

National Employment and Skills Strategy 2019 – 2022

Annual Progress Report 2020

June 2021
Tirana, Albania

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Acronyms

ADA	Austrian Development Agency
ADISA	Agency for the Delivery of Integrated Services in Albania
AFD	Agence Française de Développement
AICS	Agenzia Italiana per la Cooperazione allo Sviluppo / Italian Development Cooperation
ALDR	Amicable Labour Dispute Resolution
ALMP	Active Labour Market Programmes
AQF	Albanian Qualification Framework
ASCAL	Quality Assurance Agency in Higher Education
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
EaSI	Employment and Social Innovation Programme
EO	Employment Offices
EPP	Employment Promotion Programmes
EQF	European Qualifications Framework
ERP	Economic Reform Programme
ESAP II	Employment and Social Affairs Platform in Western Balkans – Phase II
ETF	European Training Foundation
EUD	European Union Delegation
GIZ	Gesellschaft für Internationale Zusammenarbeit / German Development Cooperation
ICT	Information and Communication Technology
INSTAT	National Institute of Statistics
IPA	Instrument for Pre-Accession Assistance
IPMG	Integrated Policy Management Group
KfW	German Development Bank / Kreditanstalt für Wiederaufbau
LM	Labour Market
LMO	Labour Market Observatory
LMIS	Labour Market Information Systems
MESY	Ministry of Education, Sports and Youth
MFE	Ministry of Finance and Economy
MHSP	Ministry of Health and Social Protection
NAES	National Agency for Employment and Skills
NAQAPE	National Agency for Quality Assurance in Pre-university Education
NAVETQ	National Agency of Vocational Education, Training and Qualifications
NCVET	National Council on Vocational Education and Training
NLC	National Labour Council
NES	National Employment Service

OEAD	Austrian Agency for Education and Internationalisation
PWD	People with Disabilities
R&E	Roma and Egyptians
RCC	Regional Cooperation Council
SCUL	Support to Continuous Unemployed Learning
SD4E	Skills Development for Employment
SDC	Swiss Development Cooperation
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
VDAB	Flemish Public Employment Service / Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding
VS	Vocational School
VTC	Vocational Training Centres
WBL	Work-based learning

Strategy Card

National Employment and Skills Strategy 2019 – 2022

Vision

The vision of the Employment and Skills Strategy 2019-2022 (inspired by the overarching goal of Europe 2020 to deliver smart, sustainable and inclusive growth) is to have, by 2022, 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: 2019 – 2022

Implementing bodies

- Ministry of Finance and Economy
- National Agency for Employment and Skills
- 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)
- EU Delegation to Albania (EUD)
- Swiss Development Cooperation (SDC)
- United Nations Development Programme (UNDP)
- International Labour Organisation (ILO)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Austrian Development Cooperation (ADA)
- Italian Development Cooperation (AICS)

1. Executive Summary

1.1 Context

2020 marks the 7th year of implementation of the National Strategy on Employment and Skills 2014-2022 (NESS)¹. The Annual Report provides an overview of key developments of the reforms in the employment and skills development sector during 2020. It 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 2020 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 (Chapter 1) reports on main labour market trends, the theory of change of main reforms and an overview of key results and achievements in the sector. Special focus is given to the impact of the COVID-19 crisis on the labour market, the implementation of the NESS action plan, and the policy responses to preserve jobs. Albania's response to COVID-19 was swift and considerable both in terms of managing the health crisis, as well as in implementing measures that avoided massive job-shedding and social crisis. Chapter 2 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. Chapter 3 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. Lastly, Chapter 4 reviews financial allocations to the sector and levels of delivery.

The COVID-19 crisis has further emphasized labour market challenges of vulnerable groups, as well as it has served as a powerful reminder of the need for social protection systems that are adaptable and responsive to existing and emerging needs. Whereas short term measures have largely mitigated job losses, many uncertainties about the future remain. Labour market support in terms of reskilling and upskilling, strengthened ALMPs, better targeting of those at the margins of the labour market, review of labour market regulations, and ensuring adequacy of social protection

