



# **National Employment and Skills Strategy 2014–2020**

## **Annual Progress Report 2017**

May 2018



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## List of Acronyms

ADC	Austrian Development Cooperation
AKSHI	National Agency of Information Technology (NAIT)
ALL	Albanian Lek (currency)
ALMP	Active Labour Market Programme
AQF	Albanian Qualifications Framework
CPD	Continuing Professional Development
DCM	Decision of Council of Ministers
DIMAK	<i>Deutsches Informationszentrum für Migration, Ausbildung und Karriere</i> (German Centre of Information on Migration, Vocational Training and Careers)
EPP	Employment Promotion Programme
EQAVET	European Quality Assurance for Vocational Education and Training
EQF	European Qualifications Framework
ESCO	European Skills, Competences, Qualifications and Occupations
ETF	European Training Foundation
EU	European Union
EUR	Euro (currency)
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German Development Cooperation)
ILO	International Labour Organisation
INSTAT	National Institute of Statistics
IPA	Instrument for Pre-Accession Assistance
ISCO	International Standard Classification of Occupations
IT	Information Technology
LFS	Labour Force Survey
LLL	Lifelong Learning
MFC	Multi-functional Centre
MIS	Management Information System
MARDWA	Ministry of Agriculture, Rural Development and Water Administration
MoEDTE	Ministry of Economic Development, Trade and Entrepreneurship
MoFE	Ministry of Finance and Economy
MoSWY	Ministry of Social Welfare and Youth
n/a	data not available
NAES	National Agency for Employment and Skills
NAVETQ	National Agency of Vocational Education, Training and Qualifications
NES	National Employment Service
NESS	National Employment and Skills Strategy
NLC	National Labour Council
NSM	New Service Model
PwD	Persons with Disabilities
QA	Quality Assurance
QKB	<i>Qendra Kombëtare e Biznesit</i> (National Business Centre)



S4J	Skills for Jobs
SD4E	Skills Development for Employment
SDC	Swiss Agency for Development and Cooperation
SEE	South East Europe
SILSS	State Inspectorate for Labour and Social Service
SNA	Skills Needs Analysis
SRC	Sector Reform Contract
TAP	Trans Adriatic Pipeline
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VET	Vocational Education and Training
VTC	Vocational Training Centre



## Executive Summary

The recovery in the growth of the Albanian economy is gaining momentum. Nevertheless, this growth remains vulnerable to a range of factors, both internal and external, while progress in the reforms that have been initiated is crucial to ensuring sustainability. The National Employment and Skills Strategy 2014–2020 (NESS) places knowledge and skills at the heart of the economic model and is expected to trigger a positive impact on long-term growth. The strategy represents one of the strongest commitments of the Albanian government for the welfare of its citizens, with the goal of promoting jobs and skills opportunities for all Albanian women and men.

NESS is being implemented under the leadership of the Ministry of Finance and Economy, in close cooperation with other line ministries and institutions and with the support and technical assistance provided by many international development partners. In 2015, the European Union (EU) committed support to the strategy by selecting it to receive budget support of EUR 30 million through a Sector Reform Contract (SRC). Annual monitoring and reporting of NESS fulfils the obligations under SRC to receive this budget support. The progress made in employment and skills sector reforms by December 2016 were acknowledged by the EU and a fixed tranche of EUR 6 million was disbursed. Subsequently, nine out of ten target indicators for 2016 were achieved and the first variable tranche of EUR 6.3 million was disbursed in 2017.

NESS 2014–2020 comprises 52 actions to be implemented over a seven-year period. In 2017, of these 52 actions, 49 (94%) were initiated. Actions showing no progress concern those targeting extension of employment services into rural areas. In 2017, total public spending on vocational education and labour market policies amounted to EUR 37.8 million, with 58 percent of this amount allocated to vocational education, and EUR 15.4 million spent on employment measures. Overall, funding on employment and skills increased by 24 percent from the previous year.

In 2017, labour force participation rates remained below European averages, with those of women significantly less than those of men (66.8% overall: women, 57.7%; men, 75.8%). Youth participation rates were considerably less than for the rest of the population, though youth unemployment in 2017 declined to 25.9 percent, while unemployment among women was reported at 12.8 percent, a decline on the previous year of 1.8 percent. Nevertheless, the gender gap in labour participation remained high, at 17 percent, higher even than in 2015, and slightly higher than the strategy objective.

Active labour market programmes (ALMPs) have been supporting individuals, with 14.7 percent more supported than in 2016. The aim of the programmes is to generate employment for 5,500 unemployed jobseekers. In 2017, 668 businesses (440 new applicants) participated in seven ALMPs offering employment to 5,264 unemployed jobseekers. Participants in the direct employment programmes comprised 5.8 percent of all registered unemployed jobseekers, meeting one of the monitoring indicators under the budget supported SRC.

The National Employment Service (NES) reported around 83,500 registered unemployed jobseekers, among whom 53 percent were females. The number of registered unemployed



jobseekers fell by eleven percent compared to the previous year, mainly due to consolidated procedures on registration and periodical checking on the employment status of those registered.

The transformation of NES into the New Service Model (NSM) was completed in 2016. Reconstruction of NES premises was completed in 21 offices by the end of 2017, during which the focus of interventions was on the soft side of the employment service, improving targeting and service capacity, leading to better outcomes and stronger impacts on employability. Adoption of NSM in all employment offices continued to be supported with the training of all employees, in services and management. In 2017, several evaluations of the functionality and quality of employment services were undertaken by NES and supported by donors. The present report sheds light on the factors hindering the efficiency of NSM and the active labour market measures in generating equal employment opportunities.

Reorganising NES in accordance with NSM has been challenged by the ability to fully reconstruct the premises of regional offices. Delays in consolidating the legal framework also hindered efficiency gains of the reform. Cooperation and coordination with local authorities appeared to be challenging as well. Unemployment is a problem that has its roots in social problems and in the different communities. Women, Roma and Egyptians, and people suffering violence or severe family problems due to unemployment are better identified and addressed at the community level. To this end an integrated and coordinated mechanism with local actors, mainly with local authorities and local institutions would improve the efficiency of NES services.

Reform of the social assistance scheme created a flow of unemployed jobseekers previously supported through economic aid. The employment services were unprepared for the needs and profiles of those individuals, and it remains a challenge for the services to design programmes to smooth the effect of dependence upon economic aid among vulnerable groups.

The limited number of staff and effort needed to transition from the old model of service delivery to NSM created some challenges with regard to serving groups with special needs. The results of the employment services with respect to vulnerable groups was weak until 2016, but subsequent training and capacity building activities, undertaken in 2017, generated positive and noticeable results. However, it is still a challenge to maintain such progress in a sustainable way and further support and interventions are needed.

The low vacancy filling rate, the large number of job refusals, especially of certain groups, remains a challenge for the employment services and job match practices. Overcoming these challenges needs a stronger and more efficient targeting and referral mechanism in cooperation with local authorities, communities, labour offices, training centres and education institutions.

Improving the information system is a challenge for the efficiency of the employment services. The information system was designed mainly as a registration facility. Additional features introduced in compliance with service design and the need for reporting have made the system complicated and slow. Computers and the Information Technology (IT) system at Regional Directorates of Employment or Labour Offices are regarded as out-of-date and depreciated, since



they date to the end of 2012. Changes need also to be accompanied by systematic on-the-job training.

Reorganisation of the Vocational Education and Training (VET) schools and the programmes offered, following the first wave of system consolidation, continued in 2017. The working group at MoFE for the ‘Optimisation of public VET providers and establishment of Multi-functional Centres’ was established and a draft action plan was finalised on optimisation of public VET providers.

Currently the VET system is composed of 35 schools and ten public Vocational Training Centres (VTCs). The total number of VET participants in 2017 is reported as 34,710, of whom 19,000 were VET students and 15,710 VTC participants. Enrolment in VETs increased by 14 percent compared to 2014, and there is a positive trend in VET enrolment and participation, though the increment rate is half that of the objective set in the national strategy.

The VET offer is unevenly distributed regionally, rural areas suffer low access, female participation is low, and access for Persons with Disabilities (PwD) remains low. In 2017, participation of PwD in VET was low in absolute numbers, though still 37 percent higher than in 2016. A tracing system, which follows up on the employability of students completing vocational education or vocational training, was made operational in 2016, fulfilling an obligation under EU budget support. The first trial and data have been made available by a Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) project for Kamza multi-functional centre, in which VTCs participated in the tracing system in 2017 and the first report based on the information gathered was published and made available to NES.

During 2017, no progress was noted in the introduction of a quality assurance (QA) system for VET, possibly modelled on European Quality Assurance for Vocational Education and Training (EQAVET) indicators.<sup>1</sup> Efforts are being made to design and conceptualise the system and procedures for self-evaluation and further independent accreditation of public and private VET providers.

The dialogue between VET and social partners is also weak. The National VET Council will be made functional following adoption of by-laws. The recently approved Albanian Qualifications Framework Law does make reference to the setting up of sector skills committees in charge of identifying skills and qualifications at the sectoral level. The lack of by-laws has made the social dialogue around the VET sector non-functional and weak. Some efforts have been made by donor-supported projects to establish sectoral committees. S4DE, RisiAlbania, GIZ and Al-Tour, financed by the Austrian Development Cooperation, have contributed to reviving social dialogue and stakeholder participation in VET at the sectoral level.

Career guidance is anticipated to be introduced and offered for the whole VET system after the establishment of a development unit in each VET provider as a systematic way of providing

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<sup>1</sup> [http://www.eqavet.eu/qc/tns/monitoring-your-system/evaluation/EQAVET\\_indicators.aspx](http://www.eqavet.eu/qc/tns/monitoring-your-system/evaluation/EQAVET_indicators.aspx)



skills to VET graduates to transition to the labour market. This remains challenging since a legal framework is yet to be developed and the information system of the tracing system consolidated. Funding to support development of learning and staff capacities at the school level remains challenging.

NESS 2014–2020 focuses on two main aspects of social inclusion: providing employment services to marginalised or vulnerable groups and improving opportunities for skills formation through better access to VET. During 2016, the employment programmes were able to generate a positive impact on employment, though the impact on employability of vulnerable groups was modest. In 2017, NES, in cooperation with donor supported programmes, improved targeting mechanisms and diversified services toward vulnerable groups. This led to very positive results compared to the previous year with respect to employability among vulnerable groups. However, no progress was made on extending employment and training services into rural areas, though assessment studies are in implementation supported by the UNDP SD4E project. Monitoring the impact of different cross-sectoral initiatives in support of social inclusion through employment is unsystematic and not undertaken following a rigorous approach. As a result, the impact is pictured only partially and is underestimated.

The employment services are aiming to coordinate with the institutions engaged in delivering social protection, especially those providing social assistance with the aim of providing employment opportunities. 12.5 percent of 23,136 unemployed jobseekers from passive programmes (unemployment benefit and social assistance) are engaged in employment programmes or job mediation. Eight percent of unemployed jobseekers employed in 2017 were removed from the social support schemes (cash transfers) due to their employment. The gender gap in labour participation remained higher than the targeted level: in 2017, it was reported as 14 percent, 0.7 percent points lower than the baseline (2014). Young female unemployment and young male unemployment both declined, by 3.8 percent, and 2.7 percent, respectively, compared to the figures for 2016. Of individuals employed through EPPs, 4.1 percent were from marginalised groups, who were also served through vocational training: in 2017, 1,214 individuals (8.1% of training participants) were from marginalised groups—Roma or Egyptian, victims of violence, orphans, returnees, etc.

Effective employment, education and training policies call for improved administration, efficient use of financial resources and better design, monitoring and evaluation of outcomes. Improving the administration of labour market policies requires further efforts and capacity building among labour market institutions. Interventions to improve the governance of the labour market are based upon a multi-level approach and require strengthening of social dialogue mechanisms.

It remains a challenge for the VET policy makers and labour market policies to adopt a systematic method that enables forecasting of the skills demanded by the labour market and a quick response with VET programmes. The three rounds of the SNA survey need to be linked and converted into a forecasting tools using the dynamics of the labour demand observed from data. Gender-sensitive monitoring and reporting of information on the labour market and employment programmes were established following approval of the strategy, and no further changes have been made.



The Skills Need Analysis that was undertaken brought interesting insights into the labour market dynamics. Enterprises expect to open 47,000 jobs in 2018, mainly in manufacturing and services, including tourism. Small and medium enterprises are demanding highly skilled employees for accounting, legal issues and IT, among others, while large companies need mainly mid-level professionals. Enterprises with more than four employees report facing the issue of an unqualified labour force. The level of mismatch between the qualifications needed and those offered increases in the larger companies where more specialised jobs are offered. The skills and competences employers report as unsatisfactory are technical (related to the profession), work culture, proactivity and willingness to learn in the working environment. Further to validation of the report, NES, with the support of SD4E, will continue to disseminate the findings, and, in addition, through technical expertise, use this information to forecast labour market demand and translate that forecast into concrete actions to improve VET and minimise skills mismatches and shortages.

From a long-term perspective Albania aims to further align and approximate its legislation to enable EU citizens to have equal access to the country's labour market. Challenges to the opening up of the labour market to attract foreign qualified workers consist mainly of establishing monitoring mechanisms and balancing access to the labour market. Periodic assessment on the needs of the market for a qualified workforce unavailable locally need to be undertaken as a guidance for further liberalisation of the Albanian labour market. The country should balance access to the labour market through regional and bilateral agreements with SEE countries and other economies in the region to enable equal access for Albanian citizens in those countries to whom Albania has granted access.

Improved institutional capacities, mainstreaming financial resources and strengthening inter-institutional cooperation will create the synergy required to lead the strategy towards full materialisation. Implementation of NESS and progress with its measures shows that the way to reap the benefits of all the reforms and transformation made to the system is easier than it was when implementation of the strategy began.

## Introduction

Albania’s National Employment and Skills Strategy (NESS) 2014–2020 and its related Action Plan are the drivers of the employment and skills policy agenda for the country. This strategic document was recognised as a step forward in policy formulation for welfare and employment. NESS 2014–2020 was designed in full alignment with the European Union (EU)’s 2020 Strategy<sup>2</sup> and the South East Europe 2020 Strategy<sup>3</sup>—*Jobs and Prosperity in a European Perspective*.

The overall goal of NESS 2014–2020 is to achieve *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 problems in skills formation, labour demand, labour supply and social inclusion. In addition to its main objective, NESS 2014–2020 focuses on four strategic objectives: A, Foster decent jobs opportunities through effective labour market policies; B, Offer quality vocational education and training to youth and adults; C, Promote social inclusion and territorial cohesion; and D, Strengthen the governance of the labour market and qualification systems (Figure 1).

**Figure 1:** Vision and Strategic Priorities of NESS 2014–2020



The Government of Albania has expressed its commitment to address jobs creation and skills development, with particular focus on the employment of youth and women. Priorities include, among others, the following: i) substantial re-orientation of Vocational Education and Training (VET) towards labour market needs, ii) undertaking of necessary reforms with a focus on intertwining theoretical training with on-the-job training (mirroring the dual system), iii) extension of employment services to rural areas, iv) expansion of outreach of active labour market measures,

<sup>2</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<sup>3</sup> <http://www.rcc.int/files/user/docs/reports/SEE2020-Strategy.pdf>

v) promotion of entrepreneurship, and vi) fostering of closer partnerships with the private sector in VET provisioning.

The path to reaching the strategic objectives is detailed through 17 Sub-objectives and 52 Actions (Table 1) to be implemented from 2014–2020. Strategic areas, Sub-objectives and Actions lead towards the specified outputs and results and can be used to monitor the impact and progress of the strategy.

**Table 1.** Strategic areas and number of Sub-objectives and Actions of NESS 2014–2020

Strategic area	No. of Sub-objectives	No. of Actions
Decent jobs opportunities through effective labour market policies	4	9
Quality vocational educational and training to youth and adults	5	21
Social inclusion and territorial cohesion	3	7
Strengthening the governance of the labour market and qualification system	5	15
<b>Total</b>	<b>17</b>	<b>52</b>

*Source: NESS 2014–2020*

An annual monitoring exercise is undertaken as part of the strategy actions, under good governance and accountability. The annual progress report aims at assessing the level of progress made with the strategy implementation and the extent to which the expected outputs have been achieved.

The annual progress report of NESS 2014–2020 is the third consecutive such report, the specific objectives of which consist of the following:

1. Take stock of the status and level of implementation.
2. Identify challenges to implementation of each action.
3. Identify recommendations for future implementation of the NESS Action Plan, through a participative consultation process that includes social partners and active international agencies operating in the field.
4. Strengthen capacities of responsible ministry staff with regard to monitoring and evaluation of systems and procedures.
5. Comply with the monitoring and reporting requirements of the Sector Reform Contract (SRC) for Employment and Skills, 2016–2018.
6. Establish regular procedures for monitoring and reporting annually on NESS implementation and for collecting data to be used in the mid-term and final reviews.
7. Reinforce the role of the Sector Steering Committee (former Integrated Policy Management Group) and policy coordination mechanisms at the responsible ministries.



This annual report is organised in line with the strategy, presenting the progress made and challenges faced for each strategic priority and specific action.

Chapter 1 summarises the methodology followed, to present the pace of implementation with regard to the 52 Actions. Chapter 2 comprises an analysis of the results achieved with relevance to fulfilment of objectives under the SRC. Chapters three to six summarise measures and interventions undertaken under each strategic priority, while Chapter 7 focuses on the overall achievements and challenges.

The appendix illustrates the process of report preparation and consultation, methodological tools used and data sources.



## **1. Annual Progress in Implementation of NESS 2014–2020**

Monitoring and Evaluation of NESS 2014–2020 is a responsibility of the Ministry of Finance and Economy (MoFE), which has become the lead institution in government with regard to implementation of the strategy. The progress report serves to follow up the pace of strategy implementation and the achievements, challenges and need for coordination and policy dialogue among stakeholders so that NESS progresses in accordance with its action plan and objectives, and delivers the targeted results and impacts. It serves to fulfil the obligations under the Sector Reform Contract for Employment and Skills (2016–2018) as a condition to receive budget support.

Due to the importance of the monitoring process for successful implementation of NESS, a specific chapter (Chapter 5) on accountability, monitoring and assessment analysis has been developed and made an integral part of the strategy itself, developing the processes and procedures to be followed in preparation of the report. The methodology for gathering information, the preparation of the progress report, and consultations with stakeholders and strategic partners has closely followed the requirements under the strategy and SRC.

