

# National Employment and Skills Strategy

2014 - 2020

“Higher skills and better jobs  
for all women and men”

FOSTER  
DECENT JOB  
OPPORTUNITIES  
THROUGH  
EFFECTIVE  
LABOUR MARKET  
POLICIES



OFFER QUALITY  
VOCATIONAL  
EDUCATION  
AND TRAINING  
TO YOUTH AND  
ADULTS



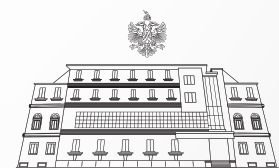
PROMOTE SOCIAL  
INCLUSION AND  
TERRITORIAL  
COHESION



STRENGTHEN  
THE  
GOVERNANCE  
OF THE LABOUR  
MARKET AND  
QUALIFICATION  
SYSTEMS



Project funded by  
European Union



REPUBLIC OF ALBANIA  
MINISTRY OF SOCIAL  
WELFARE AND YOUTH



International  
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Republic of Albania  
Ministry of Social Welfare and Youth

# National Employment and Skills Strategy

20**14** - 20**20**

*“Higher skills and better jobs  
for all women and men”*

Decision of CM No 818, Date 26.11.2014

2014



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## INTRODUCTION

Dear reader,

*According to all the surveys and perceptions of public opinion, unemployment has been highlighted as the number one concern for Albanians during the transition phase. In order to respond to such a social emergency, the Government's program has placed the focus on employment and quality development of the labour force, to comply with the vision of the European Union Directives, the European Employment Strategy 2020 as well as the requirements for Albania's European integration. The National Employment and Skills Strategy 2014-2020 aims to respond to these priorities set by the Albanian government and also to put economic development to the use of society with employment as the main pillar of the social welfare system.*

*This document's goal is the integration of economic, educational, training and also entrepreneurial policies, by developing an action plan that aims at releasing Albanian society from the unemployment trap. This strategy is expected to increase the employment rate, enabling/facilitating a gradual transition from passive unemployment policies to active and stimulating employment ones. This document features a realistic reflection of the current situation and development capabilities of the Albanian labour market.*

*The main objectives of this strategy are the identification and design of proper employment promotion and vocational training policies, in order to create quality jobs and life-long employment opportunities. The strategy centres on: increasing decent work opportunities through efficient labour market policies; offering quality vocational education and training for youth and adults; promoting social inclusion and cohesion; plus strengthening the labour market and qualification system. In accordance with the government's program, this strategy considers vocational training and employment as two limbs of the same body, implying that vocational education and training services are closely linked to employment services. The aim is to provide vocational training opportunities to jobseekers, which can lead to their employment afterwards.*

*The strategy aims to improve both the service system for jobseekers and the vocational education and training system. This will be achieved through the development of a unified system of employment services throughout the country and the implementation of the new model of service delivery for all citizens, based on the best European practices. A significant part of this system will also be the establishment of sustainable and flexible partnerships with all labour market stakeholders.*

*This strategy is currently based on a system which brings together vocational schools and vocational training centres under the Ministry of Social Welfare and Youth, thus establishing a unique vocational education and training system, capable of contributing to the development of quality training for the labour force, with special focus on youth, women and vulnerable groups. Such an approach will respond to local labour requirements and will build a skilled, competitive labour force for the regional and European markets.*

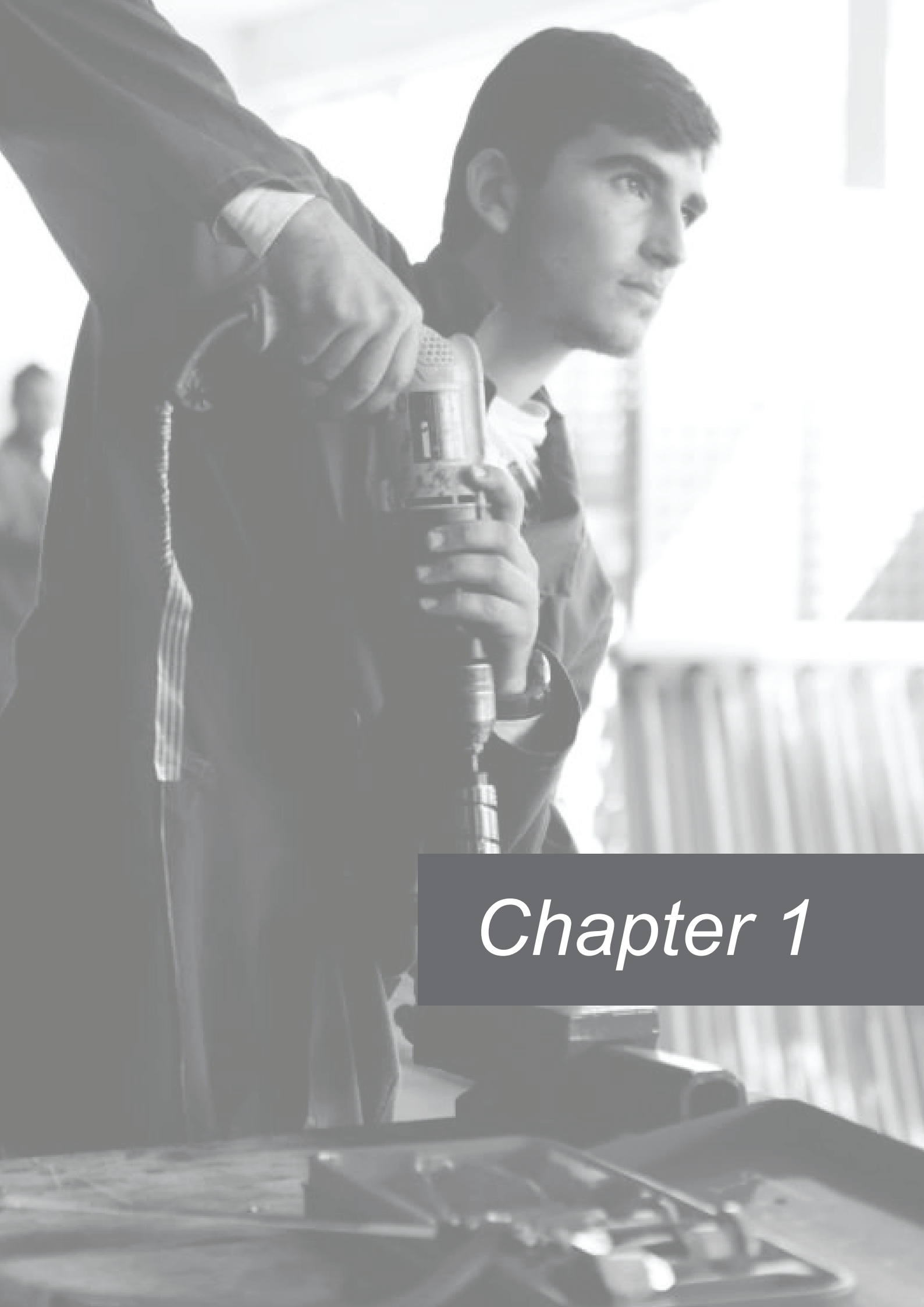
*This strategic document has been developed in cooperation with the Ministry of Economic Development and Entrepreneurship, the Ministry of Finance, the Ministry of Agriculture, the Ministry of Urban Development and Tourism, the Ministry of Energy and Industry, the Ministry of Transport and Infrastructure, and the Ministry of Innovation and Public Administration. I would like to take the opportunity to thank all of them for their engagement and commitment.*

*I would also like to acknowledge and thank our international partners: the European Union, World Bank, ILO, ETF, UNDP, UN WOMEN, Cooperazione Italiana, ADA, IOM, SDC, GiZ, AADF, DACH+ Group, Swisscontact, Kulturkontakt, SIDA, etc., for their support to this process. Special thanks are owed to social partners, NGOs and business representatives, who have actively participated in consultations on this strategy. In particular, I wish to mention and thank ILO-EU IPA 2010 Project for their original contribution plus the invaluable coordination of the contributions of all the partners in this strategy.*

**Erion Veliaj**

Minister of Social Welfare and Youth





# *Chapter 1*

## CHAPTER 1

### CURRENT SITUATION

#### 1.1. Macroeconomic trends and sectoral policies

During the last years Albania has remained one of the growing economies in Europe. Growth has been the result of a structural transformation, based largely on the movement of labour from low productivity agricultural occupations to services, construction, and – to a lesser extent – manufacturing. In the period 2001-2013, Gross Domestic Product (GDP) per capita increased twofold (to USD 4,799) to reach 14 per cent of the European Union average.<sup>1</sup> This economic growth was accompanied by stable macroeconomic and fiscal policies, structural reforms to improve the business environment and investment in infrastructure, technology and human resources. As a result, labour productivity increased by an average of 6.4 per cent on an annual basis.

However, economic activity started to decelerate in 2009 (3.4 per cent per year), due to exhaustion in factors of growth combined with the global economic and financial crisis (Table 1). In 2012, output growth was positive, albeit below potential (1.6 per cent on an annual basis), and during 2013 the growth decreased further. The slower growth characterized almost all economic sectors, but this was more evident in services, the processing industry and the construction sector. Currently, there is a high stock of non-performing loans in the banks' portfolios, which is an important obstacle to efficient capital intermediation. The latest fiscal projections for the upcoming years reveal a challenging environment for Albanian economic growth.

**Table 1. Key macroeconomic indicators, Albania (2007-2013), including 2014 projections**

	2007	2008	2009	2010	2011	2012	2013	2014
Real GDP growth	5.9	7.5	3.4	3.7	2.5	1.6	1.4	2.1
Inflation (% change, end of period)	3.1	2.2	3.7	3.4	1.7	2.4	1.9	2.6
Gross fixed capital formation (% GDP)	38.7	38.1	36.7	32.8	32.5	30.3	28.6	27.4
Total revenues (% GDP)	26.0	26.9	26.1	26.2	25.4	24.7	24.0	26.1
Total expenditures (% GDP)	29.5	32.5	33.2	29.3	28.9	28.2	28.9	32.4
Overall fiscal balance (% GDP)	-3.5	-5.6	-7.1	-3.1	-3.5	-3.4	-4.9	-6.3
Total Debt Stock (% GDP)	53.4	55.1	59.7	57.7	59.4	62.0	70.1	72.2
Exports (% GDP)	10.1	10.3	8.6	13.2	15.4	16.0	17.8	19.1
Imports (% GDP)	37.0	37.7	35.0	36.7	40.0	36.9	34.8	35.9
Foreign Direct Investment, net (% GDP)	5.9	6.9	7.9	8.9	7.8	7.6	8.8	8.0
Current account balance (% GDP)	-10.6	-15.6	-15.2	-11.5	-13.0	-10.7	-10.0	-8.3
Workers' remittances	12.2	9.4	9.0	7.8	7.3	7.1	5.6	--

Sources: Ministry of Finance of Albania, "Macroeconomic indicators", at [http://www.minfin.gov.al/minfin/Macroeconomics\\_Indicators\\_in\\_the\\_Years\\_58\\_2.php](http://www.minfin.gov.al/minfin/Macroeconomics_Indicators_in_the_Years_58_2.php);

Bank of Albania "External sector statistics", at [http://www.bankofalbania.org/web/Time\\_series\\_22\\_2.php](http://www.bankofalbania.org/web/Time_series_22_2.php);

\* IMF Projections, October 2013

<sup>1</sup> INSTAT, "Gross Domestic Product in the Republic of Albania", August 2012 at [http://www.instat.gov.al/media/101280/llogarite\\_rajonale\\_4faqeshi\\_ang\\_.pdf](http://www.instat.gov.al/media/101280/llogarite_rajonale_4faqeshi_ang_.pdf); World Bank, "World development indicators, 2001-2010" at <http://data.world-bank.org/data-catalog>; EUROSTAT, "News release 97/2012", at [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/2-20062012-AP/EN/2-20062012-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-20062012-AP/EN/2-20062012-AP-EN.PDF)

The expansionary fiscal policy deployed in 2008-2009 to mitigate the impact of the crisis increased the fiscal deficit to 7 per cent. As a result, public debt increased to 59.7 per cent of GDP, in 2009, and continued to grow from 2011 onwards. The gradual withdrawal of the stimulus package, with public spending declining by over 4 percentage points between 2010 and 2011, brought the fiscal deficit back to its 2007 level (3.5% of GDP), in 2012. Lower economic activity, however, also caused a decline in tax revenues (by 2 percentage points). In the same period exports increased more than imports (22.7% and 18.3% of GDP, respectively). In 2012, remittances fell to 7.1 per cent of GDP (from 12.2% recorded in 2007), reflecting the worsening economic situation in Europe. Throughout 2009-2012 inflation remained within the target set by the Central Bank (i.e. 2-4% per year) after two years slightly above (2010-2011). As shown in Table 1, the macroeconomic situation of the country has worsened significantly, with an increase of the public overall debt, which for the first time went above the 60 per cent ceiling. Also the overall fiscal balance is now more than 6 per cent, which demands fiscal policies and austerity measures to halt its increase.

The previous decade was characterized by relevant changes in the structure of economic output. In 2012 construction and services accounted for over 60 per cent of GDP, while industry comprised slightly over 10 per cent and agriculture just over 18 per cent (from over 21.9% in 2001). Agriculture is still the largest provider of employment, albeit to a decreasing trend compared to 2000. In 2013, the agricultural sector accounted for 44.6 per cent of total employment, especially for women (53.5% of employed women were working in agriculture compared to 37.4% of men). Employment in the service sector represented 37.9 per cent of total employment, while industry employed 9.8 per cent of all workers, with men more than twice as likely to be working in industry compared to women.<sup>2</sup>

The private sector is dominated by micro and small-enterprises. In 2013, 90 per cent of active enterprises employed up to 4 workers, while the majority of them, 69 per cent have only a self-employed. Enterprises employing 50 workers or more represent only 1.3 per cent of the total active enterprises, but account for 26.7 per cent of total employment. Enterprises engaged in the production of goods (namely industry, agriculture and construction) represent 13.9 per cent of all active enterprises, while nearly 41.8 per cent operate in the trade, hotel and restaurant sectors. In 2013, the rate of enterprise creation was 10.9 per cent, down from 12.2 per cent recorded one year earlier.<sup>3</sup>

### **Macro-economic and sectoral policies**

The fiscal reform introduced in 2007 eliminated progressive tax rates and introduced a flat 10 per cent income tax. In 2008, the profit tax was reduced from 20 to 10 per cent (flat rate), taxation on small business was halved and social insurance contribution rates decreased by 30 per cent. Since 2007, the tax wedge in Albania has been 29 per cent, considerably lower than the average recorded in the Western Balkans (over 36%), in OECD countries (37.3%) and in the EU15 (42.1%). Notwithstanding decreasing rates, public revenues increased from 24.8 per cent in 2005 to nearly 27 per cent in 2008 as a result of improved tax collection. During the period 2009-2013, budget revenues fell annually reaching 24 per cent of GDP in 2013 (the lowest recorded level of budget revenue collection during last decade).

<sup>2</sup> INSTAT, "Labour Market 2012-2013".

<sup>3</sup> INSTAT, <http://www.instat.gov.al/al/themes/regjistri-statistikor-i-nd%C3%ABrmarrijeve/publications/books/2014/regjis-tri-statistikor-i-nd%C3%ABrmarrijeve,-2013.aspx>

Figure 1: Tax revenues (% of total), 2012

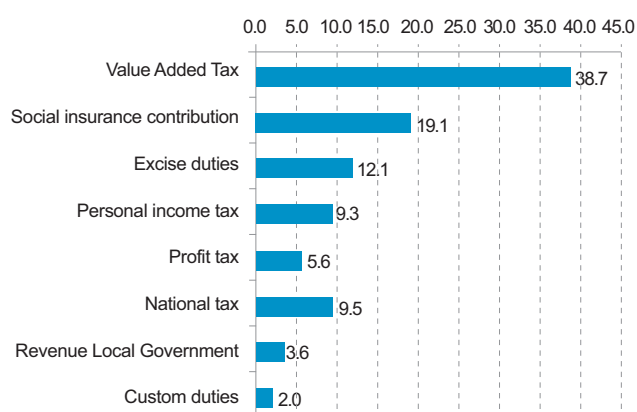
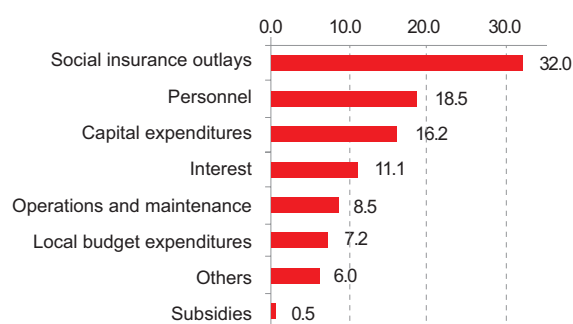


Figure 2: Public expenditures (% of total), 2012



Source: Ministry of Finance, "Fiscal statistics", 2012.

As Figure 1 shows, the Albanian tax system relies mostly on indirect taxation (VAT and excise duties). In 2012, revenues coming from social security contributions represented 19.1 per cent of the total. The largest spending item in the country (Figure 2) is for social insurance outlays, followed by spending for personnel and capital expenditures (18.5 and 16.2% of total expenditures, respectively).

The increase of total investment from 24.6 per cent in 2000 to 29 per cent in 2009 was one of the major drivers of growth. The structure of investment, however, has been skewed towards the construction sector, which relies predominantly on male labour, with little room for other areas of production.

Due to the positive economic environment, the level of public debt fell from 62 to 53 per cent of GDP between 2003 and 2008. This trend was reversed in 2008 with the deployment of expansionary policies to mitigate the impact of the crisis. Such policies sustained aggregate demand through an increase of investment, but they also caused an increase in the fiscal deficit and in the public debt. Fiscal consolidation measures will be required in the next period to decrease the debt, especially in light of the uncertain recovery across Europe and the effect this may have on the inflow of workers' remittances, the exports of tradable goods and the Foreign Direct Investments.

Over the last decade there have been some improvements in the agricultural sector, but more needs to be done to transform agriculture in a more modern, commercial and competitive one. Between 2007 and 2011 land utilization was increased by 6 per cent; the average farm size increased by more than 10 per cent; and the value of agricultural production and labour productivity expanded by about 28 per cent. Agro-processing increased, raising labour productivity (by 7.5%) and employment (by 9.7%). Such improvements in the agricultural sector are also reflected in increasing exports (by over 60%). However, the 20-year reform of the agricultural sector resulted in a small-farm based agricultural economy (with less than 1.5 hectares/farm). Farm productivity is very low due to the very low level of mechanization of the agricultural processes, high prices of input, etc. Currently, only 30 per cent of the agricultural land is under irrigation. Ownership titles for the land are to a large extent unclear, undermining the grounds for encouraging investments in agriculture. Albania remains a net agricultural importer, with imports exceeding the export rate seven times making it difficult for the domestic agricultural and food sector to increase its competitiveness. Albania has seen improvements in its investment climate in recent years. The strategic framework for small and medium size enterprises (SMEs) development was set in 2007,

with the adoption of the Business and Investment Development Strategy (2007-2013) and a medium-term programme for the SME development. Reforms included: the introduction of a flat rate tax on businesses and the improvement of tax administration; the simplification of procedures for establishing a business and registering land; the introduction of new procurement, bankruptcy and company laws; the modernization of the customs system, and the establishment of a public credit registry. The impact of the above-mentioned reforms is reflected in the improved ranking of Albania in the Global Competitiveness Index (from 108th place in 2008-09 to 78th place in 2012-13). At the same time, these essential reforms did not translate into a concomitant increase in female entrepreneurship, start-up, land registration, or credit issuance, pointing to key barriers preventing women from accessing productive resources and participating in economic development and growth on an equal footing with men.<sup>4</sup> However, women's entrepreneurship can no longer be defined simply in terms of social inclusion. Rather, the disruption of the global economy is prompting a more strategic reconsideration of women's economic engagement. Women's entrepreneurship needs to be raised on the wider development agenda as a pre-condition for improved employment and a growth-oriented, competitive national economy. Towards this end, steps have to be taken to generate a greater understanding, and result in improvement of the conditions determining women's entrepreneurship.<sup>5</sup>

Since 2014 Republic of Albania has initiated a few reforms on fiscal policy. The flat tax was removed and the rate of tax on income, only for the labour revenues, changed from 10% flat tax to a progressive taxation as follows: (a) from 0 to 30.000 Lek, corresponds to a zero per cent tax; (b) from 30.001 to 130.000 Lek, corresponds to +13 per cent to the income over 30.000 Lek; and (c) from 130.001 Lek and above, corresponds to 13.000 Lek + 23 per cent to income over 130.000 Lek.

From 2014 the profit tax on small business was removed and the simplified profit tax on small business was reduced from 10 per cent to 7.5 per cent. According to VAT, from 1st April 2014 medicine and medical services are exempted from VAT. Another fiscal measure adopted in 2014 was the increase on profit tax from 10 per cent to 15 per cent.

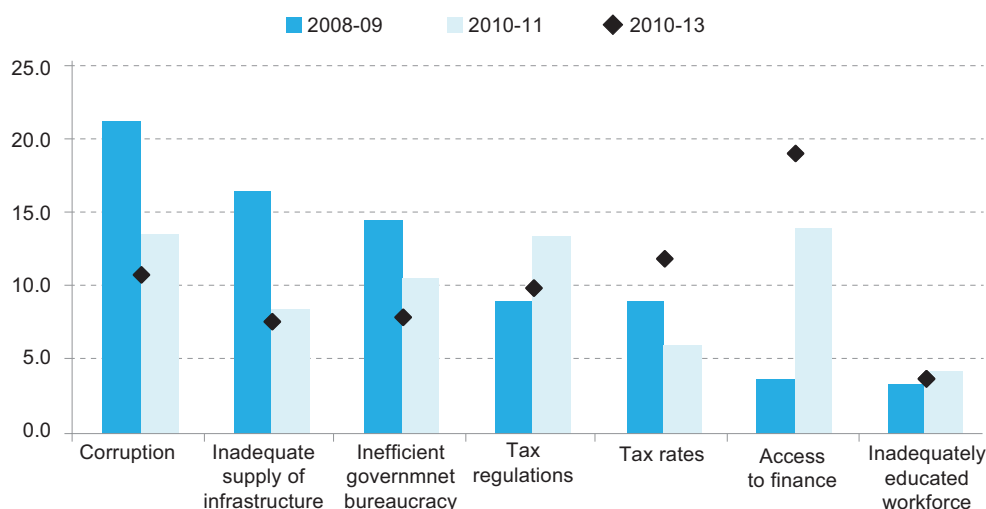
Figure 3 shows that in the period 2008-2012 enterprises reported progress in reducing corruption, easing tax regulations, improving infrastructure and government bureaucracy, while tax burden and access to finance worsened. This financial downturn is attributed to the arrears accumulated by the public administration and the effects of the economic crisis. The skill of the workforce is considered a limited constraint for enterprises at present, but there was no measurable improvement in the period under consideration. Nevertheless, between 2010 and 2012 the detailed indicators on higher education and training show improvement ranking in the quality of the education system (from 54<sup>th</sup> to 45<sup>th</sup> place), quality of math and science education (from 62<sup>th</sup> to 42<sup>th</sup> place) and staff training (from 55<sup>th</sup> to 32<sup>th</sup> place).

<sup>4</sup> "National Report on the Status of Women and Gender Equality in Albania 2011", sections on Entrepreneurship and Property Rights. Tirana: MoLSAEO & UN Women.

<sup>5</sup> OECD, et al. (2012). *SME Policy Index: Western Balkans and Turkey 2012: Progress in the Implementation of the Small Business Act for Europe*, OECD Publishing, Section on Albania.



Figure 3: Most problematic factors for doing business 2008-2013 (%)



Source: World Economic Forum, "Global competitiveness report", 2008-2012.

The figures on competitiveness, however, suggest that there is still room for improvement, especially in the efficiency of the legal framework and its enforcement, attracting FDIs, increasing the access of national enterprises to foreign markets and diversifying the export base.

The measures taken to reduce the incidence of the informal economy to date focused mainly on improving the capacity to identify enterprises operating in the informal economy, and reducing the tax and administrative costs for business start-up and expansion. In 2009, the law on taxation procedures was amended, resulting in the registration, payment and write off of social security contributions for self-employed workers which were assigned to the tax authority. The fines for failure to register new employees were increased for all classes of enterprises. Tax compliance has been simplified and a number of taxes and contributions can now be paid electronically (VAT, annual profit tax, social and health insurance, tax on employment income, monthly instalments of profit tax and annual tax on personal income). Such measures, however, seem to have had little impact on reducing informal employment arrangements. It will be necessary to address the issue of non-competitive enterprises (e.g. low profitability firms that owe their continued existence to low wages and poor working conditions) as well as enterprise efficiency, the capacity to innovate and productivity. In addition, the systemic barriers that prevent the female population from effectively engaging in the economy (including discrimination regarding land ownership and co-registration, and access to credit, information and business support services) require responses in respective sectors and policy areas.

In order to address these challenges, "The National Strategy for the Development of Business and Investment 2014-2020" was recently prepared by the Ministry of Economic Development, Trade and Entrepreneurship and adopted by the Government of Albania in October 2014. This strategy aims to improve the competitiveness of the Albanian economy through: the increasing of the active enterprises in the country; the increasing of the employed people; the increasing of the exports and the increase of the direct foreign investments. The strategy is developed in line with the "Europe 2020" strategy.

## 1.2. Demographic outlook

The age structure of the Albanian population has changed significantly in the last two decades. In the period 2001-2011 the population decreased by 8 per cent, with an estimated half a million individuals migrating abroad.<sup>6</sup> However latest trends show increased return migration especially from Greece, related to the Greek financial crisis. Census 2011 data show that there have been a total of 139 827 return migrants since 2001. Return migration is important in skill formation, since many return migrants have formed different skills through their experience in the host countries. These skills may be beneficial when they return home in terms of labour as well as entrepreneurial initiatives. Return migrants may also bring additional financial resources such as their savings contributing to the Albanian economy. On the other hand, increased rates of return migrants need to be dealt with in a way that responds to the specific characteristics and needs of female and male returnees so as to accommodate them in the labour market and avoid increased levels of unemployment.<sup>7</sup>

**Table 2: Population estimates and projections, 2001-2050 (%)**

	2001	2006	2013	2020	2050
0-14	29.3	25.7	20.0	18.4	13.8
15-24	17.2	19.1	17.8	15.4	11.6
15-64	63.2	65.1	68.3	68.5	62.3
65+	7.5	9.2	11.8	13.1	23.9
Old age dependency ratio (*)	11.9	14.1	17.2	19.1	38.3

(\*) Share of the population 65 and over on the total population aged 15 to 64 years old.

Source: INSTAT, "Population by age-groups (2001-2013)"; Population Division, UN Department of Economic and Social Affairs, *World Population Prospects: The 2012 Revision*. <http://esa.un.org/unpd/wpp/index.htm>

The share of children below 15 years of age declined from over 29 per cent in 2001 to 20 per cent in 2013, while the share of individuals aged 65 years old and over increased from 7.5 per cent to 11.8 per cent (Table 2). The working age population (15-64), conversely, increased from 63.2 per cent to 68.3 per cent of the total population, with youth 15-24 years old comprising 17.8 per cent of the total. The share of the working age population is projected to increase until 2020, and then start declining.

The old age dependency ratio increased from slightly less than 12 per cent in 2001 to 17.2 per cent in 2013, and aging of the population will accelerate significantly in the next decades. Then a smaller number of people will have to provide for the increasingly larger dependency groups, posing a number of education, labour market and social policy challenges. Increasing the labour force in the formal sector by making use of the potential of the female work force would be one of the options in response to current demographic challenges.

## 1.3. Poverty and social exclusion

Sustained economic growth until 2008 reduced poverty (from 25.4% in 2002 to 12.4% in 2008), especially in rural areas. In the period 2008-2012 the deceleration of economic activity

<sup>6</sup> In 2010, the number of Albanian citizens abroad was estimated at 1.4 million individuals.

<sup>7</sup> Data on returnees disaggregated by sex is currently unavailable as are studies on the gendered dimension of return migration and its impact on future labour market dynamics.

and worsening labour market outlook pushed poverty upward (to 14.3%) especially in urban areas. While the share of the rural population living in poverty declined by about 12 per cent between 2008 and 2012, the share of the urban poor increased by about 37 per cent. Such increases in poverty in urban areas, compared to rural areas, is likely due to the continuous internal migration of the population from rural to urban areas<sup>8</sup>. Available data indicate that the population groups facing a higher risk of poverty are the unemployed, the less educated, people living in rural areas and those engaged in own account farming.

Comparisons between the working poor and non-poor show differences, which may affect their position and vulnerability in the labour market. The share of working poor is about 59 per cent compared to nearly 78 per cent for the non-poor. In addition, within the working poor, about 76 per cent of them are in paid employment compared to about 85 per cent of the non-poor. Another difference is education, which is very important in the labour market. The level of education signals potential productivity to employers. A higher level of education is associated with higher chances of finding employment as well as higher rewards in the labour market. A lack of education is usually associated with low skill jobs, which provide lower wages as well as lower job security. As a result, less educated individuals are at a higher risk of exclusion from the labour market. When lack of education is associated with absolute poverty, the vulnerability increases even further. Table 3 shows that the working poor have fewer years of education than the working non-poor. On average, the working poor have about 9.6 years of education compared to 11.5 years for the non-poor.

The working poor and non-poor also differ in terms of household composition. Individuals from households with more dependent members are at higher risk of poverty, since its members cannot contribute productively to household income. In addition, females from households with more dependent members are at higher risk of not participating in the labour market due to the dependency burden of the household members for whom they need to provide care. The working poor share these characteristics. They live in larger households of about 6 people with more children between the ages of zero and five years.

The working poor have lower average monthly wages, earning about 17 per cent less than the working non-poor. Given lower educational attainment, the working poor may join the labour market earlier than the non-poor. Consequently they both average about 24 years of work experience. A striking difference exists in terms of social security entitlements pointing to higher informality for the working poor. On the other hand, lack of social security will affect old age pensions and the wellbeing of the working poor. On average, about 44 per cent of the working poor seem to be entitled to social security benefits compared to about 72 per cent of the working non-poor.

Regional differences show that the working poor are mainly located in the urban areas, and the coastal region. This correlates with the changes in poverty patterns shifting towards urban areas. This is different from 2008, where the poor were mainly located in rural areas and the mountain region. The continuous shifts of population towards urban areas may have started to saturate employment and opportunities in urban areas. On the other hand it should be noted, that the higher concentration of working poor in urban areas may also indicate the potential higher concentration of non-working poor in rural areas.

<sup>8</sup> INSTAT, (2013), *Albania: Trends in Poverty (2002-2012)*, Tirana.

Table 3: Differences between the absolute poor and the non-poor<sup>9</sup>

Variables	Working poor	Working non-poor	Total
<b>Individual Characteristics</b>			
Monthly wage (old ALL)	285 292	333 676	328 742
Social security entitlement	43.90%	71.74%	68.90%
Work experience <sup>10</sup>	24.41	24.62	24.60
Education	9.62	11.52	11.33
<b>Household Composition</b>			
Household size	6.10	4.68	4.83
Household male labour	1.58	1.44	1.45
Household female labour	1.35	1.30	1.31
Number of children 0 to 5 years	0.65	0.32	0.36
<b>Regions</b>			
Coastal	43.22%	30.86%	32.12%
Central	29.73%	40.65%	39.54%
Mountain	3.72%	5.49%	5.31%
Tirana	23.32%	22.99%	23.03%
Urban	61.32%	60.60%	60.67%
Rural	38.68%	39.40%	39.33%

Source: INSTAT, "Living Standard Measurement Survey", 2012.

The working poor are mainly concentrated in low skill occupations that provide less job security. Compared to the working non-poor, about half of occupations are as agriculture workers (about 22%) and elementary occupations (about 20%). They are almost non-existent as legislators and professionals. The rest of the occupations are mainly concentrated as crafts and trade workers, service workers and plant and machinery operators.

Table 4: Participation in occupations (%)<sup>11</sup>

Variables	Working poor	Working non-poor	Total
Legislators	0.56%	2.78%	2.55%
Professionals	3.80%	16.29%	15.01%
Technicians	4.76%	6.99%	6.76%
Clerks	1.17%	2.41%	2.28%
Service workers	18.33%	17.55%	17.63%
Agriculture	21.61%	16.84%	17.33%
Crafts/ trade workers	18.72%	18.12%	18.18%
Plant/ machinery operators	10.70%	9.32%	9.46%
Elementary occupations	20.06%	8.15%	9.36%

Source: INSTAT, "Living Standard Measurement Survey", 2012.

<sup>9</sup> This table looks at differences between the absolute poor and the non-poor by comparing the average values for the specified variables in order to shed light how they may differ in terms of individual characteristics, household composition and regional differences. All differences have been tested for statistical significance and results are discussed accordingly. The same applies to all other tables of this sort.

<sup>10</sup> Variable is calculated as a proxy for work experience in years: age-education-6.

<sup>11</sup> All differences have been tested for statistical significance and results are discussed accordingly. The same applies to all other tables of this sort.

Persons with disabilities, children and youth at risk, particular groups of women and Roma and Egyptian minorities are more at risk of social exclusion than other population groups.<sup>12</sup>

Children of national minorities, living in poor households, those with disabilities, working children and those who are abused and/or trafficked lack access to early childhood care and education and risk exclusion at a later age. Children of Roma population groups and children with disabilities have the lowest school enrolment ratios.

Due to low educational attainment and detachment from the labour market (among other factors), women who belong to Roma population groups and those who are abused or trafficked have a higher probability of living in poverty.

The Roma and Egyptian minorities are also at risk of social exclusion. The data shows only 1.3 per cent of Roma and 4.8 per cent of Egyptians between 7 and 20 years old have secondary education, while 0.3 per cent and 0.2 per cent of the same groups attain higher education.<sup>13</sup> The Roma live in very poor conditions and are invisible in the labour market. Those Roma who report to work are mainly involved in trading of second hand clothing and collection of cans or metal. They do not have a work contract and they do not receive any social benefits or pay social security.<sup>14</sup> To date, the main initiatives addressing the challenges faced by Roma population groups revolve around civil registration, and provision of basic needs (housing, health care, education). The Roma are weakly represented among the beneficiaries of employment services and vocational training programmes, and common services are ill-matched with their particular circumstances, skills, potential and needs.

The Albanian social protection system is composed of multiple programmes that provide coverage against the risks of poverty, old-age, disability, unemployment, short term illness and maternity. The social insurance coverage reported by the Social Insurance Institute is 266 954 men and 287 148 women respectively.

Participation in the formal labour market is a key precondition for accessing old-age, unemployment, short term illness and maternity benefits. According to estimates, a higher percentage of women compared to men work in the informal sector, resulting in women's weak coverage by the system. Therefore, proactive training and employment programmes specifically targeting women and girls are required in order to increase their low rates of coverage by social insurance and to protect them and their children from vulnerability, exclusion, and poverty.

With the exception of social assistance transfers provided by the social assistance programme (*Ndihma Ekonomike*), all social protection benefits are financed through payroll contributions of both employers and employees. The amendments to the 2005 law *Social Assistance and Services* expanded the eligibility criteria of the main social assistance programme (to include victims of trafficking and of domestic violence, orphans and women heads of household) and decentralized residential care services to local government units. In 2010, spending for the social assistance programme accounted for 1.4 per cent of GDP, with an increase in the overall allocation of roughly 50 per cent compared to 2007. The number of households benefitting from the social assistance benefit declined in the period 2005-2009 by approximately 17 per cent. Beneficiary households, however, increased again in 2010, to then stabilize at approximately 99 700 families.

<sup>12</sup> Government of Albania, *Strategy on Social Inclusion 2007-2013*, forthcoming.

<sup>13</sup> World Bank, (2013) *Albania: Policy briefs*, World Bank, Washington D.C., July 2013. Data on Roma disaggregated by sex is currently unavailable.

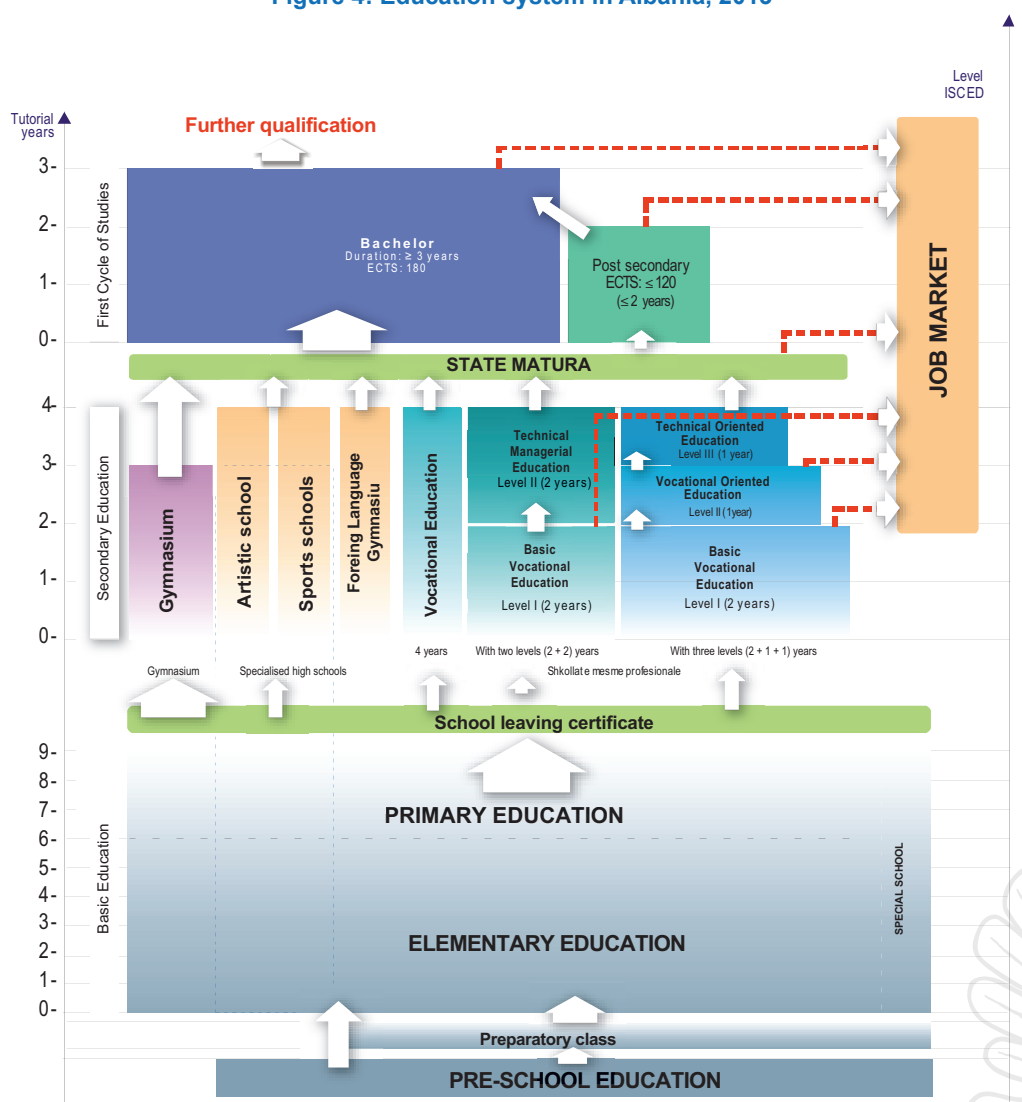
<sup>14</sup> UNDP, (2012), *Needs Assessment Study on Roma and Egyptian Communities in Albania*, Albania, February, 2012.

### 1.4. Education and Training: trends and policies

There is a strong and positive relationship between individuals' education and skills level and labour market outcomes. This is well recognized in Albania and it is reflected in the wide-ranging primary and secondary education reforms initiated in the last decade. These reforms encompassed: curricula reforms; enhanced teacher training; more equitable distribution of resources across regions; improvement of learning conditions (less crowded classrooms and less need for multiple shifts in schools); increases in teachers' average salaries; and the revision of the content and administration of the exam at the end of secondary education. In higher education the focus has been on the adoption of the Bologna process, the expansion of students' enrolment and the introduction of short-cycle, sub-degree programmes in regional universities.

A snapshot of the current education system in Albania is provided in Figure 4.

Figure 4: Education system in Albania, 2013



Source: The VET Portal, at [www.vet.al](http://www.vet.al)



There are three forms of education in Albania: full time, part-time and distant learning. Since 2008, compulsory education starts at the age of 6 and continues up to the age of 15. It comprises 9 years of basic general education divided into primary (5 grades) and lower secondary education (4 grades). Students who have reached the age of 16 years old and have not yet completed the basic education have the possibility to enrol in the part-time basic education schools. Upper-secondary education lasts up to four years and is divided into: (i) general education stream, (ii) vocational stream, and (iii) art, sport, foreign language and pedagogical school.

Since the academic year 2009/10, initial vocational education has been offered at three levels to provide students with general and vocational (theoretical and practical) education, preparing them for work and further education. The two-year programmes at the first level aim at training of semi-skilled workers. Successful students are awarded the basic certificate of professional training and they can enter the labour market or continue their studies to the next level. The second level, one-year programmes prepare technicians and lead to the award of a certificate of professional training. The completion of technical-vocational programmes at the third level, lasting one additional year, gives access to higher education. At the end of this level students sit the professional practice exam and the *State Matura* exam.

The tertiary education system in Albania is aligned to the Bologna Declaration and comprises a four-year bachelor degree followed by a 1-2-year master's degree and three years doctoral studies. The Ministry of Education and Science is undertaking a comprehensive reform on the higher education sector since 2014, with external assessment of universities and revision of the legal framework.

Progress has been reported in the last few years in increasing the educational attainment of the population. The reported literacy rate of adults 15 years old and over is 96 per cent, and among youth 15 to 24 years old the reported literacy rate is 99 per cent (equally distributed between the sexes). However, the functional illiteracy rate of youth is 57 per cent.

One of the recent innovative efforts is the curricula reform 2014-2015 for the pre-university education. Through a piloting process in 26 schools of basic and secondary education, this reform aims to unify the education programmes in Albania and Kosovo.