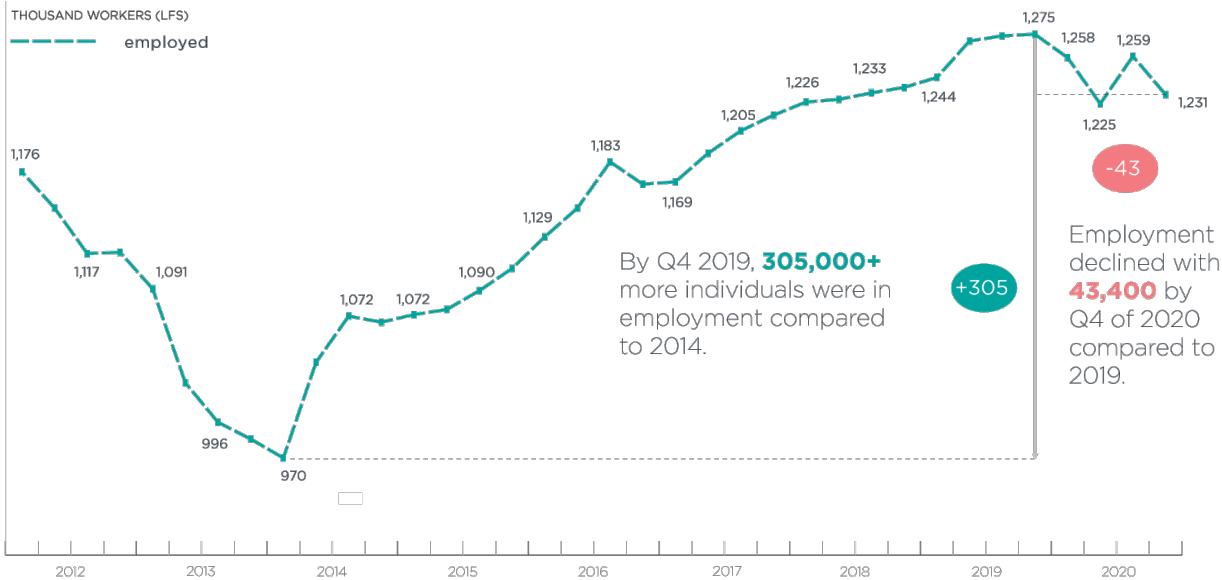
¹ The National Employment and Skills Strategy (NESS) initially covered the 2014-2020. Following the midterm review, the NESS and its related action plan were revised and extended until 2022.

measures will remain particularly relevant in the medium term as Albania enters the recovery period.

1.2 Overview of labour market

Before the onset of the COVID-19 crisis Albania had made significant progress towards ensuring that Albanian men and women have access to increased employment opportunities. The positive trend that started in 2014 continued across all labour market indicators until early 2020, with job growth data mirroring trends in GDP growth. **The COVID-19 crisis reversed this trend for most labour market indicators, yet, the toll in the labour market has been moderate given the unprecedented economic shock.** In the last quarter of 2020, 1.23 million people were in employment, 43,400 less workers than in 2019 - which had marked the highest historical level - (Fig. 1). Of all those in employment, 46.1% are employees, 33.3% are self-employed, and 20.6% are unpaid family workers.

Figure 1: Quarterly Employment Figures 2012-2020



Source: INSTAT, Labour Force Survey

The employment rate of people 15-64 decreased by 1.4 percentage points despite measures undertaken to protect jobs (see Fig. 2). In the last quarter of 2019, the employment rate had risen to 61.6%, 12 percentage points higher compared to 2013². The employment rate dipped to 59.6% in the Q2-2020, to rebound to 61.3% in Q3, and settle at 60.2% at the end of the year. Despite marking significant improvements in the past 6-7 years, Albania lags European Union averages (72.4% in Q3 2020). The employment rate had improved significantly especially among women (from 40% in 2013 to 54.8% in Q4-2019)³. Nonetheless, the pandemic hit women harder than men, with employment rates declining by 1.9 percentage points from women, and only 0.7 percentage points for men. Whereas Albania has the highest employment rate of women among all countries in the Western Balkans, gender inequality in employment remains problematic, with men’s

