



National Employment and Skills Strategy

2014 – 2020

Annual Progress Report

2019



June 2020

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Acronyms

ALMP	Active Labour Market Programmes
AQF	Albanian Qualification Framework
CEP	Community Employment Programme
CGS	Career Guidance Services
CSO	Civil Society Organization
DCM	Decision of the Council of Ministers
DIMAK	Deutsches Informationszentrum für Migration, Ausbildung und Karriere (German Information Office on Migration, VET and Career Guidance)
DU	Development Unit
EO	Employment Offices
EPP	Employment Promotion Programmes
ERP	Economic Reform Programme
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Development Cooperation)
ICT	Information and Communication Technology
IPMG	Integrated Policy Management Group
LM	Labour Market
LMIS	Labour Market Information Systems
MFE	Ministry of Finance and Economy
NAES	National Agency for Employment and Skills
NAVETQ	National Agency of Education, Training and Qualifications
NLC	National Labour Council
NES	National Employment Service
PWD	People with Disabilities
R&E	Roma and Egyptians
SD4E	Skills Development for Employment
SEF	Social Employment Fund
S4J	Skills for Jobs
SILSS	State Inspectorate of Labour and Social Services
SSC	Sector Skills Committees
TG	Thematic Group
UB	Unemployment Benefit
UNDP	United Nations Development Programme
VS	Vocational School
VTC	Vocational Training Centres

Strategy card

National Employment and Skills Strategy 2014 – 2020

Vision

The vision of the Employment and Skills Strategy 2014-2020 (inspired by the overarching goal of Europe 2020 to deliver smart, sustainable and inclusive growth) is to have, by 2020, a competitive economy and inclusive society that is grounded on “Higher skills and better jobs for all women and men”.

Policy goal

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

Strategic Priorities

The policy goal will be achieved through coherent and concerted policy actions that simultaneously address labour demand, labour supply and social inclusion gaps, based on four strategic priorities:

Strategic priority A: Foster Decent Job Opportunities through Effective Employment Policies

Strategic priority B: Offer Quality Vocational Education and Training to Youth and Adults

Strategic priority C: Promote social inclusion and territorial cohesion

Strategic priority D: Strengthen the governance of the labour market and the qualifications system

Period of Implementation: 2014 – 2020

Implementing bodies

- Ministry of Finance and Economy
- National Employment Service
- National Agency for Vocational Education, Training and Qualifications
- State Inspectorate for Labour and Social Services

Main Strategy partners

- Ministry of Health and Social Protection
- Ministry of Education, Science and Youth
- National Institute of Statistics (INSTAT)
- Department of Public Administration
- National Agency
- EU Delegation to Albania
- Swiss Development Cooperation
- United Nations Development Programme
- International Labour Organisation
- Deutsche Gesellschaft für internationale Zusammenarbeit
- Austrian Development Cooperation
- Italian Development Cooperation

Budget

The NESS estimated budget for the period 2014-2020 amounts to a total of EUR 69.8 million. Financial sources for the implementation are a) government budget: 25%, b) Sector Budget Support to Employment, Skills and Social Policies: 42.9%, and c) donor and other sources: 32.1%.

Part A: Executive Summary

A1. Context

2019 marks the 6th year of implementation of the National Strategy on Employment and Skills 2014-2020 (NESS). The Annual Report provides an overview of key developments of the reforms in the employment and skills development sector during 2019. The reporting of these reforms follows the structure of NESS along its strategic objectives of: 1) Fostering Decent Job Opportunities through Effective Employment Policies; 2) Offering Quality Vocational Education and Training to Youth and Adults; 3) Promoting social inclusion and territorial cohesion; and, 4) Strengthening the governance of the labour market and the qualifications system.

This Annual Report monitors the implementation of planned activities for 2019 by action for each pillar, as well as the achievement of defined results and targets. Simultaneously it identifies challenges encountered and recommends mitigating actions for future implementation. More importantly it contributes to capacity building of the Ministry of Finance and Economy staff on monitoring and evaluation of employment and skills development policies, as well as it reinforces the role of policy coordination mechanisms. Inputs from responsible institutions including the Ministry of Finance and Economy (MFE), the Ministry of Health and Social Protection (MHSP), the National Agency for Employment and Skills (NAES), the National Agency for VET and Qualifications (NAVETQ), as well as donors, development partners, social partners and civil society significantly contribute to the preparation of this report.

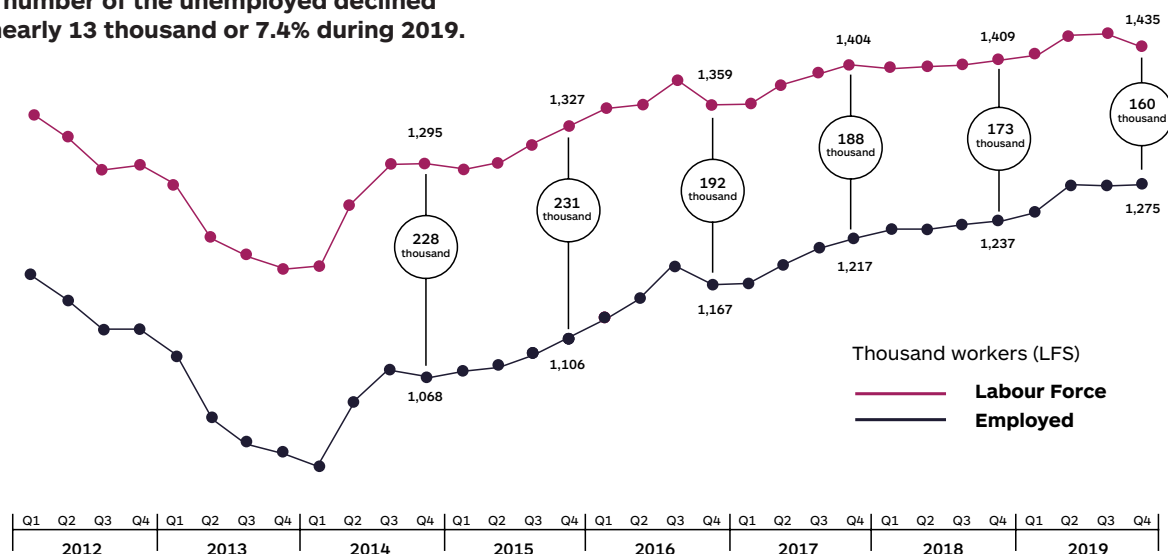
The report is structured as follows: an introductory chapter (Part A) reports on main labour market trends, the theory of change of main reforms and an overview of key results and achievements in the sector. Part B presents in detail the main results as per the 4 strategic priorities and the related sub-objectives, highlighting the progress made as well as the challenges encountered. In addition, it elaborates on main partnerships, harmonization, gender mainstreaming, communication, and lessons learned to date. Part C emphasizes the important role of coordination platforms in the sector such as the Integrated Policy Management Group (IPMG), as well as the implementation of key recommendations of the EU Progress Report, EU-Albania Sub-Committee on Innovation, Information Society and Social Policy, etc.. Part D looks at the strategic priorities following the extension of the NESS 2014-2020 until the end of 2022. Lastly, part E reviews financial allocations to the sector and levels of delivery.

A1.1 Overview of labour market

Albania has made significant progress towards ensuring that Albanian men and women have access to increased employment opportunities. The positive trend of the last few years continued across all labour market indicators. Employment continued to increase at a faster rate than in 2018, averaging 2.5% quarterly. In the last quarter of 2019, 1.27 million people were in employment, the highest historical level (Fig. 1). Of all those in employment, 47.7% are employees, 27.9% are self-employed without paid employees, 21.2% are unpaid family workers, and 3.2% are self-employed with paid employees.

Figure 1: Labour Force and Employment Trends 2012-2019

The number of the unemployed declined by nearly 13 thousand or 7.4% during 2019.



Source: INSTAT, LFS

The employment rate of people 15-64 has increased significantly from 50% at the end of 2013 to 61.6% in Q4-2019.¹ Despite marking the highest employment ratio among the Western Balkan countries, Albania lags behind European Union averages. The employment rate has improved significantly especially among women (from 40% in 2013 to 54.8% in Q4-2019).² Nonetheless, gender inequality in employment remain problematic, with men's employment rate exceeding women's by 13.7%. Despite an increase of 1.7 percentage points in 2019, youth employment lags behind the rest of the adult population, standing at an average of 41.2% in 2019 (46.6% men and 35.7% women).³ Berat and Korça are the regions in the country with the highest employment rate, 65.7% and 63.2 % respectively, whereas the region with the lowest employment rate is Lezha (41.7%).

Growth in employment has been accompanied by an increase in labour force participation, which reached 69.7% in the last quarter of 2019 (Fig. 2). The number of participants in the labour market increased to 1.43 million (nearly 28,000 more people than at the end of 2018) of which 44.4% are women and 55.6% are men. Women's participation has increased by more than 14% over the past 6 years, from a low of 47.4% at the last quarter of 2013 to 61.9% at the last quarter of 2019⁴. However, labour force participation rates also remain below EU averages, with a significant gender gap of 16%. In 2019, the youth participation rate continued to be lower than for the rest of the adult population (52.5% with a gender gap of 13.7%).⁵

Unemployment for the 15+ age group reached a record low at 11.2% in the last quarter of 2019, with women faring better than men (11.0% compared to 11.3%). The unemployment rate for the 15-64 age group also declined significantly to 11.6% compared to 12.7% at the end of 2018. Similarly, youth unemployment declined to 21.4% at the last quarter of 2019, nearly 0.9 percentage points less than the previous year. By the end of the year, the number of the unemployed had declined by nearly 13,000 (Fig. 1) standing at 160 thousand. Less than half of the unemployed seek employment through public employment services, highlighting the need for improving the reach and scope of such services.

Figure 2: Employment and Labour Force Participation Rates 2012-2019

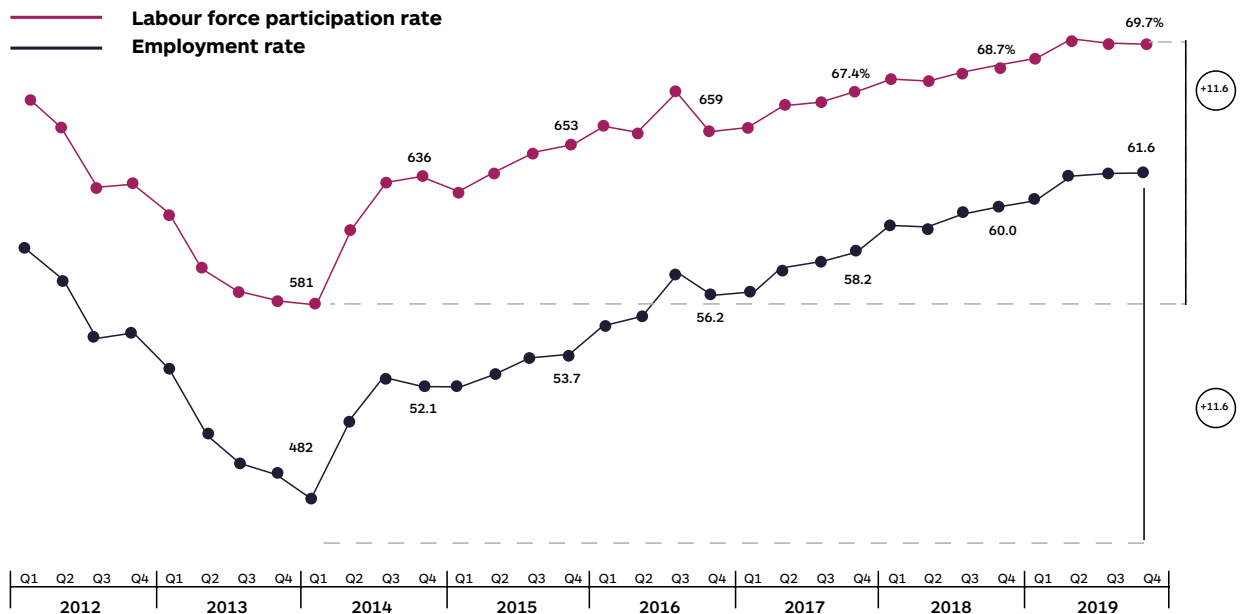
¹ INSTAT, Labour Force Survey data http://databaza.instat.gov.al/pxweb/sq/DST/START_TP_LFS_LFSQ/

² ibid

³ ibid

⁴ ibid

⁵ ibid

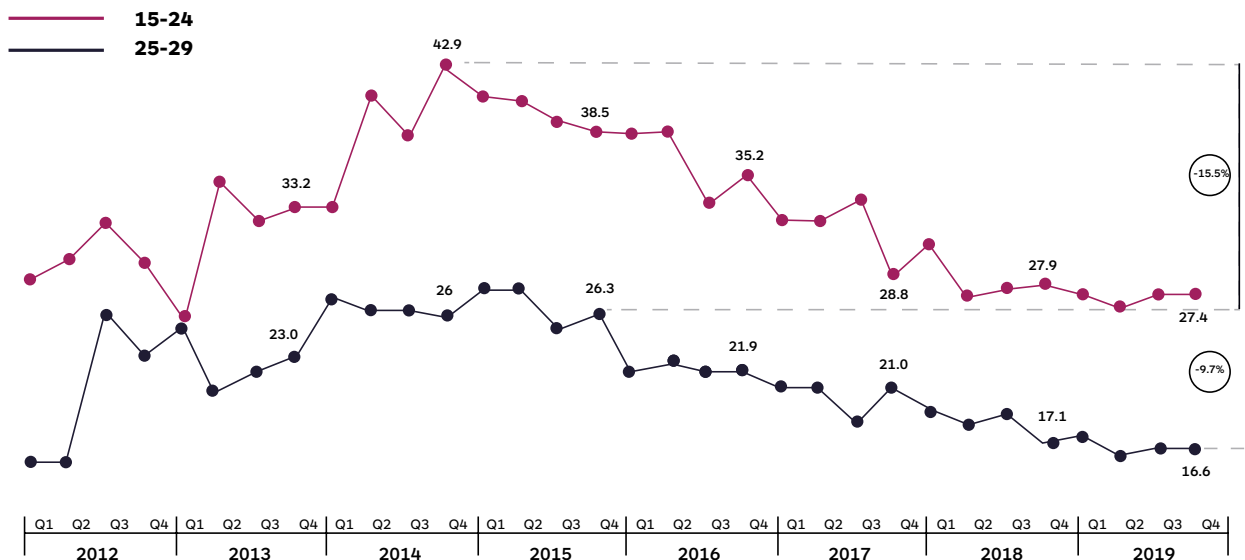


Source: INSTAT, LFS

The labour market situation of young people continued to improve, in line with economic growth and overall labour market trends. Youth unemployment has decreased from a peak of nearly 43% in 2014 to 27.4% at the end of 2019 for the 15-24 age group. Similarly, for the 25-29 age group unemployment declined from a high of 27.1% in 2014, to 16.6% (Fig. 3). Young women and men have experienced a similar improvement trends, however with a slight difference in favor of men that has remained roughly constant over the past 5-6 years. A high share of young people neither in employment or in education and training (NEET), particularly among the most educated indicates a challenging labour market transition for young people. At the end of 2019, 26.6% of youth were in this category, significantly above EU 28 average of 12.5%.⁶

36.5 % of those classified as NEET are unemployed, 12.7% are discouraged, 18.1% are tending to domestic and family responsibilities, and the remaining 32.7% are inactive for other reasons.