The net enrolment ratio in basic education is 85 per cent (86% for boys and 84% for girls)<sup>15</sup>. Gymnasium has the largest number of graduates, since it is also the largest host of upper secondary education. In the academic year 2012-2013, there were 45 899 students graduated in upper secondary education, from which just over half, 22 625 were females (Table 5).

Vocational schools graduates are much lower in numbers, graduating 4 322 students, from which 1 174 were females. Overall trends show that graduation from upper secondary has kept increasing from 31 122 students in the academic year 2007-2008 to an impressive additional 14 777 students in the academic year 2012-2013. Almost half of those graduates are females. The same trend is also visible for general schools, where graduated students have gone from 26 255 in the academic year 2007-2008 to an additional 15 322 in the academic year 2012-2013.

Vocational education has shown a decreasing trend until 2011-2012 school year. The number of students enrolling in vocational education declined in the period 2006-2010 by over 30 per cent but increased gradually since then, registering the highest number of enrolments in the

<sup>15</sup> UNICEF, Statistics by country, at [http://www.unicef.org/infobycountry/albania\\_statistics.html](http://www.unicef.org/infobycountry/albania_statistics.html)

2012-2013 academic year (8 996 students).

Despite the demographic factors (the number of students attending primary and secondary education decreased by approximately 10% in the period 2001-2010), the vocational education system has been an increasing attractive stream for students and their families. Graduates of vocational education in 2012-2013 academic year were 4 322 compared to 2 844 in the previous year, while the females' graduates are also increasing their participation (approximately one third of the total)

However, vocational education graduates are still predominantly male. The underlying reasons for this highly gendered bias phenomenon are various. On the supply side, factors discouraging girls (and their parents) from choosing vocational education include strongly gender-stereotyped profiles and courses, the location of VET schools, lack of transportation, unsafe dormitories, and the overall social climate in VET schools.<sup>16</sup> On the demand side, professional training enables boys to come up to general expectations to earn an income and enter the labour market at a relatively young age. While this in turn results in boys' overall lower educational attainment, it also provides them with a competitive advantage in the labour market compared to their female peers.

**Table 5: Students graduated in Upper Secondary Education**

School Year	Upper Secondary		Secondary General		Upper Vocational school	
	Total	Female	Total	Female	Total	Female
2007-08	31 122	16 971	26 255	14 426	4 867	2 545
2008-09	34 289	18 698	29 460	16 268	4 829	2 430
2009-10	34 823	18 727	29 984	16 450	4 839	2 277
2010-11	40 354	20 094	35 553	18 236	4 801	1 858
2011-12	40 927	20 801	38 083	19 924	2 844	877
2012-13	45 899	22 625	41 577	21 451	4 322	1 174

Source: INSTAT, Education Statistics 2007-2013.

Despite the relatively strong enrolment rates in the three levels of education, the analysis indicates that approximately 35 per cent of the birth cohorts do or did not receive any upper secondary education in Albania<sup>17</sup>. In 2012, the share of early school leavers in Albania (e.g. youth 18-24 years old with at most lower secondary education), was nearly twice the rate recorded in the EU27 (31.6% and 17% respectively). Also, the enrolments rates at all levels are still lower than the average recorded in Eastern European countries (Table 6).

<sup>16</sup> GIZ, Gender Analysis of the GIZ Human Resource Development Programme and the VET Sector in Albania, 2011.

<sup>17</sup> INSTAT and MoES data, 2009 year of graduation.

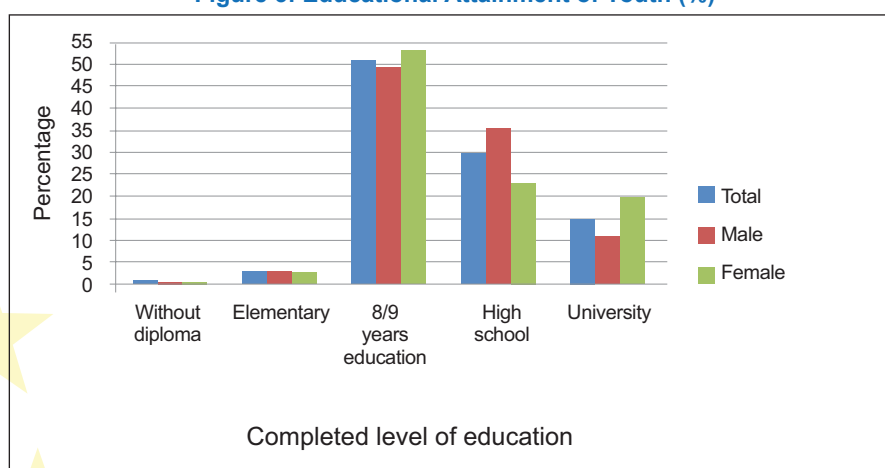


**Table 6: Gross enrolment ratios in Eastern Europe, 2011 (%)**

	Pre-primary (ISCED 0)	Primary (ISCED 1)	Secondary (ISCED 2-3)	Tertiary (ISCED 5-6)
<b>Albania</b>	<b>57.5</b>	<b>85.9</b>	<b>90.9</b>	<b>43.9</b>
Bosnia and Herzegovina	17.3	90.4	89.3	38.1
Bulgaria	79.4	102.5	88.8	56.9
Croatia	61.3	93.0	95.7	54.1
Czech Republic	108.4	105.7	90.3	63.5
Macedonia (FYR)	25.4	90.0	83.7	38.6
Montenegro	40.2	118.8	96.7	47.6
Poland	71.1	98.6	97.0	72.3
Romania	79.0	95.9	97.1	58.8
Serbia	53.1	94.8	91.4	50.7
Slovak Republic	91.0	101.0	90.3	54.8
Slovenia	89.7	98.4	97.3	89.6
<b>Average Eastern Europe</b>	<b>65.1</b>	<b>99.0</b>	<b>92.5</b>	<b>56.8</b>

Source: World Bank, *Socio-Economic indicators*, at <http://data.worldbank.org/>

The educational attainment of youth (15-29 year old) should also be further increased. Data from the 2011 census show that 51 per cent of youth who are not attending education have 8 to 9 years of schooling as their highest level of completed education (Figure 5). The rest have completed upper secondary general education (30%) and university (about 15%). The most notable difference between young males and females is university attainment. Among young females who are not currently attending education there is a higher percentage who have attained an university degree (19.8%) compared to young males of the same category (11.2%).

**Figure 5: Educational Attainment of Youth (%)**

Source: INSTAT, 2011 Census.

Individuals with a low level of education are more likely to be unemployed than individuals with secondary (and especially vocational) and tertiary educational attainment. According to the 2012 Labour Force Survey (LFS), the employment rate of individuals with lower secondary education was 53.5 per cent compared to 57.4 per cent of those with upper

secondary education and 66.9 per cent % for those with university and above. Gender gaps in labour force participation and employment also tend to decrease at higher levels of education. Data from the 2012 Living Standard Measurement Survey (LSMS) show that on average individuals with lower secondary education earn about 24 per cent more than people with primary education. Those with upper secondary education earn about 22 per cent more than those with lower secondary education, and tertiary education has a wage premium of about 32 per cent from upper secondary education.

However, the correlation between education level and returns on wages does not hold for women. Although women start off with higher education levels and maintain that advantage throughout the age cohorts, in terms of wages, this positive aspect and advantage is outweighed as clearly illustrated by the gender wage gap. Highly educated women continue to find employment primarily in the social state service sector (as specialists, regular workers and clerks in the education, health care and public administration sectors), whereas in general, men predominantly occupy positions in law-making, high-level offices, and in management. As a result of occupational segregation, wage differentials are created by putting downward pressure on wages for occupations with a surplus of women seeking work. Second, the lack of support and limited provision of state care makes women the primary caregivers of children, the sick, and the elderly. Due to women's child-bearing and caring responsibilities, and weak policies on child care provision, the female labour force is therefore characterised by discontinuity of employment, especially during the child-bearing ages, resulting, on average, in five years less experience over the course of their working life, when compared to men. This additionally and negatively affects women's position in the labour market. An additional factor that impacts women's low level of remuneration is their low involvement in self-employed private business.<sup>18</sup>

Albania still spends less on education as a proportion of GDP (3% in 2011), than other countries in the region (4.4% on average) and EU countries (5.4%). Spending per student at primary and secondary levels remains among the lowest in the region. Primary education commands most of education expenditures (61%), while vocational education commands the lowest (5.9%). Secondary general education accounts for 13.3 per cent of total spending on education and university accounts for 16.1 per cent.

Technical-vocational education and training<sup>19</sup> is offered in 53 schools (44 public including the branches in the secondary comprehensive schools and 9 private) almost all of which are located in urban areas. Most schools offer two to four profiles, with only a quarter of all schools offering more than eight occupational choices. The average number of students per school is 300, with less than a quarter of all schools serving 500 students and more. In the academic year 2012-2013, although boys represent the majority of graduated vocational students, the share of girls inverted its decreasing trend. In any case, data shows that most girls use vocational education as a pathway to higher education (over 79% of girls graduating from vocational education enrol into university compared to 39.2% of boys), whereas boys predominantly enter the labour market upon graduation.

The content of vocational education has shifted from manufacturing towards service occupations (economics, management, hotel, tourism, and ICT). Since the introduction of the new vocational education system, the option 2+1+1 has gained the most preference, shifting from 19 per cent of total enrolment in 2009 to 51 per cent in 2011. However, while

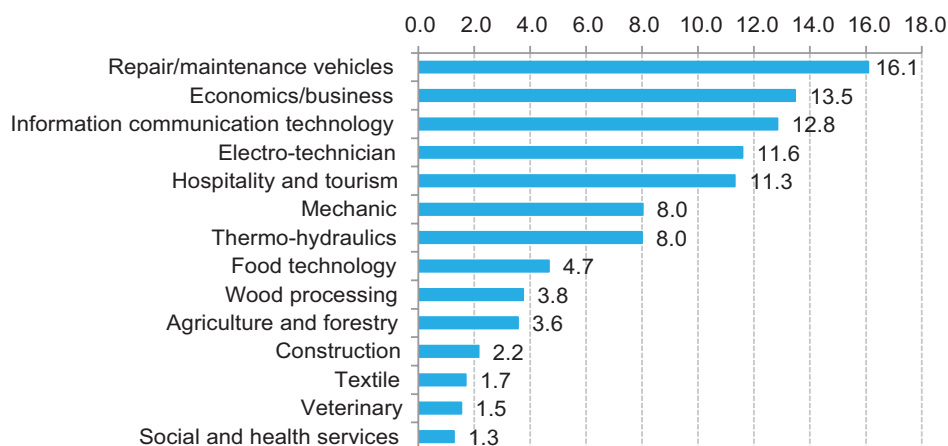
<sup>18</sup> Miluka, J. (2011). "Gender wage gap in Albania". Tirana: MoLSAEO & UN Women.

"National report on the status of women and gender equality in Albania 2011". Tirana: MoLSAEO & UN Women.

<sup>19</sup> The VET system is regulated by the Law on VET No. 8872, date 29.03.2002 amended in 2008, 2011 and 2014 and Law No. 7995, date 20.09.1995 modified in 2002 and 2006. Data is referring to January 2014.

the shift towards the “new” occupations/profiles in the service sector would be expected to attract boys and girls equally, and possibly even favour girls’ involvement, the share of girls attending vocational education has decreased. In order to result in positive labour market outcomes for women, underlying reasons for this trend need to be addressed, particularly in sectors that are expected to drive Albania’s economy and growth in the coming years.

**Figure 6: Upper secondary education, main areas of qualification (%) (2011)**



Source: Ministry of Education and Science, *Enrolment in upper secondary education*, 2011.

Currently a tracer system for vocational education does not exist. Such a system could help to identify career paths (including employment and/or further studies) for male and female graduates. However, the figures on education and occupation mismatch (14% of all workers), show that such mismatch is mostly accounted for by tertiary graduates working as skilled agricultural workers, craft and sales and clerical workers and secondary educated individuals working in elementary occupations (see the shaded area of Table 7).

**Table 7: Education and occupation mismatch as a function of ISCO and ISCED, 2012**

ISCO-08 Major Groups	ISCED-97 Educational attainment						
	0	1	2	3	4	5	6
Managers, professionals, technicians		3 988		39 832		11 648	
Clerical, service and sales workers		48 672		107 980		22 080	
Skilled agricultural, craft and related trades		221 953		112 433		7 462	
Plant and machine operators and assemblers		23 903		27 697		1 786	
Elementary occupations		2 381		13 547		890	
Armed forces occupations		199		2 249		1 968	

Source: INSTAT Labour Force survey, 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

The current framework on vocational education and training and higher education envisages the possibility of introducing post-secondary programmes. Such programmes target: i) gymnasium graduates not enrolling into university and with no labour market qualifications, and ii) vocational school graduates wishing to obtain an advanced vocational qualification.

The introduction of post-secondary VET programmes started in 2007, but is still in an initial phase. There is no “fully-fledged” post-secondary VET programme established as part of the VET sector yet. However, there is one functioning model, whereby the “Beqir Çela” vocational school in Durres provides the practical part (50%) of post-secondary VET in the field of applied informatics, while the theoretical part (50%) is provided by the Professional College of the University of Durres. Post-secondary VET programmes following the dual model have until lately been developed, primarily as part of the higher education sector. The most advanced example of post-secondary VET implementation was the Faculty of Integrated Studies with Practice (FASTIP) at the University of Durres (attended by approximately 700 students), which combines theoretical learning at the Faculty with practical learning in companies.

In addition, the Agricultural University of Tirana in cooperation with the Agricultural University of Lushnje offers a two-year Professional Diploma (non-University) in veterinary management. The University of Elbasan offers a two-year Professional Diploma (non-University) Programme for laboratory technicians. The private Professional College “New Generation” and the private Construction Academy offer two post-secondary VET programmes each. The Polytechnic University of Tirana offers a training course of post-secondary level for vocational teachers / instructors at secondary education schools as well as employees of textile companies<sup>20</sup>. Other post-secondary VET programmes that are prepared and ready to operate include: a two-year post-secondary programme for nursing in the School for Professional Studies at the University of Durres, a part-time post-secondary VET programme by the private POLIS University.

The VET Amendment Law 2011 created the legal ground for the establishment of multifunctional VET Centres (MFC), which will be the entry gate to the labour market, and also an important hub linking VET clients (youth, students, adults) and potential employers and businesses, through internships and practical work in the premises of such local businesses. The comparative advantage of multifunctional VET Centres *vis à vis* vocational education and training institutions is that the multifunctional VET Centres, by virtue of their multi-functional and comprehensive nature, operate as all-inclusive. They respond contemporaneously to the needs of many beneficiaries and to the cross-cutting needs of the local community and market labour. A MFC was established in Kamza in 2012, based on a 5 year plan of transformation, but its activity is still at the very first step. Recently a feasibility study was carried out considering the transformation into MFC of the current public vocational education and training institutions in three Albanian regions<sup>21</sup>.

There is a common position of the VET stakeholders that despite some progress made and existing “islands” of good practice, the VET system faces a number of shortcomings. Currently the VET system is not orientated towards labour market demand. There is no systematic labour market analysis of qualification demands or courses needs. Very few businesses cooperate with the schools for organizing the practical hours of the students. In almost all cases these were modestly developed businesses in terms of size and technology. Their motivation to cooperate was only related to personal contacts with school directors. The schools’ directors in all the cases declare that the boards are very formal bodies in the way they are created and operate, which includes business representatives who do not play a major role in the decision-making processes. The distant relationship of businesses towards vocational schools and vice versa is one of the major problems in the system and all the measures introduced to address it until now have mostly been unsuccessful.

<sup>20</sup> Werner Heitmann et al. (2013), *Expansion of post-secondary VET in Albania - Feasibility Study Final Report*, ILO-EU IPA 210 HRD project, Tirana, Albania, forthcoming.

<sup>21</sup> ETF, (2014), *Feasibility Study for the Establishment of the MFCs in Albania*, forthcoming.

Presently, VET providers are highly centralized and the overall system is fragmented into two different networks - the Vocational Education Schools and the Vocational Training Centres. This makes it almost impossible to orient individual providers toward local labour market demand. Without greater autonomy and an open minded management system of schools and VTCs or MFCs it will be impossible to address the many barriers in the current VET system in Albania.

The names of the VET schools are mostly those inherited from the communist regime and are often irrelevant to the current programmes offered. This can misguide potential VET students when they make their choices on what education stream to follow. The management, teaching method and the culture are also behind those in advanced vocational education systems.

Most of the students enrolled in vocational schools have very low school results. Many of them think that it is easier to pass the classes in vocational schools. The school managers confess that more than 50 per cent of the graduated students in VET apply for university studies and many of them register in private universities, even in programmes that have nothing to do with the profiles they attended.

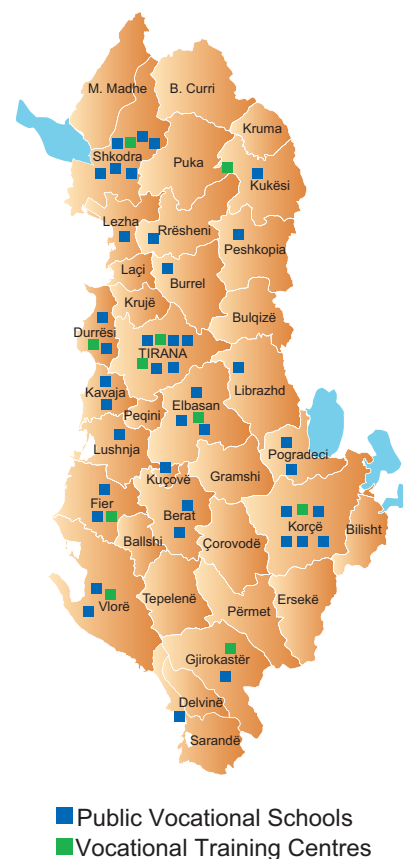
The schools' workshop facilities are out-dated and in many cases located in highly dilapidated premises. Lack of investments in workshops and laboratories have resulted in inadequate facilities for practical competence transfer to VET learners. A major issue throughout the VET system is staffing. The average age of technical teachers is close to retirement. Many of them lack proper qualifications to teach the curricula. Some teach subjects for which they have no university qualifications. Teachers, in general, lack pre-service and in-service training. Low teacher salaries are a major contributor to the lack of qualified teachers.

Vocational education has been severely underfunded for a number of years, although the funding allocation in 2012 increased by over 28 per cent. More than two-thirds (77.8%) of the annual allocation goes to cover staff costs, leaving very limited resources for the upgrading of equipment, modernization of workshops and curricula development<sup>22</sup>.

The adult training provision is realised through a network of ten public vocational training centres (VTCs) (one is a mobile training centre), under the aegis of the Ministry of Social Welfare and Youth (MoSWY). In addition, there are over 340 private licensed subjects, 30 of which are VTCs. They award certificates recognized by the MoSWY, but no system is in place to monitor the standards of training or the quality of knowledge. The major training provider in Albania for adults is enterprises through on-job training and specific courses of 1 to 3 months duration. Medium and large enterprises are most active in training provision; most training is provided in trade, car repair, extraction, and energy and processing industry<sup>23</sup>.

The geographical distribution of vocational schools and adult training centres (Figure 7) shows that most of the

Figure 7: Distribution of vocational school and training centres



Source: Ministry of Education, 2012

<sup>22</sup> MoES, Budget Vocational Education, allocations for 2012.

<sup>23</sup> NES, Skills Needs Survey Report, 2012, unpublished.

public vocational institutions are concentrated in central Albania where the concentration of population is higher. Rural areas are totally uncovered by public education and training services.

In 2012, the number of individuals attending courses in the public training centres was 25 per cent higher than in 2009; training was concentrated in the area of Tirana, Durrës and Elbasan (58% of all trainees). Approximately 54.5 per cent of participants were young people under 25 years of age and over 53 per cent were women. On entrance to the programme, 37.7 per cent of training beneficiaries had secondary education, 30.4 per cent had primary education, 4.6 per cent were vocational school graduates and 27.2 per cent were university graduates.

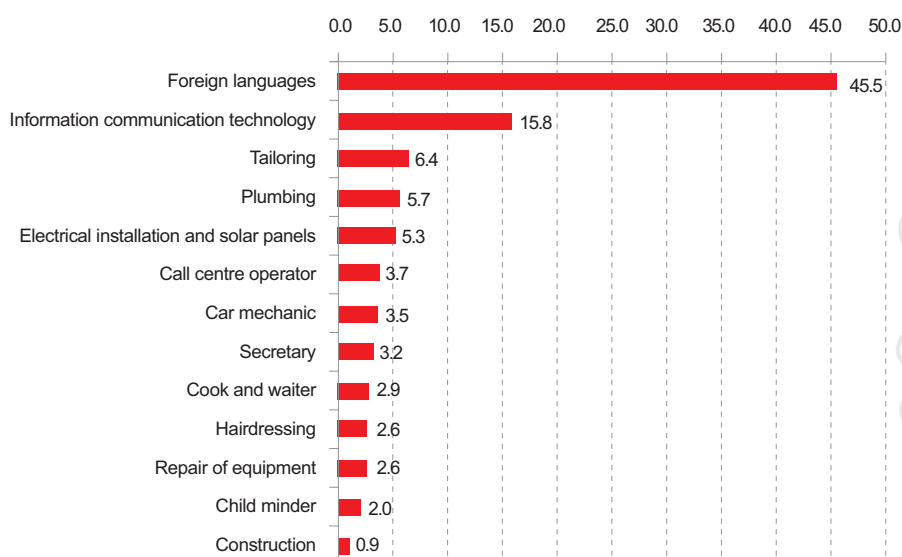
The public vocational training centres offer both short (4-6 weeks) and long courses (up to seven months). These courses mainly target unemployed individuals (either registered with the National Employment Service or not), but courses are open also to workers and students based on their qualification needs.

In 2012, the number of individuals attending courses in the public training centres was 25 per cent higher than in 2009, mostly concentrated in the area of Tirana, Durrës and Elbasan (58 per cent of all trainees). The vast majority of trainees were women and young people. Approximately 54.5 per cent of participants were young people less than 25 years of age and over 53 per cent were women. With regard the level of education at enrolment, 37.7 per cent of training beneficiaries had secondary education, 30.4 per cent had primary education, 4.6 per cent were vocational school graduates and 27.2 per cent were university graduates.

Regarding the employment status, approximately 46 per cent of enrolled were unemployed, 17 per cent were workers and 28 per cent were students. Attendance is subject to the payment of a fee – reduced for individuals referred to training by the National Employment Service and for groups at risk in the labour market (such as Roma population groups, trafficked women, orphans, returning migrants, ex-prisoners and disabled persons).

The distribution of training graduates shows that the overwhelming majority attend foreign languages and computer courses (which are available in all the training centres), while less than 39 per cent actually attend a programme leading to the acquisition of occupational skills (Figure 8).

**Figure 8: Distribution of training centres' graduates (2011), %**



Source: National Employment Service, *Annual Report 2011*.

The percentage of participants finding a job after training (estimated at 42% in 2010) remains below EU standards. The vocational training centres are currently piloting a tracer methodology to allow tracking of participants over time in order to measure the outcomes of training in the labour market.

Assessments suggest that the public VTCs are inefficient and are not fulfilling their objectives. Major problems identified include: the type, duration and number of courses; out-dated curricula; lack of teaching materials; lack of funds for development of new curricula; no role for National Agency for VET and Qualifications (NAVETQ) in curricula; lack of recognition for prior learning; lack of qualified instructors; no marketing of services; co-ordination of VTCs with the business community; tracking labour market integration of graduates; no cooperation between vocational schools and the VTCs<sup>24</sup>.

Several surveys show that these problems in the public vocational education and training system are reflected in the qualifications and skills of the labour force and in the concerns of the business community. On the 2008 Business Environment and Enterprise Performance Survey (BEEPS) more than half of surveyed firms reported the lack of skilled labour as an impediment for doing business. In the 2009, Investment Climate Survey (ICS), 51 per cent of large firms, 41 per cent of exporters, and 48 per cent of foreign-owned firms reported skills as a major obstacle. Over 35 per cent of firms that acquired new technology cited workforce education as a major constraint. In addition the three NES SNA Surveys held in 2008, 2010 and 2012 in Albania found that skill gaps are present in all sectors of the economy. “Unsuitable qualification of labour force” seems to be a major problem for most of the businesses operating in the agro-processing sector, processing industry and extraction, and energy industry. “The attitude of jobseekers/work culture” is considered a major problem for almost half of the businesses operating in agriculture, trades and repairing, hotels and restaurants as well as the education sector. The interviewed businesses declared that it is hard to find individuals with certain qualifications in the labour market, while most of the current qualified employees are over 55 years old and will need soon need to be replaced.

Currently, the participation of adults (25 to 64 years old) in continuing vocational training and re-training in private and public training centres is estimated at 1.1 per cent. This share, however, does not account for the training that occurs in enterprises, for which data are largely unavailable.

A number of broad challenges remain to align Albania’s education and training system to the lifelong learning principles of the European Union. The table below provides a snapshot of the lifelong learning indicators available for Albania and the EU, as well as the benchmarks to be achieved within the *Europe 2020* framework.

<sup>24</sup> ILO-UNDP (2012), *Assessment of training providers in Albania*, Report unpublished.

**Table 8: Albania and the EU lifelong learning benchmarks, 2012 (%)**

	EU 27 2012	Albania 2012	EU 2020 Targets
<b>Early school leavers</b> % of 18-24 with at most lower secondary education and not in further education or training)	14.1	31.6	10.0
<b>Tertiary educational attainment</b> % of 30-34 who have successfully completed university or university-like education	35.7	14.3	40.0
<b>Lifelong learning</b> % of 25-64 participating in education and training	9.1	1.1	15.0
<b>Early childhood education</b> % of children in pre-primary education	93.2	54.9	95.0
<b>Reading, maths and science (*)</b> % of 15 years old with low reading performance	17.8	52.3	<15.0
% of 15 years old with low maths performance	22.1	60.7	< 15.0
% of 15 years old with low science performance	16.6	53.1	<15.0

(\*) Measured by the Programme for International student Assessment (PISA) for the year 2012 see OECD, 2012.

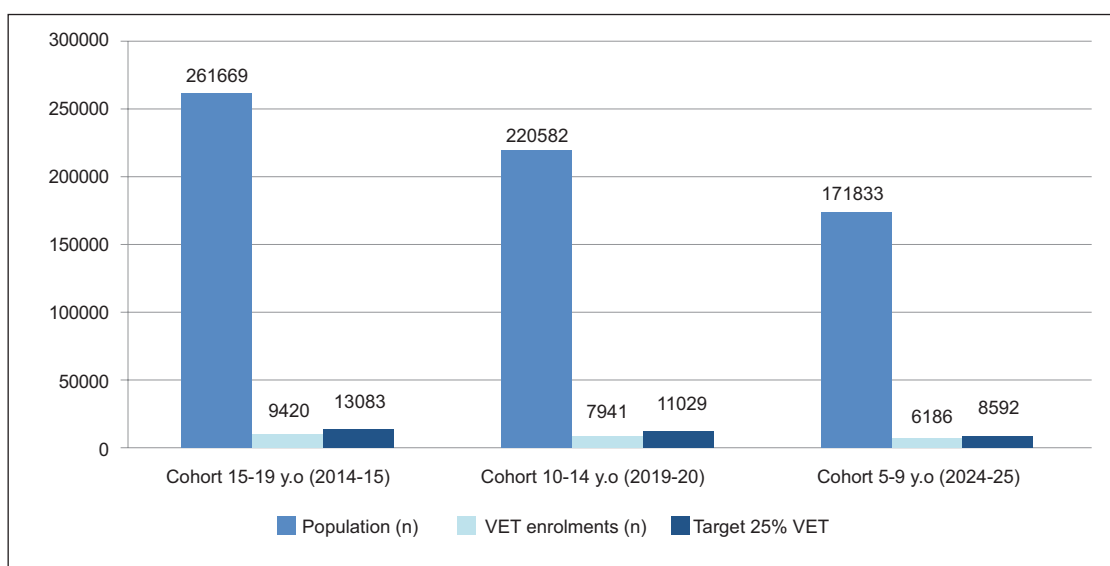
Source: For the European Union, see EUROSTAT database; for Albania, Labour Force Survey 2012; UNESCO Institute for Statistics, Education figures, 2013.

On the other side, demographic projections indicate that the students expected to enrol in upper secondary education (Grade 10) will decrease from 60 139 (for the cohort born in 1998) to 39 612 (for the cohort born in 2005).

Figure 9 below shows the evolution of vocational education and training enrolment based on projected demographic patterns. The population trends are very important to be considered for calculating VET enrolment projections. In educational planning it is practical to take the average of each cohort to determine the target groups for future education enrolments. In the chart below, it can be seen that the cohort 15-19 for enrolment 2014/15 is 261 669, which lead to an average of 52 334 (divided by 5). If it will be considered the 2012/2013 net enrolment share on VET (18%), it can be projected a total enrolment of 9 420 students for the academic year 2014/2015. If this latter ratio were to be maintained at its present values, vocational education schools would experience a decrease in students of approximately 15% in 2019-20 and one third in 2024-2025 academic year. This calls for a reinforced action on increasing the attractiveness of VET amongst basic education students and their families.



Figure 9: Enrolment projections in VET (2014-2025)



Source: INSTAT, Census 2011; Education Statistics 2013.

The education reform process outlined in previous paragraphs succeeded in addressing the quantity of education, but quality and relevance of learning outcomes remain a concern. The scores of Albanian students in the Programme for International Student Assessment (PISA) remain at the lower end of the scale and below the OECD averages, despite the progresses registered in the last year surveyed<sup>25</sup>. Also, the level of “learning to learn” and “entrepreneurship” skills are considered low. Pupils of secondary education perceive learning as important only to pass the exam, while about 40 per cent of surveyed pupils in VET are not able to respond on simple questions about products, taxes, prices and steps to establish a business activity<sup>26</sup>. Focusing on quality of education is crucially important because the kind of knowledge and skills required to support the new growth agenda goes beyond literacy, numeracy, and occupation-specific vocational and technical skills. Now workers on any level and in any profession or occupation need to have “key competencies/catalytic skills” such as problem solving to function in a more complicated and continuously changing work environment.

As such, considering the lifelong learning indicators benchmarks to be achieved within the *Europe 2020* framework, the demographic trends, the competencies level of the working age population as well as the considerable number of the population with low education attainment level in need for “second chance” programs or qualification trainings, a deep reform of education and training system is of an utmost importance with a view to improve equity in access, success and quality.

### 1.5. Labour market situation and main policies

The economic growth recorded throughout the last decade had a limited impact on employment. Table 9 below shows the key labour market indicators of the Labour Force

<sup>25</sup> OECD, (2012), *PISA 2009 Results: What Students Know and Can Do: Student Performance in Reading, Mathematics and Science*, OECD, Paris; For a detailed analysis on the Albania’s PISA performance in the last decade, consult World Bank Group - Education Global Practice Europe and Central Asia Region, *Education Quality and Opportunities for Skills Development in Albania. An analysis of PISA 2000-2012 results*, Education Unit.

<sup>26</sup> ETF, (2008), *Lifelong learning and entrepreneurship learning in VET and HE in Albania*, Torino.

Survey (LFS) in 2012<sup>27</sup>, as well as the indicators resulting from reprocessed data based on the newly adopted International Standards<sup>28</sup>.

Table 9: Key labour market indicators Albania and EU27 (%), by age and sex, 2012 (working age population)

Age groups	Labour force participation rate		Unemployment rate		Employment to population ratio	
	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1
<b>Total</b>						
15-64	65.5	51.4	13.9	22.2	56.3	40.0
15-24	37.4	27.4	27.9	40.3	26.9	16.4
25-64	75.8	60.2	11.4	19.2	67.1	48.6
EU27 (15-64)	71.8	71.8	10.6	10.6	64.2	64.2
<b>Men</b>						
15-64	74.3	63.7	15.0	22.7	63.2	49.2
15-24	45.3	36.1	31.4	43.6	31.0	20.3
25-64	85.6	74.3	11.6	18.8	75.7	60.3
EU27 (15-64)	78.0	78.0	10.5	10.5	69.8	69.8
<b>Women</b>						
15-64	56.6	39.3	12.5	21.4	49.5	30.9
15-24	28.8	18.5	22.0	33.8	22.5	12.3
25-64	66.2	46.7	11.1	19.7	58.9	37.5
EU27 (15-64)	65.6	65.6	10.6	10.6	58.6	58.6

Source: INSTAT, *Labour Force Survey Bulletin* 2012, <http://www.instat.gov.al/al/themes/tregu-ipun%C3%ABs/publications/books/2010/rezultatet-paraprake-nga-anketa-e-forcave-t%C3%AB-pun%C3%ABs,-2010.aspx>;

EUROSTAT database; Labour Force Surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013 (see Annex 1 for further methodological explanation).

In 2012 the labour force participation rate<sup>29</sup> stood at 65.5 per cent (74.3% for men and 56.6% for women), three percentage points lower than that recorded in 2011. Such decline is due to decreasing labour force participation rates among young people 15 to 24 years old (from 44.8% in 2011 to 37.4% in 2012) and especially among young women.

<sup>27</sup> The Labour Force Survey was introduced in Albania in 2007. Data prior to that year are based on administrative figures.

<sup>28</sup> The data for 2012 were reprocessed according to the new international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013. The data for the period 2007-2011 are therefore not strictly comparable to those of 2012.

<sup>29</sup> The Labour Force Survey sampling frame was adjusted in 2011 on the basis of the Census figures. The data of the period 2007-2010 therefore are not strictly comparable to those of 2011 and 2012.

The newly processed data indicate an even lower rate of labour force participation at 51.4 per cent with a gender gap of 24.4 per cent in favour of men. The labour force participation rate of youngsters 15-24 years old seems to be very low (27.4%), while for women this indicator is much lower at 18.3 per cent. All the figures presented in the Table 9 for Albania indicate the big difference with the EU countries.

Thus, Albania has a 20 per cent lower level of Labour Force Passivity Rate, around 11 per cent higher level of unemployment rate and 24 per cent lower level of employment to population rate.

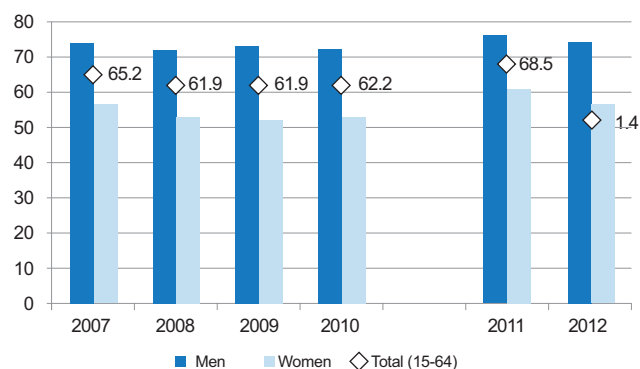
Several factors have influenced the lower labour market activity including higher participation of young people in education and young people and women being increasingly discouraged from searching for work etc.

In the period 1998-2006 the employment to population ratio, as recorded by administrative data, declined from 57 per cent to 48.7 per cent. In 2007, however, the first Labour Force Survey (LFS) recorded an employment rate of 56.4 per cent. These figures show that job creation in the private sector – despite doubling in the 1996-2008 period – was not strong enough to compensate for the losses in public sector employment (30%) and agriculture (28%).

As with activity rates, the employment rate declined from 58.7 per cent in 2011 to 56.3 per cent in 2012 (Figure 11). Again, this is due to the sharp decrease of the employment to population ratio of young people (from 34.1% in 2011 to 26.9% in 2012). Employment drops have been particularly severe for young women (with losses ranging around 25% annually).

This represents a clear loss of human resources for Albania's economy and points to the existence of particularly unfavourable conditions and mechanisms of exclusion from the labour market for young women - which requires targeted, gender-sensitive policy responses. The data point to a striking difference between male and female performance in the labour market. The labour force participation of women, (despite an upward trend since 2001,) is over 17 percentage points lower than men, while the employment gap is around 14 per cent. The gender gap, however, diminishes slightly at

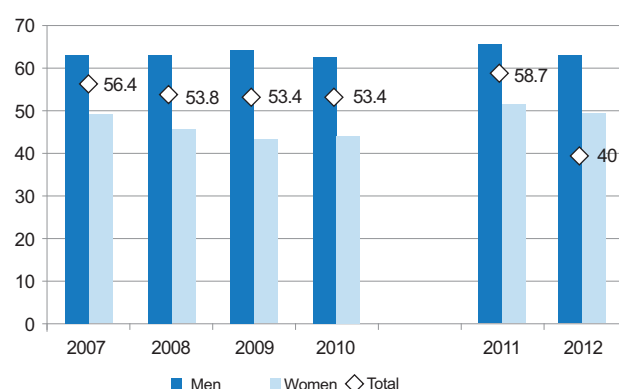
**Figure 10: Labour force participation by sex, 2007-2012 (%)**



Source: INSTAT, *Labour Force Survey 2007-2012*.

Data for 2012 reprocessed according to new international standards (see Annex 1 for further methodological explanation).

**Figure 11: Employment rates by sex and age group, 2007-12 (%)**



Source: INSTAT, *Labour Force Survey 2007-2012*.

Data for 2012 reprocessed according to new international standards (see Annex 1 for further methodological explanation).

higher levels of education. In 2012, the gap in activity between highly educated men and women was 7.5 percentage points, while the employment gap was 10.4 percentage points.

Furthermore, Living Standard Measurement Survey data in Table 10 show other distinctive characteristics between working men and women that affect their position in the labour market<sup>30</sup>. Women in the labour market have on average about 1.3 years of additional education compared to men. Nonetheless, they receive lower wages. In 2008, the gender wage gap was about 18 per cent (national average). It was 16.20 per cent in urban areas and almost two times higher (32.7 %) in rural areas, highlighting the particularly disadvantaged position of rural women. Compared with 2008 LSMS data, the national gender wage gap has increased by two percentage points since then (which may be due in part to the economic crisis) showing that women are more vulnerable in the labour market. As a result of the additional education as well as potential interruption from the labour market due to child caring and rearing responsibilities, working women have on average about 3.5 years less of work experience. However, fewer years of work experience is also rewarded less in the labour market, accounting for part of the gender wage gap.

**Table 10: Differences between male and female workers**

Variables	Male	Female
<b>Individual Characteristics</b>		
Monthly wage (old ALL)	345 832	288 044
Social security entitlement	61.74%	82.75%
Work experience (years)	25.63	22.15
Education (years)	10.93	12.27
<b>Household Composition</b>		
Household size	4.92	4.59
Household male labour	1.55	1.21
Household female labour	1.27	1.42
Number of children 0 to 5 years	0.40	0.25
<b>Regions</b>		
Coastal	32.40%	31.47%
Central	41.01%	36.03%
Mountain	5.99%	3.69%
Tirana	20.60%	28.81%
Urban	56.12%	71.52%
Rural	43.88%	28.48%

Source: Living Standard Measurement Survey, 2012.

Working women have on average fewer small children, ages 0 to 5 and consequently they also have smaller household sizes. According to the Time-Use Survey 2010-11, women carry out 86 per cent of unpaid work in Albania and are almost entirely responsible for domestic duties (96%).<sup>31</sup> In the absence of adequate child-care facilities and re-entry programmes after maternity leave, women's unpaid care-provision activities within the household (including care for children and the elderly) negatively affect women's labour force participation. Women who are not employed, or do not participate in the labour market, have more and younger children than working women. These findings point to the need for support services and the creation of conditions which offer households and women the

<sup>30</sup> The analysis includes paid employment.

<sup>31</sup> INSTAT (2011), *Albania Time Use Survey 2010-11*, Tirana.

possibility of more balanced and efficient intra-household time allocation between paid and unpaid work. Economic and social policy responses supporting the reconciliation of work and family life in turn would have a large impact on women's employment outcomes, their economic empowerment, and Albania's economy in general.

Working women are mainly concentrated in urban areas and the central, coastal and Tirana region. Urban areas continue to provide more employment opportunities for females than rural areas due to a wider array of economic activities and social progression. Women in rural areas are mainly confined to unpaid farm work. The percentage of employed in the mountain region is very small pointing to constraint opportunities in this region.

Differences also result in terms of occupations between working men and women. Table 11 shows that about half of employment for women is concentrated in two areas (30% as professionals and 20% as service workers).

**Table 11: Participation in occupations by sex (%)**

Variables	Male		Female	
	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1
Managers	2.95%	2.8%	1.59%	0.7%
Professionals	8.60%	7.3%	30.30%	18.8%
Technicians	6.89%	5.6%	6.45%	6.9%
Clerks	2.12%	2.0%	2.66%	2.7%
Service workers	16.57%	22.0%	20.16%	18.6%
Agriculture <sup>32</sup>	18.82%	23.2%	13.79%	35.1%
Crafts\trade workers	21.19%	21.7%	11.00%	7.0%
Plant\machinery operators	10.90%	9.4%	6.02%	2.8%
Elementary occupations	10.15%	4.0%	7.48%	6.4%

Source: Living Standard Measurement Survey, 2012.

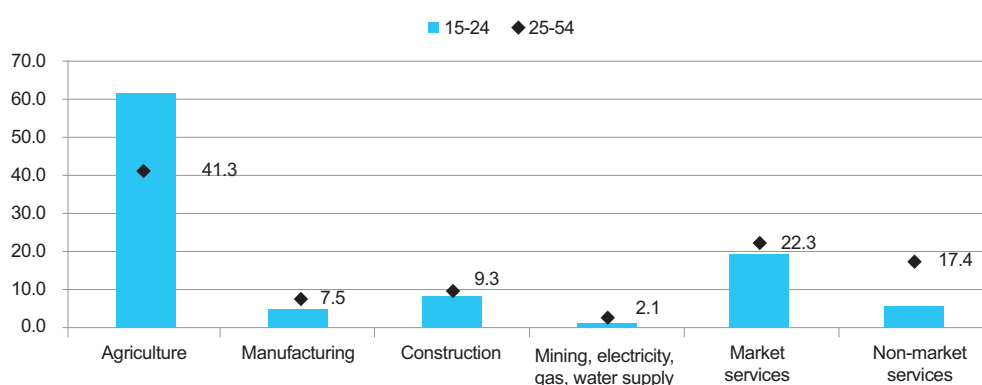
Labour Force Surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013 (see Annex 1 for further methodological explanation).