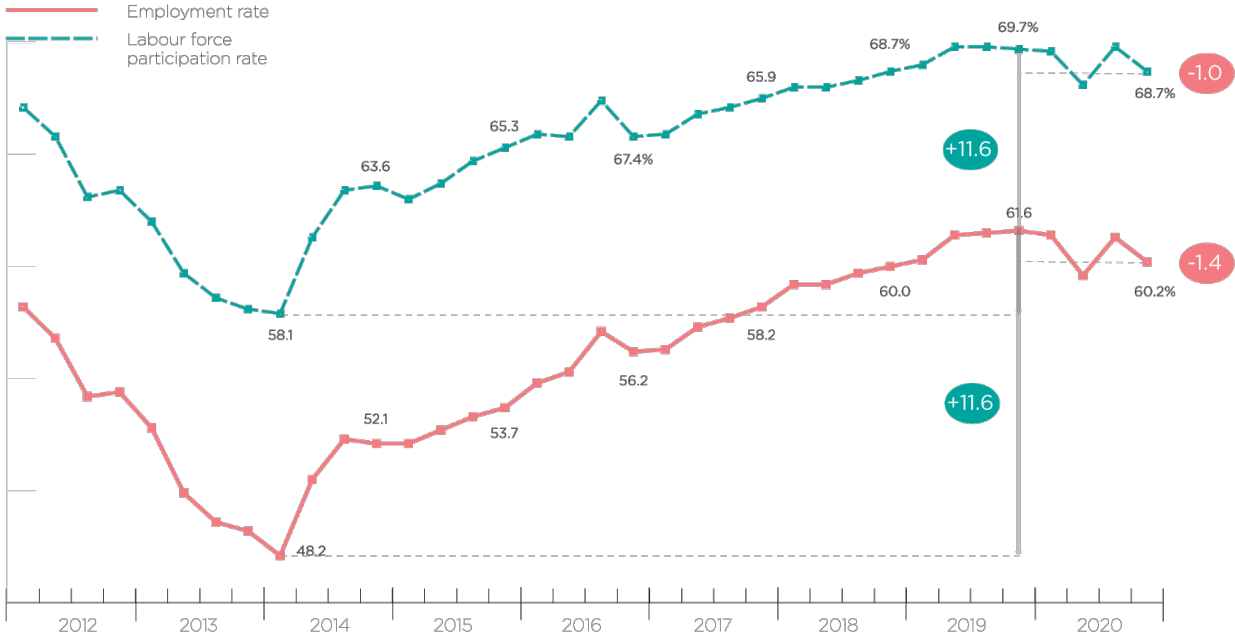
² INSTAT, Labour Force Survey data http://databaza.instat.gov.al/pxweb/sq/DST/START_TP_LFS_LFSQ/

³ *ibid*

employment rate exceeding women’s by almost 15% at the end of 2020. In terms of the employment rate, young people in Albania were not necessarily among those most affected by the labour market deterioration. Youth employment, which already lagged the rest of the adult population, stood unchanged at the same level of 41.2% as in 2019 (46.6% men and 35.7% women)⁴, with a slightly worse outcome for women than men (47.0% men and 35.3% women). Gjirokastra, Elbasan and Fier were the regions in the country with the highest employment rate in Q4-2020, 68.6%, 61.0% and 60.8 % respectively, whereas the regions with the lowest employment rate were Lezha and Durres with 34.2% and 47.6% respectively. Of the 12 regions, only Fier and Tirana saw an increase in employment rates, whereas the regions of Shkodra and Lezha experienced the sharpest declines.

Like employment rates, labour force participation experienced a slight decline of 1 percentage point, standing at 68.7% in the last quarter of 2020 (Fig. 2). The number of participants in the labour market decreased to 1,4 million (37,950 less people than at the end of 2019) of which 44.7% are women and 55.3% are men. Women’s participation had 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 2019⁵. In 2020, the labour force participation of women declined to 60.5%, whereas men’s participation rates declined from 77.7% in Q4 2019 to 77.2% in Q4 2020. Despite the overall positive trends of the past few years, labour force participation rates also remain below EU averages, with a significant gender gap of 16.7%. In 2020, the youth (15-29) participation rate continued to be lower than for the rest of the adult population (51% with a gender gap of 14.5%).⁶