Preparation of the report has been supported by the United Nations Development Programme (UNDP) under the framework of the Swiss-funded Skills Development for Employment Programme (SD4E), in cooperation with the European Training Foundation (ETF).

The Ministry of Finance and Economy led the process of data gathering and consultation of the document, through the Directorate of Employment and Skills Policies, National Agency of Vocational Education, Training and Qualifications (NAVETQ) and the National Employment Service (NES). The report is helpful to international agencies and partners engaged in the implementation of NESS 2014–2020, and the annual reporting will be used for the mid-term review of the strategy.

### ***1.1 Status of implementation of Actions under NESS 2014–2020 in 2017***

NESS comprises 52 Actions to be implemented over a seven-year period. In 2017, out of these actions, 49 (94%) were initiated. Based upon the information reported by public agencies involved in implementation of the strategy, the average level of implementation of the initiated actions was 74 percent.

The proportion of activities in progress confirms the institutional commitment for implementation of the strategy towards reaching the expected results and impacts. The observed pace of strategy implementation is the result of the commitment and synergy between government and international partners, including budget support of the EU and UNDP, and contributions of ETF, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), the Swiss Agency for Development and Cooperation (SDC) and the Austrian Development Agency (ADA), as well as many other projects and national partners.



Only three Actions—all targeting rural areas—were unable to be initiated by the end of 2017 (Table 2): 1, Establishment of inter-ministerial cooperation to address unemployment and skills formation in rural areas; 2, Expansion of employment services to rural areas; and 3, Increase the VET offer in rural areas.

**Table 2.** Actions not yet being implemented as of December 2017

No.	Action
C1.1	Establishment of inter-ministerial cooperation to address the situation in rural areas, including coordination with government initiative and strategies including Strategy for Rural Development.
C1.2	Expansion of the employment services to rural areas.
C1.3	Increase of VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas.

The main obstacles to initiating these activities concern the level of understanding of the situation and needs in rural areas with regard to employment and skills formation. Only recently have UNDP–SD4E undertaken an assessment of unemployment patterns and skills needs in such areas, with the use mainly of administrative data from NES and the National Institute of Statistics (INSTAT).

The progress of implementation of NESS in the three years following its adoption is progressing in compliance with the action plan and objectives. This manifests the strong commitment of the government to move forward with the strategy implementation despite the challenges.

## **1.2 Financial resources and allocations**

In 2017, public spending allocated to vocational education and labour market policies amounted to EUR 37.8 million (4.7 billion Albanian Lek, ALL), an annual increase of 24 percent. Budget spending on vocational education in 2017 amounted to EUR 22.2 million, an increase on the previous year of 37 percent, while spending on labour market and employment was EUR 15.4 million, an increase of eight percent. The VET budget represented 59 percent of the total budget for vocational education, training and employment. Spending on staff wages and social insurance slightly decreased, while capital investment more than doubled, increasing 140 percent compared to 2016.

Operational spending, which covers, among other things, teaching materials and the costs of training and other promotional activities, amounted to EUR 3.4 million, an annual increase of 23 percent. Spending on vocational training centres (VTCs) comprised only ten percent of the labour and employment budget in 2017, remaining almost unchanged since 2015. Meanwhile,

support for active labour market programmes (ALMPs) amounted to EUR 3.8 million (490 m ALL; Table 3).

**Table 3.** Budget expenses (000 ALL) for VET, labour market and employment, 2015–2017

Line item	2015	2016	2017
<b>VET Total Budget (actual)</b>	<b>1,494,262</b>	<b>2,030,334</b>	<b>2,776,570</b>
Operational expenses	220,000	352,000	433,000
Wages and Social Insurance	1,095,570	1,166,238	1,122,860
Textbooks subsidies	8,000	8,000	8,000
Capital investments	170,692	504,096	1,212,710
<b>Labour and Employment Budget</b>	<b>1,622,231</b>	<b>1,803,829</b>	<b>1,954,700</b>
Capital investments	45,634	118,000	51,000
ALMPs	450,000	490,000	490,000
<b>VTCs</b>	<b>216,872</b>	<b>216,852</b>	<b>212,364</b>

*Source: Ministry of Social Welfare and Youth (MoSWY) administrative data*

Capital investment allocated to the employment budget contracted in 2017, reflecting in a decline of 54 percent in the capital investment for NES compared to 2016, a modest EUR 0.5 million. The slowdown in public investments affected progress made in reconstructing employment offices and improving their functionality in accordance with the new service model, a monitoring indicator for budget support that scored below target in 2017 and which was postponed for 2018.



## **2. Sector Reform Contract for Employment and Skills, 2016–2018**

As mentioned at the outset, NESS is being implemented under the leadership of the Ministry of Finance and Economy, in coordination and participation with the Ministry of Health and Social Protection, NAVETQ, NES and INSTAT. Implementation of the strategy is supported by international development partners in Albania.

In 2015, the EU, through concerted dialogue with public institutions and civil society, selected the employment and skills policy area for receipt of budget support of EUR 30 million, through a Sector Reform Contract (SRC). The contract was signed in November 2016, and so far two tranches of support have been disbursed: a fixed tranche of 6 m EUR in December 2016, and the first variable tranche of 6.3 m EUR in 2017.

The EU provides support to the employment and skills development agenda through Instrument for Pre-Accession Assistance (IPA) II sector support for the period 2015–2018 in line with the Strategy Paper 2014–2020 for Albania. The Union is also financing the project Support to Employment-Oriented Vocational Education and Training, which aims to improve the internal efficiency of the VET system. The set-up and functioning of VET multi-functional centres (MFCs) has also been supported through EU funding.

The overall objective of the SRC is to contribute to a more inclusive and effective labour market by supporting the employment and skills development policy of the Albanian government as defined in NESS 2014–2020. By supporting implementation of the strategy, SRC will contribute to achievement of the following results:

- An increase in youth employment rate
- Reduction of the gender gap in employment
- Increase in labour market participation of vulnerable and marginalised groups
- Improvement in the competences of VET teachers and teacher trainers
- Effectiveness and extension of the VET offer to vulnerable and marginalised groups
- Better match of the VET offer with employment opportunities
- Development and implementation of the Albanian Qualification Framework (AQF)
- Modernisation of the employment services
- Compliance of the institutional framework with international labour standards.

The day-to-day technical and financial monitoring of implementation of SRC is a continuous process and part of the responsibilities of the Directory of Employment and Skills Policies at MoFE. Progress based upon SRC monitoring indicators is followed on a quarterly basis by MoFE in cooperation with other public institutions and the network of international agency partners of government in implementing NESS 2014–2020. This monitoring system supports preparation of regular progress reports (not less than annual), feeds the reporting under SRC and contributes to the mid-term review of the strategy.



Annual reporting of NESS 2014–2020 implementation fulfils the obligation to evaluate the strategy progress and results against SRC performance indicators and creates the conditions for budget support to be disbursed. Expected results of the employment and skills strategy are evaluated against a set of indicators, part of the SRC and acknowledged by government as targets to be met.

The commitment and progress made in the employment and skills sector reforms by December 2016 were acknowledged by the EU, and budget support was disbursed.

The annual progress report 2017 confirms satisfactory progress with NESS 2014–2020 implementation, with 94 percent of actions initiated or under progress. Governance of vocational education and training, as well as institutions designing and implementing employment policies, were transferred to the responsibility of MoFE. This transfer has impacted both employment and the pace of progress and achievements with VET reforms, especially with regard to strengthening governing structures and consolidating the legal framework in employment and VET.

Extension of employment services and increasing the VET offer to rural areas remains unaddressed due to institutional and financial resources being inadequate to initiate intervention in these areas. The level of understanding of developments in rural areas regarding skills needed, unemployment and under-employment, or other labour market information, remains very modest among policy makers increasing the uncertainty around initiatives to be initiated in rural areas. Efforts are being made to overcome the obstacle of not knowing or understanding through evidence the labour market development in rural areas.

Reforms in employment and VET are now based upon an improved legal framework, though progress in preparing and adopting by-laws continued into 2017, reducing the pace of strategy implementation. The working group established at MoFE, therefore, speeded up the process of by-law preparation and institutional restructuring, helping employment and skills policy agenda building to resume in 2018. The mid-term review—in preparation—will help adjust the strategy to the current context and address challenges faced and lessons learned for the next few years, ensuring successful implementation of NESS 2014–2020. Budget support remains crucial to the success of this implementation through enforcing self-evaluation, adjustment and continuous monitoring, and enhancing the available resources.

### ***2.1 Key results and achievements of the Sector Reform Contract***

Implementation of NESS 2014–2020 can be considered to be in a phase of consolidation in which changes taking places over the period 2014–2016 led the activities and interventions that took place in 2017 targeting the results. The present section reports the results-based indicators of NESS 2014–2020 monitored under SRC and the budget support.

Indicators measuring the results achieved that are relevant to the strategic objectives of increasing labour market participation and job opportunities for all include i) the employment rate of young people, ii) the gender gap in employment, and iii) the share of unemployed job seekers placed in employment through Employment Promotion Programmes (EPPs).

Youth employment improved over the previous year by 1.4 percent and stands higher than the targeted level of employment (Table 4). EPPs dedicated to young people, including graduates, programmes supporting self-employment (supported by UNDP), and strengthened partnership with business and social partners to engage young people as apprentices have all contributed to improved employability of youngsters.

**Table 4.** SRC monitoring indicators for quality and coverage of VET (LFS, Labour Force Survey)

No.	Indicator	2014 Baseline	2015 Actual	2016 Actual	2017 Target	2017 Actual
1	Youth (15–29 years) employment rate (%), LFS (employment rate, INSTAT)	28.20	29.8	32.4	28.95	33.8
2	Gender gap in employment (%), LFS	14.7	15.0	12.2	13.7	14.0
3	Percentage of registered unemployed jobseekers benefiting from EPPs, NES	2.6	4.0	4.35	4.5	5.8
4	Percentage of 700 VET teachers and instructors trained through VET Basic Didactics Training Programme	0	3.5	6 (42 teachers)	50 (329 teachers)	41.3 (289 teachers)
5	No. of Roma and Egyptians completing training programmes, NES	211 (EPP) 128 (VET)	227 (EPP) 102 (VET)	n/a		First report from monitoring system generated
6	No. of VET MFCs established	0	1	Vet Law approved Feb. 2017	3	Contract signed for rehabilitation & functioning of 3 VET MFCs
7	VET graduates employment rate		n/a	Tracing system in place	Monitoring report	Tracing system in place. Data gathered and first report generated
8	Development of AQF, NAVETQ			Revised but not adopted	Secondary legislation, Sector Skills Committees	Postponed to 2018




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9	No. of public employment offices reorganised according to New Service Model (NSM), NES	10	4	7	10	postponed to 2018
10	Adoption of revised Labour Code and subsidiary legislation		Labour Code amendments adopted	Objective met in 2015	2 Decisions of Council of Ministers	Postponed to 2018

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*Source: INSTAT, MoSWY and NES*

The gender gap in employment has also narrowed since 2014 to the targeted level (Table 4), though with a slight increase in the third quarter of 2017. Registered unemployed jobseekers benefiting from employment promotion programmes represent 5.8 percent of all registered unemployed people, in fulfilment of the targeted results for 2017. The number of Roma and Egyptian individuals benefiting from EPPs is reported as 877 individuals, almost four times more than in the previous year. The monitoring system requested by indicator 5 is in place and the first monitoring report was produced by the Ministry of Health and Social Protection with the support of UNDP (ESERE IPA project). Reformed EPPs have been generating the results expected in terms of employment for those marginalised in the labour market. However, capacities in the NES system are still in need of strengthening in compliance with service standards. In 2017, reconstruction of new offices was pending due to complication with budget procedures, time of procuring reconstruction work and budget allocations not being coordinated. The reconstruction of offices will be performed in 2018. NES reports that all 36 offices have adopted the New Service Model (NSM), improved the ratio of staff to management of jobseeker cases and have received intensive training in mediation, use of Information Technology (IT) management systems, care referral and preparation of individual employment plans.

The second objective of the SRC concerns improvements in the quality and coverage of VET. A needs assessment of professional development is being performed with 2017–2018 support of ETF, based on which teacher training needs for Continuing Professional Development (CPD) will be developed. The module—24 days of training in Basic Didactics Training Programme in VET, prepared by GIZ—continued to be delivered by NAVETQ with the support of donors. In 2017, 247 teachers completed the training.

Establishing MFCs as the new model for reorganisation and rationalisation of the VET system is in progress. While three new VET schools began to be transformed and organised as an MFC, a working group at MoFE was established with the mandate of identifying the approach of the MFC that would be adopted throughout the system. The establishment and functionality of the MFC complies with results to be achieved under the objective of improving the quality and offer of VET.

VET student’s employability will be monitored along with a tracing system for VET graduates, a tool that will help measure the transition of VET graduates to the labour market. The tracing



system is functional, the second round of information has been collected and the first and second reports have been prepared.

In 2017, improving the legal framework of employment and skills did not progress as expected and as necessary to speed up implementation of the strategy. While important laws have been approved such as the VET Law, AQF Law, and Crafts Law—the pace of adopting by-laws has been sluggish, with consequences for the progress of implementing actions under NESS 2014–2020. The most affected strategy pillars are governance and the institutional structure of the VET system, quality assurance, as well as social dialogue and partnership with businesses.

The progress made towards achievement of the results monitored under the SRC is good, with six out of seven results measured and monitored met fully, with the other partially met. The AQF Law was approved in early 2018, while Sector Skills Committees remain as pilot and supported by donors.

### 3. Decent Job Opportunities through Effective Labour Market Policies

**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

The new employment promotion framework defined by NESS aims at ensuring the delivery of more effective and better resourced active labour market policies, which, along with reform of the employment service at the national level, will lead to the following:

- i) modernisation of NES delivery, at both central and regional levels
- ii) enhancement of compliance with ratified international labour standards
- iii) reform of active labour market policies, and
- iv) improvement of monitoring and evaluation of employment programmes.

Reform of employment services, including empowerment of NES and restructuring of the service model are considered crucial 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 (ALMPs).<sup>4</sup>

In 2017, ALMPs supported 25,104 individuals, 14.7 percent more than in 2016. Investment in these programmes amounted to 490 m ALL, while youth employment was reported to be 33.8 percent, higher than the NESS objective. Meanwhile, the gender gap in employment was reported as fourteen percent in 2017, higher than the targeted level, though 0.7 percent less than the baseline (in 2014).

NES reported around 83,500 registered unemployed jobseekers, of whom 53 percent were females. The number of registered unemployed jobseekers fell by eleven percent compared to the previous year, mainly due to consolidated procedures on registrations, as well as periodical checks on the employment status of those registered.

The number of unemployed jobseekers benefitting from EPPs increased in 2017, though only slightly (by 1%) compared to 2016. The previous strong positive trend slowed due to increased costs of the programme, as minimum wages and compensation of female beneficiaries increased. A decline was also observed in the number of participants in vocational training offered by the public training course providers (Table 5).

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<sup>4</sup> NESS 2014–2020, p. 61

**Table 5.** Number of participants in active labour market programmes

Programme	2012	2013	2014	2015	2016	2017
EPPs	919	834	3,969	5,805	5,211	5,264
Unemployed jobseekers starting professional training in public VTCs	2,668	3,218	8,098	13,887	12,710	9,461
<b>Total</b>	<b>3,587</b>	<b>4,052</b>	<b>12,067</b>	<b>19,692</b>	<b>1,792</b>	<b>14,725</b>

Source: NES, 2017

The number of women and young unemployed jobseekers who benefitted from EPPs, training and labour market services increased over the timeframe, while the distribution of EPP funding among the different regions was more balanced. Programme operational standards were improved through application of a more transparent evaluation scheme, online applications and the method of information processing. A new round of EPP evaluation was undertaken in 2017 supported by the UNDP SD4E programme.

**Table 6.** Key results for Strategic Priority A, by indicator

Strategy Indicator	2014 Baseline	2015 Actual	2016 Actual	2017 Actual
<b>National Employment and Skills Strategy 2014–2020</b>				
No. of women and men in employment programmes		20,140	25,170	25,104
10% more women and men in employment programmes (%)			25.0	-8.1
75% of women benefit, out of 55% employed after ALMPs (%)	Not provided	74	51	63
Double the investment in ALMPs (m ALL)	270	450	490	490
<b>Sector Reform Contract (IPA 2015)</b>				
Youth (15–29 years) employment rate (%), LFS (Employment Rate, INSTAT)	28.20	29.8	32.4	33.8
Gender gap (%) in employment, LFS	14.7	15.0	12.2	14.0

Percentage of registered unemployed jobseekers benefiting from EPPs, NES	2.6	4.0	4.6	5.8
No. of Roma and Egyptians completing training programmes, NES	211 (EPP) 128 (VET)	227 (EPP) 102 (VET)	Monitoring system in place	880 (EPP) 66 (VET) (Tracing system in place)
No. of public employment offices reorganised according to NSM, NES	10	4	7	postponed to 2018)

Source: INSTAT, MoFE and NES

## A1. Progress made in modernising the National Employment Service

**Table 7.** Pillar A1 results to be achieved by 2020

<p><b>A1. Modernising the National Employment Service, including headquarters and regional and local offices</b></p> <p><b>A1.1</b> Reorganisation of NES offices according to the New Service Model</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Policy paper on NSM and action plan adopted in 2014</li> <li>▪ Model operational within 1 trial office in Tirana in early January 2014</li> <li>▪ Specific Terms of Reference prepared for 12 offices within 1 year</li> <li>▪ 36 employment offices reorganised according to NSM by 2016</li> <li>▪ Manual on type and quality of services to be delivered by each regional and local employment office</li> <li>▪ Quality of services by each office verified</li> <li>▪ Gender equality and equal opportunities goals integrated into all models, mechanisms, processes and materials</li> <li>▪ Targets for female and male Roma, persons with disabilities, women in rural areas and disadvantaged categories of women defined and monitored</li> <li>▪ Gender-sensitive labour mobility and migration considerations are integral part of all relevant models, labour market information systems, mechanisms and processes</li> <li>▪ Campaigns held to increase understanding among the wider public, public and private organisations, and enterprises of the need to improve the recruitment base, and to offer equal pay for equal work</li> </ul>
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### **A1.2** Definition and implementation of an NES staff recruitment and development plan

#### Outputs:

- Annual rate of vacancy filling reaches 85%
- Qualified women in 30% of leading or management positions
- Annual rate of female to male participation in ALMPs 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 and local levels
- Performance management system in place and NES performance to meet female and male client needs assessed biannually
- Staff tested for knowledge of standards and understanding of service manuals
- Equal pay for equal work pursued at NES using sex-disaggregated wage statistics
- Mid-term plan elaborated for human resources 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 of discrimination, sexual harassment policy in place and also promoted with third parties

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

#### Outputs:

- New IT software and system used by all NES staff at all levels and upgraded, enabling it to categorise for statistics generation purposes different types of clients and services provided
- Staff trained in the use of IT system
- IT-based (rather than paper-based) administrative procedures defined and adopted at managerial level
- Migration counters within local NES offices 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 from employers, NES and jobseekers (and linked with EURES)
- New IT system mutually accessible to MoSWY/MoFE institutions and those interested and eligible at national and SEE levels

### **A1.4** Establishment of new means of cooperation with third parties

#### Outputs:

- Number of vacancies at NES announced through third parties increases to 20,000 per year
- One job fair organised per year at national level and four at regional level
- Two new international labour mobility agreements signed with third countries per year
- Cooperation agreements for collating vacancies and for design and implementation of ALMPs established with social partners and businesses
- Cooperation agreements established with private agencies and NGOs for implementation of ALMPs
- Inspection legislation and programme reviewed to include inspection of ALMPs
- (Former) MoSWY /MoFE equipped with tools to identify preferred countries for development of bilateral agreements, as well as other inter-state mechanisms, facilitating employment of Albanian citizens abroad
- Existing international framework regulating labour mobility of Albanian citizens abroad enhanced through new agreements and other cooperation arrangements, especially in SEE

*Source: NESS 2014–2020*

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



The transformation of the National Employment Service into the New Service Model was completed in 2016. Reconstruction of NES premises was completed in 21 offices by the end of 2017. During the year, the focus of interventions was mainly on the soft side of the employment service, improving targeting and service capacity, leading to better outcomes and stronger impacts upon employability.