Figure 3: Youth Unemployment 2012 - 2019



Source: INSTAT, LFS

In 2019, the average monthly gross wage for an employee rose to ALL 52,380, a 3.5% increase compared to 2018. Financial and insurance activities, information and communication, public

⁶ EUROSTAT, <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do#>

administration and defence; education; human health and social work activities all pay wages above the national average, whereas wholesale and retail trade, accommodation and food services, transport, and agriculture below this average. The gender pay gap was 10.1%, a slight decrease by 0.6 percentage points compared to the previous year. The pay gap is highest in sectors such as mining and quarrying, manufacturing, energy and water and sanitation, amounting as high as 34.6%. Occupational categories with a significant pay gap include professionals, crafts and related trades workers, services and sales workers, and plant and machine operators.

No changes to the national minimum statutory wage were enacted during 2019. Currently, the minimum wage is approximately 50% of the average wage, comparably higher than most EU countries, including France, Slovenia, and Luxembourg.⁷ 27.9% of formally employed workers received an average monthly gross wage up to the official minimum wage level.

A1.2 Earthquake implications

Albania was struck by a strong 6.4 magnitude earthquake in November 2019. Approximately 913 people were injured/treated in hospitals, 51 people lost their lives and 14,000 inhabitants were displaced. According to data collected by the Institute of Construction of the MoIE, MoESY and local municipalities, 321 educational institutions (all types including dormitories) were affected by the earthquake or 24% of all education facilities in the 11 municipalities.⁷ VET schools were adversely affected: 2 were fully destroyed, 2 partially destroyed and 3 lightly damaged. The earthquake also damaged physical assets such as furniture, labs, ICT equipment, libraries, textbooks and other tools of learning and assets. Beside the damages in the infrastructure, the earthquake disrupted the education and learning process.

The share of damages in VET schools accounted for EUR 2.4 Million where, EUR 0.22 Million accounted for losses. In terms of geographic distribution, the results show that Tirana and Durres experienced the highest shares of all damage and losses. The estimated monetary value of reconstruction needs involving VET school facilities was EUR 4.50 Million. More than 55 schools failed to re-open until after 9-th December 2019. During the close-down of school facilities, most of the VET schools adjusted their school calendar by substituting academic classes with apprenticeships and practical assignments.

Earthquake negative effects were disproportional, with greater negative effects for a certain category of students with pre-existing worse life and learning conditions. For instance, changes in the learning process had higher negative impact for socio-economically disadvantaged children, ethnic minorities, children with special needs, and children struggling academically in school.

A2. Intervention Logic (THEORY OF CHANGE)

The National Employment and Skills Strategy (NESS 2014-2020) and its action plan were launched in November 2014 with the overall goal to promote quality jobs and skills opportunities for all Albanian women and men through their lifecycle. This goal is pursued through a number of complementary and interconnected actions that simultaneously support labour supply and encourage labour demand, as well as address social inclusion issues. Composed of four main strategic pillars, the NESS aims to address these main challenges in the labour market:

1. Ineffective employment promotion measures, not fully in line with the needs of the registered unemployed; limited employment services offer; poor monitoring of employment relations; limited involvement of social partners.
2. a highly centralized system with low responsiveness to local needs; a dichotomy between

⁷ EC, Joint Employment Report 2020, accessible at <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8270#:~:text=The%20Joint%20Employment%20Report%20provides,as%20EU%20countries%20reform%20actions>

vocational education and vocational training; and inadequate monitoring and evaluation approaches which are able to measure the quality, as well as quantity, of vocational education, training and lifelong learning.

3. Disparities between urban and rural areas in terms of employment and education; limited economic diversification in rural areas; low levels of economic activity and rural off-farm employment; life-long cycle of working poverty and social exclusion.
4. Fragmented and uncoordinated governance in the field of employment and VET; skills mismatch in two forms: over-qualification and under skilling resulting in skills shortage.

To address the four main challenges in the labour market, the strategy aims to intervene through four main strategic pillars which focus on achieving the following objectives:



The Ministry of Finance and Economy, as the lead institution in the process of implementing the NESS 2014-2020, coordinates its work with other sector strategies and policies to achieve significant labour market impact. The National Agency for Employment and Skills (NAES), the National Agency for Vocational Education and Training, and Qualifications (NAVETQ) and the State Labour Inspectorate and Social Services (SILSS) are the main institutions responsible for the implementation of employment and skills policies. In addition, MFE closely coordinates with the Ministry of Health and Social Protection (MHSP), the Ministry of Education, Sports and Youth (MESY) and other relevant institutions.

A3. Main results and achievements

2019 marked an interface between the implementation period that started in 2014 and the new Action Plan 2019-2022. During 2019, the implementing institutions streamlined their actions to consolidate the legal framework that regulates the labour market and skills development sector and anticipates the implementation of policy reform. One crucial achievement during the year was the adoption of the **new Law on Employment Promotion**.⁸

This Law aims to increase employment opportunities and strengthen the labour market functioning by setting clear objectives of the system of public employment services, active and passive programmes, and vocational training; and defining the functions of the institution that is responsible to manage them. The Law has extended the typology of beneficiaries, by including natural persons in the category of the Law beneficiary, as well as by increasing the age of youth to 29 years – instead of 18 in the old Law – expanding the spectrum of youth who can benefit from the Law.

⁸ Law no. 15/2019 was adopted on March 13, 2019 and entered into force on April 4, 2019.

Further, the adoption of this Law paved the way for an improved governance of the employment and VET sector with regards to the establishment of the institution responsible for the management of employment and VET services. Another novelty of the Law was the reconceptualized relationship with the employer, ensuring the latter the right to partner in the provision of employment services and programmes. The Law enables NAES to conduct periodical research, with the participation of the private sector, on the number of people employed, the working conditions, recruitment process and skills gaps, which will be part of a Labour Market Information System that serves policy formulation and implementation.

The new Law tackled a delicate and almost perennial challenge, the employment of people with disabilities. It established the Social Employment Fund, as a fund which will finance employment promotion programmes for people with disabilities. The Fund will be financed by the employer, the state or other donors and will be managed by NAES to finance employment, training, self-employment or workplace adaptation programmes for people with disabilities. By Law, this Fund will be managed by the Administrative Board.

With regards to the Law on Vocational Education and Training (VET Law), the development and adoption process of bylaws progressed rather slowly. Yet, important bylaws, such as the DCM on NAVETQ and two bylaws on the implementation of the assessment and certification process were adopted. The DCM on NAVETQ enables the institution to consolidate its current functions as the institution responsible for the quality assurance and development of vocational qualifications, as well as to establish new functions, such as the continuous professional development of VET teachers and instructors. Based on this piece of legislation, NAVETQ is enabled to improve the quality of processes of designing and developing qualifications.

The implementation of the Albanian Qualifications Framework (AQF) and its further development have been at the heart of the VET reform in Albania. Three bylaws, namely on the establishment and functioning of Sector Skills Committees, inclusion of life-long learning qualifications in the AQF and that on the level descriptors of the AQF contribute to the institutionalization of the private sector engagement in the design of vocational qualifications through the mechanism of the Sector Skills Committees and expand the scope of the AQF beyond qualifications obtained through formal education. Yet, the operationalization of these bylaws both will be a long-term commitment of the institutions. With regards to the provision of vocational qualifications, 23 qualifications were revised or newly developed during 2019.

Designing and establishing the National Employment and Skills Agency (NAES) has been one of the cornerstone achievements of 2019 in the implementation of NESS 2014-2020. The institutional development process was based on a thorough review of the NES existing functions, as well as of the VET management functions held at the Ministry levels. This review, combined with the analysis of employment and VET providers, the consultation of various stakeholders was some of the milestones in the process of setting up the new organisation. NAES is designed to play a crucial role in the governance of the labour market and VET system, as the institution to develop and support the Albanian workforce through the provision of employment services, vocational education and training and vocational guidance. The re-designed institution has a total number of 90 staff at the Head Office, which represents a significant improvement.

2019 marked significant progress towards employment of people with disabilities through enactment by Law of the Social Employment Fund, design of employment promotion programmes for this category and through the adoption of the Policy Document 2020-2025 on Disability. The Ministry of Finance established a multi-disciplinary working group to map the institutions involved, design the features of the Social Employment Fund, types of programmes to be financed through this mechanism, as well as the inter-institutional cooperation to make the Fund operational. The bylaw developed based on this work was adopted early 2020.

Based on the impact assessment and the new legal framework, the Active Labour Market Programmes (ALMPs) were re-conceptualized and diversified based on the individual-centred approach. Three already existing ALMPs (wage subsidy, on-the-job training and the internship programme) were revised with regards to criteria for unemployed jobseekers and employers alike, as well as regarding with regards to procedures and additional benefits for registered unemployed jobseekers with additional vulnerabilities (single parents, people with disabilities, Roma & Egyptians). Two new programmes, the Self-Employment Programme and the Community Employment Programme were introduced based on prior pilots and experience from other EU countries. The Self-Employment Programme (SEP) targets registered unemployed jobseekers who have a viable business idea and supports with grants. The Community Employment Programme (CEP) has a clear focus on workforce training and is designed to place the work experience offered near to the labour market, in line with the local and geographical employment opportunities. CEP training combined with work opportunities, may also provide valuable community services in locations of disadvantage.

In the VET sector, investments in infrastructure and school buildings continued. Two new schools were built new and seven others were reconstructed during 2019. The focus on further education and training was put on the infrastructural and training quality improvement of public VTCs. 150 VET teachers and instructors attended the 24-days programme “Basics of didactics in VET”. Further, NAVETQ has commenced the work to design and develop a national model for the continuous professional development of VET teachers.

Another important development was the implementation of the self-assessment process by all public VET providers, as the first step for the establishment of a quality assurance framework, including licensing, self-assessment, inspection, monitoring and accreditation. Towards a quality assurance framework, the decision was made to continue with the development of the accreditation model, criteria and procedures, which is being prepared during 2020. Within the newly established NAES, a dedicated department will look after quality assurance issues in both, the employment services and VET providers, especially with regards to monitoring.

The work on the development of the AQF was focused on the revision and development process of 23 vocational qualifications, and 10 new unified vocational training programmes. With regards to the implementation of work-based learning, an in-depth analysis was carried out on the implementation of in-company internships in all public VET schools, which informed the finalization of the Regulation on Internships to be adopted during 2020.

With regards to the strategic priority on social inclusion and territorial cohesion, a significant achievement for 2019 was the adoption of several crucial legal acts, such as: the Law on Social Assistance, the new Law on Employment Promotion, enactment by Law of the Social Employment Fund, the adoption of the strategic document on the disability, and adoption of the secondary legislation on social enterprises.

Generally, good progress was achieved in the preparation process for the pre-screening of the EU Acquis in the Chapters 2 and 19, where the Ministry of Finance and Economy chairs and actively contributes in the respective inter-institutional working groups.

The Integrated Policy Management Group “Employment and Skills” and the respective thematic groups has convened regularly and endorsed several strategic policy documents, both in the employment and social sector.

The year 2019 marked a major achievement towards the **revision of the National Strategy for Employment and Skills 2014-2020** and extension of its implementation to 2021. Based on lessons learnt from the annual monitoring process and the mid-term review, the Strategy

Part B: Detailed Progress Report

B1: Progress report as per Strategic priorities and Sub-objectives

B1.1. Decent job opportunities through effective labour market policies

Ensuring the effectiveness of labour market policies, has been one of the Albanian Government priorities in 2019 and as such, it has required frequent reporting and accountability at the Prime Minister's cabinet level. The adoption of the Law No 15/2019 "On employment promotion" in March 2019 completed the legal framework related to employment policies/programmes and skills development (bylaws being drafted). The National Employment Service (NES) has been undergoing a major institutional reorganization, transforming it into the National Agency of Employment and Skills (NAES), improving its organizational performance, taking new responsibilities and roles, strengthening capacities in implementing new employment promotion policies (EPPs) and accommodating new bylaws and legal guidelines regulating these policies. Employment Offices (EO) have continued to reorganize and capacitate its staff during the path of meeting the standards of the new service model. The criteria, rules, and procedures for the implementation of the Employment Promotion Programmes (EPP) were reconceptualized based on the needs of the individual unemployed jobseekers, type of employers and situation of the labour market in Albania. This resulted in the design of five types of EPPs. Four of these programmes were adopted through a Decision of the Council of Ministers (DCM) during the first quarter of 2020.

During 2019, this strategic priority showed positive results in achieving its annual targets. Beneficiaries of the employment support by the EOs reached 32,980, with a share of women (50%) (NAES, Administrative data). Youth employment rate saw a continuous increase in 2019 - reaching 41.2% (LFS, 2019). Investment in labour market programs amounted to 490 million ALL, nearing its budgetary limits, however without an increase from the previous year.

Besides accomplishments, some obstacles remain, such as: the long-term unemployed, who remain registered in the EOs, with added vulnerabilities to enter the labour market; limited specialised employment services available to meet the needs of the unemployed who have higher risk to becoming long-term unemployed; limited capacities for monitoring and evaluation of employment measures; limited institutional capacities of the NAES to deliver all its newly assigned functions. Additionally, NAES reports its concern regarding a high share of unemployed jobseekers above the age of 50 who have significant barriers to enter the labour market, and on the other hand, low share of the young unemployed jobseekers. In addition, post-disaster effects of earthquake suspended the work of the EOs and VTCs for almost one month with reprises scheduled later in 2020.

Table of priority indicators with information on the progress re. Targets for 2019.