Figure 2: Employment and Labour Force Participation Rates 2012-2020



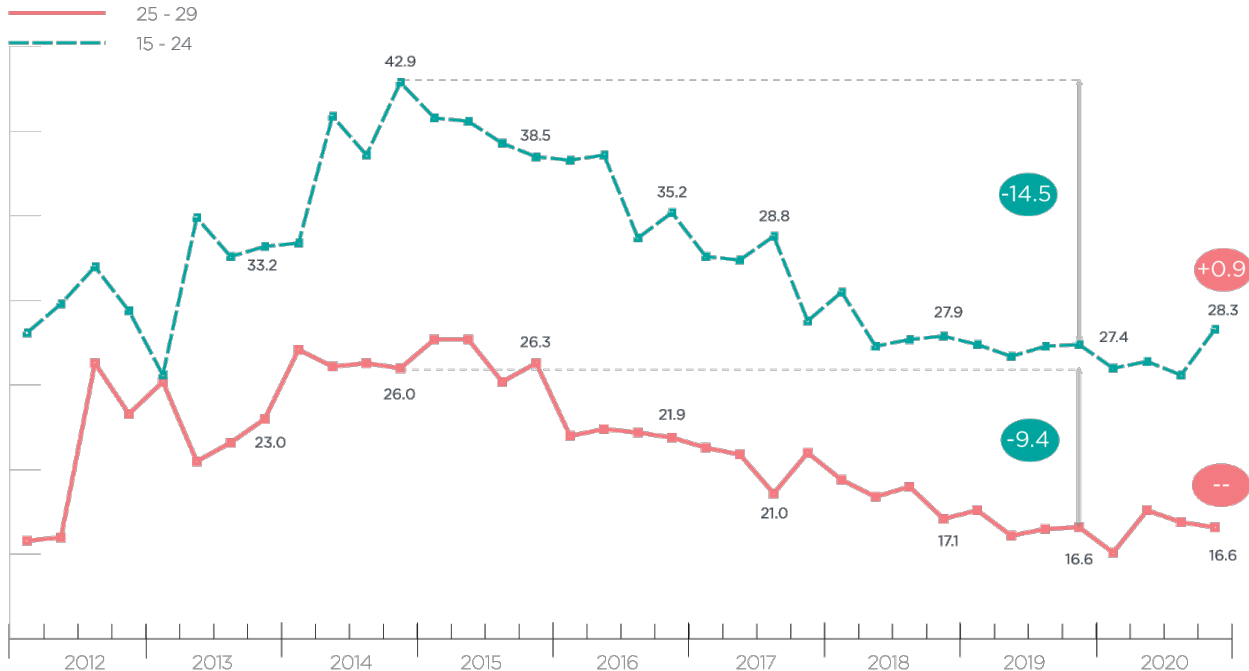
Source: INSTAT, Labour Force Survey

⁴ *ibid*
⁵ *ibid*
⁶ *ibid*

The adoption of labour force retention measures, together with a decline in activity rates, led to only a moderate increase in the unemployment rate, of less than one percentage point by the end of 2020. Unemployment for the 15+ age group reached 11.8% in the last quarter of 2020, with women faring worse than men (12.2% compared to 11.7%). The unemployment rate for the 15-64 age group also increase to 12.3% compared to 11.6% at the end of 2019. Similarly, youth unemployment increased slightly to 21.7% at the last quarter of 2020, 0.3 percentage points more than the previous year. By the end of the year, the number of the unemployed stood at 164,733, only about 5,500 more than in Q4-2019. Registered unemployment increased rather rapidly, from 70,524 in Q4-2019 to 91,452 in Q4-2020. 55% of the unemployed sought employment through public employment services in the last quarter of 2020, highlighting the need for improving the reach and scope of such services.

The pandemic halted the progress in the labour market situation of young people. Youth unemployment had declined steadily until 2019, in line with economic growth and overall labour market trends, 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 had declined from a high of 27.1% in 2014, to 16.6% (Fig. 3). In 2020, the unemployment rate for the 25-29 age group remained unchanged, whereas it increased by 0.9 percentage points for the 15-24 age group. 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 2020, 27.9% of youth were in this category. 35.1% of those classified as NEET are unemployed, 15.2% are discouraged, 16.6% are tending to domestic and family responsibilities, and the remaining 33.1% are inactive for other reasons.

Figure 3: Youth Unemployment Rate 2012 - 2020



In 2020, the **average monthly gross wage for an employee rose to ALL 53,787**, a 2.7% increase compared to 2019. Financial and insurance activities, information and communication, public 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 6.6%. 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.

The national minimum statutory wage increased to ALL 30,000 per month, effective January 2021. In 2020, the minimum wage was approximately 48.3% of the average wage. Following the 2020 increase, the minimum wage stands at 55.8% of the average wage, comparably higher than most EU countries, including France, Slovenia, and Luxembourg⁷. 26.2% of formally employed workers received an average monthly gross wage up to the official minimum wage level.

1.3 COVID-19 policy responses

On March 9, 2020 Albania marked its first cases of COVID-19. As a first response, the Government cancelled all sporting, cultural and other large public events; all restaurants, bars and nightclubs were closed, as were all gyms, recreational areas, children's activity centers and land borders. On 23 March 2020, the Government declared a natural disaster state of emergency due to outbreak.

Despite the lockdown, more than 50% of all economic activity continued at reduced capacity. As cases gradually dropped, on April 27, Albania progressed into a gradual relaxation of measures. By June 1st, most economic activity returned to normalcy, with the exception of public transport and large public and cultural events. With the easing of restrictions, the number of COVID-19 cases increased significantly with more than 78,000 cases and 1,380 casualties by the end of January 2021 (*Fig. 4*).