Reconstruction of the remaining employment offices was delayed in 2017, due to complications with funding allocations as a result of the installation of the technical government and postponed until 2018. The reconstruction of 15 employment offices is planned for 2018.

The adaption of the NSM in all employment offices was supported by RisiAlbania with training for all employees in services and management. This enabled unification of services among employment offices and generated a common understanding of the guidelines and procedures developed in the *Manual of Functional and Structural Organisation of the Local and Regional Employment Offices*.

In 2017, several assessments of the functionality and quality of the employment services were undertaken by NES with the support of donors. Those reports shed light on factors hindering the efficiency of the NSM and active labour market measures in generating equal employment opportunities. The findings and recommendations put forward in those studies will act as a basis for future planning and reformation of the NES. Important studies, including evaluations, undertaken by NES, with the support of donors, include the following:

*Self-Assessment of Public Employment Services in Western Balkan Countries* was financed by the Regional Cooperation Council under the Employment and Social Affairs Platform.

*Benchmarking the efficiency of Public Employment Services in Western Balkans: A Vertical Functional Review, 2013–2016* was conducted by World Bank Group Social Protection and Jobs Global Practice.

*The Comprehensive Employment Services Agenda in Albania*, implemented in the framework of the regional project Promoting Comprehensive Labour Market Solutions in the Western Balkans, was undertaken by the International Labour Organisation (ILO) and UNDP, financed by ADA.

In 2017, NES took serious measures and engaged in inter-institutional cooperation in order to improve outreach and service design so that more employment opportunities could be identified and offered to vulnerable groups.

NES contributed to the agenda of the National Strategy on Gender Equality and Action Plan 2016–2020. In 2017, 43 percent of all beneficiaries of the various employment programmes were women, with 9,853 women benefitting from employment service support. Nevertheless, the gender gap in labour participation did not narrow in 2017 in comparison to previous years.



NES contributed to the National Action Plan for Integration of Roma and Egyptians in Albania 2016–2020. Various studies and reports have pointed to very low access to different employment services for unemployed members of these groups. NES, through a careful outreach policy and promotion of direct employment programmes targeting vulnerable groups in close partnership with international agencies, succeeded in obtaining access to employment services and employability for Roma and Egyptian unemployed jobseekers.

In 2017, NES reported 880 individuals from the Roma and Egyptian community as beneficiaries of active labour market measures. This result was made possible due to synergies between NES active labour market measures and the IPA 2014-funded project Economic and Social Empowerment of Roma and Egyptians implemented by UNDP and which supported participation of men and women from these communities in the labour market and the skills formation programme.

Labour market participation for persons with disabilities (PwD) continues to present a challenge for the employment services. The numbers of PwD among registered unemployed jobseekers remains low (479 individuals, or 0.5%). Nevertheless, the identification and offering of employment opportunities to PwD jobseekers is improving, though there are still employment offices without all the necessary facilities for PwD to access the service. This group is particularly vulnerable and excluded from the labour market as they have a generally low level of education and few qualifications. Employers are also discriminatory and do not invest in creating a friendly job environment for PwD. Nevertheless, in 2017, 112 PwD benefited from active labour market measures, 1.3 percent more than in 2016.

Mobility of the labour force and informed labour migration opportunities are an integral part of employment services. At every employment office in Albania there is an information desk dedicated to providing information on labour migration opportunities, laws and regulations for every citizen interested in finding a job abroad. In the Tirana Regional Employment Office, due to particularities of the region and the large level of emigration, GIZ has supported establishment of the German Centre of Information on Migration, Vocational Training and Careers (*Deutsches Informationszentrum für Migration, Ausbildung und Karriere*)—DIMAK Albania—implemented by the Programme Migration for Development through the Centre for International Migration and Development. In 2017, DIMAK advised and informed 1,000 individuals on formal migration and employment in Germany. The centre also supported 300 returnees from informal emigration in Germany or other parts of the EU.

Reorganising NES in accordance with the NSM is challenged by a lack of means to fully reconstruct the premises of regional offices. Delays in consolidating the legal framework have also hindered efficiency gains of the reform, while cooperation and coordination with local authorities also appears challenging. Unemployment is a problem that has its roots in social problems and in the different communities. Women and members of Roma and Egyptian communities suffering violence or severe family problems due to unemployment are better identified and addressed at the community level. To this end an integrated and coordinated mechanism with local actors—mainly local authorities and local institutions—would improve the



efficiency of the NES services. Internally, the service is opting for strengthening capacities and improving the planning and performance-based monitoring system.

### ***AI.2 Compilation and implementation of NES staff recruitment and development plan***

The institutional structure of NES is composed of three levels: General Directorate, Regional Employment Offices, and Local Employment Offices. NES also manages the Public Training Centres, with 110 employees. In all, in the NES institutional structure there are 433 employees. The number of NES staff has not changed since 2014, the year of initiation of strategy implementation. The number of staff is expected to increase by 33 to support the creation of the National Agency on Employment and Skills (NAES) according to Law No. 15/2017 ‘On Vocational Education in the Republic of Albania’.

In 2017, 40,013 job offers were made available to registered unemployed jobseekers at the national level, an increase of more than 2,000 (or 5%) compared to the previous year. The channels used for identifying job offers were mostly direct cooperation with businesses and self-reporting of vacancies by businesses in the NES information system. The sectors that provided the most job offers were the processing industry, construction and services.

The level of vacancy filling remains below that of the objectives set by the employment services. In 2017, the vacancies filled rate was reported as 54 percent, below the target of 85 percent for 2020. There was a rejection of job offers and vacancies filled by both registered unemployed jobseekers and companies. Wages were identified as the main issue preventing the filling of vacancies, along with labour supply and demand gap. Despite the factors hindering efficiency in job match and vacancy fill, more should be done with the capacity building, training, job-match information system, mediation, skills updating and upgrading of jobseekers in order to improve the fill rate. The rate and the demography of registered unemployed jobseekers in 2017 increased the gap in labour participation between young jobseekers and individuals older than 50 years, as well as between educated individuals and those with a low level of education.

ALMPs continued to be implemented in 2017, supported by public funding of 490 m ALL. The aim of the programme is to generate employment for 5,500 unemployed jobseekers. In 2017, 668 businesses (440 new applicants) participated in seven ALMPs offering employment to 5,264 unemployed jobseekers. Participants in direct employment programmes accounted for 5.8 percent of all registered unemployed jobseekers, fulfilling one of the monitoring indicators under the budget supported SRC.

The beneficiaries of the employment programme had the following characteristics:

- 62% of participants were females
- 51% were younger than 30 years of age
- 598 new graduates following professional practices
- 94 PwD



- 44 university graduates registered as unemployed jobseeker were employed
- 2,477 individuals (47% of participants in the programme) were long-term registered unemployed jobseekers
- Among vulnerable group beneficiaries, 110 were unemployed Roma jobseekers, 96 emigrant returnees, three, victims of violence, and six, unemployed orphan jobseekers.

NES is currently working on deregulating and reducing the amount of paper work required for ALMP applicants, with applications submitted through an online platform. The number of supporting documents will be reduced since many documents can now be extracted from the e-Albania platform. The score methodology has been developed by UNDP and used for the second consecutive year in making the programme more transparent and efficient.

NES is still undertaking activities to enable the new service model to become fully functional. Staff training programmes, institutional guidelines and manuals, internal quality assurance mechanisms (monitoring and evaluation, performance evaluation, planning, etc.) are being developed and improved year by year. The strategy requires that NES develops a strategic plan for institutional development activities, especially staff training and evaluation, and a monitoring and planning system, including a Management Information System (MIS). However, from the reporting activities it seems that an overarching strategic plan is missing and activities are being donor-driven.

NES, with the support of RisiAlbania, drafted a *Manual for the Functional and Structural Organisation of the Regional and Local Offices of the National Employment Service*. This manual i) distributes responsibilities among the three levels of the service model, ii) determines the rights of each specialist (also reflected in the information system and access levels), and iii) sets descriptions for each job in the workplace.

Internally there is a need for establishing, or strengthening, a performance-based monitoring system with practices that will reach the end point of service delivery. Monitoring and evaluation at the end point (i.e. at the service desk) is an important part of NSM. However, this monitoring mechanism is currently not fully functional. This monitoring mechanism needs to be integrated into MIS, with options to deliver management reports based on performance indicators and strategic planning.

Staff performance evaluation remains important for internal monitoring and evaluation. This process is two tier, with staff performance evaluated twice a year by the Public Administration Directorate, since employees have a civil servant status. The NES director evaluates the performance of staff using performance and results-based indicators.

Training and capacity building in employment services at central and local levels was intensive during 2017. Building human capacity followed the system reformation into NSM, infrastructure update and modernisation. Staff training focused on provision of services and addressed issues of gender equality, equal opportunities and diversity, as well as counselling of groups with special



needs. Training programmes were supported by international agencies and projects supporting implementation of NESS 2014–2020. The UNDP programme Skills Development for Employment (SD4E) supported implementation of Skills Needs Analysis (SNA) 2017 and provided training for 120 NES employees. The programme Employment and Entrepreneurship Counselling was implemented by NES and Swisscontact. Under this programme 25 specialists were trained in counselling and working with vulnerable groups. Economic and Social Empowerment for Roma and Egyptians (IPA 2014), implemented by UNDP Albania, supported the provision of five training modules for 80 employees in four regional directorate and local offices. RisiAlbania supported the training of all employment office specialists in the use of the information system. DIMAK Albania conducted informative meetings with NGOs and NES Regional Offices, as well as trainings with Western Balkan PTS specialists.

The limited number of staff and the amount of effort needed to transition from the old model of service delivery to NSM created some challenges with regard to serving groups with special needs. The results of the employment services with respect to vulnerable groups were weak until 2016, but subsequent training and capacity building activities, undertaken in 2017, generated positive and noticeable results. However, it is still a challenge to maintain such progress in a sustainable way and further support and interventions are needed.

The low vacancy filling rate, the large number of job refusals, especially by certain groups, remains a challenge for the employment services and job match practices. Overcoming these challenges needs a stronger and more efficient targeting and referral mechanism in cooperation with local authorities, communities, labour offices, training centres and education institutions.

The use of employment services by employers is low, with only 30 percent of active businesses registered in the NES database and receiving information on job offers and demand. Mechanisms to attract businesses more proactively and cooperatively are needed. This is an important challenge for NES. Support from project and international donors is being provided over the course of 2018, and the UNDP SD4E programme will be training staff and building capacities to implement the youth self-employment programme.

The GIZ project ProSEED is supporting capacity building of the employment offices and training centres in conducting labour market analysis to support the training offer. In collaboration with RisiAlbania, NES will complement its information system with a unified business access platform, which will be used by employment offices. These measures aim at generating a proactive partnership with businesses and improving the results of employment offices, namely in generating equal and decent employment for unemployed jobseekers.

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

The information system at NES is continuously being developed to satisfy the need for monitoring the service delivered at different levels, responding to jobseekers needs and prioritising services for jobseekers facing the highest risk of being excluded from the labour market.



Changes introduced into the NES information system consist in adding characteristics of jobseekers for profiling and designing for them an individual employment plan. Until now, individual employment plans for registered unemployed jobseekers have been prepared manually. Drop-down menus have been added to the application forms for registration and interviewing of jobseekers in order to make the process more efficient.

Changes have been introduced for the registration of job vacancies and job offers, supporting job search and job match processes. Improvements have also been made for following up on a vacancy until it is filled and unregistered from the job offer register. More filters and features were added to make the job match more efficient. The changes in the information system were made operational in November 2017, with employment service staff informed and trained in the new features.

NES is currently reviewing the MIS in collaboration with the National Agency of Information Technology (*AKSHI*). NES is evaluating the capacity of the current MIS to improve storage of documented information, new fields for information searches, profiling of jobseekers, monitoring and reporting, and communication and exchange of information with other datasets and information platforms. Terms of Reference have been prepared and the tender procedures are ongoing.

In 2016, the information system at NES was made part of the National Information Databases, through Decision of Council of Ministers (DCM) no. 191, dated 09.03.2016. This inclusion enabled the system to communicate with other national databases, such as the population register, tax system, health insurance system and economic aid system. Yet, access is possible only at the central government level and not helpful for day-to-day operations outside of the ministries.

NES is working to develop a reporting function based on the current information system. A module on reporting will be developed to deliver reports on job vacancy status, monitoring and evaluation of performance at the office level, and identification and provision of employment services to individuals excluded from the social assistance scheme due to the reformation of economic aid.

Currently, the information system at NES does not interact with any of the private employment agencies, neither nationally nor regionally, nor abroad.

Improving the information system is a challenge for the efficiency of the employment services. The information system was designed mainly as a registration facility. Additional features introduced in compliance with service design and the need for reporting have made the system complicated and slow. Computers and the IT system at Regional Directorates of Employment and Labour Offices are regarded as out-of-date and depreciated, since they date to the end of 2012. Changes need also to be accompanied by systematic on-the-job training.



MIS changes have caused problems and confusion among users, especially with case documentation. Documentation of the status of unemployed jobseekers and an obligation to periodically check on that status have increased the administrative burden for staff, given that there has been no change in staff capacity. NES is working on evaluating the system and expanding it in order to improve the efficiency of service delivery.

#### ***A1.4 Establishment of new means of cooperation with third parties***

In 2017, no new cooperation agreement was signed in the field of employment and the labour market, though numerous cooperation agreements continued to be implemented.

Businesses notified through the NES online system, 40,013 job offers, 5.2 percent more than in 2016, with 81 percent of the vacancies new positions. The job offers were made available through businesses self-reporting or through the NES liaison specialist. Job vacancies come mainly from the sectors of manufacturing, construction and services.

The National Employment Fair of 2017 engaged 80 companies, and announced 5,000 jobs in the fields of telecommunications, banking, construction, transport, services, and manufacturing. Numerous job positions were offered by foreign and domestic companies at the fair, including Trans Adriatic Pipeline (TAP), Balfin Group, Shega Trans, AYEN, Limak, Urban Garden, Merr Taxi, Kastrati Group, Gener 2, Plaza Tirana, Gjoka Construksion, Inerti, Cotex, Fital, and Euro Asia Footwear. The job fair was important for sharing information on labour mobility in the EU, through staff of DIMAK and migration counters.

Procedures are being followed in order to sign a cooperation agreement with GIZ on information regarding formal labour migration in Germany. Cooperation with DIMAK Albania continues to raise awareness among unemployed jobseekers through the migration counters on legal migration and regular employment opportunities in Germany.

The cooperation agreement with the private employment agency HeadHunter materialised in implementation of the project People First, funded by the United States Agency for International Development (USAID) and the Swedish International Development Agency, which targeted tripartite cooperation and strengthening of capacities among vocational instructors and young unemployed jobseekers, with 247 people trained.

NES continues to implement the agreement with the General Directorate of the Probation Service with the aim of integrating into the labour market people with alternative sentences.

Partnership between NES regional and local offices with not-for-profit organisations continues ad hoc, with focus on social dialogue between NES and local social partners. NES is implementing a cooperation agreement with businesses that provide vocational training courses. Business partners of the employment services are providing internship placement for attendees of



vocational courses, improvement of materials and equipment of laboratories for practical training, and job placements.

Within the project Economic Empowerment for People with Disabilities, the Albanian Foundation of People with Disability, ADRF, with USAID financial support, identified and supported cases of unemployed jobseekers with disability. The project undertook a monitoring study to evaluate the effectiveness and impact of DCM no. 248, dated 30.04.2014, ‘On the Promotion of Employment of Persons with Disabilities,’ as amended.

In the framework of the project Economic and Social Empowerment for Roma and Egyptians— an Impact for Social Inclusion (IPA 2014), implemented by UNDP Albania, mentors were placed in four regional employment offices to support unemployed jobseekers from Roma and Egyptian communities.

NES successfully engaged in implementation of the UNDP–SDC project Skills Development for Employment, Employment and Entrepreneurship Advice with Swisscontact, and the RisiAlbania project implemented by Helvetas.

At the beginning of 2018, a cooperation agreement was signed between the Social Services and NES, aiming to develop bilateral cooperation for assisting all working-age individuals benefiting from social support to transition to the labour market. The cooperation ensured that both agencies coordinated jointly information dissemination to beneficiaries and undertook joint activities to enable employment of unemployed jobseekers.