Strategic priority A. Foster decent job opportunities through effective labour market policies
Outcome indicator: the labour market policies are effective and promote basic employment services to all women and men in order to enhance their job opportunities
Indicators: <ul style="list-style-type: none"> • 10 per cent more women and men in employment programmes • 75 per cent women benefit out of 55 per cent employed after active labour market programmes • 2 times more investment for the active labour market programmes

Outcome - Strategic Priority A						
	2014 (Baseline)	2015	2016	2017	2018	2019
National Employment and Skills Strategy 2014-2020						
Beneficiaries of employment support ¹	16,490	20,140	25,170	23,136	34,669	32,980
Number of women beneficiaries of employment support		14,903 (74%)	12,836 (51%)	14,691 (63.5%)	16,641 (48%)	16,482 (50%)
2 times more investment for the active labour market programmes	270 million	490 million	490 million	490 million	490 million	490 million
Sector Reform Contract Result Indicators (IPA 2015)						
Youth employment rate (15-29 years), Labour Force Survey	28.2%	29.7%	32.4%	33.7%	38.5%	41.2%
Gender gap in Employment, Labour Force Survey	14.7 p.p.	14.15 p.p.	11.9 p.p.	13.5 p.p.	13.7 p.p.	13.8 p.p.
Share of registered jobseekers benefiting from Employment Promotion Programmes (EPPs), NES	2.6%	4%	4.5%	5.86%	7.38%	7.52%
Number of public employment offices reorganized according to the New Service Model	10	4	7	1	15	2

B1.1.1 Modernising the National Employment Service, including headquarters and regional and local offices

A significant novelty of 2019 was the transformation and restructuring of NES into NAES. Field mission visits in several institutions facilitated exchange of best practices and experiences with three EU¹⁰ countries and 2 regional ones to secure the best design of a new modern workforce development agency. A structured methodology was utilized, combining functional review of NES and recommendations issued in extensive meetings with all national and local key stakeholders. The proposal rested on core principles of modern organizational management, introducing an executive board consisting of senior managing staff, supported by the Employment Consultative Council, with a strong focus on developing a joint strategy on partnering and working with the employers, in both the Employment and VET sectors. Following the definition and implementation of a NAES staff recruitment and development plan, assessment of internal and external NAES Personnel was carried out together with preparation of job description for all key staff. Data of employees are documented according to the Department of Public Administration's instructions operating through Human Resources Management Information System (HRMIS).

In the frame of improving the range and scope of employment services and programs, the reorganization of 15 (2 new) EOs and one CallCenter was finalized, equipping them with physical assets, IT infrastructure, branding and design package leading to an increase of effectiveness and attractiveness. Methodology of cooperation with businesses involving a complete cycle from approaching the businesses to follow-up practices of the selected candidates is developed and is piloted already in one of EO (Elbasan).

In the public VTCs, trainings with employees and part time instructors were held. Following

⁹ The figure includes the following: registered jobseekers that found a job through mediation + beneficiaries of EEP + found a job autonomously.

¹⁰ EU countries (Belgium, Romania and Austria) and two regional countries (Serbia and North Macedonia)

the implementation of DCM no. 766/2018 and DCM no. 812/2018, students of excellence were hired to work with VTCs in Vlora and Shkodra and interns were offered internships in all subordinate institutions, a process mediated by EOs. 230 EO employees of all levels were trained and skilled in the framework of the implementation of the Prime Minister's Order, no. 158 "On taking measures and regulating the legal provisions for the application of online services".

In the way of modernizing information systems, the first phase for the development of a Labour Market Information System (LIMS) was concluded. A consultation process of INSTAT, NAES and all relevant Labour Market data providers resulted in a roadmap and instruments for data collection and analysis that are aligned to the labour market statistic needs of the NES and other users in the future. Testing of information system started with three public VTCs (Tirana 1, Tirana 4 and Vlora), with the aim of reducing work overload; specifying statistical data; improving the relationship with the EOs; assuring transparency and information for the citizens / trainee and facilitate the process of internal monitoring of the holders.

NAES continuous to be involved in several National Strategies and implementing Action Plans supporting Gender Equality, Integration of Roma and Egyptians, Diaspora and returnees from Migration and People with Disabilities. Yet, participation of Roma and Egyptians and PWD in these programs remains marginal as seen in the following figures. From 32,980 unemployed jobseekers that have been employed, (108.5% realization) 49% are women; 46% young people aged 15-29; 9% of income support schemes; 3% Roma and Egyptian and 0.2% PWD. This year also marked an increased interest of the private sector announcing vacancies in the EOs. 50,785 new vacancies were announced in 2019 where (38.7 %) of them were recorded in the manufacturing industry. From the vacancies announced, around 42 % (21,313) were mediated by the EOs indicating a low to moderate engagement of EOs. As for the beneficiaries of the EPPs, about 401 projects were approved, in which 2,589 unemployed jobseekers participated. From all participants, 1,356 responded to DCM No. 873 "On the financing measure, criteria and procedures for the implementation of professional internship programs for unemployed jobseekers who have completed higher education at home or abroad" mainly in the fields of public administration, education and health; 1,233 benefited from payment in their professional qualification according to DCM 162, in the professions: tailoring, plumbing, culinary, electric technicians and hairdressing-aesthetics. Overall, in 2019 the number of beneficiaries of the employment support was 32,980 with almost 50% share of women.

In the way of establishing new cooperation modalities with third parties, job fairs were organized in 11 main regions with participation of 629 private entities. About 9,545 vacancies were presented and 5,871 employment applications were documented; 15,780 attended mostly young people, students, in search of an employment opportunity.

B1.1.2 Continuous improvement of legal and institutional framework in compliance with ratified international labour standards

Overall, this year marked an extensive work in legal and institutional framework. The three main laws of the sector have been adopted, together with the Employment Promotion Law nr. 15/2019 setting a new context in advancing the reform in the employment and skillsdevelopment sector. The Concept of the Social Employment Fund (SEF) – regulating promotion employment programs for PWD based on the stipulations of the Employment Promotion Law was developed by a team of experts and the first bylaw on the Social Employment Fund was submitted for approval. The DCM on the self-employment programmes was finalized in 2019 and adopted in early 2020.

The establishment at the General Directorate of the NES, expanding recognition and improvement of inspection services to reduce the number of labour law violations launched a "Call Centre" allowing information processing, receiving, and responding to complaints

and conducting tracking surveys. The IT infrastructure of the call centre was created, and the system has been piloted with surveys to assess the satisfaction of trainees who have completed professional courses. This service is expected to be further implemented in the following year.

B1.1.3 Expanding the range and scope of employment services and programmes (active labour market policies).

The earlier assessment of the employment promotion approach emphasized the need for better targeting of vulnerable groups, improved program design with a clear methodology in assigning random treatment and control groups, in order to progress common support and impact result accuracy avoiding bias. Responding to these issues, MFE and NAES revised the typologies and implementation approach of the ALMPs, to better tackle the needs of the unemployed jobseekers registered in the (EOs). Expertise and research on the best practices in the EU countries and the impact that various EPPs have in addressing unemployment of vulnerable jobseekers was made available, followed by a new approach and a new package of ALMPs. Currently, standardized procedures and operational guidelines for each of the 5 programmes are in the process of being finalized. Also, a review of current state of Career Guidance Services (CGS) at National Employment Service (NES), mainstreaming gender aspects in practices and services was developed. Further definition of Strategy of CGS; development of tools and staff training for career services is required. To additionally improve the Labour Market Information: Statistical Program 2019 was implemented by 36 EO and 10 VTCs; monthly data on Citizen Services for 36 EOs are collected and reported; full analysis and interpretation of the labour market at the local, regional and national level with the contribution of trained statistical specialists of EO and VTC; periodic monitoring of performance objectives, distribution and consultation for each EO and their periodic monitoring are effectuated.

B1.1.4 Improving the gender-sensitive monitoring and evaluation of employment measures.

A comprehensive Monitoring and Evaluation Framework for all institutions responsible to implement employment and VET policies was developed and consulted with MFE, NAES and NAVETQ. Nevertheless, staff in the responding institutions or agencies is not yet trained to implement these frameworks. National tracing of VET graduates was conducted indicating data for all indicators disaggregated by gender and published on NES website. Development of the system of monitoring and measurement embedding a gender perspective of the Customers' satisfaction is ongoing.

B1.2. Offer quality vocational education and training to youth and adults

18,192 was the number of female and male students attending VET programmes in 2019, showing an increase of +37.8% since the reference year 2014. 153% of the graduated were female students (2951). The annual share of persons with disabilities pursuing VET education in 2019 was 0.1 % (91 persons); showing no significant progress since the previous year or reference year. The level of investments in the VET sector budgeted and implemented during 2019 increased by 12% compared to the year before. Investments amounted to 1,571 Mio. ALL. Adult participation rate in lifelong learning continues to be significantly lower than the targets.¹¹

In the course of this priority's implementation over the years, a qualitative improvement has been noticed. While in the first years a strong focus was put on promotion and piloting successful models with different single VET providers, the year 2019 marked a milestone in

¹¹ The calculation of adults participation rate in life long learning refers to participation in any formal or non-formal training four weeks prior to the interview (in the frame of Labour Force Survey).

establishing a comprehensive quality assurance framework in the VET system. Despite the delays of the recent years, the adoption of bylaws advanced significantly with two Decisions of the Council of Ministers on the organization and functioning of the two main executive agencies, the National Employment and Skills Strategy (DCM No. 554, dated 31.07.2019) and the National Agency for Vocational Education, Training and Qualifications (DCM No. 673, dated 16.10.2019). In addition, the work on one key comprehensive bylaw on the organization and functioning of VET providers was finalized during 2019, including arrangements for the establishment and functioning of the Development Unit. The latter was adopted early 2020. Two further bylaws on the organization of exams and certification were adopted during 2019.

Another key milestone in the implementation of the NESS during 2019 was the process of establishing the National Agency for Employment and Skills (NAES). It commenced with a functional review of the National Employment Service and key responsible departments at the Ministry of Finance and Economy. The new Agency has a dedicated department for the management of VET providers with 11 dedicated staff and additional departments that will support its work, such as the Department for Relation with Employers and the Department for Strategic Planning and Monitoring. Yet, the operationalization and the process of hiring the responsible personnel is planned for 2020. Given the recent developments, this process might experience delays.

Table of priority indicators with information on the progress re. targets for 2019

Strategic priority B. Offer quality Vocational Education and Training for Youth and Adults
Outcome indicator: VET system is capable across sectors to prepare and maintain a skilled work force answering to the existing demand in Albania and in the SEE region labour market
Indicators: <ul style="list-style-type: none"> • Up to 25% increase of the share of female and male students attending VET programmes • 25% women of the 40% employed from vocational education graduates • Up to 4% increase of adults participating in lifelong learning • Up to 55% increase of employment rate of short training courses participants, out of which 75% are women • Increase the annual share of persons with disabilities VET students by 1% • 30% increase of investment for VET by 2020

Outcome - Strategic Priority B						
	2014 Baseline	2015	2016	2017	2018	2019
National Strategy for Employment and Skills 2014 – 2020						
Number of female and male students attending VET programmes ¹²	13,200	17,738 (+34.4%)	18,500 (+40%)	19,019 (+44%)	19,296 (+46%)	18,192 (+37.8%)
25 per cent are females of the 40 per cent employed from VE graduates ²						(15.3% females)
Up to 4 per cent of adults participating in lifelong learning ¹³	1.3%	1%	1.1%	0.9 ³	-	0.9%
Employment rate of short training courses participants ¹⁵	6,296 (45%)	8,262 (42%)	7,458 (41%)	6,200 (36%)	6,844 (38%)	n/a
Increase the annual share of PWD VET students ¹⁶ by 1 %	250 (1.8%)	134 (0.6%)	60 (0.3%)	55 (0.3%)	82 (0.5%)	91 (0.1%)
30 per cent increase of investment for VET by 2020 ¹⁷	N/A	170 million (ALL)	504 million (ALL) (+195%)	1,212 million ALL (+612%)	1,316 million ALL (+674%)	1,506 million ALL (+785%)
Sector Reform Contract Result Indicators (IPA 2015)						
Share of VET teachers/instructors trained through the “Basic didactics training programme in VET”, NAVETQ	0%		6%	50%	70%	86.6%
Establishment of Multifunctional VET Centres, MoSWY	-		VET Law	3 MFC contract	0%	Under evaluation
VET graduates’ employment rate, MoSWY and NES tracer system	-	42%	VTCs 42%	47%	50%	Under evaluation

B.1.2.1 Optimizing the VET providers network and diversifying offers

With regards to this objective, no significant progress took place during 2019 in terms of re-organisation of the VET providers network or to extend the offer of VET to post-secondary programs, despite the great demand that is repeatedly stated by the private sector. Nevertheless, several VET providers made efforts to diversify specialisations (profiles) within programs that they are currently offering, or they extended the number of programs that they offer. In some cases, based on joint bilateral agreements between vocational schools and VTCs, with the support of NAES, the offer of short-term trainings was improved in a region/town, for example the VTC in Korca and the VS in Pogradec, the VTC in Vlora and the VS in Saranda cooperated to offer vocational training courses.

Referring to the self-assessment process, in regard to sub-area of “Relationships and cooperation among VET institutions and other similar educational institutions for the purpose of exchange programs, study visits of staff, drafting materials related to the curricula, or peer exchange on the best practices on the forms of communication and cooperation with the business as an initiative of each provider are lagging behind. There are only few VET

¹² Figures refer to VTCs only. Target: +25% in 2020.

¹³ Target: employment rate 40% of VET graduates; employment rate 25% of women VET graduates.

¹⁴ <http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/t%C3%AB-m%C3%ABsuarit-gjat%C3%AB-gjith%C3%AB-jet%C3%ABs/publications/2017/anketa-e-arsimit-t%C3%AB-t%C3%AB-rriturve-2017/>

¹⁵ The data refer to the female enrolled students who have attended a training course, and in proportion to the total. Target 2020: 55%.

¹⁶ Share: No of students with disability over the total number of students.

¹⁷ Increase compared to the baseline (2015).

providers, who have reported to implement international projects, exchange visits or twinning with counterpart institutions within and outside the country.

However, NAVETQ itself reports to have built constructive regional and international cooperation through various projects implementation. For instance, as part of the project “Towards Regionally based Occupational Standards”, work has been done with five Western Balkan¹⁸ countries to develop a common methodology and format of occupational standards aiming at facilitating the free movement of professionals between countries of this region.

In 2019, 3,285 students have received scholarships covered by a fund of 206.9 million ALL (state budget) and about 1,592 students were supported with free books endowed from a fund of 9.05 million ALL. Students who attend vocational secondary education in public educational institutions received a scholarship according to: Economic criteria: students, who attend the teaching process at over 5km from their permanent residence and who meet the economic criteria; excellent students. Non-economic criteria include several categories, but women are more specifically targeted in the following groups: a) mothers who study in all vocational education schools b) students (girls), who attend the mechanical, electrical, electronic, woodworking, geodesy, service vehicles, thermo-hydraulic teaching directions.

B1.2.2 Assuring the quality of VET providers and improving the quality and adequacy of VET inputs and processes

To raise the quality of the VET providers and inputs and processes, trained leaders and members of self-assessment teams of VET have provided continuous technical assistance to finalize the VET Self-Assessment package resulting in comprehensive self-assessment reports issued by 43 providers out of 44; endorsed by NAVETQ. The self-assessment process served VET providers to evaluate the status quo; the functioning and performance of the institution and relations within their entities, regarding five quality dimensions. Some of the conclusions were the following:

1. VET providers were able to identify their strengths and weaknesses, such as lack of using tools and instruments that institutions employ to formalize the entire process and activities conducted by VET institutions.
2. VET providers understood the importance of engaging teachers and using resources within the institution to develop the methods and instruments needed in their daily activities and which are important for assessing the dimensions of types.
3. Teamwork within the institutions was recognized as moderate and the approach of delegating and controlling tasks and responsibilities to the other staff of schools/centre as weak.
4. Most of VET providers were not familiar with the need of a strategic plan or a mid-term plan that would help the institutions to plan and follow the vision to improve the quality and the outcome of their institutions.
5. Effective functions of the official bodies within VET sought the need to be qualitatively assessed. Following the self-assessment process, a system for accrediting VET providers was drafted employing adequate expertise and complying with quality criteria which will be further complimented and executed.