The government adopted two support packages for people and businesses affected by the COVID-19 pandemic of a combined size of ALL 45 billion (2.8% of GDP), with the ultimate objective of supporting the vulnerable, and creating incentives for companies to retain their workes. The first support package included: (i) additional funding for the health sector in the amount of ALL 3.5 billion (ii) ALL 6.5 billion for the support of small businesses /self-employed that were forced to close activities (iii) ALL 2 billion reallocated toward humanitarian relief for the most vulnerable, (iv) ALL 11 billion (0.6% of GDP) sovereign guarantee fund for companies to access overdrafts. The second support package included: (i) ALL 7 billion (0.4% of GDP) fund to pay for a one-off transfer to employees of small businesses affected (ii) a sovereign guarantee of ALL 15 billion (0.9% of GDP) to provide loans for all private companies that were tax-compliant and solvent before the pandemic.

⁷ EC, Joint Employment Report 2021, accessible at <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8351&furtherPubs=yes>.

For further details on the measures undertaken, the number of beneficiaries, and the respective disbursement, refer to *Tables 1* and *2*.

Figure 4: Evolution of COVID-19 infection March - December 2020

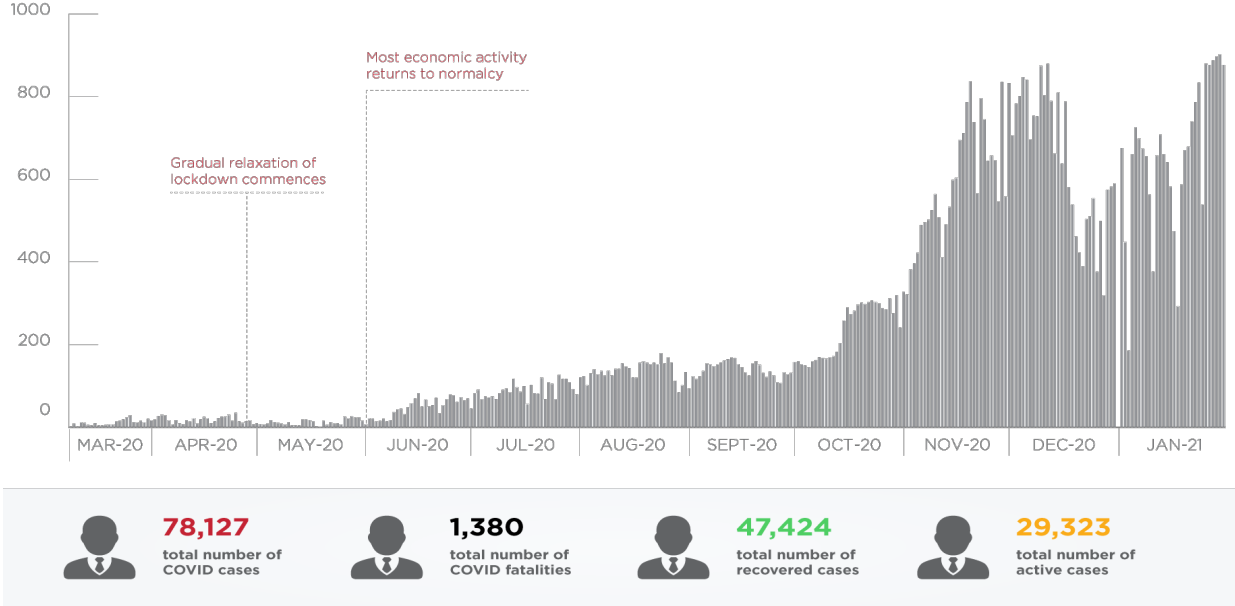


Table 1: Support package 1 – measures, beneficiaries, and funds disbursed until December 31, 2020.

No.	Measure	No. of Beneficiaries	No. of Enterprises	Funds disbursed
1	Wage subsidies in the amount of the minimum wage for April, May, and June for companies with annual turnover of less than ALL 14 million closed down by MoHSP order.	65,570	38,971	ALL 5.11 billion
2	Doubling of social assistance benefits for beneficiary families and individuals for the months of April, May, and June	63,510	N/A	ALL 938 million
3	Doubling of unemployment benefits for existing beneficiaries	6,527 ⁸	N/A	ALL 170 million
	TOTAL	131,539	38,971	ALL 6.2 billion

Source: General Directorate of Taxation, NAES and MoHSP

⁸ This figure refers to the number of payments made as opposed to the number of beneficiaries. The number of beneficiaries gradually declined in the months of April – June 2020 as per eligibility criteria for receiving unemployment benefits.

