% of GDP. The unconditional transfer amounts to around ALL 47.3 billion, including the general transfer, sectoral transfer, wage compensation fund, and the performance grant.

Despite the increase in funding, there is no clear legal or administrative requirement for municipalities to apply gender-responsive budgeting or conduct gender impact analysis. Given that many social services are delivered at the local level, this represents a missed opportunity to advance gender equality at the community level.

The lack of mandatory gender reporting requirements at the local level limits transparency and hinders the effective assessment of the impact of public spending on gender equality.

Expenditures by Government Functions (COFOG)

The analysis of public expenditures by government functions (COFOG) for 2026 shows that social protection, health, and education account for the largest share of public spending. These sectors have a direct and disproportionate impact on women.

However, the lack of gender analysis at the COFOG level makes it difficult to assess the distributive fairness and effectiveness of public spending from a gender equality perspective.

Women in Rural Areas, Agriculture and Local Development

The 2026 budget provides limited support for women in agriculture and rural development, mainly through advisory services and small development projects. The number of women beneficiaries remains low compared to women's actual role in the rural economy. In this context, the budget foresees that approximately 540 women will benefit from agricultural advisory and information services, with a fund of about ALL 2.5 million, aiming to strengthen the capacities of women farmers and their more active inclusion in rural development. However, the number of beneficiaries remains relatively limited compared to the scale of women's participation in the agricultural sector at the national level.

Women in rural areas continue to face structural barriers, including lack of land ownership, limited access to finance and markets, and a high burden of unpaid care work. Current budget policies do not address these challenges in a systematic and long-term way.

Public Investments, Infrastructure and Public-Private Partnerships

Public investments in 2026 remain at high levels, in line with economic and regional development priorities. However, the planning and implementation of infrastructure projects are not accompanied by gender impact analysis.

Additionally, the lack of data on women's participation in public investment projects and in the employment generated by these projects limits the assessment of their impact on women's economic empowerment.

Public-Private Partnerships (PPPs) and concession contracts continue to be used as instruments for financing and service delivery. However, there is no systematic assessment of their social and gender impact, particularly in terms of accessibility, affordability, and the quality of services for women and vulnerable groups.

Final Conclusions

The 2026 State Budget provides macroeconomic stability and continuity in fiscal and social policies. From a gender perspective, there is gradual progress at the formal level; however, there is still a clear lack of mechanisms to translate these commitments into concrete and measurable results. Although the budget includes concrete measures that directly target women in the areas of employment, social protection, and health, the lack of comprehensive gender analysis limits the assessment of their effectiveness in reducing inequalities.

Without integrating gender equality as a cross-cutting principle throughout the entire budget cycle, from planning and implementation to monitoring and evaluation, existing inequalities risk persisting and deepening further.

In the absence of a full and systematic integration of the gender perspective, there is a risk that the benefits of economic growth will be distributed unevenly between women and men.

Final Recommendations

- Institutionalize gender-responsive budgeting across all stages of the budget cycle.
- Introduce measurable gender indicators and ensure annual public reporting on results.
- Integrate gender analysis into COFOG expenditures, public investments, and PPPs
- Strengthen local government capacities for gender-responsive planning and monitoring.
- Develop dedicated policies addressing the care economy, mental health, and the economic empowerment of rural women.