Data were obtained to support pedagogical needs using an evidence-based approach and support was provided to address various didactic aspects to improve infrastructure and make learning more attractive. Analysis and expertise skills were upgraded through the implementation of the 24-days training “Fundamentals of Didactics in VET, training of VTC instructors to develop provider-based curricula. The share of teachers/instructors trained in Didactics reached 86.6% of all staff.

MFE continued with reconstruction/new investments buildings in the premises of VET providers:

¹⁸ Bosnia and Herzegovina (BiH), Kosovo, Montenegro, North Macedonia, and Serbia.

1. “Kristo Isak”, Berat;
2. “Beqir Cela”, Durrës;
3. “Hospitality and Tourism”, Tirana;
4. “Gjergji Canco”, Tirana.

Seven other schools are in the process of being reconstructed:

1. “Economic “ school in Tirana;
2. “Mihal Shahini”, Cerrik;
3. “Beqir Cela”, Durrës;
4. “Sali Ceka”, Elbasan;
5. “26 March”, Kavaja;
6. “Thoma Papapano”, Gjirokastra;
7. “Stiliano Bandilli”, Berat.

5 public VTCs (Korçë, Shkodër, Gjirokastrë, Elbasan and Durrës) were supported to improve training offer and increase relevance with the labour market needs, by upgrading of infrastructure and capacities of the instructors. The situation of infrastructure in dormitories remains very concerning and needs to be further addressed in the following year.

In order to become more labour-market oriented and flexible, the existing draft of the vocational qualifications list was reviewed. 10 occupational standards, as well as 23 qualifications standards (descriptions) corresponding to levels 2, 3 and 4 of the AQF were developed. In addition, extensive work has been done in revising frame curricula and designing new ones. 3 new frame-curricula and 24 existing ones, corresponding to levels 2, 3 and 4 of the AQF were developed. Based on a sector needs assessment and with the participation of the private sector, occupational and qualifications standards in the ICT were comprehensively revised, which resulted in a revision of the entire ICT frame curriculum. The revised ICT curriculum commenced implementation with the academic year 2019-2020. A similar process has been launched by NAVETQ to design the VET offer in mechatronics. Developing and adapting the frame curricula in ICT and mechatronics aims at reorienting and diversifying the offer in the respective sectors. Additionally, in line with LM demand, 10 programs for unified short-term courses were developed by NAVETQ. 50 VTC instructors were trained and coached for the implementation of Unified Course Programs and as well for curricula designing process.

B1.2.3 Raising the image of VET and informing about VET providers, qualifications and training offers

Various actions by VET providers and central institutions were organized during 2019 with the aim to increase attractiveness and inform the public on the opportunities it offers. NAVETQ informs continuously on its social media and official webpage on qualifications, updated frame curricula, teaching and learning materials, unified courses, unit tests/preparation of State Exam, agreements and projects implemented. A special focus was placed on lifelong learning possibilities offered by VET institutions. Articles, news, studies on adult learning are published on this electronic platform and on its social networks and a report is launched: “Assessment of the situation for adult learning in Albania and contemporary practices”.¹⁹

VET providers showcased their qualifications offer in open door activities, activities with the private sector and TV shows. Several VET schools have their own communication channels with the updated information and use advanced promotion tools, also assisted by their partners in the private sector. On May 2019, the International Skills Competition, “One generation a road ” was organized as an initiative of the Chinese government joined by Albanian team who competed in 2 disciplines: 1. culinary - western food with the participation of one student from Hospitality and Tourism vocational educational school in Tirana accompanied by a by one student from ICT, “Herman Gmeiner” Tirana and a teacher ICT management expert.

¹⁹ Road map for the Implementation of the National Adult Learning Agenda, www.akafp.gov.al

The Albanian team was ranked 8th out of 17 countries in the cooking competition and the student of the culinary branch was awarded gold medals of excellence. The ICT student was ranked 7th out of 10 countries who competed in this field.

“Open Days” are organized by vocational schools, geared towards interested groups (students who have completed 9-year schooling, parents and business representatives) who were introduced to the activity of schools operating in the respective region. Visits are organized in 9-year schools, in the region where the school performs the activity, to raise the interest of these students to pursue their further education in vocational schools.

Through a career guidance platform developed at the Municipality of Tirana, information on the labour market and vocational career orientation was broadcasted to a wide public, an average of 100,000 viewers/ readers/ listeners including youth and parents, on an array of mediums including Television, Radio and Online platforms.

NAVETQ has promoted Electronic Platform for Adult Learning in Europe (EPALE), shared and discussed with other local stakeholders and institutions.

B1.2.4 Strengthening the linkages between learning and work and facilitating the transition to work

During 2019, activities under this objective focused on improving the quality of linkages to the private sector and advancing the quality of work-based learning. With this aim, a survey was conducted in all VET schools to collect and further analyse additional data on the current state of development of internships. The findings are reflected in the draft regulation on the implementation of work-based learning (internships) in the company, complying with advisory guidelines on non-discrimination, decent work, and anti-sexual harassment criteria. Additional guidelines and tools in regulating work-based learning are piloted in several VET schools and their partner companies. The models have been consolidated and introduced to all stakeholders.

Work-based learning as an integral part of short-term vocational training measures was piloted in 5 VTC resulting in completed internships by 1300 trainees in 20 different profiles strengthening this way VTCs collaboration with more than 400 companies.

A key contributor in improving the quality of work-based learning is training of in-company mentors. Capacity buildings with mentors were held to improve the delivery of qualitative apprenticeships within the private sector. Four training modules designed in a collegial approach with the participation of trained DU and VTC instructors were piloted to mentors in Lezha, Vlora and Shkodra regions.

The transition to work for students is further facilitated by Career Guidance offered by DUs in those providers, where these units have already been established. In addition, NAVETQ has been part of a regional project “Schools meets business” where a training module for business coordinators have been developed and 20 business coordinators in schools started training.

On the other hand, business involvement in labour market analysis, or participation in the assessment of the students, especially for the work-based learning part or mentoring part, need further commitment to achieve the aimed progress.

B1.2.5 Enhancing recruitment and improving competences of VET teachers and teacher trainers

To enhance recruitment and improve competences of VET teachers and teacher trainers, concrete proposals were made in the continuing professional development system of VET teachers and support of “Development Units” in VET providers. In cooperation with the

Agency or Quality Assurance in Pre-University Education, NAVETQ has supported the drafting qualification (attestation) of teachers and instructors of professional culture in Vocational Education. Training actions to VET instructors in pedagogical skills including soft skills are also delivered. Training was organized with 50 instructors of public VTCs to facilitate the implementation of curricula at the training centre level, as well as coordinators of the “development units” curricula have been trained on the methodology of drafting short vocational course programs. Modules on gender equality and diversity knowledge skills are incorporated in VET teacher training materials. Additionally, “Guide for school principals and teachers” informs on the curricular, teaching, student completion, organization of school hours, career orientation and labour market trends. Teaching skills were upgraded through the implementation of the 24-days training “Fundamentals of Didactics in VET where 150 teachers and instructors took part, during 2019.

B1.3 Promote social inclusion and territorial cohesion

Strategic Priority C. Social Inclusion and Territorial Cohesion	
Outcome indicator: all women and men have access to training and support services enabling their contribution to, and benefiting from, socio-economic development across regions, especially the rural population	
Indicators:	
<ul style="list-style-type: none"> • Decrease of long-term unemployment to 61% for women and 59% for men • Decrease in youth unemployment for girls from 33.8% to 25%, for boys from 43.6% to 35% • Reduction of the gender wage gap in 4 pp points • 10% of social assistance beneficiaries come from employment promotion programmes • Annual number of women and men covered by social and health insurance increased by 1 pp point 	

Outcome - Strategic Priority C						
	2014 (Baseline)	2015	2016	2017	2018	2019
National Strategy for Employment and Skills 2014 – 2020						
Long-term unemployment ²⁰	Total: 64.3 Women: 70 Men: 61	Total: 66 Women: 66.3 Men: 65.8	Total: 66.2 Women: 68.2 Men: 64.8%	Total: 64.8 Women: 67.1 Men: 63.3	Total: 67.2 Women: 69.9 Men: 65.9	Total: 48 Women: 49 Men: 46.5
Youth unemployment ²¹	Total: 32.5 Women: 27.4 Men: 35.6	Total: 33.2 Women: 34.7 Men: 32.3	Total: 28.9 Women: 27.8 Men: 29.6	Total: 29.6 Women: 27.6 Men: 30.8	Total: 23.1 Women: 23 Men: 23.2	Total: 20.9 Women: 19 Men: 22.5
Reduction of the gender wage gap in 4 per cent point	10.0 pp	11.5 pp	11.4 pp	10.5 pp	10.7 pp	10.1 pp
Social assistance beneficiaries referred to employment promotion programmes (No and beneficiaries, and total registered EPP beneficiaries)	306 (40 UB, 266 NE) Total: 4,252 (7%)	353 (45 UB, 308 NE) Total: 5,817 (6%)	423 (89 UB, 334 NE) Total: 5,204 (10%)	396 (45 UB, 351 NE) Total: 5,264 (8%)	397 (41 UB, 356 NE) Total: 4,808 (8.2%)	336 25 UB, 31 NE Total: 5,333 (6.2%)
Annual number of women and men ²² covered by social and health insurance by 1 per cent point	N/A	N/A	N/A	N/A	N/A	N/A
Sector Reform Contract Result Indicators (IPA 2015)						
Number of Roma and Egyptians who complete training programmes, NES	175 R&E in VT and 164 in EPPs	75 R&E in VT and 162 in EPPs	90 R&E in VT and 111 in EPPs	67 R&E in VT and 204 in EPPs	119 R&E in VT and 239 in EPPs	299 R&E in VT and 19 in EPPs

²⁰ Target: women 61%, men 59%.

²¹ Target: girls from 33.8 to 25%, boys from 43.6 to 35%.

²² Target: 10%

The responsibility for leading strategic work and revision of legal framework, particularly on two laws binding “Social assistance” and “Employment promotion” is split between the Ministry of Health and Social Protection and MFE. The policy work by these institutions in 2019 aims at attaining a sustainable integration and reintegration of unemployed individuals, hence reducing unemployment and poverty along with providing more diversified socio-economical schemes. In contrast to the old family profile of cash assistance, the revised Social Assistance scheme provisions the transition of Economic Aid (NE) beneficiaries in Employment through prioritizing inclusion of beneficiaries capable of working and accessing ALMP.

Harmonization of the National Strategy of Social Protection 2015 -2020 with National Strategy for Employment and Skills 2014- 2020 tuned with National Strategy for Development and Integration 2015 -2020 remains significant in pursuance of achieving respective policy goals under this priority. The execution/implementation level is taken forward by NES, National Social Services and Social Services within municipality units, NAVETQ, VET providers and inspectorate of Labour Market.

This year marked notable advancement regarding sub-objective three, labelled as “Introduce an activation strategy to minimize inactivity and welfare traps”. A decrease in long-term unemployment to 48 % and youth unemployment to 20.95 %. Social assistance beneficiaries referred to employment promotion programmes were 336 persons 25 received unemployment benefit, 311 Economic Aid, reaching a total of 5,338 EPP beneficiaries.

Other sub-objectives in this pillar remain challenging, with limited data analysis on women with one or multiple vulnerabilities (except cases indicating general gender disaggregation), low participation of Roma and PWD and no compelling advancement in extending the reform to rural areas towards securing territorial cohesion. Beside the measures taken in institutional restructuring, little is reported on the performance of these mechanisms in the reference year 2019. Currently, the system marks a gap between established social protection schemes and those promoting employment with these two systems operating in parallel but not being fully interconnected. The share of information between the two institutions remains precarious even though modernized information systems (electronics registries) are placed in each unit. Policy recommendations emphasize that further measures should be taken to strengthen the coordination and cooperation between NES and social protection institutions, completion of legal framework with the respective missing sub-acts, increase effectiveness in information sharing to better monitor the mechanisms of inclusion of the most marginalized individuals.

B1.3.1 Extending employment and vocational training services to rural areas

No progress has been recorded in representing women and men in the rural areas in periodical statistical data and needs assessment (no distinction across urban/suburban/rural). Additionally, no significant progress was seen in regard of extending the employment services and VET in rural areas, showing disproportional coverage with a much higher presence in urban areas.

The mission of the only mobile training centre in place is advised to reach out other rural communities or/and other mobile centres should be established to respond to the needs of rural areas. Concentration of VET in the cities affects adversely women from rural areas especially in respect of accessing training and qualification as they face barriers to access schooling, not being able to afford fees of commuting and accommodation.

Some initiatives are taken by Civil Society Organisations (CSOs) to foster women’s participation in the labour market. An example is “Market development of artisanal wool in Kukes” marked by 90% participation of women, as well as enhanced engagement in part-time employment

as a consequence of training, new products and diversified sale outlets, and the signing of new contracts with buyers. Bioalba, a newly starting company supported by Risi has further contributed in strengthening the role of women and marginalized groups in growing and processing, by using small plots in rural and peri urban areas. The target group is part of identified marginalized group of women and youth from rural areas and internal migrants.

B1.3.2 Promoting social entrepreneurship (social economy and the third sector jobs)

In line with Law 65/2016 “On Socially Owned Enterprises in the Republic of Albania” in 2019, the following bylaws have been drafted:

- **Instruction of the Minister no. 02, dated 04.01.2019 “On the establishment of the register of social enterprises and the rules for its maintenance”.**
- **Instructions for calling for applications on registration and obtaining the status of socially owned enterprises dated May 2019.**

This was the first call in the framework of the establishment of the first socially owned enterprises; approved by the Ministry of Health and Social Protection. This initiative serves non-profit organizations that aim to offer services and contribute to the creation of new jobs by employing people in disadvantaged groups, who do not have sufficient resources individually or associated to their respective families and their age, health and marital status do not allow an active access to the labour market. Currently, 6 NGOs have received the status of Socially Owned Enterprises working with local communities through employment facilitation/mediation, vocational training, with a focus on employing women in need, protecting, and promoting the rights and freedoms, education and professional development of Roma and Egyptian communities, psychological counselling, therapy for the disabled, in the field of production of handicrafts where there is an aim to employ women pertaining in the economic assistance scheme. Additionally, CSOs based on their own initiative are involved through open calls to improve access of vulnerable groups in vocational and employment measures enabling 1200 beneficiaries to increase knowledge and access to available services offered by public and private providers. Special focus was put on female and returnee participation in inclusive measures.