The engagement of social partners and businesses at the national level remains modest and without tangible impact on generating employability. The annual Job Fair is considered insufficient to strengthen cooperation between the Labour Office and businesses. NES plans to develop a strategic plan and activities to improve partnership with businesses and other social partners. Meanwhile, dialogue with social partners needs to be revived, and consolidation of the legal framework will help resumption of such dialogue.

## **A2. Continuous improvement of legal and institutional framework**

**Table 8.** Pillar A2 results to be achieved by 2020

<b>A2. Continuous improvement of legal and institutional framework in compliance with ratified international labour standards</b>
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### **A2.1 Regulation of private employment agencies and strengthening of cooperation with public employment services**

#### **Outputs:**

- Legislation adopted to ensure compliance with ILO convention on private employment agencies
- Legal aspects and quality ensured through development of a minimum set of standards for recruitment, including abroad, and for the labour inspectorate
- Mechanism for quality assurance and service delivery by private employment agencies established
- Local employment partnerships to include 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 populations in Albania and abroad
- Statistics on the number of female and male Albanian citizens supported with employment abroad available on a regular basis

### **A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially those concerning worker safety and health at work**

#### **Outputs:**

- A modern, professional inspection system 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 established in the State Labour Inspectorate
- Programme for Integrity and Corruption Prevention adopted in the State Labour Inspectorate
- State Labour Inspectorate training Action Plan adopted
- Information-sharing mechanisms established with other enforcement agencies with a view to improving coverage of economic units and workers
- Existing legislative and procedural framework on labour inspection and enforcement compliant with EU directive on sanctions against employers hiring irregular migrants
- Labour inspectors knowledgeable about rights and duties of foreigners working in Albania, capable of identifying (potential) victims of trafficking and referring them to relevant authorities
- Mechanisms for protecting labour and human rights of migrants in place
- Legislation, including by-laws for inspections, amended to ensure that ALMPs can be implemented, and (regulated) professions with high health and safety risks inspected
- Inspection role strengthened with regard to implementation of law on employment promotion from perspective of PwD, and of law on foreigners

### ***A2.1 Regulation of private employment agencies***

In compliance with the Amendment of the Labour Code (December 2015), article 19, DCM no. 101, dated 23.02.2018, ‘On establishment and functioning of private employment agencies’ was approved. This decision empowers and gives executive responsibilities to the State Inspectorate of Labour, National Employment Service and National Centre for Business. In addition, DCM no. 286, dated 21.05.2018 ‘On some specific rules for part-time employees employed by employment agencies’ was approved.

Approval of these two by-laws was a commitment under the budget support, as measured by indicator no. 10, postponed until 2018.

These decisions address a challenge for the employment offices: namely having access to vacancies and employment of unemployed jobseekers by private employment agencies. Integration of private operators into the national information system and gathering real-time information on vacancies and employment is made possible through DCM no. 101, dated 23.02.2018, which creates the regulatory framework for the monitoring of the service offered to citizens through private employment agencies. This monitoring system will soon generate data and statistics on employment of citizens in Albania and abroad.

### ***A2.2 Expanding recognition and improvement of inspection services***

The Law on Labour Inspection has been revised (March 2017) though by-laws and procedures for labour field inspections and inspection monitoring are yet to be drafted. No further developments were reported.

## **A3. Active labour market policies**

**Table 9.** Pillar A3 results to be achieved by 2020

### **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 at regional level strengthened through cooperation agreements
- Improved indicators on inclusion of vulnerable groups in ALMPs, by region
- ALMPs adopted by DCMs and implemented across the country in an effective, efficient, and gender-equitable manner
- Regional and local employment partnerships established that identify needs and implement or monitor training and employment measures at these levels
- 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 revised and adopted
- Equal opportunity policy and action plan developed by NES, adopted and annually updated
- Designated NES officials capable of identifying (potential) migrants among clients and provide tailored services and refer them to other relevant support entities, e.g. with regard to issues of legal status, medical assistance
- Effective, transparent and participative financing system for service delivery designed and in place

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

#### Outputs:

- Registers of unemployed people verified and 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 developed, and enforced internationally
- National occupation, ISCO and ESCO\* lists 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 undertake gender-sensitive (group or individual) counselling
- Job clubs organised
- Designated NES counsellors capable of referring young female and male potential entrepreneurs among their clients to respective helpdesks, business development services and relevant support and 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 migrants, on application methods, documentation, criteria and procedures for obtaining work permits and certificates for employment declarations

\*, ISCO, International Standard Classification of Occupations; ESCO, European Skills, Competences, qualifications and Occupations

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

Active labour market policies were revised in 2016 to induce social inclusion of marginalised groups such as young jobseekers, women, Roma and Egyptians, disabled people, orphans and long-term unemployed individuals. All active labour market measures are designed to be gender responsive, while dedicated programmes approved by DCM no. 27 target only women and support employment of single-women household heads or single mothers caring for one child or more.

Labour participation of women in 2017 improved to 57.7 percent, 0.6 percent higher than in 2016. Meanwhile, unemployment among women was reported at 12.8 percent, a reduction of 1.8 percent. Nevertheless, the gender gap in labour participation remained high, at 17 percent, an increase over 2015 and remaining slightly higher than the strategy objective.

The NSM applied throughout the employment offices, training and capacity improvement through donor-assisted programmes also enabled better targeting and employment of women: 62 percent of beneficiaries of all EPPs in 2017 were women.

Reformation of the social insurance scheme created a flow of unemployed jobseekers previously supported through economic aid. The employment services were unprepared for the needs and profiles of those individuals, and it remains a challenge for the services to design programmes to smooth the effect of dependence upon economic aid among vulnerable groups.



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

Modernisation of the regional and local employment offices, adoption of NSM in all offices, the changes introduced into the revised Labour Code and its by-laws, Law no. 146/2015 ‘On Jobseekers’, the management information system at NES, and the opportunity to interlink and cross-check information from employment offices against other national datasets have improved considerably the identification and registration of unemployed jobseekers.

During 2016 and 2017, the process of clearing and consolidating the database of registered unemployed jobseekers continued. NES reports around 83,500 registered unemployed jobseekers, of whom 53 percent are females. The number of registered unemployed jobseekers was reduced by eleven percent over this period, mainly due to consolidated procedures on registration and periodical checks of the status of the registered unemployed.

Consolidating the database, introducing changes into the system in compliance with NSM improved the efficiency of the system in profiling registered unemployed jobseekers, an important process for offering support for job matching and employment and participation in active labour market measures.

The National Occupation List approved in 2017 introduced the following:

- Harmonisation of the list of occupation with ISCO 2008 to the third digit level
- Description of occupations to the fourth digit and fourth level of competences
- Preparation of a corresponding table between old and new lists of professions to the fourth digit level.

The list went through consultations with various interest groups and was approved by the National Council of Nomenclature. NES initiated inter-institution consultation with NAVETQ in order to have coordination and support in preparation of staff training materials and guidelines in linking qualifications, competences and occupations. Support was sought from partner agencies for staff training in implementing the occupation list through the NES information system and thus to support job match and mediation.

In order to support employment of vulnerable groups, NES employees working with marginalised unemployed jobseekers were trained and mentored in how to prepare and follow up individual employment plans, how to mediate and advise PwD, Roma and young unskilled unemployed jobseekers. Capacities in job counselling, including job match and mediation, for marginalised or disadvantaged individuals remain weak and constrained. Trainings offered were donor supported but not yet part of the NES training programmes. Increasing capacities in this field remains challenging.

Staff dedicated to unemployed jobseekers with special needs or who are marginalised are required. The current staff structure and work load does not allow for NES to have dedicated and specialised employees to support employment of such registered unemployed jobseekers.



Targeting and delivery of quality employment services to unemployed jobseekers at risk of labour market exclusion was supported through intervention in the information system, which had been unable to identify and profile marginalised individuals and neither match them with job vacancies. Individual employment plans are still prepared manually and do not make use of information on marginalised unemployed jobseekers collected with the registration and interview of the individuals. NES intends to introduce into the information system in 2018 a module for registration, identification, profiling and preparation of a personalised employment plan for marginalised unemployment jobseekers. The module will be presented to the three tiers of the service model.

In 2017, NES did not implement a self-employment promotion programme using its own capacity and resources. Such a programme will form part of the ALMP in 2018 and will be implemented with the support of the UNDP SD4E programme. Nevertheless, an employment programme based upon entrepreneurship and self-employment was successfully implemented by SD4E. The programme launched its second edition in December 2016 and implemented it throughout 2017. Potential applicants were invited to apply through the SD4E platform [www.aftesi.info/vetepunesimi](http://www.aftesi.info/vetepunesimi). In all, over the two rounds, more than 1,000 applications were received and reviewed, of which 800 were deemed complete and subject to further assessment of individual entrepreneurial skills and aptitude. Entrepreneurial ideas targeted the sectors of tourism, technology and innovation, agriculture, handicrafts, fishing, textiles and fashion, e-Commerce, and services.

In March and April 2017, the training programme was delivered to registered trainees in separate groups of 20–30 participants. The general part of the programme included business modules on i) idea generation, ii) minimum viable product, targeting fast prototyping and going to market, iii) model generation, and iii) model canvas. The models were then transferred to the business model canvas framework, where they were tested, assessed, adjusted and finalised.

One hundred and seventy-five participants were evaluated positively and thus able to continue the process into mentoring and funding. The participants were supported with mentoring over a period of two months for them to transform their business idea into a viable operational model. So far, the programme has successfully completed two rounds and has resulted in the registration of 84 new businesses, of which 76 are still active and profitable.

Analysis of implementation of the self-employment measures in 2016 and 2017 yielded lessons for integration into new iterations of the measures. The programme demonstrated that, together, pre-screening, training and mentoring are crucial for identifying people with entrepreneurial skills. Information, experience and skills—especially managerial skills—are crucial to the success rate, and the programme must be based on strengthening the skills of people with an entrepreneurial attitude.



Partnership with the UNDP project enabled NES to endorse the self-employment programme in 2018 as a new programme under the active labour market measures. Applicants are invited to register online or at the national employment offices and vocational centres. Trainings and programme details will be offered by SD4E to applicants for preparation of applications through the employment offices, vocational centres, vocational schools and regional universities. Intensive training and assistance will be offered to marginalised and vulnerable groups, Roma and Egyptian communities, in the effort to support inclusive employment policies.

An information and counselling desk on migration is operational at each and every employment office, whether regional or local. These desks provide information and counselling for all Albanian citizens interested in finding employment abroad.

In 2017, the NES offices reported the following:

- Registration and serving of 291 returnees, the majority of whom were 30–44 years of age and low skilled, with 47% returning following a spell in Greece, 20% from Italy, 26% from other EU countries, and 6% from the United States of America.
- 16% of returnee (47 individuals) registered unemployed jobseekers participated in vocational courses in arts crafts and services.
- 33% of returnee registered unemployed jobseekers benefited from ALMPs, mainly from the programme of support for vulnerable groups or employment through on-the-job training.
- Registration of, and providing counselling services to, 40 Albanian citizens looking for employment opportunities abroad, mainly in Germany and Italy. Eight (12.5%) of these jobseekers were women.
- 1,705 foreign nationals were equipped with a work permit. Of these individuals, 1,471 were equipped with a declaration for employment. The foreigners were mostly employed in the service sector, construction, trade and manufacturing.

#### **A.4 Improvement of gender-sensitive monitoring and evaluation of employment measures**

**Table 10.** Pillar A4 results to be achieved by 2020

##### **A4. Improvement of 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 jobseekers  
Outputs:

- NES monitoring plan designed and implemented following an appropriate methodology
- Programmes monitored and evaluated according to agreed criteria, results and indicators
- New policies redefined or adjusted based on regular monitoring reports
- Gender equality and diversity criteria an integral part of all monitoring and evaluation procedures and processes, and relevant indicators of National Set of Harmonised Gender Indicators consistently applied
- Periodic reports on achievement of gender-sensitive targets for employment and training prepared
- Labour market policies adapted in accordance with main recommendations of carried-out studies and assessments



#### ***A4.1 Development of a sustainable and gender-sensitive system for monitoring***

The process of identifying monitoring and statistical indicators for NES was completed in 2016. The methodology for the use of the monitoring indicators is provided in the information and management system reporting.

Under the budget support agreement, a system for tracing VET graduates was developed and made operational with support of GIZ in 2016. The system has been handed over and is being used by national employment offices. The tracing system is able to generate a monitoring report on the employment of VET school and VTC graduates.

EPPs were modified to offer equal employment opportunities to marginalised groups. The application procedures and eligibility scoring of applicants for support were made easier and more transparent. Monitoring indicators reported by NES include a set of indicators dedicated to measuring gender equity in the EPPs and labour market outcomes, and form part of the statistical report produced by NES.

<b>Accomplished</b>	<b>In progress</b>
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NSM delivery adopted and being implemented (training delivered to staff) in all 36 regional and local employment offices.

21 employment offices are reorganised or reconstructed.

Employment services are improved and diversified, and include counselling and mediation based upon NSM, trainings, and operational manuals developed.

EPPs reviewed and modified in compliance with the results and recommendation of the assessment report.

Seven employment programmes implemented in 2017.

Improved targeting and employability of marginalised groups.

Financial contribution to the EPPs remained stable and amounted to 490 m ALL.

Information System for Employment Services installed and upgraded.

Annual Job Fairs organised.

Partnership and cooperation, especially with partner projects and programmes of donors, was successful and crucial to success of the employment programmes.

Training and capacity building activities were intensive.

Assessment of the 2014–2015 programmes was carried out and a draft report prepared, ready to be launched in 2018.

Reconstruction or reorganisation of employment offices is in progress. The results are monitored under the budget support. MoFE requested that, since it is in progress, this indicator be monitored and evaluated in 2018.

Reporting modules of the Information System for Employment Services are being developed. Processes crucial to service delivery—jobseekers profiling, preparation of employment plan and targeting—are still prepared manually. The information system is not helping the performance-based management. NES is reviewing and improvements are in progress.

Setting up procedures and terms of collaboration with private employment agencies will follow consolidation of the legal framework.

International cooperation agreements, especially on labour mobility issues and informal migration, are in progress.

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#### 4. Quality Vocational Education and Training for Youths and Adults

**Strategic Priority B.** Offer quality vocational education and training for youths and adults

**Outcome Indicator:** VET system is capable across sectors to prepare and maintain a skilled workforce answering to the current demand in Albania and in the SEE labour market

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. Efforts to increase enrolment rates at all educational levels, including enrolments in the VET system is an ongoing priority of the Government of Albania.

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. 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 are critical objectives of this reform in the country.

Lifelong learning (LLL) and training are also considered instrumental in fostering enterprise competitiveness and enhancing labour productivity, as well as improving job quality. Educational gaps across regions and population groups should be identified and addressed, aiming at promoting territorial cohesion and social inclusion of the most vulnerable.

Optimising the VET providers network and diversifying the vocational offers remains crucial to improving the quality and economic efficiency of the VET system. Consolidation of the system will ensure efficiency of its governance. The new VET law assigns responsibilities for ensuring qualification standards, developing a VET curriculum and providing teacher training to NAVETQ. NES will be transformed into NAES (see A1.2) and will be responsible for managing vocational schools and centres. Establishment of NAES is a critical element of the new institutional framework for governance and management of VET, established by the newly adopted VET law of February 2017. SD4E and ETF have provided continuous advisory support for the design of the operational model of the future NAES. In December 2017, UNDP launched a functional review of the Public Employment Services in Albania aiming to assist MoFE establish and operationalize NAES. Yet no decision has been taken and no progress made in implementation.

During 2017, no progress was noted in the introduction of a quality assurance (QA) system for VET, possibly modelled on EQAVET indicators.<sup>5</sup> Efforts are being made to design and conceptualise the system and procedures for self-evaluation and further independent accreditation of public and private VET providers. Concretely, an Instruction of the Minister of Finance and Economy was approved in this direction: Instruction no. 16, dated 08.05.2018, 'On the development of self-evaluation in VET providers'. Also, a guideline for self-evaluation of VET providers was approved by the minister.

Acknowledging the weak partnership of the VET system with businesses has led to significant efforts to strengthen the partnership. This partnership has worked well in some donor-supported institutions but is not yet part of the system, and requires the adopting of legal changes, as well as funding.

The dialogue between VET and social partners is also weak. The National VET Council will be made functional following adoption of by-laws. The recently approved Albanian Qualifications Framework Law does make reference to the setting up of sector skills committees in charge of identifying skills and qualifications at the sectoral level. The lack of by-laws has made the social dialogue around the VET sector non-functional and weak. Some efforts have been made by donor-supported projects to establish sectorial committees. S4DE, RisiAlbania, GIZ and Al-

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<sup>5</sup> [http://www.eqavet.eu/qc/tns/monitoring-your-system/evaluation/EQAVET\\_indicators.aspx](http://www.eqavet.eu/qc/tns/monitoring-your-system/evaluation/EQAVET_indicators.aspx)

Tour, financed by the Austrian Development Agency, have contributed to reviving social dialogue and stakeholder participation in VET at the sectoral level.

Enrolment and participation rates in vocational education and vocational training have progressed slowly. The Albanian VET sector is small but attracts around 20 percent of secondary school students. The promotional campaigns and other efforts target improving the quality of the programmes and the attractiveness of VET and generating an increase in student enrolment.<sup>6</sup>

For 2017, the total number of VET participants is reported as 34,710 individuals, of whom 19,000 were VET students and 15,710, VTC participants. Enrolment in VETs increased by fourteen percent since 2014, and there is a positive trend in VET enrolment and participation, though the increment rate is half that of the objective set in the national strategy. Access to VET in Albania is uneven and unequal, with the VET offer unevenly distributed among regions, rural areas suffering low access and female participation is low, while access for PwDs remains limited. To support the participation of people from rural areas in VET programmes, government, through a DCM, awards a scholarship, and through a mobile centre operating in north-east Albania short-term courses are provided for people in rural areas.

In 2017, the participation of PwD in VET was low in absolute terms, though still the figure was 37 percent higher than in 2016. A tracing system, which follows up on the employability of students completing vocational education or vocational training, was made operational in 2016, fulfilling an obligation under EU budget support. The first trial and data have been made available by a GIZ project for Kamza MFC, in which VTCs participated in the tracing system in 2017, and the first report based on the information gathered was published and made available to NES.