Table 2: Support package 2 – measures, beneficiaries, and funds disbursed until December 31, 2020

No.	Measure	No. of Beneficiaries	No. of Enterprises	Funds disbursed
1	ALL 40,000 lump-sum payment for all the employees (formally employed at the time) and laid-off employees in enterprises with annual turnover higher than ALL 14 million, closed down by the imposed government restrictions.	9,435	821	ALL 377 million
2	ALL 40,000 lump-sum payment for all employees dismissed during March 10 - April 10, 2020	65,666	10,476	ALL 2.63 billion
3	ALL 40,000 lump-sum payment for all the employees (formally employed at the time) in enterprises with annual turnover less than ALL 14 million and which faced reduced economic activity	68,391	31,746	ALL 2.73 billion
4	ALL 40,000 lump-sum payment for all the employees (formally employed at the time) in all accommodation structures active at the start of the emergency	4,927	1,106	ALL 197 million
5	ALL 40,000 lump-sum payment for all the employees in 2 companies in Ballsh refinery	721	2	ALL 29 million
6	Payments made to companies that have filed complaints and which were found eligible to receive the benefit	23,879	3,611	ALL 955 million
	TOTAL	173,019	47,762	ALL 6.92 billion

To support firms with liquidity, the government of Albania issued a loan guarantee in the amount of ALL 11.0 billion, to be allocated by banks to companies that had difficulties in paying employee salaries. The loan guarantee was available until June 2020, and a total of ALL 5.33 billion were disbursed to 492 companies, mainly in the manufacturing, trade, services, construction and health sectors. A second guarantee was issued in the amount of ALL 15.0 billion, providing loans for working capital and investment for all sectors of the economy. By December 2020, a total of ALL 8.24 billion had been disbursed to 318 companies.

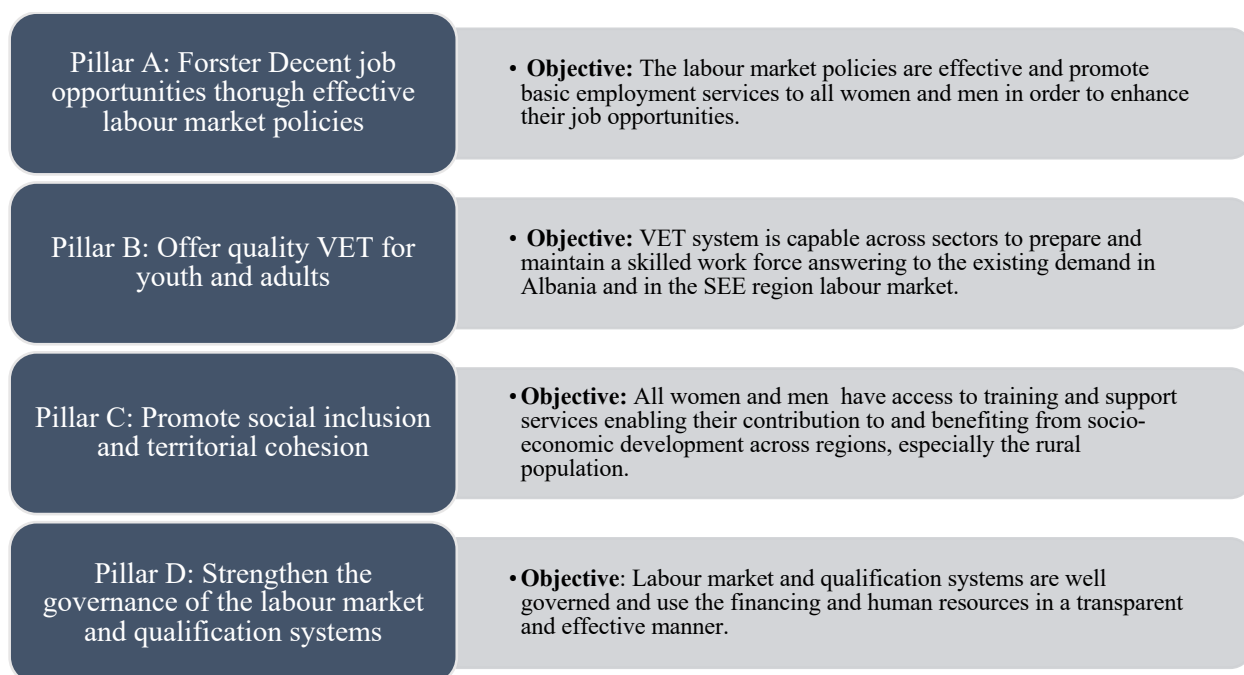
To support the labour market reintegration of those laid off as a result of COVID-19, the Council of Ministers, through DCM no. 608 dated 29.7.2020 approved new EPPs targeting this category of unemployed jobseekers. The program subsidizes wages and compulsory insurance to varying degrees depending on the time of employment and the group of jobseekers. The program will support the unemployed jobseekers who have been employed insured and uninsured and became unemployed due to the pandemic situation. It was launched in September 2020.