The large concentration as professionals is mainly as a result of women comprising the majority of education and health-care workers. Concentration of women in particular occupations and especially occupations which are predominantly female, also increases the gender wage gap through occupational segregation. Furthermore, women's large participation in unpaid agricultural work is also evidenced in household survey data, where the percentage of women in paid agriculture is less than that of men. Men on the other hand have a higher percentage as legislators, trade workers, plant and machinery operators, which are higher paying jobs. A rather different picture shows the reprocessed data. Women managers are 4 times fewer than men managers and 3 times fewer in crafts / trade workers. In addition to a larger number of women compared to men positioned as professionals and technicians, there are more women contributing in agriculture and in elementary positions because the fact that *fasson* industry is a major employer of women.

The distribution of employment by main sector of economic activity shows that agriculture is still the largest provider of jobs, especially for young workers (Figure 12). The contribution of industry and services to total employment is far less than in other countries of South East Europe and the European Union.

<sup>32</sup> Excludes subsistence foodstuff producers not classified as employed (see Annex 1).

Figure 12: Workers by main economic sector, youth and adults, (2012)



Source: INSTAT, Labour Force Survey 2012.

The employment structure reveals that wage employment accounted for 35.6 per cent of total employment in 2012, significantly lower than the 84 per cent recorded in the EU27 in the same year (Table 12). Own account workers represented 27 per cent of total employment and contributing family members accounted for well over one-third of total employment (37.3%), with women twice as likely as men to be working as contributing family members (51.9% and 25.9%, respectively). Most young people (15-24) are working as contributing family members (58.3% of total youth employment), with young women more likely than their male peers to be contributing family workers (65.2% and 53.6%, respectively). This in turn has significant implications for girls' and women's social security status and entitlements, including coverage by health insurance and old-age pension, and negatively impacts on their general social security and economic independence throughout their life. The picture is almost the same considering the reprocessed data.

The deceleration of economic growth experienced since 2009 appears to have had an effect not only on overall employment, but also on its structure, with both part-time and temporary work tending to decrease. In 2012, part-time employment represented 22 per cent of total employment (compared to 19.2% in the EU27) with women more likely than men to be employed part-time.

The share of workers in temporary employment in 2012 was 11 per cent, below the 13.7 per cent recorded in the EU27. Over a third, however, accepted temporary jobs because they could not find a permanent one.



Table 12: Structure of work force, Albania (2007-2012), % \*

	2007	2010	2011	2012	Tr2.2012- Tr1.2013 P1
<i>Economic sector</i>					
Agriculture <sup>33</sup>	47.9	42.1	45.3	47.4	46.1
Industry	18.6	20.6	18.9	16.5	16.7
Services	33.5	37.3	35.8	36.1	34.3
<i>Status in employment</i>					
Employees	34.4	43.3	38.9	35.6	37.3
Self-employed	37.3	30.3	29.6	27.0	20.8
Contributing family members	28.4	26.4	31.3	37.3	16.3
Subsistence foodstuff producers					25.6
<i>Lloji i kontratës</i>					
Full-time	72.5	77.3	75.1	78.1	88.4
Part-time	27.5	22.7	24.9	21.9	11.6
<i>Involuntary part-time</i>	37.4	40.6	27.5	30.0	50.4
Permanent	83.0	82.9	85.2	89.0	88.5
Fixed term	17.0	16.9	14.8	11.0	11.5
<i>Involuntary temporary work</i>	78.6	80.6	48.5	43.9	61.2

Source: INSTAT, *Labour Force Survey, 2007-2012*; INSTAT, *Labour force surveys 2012 Q2 to 2013 Q1*. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

(\*)The figures of 2011-2012 are not strictly comparable with the prior period due to the changes on the sampling methodology and the adoption of international standards.

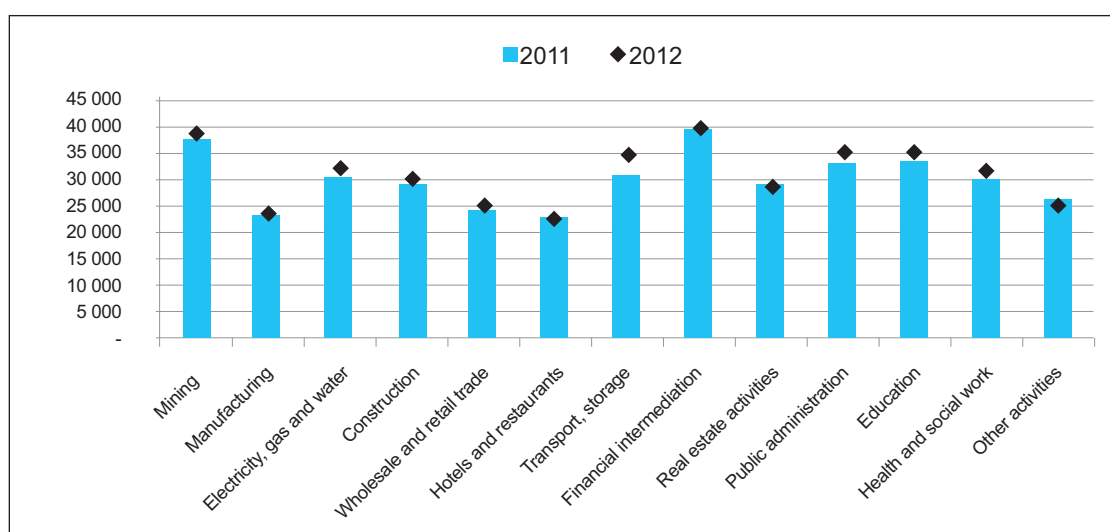
The high proportion of contributing family workers, especially among women and young workers, indicates that informal employment still represents a large proportion of total employment.<sup>34</sup> The share of vulnerable employment in 2012 was 61.4 per cent, with young workers, and women of all ages more at risk than other groups of workers (72.8% and 67.7%, respectively).

In 2012 average monthly earnings increased by over 3 per cent compared to 2011 (Figure 13). This increase was driven by increased earnings in the transport (11%), electricity, water and gas (6%) and public administration sectors (5%). In 2012, workers in the hotel and restaurant sector had the lowest average monthly earnings (23 090 ALL per month), while workers in financial intermediation the highest (40 055 ALL per month).

<sup>33</sup> Includes subsistence foodstuff producers not classified as employed (see Annex 1).

<sup>34</sup> The Labour Force Survey of 2009 used as a proxy for informal employment all workers engaged as contributing family members, all wage employees for whom social security contributions went unpaid and all self-employed in the non agricultural sector. The share was 55.8 per cent of all employment.

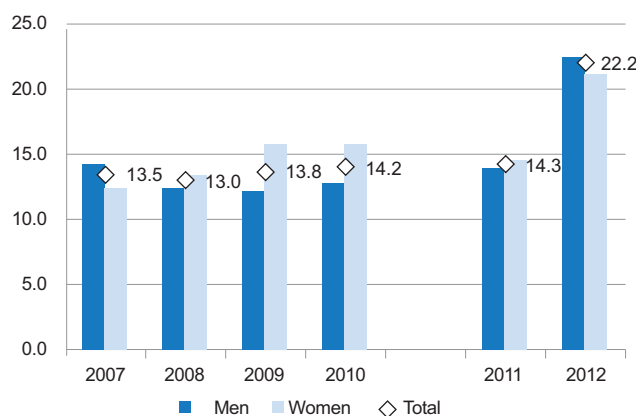
Figure 13: Usual net monthly earnings, main sectors (2011-2012) (ALL)



Source: INSTAT, Labour Force Survey, 2011-2012.

In 2012, the registered unemployment rate in Albania was 13.9 per cent of the labour force (down from 14.3% recorded in 2011). The unemployment rate among women decreased by nearly 22 per cent. However, the decrease in the rate of women's unemployment was not a result of a concomitant increase in their employment rate, but due to women's increased withdrawal from the labour market.

Figure 14: Unemployment rate, by sex (2007-2012)



Source: INSTAT, Labour Force Survey, 2007-2012

INSTAT, Labour force surveys 2012 Q2 to 2013 Q1.  
Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

This dynamic not only reflects the current contraction but also masculinisation of the labour market, characterised by fewer jobs and unfavourable conditions for women. Unemployment among men rose slightly (3% annually) and especially among the younger cohorts.

In 2012 the youth (15-24) unemployment rate was 27.9 per cent (31.4% for young men and 22 per cent for young women), with an increase of 4 percentage points (see Table 9). This rise was due mainly to two factors: a decline of youth labour force participation (more pronounced for young women) and a slight increase in the number of young unemployed men (5% between 2011 and 2012).

As data shows, youth, and particularly female youth, appear quite constrained in the labour market. They face challenges in all labour market indicators, and score lower than all other age categories. High rates of youth unemployment are not solely an Albanian labour market characteristic, rather many European countries have faced a high youth unemployment rate

especially in the aftermath of the financial crisis. Another challenge faced by youth is in terms of transition from the education system into first time employment. Lack of job opportunities for youth is also apparent from labour force survey data. According to 2011 LFS, time until first employment takes on average four years or longer for youth. Consequently, the time of idle labour means lost productivity in the labour market.

Furthermore as shown in Table 13, when compared to non-youth, there are apparent disadvantages in terms of monthly wages, work experience, education, social security entitlement, etc. The wage gap between youth and non-youth is about 36.5 per cent. Youths in the labour market have about 5 years of work experience (compared to about 26 years for non-youth) and have on average 10.9 years of education compared to 11.4 for non-youth. About half of working youths are reported to be entitled to social security compared to about 70% of non-youth. These data point towards potential high level of informality in terms of youth employment, which is consequently related to their occupations and terms of employment worsening their vulnerability in the labour market.

Table 13: Differences between youth and non-youth

Variables	Youth	Non-youth
<b>Individual Characteristics</b>		
Monthly wage (old ALL)	244 842	334 178
Social security entitlement	50.64%	70.27%
Work experience (years)	4.95	25.87
Education (years)	10.88	11.36
<b>Household Composition</b>		
Household size	4.87	4.82
Household male labour	1.98	1.42
Household female labour	1.51	1.29
Number of children 0 to 5 years	0.19	0.37
<b>Regions</b>		
Coastal	39.68%	31.63%
Central	40.90%	39.45%
Mountain	2.87%	5.47%
Tirana	16.55%	23.45%
Urban	53.50%	61.14%
Rural	46.50%	38.86%

Source: Living Standard Measurement Survey, 2012.

Family composition shows that working youth come from larger households than working non-youth, with more male and female labour. Consequently, they may be required to provide for the household and thus may join the labour market instead of continuing with their education. Working youth has a higher concentration in rural areas compared to working non-youth, which may indicate that they may take over family farming or other agricultural work, whereas non-youth may seek employment elsewhere.

Finally, as shown in Table 14, youth occupations are mainly concentrated in crafts and trade work, service workers, agriculture and elementary jobs. Very few youth are professionals, technicians and clerks.

**Table 14: Participation in occupations by youth status (%)**

Variables	Youth	Non-youth
Legislators	1.34%	2.63%
Professionals	8.24%	15.45%
Technicians	2.03%	7.07%
Clerks	3.07%	2.23%
Service workers	21.41%	17.38%
Agriculture	19.37%	17.20%
Crafts\ trade workers	24.31%	17.78%
Plant\ machinery operators	7.52%	9.59%
Elementary occupations	11.17%	9.25%

Source: Living Standard Measurement Survey, 2012.

Another key feature of the Albanian labour market is the relatively high proportion of discouraged workers. In 2010, workers' discouragement accounted for 14.2 per cent of all inactive individuals (12.1% for men and 15.3% for women). By 2012, workers' discouragement had reached 18.3 per cent, with young people representing 19 per cent of total discouraged workers. The groups more exposed to discouragement are women and adult individuals in the age group 25-54. In 2012, over 37 per cent of all inactive individuals in this age cohort were discouraged workers.

The second largest category of individuals not active in the labour market (excluding those in education and training) is that of persons performing household and care duties for the young, sick and the elderly (9.6%, of which the overwhelming majority are women). Between 2011 and 2012, inactivity increased by three percentage points, twice as fast for women compared to men, mirroring but also reinforcing the female stereotype of home-maker and unpaid, primary care-provider. The largest increase was experience by young women (from 63% to 71.2%) and young men (from 47.8% to 54.7%). For the younger cohorts (15-24 years old) inactivity is mainly due to school attendance (74.8% of all young inactive persons were in school in 2012). Remaining longer in school, however, may also be a strategy for many young people to avoid a sluggish labour market.

The share of youth not in employment, education or training (NEET) increased from 23.8 per cent in 2007 to 30.5 per cent in 2009, and then declined to 29.6 per cent in 2010. In 2012 the share of young NEETs was 26.2 per cent, twice the rate found among EU27 countries (13%), due to the higher share of youth who are inactive and neither in education nor training.

Finally, the rural labour market offers a different picture compared to the urban labour market. Economic activity is less diverse in rural areas and employment is mainly concentrated in agricultural activities. The vast majority of workers in rural areas are farm workers, especially women and youth. Although rural areas have made significant progress in terms of poverty reduction, they continue to be heavily reliant on small scale agriculture. According to the 2012 LFS, there are 491 737 farm workers and 143 889 non-farm workers in rural areas.<sup>35</sup>

Farm labour is mainly taken up by women, whereas men are more visible in non-farm labour compared to women. In 2012, men's non-farm labour reached almost 18 per cent compared to 5 per cent for rural women. Of all non-farm workers, 78 per cent were men. These differences are indicative of a lack of economic opportunities for women that traps them into unpaid labour. They limit women's opportunities for advancement and channelling

<sup>35</sup> UNDP (2013), *National Study on Rural Labour Market, Albania*.

into paid labour as well as the potential of the labour force for the rural areas. Therefore, through lack of skill development and economic opportunities for women, rural areas may also suffer in terms of social and economic development.

Table 15 shows that agriculture is the predominant activity in rural areas. Economic activity is much more confined in rural areas, whereas it appears more diverse in urban areas.

**Table 15: Workers by Economic Activity, Sex and Region (%)<sup>36</sup>**

	Agriculture & fishing <sup>37</sup>		Manufacturing		Construction		Mining & electricity, gas, water supply		Industry Total		Services Total	
	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1	2012	2012 Q2 to 2013 Q1
<b>Total Albania</b>	<b>47</b>	<b>28</b>	<b>39</b>	<b>39</b>	<b>50</b>	<b>49</b>	<b>11</b>	<b>11</b>	<b>17</b>	<b>22</b>	<b>36</b>	<b>50</b>
Male	39	23	28	29	61	60	11	11	23	28	39	49
Female	58	35	73	74	16	13	12	13	9	13	33	52
<b>Total Urban</b>	<b>8</b>	<b>4</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>46</b>	<b>10</b>	<b>10</b>	<b>26</b>	<b>27</b>	<b>66</b>	<b>69</b>
Male	6	4	32	31	58	59	10	10	31	31	62	65
Female	10	5	72	72	17	15	11	13	19	19	71	76
<b>Total Rural</b>	<b>77</b>	<b>58</b>	<b>29</b>	<b>31</b>	<b>58</b>	<b>56</b>	<b>13</b>	<b>13</b>	<b>9</b>	<b>17</b>	<b>14</b>	<b>25</b>
Male	66	47	23	25	65	62	12	13	15	24	19	29
Female	89	76	78	82	5	3	17	14	2	5	9	19

Source: INSTAT, Labour Force Survey, 2012.

Labour force surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

Lack of diverse economic activity and economic opportunity limits may have negative consequences for skill acquisition or skill diversification. On the other hand, lack of skill in the labour force limits economic activity, and also impacts on productivity as a result of lack of differentiation and refinement. Whereas rural areas are mainly directed towards agriculture, urban areas are mainly directed towards services and industry. Participation in industry in rural areas is quite low, especially in manufacturing and extractive industries. Participation in construction within industry is somewhat higher. Employment in services is also limited for rural areas. The situation is quite different in urban areas which have a considerable number of workers in manufacturing, construction, extractive industries, and services. The reprocessed data indicate a smaller share of workers employed in agriculture (28%) as a result of the deduction of those who are subsistence foodstuff producers, a larger share in industry and services. The participation in the rural areas is slightly different with 17 per cent of workers employed in industry and 25 per cent in services.

Table 15 also shows the limited participation of women in other activities besides agriculture. Lack of participation in paid employment and in activities that have higher pays such as industry, where women's participation is quite limited also has repercussions in terms of social security and old age pensions for women. In return, this puts them at higher risk of economic difficulties and dependency, and poverty. Aside from agriculture, industry is

<sup>36</sup> Calculations for manufacturing, construction and mining and quarrying & electricity, gas and water supply are calculated out of industry total. Therefore they represent percentages of employed within industry. The rest of the categories are calculated as percentage of employed out of total employed.

<sup>37</sup> Excludes subsistence foodstuff producers not classified as employed (see Annex 1).

the second largest economic activity for men including manufacturing, construction, and extractive industries, whereas it is very limited for women. Rural men also have a much larger participation in services compared to rural women. Participation in diverse economic activities increases men's opportunities to access spaces, information, markets, and services, providing men with a significant systemic advantage compared to women.

Given the characteristics of the rural labour market and confinement of economic activity mainly in small scale agriculture and unpaid labour, data shows a wage gap of about 38 per cent between rural and urban areas. Also, given the nature of jobs and economic activity in rural areas, social security entitlements for paid workers are lower in rural areas. Given lower education levels of workers in rural areas averaging 9.9 years of education compared to about 12.3 years of education in urban areas, work experience is about 3 years more for workers in rural areas.

Household composition shows larger households in rural areas with more male labour, which may be linked to higher participation in agricultural activities to provide for the household needs. Availability of male labour may also act as a substitute for female labour, which in conjunction with larger number of small children between the ages of zero and five years in rural areas may also explain women's high rates in unpaid family work. Even though in a more traditional rural society women's roles as caregivers within the households are reinforced, women do engage in agricultural on-farm production on a continuous basis and in addition to care work, and increasingly substitute for men who search for off-farm employment.<sup>38</sup> While off-farm employment opportunities are extremely scarce in rural areas, men have higher rates of engagement in off-farm labour compared to women, and women are clearly discouraged from seeking off-farm jobs. As a consequence, women increasingly have to take over tasks in agricultural production that used to be typically male, albeit without necessarily having access to the required means and support services.<sup>39</sup> Ensuring rural livelihoods and coherent territorial economic development will require the creation of off-farm employment opportunities for women and men, including female and male youth, and the provision of agricultural support services that reach out to women.

**Table 16: Differences between urban-rural areas**

Variables	Urban	Rural
<b>Individual Characteristics</b>		
Monthly wage (old ALL)	368 728	267 053
Social security entitlement	72.20%	60.06%
Work experience (years)	23.48	26.33
Education (years)	12.27	9.88
<b>Household Composition</b>		
Household size	4.69	5.03
Household male labour	1.39	1.54
Household female labour	1.32	1.30
Number of children 0 to 5 years	0.34	0.39
<b>Regions</b>		
Coastal	33.27%	30.35%
Central	25.42%	61.32%
Mountain	3.35%	8.33%

Source: Living Standard Measurement Survey, 2012.

<sup>38</sup> UNDP SI-VET Study of the Rural Labour Market 2013. Tirana: UNDP.

<sup>39</sup> UNDP SI-VET Study of the Rural Labour Market 2013; UN Women Study on the Agricultural Extension Service in Albania, 2014 (unpublished).



Table 17 reinforces findings of a lack of economic activity showing concentration of occupations in rural areas mainly in agriculture and crafts and trade workers. This also goes back to the potential of limiting new skill acquisitions by the labour force. There are very large differences in occupations between urban and rural areas. There is a lack of technicians, to half of the number of technicians in urban areas. On average, 20 per cent of paid workers in urban areas are professionals compared to 7 per cent in rural areas. About 21 per cent of paid workers are service workers in urban areas, compared to nearly 13 per cent in rural areas.

**Table 17: Participation in occupations by region (%)**

Variables	Urban	Rural	P-Value
Legislators	3.20%	1.55%	<b>0.003</b>
Professionals	20.04%	7.26%	<b>0.000</b>
Technicians	8.77%	3.67%	<b>0.000</b>
Clerks	2.88%	1.36%	<b>0.004</b>
Service workers	20.80%	12.73%	<b>0.000</b>
Agriculture	2.74%	39.83%	<b>0.000</b>
Crafts trade workers	18.58%	17.56%	0.493
Plant machinery operators	11.15%	6.86%	<b>0.000</b>
Elementary occupations	10.23%	8.03%	<b>0.052</b>

Source: Living Standard Measurement Survey, 2012.

Labour migration has been an important feature of the Albanian labour market. A part of the workforce has emigrated and works abroad. Working abroad is an alternative that is still attractive. For example, during the implementation of the employment agreement with Italy, for the period January 2012 to May 2013, 4 431 persons were registered for employment in Italy, of which 15 per cent were women. The most common push factors for employment abroad are the lack of employment at home and the need to find a job that is better paid. Attractive factors for seeking employment abroad are higher wages in destination countries and better quality of life.

Another segment of the workforce in the country is returnees. After a period of several years of emigration, as a result of completing the cycle of migration but also influenced by economic factors in host countries, a part of the Albanian work force is returning. However, returnees are met with increasingly poorer or impoverished households, and some of the returnees face difficulties in re-integrating and finding a job. Return of Albanian citizens to the country, in particular from countries of the European Union, continues to influence the demographic outlook of Albania, as well as the labour force in the country. During the period 2009-2013, a total of 133 545 individuals of the age group 18-64 returned to Albania.<sup>40</sup> The majority of working-age returnees (98 413 or 76%) are men. Not only do the absolute numbers of male and female returnees differ, but so do their return migration dynamics over time. While the number of female returnees increased at a moderate rate until 2012 and then dropped slightly in 2013, an enhanced influx of male returnees was recorded for the time period 2011-2012, coinciding with the peak of the economic shock in the primary destination countries Italy and Greece. Even though the increased rate of men's return-migration has levelled since, the scale of men returning to Albania remains significant. In 2013, the number of male returnees was 28 102. The unabated upward trend highlights the need for measures that respond to the particular characteristics and needs of return migrants to enable their re-integration into Albanian society and economy.

<sup>40</sup> INSTAT & IOM, (2014), *Report on return migration and reintegration*, (unpublished).

Foreign workers are present in Albania and represent another category of workers participating in the country's labour market. In order to work, they have to comply with the legal requirements for entering, working and residing in Albania. This is regulated by the Law on Foreigners, which was recently changed to comply with EU Directives and Albania's country obligations in the framework of EU integration.

### **Labour market policies and institutions**

The *Sectoral Strategy on Employment Vocational Training*, implemented between 2007 and 2013 aimed to gradually decrease the unemployment rates down to EU level. Based on the European employment strategy, its goal was full employment, increase of work quality and productivity, and the strengthening of the social cohesion through implementation of adequate employment policies.<sup>41</sup> The improvement of the National Employment Service (NES) and of the vocational training system was at the core of the strategy as well.

The combination of the above-mentioned policy interventions with those envisaged for the promotion of economic growth, enterprise development and education and training reforms were expected to achieve a number of targets, summarized in Table 18 below.

**Table 18: Achievement of targets of the Sectoral Strategy for Employment and Vocational Training 2007-2013**

Target	Baseline year 2006	Baseline year 2007	2013
Decrease of the unemployment rate to 11.5% *	13.8		15.6%
Increase of the employment to population ratio to 56% *	49.6	50%	59.9%
Increase of NES job mediation to 13 000		10,000	12,965
Increase the number of unemployed qualified through vocational courses to 7 500 **		4,500	8,357
Increase the number of training participants employed after the programme to 4 200		2,000	1,636 <sup>(*)</sup>
Increase of individuals employed after participating to an active measure to 2 500-3 000		2000	960
Increase the share of students attending vocational education to 40%		19.6%	18.2%
Increase the investment in education to 5% of GDP in 2009		3.3%	3%
Increase the enrolment of children in pre-school education to 60%		54%	57%
Increase the share of registered unemployed participating to programmes to 20%		...	13%
Increase the share of employment service staff dealing with clients from 47% to 60%		47%	65%

\* Labour Force Survey figures between 2007 and 2012 are not strictly comparable due to methodological changes over this period.

\*\* Includes beneficiaries of programmes offered by the public vocational training centres and on-the-job training (Decision N° 47).

The table shows that many of the targets set in the strategy were not achieved or were only partially achieved. This has been due primarily to the deceleration of economic activity – and the impact this had on labour market indicators– as well as to the fiscal adjustment that

<sup>41</sup> See Ministry of Labour, Social Affairs and Equal Opportunities, *Sectoral Strategy on Employment and Vocational Training (2007-2013)*, Tirana, 2007.

followed (decreases in public spending) to reduce the government deficit. Fragile institutional capacities have also been a handicap to further implement this strategy. The effect of the economic crisis on the labour market unfolded through a decrease in the number of jobs available and employment losses, especially among young people (15 to 24 years old). The composition of public expenditures had to be shifted to accommodate higher capital spending and increasing social insurance outlays (the first item increased by roughly 65%, while social outlays increased by 52% in the period 2008-2010). This caused a decrease of the resources available for education (-0.5% of GDP) and for the National Employment Service (-12.5% overall in 2008-2011). The allocation for employment promotion programmes and vocational training decreased by approximately 30 per cent in the period, while spending on unemployment benefit increased by over 12 per cent. This picture has changed significantly with a triple budget being allocated to the Employment Promotion Programmes in 2014 (about 2.7 Million US Dollars).

The above mentioned targets were formulated in 2006-2007, i.e. before the first signs of the economic crisis materialized. In addition, the majority of the labour market figures available at the time related to administrative data and did not offer a solid base for estimating future trends.<sup>42</sup> As a consequence, many of the employment targets formulated were over-estimated. The figures published by NES at the end of 2012 show that the majority of registered unemployed are women (52%, in the age cohort 30 to 64 years old and with a low skills level (roughly 55% of all registered unemployed have 9 years of education or less). Regional labour markets present appreciable differences with unemployment rates by region exceeding the ratio of 1 to 3.

Only 6.3 per cent of all registered unemployed are entitled to the unemployment benefit (48.6% of which are women), while over 57 per cent are beneficiaries of social assistance. The coverage of active labour market programmes (including vocational training) is only 7.4% per cent, on a decreasing trend compared to prior years, due to declining financial resources.<sup>43</sup> Most of the funds allocated to the NES is spent on unemployment benefits (65.3% of total expenditures in 2012), while a smaller share is invested in active labour market programmes (13% in the same year). The highest level of spending on active programmes was achieved in 2008 and 2009, when it reached over 20 per cent of total spending. This, however, represented a mere 0.016 per cent of GDP, compared to the average of 0.6 per cent of GDP invested in active labour market programmes in OECD countries.

**Figure 15: Spending in active and passive labour market programmes, in % (2002-2012)**



Source: National Employment Service, Annual Report, 2012.

<sup>42</sup> The first Labour Force Survey was conducted in 2007, but final, clean figures were released only in late 2009.

<sup>43</sup> If vocational training is excluded, the coverage of active labour programmes is less than 2 per cent of the total number of registered unemployed.

Notwithstanding this, some progress has been made in a few areas. The new Information Technology (IT) system for the registration of the unemployed was fully rolled-out in 2013. In 2007 most vocational training participants were young people (15-24), with secondary educational attainment and over, and less than 24 per cent were registered unemployed. In 2012, over 36 per cent of trainees were prime age individuals (25 years old and over); 30 per cent had only eight years basic education; over one-third were registered unemployed; and the share of individuals at risk (Roma population groups, persons with disabilities, women victims of violence and returning migrants) more than doubled (from 2% to 4.4% of total participants).

The Labour Inspectorate increased its inspection activities on compliance with occupational health and safety and labour legislation. In 2011, more than 14 000 inspections were conducted, mostly in trade enterprises, hotels and restaurant, construction and manufacturing. These inspections covered over 137 000 workers (or 18% of total workers in the private sector). Of these, over 8 per cent were found to be employed without an employment contract. Under the Framework Directive 89/391/EEC, a range of directives related to health and safety at work are being transposed into national legislation; however, further work is needed in regard to the compliance with a modern legal framework that allows the country to improve its work conditions in many areas, including the areas of social protection, formalisation of jobs, and the creation of equal employment opportunities for women<sup>44</sup>

Emigration of Albanian citizens for economic reasons in the last decade continued to be the major factor of population decline as evidenced by the 2011 CENSUS results, producing a significant impact on the size, structure and other qualitative characteristics of the labour force in the country and labour market in general. Notwithstanding measures to manage migration flows from the country, the establishment of an effective labour mobility management system per se has not been possible. Such a system would facilitate informed and well-prepared labour mobility of Albanian citizens abroad as well as of foreigners attracted to the Albanian labour market. Three bilateral labour agreements, with Italy, Greece and Germany are operational, yet implementation is pursued on an ad hoc basis. In addition, there is a demand for expanding the geography of bilateral labour mobility agreements with other countries such as UK, France. There is evidence that private employment agencies recruit Albanian workers for employment abroad. However, there is no mechanism in place to ensure that standards on ethical and fair recruitment in Albania are developed and enforced. The Albanian legislation with relation to employment of foreign citizens in Albania has advanced in line with the EU acquis (Law on Aliens 108/2013), yet the country lacks specific policy provisions to regulate the status of foreign workers in the Albanian labour market and their protection. Thus, there is a need to mainstream labour mobility within existing labour market information systems, to regulate procedures and mechanisms to promote decent work opportunities and to protect Albanian and foreign workers.

The return of Albanian citizens, in particular from the European Union countries, continues to influence the demographic outlook of the country, as well as the labour force in the country. In the period 2009-2013, a total of 125 197 individuals in the age group 18-64 returned to the country<sup>45</sup>. The National Strategy on Reintegration of Returning Citizens (2010-2015) and relevant Action Plan are being implemented to ensure reintegration of returnees, in particular in the local labour market, institutionalising the assistance provided through the establishment

<sup>44</sup> The Action Plan of policy document Health and Safety at Work 2015-2020 will be implemented under this part of the strategy and is expected to be approved by the Councils of Ministers within the first quarter of 2015. This document will identify further steps to be implemented in this area.

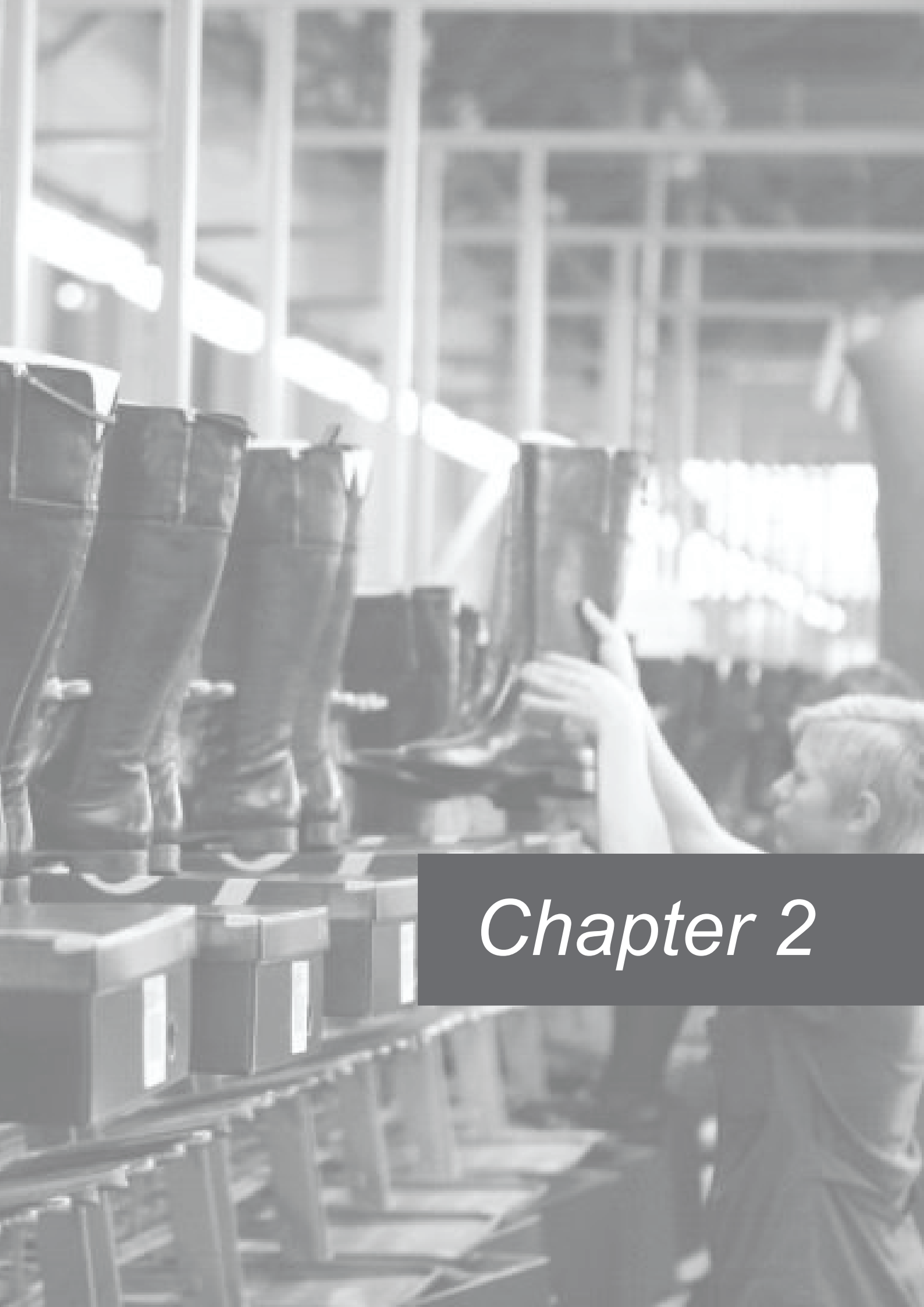
<sup>45</sup> INSTAT & IOM, (2014), Report on return migration and reintegration, (unpublished).

of a country network of *Sportele Migracioni* with the regional and local employment offices. Yet, returnees require a better access to the labour market and vocational training, to ensure maximum utilization of the skills and knowledge gained during their migratory experience. The current vocational training system in the country does not recognize prior learning, in particular qualifications and skills gained in migration for, Albanian citizens and foreigners, and so the human development impact of migration remains unexploited.

Labour mobility will continue to be present in the country. For this it is important to create the conditions and the necessary legal and institutional framework for facilitating labour mobility of Albanian citizens who are employed abroad. Such a framework needs to promote circular migration and to be responsive to the needs of the migrant, the country of origin and the host country. Emigration has benefitted through the remittance of foreign currency to families, but also through the increased skills and knowledge of migrants who return home. While some migrants choose to return home, others are forced to return under readmission agreements. The integration into the labour market is a triple obligation for public institutions. First, there is an obligation towards their citizens, second, there is a benefit to the local labour market in quality, training and services, and third, there is an obligation deriving from the cooperation with EU.

As a country where more and more foreign nationals are coming to work, but also as a part of the European integration process, compliance with the policies and domestic legislation on the employment of foreigners in the country with the EU standards is essential.





## *Chapter 2*

## CHAPTER 2

### VISION, POLICIES AND STRATEGIC GOALS

#### 2.1. Challenges to be addressed

The economic growth during the second decade of transition in Albania has largely been the result of shifting labour from low to higher productivity sectors and of the structural transformation which created jobs in manufacturing and services while the role of agriculture decreased<sup>46</sup>. All the evidence shows that such sectoral transformation to growth lasts for a limited period and that is why in 2006 the need for a “New Growth Agenda” for Albania addressing building human capital through education and skills as the most important factor for sustained growth was introduced. Based on this, Agenda convergence to European income levels would need to come from improvements in within-sector productivity as well as from the accumulation of physical and human capital.

With this consideration, the Government of Albania has claimed in its governmental program for 2013-2017, the implementation of a new model for growth for the next 15 to 20 years. The new model is based on policies that are better structured and focused, with a more comprehensive range, to give a maximized impetus to the economic growth, to ensure sustainability of its components, to increase domestic product and export rates, and to create the conditions for new jobs in strategic economic sectors of the country. Knowledge and skills are at the heart of this economic growth model. The design of proper employment and vocational education and training public policies are crucial to achieve it.

#### Macro economy

The macroeconomic and fiscal policies pursued in the last decade succeeded in stabilizing the balance of payments, reducing inflation and supporting output growth. Increasing domestic demand (fuelled by the expansion of sectors such as construction, industry and services as well as remittances inflows) was the main driver of development. Until 2008, strong economic growth in these sectors reduced poverty, but had a limited impact on both the quantity and the quality of employment.

In the period 2009-2012, GDP growth was less than three per cent because of the exhaustion of the growth model for the last two decades combined with the economic and financial shock transmitted to the Albanian economy in the last 3 years from the financial decline in European economies affected by the sovereign debt crisis (especially in Greece and Italy). The fiscal stimulus deployed in 2008 succeeded in limiting the decline of GDP, but at the cost of increasing public debt and sizeable arrears. Structural deficits, weak domestic demand and the uncertainties surrounding economic recovery in the Eurozone are expected to continue to affect the Albanian economy in the next few years, with economic growth projected at just 2 per cent till 2016.

The need to redress fiscal unbalances and reduce the public debt has changed the focus of the fiscal space from undertaking expansionary measures to support growth and job creation.

<sup>46</sup> World Bank, *Country Economic Memorandum*, 2006, 2010.

The short term adjustment programme deployed envisages both revenue (personal income tax, property tax and excise duties) and expenditure measures (reform of the social assistance programme), with the aim of broadening the tax base and improving the effectiveness of social outlays. These measures will be accompanied by structural reforms to improve governance and the rule of law, to reduce infrastructural bottlenecks and to promote private sector development.

The real economic growth is expected to gradually improve from 2.1 per cent in 2014 into 4.5 per cent in 2017<sup>47</sup>. The economic recovery will be as result of implementing policies that promote higher exports and decrease of imports due to partial substitution of some imports with domestic production as well as increase in domestic demand. The focus of the fiscal policy will be: the increase of public expenditure efficiency, the prioritization of expenditure to yield larger and more rapid effects, the opening of new investment prospects from the private sector oriented towards profit, economic growth, as well as employment. In the midterm period the reduction of taxes and simplification of the tax and fiscal system, the payment of public debts to businesses for delivered services or executed contracts, the payment of the overdue VAT refunds, and encouragement of domestic and foreign investments in the private sector and for the development of the country are foreseen.

As a result of the effects of the new fiscal package for 2014 and administrative improvements of the revenue collection, it is foreseen that the budget revenues will increase in average by 9 per cent during each of the three coming years. The public investments are expected to be at least 5 per cent of the GDP, which is an optimal level to support sustained economic growth.

### **Business development**

The Albanian economy is dominated by micro and medium size enterprises and is a net importer. The enterprise development strategies enacted in the recent past to improve the legal framework and access to financial and non-financial services had a positive impact on the business climate. Policy actions to address the informal economy have been focused mainly on reducing the corporate tax and social security contribution burden on enterprises, with little attention paid to the determinants of informality, the need for incentives and support in the process of transition from informality to formality, and to issues related to the enforcement of employment protection legislation. As a consequence, these measures yielded limited results in terms of moving workers and enterprises to the formal economy.

Enterprises still face a number of constraints to productivity, both endogenous (i.e. management capacities, technology and equipment; skills base of the workforce and access to resources) and exogenous (i.e. an enabling business environment and a properly functioning judicial system) that will need to be addressed in the medium term to promote the capacity of the private sector to create more and better jobs, to attract foreign business partners, as well as to increase the competitiveness of the country.

Some of the priorities settled by the Government Program 2013-2017 regarding SME development are: eradicating informality and corruption through the maximum reduction of the administrative barriers and business costs, increasing market freedom, safeguarding fair competition and abolishing monopolies, lifting the small business tax and reducing their fiscal burden over coming years, encouraging and supporting the modern enterprise culture for business, with special focus on the improvement of management, workers' qualifications, quality standards and competitiveness, attraction of investments, advancement of

<sup>47</sup> Republic of Albania, (2013), *Governmental Program, 2013-2017*, Albania.

innovation and new technology. At the same time, the entrepreneurial activity of women has remained limited, reflecting their restricted economic freedom, asset and property ownership, decision-making, and access to credit and business support services.<sup>48</sup>

Therefore policy responses that aim at a fair and inclusive labour market that fosters innovation, progress and growth, need to devise special measures that remove obstacles to women's entrepreneurial activity and start-up, and increase women's access to support functions, including entrepreneurship learning.

The advancement of technology and innovation will be supported by several programs such as: the Italian Program for SME development (45 million EUR), EFSE Fund implementation through the NCB (20 million EUR), implementation of the innovation fund (40 million ALL) competition fund (20 million ALL/year during 2013-2015), the economic creativity fund (10 million ALL/year (2013-2016) as well as several other programs for business and innovation promotion. Around 2000 entrepreneurs will be trained about different aspects of entrepreneurship and business development as well as the entrepreneurship modules, and curricula will be extended to all levels of education.

### **Agricultural sector**

Disparities between urban and rural areas are still in place. Agriculture is the predominant activity in rural areas but there are few agricultural local units<sup>49</sup> compared to the rest of the economic activities. Even though it has gone through continuous growth, the agricultural sector is organized mostly as small scale operations for subsistence farming. Furthermore, there is limited economic diversification in rural areas because industry, tourism and other services are relatively underdeveloped. Non-farm work is quite limited in rural areas, however it is even more limited for female workers. There is a pattern of rural areas with high levels of farm workers and reliance on small scale agriculture, and/or lack of diverse economic activity that show a more narrow unemployment gap between male and female workers. However, smaller gender differences in both labour force participation and employment rates do not reflect higher equality in the rural areas or districts; rather they are a reflection of low levels of economic activity and rural off-farm employment in general.