**Table 11.** Key results for Strategic Priority B, by indicator

Strategy Indicator	2014 Baseline	2015	2016	2017
<b>National Employment and Skills Strategy 2014–2020</b>				
Up to 25% increase in no. of female and male students attending VET programmes	30,458	35,262	35,390	34,710
25% of the 40% vocational education graduates that are employed are females		Not provided	Tracing system established	First report based on tracing system produced
Up to 4% increase in adults participating in LLL (%)	1.3	1.0	1.1	2

<sup>6</sup> Viertel, E. (2017) *Report on Progress in the employment and skills development sector in Albania*, European Training Foundation.

Employment rate among short training course participants	na	na	na	na
Employed short training course participants that are females	na	na	na	na
No. of participants in training courses	13,893	17,524	16,890	15,710
Percentage of women participants in training courses	46	48	47	53
No. of PwD VET students	250	134	80	110
Increase of 1% in annual share of PwD VET students (%)			-0.3	0.1
Investment in VET system (m ALL)		170	504.1	1,212.7
30% increase in investment by 2020 (m ALL)			190	140
<b>Sector Reform Contract</b>				
No. of teachers and instructors trained through VET Basic Didactics Training Programme, NAVETQ (cumulative)	0	24	42	289
Percentage of the 700 VET teachers and instructors trained through VET Basic Didactics Training Programme, NAVETQ	0	3.5	6.0	41.3
Establishment of VET MFCs, MFE	0	1		3
VET graduate employment rate	-	na	Tracing system in place	Tracing system operational

## **B1. Optimising the VET providers network and diversifying offers**

**Table 12.** Pillar B1 results to be achieved by 2020

<p><b>B1. Optimising the VET providers network and diversifying offers (including definition of competences by sector)</b></p>
<p><b>B1.1</b> Assessment and reorganisation of the main VET providers at the regional level</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ National baseline survey of public VET providers completed</li> <li>▪ National public network of VET providers rationalised 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</li> <li>▪ Detailed plans elaborated jointly with all stakeholders on how to implement transfer or merger of schools and VTCs into new networked structures in each region and within each institution</li> <li>▪ Operational plans implemented</li> <li>▪ Some VET providers developed into MFCs of competence for certain sectors (in charge of curriculum development and teacher training for respective sector in Albania) through public-private partnerships</li> <li>▪ VET providers knowledgeable about labour migration trends in Albania and interest among population to obtain skills in demand in main destination countries, especially in SEE</li> </ul>
<p><b>B1.2</b> Maintaining database and QA of training provision by private VET providers countrywide</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ System for accrediting VET (including private) providers further developed to ensure quality of provision</li> <li>▪ More and more VET providers voluntarily adhere to self-developed quality label system</li> <li>▪ Private training providers include in the database qualifications and training they offer</li> </ul>

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

Reorganisation of the VET schools and the programmes offered, following the first wave of system consolidation, continued in 2017. The working group at MoFE on the ‘Optimisation of public VET providers and establishment of Multi-functional Centres’ was established and a draft action plan finalised on optimisation of public VET providers.

Currently, the VET system comprises 35 schools, with 19,000 students registered during the 2017–2018 school year. The number of students registered at VET schools increased by 2.7 percent compared to the previous year.

### ***B1.2 Maintaining the database and quality assurance of training provision***

As yet there is no accreditation system in place for VET providers. Some preparatory steps have been taken by NAVETQ with the support of the UNDP SD4E programme. Private VET providers are licensed by the National Centre for Business Services (*QKB*). MoFE has established a working group to develop an integrated platform, where information on VET public and private providers is made available and transparent to the public.



The new VET Law (no. 15 adopted on 16.02.2017) specifies the setting up of development units for the VET system as the institutional structure responsible for internal QA. However, the legal changes are not yet fully enforced due to delays in approval of by-laws.

In 2017, SD4E contributed to the preparation of guidelines for internal QA and initiated discussion on the setting up of inspection services for VET providers. Internal QA and inspection services at VTCs will help monitoring of the quality of training.

The tracer system on vocational training graduates, implemented by GIZ, will be an important indicator of perceived quality of VTC providers from the labour market perspective. This information will be crucial to future development of vocational training curricula. The first report based on the traceability system has been prepared and shared with NES, NAVETQ and MoFE.

The need to have systematic and transparent QA mechanisms for VTCs, as well as training provisions, remains to be addressed. Piloting and initiatives undertaken by donor projects are providing technical input and concepts to be discussed and further developed throughout the system. It is important that legal changes are developed and approved as a precondition for implementation of QA mechanisms in VTCs and for the provision of training.

## **B2. Ensuring the quality of VET providers**

**Table 13.** Pillar B2 results to be achieved by 2020

### **B2. Ensuring the quality of VET providers and improving the quality and adequacy of VET inputs (laboratories 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 and women, and amenities responding to the requirements of PwD

Outputs:

- In-depth analysis of required infrastructure upgrading undertaken once VET provider network and range of profiles to be offered in each VET institution are redefined
- 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 investment plan, including safe amenities and facilities for girls and women, and infrastructure and equipment responding to the needs of PwD
- Contracts with companies for use of equipment and facilities promoted and established by VET providers based on analysis of those that comply with standards for offering training places

## **B2.2** Creation of a National Catalogue of Vocational Qualifications and revision of 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 participation of social partners set up and qualifications and competences defined for selected priority sectors
- NAVETQ actors trained and frame curricula for long and short courses revised, based upon job descriptions and qualification descriptions (national qualifications or competence standards) and upon examples developed by donors
- Actors in VET institutions trained and frame curricula further developed and adjusted (revised at regular intervals) in collaboration with experts from the business world
- Quality assurance criteria for official approval of VET curricula 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 integrated into VET design, contents and provision, and gender stereotypes eliminated from profiling, curricula, promotion and teaching methodologies
- VET providers develop programmes tailored towards preparing specialists in professions in demand in other countries, considering Albania's strategic advantage and overall government policy towards providing employment of nationals in other countries
- Cooperation platforms exist between VET providers and their counterparts abroad for sharing best practices and modern education technologies

## **B2.3** Review of existing and development of 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 and trainers trained in post-secondary VET programmes
- Conditions for practice learning in place enhanced together with the private sector
- Cooperation agreements for implementation of secondary and post-secondary VET programmes and other higher, non-university, studies established among higher education institutions, VET providers and private sector

## **B2.4** Evaluation of existing teaching materials, including gender equality content and existence of gender stereotypes, as well as adequacy for PwD

### Outputs:

- Teaching and learning materials (rather than textbooks) developed to accompany new curricula (model used for economics schools to be considered)
- Gender-sensitive revision completed
- Adequacy for PwD assessed and gaps identified
- Teaching and learning materials published in e-Book formats online on the web portal for the VET system



**B2.5** Definition and implementation of QA criteria of VET system (at provider level) and changing of internal and external verification of VET curriculum implementation (inspection)

Outputs:

- Accreditation and QA 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)
- Multi-annual plan for VET provider inspections implemented

### ***B2.1 Analysing and upgrading of buildings, workshops and equipment available for VET***

Improving buildings, workshops and existing equipment at VET providers, including facilities for girls and women, as well as amenities responding to the needs of people with disabilities, is pursued continuously by the Ministry of Finance and Economy. Investments are being supported from the state budget and various donors. For the remaining timeframe of the strategy a budget of EUR 19 million is planned to support investments and upgrading of the premises and facilities of VET schools.

During 2017, the first phase of reconstruction of three VET schools—Arben Broci (Shkoder), Karl Gega (Tirana) and Beqir Cela (Durrës)—was completed. An amount of EUR 1.2 million was invested in improving the practical teaching workshops. Investments in laboratories and workshops was also supported by donors. Al-tour reports to have renovated and equipped school laboratories in Korca and Saranda with professional kitchens and restaurants in line with the needs of high quality practical training.

### ***B2.2 Creation of a National Catalogue of Vocational Qualifications***

The National Catalogue of Vocational Qualifications has been regulated since it became part of the new VET Law (no. 15, dated 16.02.2017). NAVETQ has developed all necessary elements in the catalogue, including a list of vocational qualifications, titles and descriptions of vocational qualifications, and the frame curricula. The initiative was supported by ETF with the involvement of main stakeholders, including social partners, VET professionals and qualification experts.

NAVETQ, in cooperation with the former MoSWY and INSTAT, supported by the UNDP SD4E programme, in consultations with the business sector, prepared and approved the National List of Occupations. This list was adopted by DCM no. 514, dated 20.09.2017. Such a classification is a valuable source of information for development or revision of vocational qualifications and qualification descriptions and standards for inclusion in the national catalogue. Following approval of the National List of Occupations in September, the SD4E further supported NAVETQ in making this list available and user-friendly for the public on a webpage hosted at [www.akafp.gov.al](http://www.akafp.gov.al).



In 2017, 15 vocational qualification descriptions and standards were developed, all accessible online. Three of these represent new profiles.

Currently, NAVETQ is in the process of translating qualification standards into the frame curricula. NAVETQ prepared and deposited at the former MoSWY 17 new frame curricula, of which eight were made available online to VET providers and students. The curricula offer recommendations on how to verify specific learning outcomes of a qualification. Out of 15 VET qualification descriptions two were upgraded by the AI-Tour project in line with the AQF and frame curricula in the field of tourism, hospitality and catering.

In addition, NAVETQ provides different guidelines for VET teachers and providers, including assessment methods and tools (such as tests, projects, control checklist). VE providers are responsible for the assessment and certification of vocational qualifications at AQF levels 2, 3 and 4. NAVETQ was engaged in the AQF task force, whose objective was to facilitate the process referencing AQF with the European Qualification Framework (EQF). The task force mission and activities were supported by ETF. In 2017, the task force held two round tables and a national conference, where discussions were held on qualifications to be included in AQF and their quality assurance.

Main challenges faced in reviewing the entire set of curricula for VET relate to the legal framework. The new VET law has paved the way for noticeable improvements. However, the lack of by-laws remains a challenge to carry on the process of curricula revisions and the completion of the National Catalogue on Vocational Qualifications. NAVETQ is also facing financial difficulties for review of the frame curricula. The process requires engaging professionals from the business world and running consultations with stakeholders and interest groups, costly activities that cannot be covered by the modest NAVETQ budget. Donors have been supporting NAVETQ, though the level of support does not ensure financial sustainability. NAVETQ needs strengthening if it is to fulfil its mission as defined in the new VET Law.

### ***B2.3 Review of existing and development of new programmes for post-secondary VET provision***

NAVETQ has drafted descriptions of post-secondary vocational qualifications and curricula with support from donor projects. In 2017, no development of post-secondary vocational programmes or frame curricula were reported.

### ***B2.4 Evaluation of gender-sensitive content of teaching materials***

Teaching materials have been drafted by field experts in accordance with criteria set in advance. In 2016, teaching materials (not textbooks) were developed and published in e-Book format on the VET electronic platform for thirteen subjects. From 2014–2016, teaching materials were developed for 42 VET courses. Textbooks and teaching materials were reviewed with regard to gender and for language sensitive to PwD.



NAVETQ faces serious challenges with regard to financial support to develop all necessary teaching materials. Donors were invited to support this activity. NAVETQ aims to strengthen the coordination and cooperation with the public textbook publishing house, BOTEK, in order to avoid working in parallel on similar textbooks and teaching materials.

Skills for Jobs (S4J) has assessed the availability and quality of teaching and learning materials used in two VET schools. Revision of the materials with regard to gender sensitivity was also performed, finalising and preparing them ready for use. The assessment phase identified a need to improve the ability of teaching staff to improve and modernise teaching materials.

Five gender-sensitive occupational standards were developed for tourism education with the support of the ADA-funded project AI-Tour. The occupational standards compiled include aspects of green tourism and were developed in line with market needs in close cooperation with the private sector and NAVETQ. The standards will serve as a basis for the development of qualifications description and curricula to be used by all VET tourism schools in Albania.

### ***B2.5 Definition and implementation of VET quality assurance criteria***

The new VET Law introduces a QA mechanism for public and private VET providers for which by-laws will have to be developed. In 2017, the UNDP SD4E programme supported NAVETQ in developing a manual for internal evaluation of public VET providers. The project also prepared documentation for institutional arrangements, defining roles and responsibilities and national standards for inspection of VET providers. Following adoption of the by-laws, all VET providers and staff responsible for the self-evaluation process will have to be trained.

In December 2017, the AQF task force mandate was extended for a further two years through a joint order signed by both the Minister of Education, Sports and Youth and the Minister of Finance and Economy (now in charge of VET). The task force is in charge of supporting implementation of the AQF and will draft the secondary legislation to implement the amended AQF law. (Amendments were finalised in November 2016 and approved and adopted in May 2018.) In addition to preparation of AQF reference to EQF the task force is also responsible for consultation and dialogue with institutions and sectoral skills committees (at least with those functioning and operating in pilot economic sectors).

In 2017, SD4E, in cooperation with S4J,<sup>7</sup> in the frame of improving the quality of VET provisioning among all (public) VET providers, developed a concept document for QA at the VET provider level. The concept will serve as a basis for continued discourse on VET quality and on how QA should be understood, assured and improved at the school and system levels. The concept needs further discussion, operationalisation at the central and local levels, and constant support to become effective.

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<sup>7</sup> Viertel, E. (2017) *Report on Progress in the employment and skills development sector in Albania*, European Training Foundation.

SD4E has contributed to preparation of guidelines for internal QA and initiated discussion on setting up inspection services for VET providers. A self-assessment guide for VET providers was developed by the SD4E programme at the end of 2016, and consulted with VET providers the following year. The guidelines have been adopted. NAVETQ will support application of the self-assessment process in VET providers. IPA 2013 VET has prepared and piloted a Quality Assurance Manual, specifying the framework and methodologies for internal and external evaluations and QA for MFCs.

### **B3. Raising the image and providing public information on VET**

**Table 14.** Pillar B3 results to be achieved by 2020

#### **B3. Raising the image of VET and informing on VET providers, qualifications and training offers**

**B3.1** Running of publicity and awareness-raising campaigns on 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 free from gender stereotypes and transmitting an inclusive message produced and distributed
- Information on VET pathways for 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 undertaken for girls and boys opting for training in non-traditional occupations
- Girls' uptake of non-traditional courses—particularly in high-potential and highly productive sectors—publicly promoted

**B3.2** Design of public interactive searchable web portal and 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, including links to providers' websites for further information made available
- Approved curricula and teaching materials made available online
- Data updated by NAVETQ and VET providers as a means of publicity; to be used by potential learners, NAVETQ, NES and social partners
- Publicity undertaken to ensure use by potential learners, NAVETQ and employment services

**B3.3** Preparation for participation of Albanian VET students in national, European and world skills competitions and related media promotion

Output:

- Albanian female and male VET students participate in national skills, EuroSkills and WorldSkills competitions

#### ***B3.1 Running publicity and awareness-raising campaigns on VET and LLL***



Promotional and awareness-raising campaigns on vocational education, training, lifelong learning and opportunities are implemented annually. Such activities target enrolment rates in vocational schools and vocational centres. In 2017, a fair for VET schools and VTCs, a VET school competition on student achievements, and an open and information day were held. This year, the number of students enrolled in the VET system increased by 2.7 percent.

In April 2017, the former MoSWY, with donor support, organised a Skills Fair that aimed at promoting VET at the national level. The fair helped young people and their parents get acquainted with VET providers and their offer. Skills competitions and VET provider competitions were used to demonstrate the skills and labour market prospects of VET graduates. Under the slogan “I choose Vocational Education”, the Skills Fair brought together 32 vocational schools, ten public VTCs, private VET providers and 18,000 visitors.

The National Skills Competition was implemented by AlbaniaSkills as a competition and promotional activity for three selected profiles: hotels and accommodation, software development and web design.

RisiAlbania supported a TV show. *Do you have an idea?* comprised 15 episodes in which 20 students from vocational schools and training centres presented their ideas, received advice on how to convert those ideas into businesses and received financial support to advance them.

### ***B3.2 Design of public interactive, searchable web portal and database on VET and LLL***

Documents including curricula frame, teaching and learning materials, guidelines and training materials developed by NAVETQ and partner organisations, and approved by MoSWY, are uploaded periodically onto the institutional website [www.akafp.gov.al](http://www.akafp.gov.al). Material and documents are accessed easily by the public. Datasets and other relevant information gathered and processed at NAVETQ are also made available.

The VET portal was extended to accommodate new information modules on VE schools and VTCs, with the support of GIZ. For preparation of the National Catalogue of Vocational Qualifications, the National List of Vocational Qualifications is periodically updated and made available for the public through an online page hosted at the [www.akafp.gov.al](http://www.akafp.gov.al) website.

Meanwhile, the S4J project finalised technical specifications for the design of an electronic platform for apprenticeship matching.

### ***B3.3 Preparation for participation of Albanian VET students in skills competitions***

No developments were reported.

## **B4. Progress made in strengthening the linkages between learning and work**



**Table 15.** Pillar B4 results to be achieved by 2020

<p><b>B4. Strengthening of linkages between learning and work and facilitating the transition to work</b></p> <p><b>B4.1</b> Introduction of a tested model in all VET institutions to organise links between businesses and VET institutions Outputs:</p> <ul style="list-style-type: none"> <li>▪ Teachers in all public VET institutions have PASO = coordinator for the liaison of the VET provider with the businesses) or a similar role, for which they require a relevant technical background</li> <li>▪ Training to be delivered to teachers selected for implementing model</li> </ul>
<p><b>B4.2</b> Establishment of agreements with companies and business associations that meet criteria for offering training to students Outputs:</p> <ul style="list-style-type: none"> <li>▪ Agreements with businesses, business associations and chambers signed by the responsible Ministry (in future by the VET providers)</li> <li>▪ Periodical renewal of agreements (facilitating role of ministry)</li> </ul>
<p><b>B4.3</b> Organisation of elements of dual system approach, including internships for VET students as part of curriculum Outputs:</p> <ul style="list-style-type: none"> <li>▪ Lessons learned from experiences in Swisscontact and GIZ projects compiled</li> <li>▪ Elements of dual training model implemented, including project and work-based learning in VET institutions, and company internships systematic part of VET curriculum implementation in strong cooperation with private sector</li> </ul>
<p><b>B4.4</b> Promotion of entrepreneurial learning and women’s entrepreneurship as a key competence Outputs:</p> <ul style="list-style-type: none"> <li>▪ Recommendations from BDI strategy and EU Small Business Act assessment (Organisation for Economic Co-operation and Development–ETF 2013) inform a Entrepreneurial Learning Strategy developed joint by former MoEDTE, MoSWY, MoES, MARDWA</li> <li>▪ Joint action plan for Entrepreneurial Learning, including design of curriculum, teaching materials, teacher training, as part of initial VET and adult training, drafted and implemented, both as part of business education and as compulsory subject for all</li> <li>▪ Key competences captured by EU Small Business Act Istanbul Indicators reflected in VET training curricula and courses</li> <li>▪ Tailor-made entrepreneurship programmes developed, specifically targeting girls and women, including in rural areas</li> <li>▪ Leadership and management skill programmes developed and conducted specifically targeting women and girls</li> </ul>

***B4.1 Introduction of a system model to organise links between VET and businesses***

The newly adopted VET Law makes provisions for the introduction of school–business liaison persons as part of the School Development Unit, using the PASO model successfully piloted through the support of donors. Despite the legal provision, no progress was made in 2017 because of the incomplete legal framework, with by-laws remaining in draft form and not yet approved and entered into force.