1.4 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. In 2019, following the midterm review of the strategy, its implementation timeframe was extended until 2022. The overarching goal of the strategy 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 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 2014-2022, 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.

1.5 Main results and achievements

In 2020, significant results were achieved with regards to the **consolidation of the institutional framework** in the employment and skills development sector. All three key implementing agencies, namely, the National Employment and Skills Agency (NAES), the National Agency for VET and Qualifications (NAVETQ) and the State Inspectorate for Labour and Social Services (SILSS) have undergone **significant structural improvements**.

This process already commenced in 2019 with designing and establishing NAES, which was entrusted to play a crucial role in the governance of the labour market and VET system. The new organisational structure with a total number of 90 staff at the Head Office that was approved the end of 2019, was partially completed during 2020. Similarly, NAVETQ has undergone a restructuring process, which resulted with a new organisational structure of 30 staff (from currently 16). Lastly, SILSS has been subject to improvement of the organization structure in 2020. The restructuring and hiring process in all the three agencies is expected to be completed by 2022.

With regards to the **consolidation of the legal framework**, by the end of 2020, 8 bylaws of the Employment Promotion Law were adopted and in implementation, 12 bylaws of the VET Law and three bylaws to the AQF Law. On the account employment policies implementation, especially the adoption of the ALMPs and the new DCM on the Social Services were crucial to the operationalization of the envisaged reforms. Regarding the VET Law, especially important was the adoption of the bylaw that regulates the activity and functioning of VET providers. Significant improvements were marked in 2020, with regards to the development of bylaws to the VET Law, more specifically with the adoption of the bylaw on the organisation and functioning of VET providers, which introduced the development units, as well as improved hiring modalities.

The implementation of the NESS 2014-2022, as well as the work of institutions entrusted with its implementation **improved** thanks to a **comprehensive monitoring and evaluation frameworks** for all the institutions responsible to implement the employment and VET policies, and the NESS itself. The M&E Framework will help the institutions in charge to improve their performance and facilitate monitoring of the NESS 2019-2022 implementation.

The implementation of the DCM on NAVETQ enabled the institution to consolidate its 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.

Development and implementation of the Albanian Qualifications Framework (AQF) marked good progress in 2020 with the design of 19 occupational and qualifications standards, as well preparation of respective frame curricula, based on a constructive alignment approach. Noteworthy was the commitment of the AQF taskforce towards operationalization of the first Sector Skills Committee and the referencing of the Albanian Qualifications Framework (AQF) to the European Qualifications Framework (EQF).

A key milestone towards offering quality vocational education and training to youth and adults was the **design of core building blocks of the VET quality assurance framework**. Self-assessment, carried out for the second time by all public VET providers in 2020, is at the cornerstone of VET providers' efforts for institutional development and quality. The accreditation that model was developed in 2020, building on the self-assessment results and aligning quality areas and standards is key to ensure quality of vocational qualifications, in line with national and EU standards. In addition, **planning and monitoring capacity building measures** undertaken at **provider level** helped institutions mainstream procedures and improve data collection and analysis.

In addition, the efforts of various actor in the VET sector were harmonized in preparing the **VET optimization plan**. This plan was prepared based on a multi-dimensional analysis of the socio-economic, labour market and assessment of VET providers in the four regions of the country and the respective municipalities. The **VET optimization plan was endorsed** in September 2020 and commenced implementation in October 2020.

Design of the Employment Services IT system and a Labour Market Information System. The abrupt exposure to multiple social challenges and the necessity to provide quick and tailored solutions exemplified the urgency for structured labour market information that informs policy efforts. To provide an overview of the situation in the labour market and inform interventions, in 2020 in the context of social distancing and lockdown situation, regular labour market signals were published and shared with the key institutions and donor agencies, through a continuous monitoring of the changing context. In addition, the IT system of the Employment Services was fully developed in 2020.

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 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 addition, two new programmes to support labour market re-integration of workers laid off during the COVID-19 pandemic were

designed and adopted in 2020. All above mentioned programmes were adopted by the Council of Ministers and commenced implementation.

In the VET sector, **investments through the state budget in the infrastructure of 7 school buildings** continued in 2020 following the implementation of contracts awarded in the previous year. Significant improvement of digital equipment and tools was crucial to facilitate the remote learning process.