The promotion of agricultural production through the reduction of costs and the increase of competitiveness and the rise of employment are major objectives for the period 2014-2017. The government program foresees several measures that will address the agriculture development bottlenecks such as: the reduction of value added tax on seeds, saplings, the animal genetic material, chemical fertilizers, pesticides, livestock vaccines; supply of excise-free fuel for agriculture and other similar rural activities; the encouragement of the distribution of selected and high-yielding seeds; the promotion and the support of the group purchase of agricultural mechanical equipment, tractors and motorized cultivators; the rehabilitation of the irrigation and drainage system; the revival of the fishing fleet and provision with equipment for deep water fishing, the establishment of fish markets; the development of aquaculture and mollusc exportation towards EU countries.

The Parliament has approved the law no. 92/2014, date 24 July 2014 "On VAT on Republic of Albania" that has provided another relief to the agriculture. So, according to this law, the importation of live animals for fattening and importation of agricultural machines is exempted from VAT.

<sup>48</sup> Jorgoni, E., S. Ymeri, J. Miluka and E. Noçka (2013). Women Entrepreneurship in Albania. Tirana: UN Women (unpublished).

<sup>49</sup> The local unit is one enterprise or part of it (i.e. workshop, factory, warehouse, office, mine or depot) located in areas identified geographically. At this or from this location is exercised the economic activity for which, except for some cases, work at least one or more persons (though with reduced time) for a single enterprise.

The Instrument for Pre-Accession Assistance in Rural Development (IPARD-0) and IPARD II) 2016-2020 will support financially and technically farm investments, small grants for investments in processing and diversification of the rural economy as well as support for non-agricultural activities such as rural tourism, artisanal traditional hand made products, marketing etc.

The Inter-sectoral Strategy for Rural and Agriculture Development in Albanian aims to improve the irrigation system by contributing to the increase of productivity and adequate management of the resources. The support to investment in this regard has increased in 2014 at the amount of 2520 Million ALL (18 Million EUR). About 200 000 farmers will benefit from the improved irrigation system by creating better conditions to develop agricultural activity. Since one of the key factors currently inhibiting competitiveness and growth in agriculture is rural women's side-lined and locked potential, ensuring women's access to productive resources (e.g. land, credit, information, agricultural extension, business development services) will be key for coherent rural development in the coming years. In addition, reforms should also revitalize the land market and promote long-term farm rents arrangements. For each of the required interventions identified, modular vocational trainings are needed such as farm investments and productivity, marketing, project applications and management, rural tourism, implementation of modern irrigation technologies, etc. In order to have a positive impact on agricultural productivity, such vocational trainings would have to reach out to, and be accessible for, both the male as well as female work force in rural areas.

### ***Employment and social inclusion***

To date little attention has been paid to the economic and social costs for large number of workers engaged as contributing family members, mainly in the agricultural sector. This phenomenon affects mostly women and youth, often results in a lifelong cycle of working poverty and social exclusion.

Informality appears high in terms of working conditions as well as unpaid family labour. The majority of women and youth are employed as unpaid family labour, especially in the rural areas. The impact of informality is fivefold: first, it directly affects job security due to lack of contracts; second, it affects social security entitlements, which are very important for coverage by health insurance and old age pensions, jeopardizing livelihoods at a later stage; third, it reduces pay and source of income burdening economic well-being; fourth, it puts a fiscal burden on the economy through tax evasion; five, it impedes market development in fields that rely heavily on family labour such as agriculture. Furthermore, it increases women's vulnerability, their economic dependence on men and female poverty in old age due to a combination of lower income and fewer years under the social/health/pension insurance. In this situation, a stronger enforcement of the law is needed as well as incentives schemes for employers such as reduced contributions or other monetary incentives to encourage formal hiring.

Social inclusion remains an issue. Minority groups such as Roma and other vulnerable groups such as the disabled are often left behind, and policy responses are not always created accordingly. These groups require specific policies tailored towards their characteristics and needs in terms of educational needs, vocational qualifications, and employment.

Youth employment is a real issue, especially as related to unpaid family labour. Most employed youth have informal or unpaid family jobs which points toward underemployment and poor employment conditions. Most of the unemployed have low levels of education and for those

living in rural areas, the main source of employment is agriculture. Young females have a similar unemployment rate to males, but this hides poorer employment conditions mostly unpaid family jobs, which appear to be growing and there are sector disparities. Women have much lower labour force participation rate and higher inactivity rates due to household responsibilities. They are concentrated in female typical jobs, which are also lower paying jobs that offer few possibilities for career advancement. In addition, there is an urgent need for increasing the share of women in non-traditional occupations, and eliminating gender stereotypes in the educational system. Channelling girls into typically “female” low-pay low-skill professions increases the gender wage gap and their likelihood to find work in the informal sector. In parallel, gender-stereotypical channelling of boys into “male” professions increases gender roles and norms and equally confines males potential skills.

Despite some progress, much remains to be done to improve the capacity of the National Employment Service (NES) to carry out all the functions of a modern public employment service throughout the country, including rural areas, for which there is a great need. The functions that are most in need of attention are: individualized assistance to the unemployed to find suitable employment; the referral of applicants and vacancies; the facilitation of occupational mobility; the collection and analysis of the fullest available information on the situation of the labour market and its probable evolution, both in the country as a whole and in the different industries and occupations; and the effective design, monitoring and evaluation of programmes aimed at facilitating the (re)entry in employment of jobseekers at risk of labour market exclusion. The organization and delivery on the key functions needs to be reformed and sufficient human and financial resources deployed to ensure that: i) all NES staff acquire the necessary counselling and guidance skills, ii) all offices reach a reasonable level of service delivery and iii) uniform workflow procedures are applied.

NES is not yet the preferred means for jobseekers to find jobs and for employers to recruit workers. Labour market penetration and the share of vacancies handled by the NES is, at 16 000 per year, below the European average (30 to 50%) Modernisation of training services and the development of a coherent Labour Market Information System (LMIS) also need to be addressed. To ensure an efficient use of scarce resources, employment programmes should be better designed, targeted and be part of a comprehensive package of services geared to overcome systemic disadvantages individuals face in the labour market. This requires for a gender sensitive approach in responding to demographic, economic and labour market dynamics.

Employment is a major goal of the government program, which is committed to create 300 000 new jobs for women and men in the manufacturing industry (52 000), maritime industries (15 000), agriculture and livestock activities (155 000), tourism industry (11 000), information technology (4 000), etc. It is predicted that a considerable number of employment opportunities will be created through the reformation of the current economic assistance programme (62 000).

The reforming process of the National Employment Service (NES) aims to transform it into an entity with budgetary and administrative autonomy, with modernized labour offices and system of employment insurance, efficient employment promotion programmes and vocational training that relates to the needs of the economy and with well-trained staff to the headquarters and regional levels capable of managing the modernized IT system. The dialogue with the trade unions, the tripartite culture between the State, the employers and the employees and the National Labour Council will be instrumental in the elaboration of the policies of employment, wages and social benefits.

An efficient model of cooperation between the NES and the private sector is lacking. Such

cooperation should occur in; defining the most needed jobs for the short and medium term in the economy; increasing their openness to the new system of offering jobs through NES employment offices; active participation in curricula development process; offering their premises and human resources for practical work of VET students and adults etc. In 2014, the government undertook the initiative to support the Façon Industry by investing 5% of its income tax back to sector development. In this respect, the Council of Ministers approved the decision to establish the budgetary fund managed by the MoSWY in order to implement the package of employment promotion measures for the Façon Industry.

Social assistance beneficiaries will be mobilized in community works. The unemployment among registered female jobseekers will be halved and employment access of people with disabilities (PWD) will be increased through tailor-made vocational training courses. In addition, barriers to PWD's benefiting from VET, including: physical accessibility to VET courses, lack of adequately trained educators, lack of adequate materials, limited information, reluctance by companies as well as public institutions to hire PWDs, missing accompanying support services to PWDs and their care-givers, and transportation issues will be have to be addressed by adequate measures. Priority will be given to the training of all the registered jobseekers under 25 years of age. Likewise, all the girls and women who are registered jobseekers shall be provided with training within the first year of tenure, and within the first two years it will be expected that such training is offered to all the registered jobseekers.

The government program aims at transforming the Economic Aid Programme into the Social Re-integration Programme so that the remuneration amount from the Social Re-integration Programme will be set on an individual not household basis. The amount of remuneration from the Social Re-integration Programme will be aimed at crossing over the poverty line. The Reintegration Programme in rural areas will substitute the payments from Economic Aid Scheme with "Work instead of Welfare Assistance." That will generate jobs for the beneficiaries of the Social Re-integration Programme in their communities, at the local government unit or in central government projects.. The reforms undertaken will be supported by a new legislative framework on Employment Promotion.

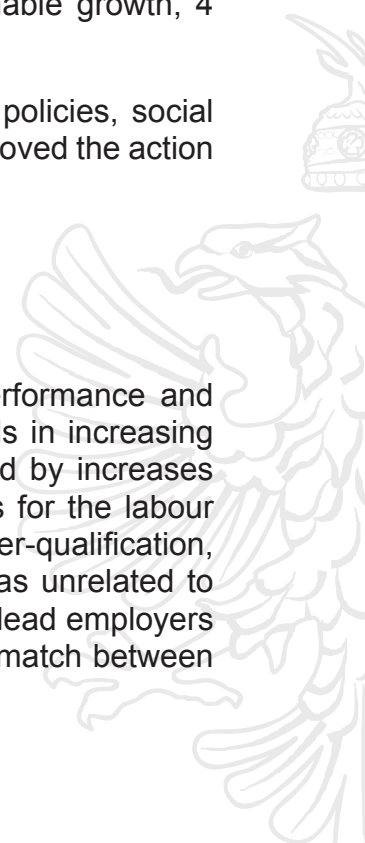
The SEE 2020 is developed and approved as part of the regional strategic planning. The main principles of this strategy are the increase of prosperity and job creation. The SEE 2020 rests on five pillars: 1 integrated growth, 2 smart growth, 3 sustainable growth, 4 inclusive growth; and 5 good governance.

The work dimension is part of the 4th pillar, focused on the employment policies, social economy, and labour mobility<sup>50</sup>. The Council of Ministers of Albania has approved the action plan in support of SEE 2020 (DCM No. 611, date 17.09.2014).

### ***Vocational education and training***

Educational attainment is a strong determinant of both labour market performance and poverty. The reforms enacted in the last few years made important inroads in increasing the overall quantity of education. This, however, is still to be fully matched by increases in quality and, most importantly, in the relevance of educational outcomes for the labour market. Skills mismatches in Albania take predominantly two forms: i) over-qualification, with individuals working in jobs for which they are over-qualified or in areas unrelated to their field of study); and ii) under-skilling resulting from skills shortages that lead employers to hire workers who are not the best fit for the jobs on offer. There is a mismatch between

<sup>50</sup> <http://www.rcc.int/pages/62/south-east-europe-2020-strategy>



skill needs from businesses and graduates' fields of study. Businesses in agriculture and agro-processing, textile and footwear, tourism, construction, transport and communication, energy, and information communication technology lack specialists and technicians<sup>51</sup>. There are very few graduates in needed fields such as: technology, cost accounting, agronomy, production logistics, textile engineering, mechanical engineering, information technology (IT), analysis and programming. In addition, university curricula are mainly theoretical and lacking in practical skills. On the other hand, there is an excess of graduates in education studies, business administration, finance, law, English, language, history and geography. The resulting outcome is distortion in the labour market with lack of labour supply where there is labour demand and with over supply of labour in other fields of lesser demand. In addition, the latter are fields of study where young women are being channelled create persistent gender stereotypes in education, which may result in skilled labour force gaps, occupational segregation and gender wage gap.

The vocational education and training system is still affected by: the limited involvement of social partners; a highly centralized system with low responsiveness to local needs; a dichotomy between vocational education and vocational training; and inadequate monitoring and evaluation approaches which are able to measure the quality, as well as quantity, of vocational education, training and lifelong learning.

The relations between the vocational education and training system and industry are weak and most curricula offer little scope for practicing the skills learned. The lack of qualifications that reflect the new competencies required by emerging economic sectors and an innovation-driven economy, coupled with labour market information gaps, complicate matters further. The system is still underfinanced, with poor incentives for the participation of employers as well as limited resources invested in upgrading the quality of infrastructure and teachers' and instructors' training. Although, some few concepts on entrepreneurship learning are introduced so far, no serious training on entrepreneurship in terms of both self-employment or starting a new businesses is provided, while this is crucially important considering that more than 96 per cent of businesses in Albanian are SMEs. The attractiveness of vocational education is still low and perceived as a second best path to tertiary education, rather than a route to labour market entry. Career education, as a tool to help students and families to make informed decisions, is still inadequate. The development of occupational standards and programmes oriented to the acquisition of competencies, and embedding internship and apprenticeship periods, is lagging behind. For upper secondary education graduates there are still few post-secondary vocational education and training programmes available to respond to the increasing demand of enterprises and that allow individuals to enter and exit education and training at different times in their career. Lifelong learning opportunities and the possibility for early school leavers and low-skilled workers to increase their job competencies are still limited both in quantity and quality.

The VTCs currently are far from efficient and from fulfilling their mission. The number of trainees is very limited; the training offered is poor in terms of type and number of courses; the courses available are short; the curricula are outdated and incomplete due to the lack of training materials; the quality of instructor training is low. Furthermore, services offered are not marketed. No relations exist between the VTCs and businesses, and no system is in place that would track the labour market success of graduates.

Also, there is any good reason why there should be two separate VET provider systems, i.e. the vocational schools and the vocational training centers. Their offers could be aligned. They could deliver qualifications for one common national qualifications framework. Most

<sup>51</sup> Rama and Matja (2012), Sector Skills Needs Analysis in Albania, UNDP, Albania.

importantly, they could share resources in terms of course materials, teachers or instructors and items of equipment, which could free up badly needed resources for the modernisation and reform of VET across the country.

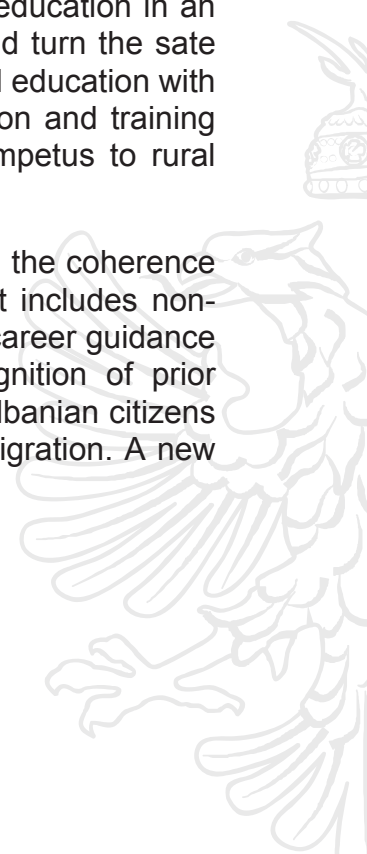
Presently, VET providers are highly centralized, which makes it almost impossible to orient individual providers toward local labour market demand. A greater autonomy and an open minded management system of schools and VTCs, or Multifunctional Centres (MFCs) for that matter, are crucial to address the many bottlenecks that are paralysing the current VET system in Albania.

It is of utmost importance that schools significantly increase the links with businesses for practice hours of students. Issues related to business involvement that need to be addressed include: regional identification of businesses that are relevant to the schools' or VTCs' profiles; assessment of the level to which a business can comply with the needs of students for practical work; the business' level of technology, organization, environment and human resources. Strong communication should be developed among the school's instructor, the mentor and the student. Financial remuneration or other rewards should be identified for motivation of businesses to deliver the practice hours for the programme. At present, the vocational education and training services do not reach the rural areas. Most of the Albanian population still lives in the rural areas and the educational attainment of the rural population is lower than in the urban areas for all age groups. The young people are not interested in long term agricultural studies, but are very interested in attending short and medium term courses that could help them to enter the labour market.

Adult training is still in its infancy, with only one per cent of adults (25-64 years) in vocational training and retraining programmes in 2012 (compared to 9% in the EU27). The practice of EU countries in this field shows the relevance of a framework that: i) clearly classifies and describes qualifications and eases the transfer of credits; ii) includes recognition of informal and non-formal learning mechanisms where the elements of lifelong learning are recognized and portable; iii) encourages employers to devote more resources to workforce development; and iii) is constantly monitored to ensure that the qualifications system is responding to the needs of individuals, employers and providers.

The government is committed to working towards steering the vocational education in an entirely new direction that would meet the real demands of the market and turn the state into the main supporter of vocational training. The combination of theoretical education with practice will be the key to this reform. Additionally, the vocational education and training courses will reach out to the rural areas, in order to provide the right impetus to rural development including support for agro-processing industry.

The VET shortcomings in the skills system will be addressed by: improving the coherence of the national qualification system; introducing a certification system that includes non-formal and informal learning over the working life; and establishing quality career guidance underpinned by reliable and updated labour market information. Recognition of prior learning, in particular qualifications and skills gained in migration for both Albanian citizens and foreigners will be considered in order to fully exploit the impact of migration. A new legislation framework will address all the reforms to be undertaken in VET.



## *Gender Equality and Equal Opportunities*

A range of economic, social, psychological, political and other dimensions impact people's ability to engage and compete in markets and thereby contribute to and benefit from Albania's economic development. Therefore, the Employment and Skills Strategy aims at taking an explicitly gender sensitive and inclusive approach by devising policy responses and programs that ensure that benefits of reform accrue equally to different categories of women and men, girls and boys in Albania. Several documents foresee the application of special measures to empower the under-represented sex (the EU gender strategy, CEDAW 2010 and the NSGE-GBV-DV 2011-2015). Since women and girls comprise the numerically largest disadvantaged group in Albania, the current situation calls for such type of affirmative action/special measures in the frame of 2014-2020.

That is reinforced by stereotyped gender roles and discrimination, as a result of which women are in a disadvantaged position characterized by low labour force participation and high inactivity rates because of their assigned roles as primary care-providers within the household. In the absence of policies in support of reconciling work and family responsibilities, this reduces women's employment and career opportunities and puts them in lower and less paying occupations which maintain or reinforce gender stereotypes in employment. The consequences of gender segregation in education paths include: limited employment opportunities, low productivity jobs, and an increased wage gap. The perpetuation of gender roles that undermine women's economic activity, emancipation and empowerment are often not fully understood by planners and decision-makers.. However, gender-blind policies pose a challenge since they tend to result in productivity losses as well as increased inequality, and ultimately poverty, by limiting or discouraging female labour force participation. A consequence of this has been that the current VET system has reinforced rather than reduced and prevented gender segregation. There is a clear need for gender sensitive policies and targeted activities which aim to reduce these constraints and ensure that conditions are created in which men and women are provided with equal opportunities to engage in the economy.

From the analysis in section One, a series of gender issues emerge which need to be addressed by respective policy responses and action in three dimensions: first, the particular disadvantaged groups and the barriers they face with regard to access, participation, services and benefits need to be identified in order to establish conditions under which women and disadvantaged groups can actively contribute to Albania's economic growth; second, since sustainable economic growth cannot be achieved without women's participation as equal economic agents both as wage workers, self-employed and entrepreneurs, specific proactive measures and women's economic empowerment outcomes need to be articulated; and third, mechanisms need to be in place that ensure that benefits associated with economic reform accrue equally to women and men, girls and boys. In line with CEDAW as well as the EU and Council of Europe Standards and Norms<sup>52</sup>, the Employment and Skills Strategy is envisaged to specifically contribute to women's economic empowerment and to reduce the gender gaps in accessing productive assets and markets, by the following areas of intervention: (i) removing women's and girls' obstacles in accessing training and employment, particularly in sectors which will be Albania's drivers of growth; (ii) creating opportunities for women and particularly rural women to participate in the formal labour market; (iii) addressing and responding to root causes of women's low participation in the labour market and redress gender segregation; (iv) strengthening national capacity to integrate gender equality goals into policy/program formulation, planning, the delivery of gender-aware programs and services, and into respective monitoring.

<sup>52</sup> CEDAW Articles 11, 13 and 14; Recommendation CM/Rec(2007)17; and EU Laws 75/117/EEC, 2002/73/EC, AND 86/613/EEC.

## Migration

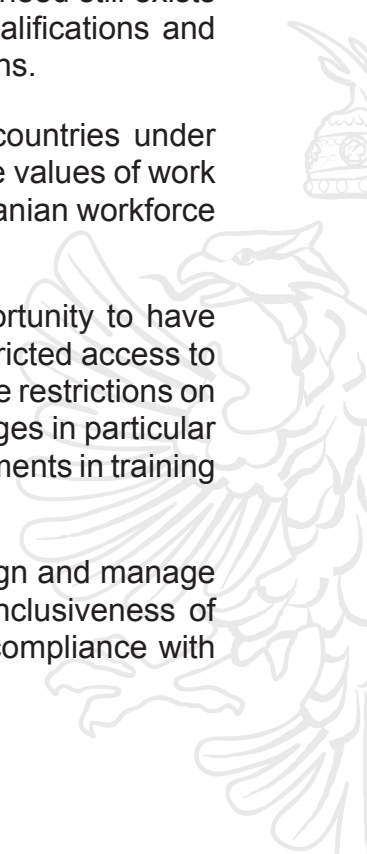
Mobility of Albanian citizens for employment abroad is a phenomenon that will continue to be present not only due to its own nature as a phenomenon existing in every society and linked with human nature itself, but also for the purpose of economic development and made possible by Albania's geographical proximity to EU countries which have a higher level of development and standards towards which Albania aspires. Over the years, labour migration policies managed to create a more comprehensive policy, legal and institutional framework but this framework still requires consolidation. The management of employment mobility still requires improvement. Two strategies which mention the main aspects of labour migration specifically were the National Migration Strategy 2005-2010 and the Strategy for Reintegration of Albanian Citizens to return to the country from 2010 to 2015. There was not a full implementation of Migration Strategy 2005-2010, due to lack of sufficient financial means and lack of good coordination and a proper institutional attention. The strategy for the reintegration of Albanian citizens returned to the country 2010 -2015 is still in effect.

Proper management of migration for employment is complex and requires intervention in several areas. Information and advisory capacities for regular migration for employment and immigration at the local level structures need to be strengthened further. It is necessary to improve infrastructure and logistics facilities that provide employment services to migrants (or migrant workers). There is a need to further increase institutional capacity and qualifications of public and private employment mediation services that offer services for interested Albanian workers to work abroad. The inter-institutional cooperation for the identification of the labour market needs of potential host countries of Albanian migrant workers and for conducting studies to assess their needs for human power, needs to be improved and further developed. Bilateral labour agreements with a very small number of countries were signed. Even in the case of the implementation of existing labour agreements, the employment of the people targeted has been difficult to achieve. Increased cooperation with participating countries and the addition of more diverse countries needs to be pursued for the proper management of labour migration, the conclusion of bilateral labour and vocational training agreements and the development of joint projects for the training of the Albanian workforce. The strategy for the reintegration of returned Albanian citizens in the country created a policy framework and measures to address the needs of citizens returning to the country, but need still exists for certification of knowledge gained abroad, recognition of vocational qualifications and courses obtained in countries of immigration, and social security contributions.

The Albanian workforce needs to be competitive with nationals of other countries under development. This will depend on: vocational skills, the ability to embrace the values of work and those of European societies, plus the access and acceptance of the Albanian workforce into the EU labour market.

With EU membership in the future, Albanian citizens could have the opportunity to have immediate access to the markets of some Member States, but will have restricted access to others. During the transitional period, some states may want to establish more restrictions on Albanian migrant workers based on their qualifications and on worker shortages in particular market sectors. Possible access to foreign jobs can be facilitated by improvements in training and compatibility of qualifications of Albanian workers.

The path to EU integration requires increasing institutional capacity: to design and manage evidence-based employment and training policies; to ensure equity and inclusiveness of the labour market; to enforce labour protection legislation; and to ensure compliance with international standards on labour and employment.



## 2.2. Vision, policy goal and strategic priorities

The vision of the Employment and Skills Strategy (inspired by the overarching goal of Europe 2020 to deliver smart, sustainable and inclusive growth) is to have, by 2020, a competitive economy and an inclusive society that is grounded on:

### **“Higher skills and better jobs for all women and men”**

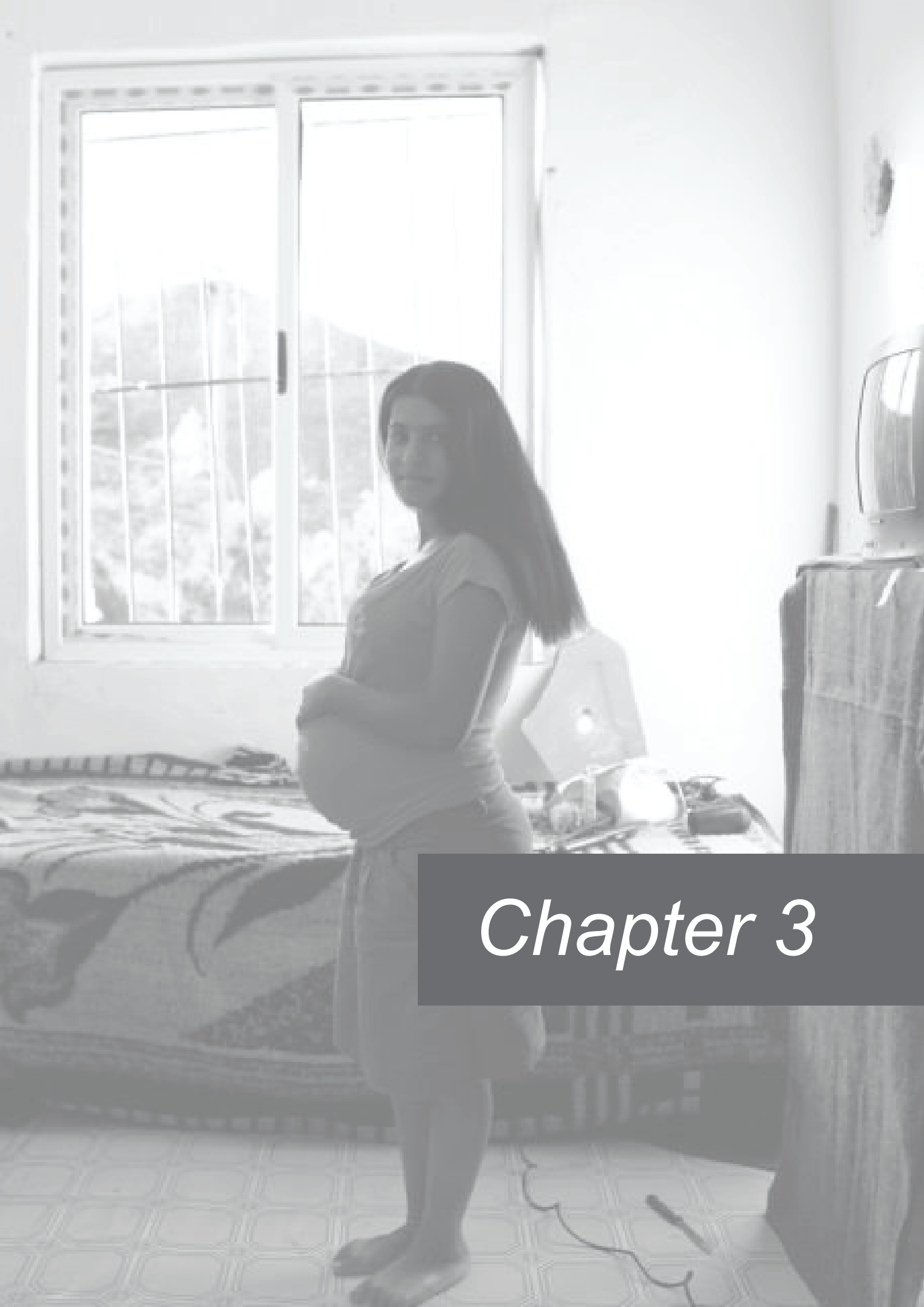
The overall goal of the Strategy is to promote quality jobs and skills opportunities for all Albanian women and men throughout their lifecycle.

This will be achieved through coherent and concerted policy actions that simultaneously address labour demand, labour supply and social inclusion gaps.

The Employment and Skills Strategy centres on four strategic priorities, as follows:

**Figure 16: Strategic priorities for employment and skills development (2014-2020)**





# *Chapter 3*

## CHAPTER 3

# POLICY OBJECTIVES AND MAIN OUTCOMES FOR EMPLOYMENT AND SKILLS DEVELOPMENT

### *3.1. Policy objectives and main outcomes*

The basic condition for closing the job gap is to stimulate demand through employment-friendly macroeconomic policies (aimed at supporting aggregate demand and increasing productive investments) without endangering fiscal sustainability. However, the need to consolidate public finance and reduce the public debt, coupled with below-potential economic growth projections, severely constrain the policy space available and the resources that can be put forward to support aggregate demand and growth. The primary objective, therefore, is to mitigate the impact of fiscal consolidation on the labour market in the short term and set the conditions for employment growth in the medium to long term.

To this end, the Ministry of Social Welfare and Youth will coordinate the design of macroeconomic, private sector development and sectoral policies that maximize job creation, with other peer ministries (such as the Ministry of Finance; the Ministry of Economic Development, Trade and Entrepreneurship; the Ministry of Agriculture, Rural Development and Water Resources and others).

The main objective of the economic policy of Albania in the next policy period is to preserve macroeconomic stability and further consolidate public finance. Fiscal adjustment will be gradual and geared to reducing the level of public debt. For fiscal adjustment to succeed, however, it is necessary that credible structural reforms (on the investment climate, human capital and infrastructure development, as well as the rule of law) become an integral part of the adjustment package. To maintain the fiscal deficit within the projected range (2 to 2.3% of GDP), a re-distribution across revenue and expenditure items will be carried out, with a strong focus on improving the efficiency of the respective systems on the one hand, and balancing revenue and spending measures, on the other. On the revenue side, the further strengthening of the tax administration system and the expansion of the tax base (curbing the informal economy, combating tax evasion and the reform of corporate and personal tax system), will increase revenues while improving equity as well as the operation of the tax system as an automatic stabilizer.

On the expenditure side, the phasing out of subsidies, which distort competition and carry heavy deadweight costs, combined with measures to improve the efficiency and targeting of social spending will open the space to increase investment for the modernization of infrastructure and productive purposes. The expected increase in the stock of public capital will also provide a positive external stimulus to businesses production, which is productivity-enhancing. A further improvement of the business environment will boost returns in the private sector, shift the composition of investment and ease the reallocation of resources from unproductive to productive enterprises. An enabling regulatory framework that supports private sector development, promotes economic sectors with high employment potential and facilitates the transition to formal employment will be key to increasing employment and earnings across population groups and reducing job quality gaps. Finally, the promotion of social business, in line with EU good practices, will represent an additional means to achieve smart and inclusive growth.

Concerted action in the above mentioned policy areas will be instrumental in achieving the following: to increase employment to population ratio to 50.0 per cent (from 35.0% in 2012), especially in priority economic sectors (to reach 50.0% in industry, 18% in agriculture, and 32% in services); to reducing the share of informal employment in non-agriculture sectors to 30 per cent by 2020 (from around 40% in 2012); reducing the unemployment rate to 15.0 per cent from 26.6 per cent in 2012, not including the subsistent food producers; reducing the share of working poor and low-paid workers from 59.0 per cent in 2012 to 50.0 per cent in 2020; and reducing the youth unemployment rate to 30 per cent, from the current 40.3 per cent.

These broader policies will be accompanied by a number of reforms aimed at: i) ensuring the effectiveness of labour market policies; ii) offering quality skills development opportunities; iii) promoting equality and social inclusion; and iv) strengthening the education, training and labour market governance framework. The policy interventions outlined below are aimed at strengthening those public policies whose objective is to remedy educational and training gaps, address poverty and inactivity traps and bridge labour demand and supply.

### ***A. Foster decent job opportunities through effective labour market policies***

The formulation and implementation of an active policy on employment is of the essence to address the employment challenges highlighted in the previous chapters. Policies aimed at improving employment prospects should have a wider scope, while programmes need to be targeted to those who are more disadvantaged in the labour market, especially individuals with low educational and training levels, women, youth, other vulnerable groups, and those living in rural areas. Therefore, a new employment promotion framework will be designed to ensure the delivery of more effective and better resourced labour market policies.

Such a framework centres on: i) the modernisation of the NES delivery, both at central and regional levels; ii) the enhancement of compliance with ratified international labour standards; iii) the reform of the design of active labour market policies, and iv) the improvement of monitoring and evaluation of employment programmes. The reform of employment services, including the establishment of a National Employment Agency, will be instrumental to improving the quality of services, ensuring equal access to individuals living in urban and rural areas, and improving the range and scope of active labour market programmes.

The reform of the employment service system will centre on: the establishment of the National Employment Agency; the introduction of a tiered service model based on profiling techniques; the implementation of a management by objectives and quality assurance system; the design, monitoring and evaluation of more effective active labour market programmes; and development of strategic partnerships with other labour market stakeholders.

Labour market policies will be re-designed with a view to offering a comprehensive package of services and programmes to ease the transition of individuals to decent work and include an activation strategy. The effectiveness of labour market measures will be enhanced through the provision of employment services for all individuals registering with the National Employment Services (through self-service, group counselling and job search training) and more intensive and targeted assistance for those who are “hard-to-place”. Such interventions will be grounded in: the introduction of an integrated service delivery model (National Service Model); profiling and targeting approaches to differentiate employment assistance; and continuous monitoring and impact evaluation of the measures implemented in order to assess the result achieved.

Compliance with the international standards ratified by Albania on employment and migration will be improved. This includes: the establishment of a regulatory framework on private employment agencies; the alignment of employment service delivery to European standards; and the introduction of a labour migration management system that supports nationals planning to migrate abroad as well as Albanian migrants wishing to return. Labour mobility will be mainstreamed in all labour market information systems, regulation procedures and mechanisms of the country to ensure high participation and protection for mobile Albanian and foreign workers.

The Labour Inspectorate will increase its efforts to improve the enforcement of labour legislation and to enhance occupational health and safety at work. Particular attention will be devoted to extending the scope and coverage of labour inspection – warning and penalty system (in order to better encompass the informal economy) and to establishing an information-sharing mechanism with other enforcement agencies. Such work will be informed by a review of the penalty system envisaged by the labour code for non-compliance with existing legislation to appraise its deterrence effect.

Targeting approaches to differentiated labour market assistance among population groups will focus on: i) the identification of those factors that place a person at risk of becoming unemployed long term; and ii) the development of approaches for caseworkers to assign individuals at risk to the range of employment services and programmes made available.

Coordination between the administration of social protection benefits, especially the unemployment benefit and the Social Assistance programme, and active labour market policies will be strengthened through work-availability and mutual obligation requirements. Benefit recipients will be expected to engage in active job search and participate in programmes to improve employability in exchange for receiving efficient employment services and social protection benefits.

This policy priority is designed to complement the economic, sectoral development and enterprise promotion interventions deployed by the government to increase the capacity of the country to generate more employment opportunities.

The targets under this policy priority are: to raise the share of unemployed women and men benefiting from employment programmes to 10 per cent; to increase the proportion of active labour market programmes beneficiaries employed after participation to 55 per cent, out of which 75 per cent to be women; and increase the amount of funds invested in active labour market policies to 0.032 per cent of GDP.

Main policy objectives and respective outcomes and outputs are shown in the table below.



## Strategic Priority A. Foster decent job opportunities through effective labour market policies

**Outcome Indicator: The labour market policies are effective and promote basic employment services to all women and men in order to enhance their job opportunities**

### Indicators:

- 10 per cent more women and men in employment programmes
- 75 per cent women benefit out of 55 per cent employed after active labour market programmes
- 2 times more investment for the active labour market programmes

### A1. Modernising the National Employment Service, including headquarters and regional and local offices

#### A1.1 Reorganisation of NES offices according to the New Service Model.

##### Outputs:

- Policy paper on New Service Model and action plan adopted in 2014.
- Model operational within 1 “trial office” in Tirana early January 2014.
- 36 employment offices re-organised according to the New Service Model by 2016.
- Specific ToR prepared for 12 offices within 1 year.
- Manual on the type and quality of services to be delivered by each regional and local employment office.
- Quality of services by each office verified.
- Gender equality and equal opportunities goals are integrated in all models, mechanisms, processes, and materials.
- Targets for female and male Roma, PWD, women in rural areas and disadvantaged categories of women are defined and monitored.
- Gender-sensitive labour mobility/migration considerations are integral part of all relevant models, labour market information systems, mechanisms and processes.
- Campaigns to increase the understanding of the wider public, of public and private organisations as well as of the enterprises for the need to improve the recruitment base, and to offer equal pay for equal work.

#### A1.2 Definition and implementation of an NES staff recruitment and development plan.

##### Outputs:

- Number of NES staff increased by 30%, including a minimum of 30% qualified women in leading/management positions.
- Annual rate of vacancy filling reaches 85%.
- Annual rate of female/male participation in active labour market programs reaches 18% in 2014, and 35% by the end of 2020.
- Job descriptions including competence standards adopted for all categories from managers to staff, at Ministry, NES and regional/ local levels.
- Performance management system in place and NES performance to meet female/male clients' needs is assessed twice a year.
- Staff tested for knowledge of the standards and understanding of service manuals.
- Equal pay for equal work pursued at NES, using sex disaggregated wage statistics.
- Mid-term plan for HR recruitment and development.
- Staff trained according to NES Development Plan and Annual Training Plan, and enabled to address gender equality, equal opportunities and diversity, and to engage in coaching for special needs groups.
- Zero tolerance against discrimination; sexual harassment policy is in place and also promoted with third parties.



**A1.3 Modernisation of IT infrastructure and systems in NES.****Outputs:**

- New IT software/ system used by all NES staff at all levels and upgraded enabling it to categorize different types of clients and services provided for statistics generation purposes.
- Staff trained on the use of the IT system.
- IT-based (rather than paper-based) administrative procedures defined and adopted at managerial level.
- Migration counters within local NES offices are equipped with relevant IT to provide quality services (counselling, job matching) on employment in other locations in Albania and abroad
- Sufficient number of computers installed in regional and local employment offices.
- Job vacancy database installed covering the whole of Albania and constantly updated through inputs by employers, NES and jobseekers (and linked with EURES).
- The new IT system is mutually accessible for MoSWY institutions and for those interested and eligible at national and at SEE region levels.

**A1.4 Establishment of new cooperation modalities with third parties.****Outputs:**

- Number of vacancies announced through third parties at NES increased to 20 000 per year.
- One Job Fair organised at national level and four at regional level per year.
- Two new international labour mobility agreements signed with third countries per year.
- Cooperation agreements for collecting vacancies and for design and implementation ALMPs with Social Partners and Businesses established.
- Cooperation agreements with Private agencies and NGOs for implementing ALMPs established.
- Inspection legislation and programme reviewed to include inspection also of ALMPs.
- MoSWY is equipped with tools to identify preferential countries for developing bi-lateral agreements and other inter-state mechanisms facilitating employment of Albanian citizens abroad.
- Existing international framework regulating labour mobility of Albanian citizens abroad is enhanced through new agreements and other cooperation arrangements, especially in the SEE region.

**A2. Continuous improvement of legal and institutional framework in compliance with ratified international labour standards****A2.1 Regulation of private employment agencies and strengthening of the cooperation with the public employment services.****Outputs:**

- Legislation adopted to ensure ILO convention on private employment agencies.
- Legal aspects and quality ensured through development of a minimum set of standards for recruitment, including abroad, and labour inspectorate.
- Mechanism for quality assurance/ service delivery of private employment agencies established.
- Local employment partnerships to include also private employment agencies, alongside other partners.
- Private recruitment agencies report to relevant competent authorities on a regular and transparent basis on the services provided to the female and male population in Albania and abroad.
- Statistics on the number of female/male Albanian citizens supported with employment abroad are available on a regular basis.

**A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially the ones related to workers' safety and health at work.****Outputs:**

- A modern, professional inspection system is in place throughout the country, ensuring implementation of labour legislation and occupational safety and health in line with European and international standards.
- Committee for Integrity and Corruption Prevention in the State Labour Inspectorate established.
- Program for Integrity and Corruption Prevention in the State Labour Inspectorate adopted.
- State Labour Inspectorate training Action Plan adopted.
- Information-sharing mechanisms established with other enforcement agencies with a view to improve the coverage of economic units and workers.
- Existing legislative and procedural framework on labour inspection and enforcement is compliant with EU directive on sanctions against employers hiring irregular migrants.
- Labour inspectors are knowledgeable on rights and duties of foreigners working in Albania, capable of identifying (potential) victims of trafficking and referring them to relevant authorities.
- Mechanisms of protecting labour and human rights of migrants are in place.
- Legislation/by-laws for inspections amended to ensure that ALMPs can be implemented and (regulated) professions with high health& safety risks are inspected.
- Inspection role is strengthened related to implementation of the Law on Employment Promotion in terms of PWDs and of the law on foreigners.

**A3. Expanding the range and scope of employment services and programmes (active labour market policies)**

### **A3.1 Assessment and design of adequate, gender-responsive labour market policies.**

#### **Outputs:**

- ALMPs improved, diversified and tailored to specific regions and target groups.
- Procedures for application to ALMPs simplified.
- ALMP implementation on regional level is strengthened through cooperation agreements.
- Improved indicators in terms of inclusion of vulnerable groups in ALMPs in a regional basis.
- ALMPs adopted by DCMs and implemented across the country in an effective, efficient, and gender-equitable manner.
- Regional/Local employment partnerships established (which have identified needs and implement or monitor training and employment measures at local/ regional level).
- Training for female and male skilled workers organised together with industry to respond to short term requests (e.g. TAP project).
- Legal basis for provision of ALMPs is revised and adopted.
- Equal opportunity policy and action plan are developed by NES, adopted and annually updated.
- Designated NES officials are capable of identifying (potential) migrants among their clients and to provide tailored services/refer to other relevant support entities (e.g. on issues of legal status, medical assistance, etc.)
- Effective, transparent and participative financing system for service delivery is designed and in place.