Initiatives and pilot cases were supported by donor-funded projects supporting VET school–local business cooperation mechanisms.



The S4J project has developed a Business–School Cooperation and Sponsorship Concept to support implementation of the School Development Unit. The project has also supported the establishment of two business networks—one at the national level and one at the local level—in support of VE schools and VTCs.

The working group established at MoFE is working to lead preparation and completion of by-laws: not having them in place has presented an obstacle for making operational school functions that support school–business cooperation. Improving capacities at the school level remains challenging. Training and capacity building activities are necessary to ensure that the school–business liaison persons are equipped with the skills and guidelines to perform this new function developed in a difficult environment with low intensity of cooperation between schools and businesses.

#### ***B4.2 Establishment of agreements with companies***

Vocational schools have entered into partnerships or cooperation agreements with businesses in order for students to complete curricular practical training or internships. This has been an ongoing process. Schools that have succeeded in engaging with local businesses to facilitate delivery of practical training include the VET schools Arben Broci, and Hamdi Bushati (Shkoder), Kolin Gjoka (Lezha), Beqir Cela, and Hysen Cela (Durrës), Gergji Canco (Tirana) and Pavaresia (Vlora), and Hoteleri-Tourism Tirana.

#### ***B4.3 Organisation of elements of a dual system approach***

From 2014–2017, NAVETQ implemented the project ‘Apprenticeship schemes for Youth Employment in Albania’, funded by the EU Erasmus+ programme with co-funding from the state budget. Under this project, in the 2016–2017 school year, 107 students were placed in a work-based learning programme with 30 tourism businesses. In January 2017, teachers supervising students under the work-based learning programme were trained. Training was provided also to the business instructors hosting the students.

Implementing an effective work-based learning VET system (dual approach) was hampered by an incomplete legal environment and lack of awareness and information among students, teachers and the businesses hosting the apprentices. NAVETQ has prepared and distributed informational materials and organised a series of workshops and roundtables with VET schools, businesses, the labour inspectorate and NES to address these challenges.

Implementing Law no. 70, dated 30.06.2016 ‘On Craftsmanship’ and the VET law will facilitate the introduction of work-based learning. However, by-laws are still to be drafted and adopted. In addition, closer cooperation with business associations and regular communication with businesses will remove some of the obstacles from the business side.



#### ***B4.4 Promotion of entrepreneurial learning and women's entrepreneurship***

Efforts to strengthen entrepreneurial learning throughout the VET system took place from 2014–2016 as part of the Albanian government commitment under the SEE 2020 strategy and continued into 2017. Supported by Save the Children, NAVETQ reviewed the programme of Entrepreneurial Learning, and teaching materials as literature, and case studies were updated. KulturKontakt Austria undertook training of teachers and development of teacher support materials for the entrepreneurial learning course. However, training of teachers in entrepreneurial learning was still an obstacle for transferring this key competence to students, and more needs to be done.

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

The VET system has not yet adopted standardised learning material to support the transition of graduates to the labour market. However, under the youth employability objective donor projects are providing mentoring and assistance to provide career orientation and guidance for VET graduates.

The tracer system of VET graduates, developed with support of GIZ, would provide information on employability and the path of labour market transition for VET graduates, valuable for development of career guidance and learning materials to support their transition to work. GIZ also contributed to establishing career guidance functions at Kamza MFC.

The development centres of S4J's partner institutions started to provide career guidance to students in the process of choosing their profile (12<sup>th</sup> grade) in schools where they provide support. Students receive guidance when they enrol at school, during the first year of study, when they choose their profile and specialisation, and when they are about to graduate. Dedicated project staff coach the assigned teachers to accomplish this role.

Since late 2017, RisiAlbania has also supported the establishment or consolidation of career guidance services. The conference Career Guidance and Youth Employment was organised on 17 November. The conference served as a forum to further promote career guidance as a cornerstone of youth employment. RisiAlbania also began cooperation with the Faculty of Social Sciences at Tirana University to establish pre-service and in-service training for career advisors for schools, universities, and other training institutions.

Career guidance is anticipated to be introduced and offered for the whole VET system after the establishment of a development unit in each VET provider as a systematic way of providing skills to VET graduates to transition to the labour market. This remains challenging since a legal framework is yet to be developed and the information system of the tracing system consolidated. Funding to support development of learning and staff capacities at the school level remains challenging.

## B5. Progress made in enhancing recruitment and improving competences of VET teachers

**Table 16.** Pillar B5 results to be achieved by 2020

<p><b>B5. Enhancing recruitment and improving competences of VET teachers and teacher trainers (including pre-service training and continuous professional development), staff in charge of regional management, school or centre directors, and managers</b></p>
<p><b>B5.1</b> Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure quality of teaching and learning Output:</p> <ul style="list-style-type: none"> <li>▪ 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 respective CARDS document)</li> </ul>
<p><b>B5.2</b> 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 Output:</p> <ul style="list-style-type: none"> <li>▪ Once regional network of VET providers and VET profiles on offer redefined, a national plan for selection or recruitment and development of VET teachers and instructors and specialists over 5–10 year perspective approved</li> </ul>
<p><b>B5.3</b> Review of model for preparation of VET teachers Outputs:</p> <ul style="list-style-type: none"> <li>▪ VET teacher pre-service programme revised</li> <li>▪ Training actions for pedagogical elements delivered to VET instructors</li> <li>▪ Pre-service training programme implemented as of 2015</li> <li>▪ Accreditation mechanism for access to VET teacher occupation and training actions in place</li> </ul>
<p><b>B5.4</b> Induction of training for all potential VET teachers, including obligatory modules on gender equality and social inclusion and diversity issues Output:</p> <ul style="list-style-type: none"> <li>▪ Compulsory induction training on gender equality and social inclusion and diversity issues for potential VET teachers implemented</li> </ul>
<p><b>B5.5</b> Organisation and delivery of extensive training for all (in-service) VET teachers, including obligatory capacity development on gender equality and social inclusion and diversity issues Outputs:</p> <ul style="list-style-type: none"> <li>▪ Training needs identified</li> <li>▪ Database of trainers (including those trained under different donor projects), by specialist area, for both pre- and in-service training prepared</li> <li>▪ List of available training modules recorded in a database</li> <li>▪ Annual plan to organise VET teacher training defined and funds allocated</li> <li>▪ Networks of teachers in same occupational field organised (as communities of practice)</li> <li>▪ Online teacher materials for self-learning adopted</li> <li>▪ Modules on gender equality and diversity knowledge skills are integral part of VET teacher training materials</li> </ul>



**B5.6** Organisation and delivery of training for public VET human resources managers (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 delivered, starting from 2015

### ***B5.1 Definition of a new policy for recruitment and professional development of VET teachers***

During 2017, no new activities or initiatives were reported for recruitment and professional development of school teachers. ETF is supporting a nationwide survey of all VET teachers and instructors with regard to needs for continuing professional development. The study will be used to feed the preparation of a policy document on training needs for VET teachers and instructors.

Completion of by-laws of the newly approved VET law, providing more accurate guidance on institutional structure and responsibilities regarding training and continuing professional development of teachers and trainers, human resource management, recruitment, salary scales and promotion remain challenging.

### ***B5.2 Assessment of competences of VET teachers in VET institutions***

The ETF survey is identifying levels and types of CPD that VET teachers and trainers have received. The assessment will serve the preparation of a national action plan for recruitment, training and CPD of teachers and trainers throughout the VET system.

This is an action of the national strategy yet to be tackled, mainly because of the other important reforms the system has undergone, as well as the legal changes. Preparation of the national action plan on teachers and trainers training has to be bundled by respective institutional arrangements and financial resources needed for implementation of training and other CPD programmes.

### ***B5.3 Review of model for preparation of VET teachers***

Overall review of the VET teacher preparation model formed part of two studies on the needs for training and continuing development of VET teachers and instructors, implemented in 2015. Pedagogical training by the institutional structure of the VET system in Albania prior to appointment (pre-service) of VET teachers is a responsibility of the Faculty of Education. However, it is not offered.

NAVETQ, with the support of GIZ, prepared a 24-day training on Fundamentals of Didactics in VET in 2015. In 2016, the training programme was delivered for 42 VET teachers and



instructors, whereas in 2017, with support of GIZ, S4J (Swisscontact–SDC project) and Al-Tour (KulturKontakt–ADC project), the training was delivered, for 247 VET teachers and instructors, and will become obligatory. Teachers, with support of ETF have set up professional networks based upon an online platform for exchange of teaching and preparation materials. Three professional exchange networks were set up in 2017: a professional network of economics teachers, teachers of hospitality and accommodation, and thermo-hydraulic teachers.

It is challenging for NAVETQ to find resources and promote best practices for teacher preparation and training, such as a professional network. For training, a dataset of teachers and training needs is required to support the planning and delivery. The ETF initiative to assess CPD will help overcome the challenge of training needs identification. Funding and legal changes consolidation to better prepare and deliver training for teachers and instructors are also challenging.

#### ***B5.4 Induction of training for all potential VET teachers***

No progress has as yet been made on introducing induction and mentoring practices for newly recruited VET teachers.

#### ***B5.5 Organisation and delivery of training for all (in-service) VET teachers***

In 2017, as reported under 5.3, with the support of GIZ, S4J and Al-Tour, a 24-day training on Fundamentals of Didactics on VET was delivered for 247 VET teachers and instructors. It is assumed this training will be obligatory pre-service training for all VET teachers and instructors in the future.

#### ***B5.6 Organisation and delivery of training for managers of public VET human resources***

With support of GIZ, D4J and the Al-Tour project training and capacity strengthening among directors of VET school and training centres continued in 2017.

### **Main challenges in implementing Pillar B**

- Approved laws on VET and on craftsmanship have contributed to clarifying the roles and responsibilities among institutions regarding training of teachers and instructors. Nevertheless, the slow pace of drafting and approval of by-laws continued to affect the progress of actions under pillar B.
- Teaching materials development and improvement was supported through online platforms and exchange among teachers and instructors. However, the national plan to support teachers and instructors development is still in preparation. The national plan has to be pledged with the appropriate financial means, in order to ensure sustainability of the teacher training.



- QA and accreditation of VET providers experienced no progress in 2017. The assessment and strategic documents on QA and accreditation among VET providers has been prepared. The working group established at MoFE is progressing toward finalisation of by-laws, the strategic documents and the consultations with stakeholders.
- The model of introducing work-based learning into the VET system is still experimental and unsustainable, while support is provided by ETF to develop a strategic document on how to progress with introducing work-based learning.
- More resources are required for undertaking human resource development throughout the VET system.
- AQF legal framework changes are approved. Work to develop and adopt by-laws is in progress. The working group at MoFE has been approved. The process of curricula revision and cataloguing at the national level (with reference to the EU) qualifications and competences has progressed.
- Business participation and engagement with the VET system remains a challenge. No progress has been made in adopting the Development Unit and PASO focal points at vocational schools due to delays in adopting by-laws of the newly approved VET law.

**On track**

**In progress**

**Delayed or incomplete**

Assessment and reorganisation of VET schools completed.

Vocational qualifications titles and descriptions made available on NAVETQ website: [www.akafp.gov.al](http://www.akafp.gov.al).

Media campaigns on VET, school open days implemented, and media coverage on employment and skills development topics has increased.

Fundamentals on Didactics for VET teachers has been organised for 247 teachers.

Assessment of training needs are being implemented and action plan on teachers training needs will be prepared.

New VET Law adopted; by-laws in preparation.

AQF law is approved; work on preparation of by-laws needs to resume. AQF task force to consolidate and finalise by-laws.

VET providers database maintained. Private provider information is in preparation.

Concept papers and piloting of QA mechanisms (internal and external) are prepared, with consultation and adoption under way.

MFC model under IPA 2013 project is under implementation.

Establishing 3 new MFCs started in 2017. A ministerial working group established to develop the national model of MFC is progressing with preparation of legal and implementation documents.

Implementation of infrastructure investments in 2017: 3 VET schools were reconstructed, laboratories and workshops were updated (EUR 1.2 million invested). Improvement infrastructure interventions are planned.

Craftsmanship law adopted, by-laws in preparation.

Business participation from a 'dual approach' perspective is very limited due to a lack of legal provisions and incentives (a feasibility study for apprenticeship schemes in Albania).

Resuming social dialogue, suspended due to legal framework consolidation.



## 5. More Social Inclusion and Territorial Cohesion through Employment and Skills Policy

**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

There is a geographical component to the distribution of educational attainment and labour market participation, as well as a strong correlation with poverty. Addressing labour market gaps at the regional level will have a positive impact on reducing social exclusion among vulnerable groups of the population. VET in support of skills formation and job placement can fight social exclusion. Coordination between social assistance programmes and active labour market measures remains crucial to remedying any negative impact that the latest reform of the social protection system has had on vulnerable households. Reformation of NES and improvement in the range and coverage of employment services and active labour market programmes will be vital for improvement of both labour market attachment and employment prospects of population groups at risk of marginalisation.

NESS 2014–2020 focuses on two main aspects of social inclusion: providing employment services to marginalised or vulnerable groups, and improving opportunities for skills formation through better access to VET. In 2017, NES, in cooperation with donor supported programmes,<sup>8</sup> improved targeting mechanisms and diversified services towards vulnerable groups. This led to very positive results compared to the previous year with respect to employability among vulnerable groups. However, no progress was made on extending employment and training services towards rural areas, though assessment studies are in implementation supported by the UNDP SD4E project. Monitoring the impact of different cross-sectoral initiatives in support of social inclusion through employment is unsystematic and not done following a rigorous approach. As a result the impact is pictured only partially and is underestimated.

The employment services are aiming to coordinate with the institutions engaged in delivering social protection, especially those providing social assistance, with the aim of providing employment opportunities. Eight percent of unemployed jobseekers employed in 2017 were removed from the social support schemes (cash transfers) due to their employment. The gender gap in labour participation remained higher than the targeted level: in 2017, reported as 17 percent. Young female unemployment and young male unemployment both declined, by 3.8 percent and 2.7 percent, respectively, compared to the figures for 2016. Of individuals employed through EPPs, 4.1 percent were from marginalised groups, who were served through vocational

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<sup>8</sup> UNDP–SD4E, RisiAlbania, GIZ and IPA (2015).

training as well: in 2017, 1,214 individuals (8.1% of training participants) were from marginalised groups—Roma or Egyptian, victims of violence, orphans, returnees, etc.

**Table 17.** Key results for Strategic Priority C, by indicator

Strategy Indicator	2014	2015	2016	2017
<b>National Employment and Skills Strategy 2014–2020</b>				
Percentage decrease in long-term unemployment: women to 61%; men to 59%	female, 70.1	female, 66.3	female, 68.2	na
	male, 61.0	male, 65.8	male, 64.8	na
Percentage decrease in youth unemployment (15–29 years): girls, from 33.8 to 25%; boys, from 43.6% to 35%, LFS	female, 33.8	female, 34.7	female, 27.8	female, 24
	male, 43.6	male, 32.3	male, 29.6	male, 29.6
Reduction in gender wage gap by 4% (%), LFS	13.7	14.2	12.2	na
10% of social assistance beneficiaries come from EPPs (%)	306	353	10	8
Annual number of women and men covered by social and health insurance increases by 1%	not provided	not provided	na	na
<b>Sector Reform Contract (IPA 2015)</b>				
Number of Roma and Egyptians participating in employment and training programmes, NES	339	239	monitoring system in place	880 (first report delivered)

## C1. Progress made in extending employment and vocational training services to rural areas

**Table 18.** Pillar C1 results to be achieved by 2020

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

**C1.1** Establishment of inter-ministerial cooperation to address situation in rural areas, including coordination with government initiatives and strategies such as 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 by the current definition; in e.g. Macedonia and Romania people in rural areas can be included in the definition
- System for registration of female and male rural workers, payment of a small tax for receipt of minimum social protection and employment services defined and implemented
- Statistical methodology tracking female and male rural emigration established

- Areas of significant emigration from rural areas to urban areas mapped

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

##### **Outputs:**

- Territorial coverage of NES offices and services mapped out; focus on areas not covered with view to ensuring service delivery according to regional differences
- NES staff update their knowledge on needs of women and men in rural areas and on the support, including training and ALMPs to which they can be referred; Action Plan including capacity building of NES staff drafted and implemented
- Initiatives to promote registration of unemployed women and men from rural areas developed
- Mobile units offer employment services to female and male unemployed jobseekers in rural areas

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

##### **Outputs:**

- Public or private training providers establish satellites and mobile units to offer training courses in rural areas, tailored to needs of rural population, including female and male youth and women of all age groups
- Basic and practical skills courses for handicrafts, farming and 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 PwD**

##### **Outputs:**

- New programme on wage subsidies and on-the-job training for PwD implemented for first time in 2014
- Review of active labour market measures carried out and new measures designed
- New measures for employment promotion of marginalised and disadvantaged women and men, including Roma and PwD, extended to rural areas

#### ***C1.1 Establishment of inter-ministerial cooperation to address the situation in rural areas***

No progress was reported during 2017.

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

A study of the structure of the rural economy and employment was initiated with support of the UNDP SD4E project. The assessment was undertaken for the first time and is expected to provide a clearer picture of the labour force in rural areas and labour demand peculiarities and needs, and establish a basis for the extension of employment services and VET into rural areas.

No further steps or progress with interventions was reported in 2017.

#### ***C1.3 Increase of VET offers in rural areas and for vulnerable groups***

No progress was reported during 2017.