B1.3.3 Introduce an activation strategy to minimize inactivity and welfare traps

In the course of 2019, the National Strategy for Social Protection 2015-2020 was reviewed and with decision no. of the Council of Ministers 866, dated 24.12.2019, the new strategy 2020-2023 and the Action Plan were approved.

Two bylaws adopted this year will sustain the transition from cash assistance scheme to reintegration of unemployed individuals into the labour market, thus strengthening an activation strategy to minimize economic leakages and welfare traps. First, Law no. 57/2019 “On social assistance in the Republic of Albania” adopted on 18.07.2019 defines the rules and mechanisms, criteria, and procedures for entering or exiting economic assistance scheme, types of assistance payments and the authorities in charge. This law stipulates that Economic aid will be restricted in time with the aim of promoting integration into the social life and labour market scheme while mitigating welfare mismanagement that can lead to prolonged unemployment.

Law no. 15/2019 “On Employment Promotion” adopted in March 2019 defines the rules and approach of public system operation in employment services, active and passive programs of the labour market, as well as the bodies responsible for their management. These programs include: a) employment services (information, employment mediation as well as career counselling and guidance, employment and profession); b) employment promotion programs include the employment of unemployed jobseekers in various employment programs, public works, self-employment, professional practices or training, for which subsidies and

health benefits are provided, c) Professional training programmes including training and rehabilitation for work for PWD as well as job seekers categorized as “Special Groups” being disadvantaged in the labour market where women with vulnerabilities take a significant space. The Law on Employment (Article 15) stipulates the establishment of the Employment Consultative Council (CPC) as an advisory body set up by the institution responsible for employment and skills, with the representation of employers’ organizations, trade unions, and state institutions, which is chaired by the minister responsible for employment and consists of 11 members. This Employment Consulting Council is already set up and operating under the MFE.

The same law establishes the Social Employment Fund, which is created in the form of a public financial fund. This fund is created by: a) contributions paid into the account of the fund b) other income generated from other legal sources, including: i) funding and grants; ii) funds obtained from agreements between the Republic of Albania, the Council of Ministers and various donors; c) the state budget. The Social Employment Fund is used for programs aimed at employment, self-employment, job rehabilitation, vocational training and rehabilitation, employment guidance and counselling, support services, reconstruction and adaptation of the workplace of persons with disabilities, social reintegration programs , support for the promotion of employment of family members of persons with disabilities.

Legislation regarding Social assistance and new Employment Promotion Act are partially completed, a situation which could lead to uncertainty and gaps in the implementation of this legislation. Currently, programs that have addressed specific needs, mediated by staff that are specialized in handling vulnerabilities have showed to be much more successful in securing employment and re-integration than the general employment program. The information systems already established in 2018 are functioning in circular flow to feed both institutions even though facing significant obstacles. Measures were taken in statistical reporting for economic aid NE securing detailed information on social obstacles, professional experience, education, general personal information improving the information on all the electronic data registries. The designation of Individual Implementation Plan serves as a tool to advantage all the marginalized individuals through identification of individual needs and vulnerabilities and addressing them, respectively.

The policy document on disability assessment in the social protection system and the action plan 2019-2024 was approved by DCM. no. 380, dated 05.06.2019 bringing a new system of assessment at the national level, restructuring disability payments according to the degree of functional needs of people with disabilities and encourages their integration into society. The improvement of the assessment system aims to orient the disability assessment from the medical model to the bio-psycho-social one, based on the standards of the World Health Organization and the International Classification of Functions (ICF). The new law simplifies heavy procedures for obtaining economic assistance and disability payments, defining clear and efficient processes for actors involved in scheme management. The restriction on the termination of disability payments due to employment, is lifted, giving the right to all persons with disabilities to work and integrate in the labour market and to benefit in addition to the salary also the disability payment.

B1.4 Strengthen the governance of the labour market and the qualifications system

Extensive work has been done to further develop the legal framework regulating the employment and VET sector. The Law on Employment Promotion was adopted in March 2019 (Law No. 15/2019) paving the way for a modern legislation on Active Labour Market Programmes and Employment Services. Efforts were made to improve and complete the development process of the legal framework for AQF and VET law, which among other goals aims at strengthening the governance mechanisms and promoting a participatory approach in budgeting. This work has steered policy dialogues nationally, consultations with international

experts and homologues in EU instances, regional and local stakeholder meetings and intensive research. Gender-sensitive aspects in information sharing and reports rely on the level of gender desegregation of data and less on thorough analysis which impacts the level of implementation. This goes hand in hand with the lack of an effective monitoring and evaluation mechanism on the issue. Although most of the processes/instruments sharing labour market information inform the public on the share of women/men, there is no critical follow up addressing the identified issues and gender gaps from the duty bearers. National legislation regulating mobility and labour market governance is initiated but further work needs to be done to reach the strategy goals. Lack of agreement between NAVETQ and Ministry of Education, Youth and Sports to extend the Mandate of the Task Force which played a fundamental role in advancing the reform of AQF was identified as an important limitation.

Strategic priority D. Strengthen the governance of the labour market and qualification systems
<p>Outcome indicator: Labour market and qualification systems are well governed and use the financing and human resources in a transparent and effective manner</p>
<p>Indicators:</p> <ul style="list-style-type: none"> • 75% of the staff of MoSWY working for Strategy reform • At least 80% of the targets established by the Action Plan of the Strategy achieved • Establishment of Employment and Training Fund • Establishment of sound mechanisms for monitoring and evaluation of the labour market and VET outcomes • A modern legal framework aligned with the EU standards, including a further developed Albanian Qualification Framework • Strengthen social dialogue • Increased involvement of the private sector in the governance and financing of the sector

Results - Strategic Priority D					
	2014 (Baseline)	2016	2017	2018	2019
National Strategy for Employment and Skills 2014 - 2020					
75 per cent of the staff of MoSWY working for Strategy reforms	N/A	N/A	N/A	N/A	N/A
At least 80 per cent of the targets established by the Action Plan of the Strategy achieved	N/A	N/A	N/A	N/A	N/A
Establishment of Employment and Training Fund	Law drafted	N/A	No progress	N/A	Social Employment Fund
Establishment of sound mechanisms for monitoring and evaluation of the labour market and VET outcomes	On-going	Completed	Completed	Completed	Completed
A modern legal framework aligned with the EU standards, including a further developed Albanian Qualification Framework	-	VET law approved AQF Law under revision	Partially completed		3 DCM in Line with amended AQF law, adopted
Strengthen social dialogue	NLC re-established	3 NLC meetings	No progress	2 NLC meetings	1 NLC meeting
Increased involvement of the private sector in the governance and financing of the sector	-	No progress	No progress	No progress	Limited progress
Sector Reform Contract Result Indicators (IPA 2015)					
Number of qualifications designed/ revised according to the Albanian Qualification Framework (AQF), NAVETQ	87	30	25	20	22
Adoption of the revised Labour Code and subsidiary legislation, MoSWY	Labour code amendments adopted	Objective met in 2015			

B1.4.1 Reforming the financing and governance of the labour market and VET systems.

At large, MFE, NAES and NAVETQ have been jointly working to strengthen the governance of the labour market and VET systems. A comprehensive functional analysis of these key actors was conducted and a new organizational structure was proposed for NAES specified in DCM No. 554, dated 31.07.2019 “On the Organization and Functioning of NAES” and adopted in December 2019 by the order of the Prime Minister. This sought the great need of capacitating the current staff and recruiting new staff for the emerging roles and responsibilities. VET received support to conduct a review and design a road map for systemic private sector engagement in VET.

The Social Employment Fund which aims at improving the labour market integration of persons with disabilities was provisioned and marked an important novelty of this year. However, MFE needs to design the features and operational mechanisms for the Social Employment Fund and ensure that employers fulfil their obligation either by employing the respective number of persons with disabilities, or by paying the levy to the Fund. The work resulted in the Draft Decision of the Council of Ministers that was submitted for approval and adopted early 2020. Further regulations will be developed and adopted during 2020. The establishment of the Social Employment Fund beside other leads, it paves the way for employers to engage in financing employment of PWD through the levy.

The National Labour Council convened only one time during 2019. Following topics were on the agenda of the NLC meeting: a) 100 ILO Anniversary; b) Information on the ILO Constitutional Amendments; c) International Day of Health and Safety at Work d) information on the NESS 2014-2020 implementation; e) Proposal for representation criteria of social partners in the NLC.

The National VET Council, its membership and functioning criteria were adopted by the DCM No. 729 as of 16.12.2018. The Technical Secretariat of this Council resides with NAVETQ. All Ministries and other organizations designated their members in the National VET Council. Nevertheless, due to the emergency caused by the earthquake of November 26, 2019, the first meeting of this council was postponed to 2020.

B1.4.2 Developing and implementing the Albanian Qualification Framework.

The implementation of Albanian Qualification Framework (AQF) was considered as an important milestone of this year, driving an intensive revision of the curricula as part of Task Force work, referencing AQF to the European Qualifications Framework and improving the efficiency of regulatory framework to support AQF. NAVETQ has facilitated the work of the Task Force amid modernizing AQF legal framework which resulted in 3 bylaws adopted, which are main bylaws planned. The National Catalogue of Vocational Qualifications is regulated through VET bylaws, which are as well valid for the AQF.

No	Reference to the Law No.23/2018	Bylaw	Adopted	Submitted to the respective authority for adoption	Drafted and not submitted	Not drafted
DECISIONS OF THE COUNCIL OF MINISTERS						
1.	Art 5, paragraph 1	On the adoption of the table of AQF Detailed Level Descriptors	DCM No. 428 26.06.2019			
2.	Art 6, letter b	On the Adoption of Criteria and Procedures for the Inclusion in the AQF of Life-long learning Qualifications, based on AQF Levels for VET	DCM No. 427 26.06.2019			
3.	Art 11, paragraph 1,5	On the organization, functions, and criteria for selection of Sector Committees	DCM No.426 26.06.2019			
INSTRUCTIONS OF THE MINISTER						
4.	Art 8, Paragraph 3, letter c	Adoption of documents related to the AQF				
5.	Art 8, Paragraph 3, letter f	On the revision of criteria and procedures for quality assurance of qualifications based on proposals for changes by their subordinate institutions / agencies				

The Task Force extended its mission towards harmonizing the AQF legal framework with the recommendations of the European Council of 22 May 2017 “European Framework of Qualifications for Lifelong Learning” (2017 / C 189/03) as well as establishing the Sectoral Skills Committees. Adaptation of the SSC model to Albanian context was identified as a challenge. To ease this obstacle, exchange visits with other countries to learn on necessary steps and methodology to establish Sector Committees were organized. Ex: visit in Portugal with primary focus to establish and operationalize SSC. A roadmap, tools and other instruments that will sustain the operationalization of SSC need to be further developed and utilized. The DCM. No.426, 26.06.2019 Article 11; paragraph 1 and 5 regulates the organization, functions and criteria for selection of Sector Committees stipulated the work in this direction. NAVETQ drafted and received approval on the professional certificate supplement based on the EUROPASS model for all profiles, in accordance with the new instruction no. 16, dated 26.04.2019 “On the types, procedures and ways for issuing certificates, as well as the formats

that will be used in the education and vocational training system”. Additionally, another new instruction no. 15, dated 26.04.2019 “For organizing and conducting final exams in VET” was also drafted by NAVETQ in order to quality assure the overall student achievements.

B.1.4.3 Improving the quality and gender-sensitivity of labour market information and ensure its use for more equitable and effective governance, including funding

Overall, gender mainstreaming and social equity aspects are found in various information sharing instruments, research reports and dissemination of data. The critical challenge remains in making a thorough analysis and interpretation of the gender aspects which are lacking in smaller scale sequences, followed by an under-utilization of the findings reflected in the ongoing implementation/service delivery. Addressing this could eventually help in creating a widespread mindset on gender mainstreaming within each institution and stakeholder as a prerequisite in each phase of implementation.

Certain processes report an embedded gender perspective such as: Strengthening Career Guidance Service at institutional provider’s level (municipality, employment offices, training providers and private intermediaries); The latest Needs Assessment and Analysis Report supported by World Bank with significant contribution of MFE and INSTAT remains an important source in this regard. The labour force survey, periodically conducted by the INSTAT, combined with the data sourced from the employment office administration helps to design policies and employment programs more efficiently for the whole target group but including a gender-sensitive lens. The Tracking System at the national level as an important tool for assessing the performance of Public Education and Training Providers in relation to employability of graduates was published for the first time in 2019 and shared with the general public. On the other hand, a model of Tracing at provider’s level developed by S4J and piloted with only 6 VET providers represents a tool that can be replicated by other VET providers. The key objective of the pre-tracer is to collect baseline data of future graduates regarding their subjective career plans and expectations, socio-demographic characteristics and contact information. Both tracer tools provide an assessment of subjective career prospect for women/girls.

B1.4.4 Modernising the legislative framework for VET (initial VET and adult training)

In the way of modernizing the legislative framework for VET, Bylaws to the Law No. 15/2017 as of 16.02.2017 “On Vocational Education and Training in the Republic of Albania” went through an extensive revision throughout the year 2019 which were concluded with: 11 DCM fully adopted; 6 submitted to the respective authorities for adoption; 3 drafted but not yet submitted as they require further consultation with NAVETQ, elaboration or additional expertise and 2 not yet fully drafted as they lack significant content.

No.	Reference to the Law No.15/2017	Bylaw	Adopted
1.	Article 9, paragraph 3	DCM on Functioning and Competences of the National Agencies of Employment and Skills	DCM No. 554 31.07.2019
2.	Article 10, paragraph 2	DCM on the Organization and Activity of the National Agency of Vocational Education, Training and Qualifications	DCM No. 673 16.10.2019
3.	Article 11 paragraph 2 and 3	DCM on the Composition, Activity, Membership Criteria and Work Modalities of the National Council of VET	DCM No. 729 12.12.2018
4.	Article 8, letter ç	Instruction of the Minister of Education on General Criteria for the Qualification of Teachers of General Subjects	Instruction of MoE
5.	Article 28, paragraph 4 and 6	Instruction of the Minister on the Organization and Implementation of Examinations in Vocational Education and Training.	Instruction No. 15 26.04.2019
6.	Article 29, paragraph 4	Instruction of the Minister on Types, Procedures and Templates for Issuing Certificates in Vocational Education and Training	Instruction No. 16 26.04.2019

B1.4.5 National legislation regulating mobility and labour market governance are in line with the country's broader socio-economic development goals and EU Acquis.

The whole sector contributes significantly in the Chapter 2, 19 and 26 to handle its work in line with EU Acquis.

NAVETQ has drafted an individual integration plan for asylum seekers in the country. A Memorandum of Understanding has been adopted between the Ministry of Finance and Economy and the Ministry of Internal Affairs to facilitate the identification, assessment of the skills profile and support with qualifications of asylum seekers in the country, and a mentored survey is organized.