### **A3.2 Registration, profiling and gender-sensitive counselling of jobseekers**

#### **Outputs:**

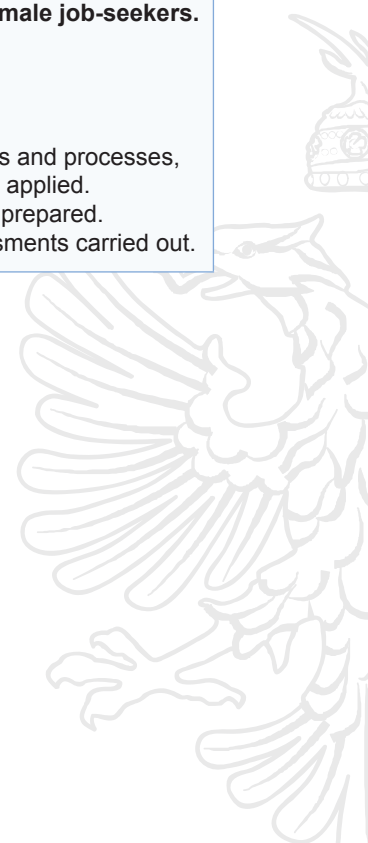
- Registers of unemployed people verified / updated to include only unemployed jobseekers.
- Brochures published about employment services offered.
- Unemployed registers updated to contain only active jobseekers.
- National standards on ethical and fair recruitment in Albania and internationally developed and enforced.
- ISCO/ ESCO list and the National List of occupations used by job counsellors.
- NES counsellors trained and capacitated to deliver gender-sensitive counselling that responds to inclusion goals and diversity needs.
- NES counsellors undertake profiling of jobseekers.
- NES counsellors do gender-sensitive group or individual counselling.
- Job clubs organised.
- Designated NES counsellors are capable to refer young female and male potential entrepreneurs among their clients to respective helpdesks, business development services and relevant support/training entities
- Migration counters in employment offices provide tailored counselling and guidance to all female and male returnee clients in order to facilitate the reintegration process.
- Continuous job counselling to immigrants, on application methods, documentation, criteria and procedures for obtaining a work permit and certificate for employment declaration.

## **A4. Improvement of the gender-sensitive monitoring and evaluation of employment measures**

### **A4.1 Development of a sustainable and gender-sensitive system for monitoring and evaluation, including implementation of impact evaluation of employment measures on sub-groups of female and male job-seekers.**

#### **Outputs:**

- Monitoring Plan for NES is designed and implemented including a proper methodology.
- Programmes monitored and evaluated according to agreed criteria, results and indicators.
- New policies are redefined or adjusted based on the regular monitoring reports.
- Gender equality and diversity criteria are integral part of all monitoring and evaluation procedures and processes, and the relevant indicators of the National Set of Harmonised Gender Indicators are consistently applied.
- Period reports on the achievements of gender-sensitive targets for employment and training are prepared.
- Labour market policies are adapted as per the main recommendations of the studies and assessments carried out.



## **B. Offer quality vocational education and training for youth and adults**

Investments in human capital and the quality of the education and training system are at the core of an innovative and competitive economy with more and better jobs.

Access to high quality education and training is a central element to determine the employability of the labour force and to influence the investment climate. Increasing men's and women's employability involves making sure that they acquire the skills, knowledge and attitudes that will allow them to find work and cope with unpredictable labour market changes throughout their working lives.

Efforts to increase enrolment rates at all educational levels to bridge the gap with European Union countries will be an ongoing priority. The focus of medium term reforms will be increasing the quality of educational outcomes, developing qualifications, improving the attractiveness and relevance of the vocational education system and anticipating skills needs to redress mismatches, and improving skills recognition. Educational gaps across regions and population groups will be identified and addressed.

Lifelong learning and training is instrumental to foster enterprise competitiveness and enhance labour productivity, as well as to improve job quality. Therefore, access to quality lifelong learning opportunities will be expanded to ease the participation of individuals of all ages, including those with special needs and disadvantaged groups.

The targets to be achieved by 2020 are: to increase the share of female and male students attending VET programmes to 25 per cent to increase the employment share of vocational education graduates to 40 per cent, out of which 25 per cent are females; to increase the share of the adult population participating in lifelong learning to 4 per cent; to increase the employment rate of participants in short vocational training courses to 55 per cent, out of which 75 per cent are females; increase the annual share of PWD VET students by 1 p.p. This will be attained by increasing the vocational education and training investment by 30 per cent by 2020.

Main policy objectives and respective outcomes and outputs are shown in the table below.

Strategic Priority B. Offer quality vocational education and training for youth and adults
<b>Outcome Indicator: VET system is capable across sectors to prepare and maintain a skilled work force answering to the existing demand in Albania and in the SEE region labour market</b>
<b>Indicators:</b> Up to 25 per cent increase of the share of female and male students attending VET programmes 25 per cent are females of the 40 per cent employed from vocational education graduates Up to 4 per cent increase of adults participating in lifelong learning Up to 55 per cent increase of employment rate of short training courses participants, out of which 75 per cent are females Increase the annual share of PWD VET students by 1 p.p. 30 per cent increase of investment for VET by 2020
<b>B1. Optimising the VET providers network and diversifying offers (including the definition of competences by sectors)</b>

**B1.1 Assessment and reorganisation of the main VET providers at regional level.****Outputs:**

- National Baseline Survey of public VET providers is completed.
- National public network of VET providers is rationalized and re-conceptualised according to labour market needs, migration and demographic trends, as well as principles of multi-functionality, equality, diversity and flexibility of VET provision.
- Detailed plans elaborated jointly with all stakeholders on how to implement the transfer or merging of schools/VTCs into new networked structures in each region and within each institution.
- Operational plans implemented.
- Some VET providers are developed into multifunctional centres of competence for certain sectors (in charge of curriculum development and teacher training for the respective sector in Albania) through public-private partnerships.
- VET providers are knowledgeable about labour migration trends in Albania and interest among the population to obtain skills on demand in main destination countries, especially in the SEE region.

**B1.2 Maintaining the database and quality assurance of training provision by private VET providers country-wide.****Outputs:**

- System for accrediting VET providers (including private ones) further developed to assure quality of provision.
- More and more VET providers voluntarily adhere to a self-developed "quality label" system.
- Private training providers have included the qualifications and training offered by them in the database.

**B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes****B2.1 Analysis and upgrading of buildings, workshops and equipment available in VET providers, including facilities for girls/women amenities, and required amenities responding to the needs of PWDs.****Outputs:**

- Once the VET providers' network and the range of profiles to be offered in each VET institution have been redefined, an in-depth analysis by sector experts into the required infrastructure upgrading is undertaken.
- Strategic Facilities and Equipment Investment Plan 2015-2020 defined in line with sectoral priorities, new VET provider network plan, national and regional Skills Need Analysis and respective diversification of VET offers, private sector involvement in VET delivery, based on clear criteria ( following quality training standards) and balanced and agreed at regional level.
- VET providers equipped according to the investment plan, including safe amenities and facilities for girls/women, and infrastructure and equipment responding to the needs of PWD.
- Contracts with companies to use their equipment and facilities promoted and established by VET providers based on an analysis of which companies comply with certain standards to offer training places.

**B2.2 Create a National Catalogue of Vocational Qualifications and revise all VET frame curricula.****Outputs:**

- New VET curriculum model (modular system) defined jointly with NAVETQ staff and approved, based on competence standards for each learning area.
- National List of professions revised/ National Catalogue of Vocational Qualifications designed and adopted.
- Sector Councils with the participation of social partners have been set up and defined qualifications/ competences for selected priority sectors and qualifications.
- NAVETQ actors trained and frame curricula for long and short courses revised, based on job descriptions and qualification descriptions ("national qualification or competence standards") and on examples developed by donors.
- Actors in VET institutions trained and frame curricula further developed/ adjusted (and revised at regular intervals) in collaboration with experts from the business world.
- Quality assurance criteria for official approval of VET curricula are defined.
- One national competence-based framework curriculum for each qualification, published online as part of the National Catalogue for Vocational Qualifications.
- Gender equality and diversity goals are integrated into VET design, contents and provision, and gender stereotypes in profiling, curricula, promotion and teaching methodologies are eliminated.
- VET providers develop programmes which are tailored towards preparing specialists in professions on demand in other countries, taking into consideration Albania's strategic advantage and overall governmental policy towards providing employment of nationals in other countries.
- There are cooperation platforms between VET providers and their counterparts abroad on sharing best practices and modern education technologies.

**B2.3 Review of existing and develop new programmes for post-secondary VET provision.****Outputs:**

- Qualifications identified reflect sector skill needs.
- Occupational and qualification standards developed
- Curricula for post-secondary VET developed for priority sectors and qualifications and published online as part of the National Catalogue of Vocational Qualifications.
- Inter-institutional cooperation arrangements between schools and universities in place to deliver post-secondary VET.
- Teachers/ trainers trained on post-secondary VET programmes.
- Conditions for practice learning in place enhanced together with the private sector.
- Cooperation agreements for implementation of post/secondary VET programmes or other higher non-university studies are established between HE institutions, VET providers and private sector.

**B2.4 Evaluation of existing teaching materials, including their gender equality content and existence of gender stereotypes, as well as adequacy for PWDs.****Outputs:**

- Teaching and learning materials (rather than textbooks) to accompany new curricula are developed (Model to be considered as used for economic schools).
- Gender-sensitive revision completed.
- Adequacy for PWD assessed and gaps identified.
- Teaching and learning materials published in e-book formats online in the web portal for the VET System.

**B2.5 Definition and implementation of quality assurance criteria of VET system (at providers' level) and changing the internal and external verification of VET curriculum implementation (inspection).****Outputs:**

- Accreditation and quality assurance criteria for public and private providers redefined and linked to whether they offer training for employable skills.
- Public VET providers undertake self-evaluation and implement own development plans.
- Role and criteria for inspection of public VET provision redefined (national standards).
- Multiannual plan for VET providers' inspections being implemented.

**B3. Raising the image of VET and informing about VET providers, qualifications and training offers****B3.1 Running publicity/ awareness-raising campaigns about importance of and opportunities in VET and LLL for girls, boys, women and men in urban and rural areas.****Outputs:**

- TV spots, talk shows, newspaper articles, posters/ banners, leaflets, brochures which are free from gender stereotypes and transmit an inclusive message are produced and distributed.
- Information on VET pathways to primary school pupils disseminated.
- Annual Career and job fairs organised.
- Open door days of VET providers organised.
- School pupils' taster days in businesses organised.
- Job insertion and salary levels of graduates from reformed VET analysed.
- Focused approach on outreach to women and girls in rural and urban areas pursued.
- Coaching for girls and boys opting for training in non-traditional occupations.
- Girls' uptake of non-traditional courses (particularly in high-potential and high-productive sectors) publicly promoted.

**B3.2 Design a public interactive, searchable web portal/database on qualifications, curricula and training offers by VET providers.****Outputs:**

- Demand-oriented, interactive, user-friendly database, searchable by region/ location, sector/ qualifications and VET offers, incl. links to providers' web links for further information is made available.
- Approved curricula and teaching materials available published online.
- Data updated by NAVETQ and by VET providers as a matter of publicity (to be used by potential learners, NAVETQ, NES, and social partners).
- Publicity to ensure use by potential learners, NAVETQ, employment services.

**B3.3 Preparation of the participation of Albanian VET students in national, European and World skills competitions and related media promotion.****Outputs:**

- Albanian female and male VET students participate in national EuroSkills and World Skills competitions.

**B4. Strengthening the linkages between learning and work and facilitating the transition to work**

**B4.1 Introduction of an already tested model in all VET institutions to organise links between VET institutions and businesses.**

**Outputs:**

- Teachers in all public VET institutions have the PASO or similar role (teachers require relevant technical background for the given occupational areas).
- Training to be delivered to the teachers selected for implementing such a model.

**B4.2 Establishment of agreements with companies and/or business associations that meet the criteria for offering training to students.**

**Outputs:**

- Agreements with businesses and/or business associations, chambers signed by the Ministry (and in the future by the VET providers).
- Periodical renewal of agreements (facilitating role by the Ministry).

**B4.3 Organisation of elements of a dual system approach, including internships of VET students as part of the VET curriculum.**

**Outputs:**

- Lessons learned from past experiences under Swisscontact and GIZ projects analysed.
- Elements of a dual training model are implemented, including project and work-based learning in VET institutions and company internships have become a systematic part of VET curriculum implementation in strong cooperation with private sector.

**B4.4 Promotion of entrepreneurial learning and women's entrepreneurship as a key competence.**

**Outputs:**

- Recommendations from BDI strategy and from EU Small Business Act assessment (OECD/ETF 2013) have informed a joint (MoEDTE, MoSWY, MoES, MARDWA) Entrepreneurial Learning Strategy.
- Joint action plan for Entrepreneurial Learning, including the design of curricula, teaching materials, teacher training, part of initial VET and adult training drafted and implemented, both as part of business education and as a compulsory subject for all.
- Key competencies captured by the EU Small Business Act Istanbul Indicators are reflected in VET training curricula and courses.
- Tailor-made entrepreneurship programmes specifically targeting girls and women, including in rural areas.
- Leadership and management skill programmes developed and conducted specifically targeting women and girls.

**B4.5 Development of learning materials related to the transition to work skills.**

**Outputs:**

- Learning materials developed and teachers trained for implementing compulsory Skills for Life subject in secondary education.
- In line with national gender policy, promotion of women's and girls' uptake of non-professional courses, particularly in high-potential and high-productive sectors of the Albanian economy.

**B5. Enhancing recruitment and improving competences of VET teachers and teacher trainers (incl. pre service training and continuous professional development), staff in charge of regional management, school or centre directors/managers.**

**B5.1. Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure quality of teaching and learning.**

**Outputs:**

- Approved policy paper regarding competence standards, pre service training and induction periods, certification, criteria for selection or recruitment, salary levels and continuous professional development of VET teachers and instructors (referring back to resp. CARDS document).

**B5.2 Assessment of competences of VET teachers in public VET institutions and carrying out of an analysis of the demand for VET teachers and instructors, nationwide and by profile.**

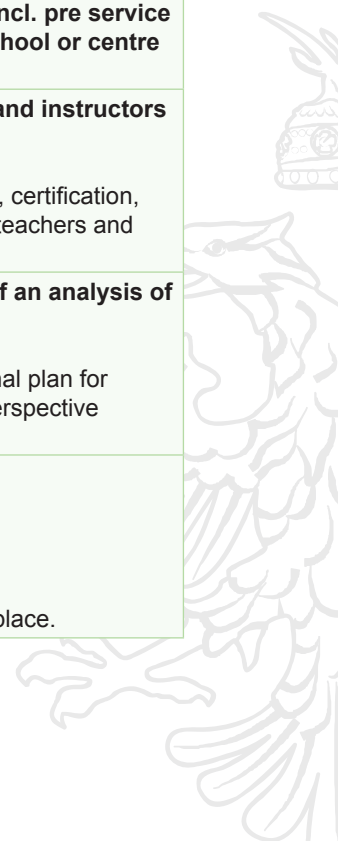
**Outputs:**

- Once regional VET providers' network and VET profiles to be offered have been redefined, a national plan for selection/ recruitment and development of VET teachers and instructors/ specialists in 5-10 year perspective approved.

**B5.3 Review of the VET teachers' preparation model.**

**Outputs:**

- VET teacher pre-service programme revised.
- Training actions to VET instructors in pedagogical elements delivered.
- Pre/service training program implemented as of 2015.
- Accreditation mechanism for the access to the VET teacher occupation and training actions are in place.



**B5.4 Induction of training for all potential VET teachers that includes obligatory modules on gender equality and social inclusion/diversity issues****Outputs:**

- Compulsory induction training on gender equality and social inclusion/diversity issues for potential VET teachers implemented.

**B5.5 Organisation and delivery of extensive training for all VET teachers (in-service), including obligatory capacity development on gender equality and social inclusion/diversity issues.****Outputs:**

- Training needs identified.
- Database of trainers (including those trained under different donor projects), by specialist area, for both pre and in service training prepared.
- List of available training modules recorded in a database.
- Annual plan to organise VET teacher training defined and funds allocated.
- Networks of teachers in the same occupational field organised (as communities of practice).
- Online teacher materials for self-learning adopted.
- Modules on gender equality and diversity knowledge skills are integral part of VET teacher training materials.

**B5.6 Organisation and delivery of training for managers of public VET human resources (regional managers, directors, Board members, VET inspectors).****Outputs:**

- Training needs identified.
- Database of accredited (gender) trainers and training modules created and updated.
- Network of directors of VET institutions exchange information, learn and solve problems.
- Training actions to managers, directors, Board members and other VET human resources are delivered starting from 2015.



### C. Promote social inclusion and territorial cohesion

Educational attainment, labour market status and geographical location are strong determinants of poverty. Addressing existing gaps in these areas will have a positive impact on reducing social exclusion among vulnerable groups of the population (low-skilled individuals, long-term unemployed, women working as contributing family members and youth living in rural areas). Targeted education and training policy actions will be used to reduce gaps in educational and training outcomes between rural and urban areas and between poor and non-poor students.

Access to quality education and training, more and better job opportunities and coherent action against the informal economy are necessary conditions to improve the living standards of the population. Equity concerns, however, demand that specific interventions be deployed to address the needs of individuals at risk of poverty and social exclusion through better access to education, employment and social services as well as employment and income opportunities. The coordination between social assistance programmes and active labour market measures will allow activation strategies grounded on a mutual obligation system.

For social inclusion purposes, the focus of the present Jobs and Skills Strategy centres on three policy areas. First, the reform and expansion of the National Employment Service, accompanied by an improvement in the range and coverage of employment services and active labour market programmes, will be vital for the improvement of both labour market attachment and employment prospects of population groups at risk of marginalization. Second, higher productivity in the agricultural sector (as the main objective of the Sectoral Agricultural and Rural Development Strategy) will spill over into the food production chain, thus increasing off-farm employment and earnings opportunities for individuals living in rural areas. Finally, the reform of social safety nets will improve the equity, efficiency and effectiveness of the social protection system, reduce leakages and target errors thus, freeing resources to expand coverage and the level of benefits. The linkages with employment will also be strengthened by the introduction of services and programmes to shift beneficiaries from social assistance to employment.

The targets under this priority encompass: the decrease in the long term unemployment rate for women to 61.0 per cent and for men to 59.0 per cent. of total unemployment; the decrease in the youth unemployment rate (15-24 years old) for young females from 33.8 per cent to 25.0 per cent and for young males from 43.6 per cent to 35.0 per cent; the reduction of the gender wage gap in 4 per cent point; raise the share of social assistance beneficiaries referred to employment promotion programmes to 10 per cent of total participants; increase the annual number of women and men covered by social and health insurance by 1 per cent point; and lower the urban rural employment divide across regions to 1:2.

Main policy objectives and respective outcomes and outputs are shown in the table below.

#### Strategic Priority C. Promote social inclusion and territorial cohesion

**Outcome Indicator: All women and men have access to training and support services enabling their contribution to, and benefiting from, socio-economic development across regions, especially the rural population.**

##### **Indicators:**

Decrease of long term unemployment for women to 61.0 per cent, for men to 59.0 per cent  
 Decrease in youth unemployment for girls from 33.8 to 25.0 per cent, for boys from 43.6 per cent to 35.0 per cent  
 Reduction of the gender wage gap in 4 per cent point  
 10 per cent of social assistance beneficiaries come from employment promotion programmes  
 Annual number of women and men covered by social and health insurance by 1 per cent point

## C1. Extending employment and vocational training services to rural areas

### C1.1 Establishment of inter-ministerial cooperation to address the situation in rural areas, including the coordination with government initiative and strategies including Strategy for Rural Development.

#### Outputs:

- Inputs to Rural Development Strategy by Ministry of Agriculture and Rural Development provided.
- Statistical survey methodologies revisited to consider women and men living in rural areas.
- New system in place for registering female and male unemployed jobseekers from rural areas.
- Reconsider definition of “self-employed” in rural areas together with INSTAT. People (families) who own a piece of land are not self-employed *per definitionem* (e.g. Macedonia and Romania do cover people in villages).
- System for registration of female and male rural workers, payment of a small tax for receiving minimum social protection and employment services in return defined and implemented.
- Statistical methodology tracking female/male rural out-migration established.
- Areas of significant out-migration from rural areas to urban areas are mapped.

### C1.2 Expansion of the employment services to rural areas.

#### Outputs:

- Territorial coverage of NES office/services is mapped out. (Focus on uncovered areas with a view to ensure service delivery according to regional differences.)
- NES staff has updated their knowledge on needs of women and men in rural areas and the support including training and other ALMPs to which they could be referred. Action Plan including capacity building of NES staff is drafted and implemented.
- Initiatives to promote registration of unemployed women and men from rural areas are developed.
- Mobile units offer employment services to female and male unemployed jobseekers in rural areas.

### C1.3 Increase of VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas.

#### Outputs:

- Public or private training providers to establish satellites or mobile units to offer training courses also in rural areas, tailored to the needs of rural population, including female and male youth and women of all age groups.
- Basic & practical skills courses for crafts trades, farming, food processing offered to female and male rural workers.
- Post-secondary VET to cover agro-food processing technician training, particularly for women.

### C1.4 Training and employment of marginalised and disadvantaged women and men, including Roma and PWDs.

#### Outputs:

- A new program on wage subsidies and on the job training for people with PWDs will be implemented for the first time in 2014.
- Review of the ALMMs is carried out and new measures designed.
- New measures for employment promotion of marginalised and disadvantaged women and men, among which Roma and PWDs are extended to rural areas.

## C2. Promoting social entrepreneurship (social economy and the third sector jobs) and women’s economic empowerment

### C2.1 Design and implementation of measures in relation to social entrepreneurship.

#### Outputs:

- Increase in the number of women and girls benefiting.
- Tracer study on female/male beneficiaries progressing into employment, start-up, clusters etc, in rural and urban areas.
- Mentoring programme for women and girls in place and accessible in rural areas.
- Concept of social enterprise (incl. model of cooperatives) is defined and addressed through proper legislation, in a SEE regional perspective.
- Comprehensive start-up strategies consisting of an all inclusive consultancy, professional business idea assessment is composed.
- Modularised training in preparation of a start-up and on-going consultancy for at least the first year of self-employment is assured.
- Required qualifications ensuing from the Small Business Act for Europe - Istanbul Indicators integrated into NES modules, and reflected in all training, coaching, counselling and business consultancy measures.
- Increased access to training and the labour market for women by supporting policies, measures and initiatives that aim at reconciling work and family life (e.g. child care facilities), including in rural areas.
- Inter-sectoral cooperation between the Policy Advisory Group on Women’s Entrepreneurship (MoEDTE), NES and the VET system.

**C2.2 Creation of conditions for fostering female and male employment in the third sector (social enterprise focus).****Outputs:**

- Capacity building of NGOs including improvement of management knowledge and skills, supporting professionalism, training for the establishment and implementation of new business, and promotion of “learning partnership” is promoted.
- Training of local and regional authorities and public institutions how to work with third sector organizations is delivered.
- Cooperation between NGOs and the business sector is promoted.

**C3. Introduce an activation strategy to minimize inactivity and welfare traps****C3.1 Reform of social assistance system to avoid leakages, targeting errors and increase coverage of eligible individuals and to link welfare with reintegration into the labour market.****Outputs:**

- Harmonized delivery of employment and social services to address the needs of individuals facing multiple disadvantages, maximize the interaction between passive and active policies, identify disincentives to labour market participation, and reduce welfare dependency.
- A system combining social welfare and active labour market policies (possibly including a community works programme) is established to support labour market integration of *Ndihma Ekonomike* recipients.
- A monitoring mechanism is established which tracks the situation of vulnerable and/or socially excluded women and men in Albania, including those affected by migration.



#### ***D. Strengthen the governance of the labour market and qualification systems***

Effective employment, education and training policies call for improved administration, efficient use of financial resources and better design, monitoring and evaluation of outcomes.

Improving labour administration requires building the capacity of labour market institutions, namely the Departments of MoSWY responsible for employment, migration and VET policies, the National Employment Services (NES), the National Agency for Vocational Education and Training and Qualification (NAVETQ) and the National Inspectorate for Labour and Social Service (NILSS) to manage their core tasks.

The strategy to improve the governance of the labour market is based on a multi-pronged approach, grounded in robust social dialogue mechanisms, which includes: i) strengthening the capacity of the Employment Policy Department of MoSWY to manage the employment policy cycle (i.e. analysis, planning, formulation, monitoring and evaluation of employment policy); ii) establishing an autonomous structure for the administration and development of VET; iii) improving the quality, relevance and coverage of the vocational education and training system both at national and international level through the Albanian Qualification Framework (AQF) implementation; iv) modernising the legal framework; and v) improving the quality of labour market information and its usability.

The reform of the skills governance system will centre on: the development of evidence-based policies; a more effective planning and management system; skill needs identification; optimization of education and training service delivery; and leveraging resources. The mandate of the new structure (current NAVETQ), entrusted to plan, coordinate and evaluate the provision of vocational education and training, will be defined in collaboration with the social partners. Social dialogue will underpin: the design, monitoring and evaluation of national education and training policies; the identification of skill needs; the design of qualifications; the management of vocational education and training; the provision of enterprise-based learning and internships; and the assessment of individuals' competences. Vocational education and training provision will be expanded in occupations and skills most in-demand in the labour market, as established by the skills forecasting system, and in line with the requirements of a knowledge-based economy. The Albanian Qualification Framework will be operationalized through: the development of standards and qualification pathways; the introduction of recognition and certification systems; the upgrading of curricula, programmes and teaching and training methodologies, in partnership with the private sector. The financing system will be revised to also promote private-public partnerships and guarantee the achievement of the strategic priorities established through the creation of an Employment and Skills Development Fund.

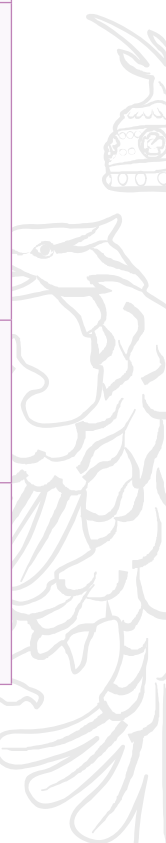
A modern governance system requires an effective public administration, strong social dialogue, efficient use of financial resources and sound design, monitoring and evaluation of labour market policies. A result-based management system will be established by the MoSWY to regularly assess the quality of service delivery and the outcomes achieved by labour market policies. Such a system will: (i) identify in measurable terms the results being sought and a roadmap for their achievement; (ii) set gender-sensitive targets and indicators (to judge performance); (iii) develop a method for the regular collection of sex-disaggregated data including but not limited to the National Set of Harmonised Gender Indicators to compare the results achieved against the targets; (iv) integrate evaluations to gather information not available through monitoring; and (v) use monitoring and evaluation information for decision-making, accountability and strategic planning.

The targets under this policy priority – aside increasing the employment rate of female and

male vocational educational graduates and the proportion of individuals benefitting from lifelong learning already mentioned above – are to achieve at least 80 per cent of the targets established by the Action Plan of the Employment and Skills Strategy; to have 75 per cent of the staff of MoSWY working on core issues of Employment and VET policies; to create an Employment and Training Fund; to create better mechanisms for monitoring and evaluation of the labour market and VET outcomes; to have a modern legal framework aligned with the EU standards, including a further developed Albanian Qualification Framework; to have strengthened the social dialogue; and to have an increased involvement of the private sector in the governance and financing of the sector.

Main policy objectives and respective outcomes and outputs are shown in the table below.

Strategic Priority D. Strengthen the governance of labour market and qualification systems
<b>Outcome Indicator: Labour market and qualification systems are well governed and use the financing and human resources in a transparent and effective manner</b>
<p><b>Indicators:</b></p> <p>75 per cent of the staff of MoSWY working for Strategy reforms            At least 80 per cent of the targets established by the Action Plan of the Strategy achieved            Establishment of Employment and Training Fund            Establishment of sound mechanisms for monitoring and evaluation of the labour market and VET outcomes            A modern legal framework aligned with the EU standards, including a further developed Albanian Qualification Framework            Strengthen social dialogue            Increased involvement of the private sector in the governance and financing of the sector</p>
<b>D1. Reforming the financing and governance of the labour market and VET systems</b>
<p><b>D1.1. Creation of an Employment and Skills Development Fund.</b></p> <p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Employment and Skills Development Fund principles and mechanisms for both the collection of contributions and the disbursement of funds developed in consultation with the private sector and donors.</li> <li>▪ Legislation for Employment and Skills Development Fund drafted and adopted.</li> <li>▪ Employment and Skills Development Fund managers and staff recruited and trained.</li> <li>▪ Employment and Skills Development Fund procedures drafted and made operational.</li> <li>▪ Annual implementation plans drafted and implemented through specific regulations.</li> <li>▪ The role of business as intermediaries is strengthened.</li> <li>▪ Calls for applications published to fund training and employment measures according to specific criteria.</li> <li>▪ Contracts with providers signed and managed.</li> <li>▪ Awareness-raising, publicity, monitoring, evaluation and reporting activities implemented.</li> </ul>
<p><b>D 1.2. Creation of (an) autonomous structure(s) for the administration, the development and oversight of VET (the current NAVETQ).</b></p> <p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Revised Law and related by-laws drafted and adopted.</li> <li>▪ Strong private sector participation ensured in the decision-making of the structures and annual development activities.</li> <li>▪ Structure(s) for the administration and development of VET in Albania established and organisational chart and tasks defined.</li> <li>▪ Staff recruited and all staff trained in line with the new tasks and a training needs analysis.</li> <li>▪ Annual plans for VET development approved in line with NESS 2020 Action Plan and progress reporting assured.</li> </ul>
<p><b>D 1.3 Strengthening the role of the National Labour Council.</b></p> <p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Functional National Labour Council with tripartite representation is approved.</li> <li>▪ Legal framework for the operationalization of the National Labour Council is in place.</li> <li>▪ Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.</li> </ul>
<p><b>D 1.4 Creation of a National Council for Employment and VET.</b></p> <p><b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Mechanisms for regular meetings of National Council for Employment and VET are created.</li> <li>▪ <i>Ad hoc</i> working committees are established.</li> <li>▪ Operational Plan of the National Council for Employment and VET is in place and regularly updated.</li> <li>▪ Deliberations on gender-equitable Employment and VET governance and financing are taken timely.</li> </ul>



<p><b>D2. Developing and implementing the Albanian Qualification Framework</b></p> <p><b>D2.1 Review of the work undertaken on vocational qualifications of the AQF.</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Legal framework for AQF has been reviewed.</li> <li>▪ Legal package (financial, administrative etc. regulations) has been prepared.</li> <li>▪ Reviews undertaken on the work done so far on qualifications by NAVETQ and under different donor projects, and on qualifications offered by public or private VET providers or universities or existing only on paper.</li> <li>▪ Research of various models for implementation of the credit system in VET is undertaken.</li> <li>▪ Albanian credit system model is conceptualised.</li> </ul>
<p><b>D2.2 Establishment and operationalization of sector committees.</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Sectors of strategic importance to Albania have been prioritised and sector committees established with social partner representation.</li> <li>▪ Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.</li> <li>▪ Sector committees reviewed qualifications required within their sector.</li> <li>▪ NAVETQ revised list of professions.</li> <li>▪ Sector committees developed occupational standards at different levels of competence for a prioritised list of occupations.</li> </ul>
<p><b>D2.3 Revision and linking of curricula to the Albanian Qualifications Framework.</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Curricula revised on the basis of qualifications referenced to AQF levels.</li> </ul>
<p><b>D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/ recognition of prior learning.</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Bodies appointed and procedures in place for the validation of qualifications; assessments of knowledge, skills and competences; certification; and validation of prior learning.</li> <li>▪ National system of qualifications is capable of recognizing work experience, skills and qualifications received abroad.</li> </ul>
<p><b>D3. Improving the quality and gender-sensitivity of labour market information and ensuring its use for more equitable and effective governance, including funding</b></p> <p><b>D3.1 Gender-sensitive review of existing surveys and analysis of skills needs at national and regional levels.</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Regular gender-sensitive national skill needs analyses carried out and findings published on line.</li> <li>▪ Skills needs assessment and related methodologies take into account mobility/migration of the population.</li> <li>▪ Capacity development measures that ensure that gender equality, diversity and equal opportunity aspects are integrated into all methodologies and studies, and into the analysis and interpretation of VET and labour market data.</li> <li>▪ Regional skill needs, using ETF-GIZ baseline study and regional development plans (UNDP), among others.</li> <li>▪ National and regional skill needs analyses have informed the re-conceptualization of the network of VET providers and the gender-sensitive VET profiles offered in Albania and in each region.</li> </ul>
<p><b>D3.2 Establishment of a gender-sensitive tracer system for VET graduates (initial and continuous training).</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Gender-sensitive tracer systems implemented by all VET providers and results released to the general public.</li> <li>▪ Female and male graduates are tracked and gaps in gender-specific data and information closed.</li> <li>▪ Results obtained through gender-sensitive tracer studies inform VET and labour market policy, management, decision-making, prioritization and budget allocation.</li> <li>▪ Employment policy makers are capable of recognizing skill gaps in the national labour market and elaborate measures promoting skill transfer/borrowing from other labour markets.</li> </ul>
<p><b>D3.3 Developing information sharing instruments about gender-sensitive labour market data (labour market bulletins, websites etc.).</b>  <b>Outputs:</b></p> <ul style="list-style-type: none"> <li>▪ Gender-sensitive labour market data are released regularly.</li> <li>▪ Gender equality, diversity and equal opportunity goals are integrated into all procedures and processes of information sharing, and into the analysis and interpretation of labour market data.</li> <li>▪ Labour market information system (LMIS) is capable of feeding into decision making on broadening/narrowing access of foreigners to labour market in Albania, identifying sectors, locations with labour shortages and structural imbalances.</li> <li>▪ Gender-sensitive labour mobility/migration indicators are inserted into the LFS and monitored.</li> <li>▪ Methodology for gender-sensitive measuring of labour migration in Albania is developed and applied for generation of statistical data.</li> <li>▪ Regular gender-sensitive report on labour mobility/migration within, to, and out of Albania is produced.</li> </ul>

**D3.4 Establishment of mechanisms for sectoral skills forecasting.**

**Outputs:**

- Sectoral skills forecasting methodology is designed.

**D4. Modernising the legislative framework for VET (initial VET and adult training)**

**D4.1 Review of all pieces of existing legislation that regulate VET (in schools, VTCs, or higher professional education at universities, by public or private providers) and aspects related to VET (curriculum development, teacher training etc.).**

**Outputs:**

- Legal working group is created to review examples from other countries and design a new comprehensive VET framework legislation.
- New framework VET legislation that regulates all aspects of a modern VET system in place.

**D5. National legislation regulating mobility and labour market governance are in line with the country's broader socio-economic development goals and *EU Acquis***

**D5.1. Approximation of relevant Albanian legislation with EU Directives.**

**Outputs:**

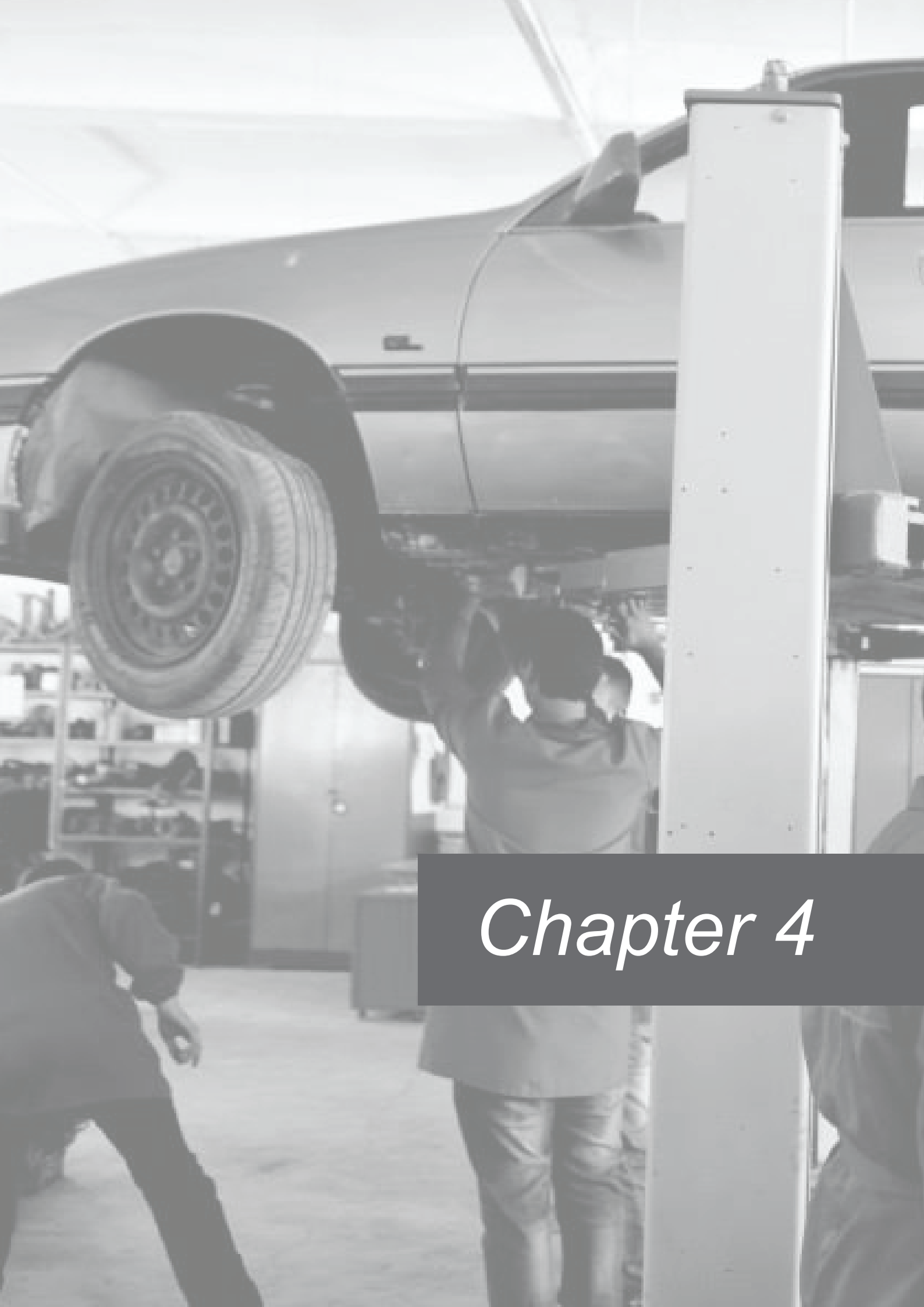
- Legislation adopted in conformity with EU legislation.
- Compliance is ensured on blue card directive, seasonal worker directive, single permit, researchers and scientists, family unification.
- SEE regional labour market is more inclusive and labour mobility is promoted across countries.

**D5.2. Closing of skills gaps in the local labour market by active employment of specialists.**

**Outputs:**

- Skill transfer programmes are facilitated in the SEE region.





## *Chapter 4*

## CHAPTER 4

## FINANCIAL RESOURCES

The total budget projected to be at the disposal of the Ministry of Social Welfare and Youth, based on the allocations used for the Mid-Term Budget Programme, for the 7-years period of the Employment and Skills Strategy is around 525 Million 000/ALL. The majority of it is allocated to Social Insurance and Social Protection measures as shown in the following table.

**Table 19: Mid-Term Budget Programme 2014–2017, Ministry of Social Welfare and Youth**

Sub-sector	Budget (*) (000/ALL)			
	2014	2015	2016	2017
Social protection	22.744.700	21.740.500	21.768.000	22.969.500
Labour market and VET	1.820.450	1.959.500	1.986.000	2.026.000
Social Inclusion	26.500	33.500	33.500	34.500
Labour inspection	163.500	185.500	189.500	182.500
Social insurance	46.871.000	50.501.000	50.992.000	52.364.000
Planning and management	198.700	155.100	146.100	150.100
<b>State budget Total</b>	<b>71.824.850</b>	<b>74.575.100</b>	<b>75.115.100</b>	<b>77.726.600</b>

(\*) The figures included in these tables have been provided by the Ministry of Social Welfare and Youth as per the Mid-Term Budget Planning. Amounts allocated to the support to religions and persecuted people over the communist regime are not considered here.

The overall cost estimated for the implementation of this Strategy and its Action Plan is about 9.7 Million 000/ALL. The allocated resources of the MoSWY for VET and Employment policies implementation can only cover 25-30 per cent of the estimated cost of the implementation of this Strategy.

The budget required by strategic priority/policy objective is shown in Table 20.

**Table 20: Planned budget 2014–2020, Ministry of Social Welfare and Youth**

Strategic Priorities Sub-objectives	Planned budget 2014-2020 (000/ALL)
<b>A. Foster decent job opportunities through effective labour market policies</b>	
A1. Modernising the National Employment Service, including headquarters and regional and local offices	64.847
A2. Continuous improvement of legal and institutional framework in compliance with ratified international labour standards	58.783
A3. Expanding the range and scope of employment services and programmes (active labour market policies)	1.449.305
A4. Improvement of the gender-sensitive monitoring and evaluation of employment measures	25.338
<b>Sub-total Strategic Priority A</b>	<b>1.598.273</b>

<b>B. Offer quality vocational education and training for youth and adults</b>	
B1. Optimising the VET providers network and diversifying offers (including the definition of competences by sectors)	3.087.458
B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes	187.498
B3. Raising the image of VET and informing about VET providers, qualifications and training offers	344.590
B4. Strengthening the linkages between learning and work and facilitating the transition to work	765.192
B5. Enhancing recruitment and improving competences of VET teachers and teacher trainers (incl. pre service training and continuous professional development), staff in charge of regional management, school or centre directors/managers	983.095
<b>Sub-total Strategic Priority B</b>	<b>5.367.833</b>
<b>C. Promote social inclusion and territorial cohesion</b>	
C1. Extending employment and vocational training services to rural areas	1.013.500
C2. Promoting social entrepreneurship (social economy and the third sector jobs) and women's economic empowerment	506.750
C3. Introduce an activation strategy to minimize inactivity and welfare traps	304.050
<b>Sub-total Strategic Priority C</b>	<b>1.824.300</b>
<b>D. Strengthen the governance of labour market and qualification systems</b>	
D1. Reforming the financing and governance of the labour market and VET systems	390.198
D2. Developing and implementing the Albanian Qualification Framework	400.333
D3. Improving the quality and gender-sensitivity of labour market information and ensuring its use for more equitable and effective governance, including funding	101.350
D4. Modernising the legislative framework for VET (initial VET and adult training)	10.135
D5. National legislation regulating mobility and labour market governance are in line with the country's broader socio-economic development goals and <i>EU Acquis</i>	81.080
<b>Sub-total Strategic Priority D</b>	<b>972.961</b>
<b>Overall costs - Total</b>	<b>9.763.367</b>

As part of the funding strategy established for the implementation of the planned employment and skills policies, the Government of Albania has established cooperation mechanisms with different international donors, which have already allocated to the period of 2014 - 2016, about 19 Million 000/ALL (13.5 Million EUR) for this sector. A significant amount for funding these policy options can be also found in the EU Country Strategy Paper for Albania, in which it is foreseen 69 Million EUR (97 Million 000/ALL) to be allocated to the Social Sector reforms, in which employment and skills development policies are included, for the period 2014-2020. The allocation of the IPAll funds<sup>53</sup> over the period 2014-2020 will be the following: 5 Million EUR for 2014; 14 Million EU in 2016; and 50 Million EUR for the period 2018-2020.