### ***C1.4 Training and employment of marginalised and disadvantaged individuals***

In 2017, an ALMP was designed to have a particular focus on marginalised individuals. Three out of the seven DCMs on ALMPs were dedicated to marginalised groups. The scoring formula applied to the ALMP selection process grants preferential rates to marginalised individuals. Overall, the EPP led towards the employment of 5,264 individuals. The financial allocation remained stable in 2017, with around 490 m ALL allocated to ALMPs in 2017.

Statistics on unemployed jobseekers participating in the ALMPs give the following picture:

- 8% of employed unemployed jobseekers were removed from the social protection schemes.
- 5.8% of employed people were removed from the register of unemployed jobseekers (budget support indicator).
- 62% of employed individuals under EPPs were females.
- 51% of unemployed jobseekers were young individuals of up to 29 years of age.
- 47% of individuals employed under EPPs were long-term unemployed.
- 4.1% of unemployed jobseekers employed under ALMPs were representative of vulnerable groups.
- 110 registered unemployed jobseekers employed under ALMPs were Roma or Egyptian.
- 96 registered unemployed jobseekers employed under ALMPs were returnee emigrants.
- 3 registered unemployed jobseeker victims of domestic violence were employed under an ALMP.
- 9 unemployed jobseekers were orphans.
- Overall, 880 individual from the Roma and Egyptian community were employed through various EPPs and through mediation by the services in the employment offices nationwide.

Registered unemployed jobseekers were supported through certified training from vocational centres as a way to gain employment. Statistics on unemployed jobseekers trained in the centres give the following picture:

- VTCs report to have trained 15,711 individuals in all.
- 36% of trained individuals were women (5,682 women), and 5% of trained women were employed immediately following vocational training.
- 67 trained individuals were Roma or Egyptian.
- 55 trained individuals were people with disabilities.

## **C2. Progress made in promoting social entrepreneurship (social economy and third sector jobs) and women's economic empowerment**

**Table 19.** Pillar C2 results to be achieved by 2020

<b>C2. Promoting social entrepreneurship (social economy and third sector jobs) and women's economic empowerment</b>
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### **C2.1 Design and implementation of measures in relation to social entrepreneurship**

#### **Outputs:**

- Increase in the number of women and girl beneficiaries
- Tracer study on female and male beneficiaries progressing into employment, start-ups, clusters, etc., in rural and urban areas
- Mentoring programme for women and girls in place and accessible in rural areas
- Concept of social enterprise (including model of cooperatives) defined and addressed through appropriate legislation, in a SEE perspective
- Comprehensive start-up strategies consist of an all-inclusive consultancy, professional business idea assessment
- Modularised training in preparation for a start-up and ongoing consultancy for at least the first year of self-employment 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
- Increase in access to training and labour market for women by supporting policies, measures and initiatives aimed 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 establishment and implementation of new business, and promotion of learning partnership promoted
- Training of local and regional authorities and public institutions in how to work with third sector organisations delivered
- Cooperation between NGOs and business sector promoted

### ***C2.1 Design and implementation of measures on social entrepreneurship***

The Social Enterprise Law and three by-laws were approved. The Law regulates the organisation and operation of social enterprises and sets out the conditions and criteria that an entity must fulfil to obtain the status of social enterprise. No further development is reported other than merely the legal framework is updated.

### ***C2.2 Creation of conditions for fostering employment in social enterprises***

No progress was reported.

## **C3. Progress made in minimising inactivity and welfare traps**

### **Table 20. Pillar C3 results to be achieved by 2020**

#### **C3. Introduce an activation strategy to minimise 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:**

- Harmonised delivery of employment and social services undertaken to address the needs of individuals facing multiple disadvantages, maximise the interaction between passive and active policies, identify disincentives to labour market participation, and reduce welfare dependency
- System combining social welfare and active labour market policies (possibly including a community works programme) established to support labour market integration of Economic Aid recipients
- Monitoring mechanism established that tracks the situation of vulnerable or socially excluded women and men in Albania, including those affected by migration

### ***C3.1 Reform of social assistance system***

No progress was reported.

The level of inter-institutional coordination in social inclusion policies and interventions remains challenging, mainly due to the change to the NESS 2014–2020 governing structures, as well as the roles and responsibilities of institutions. Crucial to the success of employment measures in inducing social inclusion is the coordination and cooperation between NES and institutions reforming the social protection system (Economic Aid).

Programmes that have been successful in increasing employment among vulnerable groups are those supported by specialised staff, the adoption of tailored needs for procedures using mediation, and tailored employment plans for people with special needs. Employability of vulnerable individuals through generalised programmes appear less effective and less sustainable. Supporting implementation of special employment programmes to support employability of vulnerable and marginalised individuals requires better financial and technical support for employment services, including VTCs.

Strengthening institutions, improving the legal framework and exchanging information through sound inter-institutional monitoring systems remain crucial to improving the efficiency of employment measures to affect social exclusion and marginalisation of individuals and families.

**On track**

**In progress**

**Challenging**

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Social Protection Strategy 2015–2020 was approved (with a significant component of labour market inclusion of the most vulnerable groups through VET offers).

ALMPs and other EPPs have been delivering very positive results regarding employability of individuals from vulnerable groups.

The Roma monitoring system, through the tracing system, is operational and the first report has been submitted.

Social enterprise law and three by-laws have been approved.

Reform of Social Assistance Services has been initiated. The impact on vulnerable families is noticeable and measures have been designed and implemented to smooth any negative effects.

Extension of employment and VET services to rural areas is not yet initiated.

Inter-ministerial cooperation is lacking to address the needs of the rural population in a comprehensive way with regard to employment and VET policies.

In-depth analysis of rural economy and employment has not yet been shared and discussed with stakeholders.

## 6. Better Governance of the Labour Market and Qualification Systems

**Strategic Priority D:** Strengthen governance of the labour market and qualification systems

**Outcome Indicator:** Labour market and qualification systems are well governed and use financing and human resources in a transparent and effective manner

Effective employment, education and training policies call for improved administration, efficient use of financial resources and better design, monitoring and evaluation of outcomes. Improving the administration of labour market policies requires building the capacity of the institutions involved, namely the departments in MoFE responsible for employment and migration, VET, labour relations and occupational safety and health policies, NES and NAVETQ, and the State Inspectorate for Labour and Social Service (SILSS) to manage their core tasks effectively and efficiently.

Interventions to improve the governance of the labour market are based upon a multi-level approach and require robust social dialogue mechanisms. A governance system should be developed through evidence-based policies and practices, a more effective planning and management system, optimisation of education and training service delivery, and carefully designed risk mitigation mechanisms.

**Table 21.** Key results for Strategic Priority D, by indicator

Strategy Indicator	2014 Baseline	2015	2016	2017
<b>National Employment and Skills Strategy 2014–2020</b>				
75% of MoSWY staff working for strategy reforms	not provided	not provided	na	Na
At least 80% of targets established by strategy action plan achieved	not provided	not provided	na	na
Establishment of Employment and Training Fund	law drafted	na	na	no progress
Establishment of sound mechanisms for monitoring and evaluation of labour market and VET outcomes	ongoing	completed	completed	completed
Modern legal framework aligned with EU standards, including an AQF developed further	-	VET Law drafted	VET Law approved	completed

		AQF Law under revision	AQF Law under revision	completed
Strengthen social dialogue	National Labour Council (NLC) re- established	NLC met 3 times	NLC met 3 times	no progress
Increased involvement of private sector in governance and financing of the sector	no progress	no progress	no progress	no progress
<b>Sector Reform Contract (IPA 2015)</b>				
Number of qualifications designed or revised according to AQF, NAVETQ	87	20	30	25
Adoption of revised Labour Code and subsidiary legislation		Labour Code amendments adopted	Objective met in 2015	Objective met in 2015

## D1. Progress made in reforming the financing and governance of the labour market and VET

**Table 22.** Pillar D1 results to be achieved by 2020

<p><b>D1. Reforming of the financing and governance of the labour market and VET systems</b></p> <p><b>D1.1</b> Creation of an Employment and Skills Development Fund Outputs:</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>▪ Role of businesses as intermediaries 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>D1.2</b> Creation of autonomous structure(s) for administration, development and oversight of VET (currently NAVETQ) Outputs:</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 decision making of structures and annual development activities</li> <li>▪ Structure(s) for administration and development of VET in Albania established and organisational chart and tasks defined</li> </ul>
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- Staff recruited and all staff trained in line with the new tasks and a training needs analysis
- Annual plans for VET development approved in line with NESS 2014–2020 Action Plan and progress reporting assured

**D1.3 Strengthening the role of the National Labour Council**

Outputs:

- Functional National Labour Council with tripartite representation approved
- Legal framework for operationalisation of National Labour Council in place
- Compliance with 30% minimum quota of qualified women in leading, decision-making, management positions

**D1.4 Creation of a National Council for Employment and VET**

Outputs:

- Mechanisms for regular meetings of National Council for Employment and VET created
- Ad hoc working committees established
- Operational Plan of National Council for Employment and VET in place and regularly updated
- Deliberations on gender-equitable employment and VET governance and financing taken timely

***D1.1 Creation of an Employment and Skills Development Fund***

The Draft Law ‘On the Fund for Employment and Skills Development’ was developed through a long process of consultations during 2013 and 2014. However, establishing the Employment and Development Fund did not progress in 2017 due to legal and budgetary constraints.

***D1.2 Creation of autonomous structure(s) for administration of VET***

Law No. 15/2017 ‘On Vocational Education and Training in the Republic of Albania’, article 9, describes the roles and responsibilities of the National Agency for Employment and Skills (NAES) in the VET system. The organisational structure, rules and operational procedures are to be developed through a DCM, which was in preparation in 2017 but not finalised and thus approved. Approval of this DCM would strengthen NAES and clarify its legal framework with regard to functionality and mission, removing overlaps and inter-institutions coordination issues.

***D1.3 Strengthening the role of the National Labour Council***

The National Labour Council (NLC) is the highest tripartite social dialogue structure at the national level. NLC is organised with six thematic tripartite commissions: 1, Legal; 2, Employment, Vocational Education, Training and Qualification; 3, Wages and Pensions; 4, Work Environment and Health and Safety; 5, Equal Opportunities, Disability and Youth; and 6, Economic and Financial Commission. Thematic consultations are firstly implemented through commissions and then presented to the NLC. Only one consultative meeting of NLC was held during 2017.

### ***D1.4 Creation of a National Council for Employment and VET***

No progress was reported on the creation of a council for employment and VET due to a delay in approving by-laws of the newly approved Labour Code.

## **D2. Development and implementation of the Albanian Qualification Framework**

**Table 23.** Pillar D2 results to be achieved by 2020

<p><b>D2. Development and implementation of the Albanian Qualification Framework</b></p>
<p><b>D2.1</b> Review of the work undertaken on vocational qualifications of the AQF Outputs:</p> <ul style="list-style-type: none"> <li>▪ Legal framework for AQF reviewed</li> <li>▪ Legal package (financial, administrative, regulations) prepared</li> <li>▪ Reviews undertaken on work done so far on qualifications by NAVETQ and under different donor projects, and on qualifications offered by public and private VET providers and universities or existing only on paper</li> <li>▪ Research into various models for implementation of credit system in VET undertaken</li> <li>▪ Albanian credit system model conceptualised</li> </ul>
<p><b>D2.2</b> Establishment and operationalisation of sector committees Outputs:</p> <ul style="list-style-type: none"> <li>▪ Sectors of strategic importance to Albania 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>▪ Qualifications required within their sector reviewed by sector committees</li> <li>▪ List of professions revised by NAVETQ</li> <li>▪ Occupational standards at different levels of competence developed by sector committees for prioritised list of occupations</li> </ul>
<p><b>D2.3</b> Revision and linking of curricula to Albanian Qualification Framework Output:</p> <ul style="list-style-type: none"> <li>▪ Curricula revised on basis of qualifications referenced to AQF levels</li> </ul>
<p><b>D2.4</b> Selection of bodies and putting in place procedures for validation of qualifications, skills assessments and certification, and validation and recognition of prior learning Outputs:</p> <ul style="list-style-type: none"> <li>▪ Bodies appointed and procedures in place for validation of qualifications, assessment of knowledge, skills and competences, certification, and validation of prior learning</li> <li>▪ National system of qualifications capable of recognising work experience, skills and qualifications received abroad</li> </ul>

### ***D2.1 Review of the work undertaken on vocational qualifications of AQF***

NAVETQ co-led the work of the AQF task force in 2017 with the support of ETF. The scope of the task force was mainly revision of Law no. 10247, dated 04.03.2010 ‘On the Albanian Qualification Framework’, and preparation of proposals for secondary legislation of the AQF



law. In 2017, the task force consulted and finalised AQF law amendments, which were approved in May 2018.

The task force prepared information documents on AQF in order to increase among the public general understanding and awareness of the framework and the list of national vocational qualifications aligned with labour market demand. The task force organised a national level conference and started the process of referencing national qualifications with EQF.

Coordination of the task force, given the modest resources, was challenging. Overall interventions regarding adoption of the AQF, referencing it to EQF, and raising awareness and understanding among institutions responsible for its application include a need for consolidating the legal framework, improving financial and human resources and strengthening the QA.

### ***D2.2 Establishment and operationalisation of sector committees***

During 2017, a set of studies and assessment was undertaken in order to understand the patterns and dynamics of the labour market from the supply side. SD4E supported the Skills Need Analysis survey, which identified the skills and qualifications most needed or in demand by the local businesses interviewed. The assessment was undertaken on a national scale and will feed into policy making on AQF and consolidation of the national list of occupations, including their description, as well as VET programmes and curricula.

The inter-institutional task force working on development of the AQF legal framework reviewed the existing law, where establishment of sectoral committees is foreseen. The AQF law amendments define fully how these committees will be organised and function. However, they will become functional once by-laws of the AQF are developed and approved.

The AQF task force will be responsible for managing the sectoral committees. Its mandate needs to be revived and prolonged in order to ensure that the committees will be established and functional based on the legal framework and piloting for some specific sectors. On each committee there will be representatives from the private sector, including sector associations, lead firms, the Chamber of Commerce and Industry, trade unions, and from the skills supply side, including public and private VET institutions, universities, NAVETQ, the Accreditation Agency on Higher Education, NES and others. Financial resources supporting the establishment and operations of the sectoral committees represent a challenge for NAVETQ.

It also remains a challenge for the VET policy makers and labour market policies to adopt a systematic method that enables forecasting of the skills demanded by the labour market and a quick response with VET programmes. The three rounds of the SNA survey need to be linked and converted into a forecasting tool using the dynamics of the labour demand observed from data.

### ***D2.3 Revision and linking of curricula to AQF***



In 2017, 17 curricula and professional qualifications were designed in accordance with the descriptions of qualifications associated with the different levels of AQF. Curricula for vocational education were prepared in full compliance with the qualification description for each AQF level. Revision and linking of the curricula to the approved AQF system is a process that requires improvement of financial resources. NAVETQ is working on modifying the DCM that defines fees and payment for experts, especially those coming from industry and the different sectors—contributing to the revision of the VET curricula in compliance with AQF levels. In the long term, NAVETQ perceives a challenge for ensuring the quality of implementing VET programmes and trainings in compliance with the description and standards of AQF. An independent QA mechanism needs to be designed.

***D2.4 Selection of bodies and putting in place procedures for validation of qualifications, skills assessments and certification, as well as validation and recognition of prior learning***

No progress is reported for this activity. Nevertheless, the legal base is consolidated with the VET law and the amended AQF law approved. Recognition of prior learning would contribute to the development of lifelong learning opportunities, especially among adults and improve their participation. Completion of the legal framework would unlock the progress of this activity. In addition, the establishment of the sector councils will significantly contribute to the external quality assurance of the vocational qualifications populating the AQF.

**D3. Improving the quality and gender-sensitivity of labour market information and ensuring its use for more equitable and effective governance, including funding**

**Table 24.** Pillar D3 results to be achieved by 2020

<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</b> Gender-sensitive review of existing surveys and analysis of skills needs at national and regional levels Outputs:</p> <ul style="list-style-type: none"> <li>▪ Regular gender-sensitive national skills needs analysis carried out and findings published online</li> <li>▪ Skills needs assessment and related methodologies take into account population mobility and migration</li> <li>▪ Capacity development measures ensuring aspects of gender equality, diversity and equal opportunity integrated into all methodologies and studies, and into analysis and interpretation of VET and labour market data</li> <li>▪ Regional skill needs identified, using ETF–GIZ baseline study and e.g. (UNDP-supported) regional development plans, among others</li> <li>▪ National and regional skills needs analysis inform re-conceptualisation of the network of VET providers and gender-sensitive VET profiles offered in Albania and in each county (<i>qark</i>)</li> </ul>
<p><b>D3.2</b> Establishment of a gender-sensitive tracer system for VET graduates (with initial and continuous training) Outputs:</p> <ul style="list-style-type: none"> <li>▪ Gender-sensitive tracer systems implemented by all VET providers and results released to general public</li> <li>▪ Female and male graduates tracked and gaps in gender-specific data and information closed</li> </ul>

- Results obtained through gender-sensitive tracer studies inform VET and labour market policy, management, decision making, prioritisation and budget allocation
- Employment policy makers capable of recognising skills gaps in national labour market and elaborate measures promoting skill transfer and borrowing from other labour markets

**D3.3** Developing information-sharing instruments for gender-sensitive labour market data (e.g. bulletins, websites)

Outputs:

- Gender-sensitive labour market data released regularly
- Gender equality, diversity and equal opportunity goals integrated into all procedures and processes of information sharing, and into the analysis and interpretation of labour market data
- Labour market information system is capable of feeding into decision making on broadening or narrowing access of foreigners to Albania's labour market, identifying sectors and locations with labour shortages and structural imbalances
- Gender-sensitive labour mobility and migration indicators inserted into LFS and monitored
- Methodology for gender-sensitive measuring of labour migration in Albania developed and applied for generation of statistical data
- Regular gender-sensitive report on labour mobility and migration within, into and out of Albania produced

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

Output:

- Sectoral skills forecasting methodology designed

### ***D3.1 Gender-sensitive review of existing surveys and analysis of skills needs***

Periodical SNA surveys were planned for the period 2016–2018 in cooperation with UNDP. In 2017, preparations were made to implement an SNA in 2018. Preparations involved revision of the methodology, sampling and questionnaire, including covering gender issues. These were discussed with ILO experts and the working group at NES. The revision included gender sensitivity.