As part of the Towards regionally based occupational standards (TO REGOS) with five Western Balkan countries, NAVETQ with the participation of Chambers of Commerce and Industry in Albania started to develop a common methodology and format of occupational standards agreed regionally and adopted nationally that would ensure comparability of the results at the regional level and further up facilitating the free movement of professionals between countries. Testing of the methodology on the actual development of 5 occupational standards within 2 sectors (tourism and hospitality and construction industry), started in 2019.

B2. Partnerships

MFE as the leading institution responsible of guiding the process of change in the system, ensuring coherence in implementation of the strategy worked in proximity with NES, NAVETQ, the Inspectorate of Labour and Social Services. Parallel support in the implementation was provided by the European Delegation in Albania, SD4E, World Bank, Skills4Jobs (S4J); the German Development Cooperation (GIZ) and DIMAK and Austrian Development Agency (ADA). International institution providing assistance in this sector was the European Training Foundation (ETF), through direct budget support, policy consultation and several process assessments. Policy dialogues and Agreements are reached in cooperation with Ministry of Health and Social Protection and Ministry of Education, Sports and Youth Private sector remains an essential partner contributing to multiple priority achievements.

Foster Decent job opportunities through effective labour market policies

EU support in 2019 was channelled through IPA 2019 – 2020 (in the pipeline) for the social sector, comprising measures for inclusive education, community-based care facilities and support to training and employment. Under this priority, SD4E has supported the whole cycle of transformation and restructuring of NES into NAES; provided significant assistance in the development of the bylaws on EPP; handled assessment and revision of the current typology and implementation approach of the ALMPs to better address the needs of the unemployed jobseekers registered in the EOs while recognizing the ownership of the respective institutions. A great support was affiliated to the establishment of the Social Employment Fund. Deutsches Informationszentrum für Migration, Ausbildung und Karriere (DIMAK) contributed in upgrading the infrastructure, capacity development, learning tools and communication strategy for employment offices and associated “Call Centre”, in line with its focus: sustaining the interest of migrants and Diasporas; Risi Albania supported NES with policy recommendations and mentored their implementation process to enhance the performance through its reconfiguration. To sustain improvement of legal and institutional framework in compliance with ratified international labour standards, Risi Albania helped with technical translation of ESCO list based on competences to increase the effectiveness of matching process; facilitated the creation and testing of a methodology of cooperation with businesses. Additionally, support was provided to review the current state of Career Guidance Services at (NES) as well as the development of the system of monitoring and measurement of the Customers satisfaction. GIZ supported the conduct of National tracing of VET graduates which an important source of data that is referred in multiple decisions making processes.

Offer Quality Vocational Education and Training to Youth and Adults

SD4E has supported extensively VET providers to carry out the Self-Assessment process, thus facilitating assessment and enhancing quality of VET along with striving for more institutional ownership of the process. Also, assistance was provided to NAVETQ on the development of the AQF which was one of the highpoint results of this strategy priority. A comprehensive VET review, including a description of the current level of VET reform implementation, an outcome analysis of the VET system and a road map for systemic private sector engagement in VET was upheld; SD4E offered systematic mentoring in donor fund coordination to NAVETQ. ADA provided training equipment and expertise to capacitate institutions for the curricula revision and design, embedding a strong gender perspective. Data collection and analyses on the current state of development of professional work practices in all VET schools was effectuated. GIZ with ProSEED programme supported VTCs to improve training offer by increasing relevance to the labour market needs, piloting WBL, upgrading infrastructure and capacities of the instructors in DU through workshops and guidelines. RisiAlbania has offered support in increasing capacities of NAVETQ, and respective Task force for establishing the SSC. It has mobilised its mechanisms to promote the spreading of information on Labour Market and vocational career orientation.

In the frame of EU Erasmus + program, funds and expertise were provided to foster the work of DU, Carrier Guidance; promotion of EPALE for life-long learning, use and upgrading didactics. Swiss Development Cooperation with Swisscontact Skills for Jobs project supported one third of AFP providers, through all the necessary steps to offer Quality Vocational Education and Training to Youth and Adults. S4J worked strategically with NAVETQ and NAES and Line Ministry; scaled up the use of products delivered in 2018 (apprenticeships, e-learning, some Development Unit functions). It catalysed regional dialogues to support providers to diversify their offer, foster the private liaisons with VET, extended in-company apprenticeship and internships and promoted WBL as an instrument to increase private sector participation in VET. Technical and thematical expertise was given to VET providers to design their strategies and mid-term plans.

Partnership with ETF remains very fundamental in the way of approximating standards of VET in Albania with the European Union level. This year, ETF provided meaningful results concerning staff qualifications, professional development, their teaching methods and the conditions in schools summarized in its final report. In the area of WBL, the ETF, jointly with KulturKontakt Austria, assisted the NAVETQ in finalising a national regulation on the WBL of VET students in companies. ETF encourages institutions and employers to participate in the European Alliance for Apprenticeships and in platforms to exchange experiences. Business Sector stands as an essential partner working in proximity with VET institutions, joining forces in planning and implementation and offering more than 400 company internships, making VET more practice related.

Promote social inclusion and territorial cohesion

GIZ involved CSOs through open calls to improve access of vulnerable groups in vocational and employment measures. 1200 beneficiaries have increased knowledge and access to available services offered by public and private providers. RisiAlbania has joined forces with labour market stakeholders to foster women's participation in the labour market through "Market development of artisanal wool in Kukes" and its newly starting company "Bioalba". World Bank contributed through policy briefing, preparing an evaluation report to trace the progress of Ministry of Health and Social Protection and MFE in transiting from the old scheme of Economic Aid to an effective integration of former beneficiaries into the labour market. Partnerships with Social State Services remains fundamental under this priority even though more work need to be done to increase effectiveness and fill the gaps in service delivery.

RisiAlbania has joined forces with labour market stakeholders to foster young women's participation in the labour market especially from rural areas through (i) developing sustainable tourism initiatives in the rural areas of Gjirokastra region, Permet and Tepelena promoting product development as well as information for the tourist. In the agricultural sector Risi supports exporters cooperation with municipalities and farmers in areas of Tepelena, Gjirokastra and Kolonja to invest in cultivation for a higher quality product which in exchange offers higher income and decent jobs for farmers in these areas. Lastly, the introduction of the Global Gap group farmer certification in the fruits and vegetables sector has open great opportunities to farmers for higher and secure incomes due to introduction of EU standards and access to higher value markets.

Strengthen the governance of the labour market and the qualifications system

SD4E has guided the development and adoption of bylaws in VET and AQF which has laid the basis of a higher financial and institutional autonomy of VET, together with the establishment of SEF recognized as a highlight in 2019 achievements. ETF provided inputs and comments on draft sublegal acts to implement the 2017 Law on VET, also detailed provisions for the planned establishment of DUs. Moreover, ETF reviewed draft sublegal acts on the recognition of prior learning, non-formal learning, and the insertion of lifelong learning qualifications into (AQF), as well as the establishment of sector skills committees. GIZ fed this strategy priority through conducting a demand study and setting new standard of profession and curricula for first level at VSS in Mechatronic. Also, it has commenced the preparation for developing curricula for post-secondary level and short-term courses. In Partnership with Education Reform Initiative of South Eastern Europe/ERI SEE Secretariat, representatives of VET institutions with five Western Balkan countries, started regionally based occupational standards (TO REGOS) to develop a common methodology and format of professional standards agreed regionally and adopted nationally that would ensure comparability of the results at the regional level and further up facilitating the free movement of professionals between countries. An additional result of this partnership was the establishment of The Western Balkans Alliance for Work-based Learning (WBA 4 WBL) by the joint work of the VET centres from the region, gathered under the network South East Europe Vocational Education and Training Network – SEEVET Net.

B3. Gender Mainstreaming

The Ministry of Finance and Economy along the implementation of NESS 2014-2020 has paid specific attention to strengthening governance and accountability for gender equality as a means to improving the gender-responsiveness of employment and skills development policies. Beyond ensuring gender responsive budgeting, the Ministry has proactively designed policy measures that place women on an even playing field with men when it comes to employment and up-skilling/re-skilling opportunities. More specifically, the design of active labour market measures took into account the compounding vulnerabilities women face in accessing the labour market, and introduced specific mitigation measures (e.g. allowance for childcare and transport, or extended programme duration for women victims of domestic violence and trafficking). Similarly in vocational education girls that enrol in non-tradition trades receive monthly scholarships linked to attendance.

In monitoring the labour market and all other indicators of the NESS, efforts are made that gender-disaggregated data are collected, analysed and reported. More specifically elements like labour force participation, employment and unemployment rates, gender wage gaps, etc, are monitored periodically and integrated in all planning and implementation of strategy actions.

To give voice to challenges that women and /or other vulnerable groups face in the labour market, during the design of the NESS 2019-2022, dedicated consultations with civil society

were held and their feedback and recommendations were reflected in setting a rationale for the strategy, priorities, actions, timelines, objectives, expected outcomes and/or targets, and effective policy planning across implementing institutions.

B4. Communication

The NESS 2014-2020 has featured prominently in all activities related to the sector, including institutional communication (e.g. parliamentary commission hearings), promotional events, featured publications and social media. Regular reporting on the progress of NESS implementation is available to the public and has supported the added visibility of the Strategy. Both the NESS midterm review and the strategy revision that ensued represented an opportunity to showcase results to various audiences including civil society and the private sector.

No dedicated human resources and budgets have been made available at the Ministry level, nonetheless, the new structure of NAES included a dedicated department for communication and public relations. In addition, multiple international partners have supported communication efforts in the frame of existing interventions in the sector.

B5. Lessons Learnt

The mid-term review conducted during 2018, which findings were integrated in the implementation of 2019, as well as in the NESS Action Plan revision process, provided valuable lessons for the advancement of the reforms in the Employment and VET sector.

Relevance of strategic priorities remains high. The mid-term review, the results from the implementation of the budget support and the reforms that could be carried out during 2014-2019 showed that the Albanian Government had early on identified the building blocks of its policy reforms in regard to employment services and skills development.

At the design and development of further actions in the framework of the NESS, adjustment is needed at the level of activities, outputs and results formulation.

Development of the Labour Market Information System (LMIS) to improve evidence-based policy formulation and implementation. For this purpose, the inter-institutional cooperation between the Ministry of Finance and Economy, the implementing agencies (NAES, NAVETQ, SILSS) and other labour market data providers are crucial. The LMIS should provide evidence and inform beyond the functional responsibilities of single institutions.

Monitoring and Evaluation of the Strategy. The cooperation with INSTAT is crucial in monitoring, especially those indicators that have been difficult to monitor in the six years of the implementation of the NESS 2014-2020. Further, a comprehensive M&E Framework for the NESS 2019-2022 is necessary.

Systemic review is instrumental for institutional development and capacity building. The process of reviewing the functions of the National Employment Service and the responsible departments in the MFE supported the process of defining the functions and responsibilities of a new institution in the governance landscape, the National Employment and Skills Agency, in a complementary manner to the existing institutions. On the other hand, this process created a clear framework for the institution to develop its vision, mission and its mid-term priorities. The strategic pillar on governance of the labour market and the qualifications system was reconceptualized based on the logic of such process and indicators and results are as well defined in a measurable way.

Donor support contribution. The sector of employment and skills has benefited from a longstanding donor support. In the case of the NESS 2014-2020, this supported helped mend

the financial gap in the implementation, considering public funding limitations. In many ways donor funded projects created optimal platforms for policy experimentation and pushed forward the sector's agenda through best practices from advanced economies, opening the way to systemic changes. Nevertheless, the pace of reforms in the new context of the EU integration process necessitates a better alignment of donor contributions and channelling them to systemic interventions that aim at upscaling and institutionalizing pilot models and best practices.

Technical expertise from international organizations is necessary to support progress in measures related to social inclusion and territorial cohesion, which lagged significantly behind in the 2014-2019 implementation period.

Cooperation with CSOs and other actors to advance provision of employment and VET services. The Law on Employment Promotion and legislation on social care services have created a niche for these services to be offered based on an individualized approach and to increase the outreach. Contracting out services is a new opportunity to be explored and further developed for the Albanian context.

Part C: Quality Assurance

C1. IPMG “Employment and Skills” and Technical Working Groups

The Integrated Policy Management Groups (IPMG) were established in 2015. They were further extended and transformed into an integrated sector management mechanism. The Sector Approach IPMG is based on the need for improved coordination and efficient implementation of government priorities. As such, the IPMGs serve as high-level forums for policy dialog and partnership in order to ensure leadership and coordination in the wide priority sectors and sectors of a special importance.

The IPMG on Employment and Skills (previously called the IPMG on Employment and Social Policies) was initially established as a pilot through an order of Prime Minister No. 129, dt. 21 September 2015, and subsequently revised in 2018. It has 2 thematic groups (TG): 1) Employment and Skills, and 2) Social Inclusion and Protection. The TG of Employment and Skills is chaired by the Deputy Minister of Finances and Economy, while Directorate of Employment Policies and Vocational Training at MFE serves as Technical Secretariat for this group. The TG of Social Protection is chaired by the Deputy Minister of Health and Social Protection, while the General Directorate of Health and Social Protection Policies and Development at MHSP, serves as Technical Secretariat for this group. In addition, each IPMG acts as Steering Committee of IPA projects in the respective sector. For this reason, it monitors progress of implementation, as well as results of monitoring the Sector Reform Contract in the Employment and Social Sector.

The IPMG on Employment and Skills has been convening regularly and has endorsed strategic priorities and legal initiatives, the revised action plan of the National Employment and Skills Strategy 2022 (May 2019), Strategy of Social Protection (October 2019). Five meetings were held in 2019 demonstrating that the IPMG has been active including on discussing the progress of government reforms on employment and social sector. A new policy document has been presented and approved in the field of disability: “Disability Assessment Reform in the Social Protection System” and other important topics of the sector have been part of this IPMG agenda.

The main topics discussed in the thematic group meetings are the following:

1. Presentation of the Action Plan 2019-2022 of the National Employment and Skills Strategy and Presentation of the Progress Report 2018 of the National Employment and Skills Strategy,
2. Meeting of IPA Sectoral Monitoring Committee for the Employment and Training Sector);
3. Meeting of IPA Sectoral Monitoring Committee for the Employment and Training Sector and the Presentation of EU Budget Support in the field of social and employment;
4. Presentation of Monitoring Report on implementation of the Action Plan of National Social Protection Strategy 2015-2020, the Presentation of Social Protection Strategy 2019 2022, Action Plan and Costing in view of IPA Set-up Monitoring and MTBP “Social Care”;
5. Presentation of the EU Budget Support Program 2020-2022 on “Social Inclusion and IPA Sectoral Committee.