<sup>53</sup> These amounts will cover the social sector, including social protection, economic assistance, etc.







## *Chapter 5*

## CHAPTER 5

## ACCOUNTABILITY, MONITORING AND ASSESSMENT ANALYSIS

The Employment and Skills Strategy (with its list of targets) will become an integral part of the Integrated Planning System (IPS) and Mid-Term Budget Programme (MTBP) mechanisms established by the National Strategy for Development and Integration (NSDI). The monitoring of the Strategy will comprise the regular examination of the resources, outputs and results of policy interventions. It will be based on a system of information gathering and analysis of performance indicators as presented in detail in Annex 1. Performance indicators are required to include, but not be limited to, the sub-set of the National Set of Harmonised Gender Indicators related to women's economic empowerment and access to employment and training.<sup>54</sup>

The Ministry of Social Welfare and Youth (MoSWY) will have the responsibility to systematize the monitoring information for presentation to the Government. This will describe in detail the delivery of inputs, the activities conducted and the results achieved.

The objectives and outputs of the Employment and Skills Strategy will be operationalized through its Action Plan and additional thematic planning documents. The implementation of the Action Plan will be monitored through performance indicators that measure the outcomes and outputs of each strategic area, assign responsibilities for implementation and allocate financial resources.

**Table 21: Targets of the Employment and Skills Strategy 2014-2020**

Indicator	Means of verification	Baseline LFS 2012 reprocessed data (r)	Targets 2017	Targets 2020
<b>Recommended indicators by World Bank's M&amp;E capacity development for the Western Balkans and Turkey</b>				
Youth neither in employment nor education or training	LFS	31.3%	25.0%	20.0%
Registered unemployed benefitting from employment promotion programmes	NES	<1%	3.5%	10.0%
Incidence of long-term unemployment	LFS	75.1% (females) 76.6% (males) 74.3%	65.0% 66.0% 64.0%	60.0% 61.0% 59.0%
<b>SEE 2020 and other related indicators</b>				
Employment-to-population ratio	LFS	35.0%	42.0%	50.0%
Labour force participation rate	LFS	31.3%	38.0%	45.0%
Unemployment rate	LFS	26.6%	22.0%	15.0%
Youth unemployment rate (15-24), by sex	LFS	40.3% (females) 33.8% (males) 43.6%	35.0% 30.0% 40.0%	30.0% 25.0% 35.0%

<sup>54</sup> Adopted through Ministerial Order no.1220, dated May 27, 2010.

Work force by main economic sectors	LFS	Agriculture 48.2% Industry 16.0% Services 33.0% Other not clas.2.7%	49.5% 17.0% 32.5% 1.5%	50.0% 18.0% 32.0% 0.0%
<b>EU Benchmarking indicators</b>				
Employment rate of vocational education graduates	LFS	15.7%	25.0%	40.0%
Share of individuals (25-64yrs) participating in lifelong learning	LFS	1.1%	2.5%	4.0%
<b>Related to the Governmental Program</b>				
Gender gap in employment	LFS	16.4 p.p.	14 p.p.	10 p.p.
Share of working poor/low wage workers	LSMS	59.0%	55.0%	50.0%
Share of employment programme beneficiaries employed after participation	NES	43.0%	49.0%	55.0%
Share of social assistance beneficiaries referred to ALMPs	NES	1.4%	5.0%	10.0%
Registered unemployed benefitting from basic employment services	NES	36.0%	50.0%	60.0%
Share of GDP invested in ALMPs	National Accounts	0.016%	0.025%	0.032%
Share of female and male students attending vocational education and training	Education statistics	14.2%	20.0%	25.0%
Share of female students in vocational education and training programmes	Education statistics	20.0%	24.0%	30.0%
Public investment in vocational education and training	National accounts	(100%)	(100%)+20%	(100%)+30.0%
Share of female and male agricultural family workers under social, health and pension insurance	LSMS	11.6% (females) 5.5% (males) 12.8%	20.0% 25.0% 15.0%	30.0% 35.0% 25.0%

(r) Reprocessed data according to the new international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

Progress in achieving the aims of the Employment and Skills Strategy will be measured through two appraisal exercises, as follows:

- An interim evaluation, to be conducted at the end of 2016, will analyze the results achieved, the management of resources and the quality of implementation. This analysis will point to changes in the overall economic and social context, will assess whether the aims are still relevant by comparing the state of affairs with the initial situation, and will lead to the identification of required remedial action.
- A final evaluation, after the end of the implementation period, will assess the whole Strategy, in particular its overall impact. It will assess the success of the measures undertaken, the resources invested and the extent to which the expected effects have been achieved. The final evaluation will be carried out by analyzing the data stemming from various sources, including the findings of performance monitoring and impact evaluation of active labour market programmes.





# *Annexes*

## ANNEX 1. EXPLANATORY NOTE:

### REPROCESSING THE LABOUR FORCE SURVEY 2012 OF INSTAT

Farhad Mehran, ILO Consultant, 14 February 2014

#### 1. Introduction

For the purpose of calculating benchmarks and setting targets for the Employment and Skills Strategy, it was decided to use data that are robust over time and are in line with the latest international standards.<sup>55</sup> This necessitated a careful examination of the stability of the reference period and the reprocessing of INSTAT's labour force survey data according to the new international standards. The INSTAT data were published in line with the earlier international standards.<sup>56</sup>

This annex describes the essential elements of the new international standards (Section 2) and explains the procedures used and the main results obtained when reprocessing the labour force surveys of INSTAT (Section 3). It also explains the choice of the reference year, from second quarter of 2012 to first quarter of 2013 (Section 4).

#### 2. Concepts and definitions

##### • Work

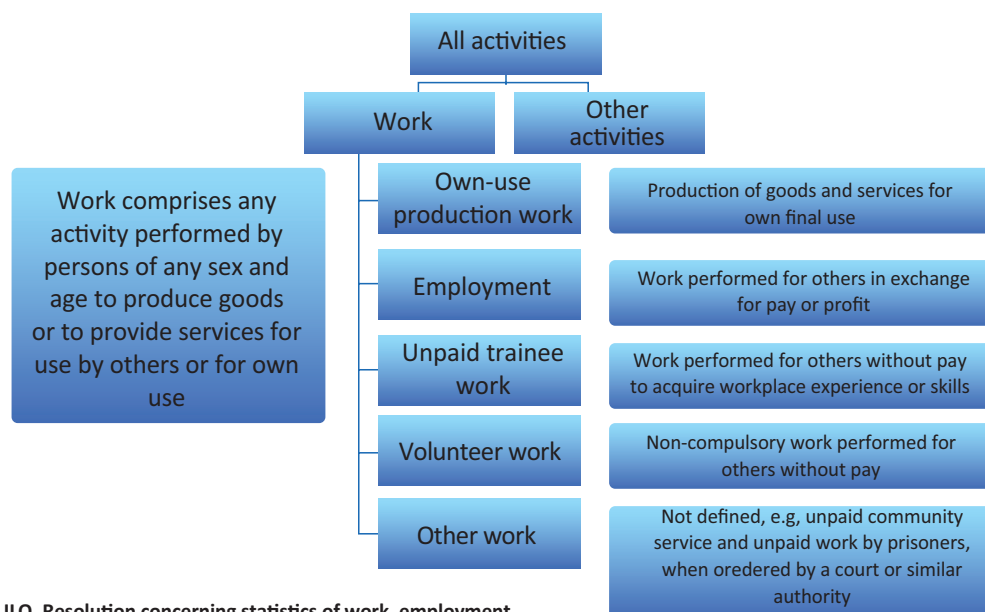
The starting point of the new international standards on statistics of work, employment and labour underutilization is the concept of work defined as:

- "Any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use."
- Work is defined "irrespective of its formal or informal character or the legality of the activity."
- It excludes "activities not involving production of goods or services (begging, stealing), self-care (personal grooming, hygiene) and activities that cannot be performed by another person on one's own behalf (sleeping, learning, own recreation)."
- The concept of work is aligned with the General production boundary as defined in the System of National Accounts 2008 (2008 SNA)

Several forms of work are recognized as shown in diagram 1 below.

<sup>55</sup> ILO (2013), Resolution concerning statistics of work, employment and labour underutilization, adopted by the 19<sup>th</sup> International Conference of Labour Statisticians, Geneva, October 2013.

<sup>56</sup> ILO (1982), Resolution concerning statistics of the economically active population, employment, unemployment and underemployment adopted by the 13<sup>th</sup> International Conference of Labour Statisticians, Geneva, October 1982.

**Diagram 1: Work and different forms of work**

ILO, Resolution concerning statistics of work, employment and labour underutilization (Geneva, 19<sup>th</sup> ICLS, 2013)

Source: ILO “Resolution concerning statistics of work, employment and labour underutilization”, Geneva, October 2013

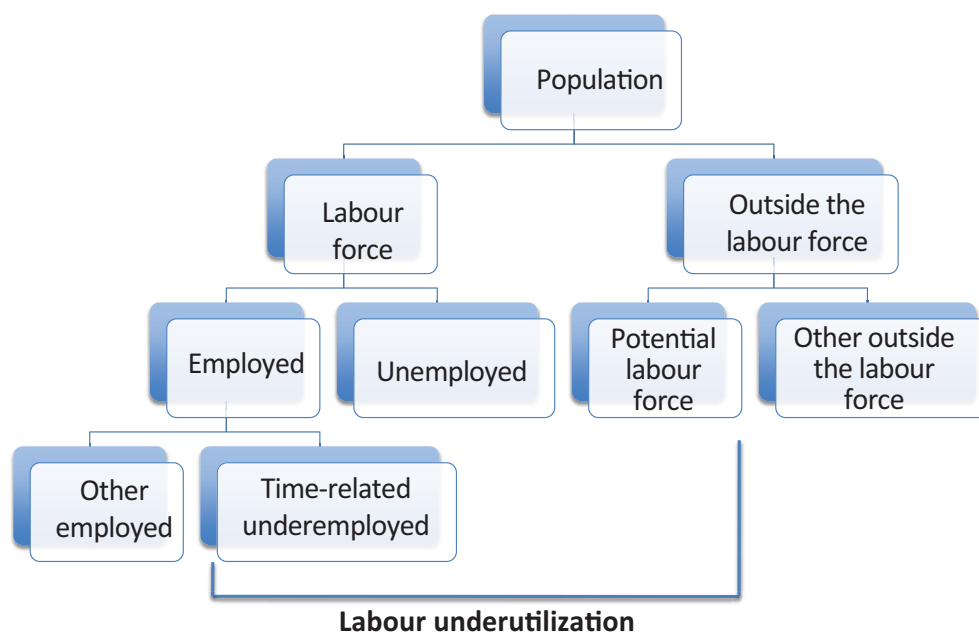
- **Employment**

Persons in employment are defined as all those above a specified age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit. It excludes persons engaged wholly in activities to produce goods or services for own final use such as producing agricultural, fishing and gathering products for own-consumption or cleaning, decorating, gardening and maintaining one’s own dwelling or premises, durables and other goods.

Persons in employment comprise: (a) employed persons “at work,” i.e., who worked in a job for at least one hour; and (b) employed persons “not at work” due to temporary absence from a job, or to working-time arrangements (such as shift work, flexi-time and compensatory leave for overtime).

- **Labour underutilization**

The new international standards specify a broad framework to measure the unmet need for employment based on the concept of labour underutilization. Measures of labour underutilization include, but are not restricted to time-related underemployment; unemployment; and potential labour force as indicated in Diagram 2 below which schematically shows the subdivision of the total population according to the labour force framework.

**Diagram 2: Labour force and labour underutilization framework**

Source: ILO “Resolution concerning statistics of work, employment and labour underutilization”, Geneva, October 2013

- **Unemployment**

Persons in unemployment are defined as all those above a specified age who (a) were not in employment; (b) carried out activities to seek employment during a specified recent period; and (c) were currently available to take up employment given a job opportunity. The definition of unemployment provides exceptions in the case of future starters. They are considered as unemployed even if they did not carry out activities to seek employment during the specified recent period, criterion (b) as long as they satisfy the availability condition.

- **Time-related underemployment**

Persons in time-related underemployment are defined as all persons in employment who, during a specified reference period, (a) wanted to work additional hours, (b) whose working time in all jobs was less than a specified hours threshold, and (c) who were available to work additional hours given an opportunity for more work.

- **Potential labour force**

Potential labour force is defined as all persons above a specified age who, during the short reference period, were neither in employment nor in unemployment but who were considered as either (a) unavailable jobseekers (seeking employment but not currently available) or (b) available potential jobseekers (currently available for employment but did not carry out activities to seek employment).

- **Own-use producers**

Persons in own-use production work are defined as all those of working age who, during a short reference period, performed any activity to produce goods or provide services for own final use for a cumulative total of at least one hour. "For own final use" is interpreted as production where the intended destination of the output is mainly for final use (in the form of capital formation, or final consumption by household members, or by family members living in other households). In the case of agricultural, fishing, hunting or gathering goods intended mainly for own consumption, a part or surplus may nevertheless be sold or bartered.

*Subsistence foodstuff producers* constitute an important subgroup of persons in own-use production work. They are defined as all those who performed any of the specified activities to produce foodstuff from agriculture, fishing, hunting or gathering that contribute to the livelihood of the household or family. Excluded are persons who engaged in such production as recreational or leisure activities.

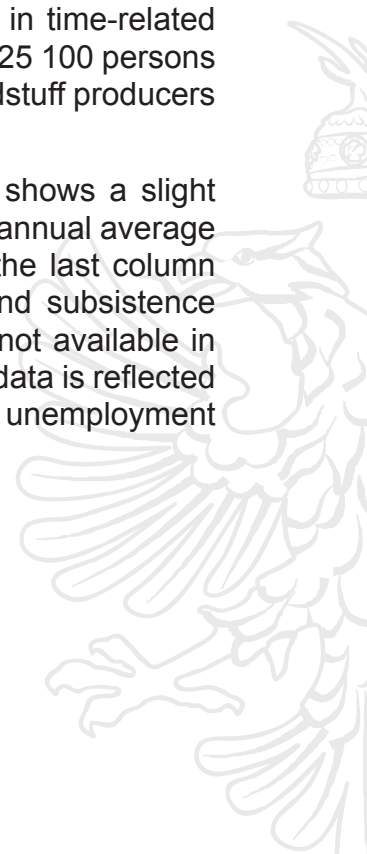
Own-use producers and in particular subsistence foodstuff producers (and for that also matter unpaid trainee workers or volunteer workers) may be engaged, in the same reference period, in other activities, including employment or search for employment. Therefore, certain own-use producers may also be in the labour force and classified as employed, unemployed or other labour underutilization category.

### 3. Reprocessed LFS 2012

The quarterly labour force surveys conducted by INSTAT during 2012 and the first quarter of 2013 were reprocessed according to the new international standards presented in the preceding section. For technical reasons described in the next section, the data for the first quarter 2012 were discarded and the annual averages for 2012 were calculated for the remaining quarters of 2012 and the first quarter of 2013. The results are shown in Diagram 3 below, presented together with the published figures by INSTAT for 2012.

According to these results, there were 2 228 500 persons of working age (15 years old and above) in Albania in 2012 of whom 997 100 were in the labour force (779 800 employed and 217 300 unemployed). Among the employed, some 47 900 persons were in time-related underemployment, and among the persons outside the labour force, about 325 100 persons were in the potential labour force. Also, there were 309 600 subsistence foodstuff producers of whom 41 800 were already accounted for in the labour force.

Comparison of the reprocessed data with the published figures for 2012 shows a slight difference for the estimate of the working age population due to the way the annual average for 2012 was calculated in the reprocessed data. The missing values in the last column of Diagram 3 on time-related underemployment, potential labour force and subsistence foodstuff producers reflect the fact that estimates of these concepts were not available in the published figures for 2012. The main difference between the two sets of data is reflected in the measurement of employment and its implication on the estimates of unemployment and the labour force.



**Diagram 3: Labour force status of the working age population, Albania LFS 2012**

Labour force status	Reprocessed 2012 Q <sup>2</sup> - 2013 Q <sup>1</sup>	INSTAT 2012 <sup>2</sup>
Working age population (15+yrs)	2.228.500	2.229.700
• Labour force	997.100	1.290.600
-Employed	779.800	1.117.100
(time-related underemployed)	(47.900)	-
-Unemployed	217.300	173.400
• Outside the labour force	1.231.400	939.100
(potential labour force)	(325.100)	-

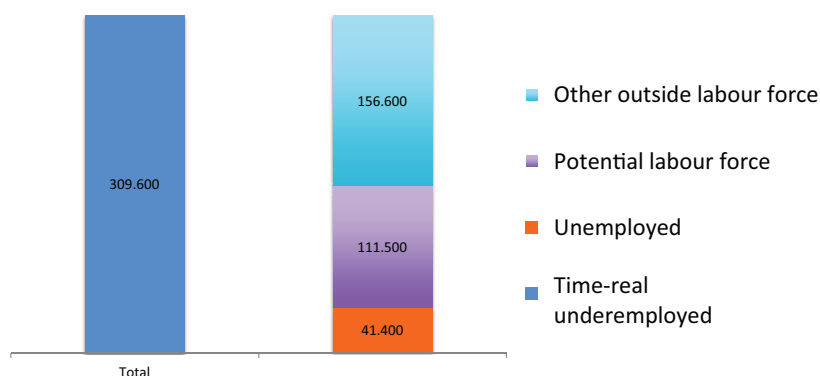
Source: <sup>1</sup>INSTAT, Labour force surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013. <sup>2</sup>INSTAT, Labour Market 2011-2012.

In line with the old international standards (13th ICLS 1982), the published figures on employment for 2012 excluded subsistence foodstuff producers who were producing only own consumption, but included subsistence foodstuff producers who were producing mostly for own consumption. This difference in the statistical treatment of subsistence foodstuff producers explains most of the observed difference between the reprocessed and the published estimates of employment (779 800 versus 1 117 100).

In line with the new international standards, subsistence foodstuff producers excluded from the measurement of employment in the reprocessed data were reclassified as unemployed if they were reported to be searching and currently available for employment. There were some 41 400 persons in this situation, explaining most of the observed difference between the reprocessed and the published estimates of unemployment (217 300 versus 173 400).

Diagram 4 below shows the labour force status of the subsistence foodstuff producers according the new international standards. It can be observed that from the estimated total of 309 600 subsistence foodstuff producers, an estimated 41 400 were unemployed, seeking and available for employment and an additional 111 500 were in the potential labour force, as unavailable jobseekers or available potential jobseekers. Virtually no subsistence foodstuff producers are classified as employed or time-related underemployed.

**Diagram 4: Labour force status of the subsistence foodstuff producers, Albania LFS 2012 (2012 Q2-2013 Q1)**



Source: <sup>1</sup>INSTAT, Labour force surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

According to the new international standards, the overall measurement of unmet need for employment and its different aspects are reflected in the indicators of labour underutilization (LU1, LU2, LU3 and LU4). Diagram 5 shows the values of these indicators based on the reprocessed LFS 2012.

The results show that the unemployment rate (LU1), measured as the ratio of the number of unemployed persons to the total labour force, was 21.8 per cent in 2012.

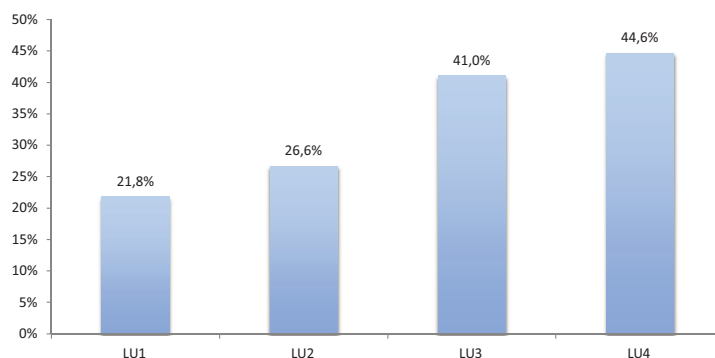
But, unemployment is only one aspect of labour underutilization. The combined rate of unemployment and time-related underemployment (LU2), calculated as the total number of unemployed persons and time-related underemployed as percentage of the total labour force, was 26.6 per cent.

Similarly, the combined rate of unemployment and potential labour force (LU3), calculated as the total number of unemployed persons and potential labour force as percentage of the extended labour force, was 41 per cent. The extended labour force is equal to the sum of the labour force and the potential labour force.

Finally, the composite rate of labour underutilization (LU4) that combines unemployment, time-related underemployment and potential labour force in relation to the extended labour force was 44.6 per cent.



**Diagram 5: Labour underutilization,  
Albania LFS 2012 (2012 Q2-2013 Q1)**



Source: <sup>1</sup>INSTAT, Labour force surveys 2012 Q2 to 2013 Q1. Reprocessed data according to the international standards adopted by the 19th International Conference of Labour Statisticians, Geneva, 2013.

LU 1 = Unemployment rate  
 LU 2 = Combined rate of unemployment and time-related underemployment  
 LU 3 = Combined rate of unemployment and potential labour force  
 LU 4 = Composite rate of labour underutilization

#### 4. Reference year

As mentioned earlier, the reprocessed LFS 2012 data were calculated on the basis of the LFS results of the second, third and fourth quarter of 2012 and the first quarter of 2013. The data for the first quarter of 2012 were discarded because they reflected some anomalies probably due to the procedure used by INSTAT in the introduction of the rotation sample design of the survey.

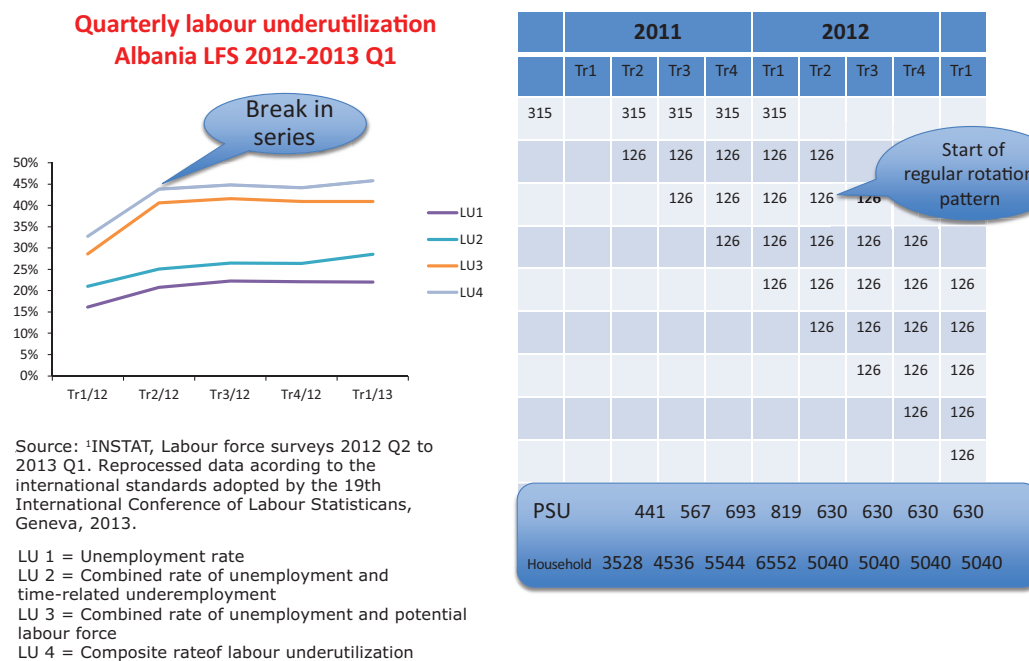
The left panel of Diagram 6 below shows the quarterly trend in the unemployment rate as well as the other rates of labour underutilization during 2012 and the first quarter of 2013. A major break may be observed in the first quarter of 2012 when the unemployment rate suddenly increased from 16.2 per cent in 2012 Q1 to 20.8 per cent in 2012 Q2. Similar sharp movements were recorded for the other labour underutilization rates.

This break in the series may not be explained by developments in the labour market during the early part of 2012. A possible explanation may however be found in the effect of the introduction of the quarterly rotation scheme in 2011.

The sample design of the labour force survey in Albania is based on a rotation scheme according to which a selected household remains in the sample for five consecutive quarters before leaving the sample altogether. The design has a number of attractive features. In particular, it ensures about 80 per cent overlap between sample households in two consecutive surveys thus helping to improve the precision of the quarterly changes. The rotation scheme, introduced in 2011, was however tied to the earlier sample design resulting in a period of transition during which the effective sample was a combination of sample households in primary sampling units selected under the past design and sample households in primary sampling units selected under the new design. The period of transition ended in the first quarter of 2012 when the pattern of the rotation scheme becomes regular, as can be seen

from the right panel of Diagram 6.

**Diagram 6: Break in the series and rotation sample design of LFS 2012**



Because of the observed break in series in first quarter 2012 probably due to the transition effect of the rotation scheme of the survey, it was decided to discard the data for 2012 Q1 and calculate the annual average for 2012 based on the remaining quarters of 2012 and the first quarter of 2013. All benchmark figures for the Employment and Skills Strategy targets are calculated on this basis.



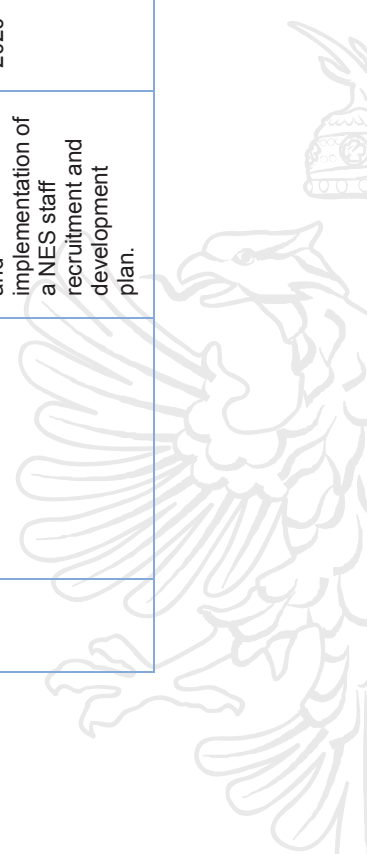
## ANNEX 2

## ACTION PLAN AND INDICATORS FOR THE NATIONAL EMPLOYMENT AND SKILLS STRATEGY 2014-2020 - ALBANIA

<b>Strategic Objective A:</b> Foster decent job opportunities through effective labour market policies							Outcome Indicator: The labour market policies are effective and promote basic employment services to all women and men in order to enhance their job opportunities	
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
A1	Modernising the National Employment Service, including headquarters and regional and local offices	A1.1 Reorganisation of NES offices according to the New Service Model.a. Preparation of specific terms of reference for each employment office. b. Reorganisation of all employment office premises. c. Introduction of the Manual on the New Employment Service Model through training of NES Directors and staff on and capacity	2014-2016	36 468 000 ALL  360 000 USD	MoSWY NES	NES Regional and local employment offices  Business representatives  ILO-EU IPA 2010 project technical assistance	<p>Policy paper on New Service Model and action plan adopted in 2014. Model operational within 1 'trial office' in Tirana early January 2014. 36 employment offices re-organised according to the New Service Model by 2016. Specific ToR prepared for 12 offices within 1 year. Manual on the type and quality of services to be delivered by each regional and local employment office. Quality of services by each office verified. Gender equality and equal opportunities goals are integrated</p>	<ul style="list-style-type: none"> <li>Share of female and male registered unemployed progressing through the service model, by tier and individual characteristics;</li> <li>Number of employment offices deploying standardised counselling and guidance approaches and quality assurance systems;</li> <li>Number of partnership and contracting-out agreements signed;</li> </ul>

<sup>1</sup>All gender-sensitive and sex-disaggregated indicators fully compliant with the National Set of Harmonised Gender Indicators, adopted through Ministerial Order no.1220, dated May 27, 2010, and pursuant to Council of Europe's Recommendations of the Committee of Ministers to Member States on Gender Equality Standards and Mechanisms Recommendation CM/Rec(2007)17, adopted 21 November 2007. The list of indicators will be revised during the preparation of the Monitoring and Evaluation Plan of the National Strategy for Employment and Skills 2014-2020.

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>development for coaching for groups with special needs.</p> <p>d. Verification of quality of services provided by each office based on this model.</p> <p>e. Integration of gender-sensitive goals, non-discrimination, and equal opportunities in the New Service Model Manual.</p> <p>f. Integration of gender-sensitive labour mobility/migration considerations into all relevant models, labour market information systems, mechanisms and processes to implement employment policies.</p>				International experts	<p>in all models, mechanisms, processes, and materials.</p> <p>Targets for female and male Roma, PWD, women in rural areas and disadvantaged categories of women are defined and monitored.</p> <p>Gender-sensitive labour mobility/migration considerations are integral part of all relevant models, labour market information systems, mechanisms and processes.</p> <p>Campaigns to increase the understanding of the wider public, of public and private organisations as well as of the enterprises for the need to improve the recruitment base, and to offer equal pay for equal work.</p>	<ul style="list-style-type: none"> <li>NES client-staff ratio;</li> <li>Annual share of job vacancies captured by NES over total available in the labour market;</li> <li>Number of foreigners employed in Albania and number of those who receive information services.</li> <li>Share of funding available for active labour market policies;</li> <li>Share of registered unemployed referred to active labour market programmes, by individual characteristics (sex, age-group, national origin, geographical location);</li> <li>Share of long-term unemployed women and men (over total unemployed);</li> <li>Amount of funding allocated to active labour market policies;</li> <li>Number of female and male participants and</li> </ul>	
		A1.2 Definition and implementation of a NES staff recruitment and development plan.	2014-2020	10 135 000 ALL 100 000 USD	MoSWY NES	NES Regional and local employment offices	<p>Number of NES staff increased by 30%, including a minimum of 30% qualified women in leading/management positions.</p> <p>Annual rate of vacancy filling reaches 85%</p>	<ul style="list-style-type: none"> <li>Number of NES staff increased by 30%, including a minimum of 30% qualified women in leading/management positions.</li> <li>Annual rate of vacancy filling reaches 85%</li> </ul>	



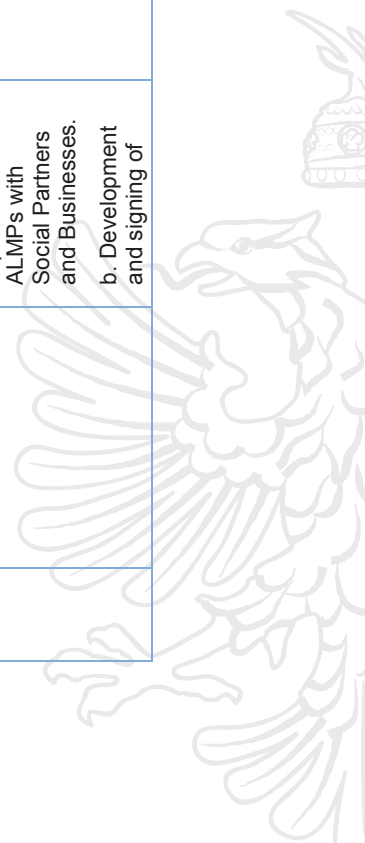
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
		<p>a. Establishment of a quality assurance system to manage performance in the National Employment Service.</p> <p>b. Adoption of job descriptions, including competence standards from managers to staff, at Ministry, NES and regional/local levels.</p> <p>c. Drafting of Mid-term plan for HR recruitment and development.</p> <p>d. Training of staff according to NES Development Plan and Annual Training Plan, including obligatory gender equality and equal opportunities/diversity training module.</p> <p>e. Testing of staff competences and actual practice against the standards under d).</p>			<p>Lead Agency</p>	<p>Together with</p> <p>ILO-EU IPA 2010 project technical assistance for QA system development</p> <p>International experts</p>	<p>Annual rate of female/male participation in active labour market programs reaches 18% in 2014, and 35% by the end of 2020.</p> <p>Job descriptions including competence standards adopted for all categories from managers to staff, at Ministry, NES and regional/ local levels.</p> <p>Performance management system in place and NES performance to meet female/male clients' needs is assessed twice a year.</p> <p>Staff tested for knowledge of the standards and understanding of service manuals.</p> <p>Equal pay for equal work pursued at NES, using sex disaggregated wage statistics.</p> <p>Mid-term plan for HR recruitment and development.</p> <p>Staff trained according to NES Development Plan and Annual Training Plan, and enabled to address gender equality, equal opportunities and diversity, and to engage in coaching for special needs groups.</p> <p>Zero tolerance against discrimination; sexual harassment policy is in place and also promoted with third parties.</p>	<p>locally adopted active labour market programmes and their success after completing;</p> <ul style="list-style-type: none"> <li>• Number of performance monitoring cycles and impact evaluations conducted;</li> <li>• Number and type of labour law violations detected annually and proportion redressed, including (sexual) harassment in the workplace;</li> <li>• Share of economic units and workers covered by inspection;</li> <li>• Share of female/male workers employed under informal employment arrangements;</li> <li>• Number of licensed high skilled technicians for safety relevant occupations, by sex;</li> <li>• Number of international agreements and schemes facilitating</li> </ul>

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>f. Definition of a set of performance indicators and development and operationalisation of a performance monitoring system.</p> <p>g. Adoption of the new status of NES as a National Employment Agency and its incorporation in the civil service.</p> <p>h. Preparation of required legal amendments ensuing from the new status of NES.</p>							<p>labour employment of Albanian nationals and foreigners in Albania;</p> <ul style="list-style-type: none"> <li>Existence of a well-functioning regulation mechanism over activities of recruitment agencies;</li> <li>Regulated legal framework for inspection of Private Employment Agencies from SLI.</li> <li>Adoption of the programme for Integrity and Corruption Prevention for the State Labour Inspectorate</li> </ul>
		<p>A1.3 Modernisation of IT infrastructure and systems in NES.</p> <p>a. Training of staff at all levels to use and operate the new IT software/system for Employment Services in NES.</p> <p>b. Continuous upgrading and maintenance of the IT system.</p>	2014-2017	<p>15 203 000 ALL</p> <p>150 000 USD</p>	NES	<p>Regional and local employment offices</p> <p>Employers</p> <p>Jobseekers/ NES counsellors</p> <p>responsibile for data insertion and continuou</p>	<p>New IT software/ system used by all NES staff at all levels and upgraded enabling it to categorize different types of clients and services provided for statistics generation purposes.</p> <p>Staff trained on the use of the IT system.</p> <p>IT-based (rather than paper-based) administrative procedures defined and adopted at managerial level.</p> <p>Migration counters within local NES offices are equipped with relevant IT to provide quality services (counselling, job matching) on employment in</p>	<ul style="list-style-type: none"> <li>Number of training courses on integrity and corruption prevention delivered</li> <li>Number of participants in the training courses on integrity and corruption prevention.</li> <li>Share of staff trained on integrity and corruption prevention.</li> <li>Number of activities</li> </ul>	



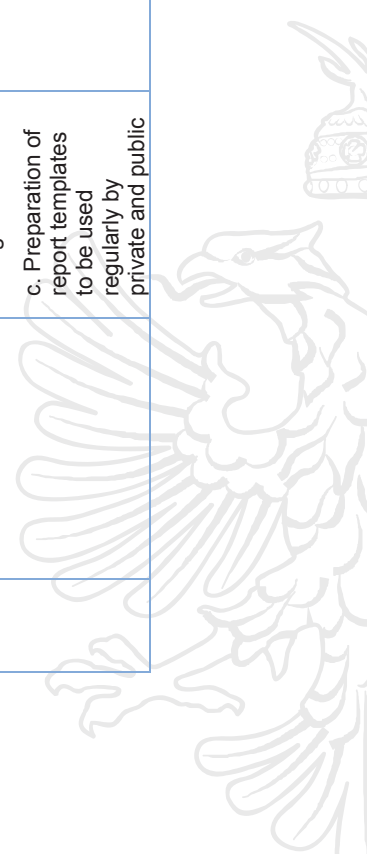
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
		<p>c. Integration of categorization of different types of clients and services provided into the system, in line with statistical generation requirements and the new standards for service delivery.</p> <p>d. Integration of differentiated data on services provided in migration counters in local NES areas into the system.</p> <p>e. Installation of a job vacancy database covering the whole of Albania and continuous updating through inputs by employers, NES and jobseekers (and linked with EURES).</p> <p>f. Definition of technical and legal modalities for other institutions to access the NES data-base and exchange information on</p>				<p>s updating</p>	<p>other locations in Albania and abroad</p> <p>Sufficient number of computers installed in regional and local employment offices.</p> <p>Job vacancy database installed covering the whole of Albania and constantly updated through inputs by employers, NES and jobseekers (and linked with EURES).</p> <p>The new IT system is mutually accessible for MoSWY institutions and for those interested and eligible at national and at SEE region levels.</p>	<p>on OSH organized by social partners (workshops, work meetings, press conferences, press releases, articles, etc)</p> <ul style="list-style-type: none"> <li>• Number of participants in workshops and work meeting on OSH organized by social partners</li> <li>• Number of leaflets produced</li> <li>• Number of workshops for labour inspectors</li> <li>• Number of labour inspectors trained (those participating in workshops)</li> <li>• Number of migrants utilising these services.</li> <li>• Number of employees working in migration counters trained annually/per year.</li> <li>• Number of posters produced (to be evaluated based on needs).</li> <li>• Number of agreements signed with non-profit organisations</li> </ul>

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		labour market data and the quality of services provided, considering also the needs of a regional database for SEE countries. g. Establishment of online links with other interested and eligible/authorised institutions, such as Tax Office, Real Estate Registration Office, Social Assistance, etc. in order to receive real time data on the unemployed.							providing services for returned migrants.
		A1.4 Establishing new cooperation modalities with third parties. a. Development and signing of cooperation agreements for collecting vacancies and design and implementation ALMPs with Social Partners and Businesses. b. Development and signing of	2014-2016	3 041 000 ALL 30 000 USD	NES MoSWY	Private agencies Social partners Businesses SEE region actors and	Number of vacancies announced through third parties at NES increased to 20 000 per year. One Job Fair organised at national level and four at regional level per year. Two new international labour mobility agreements signed with third countries per year. Cooperation agreements for collecting vacancies and for design and implementation ALMPs with Social Partners and Businesses established. Cooperation agreements with Private agencies and NGOs for		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>cooperation agreements with private agencies and NGOs for implementing ALMPs.</p> <p>c. Review of Inspection legislation and programme regarding the inspection of ALMPs.</p> <p>d. Promotion of job fairs at national and regional levels.</p> <p>e. Joint tables with a range of labour market stakeholders including sector-specific gender experts in each employment office.</p> <p>f. Training for MoSWY staff on how to develop bi-lateral agreements and other inter-state mechanisms facilitating labour mobility and employment of Albanian citizens abroad.</p> <p>g. Signing of new agreements and cooperation</p>				<p>Lead Agency</p> <p>Together with institutions ILO</p>	<p>implementing ALMPs established.</p> <p>Inspection legislation and programme reviewed to include inspection also of ALMPs.</p> <p>MoSWY is equipped with tools to identify preferential countries for developing bi-lateral agreements and other inter-state mechanisms facilitating employment of Albanian citizens abroad.</p> <p>Existing international framework regulating labour mobility of Albanian citizens abroad is enhanced through new agreements and other cooperation arrangements, especially in the SEE region.</p>		

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
A2	Continuous improvement of legal and institutional framework in compliance with ratified international labour standards	<p>arrangements in compliance with the existing international framework regulating labour mobility of Albanian citizens abroad, especially in the SEE countries.</p> <p>A2.1 Regulation of private employment agencies and strengthening of the cooperation with the public employment services.</p> <p>a. Revising the legislation regarding the functioning of private employment agencies.</p> <p>b. Developing a regional database to register and monitoring the job vacancies and placements made by public and private agencies at regional level.</p> <p>c. Preparation of report templates to be used regularly by private and public</p>	2015-2018	8 108 000 ALL 80 000 USD	MoSWY NES  NLC (National Licensing Centre)	SEE Region actors and institutions  ILO and IOM technical assistance	<p>Legislation adopted to ensure ILO convention on private employment agencies.</p> <p>Legal aspects and quality ensured through development of a minimum set of standards for recruitment, including abroad, and labour inspectorate.</p> <p>Mechanism for quality assurance/ service delivery of private employment agencies established.</p> <p>Local employment partnerships to include also private employment agencies, alongside other partners.</p> <p>Private recruitment agencies report to relevant competent authorities on a regular and transparent basis on the services provided to the female and male population in Albania and abroad.</p> <p>Statistics on the number of female/male Albanian citizens supported with employment abroad are available on a regular basis.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
		employment agencies.						
		<p>A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially the ones related to workers' safety and health at work.</p> <p>a. Establishment of the Committee for Integrity and Corruption Prevention for the State Labour Inspectorate.</p> <p>b. Training of labour inspectors on integrity and corruption prevention.</p> <p>c. Production/development and dissemination to relevant stakeholders of information materials related to integrity and corruption prevention.</p>	2014-2018	50 675 000 ALL 500 000 USD	MoSWY SILSS		<p>A modern, professional inspection system is in place throughout the country, ensuring implementation of labour legislation and occupational safety and health in line with European and international standards.</p> <p>Committee for Integrity and Corruption Prevention in the State Labour Inspectorate established.</p> <p>Program for Integrity and Corruption Prevention in the State Labour Inspectorate adopted.</p> <p>State Labour Inspectorate training Action Plan adopted.</p> <p>Information-sharing mechanisms established with other enforcement agencies with a view to improve the coverage of economic units and workers.</p> <p>Existing legislative and procedural framework on labour inspection and enforcement is compliant with EU directive on sanctions against employers hiring irregular migrants.</p> <p>Labour inspectors are knowledgeable on rights and duties of foreigners working in Albania, capable of identifying (potential) victims of trafficking and referring them to relevant authorities.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>d. Increase of visibility of social partners as key actors in the OSH area through promotion of the European Week on Occupational Safety and Health.</p> <p>e. Training on the new OSH legislation with an implementing strategy as basis.</p> <p>f. Translation and distribution of the European code of best practices on inspection work followed by a workshop.</p> <p>g. Translation and distribution of the practical guideline on inspection visits followed by a workshop.</p> <p>h. Development of updated control/inspection lists followed by a workshop on preventative and proactive roles in labour inspection activities.</p> <p>i. Training course on the topic of undeclared work.</p>					<p>Mechanisms of protecting labour and human rights of migrants are in place.</p> <p>Legislation/by-laws for inspections amended to ensure that ALMPs can be implemented and (regulated) professions with high health&amp; safety risks are inspected.</p> <p>Inspection role is strengthened related to implementation of the Law on Employment Promotion in terms of PWDs and of the law on foreigners.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
A3	Expanding the range and scope of employment services and programmes (active labour market policies).	<p>j. Integration in all Labour Inspectorate modules, materials and trainings on aspects of gender equity and non-discrimination related to descent work, equal pay, safe working conditions, anti-harassment (sexual).</p> <p>k) Preparation and implementation of training on use of technology, including TI, data collection, communication skills.</p> <p>A3.1 Assessment and design of adequate, gender-responsive labour market policies.</p> <p>a. Conduction of a gender-sensitive analysis of current ALM programmes, ALM procedures and practice, and budget allocation, including access and beneficiary (gap) analysis (i.e. gender- and</p>	2014-2020	1 418 900 000 ALL 14 000 000 USD	MoSWY NES	NES Regional and local employment offices Business industry (for training skilled workers) Social partners VET providers	ALMPs improved, diversified and tailored to specific regions and target groups. Procedures for application to ALMPs simplified. ALMP implementation on regional level is strengthened through cooperation agreements. Improved indicators in terms of inclusion of vulnerable groups in ALMPs in a regional basis. ALMPs adopted by DCMs and implemented across the country in an effective, efficient, and gender-equitable manner.		