### ***D3.2 Establishment of a gender-sensitive tracer system for VET***

Aiming to increase the effectiveness of vocational training and its relevance for employment the GIZ VET programme in Albania implemented a tracer system for VET graduates, secondary schools and VTCs. The system is now operational for Tirana, including Kamza. The reports, with information on the employability of students and trainees following the completion of studies would improve the evaluation of, especially public, VET providers. The tracer system adoption by NES was approved by a ministerial order in 2016.

### ***D3.3 Developing information sharing instruments about gender-sensitive labour market data***

LFS 2016–2017 data were reported following the latest standards approved by the International Conference of Labour Statisticians (ICLS). The data are used to draw information on the dynamics of the labour market and the monitoring indicators of NESS 2014–2020. Strategy



monitoring indicators are designed with relevance to the National Harmonised Gender Indicators, while the gender perspective for the labour market is provided by INSTAT. NES information on registered unemployed jobseekers, participation in employment programmes and beneficiaries of ALMPs are reported and monitored in a gender-sensitive way.

Gender-sensitive monitoring and reporting of information on the labour market and employment programmes were established following approval of the strategy, and no further changes have been made. Employment programmes have been very successful in delivering equal employment for women, in compliance with monitoring indicators. However, national statistical information shows that the gender gap in the labour market is very rigid with little change observed in 2017.

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

NES, with support of the SD4E programme, implemented an SNA in 2017. SD4E supported an update and fine-tuning of the methodology, review of the questionnaire, sample size and criteria definition to include both national and regional (local) SNA data. The national enterprise survey covered a representative sample of 2,560 enterprises from all sectors of the economy apart from agriculture and explored current needs among the skilled labour force. The survey was implemented during June and July 2017, and, in December, the Human Development Promotion Centre presented and validated the results with the various stakeholders.

The survey gathered detailed and disaggregated data by county, sector, ownership and size of enterprise, and was based on a panel methodology, enabling dynamic comparison of the labour market indicators between 2014 and 2017.

The survey brought interesting insights into the labour market dynamics. Enterprises expect to open 47,000 jobs in 2018, mainly in manufacturing and services, including tourism. Small and medium enterprises are demanding highly skilled employees for accounting, legal issues and IT, among others, while large companies need mainly mid-level professionals. Enterprises with more than four employees report facing the issue of an unqualified labour force. The level of mismatch between the qualifications needed and those offered increases with larger companies where more specialised jobs are offered. The skills and competences employers report as unsatisfactory are technical (related to the profession), work culture, proactivity and willingness to learn in the working environment.

Further to validation of the report, NES, with the support of SD4E, will continue to disseminate the findings, and, in addition, through technical expertise, use this information to forecast labour market demand and translate that forecast into concrete actions to improve VET and minimise skills mismatches and shortages.

#### **D4. Modernisation of the legislative framework for VET (initial VET and adult training)**

**Table 25.** Pillar D4 results to be achieved by 2020

<b>D4. Modernisation of the legislative framework for VET (initial VET and adult training)</b>
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**D4.1** Review of all pieces of existing legislation that regulate VET (in schools, VTCs, higher professional education at universities, by public or private providers) and related aspects (curriculum development, teacher training, etc.)

Outputs:

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

#### ***D4.1 Review of all pieces of existing legislation that regulate VET***

The new VET law, approved in February 2017, creates immense space for implementing reforms of the VET system in Albania, in compliance with the objectives and aims of NESS 2014–2020. Nevertheless, implementation of the law depends upon preparation and adoption of some 30 sub-legal acts. During 2016 and 2017, much effort of many actors was devoted to developing and preparing by-laws, including by the former MoSWY, current MoFE, NAVETQ and NES, supported strongly by international agencies and donors, particularly ETF, SD4E, GIZ and ILO. Approval and improvement of the legislation that regulates VET is expected to take place in 2018, giving new impetus to implementation of NESS 2014–2020.

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

Table 26. Pillar D5 results to be achieved by 2020

<p><b>D5. National legislation regulating mobility and labour market governance in line with the country’s broader socio-economic development goals and EU <i>acquis</i></b></p>
<p><b>D5.1</b> Approximation of relevant Albanian legislation with EU directives</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Legislation adopted in conformity to EU legislation</li> <li>▪ Compliance with blue card directive, seasonal worker directive, single permit, researchers and scientists, family unification ensured</li> <li>▪ SEE regional labour market more inclusive and labour mobility promoted across countries</li> </ul>
<p><b>D5.2</b> Closing of skills gaps in the local labour market by active employment of specialists</p> <p>Output:</p> <ul style="list-style-type: none"> <li>▪ Skills transfer programmes facilitated in SEE</li> </ul>

#### ***D5.1 Approximation of relevant Albanian legislation with EU directives***

Approval of changes to Law no. 108/2013, with Law no. 74/2016 dated 14.07.2016 ‘On Foreign citizens’, fully aligns the Albanian legal framework with EU directives regulating the entry and stay of foreign citizens for work, study and volunteering activities. In the long term Albania aims to further align and approximate its legislation to enable EU citizens to have equal access to the Albanian labour market.

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

Changes in the legal framework regulating the access of foreign citizens to the Albanian labour market (Law no. 74/2016, article 72) enable the employment here of highly skilled and qualified workers from SEE countries. Citizens from Bulgaria, Greece, Croatia, Cyprus and Kosovo have equal access to the Albanian labour market, where employing a highly qualified workforce can be arranged under equal conditions for Albanian citizens. The legal framework facilitates and grants easier access to the Albanian labour market for citizens of the Western Balkans and Turkey.

Following application of the legal framework, statistical data from January to September 2017 report a total of 916 employees from countries enjoying equal and free access to the Albanian labour market, including the following.

- 582 Turkish specialists, employed mainly in the construction, health and education sectors
- 211 employees from Kosovo, employed in food processing, manufacturing and education
- 123 Greek citizens employed in the health, education and IT sectors.

Challenges to the opening up of the labour market to attract foreign qualified workers consist mainly of establishing monitoring mechanisms and balancing access to the labour market. Periodic assessment of the needs of the market for a qualified workforce unavailable locally needs to be undertaken as a guidance for further liberalisation of the Albanian labour market. The country should balance access to the labour market through regional and bilateral agreements with SEE countries and other economies in the region to enable equal access for Albanian citizens in those countries to whom Albania has granted access.

<b>On track</b>	<b>In progress</b>	<b>Delayed or incomplete</b>
NLC meets regularly and is fully operational.	NLC specialised committees still to be implemented, as well as regional structures for social dialogue.	Recognition of prior learning mechanisms have been defined and tested for a few qualifications, but further regulations and resources for establishment at the system level are absent.
17 vocational qualification descriptions and standards developed, all accessible online.	Preparation of by-laws on VET.	
Law on VET approved.	Guidelines for establishing Sectoral Skills Committees have been drafted.	
Tracing system operational.	Curricula and qualification standards linked to AQF and EQF is an ongoing process supported by ETF.	
SNA developed.	SNA 2017.	
	Autonomous structure for governing the VET system is ongoing, depending on progress of preparation of by-laws.	
	Labour migration regulatory framework still with many deadlocks.	



## 7. Employment and Skills Strategy Achievements and Challenges

Monitoring the achievements under NESS 2014–2020 helps align it with other European and regional strategies. An integral part of the strategy is the set of monitoring and evaluation indicators, many of which are similar to those used in the EU 2020 strategy. INSTAT provides annually measurements for monitoring indicators under NESS 2014–2020. A summary table of all indicators, presenting baseline and targets, as well as indicators measured in 2017 has been prepared.

There has been no recent study or evaluation of social inclusion indicators, as INSTAT is planning to shift from the Living Standards Measurement Survey to one used by Eurostat—Survey on Income and Living Conditions (EU-SILC)—, which has been tested though the results have not yet been made public. This move has created a delay in generating some of the indicators measuring the impact of employment and skills strategy on social inclusion and well-being of vulnerable groups. Such information remains crucial to the mid-term review of the strategy and is in progress.

Monitoring indicators, as measured and reported in 2017, are able to depict positive developments and impacts of some strategic priorities, especially employment in general, and employment of youth and marginalised groups in particular. There has been progress in strengthening the overall monitoring and information management system as well. However, legal framework consolidation and changes in the government structures have hindered the impact of the strategy on skills development and governance of the VET system, delaying implementation of measures bringing more quality and validity to vocational training and education for the labour market.

Ten out of 20 monitoring indicators are not reported for the annual progress report of NESS 2017. The actions implemented under the NESS strategy triggered a positive impact on labour market participation and employment overall. In 2017, the employment rate was reported to be 50.3 percent, an annual increase of 1.6 percent, and higher than the objective set under NESS by 8.3 percent. The overall unemployment rate (15–74 years of age) decreased by 1.5 percent compared to 2016, and 8.3 percent lower than the targeted level of unemployment set in the strategy.

Youth (15–29 years of age) unemployment rate is reported as 25.9 percent: 27 percent for males and 24 percent for females. Compared to the previous year, youth unemployment decreased by three percent.

Agriculture, services and industry are the most important sectors generating employment, though the share of agriculture employment relative to industry and services continues to decline. The strategy reports targets with an increase shared of agriculture employment that probably have to be reviewed to reflect better the structure of the economy.

In 2017, the total number of VET participants was reported as 34,710, of whom 19,000 were VET students and 15,710 VTC participants. VET enrolment increased by fourteen percent compared to 2014. There was a positive trend in VET enrolment and participation, though the increase is half of the objective set in the national strategy. In Albania access to VET is not even or equal. The VET offer is unevenly distributed regionally, with rural areas suffering poor access, while female participation is low, and access for PwD remains low. In 2017, absolute numbers of participation of PwD in VET was low, though still 37 percent higher than in 2016.

The strategy has definitely had a positive impact on employment, inclusive employment and VET enrolment, though more efforts have to be dedicated to the quality of skills formation, linking education and employment measures to labour market needs and development. The gender gap in labour participation has increased for the second consecutive year, showing a market unresponsive to measures inducing female participation. Success with employment of Roma and Egyptian unemployed jobseekers needs to be replicated and extended towards participation and employment of other vulnerable groups.

**Table 27.** Indicators for monitoring of key targets in NESS 2014–2020 (%)

Indicator	Means of verification	2012 Baseline	2014	2015	2016	2017 Target	2017 Actual
Youth (15–24 years old) not in employment and not in education (NEET)	LFS Q2, 2012– Q1, 2013	31.3	30.9	29.6	26.9	25.0	29.7
Registered unemployed benefitting from employment promotion programmes	NES	1.0	2.8	3.6	4.35	3.5	5.8
Incidence of long-term unemployment							
total	LFS	75.1	64.3	66.0	66.2	65.0	na
female	LFS	76.6	70.1	66.3	68.2	66.0	na
male	LFS	74.3	61.0	65.8	64.8	64.0	na
Employment rate (age group 15 years and above)	LFS	35.0	44.3	46.2	48.7	42.0	50.3
Labour force participation rate (15 years and above)	LFS	31.3	53.7	55.7	57.4	42.0	58.3
Unemployment rate (15–74 years)	LFS	26.6	17.5	17.1	15.2	22.0	13.6
Youth unemployment rate (15–24 years), by sex							
total	LFS	40.3	39.0	39.8	36.4	35.0	25.9
female	LFS	33.8	32.6	40.8	34.9	30.0	24.0
male	LFS	43.6	42.5	39.2	37.3	40.0	27.0

#### Work force by main economic sectors

agriculture	LFS	48.2	42.7	41.4	40.2	49.5	44.4
industry	LFS	16.0	17.5	18.6	19.3	17.0	18.1
services	LFS	33.0	39.4	39.8	40.4	32.5	37.2
others	LFS	2.7	0.4	0.3	0.0	1.5	na
Employment rate of vocational education graduates (% of total employed)	LFS	15.7	12.6	12.4	12.1	25.0	na
Share of individuals (25–64 years) participating in LLL	LFS	1.1	1.3	1.0	1.1	2.5	na
Gender gap in employment	LFS	16.4	14.7	15.0	12.2	14.0	14.0
Working poor and low wage workers	LSMS	59.0	na	na	32.0	55.0	29.6
EPP beneficiaries employed after participation	NES	43.0	na	na	na	49.0	na
Social assistance beneficiaries referred to ALMPs	NES	1.4	7.5	6.0	10.0	5.0	5.6
Registered unemployed benefitting from basic employment services	NES	36.0	39.2	42.4	na	50.0	na
Share of GDP invested in ALMPs	National Accounts	0.02	na	na	na	0.03	
Vocational education students as % of all students in secondary education	Education statistics	14.2	na	na	19.5	20.0	na
Share of female students in vocational education (secondary level)	Education statistics	20.0	na	na	na	24.0	na
Public investment in vocational education and training	National accounts	10	na	na	na	(100) +20	na
Share of female and male agricultural family workers with social, health and pension insurance							
total	LSMS	11.6			na	20.0	na
female	LSMS	5.5			na	25.0	na
male	LSMS	12.8			na	15.0	na



## 8. Challenges Ahead

This annual process for monitoring of NESS implementation provides information on what has been done, by whom and by when, and what has been achieved with the implementation in 2017.

The strategy has had a very positive impact on employment and human capital development, though more needs to be done to ensure quality and equal access to VET and to strengthen the legal framework under which employment and vocational education operates.

Based on the information collected from the implementing agencies, and the further analysis carried out, some highlights for further consideration have been identified. These highlights may be recommendations for coordinating future efforts in a way that the targets of the strategy are delivered.

The legal changes implemented up to now have been a stumbling block to the reform that has been initiated, and to the progress and results achieved. However, the legal changes have yet to be shown to be a reason for any slowing in the progress of strategy implementation. Developing by-laws for the laws on VET, AQF and Craftsmanship remains crucial for the strategy to resume its pace of implementation.

Consolidating the governance structure of the VET system is important, given the two rounds of change in the lead ministry in managing VET and also leading implementation of the strategy.

Quality assurance mechanisms for vocational education and training institutions, as specified in the new VET law, need to be promoted, developed and installed. Awareness and reforms of VET have resulted in an increasing participation in VET schools and centres. The quality assurance mechanism is key to improving the employability of graduates. Such an intervention would minimise the risks of a negative impact on quality, which has recovered with a lot of effort and long-term commitment of the government and various other actors. Institutions and VET providers need to be exposed to the practice of accreditation and internal QA. The regulations and guidelines prepared need to be largely consulted, and intensive capacity building and promotion of activities need to be planned within a short time.

Private sector involvement in the design and implementation of labour market and VET policies remains crucial to the success of the strategy. The functionality of different bodies such as counselling groups or committees designated to work for labour and vocational education needs to resume. Changes to the governing structure of the VET system has put the mandate for committees or councils in suspension until by-laws are approved and their functionality can resume.

Progress is needed towards involvement of the private sector in VET, mainly as a partner in delivering work-based learning through internships, apprenticeship schemes, VET trainers, etc. This partnership has to transition from an ad hoc or piloting case towards a systematic approach.



To reach this stage decision making is needed along with adoption of changes in the current legal base, enabling work-based learning (dual approach) in vocational education.

Improvement of the infrastructure of the VET schools, centres and NES offices needs to continue and expand to soft infrastructure and teaching materials. Increased and accurate budget allocations for the next few years should be identified in accordance with the needs of the NESS implementation and expected results of the SRC.

Labour market analysis tools such as SNA or tracing systems are finally set up and information from both mechanisms is available for policy makers. Technical guidance is needed to convert the information from these mechanisms into a forecasting tool for education and employment interventions that close the gap between labour demand and supply.

No progress has been made on extension of employment and VET services into rural areas despite the fact that 40 percent of VET students are from these areas. Reduced progress has been recorded for linking the reform of the social assistance programme to the employment and skills development programmes that are available.

Challenges regarding opening of the labour market to attract a foreign qualified workforce consist mainly of establishing monitoring mechanisms and balancing access to the labour market. Periodic assessment on the needs for a qualified workforce that is unavailable in the local market needs to be undertaken as a guidance for further liberalisation of the Albanian labour market. The country should balance access to its labour market through regional and bilateral agreements with SEE countries and other economies in the region to enable equal access for Albanian citizens in those countries to which Albania has granted access.

Improved institutional capacities, mainstreaming financial resources and strengthening inter-institutional cooperation will create the synergy required to lead the strategy towards full materialisation. Implementation of NESS and progress with its measures show that the way to reap the benefits of all the reforms and transformation made to the system is easier than it was when implementation of the strategy began.

## Appendix:

Preparation of the present annual progress report on implementation of NESS 2014–2020 was developed in close cooperation with MoFE and the main public institutions responsible for interventions in the sector (NES, NAVETQ, SILSS), other line ministries, international development partners active in this field: UN agencies, ETF, and Austrian, German, Italian and Swiss development cooperation agencies. INSTAT played a crucial role in providing the necessary statistical data for monitoring of the key indicators and respective targets and results. Participation of social partners and civil society organisations was planned and encouraged within this process. The report combines information from various sources, using both qualitative and quantitative data.

Elaboration of the progress report was undertaken in three phases, as reported in the table below.

Phase	Description of results	Deadline
1, Preparation and formalisation of process	<ul style="list-style-type: none"> <li>▪ Design of monitoring and reporting tools and data collection fiches</li> <li>▪ Approval of the methodology</li> </ul>	Mid-April 2018
2, Data collection and analysis, elaboration of draft report	<ul style="list-style-type: none"> <li>▪ Data collected from the main stakeholders, including statistical data from INSTAT and best cases and testimonies from the field interventions</li> </ul>	March 2017
	<ul style="list-style-type: none"> <li>▪ Preliminary results made available in the format of a draft report</li> </ul>	Mid-April 2017
	<ul style="list-style-type: none"> <li>▪ Comments to the draft results received and incorporated into the draft report</li> <li>▪ Revised draft report presented to the IPMG thematic group at its second meeting)</li> </ul>	Mid-April 2017– Mid-May 2018  Mid-May 2018
3, Consolidation of results, final consultation with social partners and final draft of the progress report published and made available to the general public	<ul style="list-style-type: none"> <li>▪ Meeting of the National Labour Council’s Specialised Commission on Employment and VET</li> <li>▪ Elaboration of the final draft of the progress report incorporating suggestions and comments received</li> <li>▪ Preparation of publication of the report (English and Albanian versions)</li> <li>▪ Information made available online on the ministry website (dedicated webpage to NESS implementation)</li> </ul>	End of May 2018
<b>Final Draft approved by Integrated Policy Management Group on 28 June 2018</b>		June 2018