C2. EU Progress Report for Albania

Chapter 2 of EU Acquis on Free Movement of workers states that “Citizens of one Member State have the right to work in another Member State and must be given the same working and social conditions as other workers”. So far, Albania shows some level of preparation in advancing freedom of movement for workers. Some progress was achieved in this area, respectively, in concluding the new social security bilateral agreements. In the coming year, Albania should a) align its legislation with the EU acquis in the area of freedom of movement

for workers; b) develop the IT system to enable connection to EURES; c) negotiate and implement new bilateral agreements on social security, notably with EU Member States.

On access to the labour market, EU citizens are eligible to work in Albania without a work permit. This is in line with provisions of the Law on foreigners and subsequent amendments, which stipulate that foreigners will not need a work permit or business registration certificate if they are nationals of an EU Member State or Schengen country legally residing in Albania. The appropriateness of social security schemes and forfeit of occupational pensions are regulated through bilateral agreements. Immigration admission policies do not create obstacles to the permanent settlement of EU workers' family members. Nevertheless, there are limitations as regards family members of Union citizens who are not nationals of an EU member state; in terms of being entitled to take up employment or self-employment.

Regarding the preparation made for joining EURES (European network of employment services), Albania has set-up an integrated database for its employment services system. This will facilitate exchanges of information between IT departments on the civil status, the tax system, the compulsory healthcare system, and the economic assistance system. A new service system still needs to be developed to enable the connection to EURES. On the coordination of social security systems, bilateral agreements on social security are in place with Belgium, the Czech Republic, Germany, Luxembourg, Hungary, Austria, Romania, North Macedonia and Turkey. Negotiations with Switzerland and Canada have been completed. The agreement with Kosovo was ratified in April 2019 became active three months later. There have been exchanges on coordinating social security schemes with Bulgaria, Spain, France, and Croatia. A technical cooperation agreement has been set up to continue negotiations for a bilateral agreement on coordination of social security schemes with Italy. Negotiation and implementation of new bilateral agreements on social security, between Albania and EU Member States remains to be fostered.

Chapter 19: Social policy and employment. EU rules in the social policy and employment require minimum standards for labour law, equality, health and safety at work and non-discrimination. They also promote social dialogue at European level. Albania has made some progress on increasing labour market participation and improving the quality and effectiveness of labour market institutions and services. Albania has continued to restructure its employment governance system. The employment rate and labour market participation remain low, and the informal economy is still a significant job provider. In the coming year, the country should: a) adopt necessary secondary legislation and restructure the employment and VET governance, upon the adoption of the employment promotion law; b) intensify efforts to implement the 2015-2020 social protection strategy, with a special focus on vulnerable groups, strengthening the capacity and resource of local government to assess social care needs in their territory; c) establish clear representativeness criteria for membership in the National Labour Council and adopt them by law.

On labour law, the amended Labour Code is being implemented. Monitoring of the implementation of the Labour Code amendments still requires strengthening of data collection and better instruments for processing disaggregated data. Labour inspectorate capacity and performance need to further be strengthened and the labour inspectorates should develop effective training of inspectors. Child labour remains a concern, with more effective measures needed to prevent it. There is also a need to strengthen the system of monitoring child labour. Regarding health and safety at work, the 2016-2020 occupational, safety and health policy document and its action plan are under implementation. However, clear representativeness criteria are still under discussion and have not yet been set in law. Significant efforts are still needed to transform the National Labour Council into an effective social dialogue forum, aiming at improving collective bargaining. Intensification of bipartite social dialogue, at local and company level. Regarding the criteria of representation of employers 'and workers' organizations, DCM 24 dated on 29.01.2020 was approved for some additions to the decision no. 1039 dated 4.12.2013 of the Council of Ministers, "On

the functioning of the National Labour Council and on the appointment of Representatives of the Council of Ministers to this Council.” At regional level, the decision on a tripartite Regional Consultative Council, consisting of representatives of employers’ organizations, trade unions and representatives of state structures, is waiting for the co-signing by the Ministry for Europe and Foreign Affairs to finalize its adoption. Also, the amicable labour disputes resolution system needs further consolidation.

On employment policy, the administrative reform and the reduction in human capacities continues to affect the design, implementation and monitoring of employment policies and measures. While there has been improvement in the labour market, there are still issues to be considered, for instance, alignment of education (including adult education) should respond better to the needs of the labour market. The employment and labour market participation rates continued to grow in 2019. Job creation continued to be one of cross-sectoral priorities of the current government.

A mid-term review of the national employment and skills strategy (NESS) was completed. The revised action plan of the strategy covers the period between 2019 and 2022. The secondary legislation implementing the Vocational Education and Training (VET) Law has been drafted but is yet to be adopted. No progress was made in extending employment and VET services to rural areas. The revised Albanian Qualification Framework Law was adopted in May 2018, but significant efforts should be made to operationalize it. The Law on employment promotion was adopted in March 2019. The National Agency for Employment and Skills was set up in 2019 and additional secondary legislation still needs to be adopted. Continuous progress is expected in linking the reform of social assistance to the employment and skills development programmes available. (Ex)-beneficiaries of economic assistance received more activation support during 2018 through job mediation and attendance in vocational training courses. Attendance in the latter was newly supported through a specific employment promotion programme approved in 2018. Activation support to this category is still low and not well tailored to the particular needs of the target group.

Public employment services were strengthened, and the image and outreach of Labour Offices have improved with the restructuring/finalization of 2 additional employment offices throughout the country, during 2019. In 2019, there were 70,390 unemployed jobseekers (52.5% women) registered in employment offices and 16,482 (50% women) found a job through Employment offices (EOs). The number of vacancies announced in EOs reached 50 785. The unemployment rate remains high, particularly among women, young people, Roma and Egyptians, and people with disabilities. In 2019, the unemployment rate (15-64) fell to 12.0 % (12.2 % for men and 11.8 for women), LFS, INSTAT data 2019), The official youth unemployment rate (15-29) is 21.5%. It decreased by 1.6 percentage points as compared to 2018. Long-term unemployment remains a challenge to be addressed through more flexible and tailored policy interventions. The Institute of Statistics has sufficient resources to contribute to policies with comprehensive and reliable data, but the wage gap methodology still needs to be aligned with Eurostat requirements. Special focus should be placed on urban/rural ratios in all labour-related statistics.

C3. Continuous Reporting in the frame of the EU-Albania Subcommittee on Innovation, Information Society and Social Policy

The 10th Subcommittee meeting under the Stabilisation and Association Agreement (SAA) was held in Brussels on 15 November 2018. Regarding Vocational Education and Training, the EU delegation encouraged Albania to identify, target and implement the necessary measures to increase the inclusion of persons from vulnerable population in employment and VET, especially in rural areas. The Albanian delegation presented the measures taken for this target group mentioning scholarships for students attending vocational schools coming from families with economic problems, from Roma and Egyptian families, or rural

areas, clothing, books and notebooks for Roma and Egyptian students who continue to study and free vocational training courses for unemployed jobseekers registered at employment offices. Since the meeting, additional measures undertaken include the provisioning of free vocational training courses for unemployed jobseekers; continuing to offer scholarships for children of families with economic assistance, families from the northeast of the country, Roma / Egyptian families, girls attending non-traditional VET programmes, etc.

With regards to the recommendation of restructuring VET governance, according to the VET law, including the establishment of the National Agency for Employment and Skills, in pursuance of Law no. 15/2019, the National Employment and Skills Agency was established in July 2019 with DCM no. 554/2019, and the DCM on NAVETQ was approved in October 2019.

A specific recommendation was given on the need to increase the efforts in providing continuous professional development of VET teachers and trainers. In response, NAVETQ, with the support of donors, has started and continues to train the management and teaching staff of vocational schools. It is foreseen that all VET teachers and instructors will undergo standard state-approved training in the field of pedagogy. These modules will be included in the standard and mandatory package for all new teachers who will be introduced to the VET system in the future. With the support of GIZ, the 15 coaches for VET teachers were trained, and over the last years about 400 professional teachers have received training. By 2020, all vocational school teachers will be trained.

Strengthening the interinstitutional policy coordination and social dialog with all involved stakeholders was another recommendation of the Subcommittee. With the contribution of the ILO project “Strengthening Social Dialogue in Albania”, at the beginning of 2019, a national database of collective agreements and unions was created, which will be accessible by the MFE, SILSS, NES and social partners.

C4: Pre-Screening of the EU Acquis re. related Chapter 2 “Freedom of Movement of Workers” and Chapter 19 “Social Policy and Employment”

The amended law “On some changes and additions to the law no. 108/2013” on foreigners “, improves the legislations’ conditions in the following areas: visa policy - in creating the necessary mechanisms for the issuance of electronic visas, in the employment policy of foreigners - in improving some provisions related to work permits and employment of foreigners in the Republic of Albania, such as and in the policy of residence in the Republic of Albania, in shortening the deadlines for reviewing and issuing the residence permit.

This bill aimed to create the necessary mechanisms to sustain the issuance of electronic e-visas online, aiming to solve the problems encountered during its implementation, regarding the inability to cover many countries with diplomatic missions or consular posts, which require entry visas in the territory of the Republic of Albania or/and foreigners, who intend to visit the country. This procedure will have a direct impact on increasing the number of foreign nationals wishing to visit Albania or seek an employment opportunity in the country.

The changes aimed at implementing the electronic visa issuance system for both C-type and D-type visas. This implementation will bring integration of operating systems in all relevant institutions in charge of verifying visa applications and their approval, in function of a simplified, accelerated, efficient, secure procedure and in compliance with the required standards, and that will significantly reduce the time of delivery of this service for obtaining a visa by foreign nationals.

Furthermore, the law sought to improve the provisions related to the issue of employment of foreign nationals in the Republic of Albania, clarifying the deadlines and procedures for obtaining a work permit, as well as reducing unnecessary barriers to employment of foreign

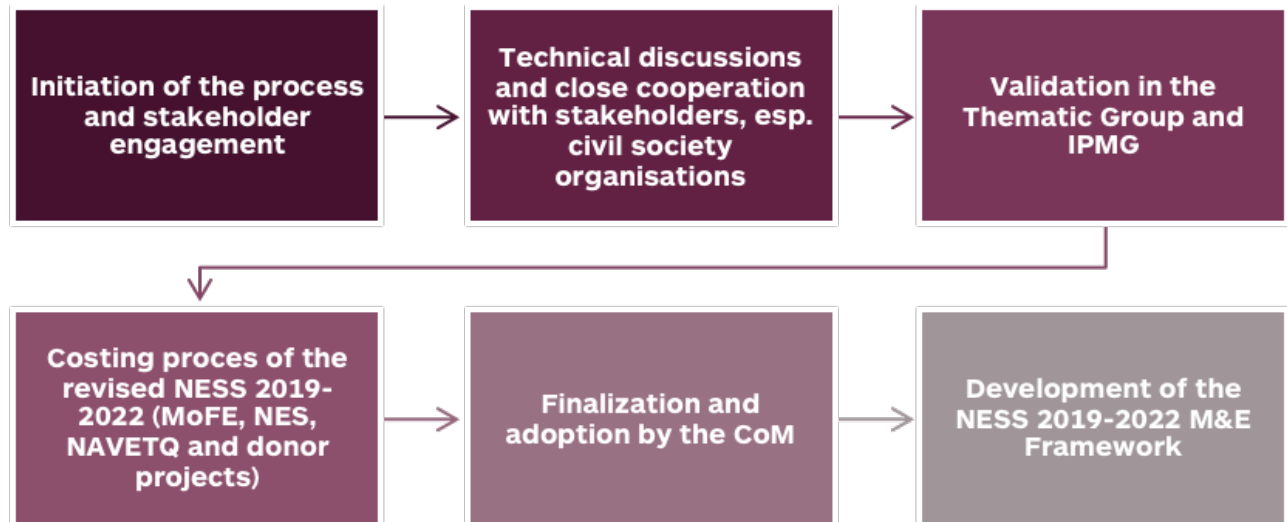
nationals. As part of strengthening cooperation with countries in the region, citizens of Western Balkan countries, namely Bosnia and Herzegovina, Montenegro, Kosovo, Serbia and Northern Macedonia have been exempted from the obligation to obtain work permits and work registration certificates.

In the field of foreign residence policies in the Republic of Albania, the current 60 days deadline provisioned to conduct all the verifications: reviewing and issuing residence permits was reduced to 30 days.

Part D: Way Forward

D1. Developing the National Employment and Skills Strategy 2019-2022

The process of revising and developing the NESS 2019-2022 has marked several stages and milestones:



Process start and stakeholder engagement

Following the decision of the government to extend the implementation period of the National Employment and Skills Strategy 2014-2020 to 2022, as well as recommendations and lessons learnt by the Mid-Term Review, the process of revising the National Employment and Skills Strategy 2014-2020 commenced already in January 2019.

The process launched officially with a 2-days-workshop with relevant stakeholders at policy and implementation level. The EU Delegation, Swiss Development Cooperation, the United Nations Development Programme, the German International Cooperation, representatives of social partners and civil society organizations proactively engaged to discuss the milestones of the revision process and to agree on the strategic priorities for another four years period. Government and stakeholders jointly agreed to keep the four strategic priorities on 1) decent work opportunities through effective labour market policies; 2) better skills for youth and adults through quality vocational education and training; 3) territorial cohesion and social inclusion and 4) governance of the labour market and the qualifications system. Agreement was also reached to redesign objectives and measures within those four priorities.

Technical discussion and consultations with stakeholders

Based on the Order of the Minister, No. 33, dated 5.02.2019, the process consisted of a series of workshops and technical group meetings, as well as wider consultation meetings with the stakeholders. Especially Three further workshops were organized to discuss with relevant stakeholder the objectives and crucial activities to be included in the revised NESS 2019-2020. Especially important was the consultation of those priorities and outputs that had faced specific difficulties during the 2014-2018 implementation period. For instance, the implementation of the Strategic Priority on Social Inclusion and Territorial Cohesion (Priority Priority C) lagged significantly behind in the period 2014-2018 and therefore, the MFE called for a wide consultation with representatives of different civil society organizations. The technical group at MFE, jointly with INSTAT and the Ministry of Social Welfare and Youth conducted a series of working meetings to design the measures of the revised strategy.

Representatives from civil society, ministries, INSTAT and different projects working in rural areas and/or vulnerable groups addressed their problems, especially with regards to extension of employment and VET services to rural / remote areas, labour market integration of persons from vulnerable groups (integrated case management) and economic empowerment of women. Their contribution was crucial to revise actions of this strategic priority, that will be one of the crucial pillars for the upcoming budget support.

Validation of the revised Action Plan

For the validation of the revised NESS Action Plan 2019-2022, MFE utilized several platforms. The consolidated action plan was validated in the Thematic Group on Employment and Skills of the IPMG (Thematic Group Meeting of April 25, 2019), with the Civil Society Organizations on May 6, 2019, and was as well presented and endorsed at the IPMG meeting of May 8, 2019.