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>a. socially responsive budget analysis).</p> <p>b. Revision and adoption of legal basis for provision of ALMPs.</p> <p>c. Revision and simplification of ALMP application procedures application and implementation.</p> <p>d. Definition and specification of affirmative action measures for labour mobility promotion and easy access of immigrants/returnee migrants to labour market information.</p> <p>d. Development and introduction of a new system for adoption of employment promotion programmes, based on points.</p> <p>e. Design of specific programs for various industries with growth potential to reflect the government's economic but</p>				<p>Technical assistance by ILO, UNDP, SDC funded project RISI Albania</p>	<p>Regional/Local employment partnerships established (which have identified needs and implement or monitor training and employment measures at local/regional level).</p> <p>Training for female and male skilled workers organised together with industry to respond to short term requests (e.g. TAP project).</p> <p>Legal basis for provision of ALMPs is revised and adopted.</p> <p>Equal opportunity policy and action plan are developed by NES, adopted and annually updated.</p> <p>Designated NES officials are capable of identifying (potential) migrants among their clients and to provide tailored services/refer to other relevant support entities (e.g. on issues of legal status, medical assistance, etc.)</p> <p>Effective, transparent and participative financing system for service delivery is designed and in place.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>also social and inclusion priorities (i.e. unemployed female and male Roma, PWD, youth, long-term unemployed and disadvantaged categories of women).</p> <p>f. Establishment of regional/local employment partnerships (with partners who have identified needs and implement or monitor training and employment measures at local/ regional level).</p> <p>g. Delivery of training for female and male skilled workers together with industry to respond to short term requests (eg. TAP project).</p> <p>A3.2 Registration, profiling and gender-sensitive counselling of jobseekers</p> <p>a. Assessment of the employability</p>	2014-2020	30 405 000 ALL 300 000 USD	NES	NES Regional and local employment offices Civil registry office	Registers of unemployed people verified / updated to include only unemployed jobseekers. Brochures published about employment services offered. Unemployed registers updated to contain only active jobseekers. National standards on ethical and fair recruitment in Albania and		

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
		<p>a. of all unemployed jobseekers.</p> <p>b. Application of group/team work for specific categories of unemployed jobseekers.</p> <p>c. Identification of female and male individuals at high risk for long-term unemployment and development of individual employment plans.</p> <p>d. Specific identification of young female and male unemployed jobseekers who can be potential entrepreneurs.</p> <p>e. Establishment of start-up programmes for young female and male potential entrepreneurs supporting their self-employment.</p> <p>f. Organisation of Job Clubs.</p> <p>g. Training of Migration Counters personnel to interview, identify needs, provide information and</p>			<p>Lead Agency</p> <p>Together with</p> <p>Tax office</p> <p>Rural organisations</p> <p>ASPA</p> <p>IOM</p> <p>Migration Counters</p>	<p>internationally developed and enforced.</p> <p>ISCO/ ESCO list and the National List of occupations used by job counsellors.</p> <p>NES counsellors trained and capacitated to deliver gender-sensitive counselling that responds to inclusion goals and diversity needs.</p> <p>NES counsellors undertake profiling of jobseekers.</p> <p>NES counsellors do gender-sensitive group or individual counselling.</p> <p>Job clubs organised.</p> <p>Designated NES counsellors are capable to refer young female and male potential entrepreneurs among their clients to respective helpdesks, business development services and relevant support/training entities</p> <p>Migration counters in employment offices provide tailored counselling and guidance to all female and male returnee clients in order to facilitate the reintegration process.</p> <p>Continuous job counselling to immigrants, on application methods, documentation, criteria and procedures for obtaining a work permit and certificate for employment declaration.</p>			



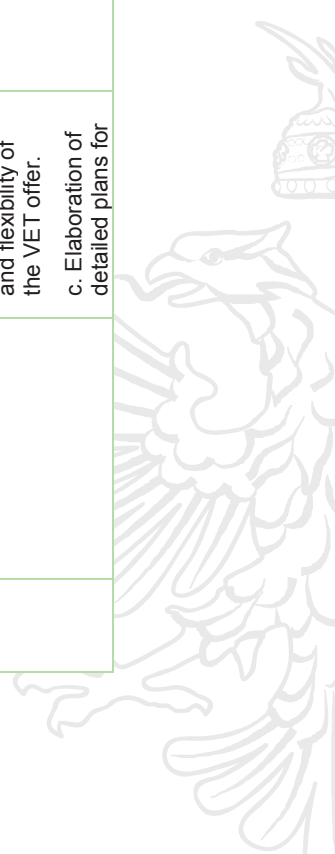
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
		<p>refer Albanian returned female and male citizens.</p> <p>h. Design and production of posters and leaflets offering information on Migration Counters and their contacts to be distributed to Albanian citizens (cross border points, public offices, etc.).</p> <p>i. Cooperation agreements with non-profit local and international organizations providing guidance/orientation for female and male returnees.</p> <p>j. Improvement of job counseling services provided to immigrants.</p> <p>h. Training of employment office specialist on how to organise counselling and career guidance on VET providers at local level.</p>						

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		Performance Indicators <sup>1</sup>
					Lead Agency	Together with	Outputs		
A4	Improving the gender-sensitive monitoring and evaluation of employment measures.	<p>A4.1 Development of a sustainable and gender-sensitive system for monitoring and evaluation, including implementation of impact evaluation of employment measures on sub-groups of female and male job-seekers.</p> <p>a. Development and adoption of a Monitoring Plan for NES.</p> <p>b. Development and adoption of an adequate monitoring methodology, according to standardized agreed criteria, results and indicators.</p> <p>c. Preparation of periodic reports on achievement of gender-sensitive targets for employment, training and participation in ALMPs.</p> <p>d. Periodic reporting on the</p>	2014-2020	25 337 500 ALL 250 000 USD	MoSWY NES	International agencies (e.g. ILO, UNDP, IOM, UN Women)	<p>Monitoring Plan for NES is designed and implemented including a proper methodology.</p> <p>Programmes monitored and evaluated according to agreed criteria, results and indicators.</p> <p>New policies are redefined or adjusted based on the regular monitoring reports.</p> <p>Gender equality and diversity criteria are integral part of all monitoring and evaluation procedures and processes, and the relevant indicators of the National Set of Harmonised Gender Indicators are consistently applied.</p> <p>Period reports on the achievements of gender-sensitive targets for employment and training are prepared.</p> <p>Labour market policies are adapted as per the main recommendations of the studies and assessments carried out.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance Indicators <sup>1</sup>
		efficiency and performance of NES. e. Gender-sensitive impact assessment of ALMPs, particularly for female and male youth, women in rural areas, Roma, PWD, and specific categories of disadvantaged women. f. Preparation of annual reports on short-term labour market study/research. g. Revision and/or adjustment of new policies based on NES studies and regular NES monitoring reports. h. Designing and updating of targeted e-information for female and male returnees on NES.						

<b>Strategic Objective B:</b> Offer quality vocational education and training for youth and adults						
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units	
					Lead Agency	Together with
B1	Optimising the VET providers network and diversifying offers (including the definition of competences by sectors)	B1.1 Assessment and reorganisation of the main VET providers at regional level.  a. Completion of the National Survey for public VET providers. b. Rationalization and reconceptualization of the public network of VET providers to reflect labour market needs and principles of multi-functionality, equality, diversity and flexibility of the VET offer. c. Elaboration of detailed plans for	2014-2018	3 065 838 000 ALL  30 250 000 USD (including rehabilitation and construction of premises and equipments for VET providers)	MoSWY Local government Regional VET councils or key stakeholders at regional level	NAVETQ Regional actors Technical assistance by ETF for Elbasan, Shkodra and Fier (MFC Feasibility Study findings); by ETF/GIZ (Baseline study)
<b>Outcome Indicator: VET system is capable across sectors to prepare and maintain a skilled work force answering to the existing demand in Albania and in the SEE region labour market</b>						
					Outputs & Indicators	
					Outputs	Performance indicators
					National Baseline Survey of public VET providers is completed. National public network of VET providers is rationalized and re-conceptualised according to labour market needs, migration and demographic trends, as well as principles of multi-functionality, equality, diversity and flexibility of VET provision. Detailed plans elaborated jointly with all stakeholders on how to implement the transfer or merging of schools/VTCs into new networked structures in each region and within each institution. Operational plans implemented.	<ul style="list-style-type: none"> <li>Amount invested in vocational education and training at secondary, post-secondary and higher professional levels;</li> <li>Number of providers, programmes, teachers and trainers accredited;</li> <li>Reduced number of vocational educational and training providers delivering services;</li> <li>Number of VET participants;</li> <li>Share of vocational education and training graduates employed in occupation of</li> </ul>



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>each region regarding joint administration of schools and VTCs (when possible) into a network of new structures.</p> <p>d. Conversion of some VET providers (for certain sectors) into Multifunctional Centres, through PPP.</p> <p>e. Design and implementation of a scheme which guarantees links between VET providers and EOs, to address the demand for long-term and short-term qualifications.</p> <p>f. Establishment of a system for accrediting VET providers (including private ones) further developed to assure quality of provision/offer.</p> <p>g. Definition of the required criteria for registration of</p>					<p>respective sector in Albania) through public-private partnerships.</p> <p>VET providers are knowledgeable about labour migration trends in Albania and interest among the population to obtain skills on demand in main destination countries, especially in the SEE region.</p>	<p>training, by sex;</p> <ul style="list-style-type: none"> <li>• Number of qualifications developed and approved;</li> <li>• Share of female/male individuals attending short and long term courses based on the occupational standards and qualifications agreed upon;</li> <li>• Share of female/male vocational education graduates employed (over total) and share employed in the occupation of learning;</li> <li>• Share of female/male PWD and Roma attending and graduating from VET courses;</li> <li>• Share of female/male PWD/Roma VET graduates employed in the occupation of learning;</li> <li>• Share of adults (25-</li> </ul>

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>accredited VET institutions.</p> <p>h. Opening of new professional profiles and vocational courses for females and males to respond to the local and national / international business demands.</p> <p>i. Definition of costs for student/trainee for each course, direction and study/school year.</p> <p>j. Allocation of budget for each public VET provider, based on the number of female/male students, trainees, etc.</p> <p>k. Development of a financial incentive scheme for VET providers implementing specified affirmative action measures (girls in non-traditional occupations, rural women and girls, female and male PWD and Roma,</p>					<p>64) participating to lifelong learning, by sex, age and geographical location;</p> <ul style="list-style-type: none"> <li>• Number of frame curricula developed and number of short and long courses designed on their basis which are needed by the labour market;</li> <li>• Adherence to VET gender equality and diversity policy and absence of gender stereotypes in profiling, curricula, promotion and teaching methodologies established as key quality criteria and adhered to by VET providers;</li> <li>• Number of female/male individuals attending courses embedding core employability and entrepreneurial skills (over total individual attending short and long courses);</li> <li>• Number of qualified female/male vocational education and</li> </ul>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		specific marginalized/disadvantaged categories of women and girls).						<ul style="list-style-type: none"> <li>training practitioners recruited through new procedures;</li> <li>Number of teachers and trainers regularly attending staff development programmes (over total);</li> <li>Global ranking in the education and training pillar of the Global Competitiveness Index;</li> <li>Number of women and men whose foreign-received qualifications and skills are recognized by citizenship, category of skill and qualification and country where the skill and/or qualification was received;</li> <li>Share of female/male vocational education students employed, by place of employment (in Albania and abroad) after leaving school;</li> <li>Share of female/male individuals attending short</li> </ul>
		<p>B1.2 Maintaining the database and quality assurance of training provision by private VET providers country-wide.</p> <p>a. VET providers self-develop a "quality label" system.</p> <p>b. VET providers develop a system periodic transparent monitoring of their adherence to the "quality label" system.</p> <p>c. Private training providers include qualifications and training offered by them in line with the official Qualification Catalogue.</p> <p>d. Establishment of a disqualifying and exclusive mechanism for non-public providers who do</p>	2014-2020	<p>21 620 000 ALL</p> <p>210 000 USD</p>	MoSWY NAVETQ	Network of VET providers	<p>System for accrediting VET providers (including private ones) further developed to assure quality of provision.</p> <p>More and more VET providers voluntarily adhere to a self-developed "quality label" system.</p> <p>Private training providers have included the qualifications and training offered by them in the database.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
B2	Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes	<p>not guarantee quality services.</p> <p>B2.1 Analysis and upgrading of buildings, workshops and equipment available in VET providers, including facilities for girls/women amenities, and required amenities responding to the needs of PWDs.</p> <p>a. In-depth infrastructure analysis for each VET provider compared on a local level, including an assessment of accessibility for PWDs and safety for girls.</p> <p>b. In-depth assessment of all VET boarding facilities including infrastructure, management, suitable premises, and safety of dormitories for females.</p> <p>c. Design of the intervention plan</p>	2014-2015	20 270 000 ALL 200 000 USD	MoSWY NAVETQ	<p>Technical assistance by ETF/GIZ (for VET School/IV TC baseline study only)</p> <p>Technical assistance by IPA 2013 VET project</p>	<p>Once the VET providers' network and the range of profiles to be offered in each VET institution have been redefined, an in-depth analysis by sector experts into the required infrastructure upgrading is undertaken.</p> <p>Strategic Facilities and Equipment Investment Plan 2015-2020 defined in line with sectoral priorities, new VET provider network plan, national and regional Skills Need Analysis and respective diversification of VET offers, private sector involvement in VET delivery, based on clear criteria ( following quality training standards) and balanced and agreed at regional level.</p> <p>VET providers equipped according to the investment plan, including safe amenities and facilities for girls/women, and infrastructure and equipment responding to the needs of PWD.</p> <p>Contracts with companies to use their equipment and facilities promoted and established by VET providers based on an analysis of which companies comply with certain standards to offer training places.</p>	<p>vocational courses leading to a recognized qualification;</p> <ul style="list-style-type: none"> <li>Share of female/male individuals attending work-based learning programmes (over total);</li> <li>Share of female/male participants to short vocational courses employed at follow-up;</li> <li>Share of female/male vocational education and training graduates working in the occupation for which they received training;</li> <li>Number of marketing VET materials produced;</li> <li>Number of national/local meetings to promote VET;</li> <li>Number of visitors in WEB portal;</li> <li>Share of women/girls enrolled in VET courses in prospective</li> </ul>



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>for improvement of objects and premises of VET providers, including suitable premises for females and PWDs.</p> <p>d. Design of a detailed plan on provider level to upgrade/revitalize facilities with labs, equipment for workshops and professional cabinets.</p>						<p>economic sectors;</p> <ul style="list-style-type: none"> <li>Number of VET providers with infrastructure and amenities in place that ensure access for PWD;</li> <li>Number of VET providers with adequate and safe facilities and infrastructure for women and girls in place (including dormitories);</li> <li>Coaching for girls and boys in non-traditional courses established and conducted in a percentage of VET providers.</li> </ul>
		<p>B2.2 Create a National Catalogue of Vocational Qualifications and revise all VET frame curricula.</p> <p>a. Gender-sensitive study of the situation in the vocational qualifications market.</p> <p>b. Conceptualization of the NVQF Model to address full qualifications (long-term) and partial ones (short-term).</p>	2014-2020	<p>50 675 000 ALL</p> <p>500 000 USD</p>	<p>NAVETQ to coordinate, using/reviewing existing models, templates and curricula &amp; standards from previous and current donor projects</p>	<p>International and local experts</p> <p>Technical assistance by ILO-EU IPA 2010 project for 4 qualifications at level 5 and one qualification on level 3 or 4</p>	<p>New VET curriculum model (modular system) defined jointly with NAVETQ staff and approved, based on competence standards for each learning area.</p> <p>National List of professions revised/ National Catalogue of Vocational Qualifications designed and adopted.</p> <p>Sector Councils with the participation of social partners have been set up and defined qualifications/ competences for selected priority sectors and qualifications (see D2).</p> <p>NAVETQ actors trained and frame curricula for long and short courses revised, based on job descriptions and qualification descriptions (“national qualification or competence standards”) and</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<ul style="list-style-type: none"> <li>c. Capacity development of NAVETQ staff and other relevant collaborators.</li> <li>d. Analysis of sector skills needs.</li> <li>e. Undertaking measures towards AQF development/reform:</li> <li>- Review of the existing draft of the vocational qualifications list.</li> <li>- Development of occupational standards.</li> <li>- Development of qualification standards for each AQF level (levels 2-5 of AQF).</li> <li>- Improvement of the approach to individuals' assessment-certification for each qualification.</li> <li>- Validation and adoption of the NVQF.</li> <li>- Review of frame curricula model.</li> </ul>					<p>on examples developed by donors.</p> <p>Actors in VET institutions trained and frame curricula further developed/ adjusted (and revised at regular intervals) in collaboration with experts from the business world.</p> <p>Quality assurance criteria for official approval of VET curricula are defined.</p> <p>One national competence-based framework curriculum for each qualification, published online as part of the National Catalogue for Vocational Qualifications.</p> <p>Gender equality and diversity goals are integrated into VET design, contents and provision, and gender stereotypes in profiling, curricula, promotion and teaching methodologies are eliminated.</p> <p>VET providers develop programmes which are tailored towards preparing specialists in professions on demand in other countries, taking into consideration Albania's strategic advantage and overall governmental policy towards providing employment of nationals in other countries.</p> <p>There are cooperation platforms between VET providers and their counterparts abroad on sharing</p>	

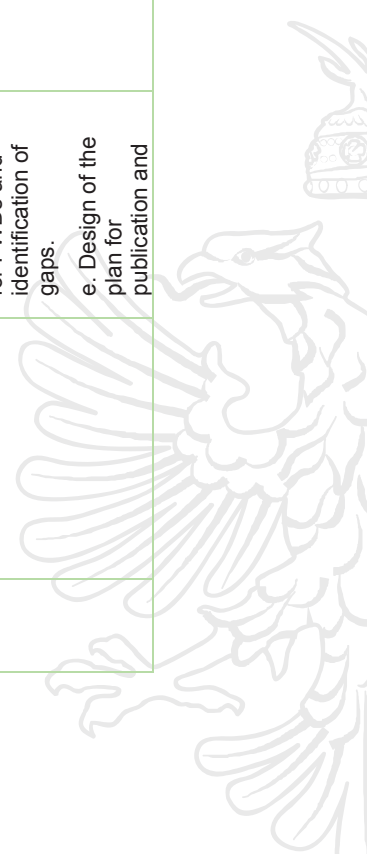


No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<ul style="list-style-type: none"> <li>- Development of frame curricula.</li> <li>- Definition of criteria for quality assurance of official approval of VET curricula.</li> <li>f. Establishment of a mechanism for gender equality control of all vocational qualifications and VET Frame Curricula:                             <ul style="list-style-type: none"> <li>scrutinizing for occupational diversity (non-segregation) and replacing of gender stereotypes.</li> </ul> </li> <li>g. Online publication of the National Catalogue of Vocational Qualifications and frame-curricula.</li> <li>h. VET providers develop programmes which are tailored towards preparing female and male specialists in professions on demand in other countries.</li> <li>i. Establishment of cooperation</li> </ul>					best practices and modern education technologies.	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		platforms between VET providers and their counterparts abroad on sharing best practices (including on non-traditional occupations for females; PWDs; female and male youths; disadvantaged and marginalized women and men; and Roma) and modern education technologies.						
		<p>B2.3 Review of existing and develop new programmes for post-secondary VET provision.</p> <p>a. Identification of needs for qualifications and types of qualifications in Level V of AQF.</p> <p>b. Development of Occupational and Qualification Standards for each new qualification.</p> <p>c. Development of frame curricula for post-secondary VET.</p>	2014-2020	50 675 000 ALL 500 000 USD	NAVETQ to coordinate	VET providers Universities Social partners International and local experts IAL Technical assistance by ILO-EU IPA 2010 project (four AQF Level 5	<p>Qualifications identified reflect sector skill needs.</p> <p>Occupational and qualification standards developed</p> <p>Curricula for post-secondary VET developed for priority sectors and qualifications and published online as part of the National Catalogue of Vocational Qualifications.</p> <p>Inter-institutional cooperation arrangements between schools and universities in place to deliver post-secondary VET.</p> <p>Teachers/ trainers trained on post-secondary VET programmes.</p> <p>Conditions for practice learning in place enhanced together with the private sector.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		
					Lead Agency	Together with	Outputs	Performance indicators	
		<p>d. Development of teaching and learning materials and their online publication.</p> <p>e. Selection of providers (vocational schools, VTCs, Universities or business companies) to implement qualifications in the post-secondary level.</p> <p>f. Training of teachers/trainers on post-secondary VET programmes.</p> <p>g. Completion of legal and by legal basis to enable provision of higher non-university studies by quality VE providers for some important economic branches.</p> <p>h. Design of Cooperation agreements for implementation of higher non-university studies.</p>				<p>Lead Agency</p>	<p>Together with</p> <p>qualifications)</p>	<p>Outputs</p> <p>Cooperation agreements for implementation of post/secondary VET programmes or other higher non-university studies are established between HE institutions, VET providers and private sector.</p>	<p>Performance indicators</p>

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>B2.4 Evaluation of existing teaching materials, including their gender equality content and existence of gender stereotypes, as well as adequacy for PWDs.</p> <p>a. Analysis of existing teaching and learning materials.</p> <p>b. Removal of gender stereotypes in teaching and learning materials.</p> <p>c. Development of gender-sensitive teaching and learning materials to accompany new curricula.</p> <p>d. Assessment of adequacy of teaching and learning materials for PWDs and identification of gaps.</p> <p>e. Design of the plan for publication and</p>	2015-2016	<p>25 338 000 ALL</p> <p>250 000 USD</p>	NAVETQ to coordinate	<p>International and local experts</p> <p>Technical assistance by GIZ (Kosovo model)</p>	<p>Teaching and learning materials (rather than textbooks) to accompany new curricula are developed (Model to be considered as used for economic schools).</p> <p>Gender-sensitive revision completed.</p> <p>Adequacy for PWD assessed and gaps identified.</p> <p>Teaching and learning materials published in e-book formats online in the web portal for the VET System.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>printing of textbooks and other VET materials for students and trainees of VET providers by PHoST.</p> <p>f. Development of school textbooks and other teaching and learning materials in e-book formats.</p>						
		<p>B2.5 Definition and implementation of quality assurance criteria of VET system (at providers' level) and changing the internal and external verification of VET curriculum implementation (inspection).</p> <p>a. Proposal of a model for external Quality Assurance of VET providers.</p> <p>b. Redefinition of accreditation and quality assurance criteria for public and private providers to reflect quality of</p>	2014-2020	<p>40 540 000 ALL</p> <p>400 000 USD</p>	NAVETQ to coordinate	<p>VET providers</p> <p>VET inspectors</p> <p>International experts</p> <p>To be considered the previous work undertaken by British Council/ETF/NAV ETQ</p>	<p>Accreditation and quality assurance criteria for public and private providers redefined and linked to whether they offer training for employable skills.</p> <p>Public VET providers undertake self-evaluation and implement own development plans.</p> <p>Role and criteria for inspection of public VET provision redefined (national standards).</p> <p>Mutiannual plan for VET providers' inspections being implemented.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>programmes offered and their relevance to the AQF requirements.</p> <p>c. Conduction of a comparative study on piloted and current self-assessment models for VET providers.</p> <p>d. Selection and adoption of a model for VET providers' self-assessment based on accreditation criteria.</p> <p>e. Revision and improvement of the guidelines on VET institutions' self-assessment.</p> <p>f. Redefinition of the role and criteria for inspection of public VET provision (national standards).</p> <p>g. Harmonization and implementation of a comprehensive plan for VET providers' inspection.</p>				Technical assistance by ILO-EU IPA 2010 project (QA system to be defined)		



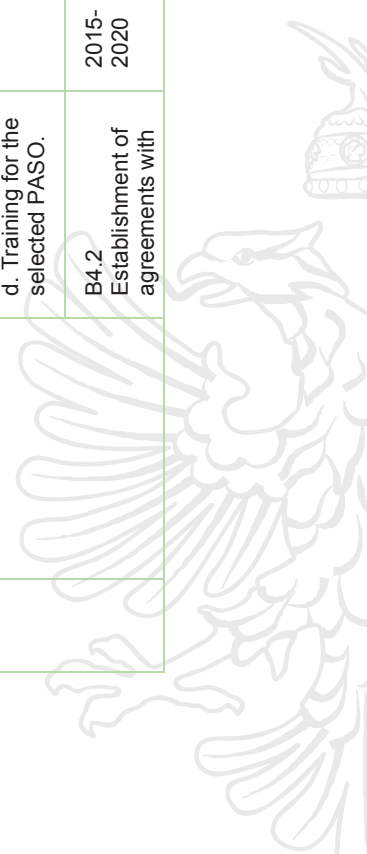
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
B3	Raising the image of VET and informing about VET providers, qualifications and training offers	<p>B3.1 Running publicity/awareness-raising campaigns about importance of and opportunities in VET and LLL for girls, boys, women and men in urban and rural areas.</p> <p>a. Organisation of open door days by all VET providers.</p> <p>b. Organisation of information events targeting female and male youth (and their parents) in rural areas by mobile units.</p> <p>c. Preparation of print information/PR materials for those not connected to the internet, particularly in rural areas.</p> <p>d. Organization of joint activities between VET providers and businesses (competitions,</p>	2014-2020	212 835 000 ALL  2 100 000 USD	MoSWY NAVETQ VET providers	NES Social partners  Technical assistance by ILO-EU IPA 2010 project (in charge of preparing a campaign in the 1st year - 2014)	<p>TV spots, talk shows, newspaper articles, posters/banners, leaflets, brochures which are free from gender stereotypes and transmit an inclusive message are produced and distributed.</p> <p>Information on VET pathways to primary school pupils disseminated.</p> <p>Annual Career and job fairs organised.</p> <p>Open door days of VET providers organised.</p> <p>School pupils' taster days in businesses organised.</p> <p>Job insertion and salary levels of graduates from reformed VET analysed.</p> <p>Focused approach on outreach to women and girls in rural and urban areas pursued</p> <p>Coaching for girls and boys opting for training in non-traditional occupations.</p> <p>Girls' uptake of non-traditional courses (particularly in high-potential and high-productive sectors) publicly promoted.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>olympics, training, etc.).</p> <p>e. Organization of Mock Firms Fair.</p> <p>f. Organization of Job Fairs.</p> <p>g. Using communication means and social networks to promote VET</p> <p>h. Maintaining and updating the VET portal.</p> <p>i. Development of social network platforms to massively promote the VET system and its providers.</p> <p>j. Development of publicity materials for counselling and career guidance.</p>						
		<p>B3.2 Design of a public interactive, searchable web portal/database on qualifications, curricula and training offers by VET providers.</p> <p>a. Conceptualization and development</p>	2014-2017	<p>30 405 000 ALL</p> <p>300 000 USD</p>	NAVETQ	MoSWY Public and private VET providers International and	<p>Demand-oriented, interactive, user-friendly database, searchable by region/ location, sector/ qualifications and VET offers, incl. links to providers' web links for further information is made available.</p> <p>Approved curricula and teaching materials available published online.</p> <p>Data updated by NAVETQ and by VET providers as a matter</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Design of an interactive database for VTCs (SIM-2, VET Portal).</p> <p>b. Design of a webpage to promote VT.</p> <p>c. Training of VTC specialists on management of data from the central web portal.</p> <p>d. Connecting VTCs to the central web portal.</p>				<p>local experts</p> <p>Technical assistance by GIZ</p>	<p>of publicity (to be used by potential learners, NAVETQ, NES, and social partners).</p> <p>Publicity to ensure use by potential learners, NAVETQ, employment services.</p>	
		<p>B3.3 Preparation of the participation of Albanian VET students in national, European and World skills competitions and related media promotion.</p> <p>a. Albanian female and male VET students participate in national EuroSkills and World Skills competitions.</p> <p>b. Preparation of assessment tools</p>	2014-2020	<p>101 350 000 ALL</p> <p>1 000 000 USD</p>	MoSWY NAVETQ	<p>Technical assistance by ETF to organise study visit to European Skills competition in Lille, October 2014</p>	<p>Albanian female and male VET students participate in national EuroSkills and World Skills competitions.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
B4	Strengthening the linkages between learning and work and facilitating the transition to work	<p>(tests) to assess students' knowledge, skills and attitude in national competitions.</p> <p>B4.1 Introduction of an already tested model in all VET institutions to organise links between VET institutions and businesses.</p> <p>a. Designing the general structure of the dual Model.</p> <p>b. Preparation/design of the legal basis to institutionalize PASO's position.</p> <p>c. Piloting the dual/PASO system(s) in sectors of potential interest and with opportunities for businesses to cooperate.</p> <p>d. Training for the selected PASO.</p> <p>B4.2 Establishment of agreements with</p>	2014-2020	152 025 000 ALL  1 500 000 USD	MoSWY  NAVETQ	To be considered the Kulturkon takt model and the Swisscon tact Alb VET project model	Teachers in all public VET institutions have the PASO or similar role (teachers require relevant technical background for the given occupational areas).  Training to be delivered to the teachers selected for implementing such a model.	
			2015-2020	30 405 000 ALL	MoSWY	Business associations,	Agreements with businesses and/or business associations, chambers signed by the	



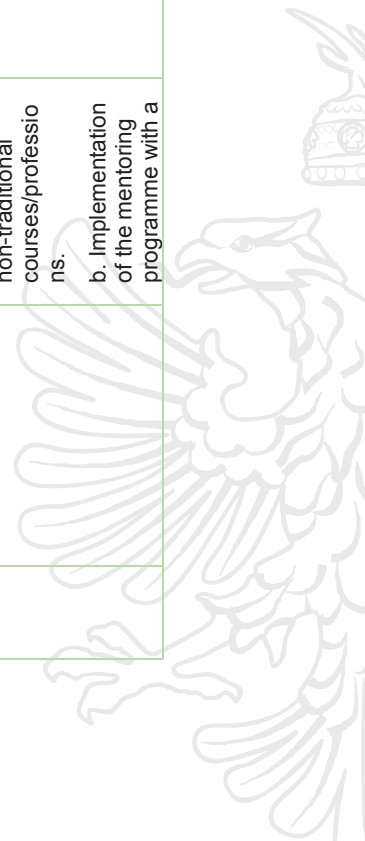
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>companies and/or business associations that meet the criteria for offering training to students.</p> <p>a. Signing of agreements with business associations in important economic areas on a central level, including targets e.g. for girls, and for females and males belonging to specific disadvantaged groups (e.g. PWD, Roma).</p> <p>b. Implementation of agreements by VET schools and businesses at local level, including targets e.g. for girls, and for females and males belonging to specific disadvantaged groups (e.g. PWD, Roma).</p> <p>B4.3 Organisation of elements of a dual system approach, including</p>		300 000 USD	(with CIM expert support)	chambers or individual businesses	<p>Ministry (and in the future by the VET providers).</p> <p>Periodical renewal of agreements (facilitating role by the Ministry).</p>	
			2015-2020	202 700 000 ALL	MoSWY NAVETQ	Social partners	Lessons learned from past experiences under Swisscontact and GIZ projects analysed.	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>internships of VET students as part of the VET curriculum.</p> <p>a. Development of guidelines for businesses offering training/practice work/internships, including non-discrimination, decent work, and anti-(sexual) harassment.</p> <p>b. Creating incentives for internships being organised by private companies in a sectoral basis.</p> <p>c. Adaptation of the legal framework to promote an increasing participation of private sector in the organisation of internships.</p>		2 000 000 USD		International experts	<p>Elements of a dual training model are implemented, including project and work-based learning in VET institutions and company internships have become a systematic part of VET curriculum implementation in strong cooperation with private sector.</p>	
		B4.4 Promotion of entrepreneurial learning and women's entrepreneurship as a key competence.	2015-2020	354 725 000 ALL 3 500 000 USD	MoSWY NAVETQ	MoETE/ AIDA  MoARDW A MoES	<p>Recommendations from BDI strategy and from EU Small Business Act assessment (OECD/ETF 2013) have informed a joint (MoEDTE, MoSWY, MoES, MARDWA) Entrepreneurial Learning Strategy.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Elaboration and adoption of a Joint Entrepreneurial Learning Strategy, based on the Recommendations from BDI strategy and the EU Small Business Act assessment, coordinated among MoEDTE, MoSWY, MoES, and MARDWA.</p> <p>b. Drafting and implementation of a Joint Action Plan for Entrepreneurial Learning, covering the design of curricula, teaching materials, teacher training, etc.</p> <p>c. Incorporation of the EU Small Business Act Istanbul Indicators in VET training curricula, courses, materials, teaching methodology, and internship design.</p>				<p>AADF Junior Achievement Programme</p> <p>Kulturkon takt</p> <p>UN Women tools to be considered</p>	<p>Joint action plan for Entrepreneurial Learning, including the design of curricula, teaching materials, teacher training, part of initial VET and adult training drafted and implemented, both as part of business education and as a compulsory subject for all.</p> <p>Key competencies captured by the EU Small Business Act Istanbul Indicators are reflected in VET training curricula and courses.</p> <p>Tailor-made entrepreneurship programmes specifically targeting girls and women, including in rural areas.</p> <p>Leadership and management skill programmes developed and conducted specifically targeting women and girls.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>d. Development and implementation of tailor-made/target group specific entrepreneurship programmes specifically targeting girls and women, including in rural areas.</p> <p>e. Development and implementation of leadership and management skill programmes specifically targeting women and girls.</p>						
		<p>B4.5 Development of learning materials related to the transition to work skills.</p> <p>a. Development and operationalisation of a special mentoring programme for female students and graduates in non-traditional courses/professions.</p> <p>b. Implementation of the mentoring programme with a</p>	2015-2018	<p>25 337 000 ALL</p> <p>250 000 USD</p>	MoSWY NAVETQ	UN Women  GIZ Career guidance tools to be considered	<p>Learning materials developed and teachers trained for implementing compulsory Skills for Life subject in secondary education.</p> <p>In line with national gender policy, promotion of women's and girls' uptake of non-professional courses, particularly in high-potential and high-productive sectors of the Albanian economy.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
B5	Enhancing recruitment and improving competences of VET teachers and teacher trainers (incl. pre service training and continuous professional development), actors in charge of regional management, school or centre directors/managers.	<p>strong participation from private sector.</p> <p>B5.1. Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure quality of teaching and learning.</p> <p>a. Study of human resources and teaching staff for each public provider, as referred in provisions on educational norms, general teachers' standards, etc.</p> <p>b. Design of a policy paper regarding pre-service and continuous training, assessment and certification of VET teachers and instructors.</p> <p>c. Design of organics for each VET provider according to new staff needs.</p>	2015-2016	20 270 000 ALL 200 000 USD	MoSWY NAVETQ MoES	Korça University Polis University Tirana Teacher trade unions VET providers VET teacher training experts VET teachers International experts	Approved policy paper regarding competence standards, pre service training and induction periods, certification, criteria for selection or recruitment, salary levels and continuous professional development of VET teachers and instructors (referring back to resp. CARDS document).	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators		
					Lead Agency	Together with	Outputs	Performance indicators	
		B5.2 Assessment of competences of VET teachers in VET institutions and carrying out an analysis of the demand for VET teachers and instructors, nationwide and by profile.	2014-2020	152 025 000 ALL  1 500 000 USD	NAVETQ	MoSWY  International and local experts  GIZ/ETF Baseline survey of public VET providers 2014 findings to be considered	Once regional VET providers' network and VET profiles to be offered have been redefined, a national plan for selection/recruitment and development of VET teachers and instructors/specialists in 5-10 year perspective approved.		
		a. Design and adoption of a national plan for selection/recruitment and development of VET teachers and instructors/specialists with a projection for the next 5-10 year, also reflecting the redistribution of VET providers and offers.  b. Promotion of competence/merit-based career development of female and male VET professionals.							
		B5.3 Review of the VET teachers' preparation model.	2014-2020	253 375 000 ALL  2 500 000 USD	NAVETQ	Ministry of Education and Sport	VET teacher pre-service programme revised.		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Development of VET teacher pre-service programme.</p> <p>b. Implementation of a pre/service training at the system level.</p> <p>c. Organisation of a VET instructor post/secondary programme and training delivery to the current teachers in pedagogical elements.</p> <p>d. Design of the legal and by-legal basis for integration of vocational teachers' profession in VET schools in the list of regulated professions/occupations.</p> <p>e. Preparation/development of the Question Bank for the State Exam.</p> <p>B5.4 Induction of training for all potential VET teachers that includes obligatory modules on gender equality</p>	2014-2020	50 675 000 ALL 500 000 USD	MoSWY MoES Universities	UN Women VET providers Companies	<p>Training actions to VET instructors in pedagogical elements delivered.</p> <p>Pre/service training program implemented as of 2015.</p> <p>Accreditation mechanism for the access to the VET teacher occupation and training actions are in place.</p> <p>Compulsory induction training on gender equality and social inclusion/diversity issues for potential VET teachers implemented.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>and social inclusion/diversity issues.</p> <p>a. Defining approach and methodology for including gender equality and social inclusion/diversity issues.</p> <p>b. Development of module and materials.</p> <p>c. Integration of gender equality and social inclusion/diversity issues and module in potential VET teachers' training curriculum.</p> <p>d. Identification of trainers for delivering training modules on gender equality and social inclusion/diversity issues for teachers.</p> <p>e. Establishment of an accreditation mechanism for VET gender trainers delivering teachers' training.</p>						



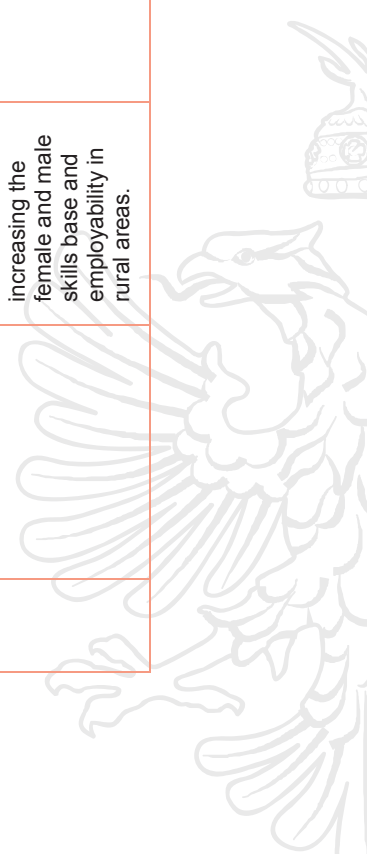
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>B5.5 Organisation and delivering of massive training for all VET teachers (in-service), including obligatory capacity development on gender equality and social inclusion/diversity issues.</p> <p>a. Gender-sensitive training needs analysis.</p> <p>b. Definition of the annual plan to organise VET teacher training and fund allocation.</p> <p>c. List of available training modules recorded in a database.</p> <p>d. Establishment of networks of teachers in the same occupational field (communities of practice).</p> <p>e. Publication of online teacher materials for self-learning.</p>	2014-2020	<p>405 400 000 ALL</p> <p>4 000 000 USD</p>	<p>NAVETQ (rather than ISHA) to be in charge of coordinating g/organising VET teacher training.</p>	<p>International and local experts (GIZ, Swisscontact, Kulturkontakt models)</p>	<p>Training needs identified.</p> <p>Database of trainers (including those trained under different donor projects), by specialist area, for both pre and in-service training prepared.</p> <p>List of available training modules recorded in a database.</p> <p>Annual plan to organise VET teacher training defined and funds allocated.</p> <p>Networks of teachers in the same occupational field organised (as communities of practice).</p> <p>Online teacher materials for self-learning adopted.</p> <p>Modules on gender equality and diversity knowledge skills are integral part of VET teacher training materials.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		f. Designing of modules on gender equality and diversity knowledge skills as integral part of VET teacher training materials.						
		B5.6 Organisation and delivery of training for managers of public VET human resources (regional managers, directors, Board members, VET inspectors).  a. Identification of training needs. b. Development of training programs and relevant materials. c. Creation and continuous updating of a database of accredited trainers and training modules, including those on gender, inclusion, and diversity management.	2015-2017	101 350 000 ALL  1 000 000 USD	NAVETQ	International and local experts  MoSWY  VET providers	Training needs identified. Database of accredited (gender) trainers and training modules created and updated. Network of directors of VET institutions exchange information, learn and solve problems. Training actions to managers, directors, Board members and other VET human resources are delivered starting from 2015.	