Costing and identification of the financial gap for NESS 2019-2022

Following the endorsement by the IPMG, the work on the NESS 2019-2022 focused on the costing of the Action Plan and identification of the financial gap. This comprehensive exercise resulted in a total cost of approximately 144 million EUR (143,878,361 EUR) and a financial gap of 19.4 million EUR (19,370,571.56). This financial gap resulted after the calculation of costs that implementing institutions currently are having or have planned in the Mid-Term Budget Programme (MTBP), as well as by considering contributions of donor organizations and development projects.

The National Employment and Skills Strategy 2019-2022 and its action plan were adopted in October 2019 (DCM No. 659, dated 10.10.2019). A monitoring and evaluation framework for NESS and each of its priorities of the NESS 2019-2022 was developed in the period December 2019 – March 2020.

D2. Towards EU Standards. IPA 2019 – EU for Social Inclusion

The EU for Inclusion is the most recent and most comprehensive programme of the European Union in the frame of IPA 2019. This Action aims to contribute to strengthening social inclusion by increasing coverage, inclusiveness and effectiveness of social care services, the provision of inclusive education and employment opportunities. The action supports the NESS 2019-2022 by promoting employment and employability through new service delivery models, the introduction of a new employment programme for young people not in employment, education or training (NEET), expanding coverage of welfare-to work programmes, and strengthening vocational and educational training programmes in municipalities. In addition, it supports the implementation of the National Social Protection Strategy by targeting populations at risk of poverty and social exclusion – including at risk youth, men and women, people with disabilities and minorities. The programme was further expanded to respond to the crisis situation caused by COVID 19 through targeted measures in the social protection and employment sectors in order to preserve employability and ensure protection of the groups at risk of vulnerabilities and exclusion.

The overall objective is to expand coverage, inclusiveness, effectiveness and emergency responsiveness of social care services, pre-university education and employment opportunities for youth and adults in Albania, including populations at risk of exclusion.

The specific objectives are as follows:

1. Improving accessibility and quality of integrated social care services at the local level;
2. Promote social inclusion in employment and employability for youth, men and women;
3. Enhance inclusive quality learning and promote educational attainment in pre-university education for all girls and boys - with a special focus on children from disadvantaged backgrounds.

NESS 2019-2022 actions will be supported through a combination of instruments including Sector Budget Support, Grants and Technical Assistance.

D3. Alignment with other Sector Policies: ERP Policy Guidance

Employment and skills development policies are defined in accordance to the Government of Albania policies as stipulated in Pillar 3 (Investing in People and Social Cohesion) of the National Strategy for Development and Integration (NSDI) 2015-2020. The NESS is further linked to two other sector strategies, namely The National Strategy of Social Protection 2015–2020 (NSSP) and the National Strategy for Pre-University Education (2014-2020).

NESS and NSSP are closely linked (NESS pillar C), as the latter aims at reforming social protection policies through transformation of the social assistance (NE) scheme into an active scheme enabling social re-integration; revision of the system of disability evaluation; intervention and ensuring re-integration of children in families and community, while placing particular care for social and biological orphans, and ensuring delivery of integrated social and community welfare services.

The Economic Reform Programme (ERP) 2019-2021 outlined the main macroeconomic and fiscal policies aiming to enable sustainable growth, increased employment and reduced public debt. It prioritised employment, skills development and inclusive education. More specifically two structural reform measures: a) Employment and Labour Market; and, b) Education and Skills, relate directly to the implementation of NESS. For 2019, the recommendations pertaining to the sector were as follows:

Policy Guidance 6²³: Improve the targeting of active labour market policies (ALMP) and implement the prepared Vocational Education and Training reform package. The adoption of law No.15 / 2019 “On Employment Promotion” in March 2019, completed the legal framework related to employment policies / programmes and skills development. The National Agency on Employment and Skills (NAES) was created in July 2019 through DCM 554/2019, and the newly approved structure of the new Agency envisaged a significant increase in human resources at the central level. Nonetheless, the challenge of expanding services to uncovered areas remains. The adoption of this law created ample space for the diversification of EPPs and employment services, and it placed the providers of employment and vocational education and training under the management of the National Agency on Employment and Skills (NAES). By the end of 2019, 5 new ALMPs were designed and were subsequently approved in 2020.

The Ministry of Finance and Economy and the Ministry of Health and Social Protection have signed Joint Order no. 624, dated 29.08.2019 “On the approval of the Operational Plan for the employment of members of active working age of the economic assistance scheme 2019-2020”, harmonizing employment services with social services to address individuals with disadvantages employment, as well as to maximize the interaction between passive and active policies in identifying and minimizing the discouraging factors of entry into the labor market and to exit the economic aid scheme, which will be implemented by National Employment Service with the State Social Service.

The Start Smart course was rolled out nationwide during 2019. During January-December 2019, 12,327 unemployed jobseekers have attended this measure that aims to activate jobseekers.

Whereas significant improvement of the institutional governance was witnessed in 2019, the VET legislative framework remains incomplete. To this end, the Commission evaluated this policy guidance as partially implemented.

²³ Economic Reform Programme of Albania 2020-2022; Commission Assessment
<https://data.consilium.europa.eu/doc/document/ST-7468-2020-INIT/en/pdf>

In addition, social dialogue is deemed to remain very weak in both the public and private sectors. Despite the renewed mandate of the National Labour Council, its meetings are not frequent (last meeting in April 2018) and other than the legal committee, specialized technical committees do not meet. No financial resources have been allocated for the proper functioning of NLC and its technical committees. Albania still plans to set up regional tripartite councils. Bipartite social dialogue is underdeveloped. Lastly, the amicable labour disputes resolution system needs further consolidation.

PART E: Financial Resources and Allocations

The total state budget initially allocated to employment and vocational education and training for the year 2019 was 39.9 million EUR. Details on the budget allocation are provided in the tables below, for comparison, also the budget from the previous years is provided.

Expenditures in million ALL								
Individual programmes	2016		2017		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Labour Market	2 246	1 809	1 955	1 488	2 118	1 233	1 699	1 480
Vocational Education and Training	2 053	1 970	2 777	1 997	2 997	2 660	3 238	2 695

The budget allocated to VET in 2019 was 3, 237, 869 thousand lek, roughly 26.2 million euro²⁴; the actual expenditure was 2,695,176 thousands lek, or 21.8 million euro. The table below reports details on the state budget planned and actual budget spent, respectively in 2018 and 2019.

	2018		2019	
	Planned Budget	Actual Budget	Planned Budget	Actual Budget
Current expenditures	449,000	367,692.90	659,959	399,513
Wages and salaries	1,239,500	1,204,416	1,398,541	1,250,209
Capital expenditures (investments)	1,316,200	1,088,020.71	1,179,369	1,045,553
TOTAL	3,004,700	2,660,129	3,237,869	2,695,176

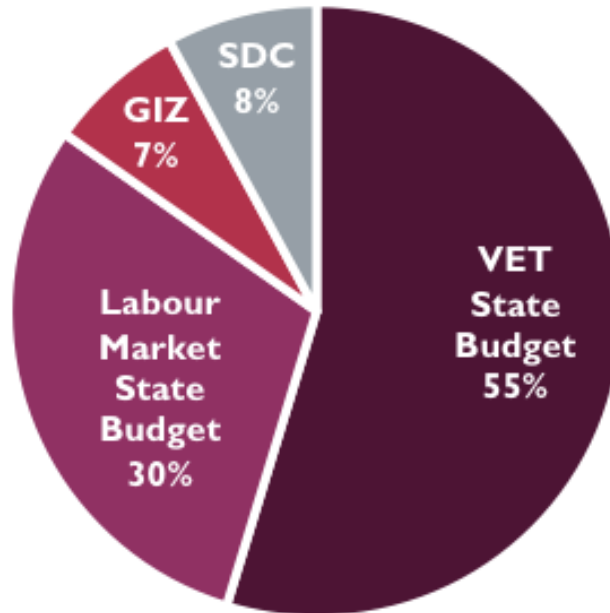
The budget foreseen for employment and labour market measures in 2019 was approximately 1,7 billion ALL, roughly equal to 16.7 million of euro. The actual expenditure amounted to 1,479,567 thousand ALL, or 10 million of euro. Description of allocation is provided below.

	2018		2019	
	Planned Budget	Actual Budget	Planned Budget	Actual Budget
Wages and salaries (N(A)ES and Employment Offices	276,171	267,484	502,500	452,752
Employment Promotion Programmes	490,000	258,371	390,000	345,954
Unemployment payment	800,000	334,784	600,000	504,988
Central Administration NES /NAES	85,279	60,815		
Vocational Training	257,494	238,683	168,500	149,668
Revenues from VTCs	8,000	5,261	8,000	4,345
Budgetary investment	141,031	62,187	30,000	21,857
TOTAL	2 057 975	1,227,587	1,699,000	1,479,567

The state budget was complemented by additional funds made available by international donors.

²⁴ The exchange rate EUR-ALL applied is 123.79, as per officially published by the European Commission in June 2020 (<http://ec.europa.eu/budget/graphs/inforeuro.html>).

FINANCIAL RESOURCES - 2019 EUR 39.8 MILLION



ANNEXES

Annex I – List of institutions responsible for reporting

ACTIONS OF THE STRATEGY	Responsible institutions
Pillar A Foster decent job opportunities through effective labour market policies	NES / NAES
A1.1 Reorganization of NES / NAES offices according to the New Service Model	NES / NAES
A1.2 Definition and implementation of an NES / NAES staff recruitment and development plan	NES / NAES
A1.3 Modernization of its infrastructure and systems in NES / NAES	NES / NAES
A1.4 Establishment of new cooperation modalities with third parties	NES / NAES
A2.1 Regulation of private employment agencies and strengthening of the cooperation with the public employment services	MFE
A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially the NES / NAES related to workers' safety and health at work.	MFE, SILSS
A3.1 Assessment and design of adequate, gender-responsive labour market policies	MFE
A3.2 Registration, profiling and gender-sensitive counselling of jobseekers	NES / NAES
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	MFE
Pillar B Offer quality vocational education and training to youth and adults	MFE NAVETQ
B1.1 Assessment and reorganization of the main VET providers at regional level	MFE
B1.2 Maintaining the database and quality assurance of training provision by private VET providers country wide	MFE
B2.1 Analysis and upgrading of buildings, workshops and equipment available in VET providers, including facilities for girls/women amenities, and required amenities responding to the needs of PWD.	MFE
B2.2 Create a National Catalogue of Vocational Qualifications and revise all VET frame curricula	NAVETQ
B2.3 review of existing and develop new programmes for post-secondary VET provision	NAVETQ
B2.4 Evaluation of existing teaching materials, including their gender equality content and existence of gender stereotypes, as well as adequacy for PWD.	NAVETQ
B2.5 Definition and implementation of quality assurance criteria of VET system (at providers' level) and changing the internal and external verification of VET curriculum implementation (inspection)	NAVETQ
B3.1 Running publicity/ awareness-raising campaigns about importance of and opportunities in VET and LLL for girls, boys, women and men in urban and rural areas	MFE
B3.2 Design a public interactive, searchable web portal/database on qualifications, curricula and training offers by VET providers	NAVETQ
B3.3 Preparation of the participation of Albanian VET students in national, European and World skills competitions and related media promotion	NAVETQ
B4.1 introduction of an already tested model in all VET institutions to organize links between VET institutions and businesses.	NAVETQ
B4.2 Establishment of agreements with companies and/or business associations that meet the criteria for offering training to students	MFE
B4.3 Organization of elements of a dual system approach, including internships of VET students as part of the VET curriculum	NAVETQ
B4.4 Promotion of entrepreneurial learning and women's entrepreneurship as a key competence	NAVETQ

B4.5 Development of learning materials related to the transition to work skills	NAVETQ
B5.1 Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure quality of teaching and learning	NAVETQ
B5.2 Assessment of competences of VET teachers in public VET institutions and carrying out of an analysis of the demand for VET teachers and instructors, nationwide and by profile	NAVETQ
B5.3 Review of the VET teachers' preparation model	NAVETQ
B5.4 induction of training for all potential VET teachers that includes obligatory modules on gender equality and social inclusion/diversity issues	MFE
B5.5 Organization and delivery of extensive training for all VET teachers (in-service), including obligatory capacity development on gender equality and social inclusion/diversity issues.	NAVETQ
B5.6 Organization and delivery of training for managers of public VET human resources (regional managers, directors, board members, VET inspectors)	NAVETQ
Pillar C	MFE
Promote social inclusion and territorial cohesion	NES / NAES
C1.1 Establishment of inter-ministerial cooperation to address the situation in rural areas, including the coordination with government initiative and strategies including Strategy for rural development.	NES / NAES
C1.2 Expansion of the employment services to rural areas	NES / NAES
C1.3 Increase of VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas	SHKP
C1.4 Training and employment of marginalized and disadvantaged women and men, including Roma and PWDs	MFE
C2.1 Design and implementation of measures in relation to social entrepreneurship	MHSP
C2.2 Creation of conditions for fostering female and male employment in the third sector (social enterprise focus)	NES / NAES
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	MHSP
Pillar D	
Strengthen the governance of the labour market and qualification system	
D1.1. Creation of an Employment and Skills development Fund	MFE
D1.2. Creation of (an) autonomous structure(s) for the administration, the development and oversight of VET (the current NAVETQ)	MFE
D1.3 Strengthening the role of the National labour council	MFE
D1.4 creation of a National council for Employment and VET.	NAVETQ
D2.1 Review of the work undertaken on vocational qualifications of the AQF	NAVETQ
D2.2 Establishment and operationalization of sector committees	MFE
D2.3 Revision and linking of curricula to the Albanian Qualifications Framework	MFE
D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/ recognition of prior learning	MFE
D3.1 Gender-sensitive review of existing surveys and analysis of skills needs at national and regional levels	MFE
D3.2 Establishment of a gender-sensitive tracer system for VET graduates (initial and continuous training)	MFE
D3.3 Developing information sharing instruments about gender-sensitive labour market data (labour market bulletins, websites etc.)	MFE
D3.4 Establishment of mechanisms for sectoral skills forecasting	MFE
D4.1 Review of all pieces of existing legislation that regulate VET (in schools, VTCs, or higher professional education at universities, by public or private providers) and aspects related to VET (curriculum development, teacher training etc.)	MFE
D5.1 Approximation of relevant Albanian legislation with Eu directives	MFE
D5.2. closing of skills gaps in the local labour market by active employment of specialists	MFE NES / NAES

Annex I – List of institutions responsible for reporting

Donor	Name of the Project
European Union & European Training Foundation (ETF)	Sector Reform Contract IPA II 2015
Gesellschaft für Internationale Zusammenarbeit (GIZ)	ProSEED Programme “Creating prospects for sustainable employment, economic development and growth”
Gesellschaft für Internationale Zusammenarbeit (GIZ)	Migration for Development
Swiss Development Cooperation / Swisscontact	Skills 4 Jobs; Coaching for Employment and Entrepreneurship
Swiss Development Cooperation / UNDP	Skills Development for Employment
Swiss Development Cooperation / Helvetas	RisiAlbania “Making the Market Work for Young People”