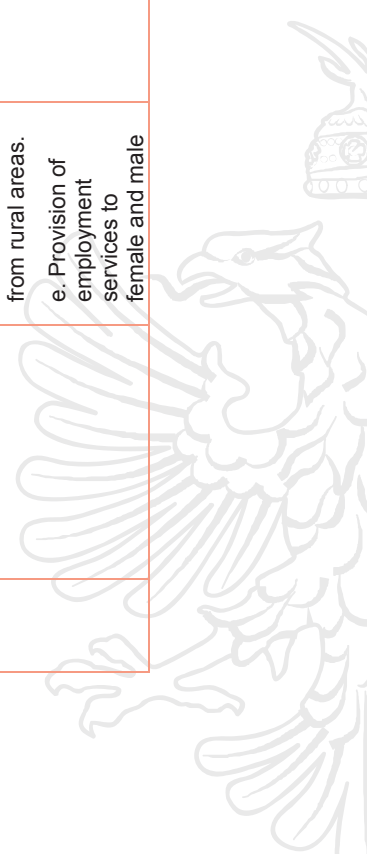
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		d. Institutionalising the pool of VET gender trainers. e. Establishment of a network of directors of VET institutions facilitating exchange of information, learning from best practice and solving problems.						

<b>Strategic Objective C:</b>		Promote social inclusion and territorial cohesion		Outcome Indicator: All women and men have access to training and support services enabling their contribution to, and benefiting from, socio-economic development across regions, especially the rural population.			
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		
					Lead Agency	Together with	
					Outputs	Performance indicators	
C1	Extending employment and vocational training services to rural areas	C1.1 Establishment of inter-ministerial cooperation to address the situation in rural areas, including the coordination with government initiative and strategies including Strategy for Rural Development.  a. Provision of inputs to Rural Development Strategy by Ministry of Agriculture, Rural Development and Water Administration for increasing the female and male skills base and employability in rural areas.	2015-2017	50 675 000 ALL  500 000 USD	MoSWY NES	Min of Agriculture, Rural Development & Water Administration  INSTAT  Technical assistance by ILO, UNDP and UN Women  International and local experts	<ul style="list-style-type: none"> <li>Share of long-term unemployed (over total unemployment), by sex;</li> <li>Youth unemployment rate (15-24) in rural and urban areas, by sex;</li> <li>Gender wage gap in urban/rural areas;</li> <li>Employment divide across regions, by sex;</li> <li>Unemployment among returnees, by sex;</li> <li>Share of social assistance beneficiaries referred to employment services and programmes, by sex;</li> <li>Share of individuals both socially and economically excluded (i.e. Roma, migrants, PWDs,</li> </ul>
					<p>Inputs to Rural Development Strategy by Ministry of Agriculture and Rural Development provided.</p> <p>Statistical survey methodologies revisited to consider women and men living in rural areas.</p> <p>New system in place for registering female and male unemployed jobseekers from rural areas.</p> <p>Reconsider definition of "self-employed" in rural areas together with INSTAT. People (families) who own a piece of land are not self-employed <i>per definitionem</i> (e.g. Macedonia and Romania do cover people in villages).</p> <p>System for registration of female and male rural workers, payment of a small tax for receiving minimum social protection and employment services in return defined and implemented.</p> <p>Statistical methodology tracking female/male rural out-migration established.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>b. Revisiting statistical survey methodologies to consider women and men living in rural areas.</p> <p>c. Establishment of a new procedure for registering female and male unemployed jobseekers from rural areas.</p> <p>d. Definition and implementation of a system for registration of female and male rural workers, foreseeing payment of a small tax for receiving minimum social protection and employment services.</p> <p>e. Establishment of a statistical methodology tracking female/male rural out-migration towards urban areas.</p>			MoSWY NES	MoARDW A	<p>Areas of significant out-migration from rural areas to urban areas are mapped.</p>	<p>etc.), by sex;</p> <ul style="list-style-type: none"> <li>Number of female/male individuals receiving social assistance and registered with the employment services;</li> <li>Share of social assistance beneficiaries accessing employment services and programmes, by sex;</li> <li>Share of benefit recipients shifted from welfare to work, by sex;</li> <li>Number and type of efforts resulting in increased child care facilities for 3-5 year old including in rural areas;</li> <li>Share of girls/boys aged 3-5 who attend kindergarten over total number of girls/boys aged 3-5 in urban/rural areas.</li> </ul>
		C1.2 Expansion of the employment services to rural areas.	2015-2020	50 675 000 ALL			<p>Territorial coverage of NES office/services is mapped out. (Focus on uncovered areas with a view to ensure service delivery</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Mapping of territorial coverage of NES office/services with a focus on uncovered areas to ensure service delivery according to regional needs and differences.</p> <p>b. Updating NES staff's knowledge on needs of women and men in rural areas and the required support measures, including training and other ALMPs.</p> <p>c. Drafting and implementation of NES Action Plan including capacity development of NES staff.</p> <p>d. Development of initiatives to promote registration of unemployed women and men from rural areas.</p> <p>e. Provision of employment services to female and male</p>		500 000 USD		<p>NES Regional and local offices</p> <p>Rural development partners at national and local levels</p> <p>International experts</p> <p>ILO</p>	<p>according to regional differences.)</p> <p>NES staff has updated their knowledge on needs of women and men in rural areas and the support including training and other ALMPs to which they could be referred. Action Plan including capacity building of NES staff is drafted and implemented.</p> <p>Initiatives to promote registration of unemployed women and men from rural areas are developed</p> <p>Mobile units offer employment services to female and male unemployed jobseekers in rural areas.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		unemployed jobseekers in rural areas.						
		C1.3 Increase of VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas.  a. Public or private training providers establish satellites or mobile units to offer training courses in rural areas, tailored to the needs of the rural population, including female and male youth, and women of all age groups.  b. Basic & practical skills courses for crafts trades, farming, food processing offered to female and male rural workers.  c. Post-secondary VET to cover agro-	2015-2020	760 125 000 ALL  7 500 000 USD	MoSWY  NES	International partners  Local trainers/coaches  NGOs  Rural development partners  Universities  VET providers  MEDTE	Public or private training providers to establish satellites or mobile units to offer training courses also in rural areas, tailored to the needs of rural population, including female and male youth and women of all age groups.  Basic & practical skills courses for crafts trades, farming, food processing offered to female and male rural workers.  Post-secondary VET to cover agro-food processing technician training, particularly for women.	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		food processing technician training, particularly for women.						
		C1.4 Training and employment of marginalised and disadvantaged women and men, including Roma and PWDs.  a. Development and implementation of the first program on wage subsidies and on the job training for women and men with disabilities. b. Review of the ALMPs. c. Design of new ALMPs measures, specially prepared for rural areas/disadvantaged population.	2015-2020	152 025 000 ALL  1 500 000 USD	MoSWY NES	NES regional and local employment offices  Rural development partners  Technical assistance by ILO, UNDP and UN Women	A new program on wage subsidies and on the job training for people with PWDs will be implemented for the first time in 2014.  Review of the ALMPs is carried out and new measures designed.  New measures for employment promotion of marginalised and disadvantaged women and men, among which Roma and PWDs are extended to rural areas.	
C2	Promoting social entrepreneurship (social economy and the third sector jobs) and women's	C2.1 Design and implementation of measures in relation to social entrepreneurship	2015-2020	354 725 000 ALL  3 500 000 USD	MoSWY NES	International partners	Increase in the number of women and girls benefiting. Tracer study on female/male beneficiaries progressing into	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
	economic empowerment	<p>a. Concept of social enterprise (incl. model of cooperatives) is defined and addressed through proper legislation.</p> <p>b. Composition of comprehensive start-up strategies including an all inclusive consultancy, professional business idea assessment.</p> <p>c. Provision of modularized, gender-sensitive capacity development measures for clients in preparation of a start-up, and on-going consultancy for at least the first year of self-employment.</p> <p>d. Basic &amp; practical business skills courses on</p>				<p>Local trainers/coaches</p> <p>NGOs</p> <p>Rural development partners</p> <p>MoEDTE</p> <p>MoARDW A</p>	<p>employment, start-up, clusters etc, in rural and urban areas.</p> <p>Mentoring programme for women and girls in place and accessible in rural areas.</p> <p>Concept of social enterprise (incl. model of cooperatives) is defined and addressed through proper legislation, in a SEE regional perspective.</p> <p>Comprehensive start-up strategies consisting of an all inclusive consultancy, professional business idea assessment is composed.</p> <p>Modularised training in preparation of a start-up and on-going consultancy for at least the first year of self-employment is assured</p> <p>Required qualifications ensuing from the Small Business Act for Europe - Istanbul Indicators integrated into NES modules, and reflected in all training, coaching, counselling and business consultancy measures.</p> <p>Increased access to training and the labour market for women by supporting policies, measures and initiatives that aim at reconciling work and family life (e.g. child care facilities), including in rural areas.<sup>2</sup></p> <p>Inter-sectoral cooperation between the Policy Advisory</p>	

<sup>2</sup> Pursuant to ILO Convention 156 on Workers with Family Responsibilities (ratified by Albania 11 October 2007); the European Commission's Community Charter of the Fundamental Social Rights of Workers; and to the 1998 guidelines for Member States' employment policies, adopted by the Council of Ministers in December 1997, which reaffirms the central role of childcare provisions in reconciling work and family life and calls for adequate provision to be made for the care of children and other dependents.

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>management, marketing, use of technology, adding value, building business, and start-up offered particularly for women and girls and especially in rural areas.</p> <p>e. Establishment of linkage between basic &amp; practical business skills courses (NES/VET) to special programmes supporting clusters of women-run businesses and start-ups (MoETE).</p> <p>f. Establishing a mentoring programme for female VET graduates, ensuring access/reach-out in rural areas (mobile units).</p> <p>g. Development of special programmes for supporting clusters of women-run business and</p>					<p>Group on Women's Entrepreneurship (MoEDTE), NES and the VET system.</p>	



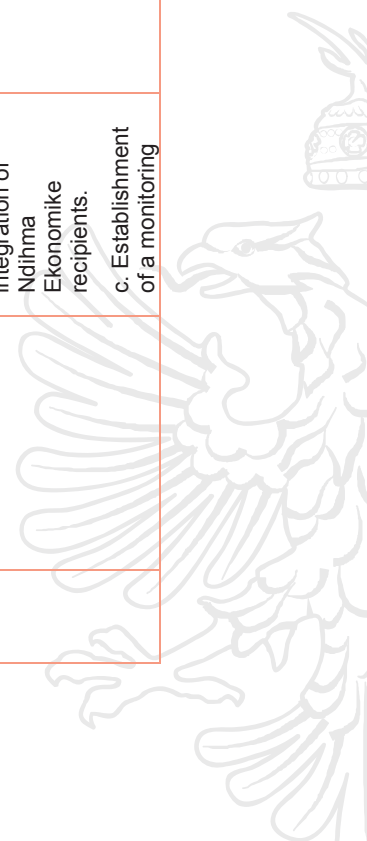
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>start-ups, including in rural areas.</p> <p>h. Conducting a tracer study on women and girls benefiting from measures/programmes in relation to social entrepreneurship and women's economic empowerment, including in rural areas.</p> <p>i. Integration of required qualifications ensuing from the Small Business Act for Europe - Istanbul Indicators into NES modules, and their reflection in all training, coaching, counselling and business consultancy measures.</p> <p>j. Training of Trainers on SBA Europe Istanbul Indicators for VET teachers</p> <p>k. Training on the practical application of the SBA Europe</p>						

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>Istanbul Indicators for all coaches, trainers, NES specialists, business consultants, collaborating NGOs.</p> <p>I. Provision of support to policies, measures and initiatives that aim at reconciling work and family life (e.g. child care facilities), including in rural areas.</p> <p>m. Participation of VET policy specialists and decision-makers in meetings of the multi-stakeholder Policy Advisory Group on Women's Entrepreneurship under MoEDTE.</p>						
		C2.2 Creation of conditions for fostering female and male employment in the third sector (social enterprise focus).	2015-2020	152 025 000 ALL 1 500 000 USD	NES MoSWY	International partners Local trainers/coaches	Capacity building of NGOs including improvement of management knowledge and skills, supporting professionalism, training for the establishment and implementation of new business, and promotion of "learning partnership" is promoted.	



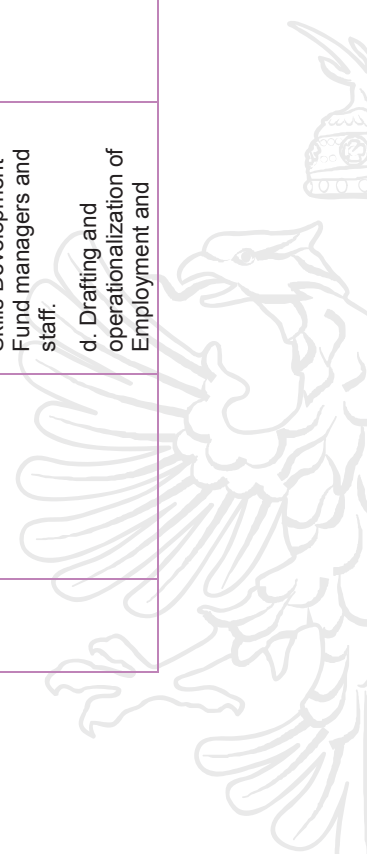
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Promotion of capacity building of NPOs including improvement of management knowledge and skills, supporting professionalism, training for the establishment and implementation of new business, and promotion of "learning partnership".</p> <p>b. Delivery of training of local and regional authorities and public institutions how to work with third sector organizations.</p> <p>c. Promotion of cooperation between NGOs and the business sector.</p>			<p>Lead Agency</p> <p>Together with</p> <p>NGOs</p> <p>Rural development partners</p>	<p>Outputs</p> <p>Training of local and regional authorities and public institutions how to work with third sector organizations is delivered.</p> <p>Cooperation between NGOs and the business sector is promoted.</p>	<p>Performance indicators</p>	
C3	Introduce an activation strategy to minimize inactivity and welfare traps	<p>C3.1 Reform of social assistance system to avoid leakages, targeting errors and increase coverage of eligible individuals and to link welfare with</p>	2014-2020	<p>304 050 000 ALL</p> <p>3 000 000 USD</p>	<p>MoSWY</p> <p>MoF</p>	<p>Social Security Institute</p> <p>NES</p> <p>Local governme</p>	<p>Harmonized delivery of employment and social services to address the needs of individuals facing multiple disadvantages, maximize the interaction between passive and active policies, identify disincentives to labour market participation, and reduce welfare dependency.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		reintegration into the labour market.  a. Harmonized delivery of employment and social services to address the needs of female and male individuals facing multiple disadvantages, maximize the interaction between passive and active policies, identify disincentives to labour market participation, and reduce welfare dependency.				nt/ Municipalities  World Bank	<p>A system combining social welfare and active labour market policies (possibly including a community works programme) is established to support labour market integration of <i>Ndihma Ekonomike</i> recipients.</p> <p>A monitoring mechanism is established which tracks the situation of vulnerable and/or socially excluded women and men in Albania, including those affected by migration.</p>	
		b. A system combining social welfare and active labour market policies (possibly including a community works programme) is established to support labour market integration of <i>Ndihma Ekonomike</i> recipients.  c. Establishment of a monitoring						



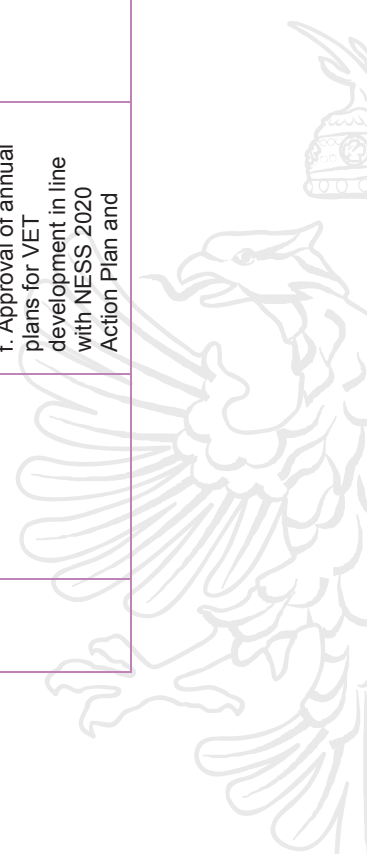
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		mechanism to track the situation of vulnerable and/or socially excluded women and men in Albania, including those affected by migration.						

<b>Strategic Objective D:</b>		<b>Strengthen the governance of labour market and qualification systems</b>						<b>Outcome Indicator: Labour market and qualification systems are well governed and use the financing and human resources in a transparent and effective manner</b>	
<b>No.</b>	<b>Sub-objective</b>	<b>Actions to be taken</b>	<b>Timeline</b>	<b>Financial resources in 000/AL &amp; in USD</b>	<b>Responsible Units</b>		<b>Outputs &amp; Indicators</b>		
					<b>Lead Agency</b>	<b>Together with</b>	<b>Outputs</b>		<b>Performance indicators</b>
D1	Reforming the financing and governance of the labour market and VET systems.	<p>D1.1. Creation of an Employment and Skills Development Fund.</p> <p>a. Development of Employment and Skills Development Fund principles and mechanisms for both the collection of contributions and the disbursement of funds in consultation with the private sector and donors.</p> <p>b. Drafting and adoption of legislation for the Employment and Skills Development Fund.</p> <p>c. Recruitment and training of Employment and Skills Development Fund managers and staff.</p> <p>d. Drafting and operationalization of Employment and</p>	2014-2020	81 080 000 ALL  800 000 USD	MoSWY MoF	Social partners  International donors  Private companies  Employment and Skills Development Fund management authority  Technical assistance provided by ILO-EU IPA 2010 project	<p>Employment and Skills Development Fund principles and mechanisms for both the collection of contributions and the disbursement of funds developed in consultation with the private sector and donors.</p> <p>Legislation for Employment and Skills Development Fund drafted and adopted.</p> <p>Employment and Skills Development Fund managers and staff recruited and trained.</p> <p>Employment and Skills Development Fund procedures drafted and made operational.</p> <p>Annual implementation plans drafted and implemented through specific regulations.</p> <p>The role of business as intermediaries is strengthened.</p> <p>Calls for applications published to fund training and employment measures according to specific criteria.</p>	<ul style="list-style-type: none"> <li>• Share of staff of the Employment and VET Departments dealing with core tasks;</li> <li>• Level of implemented actions compared to interventions planned in the Annual National Action Plan;</li> <li>• Social dialogue tables regularly conveyed to discuss structural reforms;</li> <li>• Range of gender-sensitive employment indicators used for reporting to the Government on employment and VET;</li> <li>• Application of the relevant indicators of National Set of Harmonised Indicators in monitoring VET and labour market developments;</li> <li>• Number of Private Employment Agencies authorized to operate</li> </ul>	



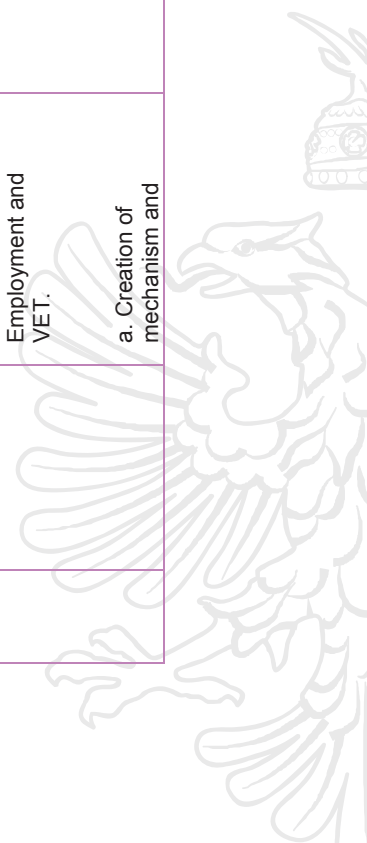
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>Skills Development Fund procedures.</p> <p>e. Drafting and implementation of Annual Implementation Plans in line with specified regulations.</p> <p>f. Strengthening of the role of business as intermediaries.</p> <p>g. Publication of Calls for Applications to fund training and employment measures according to specified criteria.</p> <p>h. Signing and management of contracts with providers.</p> <p>i. Implementation of awareness-raising, publicity, monitoring, evaluation and reporting activities.</p>					<p>Contracts with providers signed and managed.</p> <p>Awareness-raising, publicity, monitoring, evaluation and reporting activities implemented.</p>	<p>under the new legislative framework;</p> <ul style="list-style-type: none"> <li>• Amount invested in vocational education and training;</li> <li>• Share of vocational education and training graduates employed in occupation of training, by sex;</li> <li>• Number of Sector Committees established;</li> <li>• A RPL mechanism and regulations for evaluating/assessing knowledge, skills and competences in place;</li> <li>• Number of individuals undergoing RPL assessments, by sex;</li> <li>• A skills forecasting system is available to plan vocational education and training delivery;</li> <li>• Percentage of women in leadership/decision-making/management position in all VET and NES bodies;</li> <li>• A model for credit accumulation and transfer is developed;</li> <li>• EU-approximated national legislation regulating working</li> </ul>
		<p>D 1.2. Creation of (an) autonomous structure(s) for the administration, the development and oversight of VET (the current NAVETQ).</p> <p>a. Improvement of legal and by-legal basis which guarantees well-functioning of financial</p>	2015-2016	<p>152 025 000 ALL</p> <p>1 500 000 USD</p>	<p>MoSWY</p> <p>NAVET Q</p> <p>NES</p>	<p>MoES</p> <p>Social Partners</p> <p>International agencies and experts</p> <p>Technical assistance by ETF (for</p>	<p>Revised Law and related by-laws drafted and adopted.</p> <p>Strong private sector participation ensured in the decision-making of the structures and annual development activities.</p> <p>Structure(s) for the administration and development of VET in Albania established and</p>	<ul style="list-style-type: none"> <li>• Percentage of women in leadership/decision-making/management position in all VET and NES bodies;</li> <li>• A model for credit accumulation and transfer is developed;</li> <li>• EU-approximated national legislation regulating working</li> </ul>

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>administration of public VET providers.</p> <p>b. Assurance of strong private sector participation in the decision-making of structures and annual development activities.</p> <p>c. Establishment of structure(s) for the administration, development and oversight of VET and definition of procedures and action plans.</p> <p>d. Recruitment and training of all staff in line with the new tasks, revised curricula and results of a training needs analysis.</p> <p>e. Establishment of gender equality and diversity management skills as required core competences among VET providers, managers, administrators, specialists, inspectors, and evaluators.</p> <p>f. Approval of annual plans for VET development in line with NESS 2020 Action Plan and</p>			<p>work on comprehensive VET legislation)</p> <p>IPA 2013VET project</p>	<p>organisational chart and tasks defined.</p> <p>Staff recruited and all staff trained in line with the new tasks and a training needs analysis.</p> <p>Annual plans for VET development approved in line with NESS 2020 Action Plan and progress reporting assured.</p> <p><i>Tasks of the structure in charge of VET development include among others:</i></p> <p>Supervising sector committees to analyse skill needs and draft qualifications (see D2).</p> <p>Vocational qualifications of AQF developed for priority sectors and inserted in the database.</p> <p>Annual plans for investments into buildings and equipment drafted and implementation monitored.</p> <p>Management of the reconceptualised and rationalised network of public VET providers, based on redefined status of these VET providers. Frame curricula developed, based on respective vocational qualifications and levels of competence (see B2.2).</p> <p>In-service VET teacher training organised (see B5).</p>	<p>conditions, labour migration and OSH.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>assurance of progress reporting.</p> <p>g. Establishment of supervising sector committees to analyze skill needs, draft qualifications, and support VET-internal self-monitoring processes as part of quality assurance, monitoring and oversight.</p> <p>h. Design of annual plans for investments in buildings and equipment, including a plan and mechanism for monitoring implementation.</p> <p>i. Management of the reconceptualised and rationalised network of public VET providers, based on redefined status of these VET providers.</p> <p>j. Preparation and administration of research and development projects and related calls for applications, as well as competitions.</p> <p>k. Assurance of Cooperation with donors, and follow-up of donor initiatives.</p> <p>l. Assurance of participation in EU</p>					<p>Research and development projects and related calls for applications, as well as competitions are prepared and administered.</p> <p>Cooperation with donors, and follow-up of donor initiatives is ensured.</p> <p>Participation in EU dialogue processes, reporting exercises and programmes ensured.</p> <p>VET system is capable to prepare specialists who are on demand not only in Albania, but also in other countries</p> <p>Curricula and training methodologies include occupations which are compatible in international markets, in particular EU.</p> <p>Foreign employers are offered opportunities to support VET of their potential employees before they depart for work abroad.</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>dialogue processes, reporting exercises and programmes.</p> <p>m. Integration of occupations which are in line with international market standards in particular EU into curricula and training methodologies.</p> <p>n. Piloting of a system by which foreign employers are offered opportunities to support VET of their potential employees before they depart for work abroad.</p>						
		<p>D 1.3 Strengthening the role of the National Labour Council.</p> <p>a. Approval of a functional National Labour Council with tripartite representation.</p> <p>b. Development of the legal framework.</p>	2014-2020	<p>5 068 000 ALL</p> <p>50 000 USD</p>	MoSWY	Social Partners	<p>Functional National Labour Council with tripartite representation is approved.</p> <p>Legal framework for the operationalization of the National Labour Council is in place.</p> <p>Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.</p>	
		<p>D 1.4 Creation of a National Council for Employment and VET.</p> <p>a. Creation of mechanism and</p>	2015-2020	<p>152 025 000 ALL</p> <p>150 000 USD</p>	MoSWY	<p>MoES</p> <p>MoETE</p> <p>MoARDWA</p> <p>MoF</p>	<p>Mechanisms for regular meetings of National Council for Employment and VET are created.</p> <p>Ad hoc working committees are established.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>procedure for regular meetings of the National Council for Employment and VET and its Secretariat - Sectoral Working Group to be established.</p> <p>b. Establishment of the NCAQF and its Secretariat.</p> <p>c. Development and updating of the Council's Operational Plan.</p> <p>d. Establishment of ad hoc Working Committees.</p> <p>e. Deliberations on gender-equitable Employment and VET governance and financing according to the Council's Operational Plan.</p>				<p>Social Partners</p> <p>Technical assistance by ADA</p>	<p>Operational Plan of the National Council for Employment and VET is in place and regularly updated.</p> <p>Deliberations on gender-equitable Employment and VET governance and financing are taken timely.</p>	
D2	Developing and implementing the Albanian Qualification Framework.	<p>D2.1 Review of the work undertaken on vocational qualifications of the AQF.</p> <p>a. Revision of AQF law and development of by-legal acts to amend and implement the AQF law.</p> <p>b. Reviews on the work done so far on qualifications by</p>	2014-2020	<p>152 025 000 ALL</p> <p>150 000 USD</p>	<p>MoSWY</p> <p>NAVET</p> <p>Q</p>	<p>MoES</p> <p>Social partners</p> <p>Technical assistance by ETF 2014-2017</p>	<p>Legal framework for AQF has been reviewed.</p> <p>Legal package (financial, administrative etc. regulations) has been prepared.</p> <p>Reviews undertaken on the work done so far on qualifications by NAVETQ and under different donor projects, and on qualifications offered by public or private VET</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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		<p>NAVETQ and under different donor projects, and on qualifications offered by public or private VET providers or universities.</p> <p>c. Revision of the system for evaluation and certification of qualifications.</p> <p>d. Conceptualization of the credit system model to be applied in levels 2-5 of the AQF.</p>			International and local experts	<p>providers or universities or existing only on paper.</p> <p>Research of various models for implementation of the credit system in VET is undertaken.</p> <p>Albanian credit system model is conceptualised.</p>		
		<p>D2.2 Establishment and operationalization of sector committees.</p> <p>a. Conceptualization of the operational sector committee mechanism.</p> <p>b. Establishment of sector committees with social partner representation and minimum representation of 30% qualified women.</p> <p>c. Review of qualifications required within each Sector Committee's sector.</p> <p>d. Participation of the Sector Committees in the revision of the</p>	2015-2018	<p>20 270 00 ALL</p> <p>200 000 USD</p>	<p>NAVETQ</p> <p>Social partners</p> <p>International and local experts</p> <p>Technical assistance by ILO</p>	<p>Sectors of strategic importance to Albania have been prioritised and sector committees established with social partner representation.</p> <p>Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.</p> <p>Sector committees reviewed qualifications required within their sector.</p> <p>NAVETQ revised list of professions.</p> <p>Sector committees developed occupational standards at different levels of competence for a prioritised list of occupations.</p>		



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>National List of Professions.</p> <p>e. Participation of the Sector Committees in the development of occupational standards at different levels of competence for a prioritised list of occupations.</p> <p>f. Development of vocational qualifications of AQF for priority sectors and their insertion in the database.</p>						
		<p>D2.3 Revision and linking of curricula to the AQF.</p> <p>a. Revision of curricula on the basis of qualifications referenced to AQF levels.</p> <p>b. Interlinking of curricula with the AQF qualifications and standards.</p>	2015-2017	<p>25 338 00 ALL</p> <p>250 000 USD</p>	NAVET Q	International and local experts	Curricula revised on the basis of qualifications referenced to AQF levels.	
		<p>D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/ recognition of prior learning.</p>	2014-2020	<p>202 700 000 ALL</p> <p>2 000 000 USD</p>	NAVET Q	NES Technical assistance by ILO-EU IPA 2010 Project to implement the pilot for RPL	<p>Bodies appointed and procedures in place for the validation of qualifications; assessments of knowledge, skills and competences; certification; and validation of prior learning.</p> <p>National system of qualifications is capable of</p>	

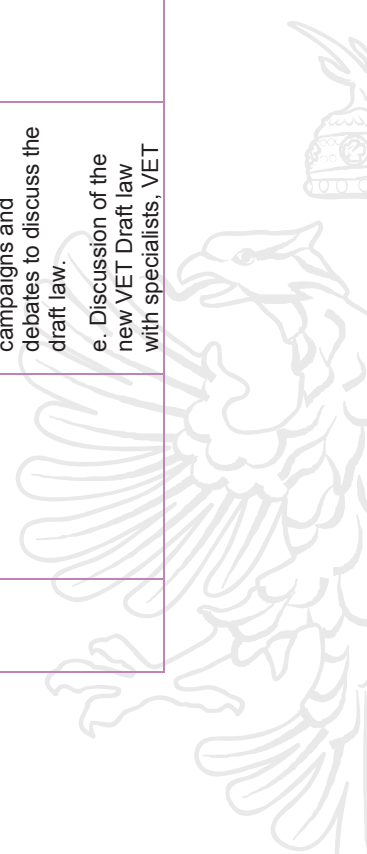
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>a. Appointment of special bodies and establishment of procedures for the validation of qualifications; assessments of knowledge, skills and competences; certification; and validation of prior learning.</p> <p>b. Establishment of a national system for recognition of qualifications, work experience, skills obtained/received abroad.</p>					recognizing work experience, skills and qualifications received abroad.	
D3	Improving the quality and gender-sensitivity of labour market information and ensure its use for more equitable and effective governance, including funding	<p>D3.1 Gender-sensitive review of existing surveys and analysis of skills needs at national and regional levels.</p> <p>a. Delivery of regular gender-sensitive national skill needs analyses and publication of findings on line.</p> <p>b. Integration of mobility considerations in skills needs assessment and related methodologies.</p>	2015-2020	30 405 000 ALL 300 000 USD	MoSWY NAVET Q NES	GIZ is developing selected instruments of a labour market information system  ILO-UNDP SIVET project has carried out SNA surveys	Regular gender-sensitive national skill needs analyses carried out and findings published on line.  Skills needs assessment and related methodologies take into account mobility/migration of the population.  Capacity development measures that ensure that gender equality, diversity and equal opportunity aspects are integrated into all methodologies and studies, and into the analysis and interpretation of VET and labour market data.  Regional skill needs, using ETF-GIZ baseline study and	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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		<p>c. Capacity development measures for NES, NAVETQ, National Council for VET, MoSWY, VET experts and practitioners etc. on integrating gender equality, diversity and equal opportunity aspects into all methodologies and studies, and into the analysis and interpretation of VET and labour market data.</p> <p>d. Reflection of the findings of national skill needs analyses in the re-conceptualization of the network of VET providers and the gender-sensitive VET profiles offered in Albania and on a local level.</p>					<p>regional development plans (UNDP), among others.</p> <p>National and regional skill needs analyses have informed the re-conceptualization of the network of VET providers and the gender-sensitive VET profiles offered in Albania and in each region.</p>	
		<p>D3.2 Establishment of a gender-sensitive tracer system for VET graduates (initial and continuous training).</p> <p>a. Implementation of gender-sensitive tracer systems by all VET providers and publishing of results to the general public.</p>	2014-2020	<p>40 540 000 ALL</p> <p>400 000 USD</p>	<p>MoSWY</p> <p>NAVET Q</p> <p>NES</p>	<p>ILO-EU IPA 2010 project is piloting a tracer system for VTC's</p> <p>GIZ work on tracer system</p>	<p>Gender-sensitive tracer systems implemented by all VET providers and results released to the general public.</p> <p>Female and male graduates are tracked and gaps in gender-specific data and information closed.</p> <p>Results obtained through gender-sensitive tracer studies inform VET and labour market policy,</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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		<p>b. Design and implementation of measures for closing gaps in gender-specific data and information.</p> <p>c. Capacity development for policy makers to recognize skill gaps and gender inequalities in the national labour market and to elaborate respective measures promoting skill transfer from other labour markets.</p>					<p>management, decision-making, prioritization and budget allocation.</p> <p>Employment policy makers are capable of recognizing skill gaps in the national labour market and elaborate measures promoting skill transfer/borrowing from other labour markets.</p>	
		<p>D3.3 Developing information sharing instruments about gender-sensitive labour market data (labour market bulletins, websites etc.).</p> <p>a. Regular release of gender-sensitive labour market data.</p> <p>b. Integration of gender equality, diversity and equal opportunity goals into all procedures and processes of information sharing, and into the analysis and interpretation of labour market data.</p>	2014-2020	<p>20 270 00 ALL</p> <p>200 000 USD</p>	<p>MoSWY</p> <p>NAVET Q</p> <p>NES</p>	<p>GIZ is developing selected instruments of a labour market information system</p>	<p>Gender-sensitive labour market data are released regularly.</p> <p>Gender equality, diversity and equal opportunity goals are integrated into all procedures and processes of information sharing, and into the analysis and interpretation of labour market data.</p> <p>Labour market information system (LMIS) is capable of feeding into decision making on broadening/narrowing access of foreigners to labour market in Albania, identifying sectors, locations with labour shortages and structural imbalances.</p> <p>Gender-sensitive labour mobility/migration indicators</p>	

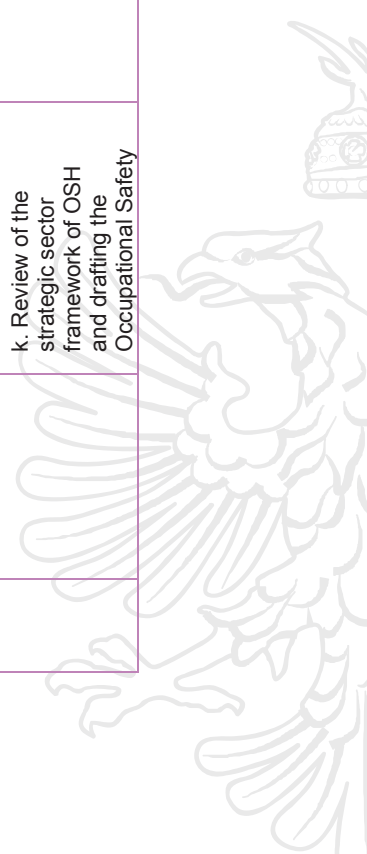
No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
		<p>c. Labour market information system (LMIS) is capable of feeding into decision making on broadening/narrowing access of foreigners to labour market in Albania, identifying sectors, locations with labour shortages and structural imbalances.</p> <p>d. Insertion of gender-sensitive labour migration indicators in LFS.</p> <p>e. Design and adoption of a gender-sensitive methodology for statistics on labour migration.</p> <p>f. Regular reporting on female/male labour mobility/migration within, to, and out of Albania.</p>					<p>are inserted into the LFS and monitored.</p> <p>Methodology for gender-sensitive measuring of labour migration in Albania is developed and applied for generation of statistical data.</p> <p>Regular gender-sensitive report on labour mobility/migration within, to, and out of Albania is produced.</p>	
		<p>D3.4 Establishment of mechanisms for sectoral skills forecasting.</p> <p>a. Designing of a sectoral skills forecasting methodology.</p>	2018-2020	10 135 000 ALL 100 000 USD	MoSWY NAVET Q NES	International experts	Sectoral skills forecasting methodology is designed.	
D4	Modernising the legislative framework for VET (initial	D4.1 Review of all pieces of existing legislation that regulate VET (in	2015	10 135 ALL	MoSWY MoES	Legal experts	Legal working group is created to review examples from other countries and	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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	VET and adult training)	<p>schools, VTCs, or higher professional education at universities, by public or private providers) and aspects related to VET (curriculum development, teacher training etc.).</p> <p>a. Establishment of a legal working group to review examples from other countries and design a new comprehensive VET framework legislation.</p> <p>b. Development of the new framework VET legislation that regulates all aspects of a modern VET system.</p> <p>c. Drafting and adoption of the Revised VET Law and related by-laws, including the new Vocational Education and Training Law in the Republic of Albania.</p> <p>d. Establishment of a working group and promotion of campaigns and debates to discuss the draft law.</p> <p>e. Discussion of the new VET Draft law with specialists, VET</p>		100 000 USD		Technical assistance by ETF 2014-2017	<p>design a new comprehensive VET framework legislation.</p> <p>New framework VET legislation that regulates all aspects of a modern VET system in place.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
					Lead Agency	Together with	Outputs	Performance indicators
D5	National legislation regulating mobility and labour market governance are in line with the country's broader socio-economic development goals and EU Acquis.	<p>providers' managers, interest groups representatives, etc.</p> <p>f. Development of the final version of the new VET law alongside with the report and submission for adoption.</p> <p>D5.1. Approximation of relevant Albanian legislation with EU Directives.</p> <p>a. Operationalisation of a respective working group of experts.</p> <p>b. Identification of relevant articles requiring updating/approximation (incl. seasonal workers, single permit, researchers and scientists, family unification).</p> <p>c. Preparation of draft amendments.</p> <p>d. Tabling of draft amendments for feedback and revision by the Working Groups.</p> <p>e. Submission of final amendment drafts for endorsement by the</p>	2014-2020	50 675 000 ALL  500 000 USD	MoSWY	Ministry of Justice  IOM  MoFA  Ministry of Internal Affairs  MoH  MTI  MEI  MIE  Technical assistance by ILO	<p>Legislation adopted in conformity with EU legislation.</p> <p>Compliance is ensured on blue card directive, seasonal worker directive, single permit, researchers and scientists, family unification.</p> <p>SEE regional labour market is more inclusive and labour mobility is promoted across countries.</p> <p>OSH regulations developed by line ministries and approved through DCM.</p> <p>Regulation on the protection of pregnant workers, workers who have recently given birth or are breastfeeding approved through DCM.</p> <p>Regulation on protection of minor workers approved through DCM.</p> <p>The OSH Action Plan 2015-2020 approved through DCM.</p> <p>The current legal framework on labour inspection is in</p>	

No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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		<p>Government of Albania.</p> <p>f. Transposition of the <i>acquis communautaire</i> in the area of occupational safety and health.</p> <p>g. Adoption of regulations which transpose 19 individual directives towards implementation of the framework directive 89/391 EEC.</p> <p>h. Revision of current legislation with regard to Article 34 (1) on young people towards implementation of the framework directive 94/33 EC.</p> <p>i. Revision of current legislation in line with national Gender Equality Law and Articles 2, 5 and 6 of Pregnant Workers Directive.</p> <p>j. Monitoring and analysis of implementation of OSH legislation in practice and proposal for changes.</p> <p>k. Review of the strategic sector framework of OSH and drafting the Occupational Safety</p>					<p>compliance with EU directives on the sanctions against employers who hire illegal emigrants.</p> <p>Labour inspectors have the necessary knowledge regarding rights and obligations of foreign workers in Albania and are able to identify (potential) trafficking victims to refer them to respective authorities.</p> <p>Established mechanisms for the protection of work and human rights of the immigrants.</p> <p>Amended legislation related to inspection to insure ALMPs implementation and inspection of the (regulated) occupations involving high risk for health and safety.</p>	



No.	Sub-objective	Actions to be taken	Timeline	Financial resources in 000/AL & in USD	Responsible Units		Outputs & Indicators	
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		and Health 2014-2020 document. l. Adoption of the Occupational Safety and Health 2014-2020 document by a DCM. m. Development of OSH regulations to implement the occupational safety and health law.						
		D5[E]1.2. Closing of skills gaps in the local labour market by active employment of specialists.  a. Design and implementation of Skills Transfer Programmes. b. Cooperation agreements established with other SEE countries for skills transference. c. Review or adoption of new legislation.	2015-2018	20 270 000 ALL  200 000 USD	MoSWY	IOM  Other regional actors and institutions	Skill transfer programmes are facilitated in the SEE region.	