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 to 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.

2. Detailed Progress Report

2.1 Strategic Priority A: Foster decent job opportunities through active labour market policies

Strategic Objective A1: Modernization of the Public Employment Service

Result A1.1: Functional reorganization of employment offices based on the National Employment Services Model

Activities		Implementation Status		
		Not initiated	In progress	Completed
A1.1.1	All employment offices reorganized following the National Services Model (one model, same standards, and instruments).			X
A1.1.2	Service manual developed with descriptions of services, standards, and tools of employment offices.			X
A1.1.3	The employment offices staff trained on how to implement the services manual, including counsellors in public employment services, according to the individualized in-depth plan of employment.		X	
A1.1.4	Periodic Employability Plan drafted according to tiers.			X
A1.1.5	Managerial staff of employment offices trained to implement the employability plan for special groups.		X	
A1.1.6	Quality of services from each office verified.	X		
A1.1.7	The public, businesses and private and public organizations informed on the organization of services at three tiers, on the services manual, as well as on the employability plan.		X	

One of the most important and challenging processes for the National Agency for Employment and Skills during 2020 has been the restructuring process at all levels (central, regional, and local). By the end of 2020, the restructuring process for all Regional Directorates and Local Employment Offices was completed, based on the principle of clear division of roles and responsibilities and optimization of work, with the ultimate objective of improving the quality of services provided to jobseekers and employers alike. 40 employment offices have been reorganized and operate with the national model of employment services, and a detailed workflow for all staff has been developed. The revised manual of employment services is conceived as a summary of 10 comprehensive guidelines that encompass all types of services and modalities of provisioning. The manual was consulted with relevant stakeholders and it was endorsed by the Employment Advisory Council at the end of 2020. Training of labour office staff on the implementation of the manual and related guidelines has commenced with the support of ILO and will continue

throughout 2021. The latter are part of a comprehensive capacity development plan for employment offices, which will be fully elaborated through IPA II technical assistance.

One of the strategic objectives of NAES is to increase cooperation with business. RISI Albania has supported NAES to define the approach of cooperation with businesses in a systemic way for all EOs. Initially the methodology was piloted in Elbasan in 2019, and following a thorough review, the implementation of the methodology was expanded in two additional EOs (Durrës and Fier). Results from the implementation in the 3 EOs are very encouraging event in the context of COVID-19. NAES is committed to institutionalize it during 2021. To respond to COVID-19 effects, NAES with the support of RISI Albania, developed an informative package that supports business NAES in this context. The informative package was developed bases on the findings of the joint business survey of RISI Albania with the Albanian Investment Council.

Result A1.2: Modernization of technology infrastructure and systems in NAES

Activities		Implementation Status		
		Not initiated	In progress	Completed
A.1.2.1	Premises of employment offices organized and equipped in accordance with the standards of the National Employment Service Model.		X	
A.1.2.2	The new ICT system piloted and spanned in all the employment offices; it will be accessible for all the MFE institutions and other interested institutions; it will be adaptable so that it can enable categorization of jobseekers who are rearranged in profiles according to the functional statistical reporting module and online application processes.		X	
A.1.2.3	The ICT system designed so it can be used by all the trained staff in the NAES employment offices at all the levels.		X	
A1.2.4	Performance measurement procedures reflected in the new information system for employment services.		X	
A1.2.5	Functional report management module at specialist and office level.		X	
A1.2.6	A digital map developed and functional at the regional and local level, for vacant jobs. It will have coverage over the entire territory of Albania and will be updated continuously with input by employers, NAES and jobseekers.		X	
A1.2.7	A call center established and functional based on the approved methodological manual.		X	
A1.2.8	NES / NAES website completed and updated with all the information for services at the three tiers; it will be easily accessible and user-friendly for all interested individuals.		X	

In the frame of modernizing NAES infrastructure, efforts continued in 2020 to reconstruct and equip employment offices with the physical assets, IT infrastructure, as well as branding and design. By the end of 2020, only 4 employment offices remain in need of reconstruction. The new ICT system was designed during 2020, with most of the modules developed and tested. However, given its complexity, the implementation of the new system will be undertaken gradually (module by module) and a full rollout is expected by mid-2021. The finalized modules have been introduced to employment offices’ staff as they are developed, and related training has been delivered. As the new IT system requires improved technical specifications of IT equipment and networks, an assessment will take place in 2021 with the support of IPA II technical assistance.

Result A1.3: Application of the performance measurement system for provision of labour market programs

Activities		Implementation Status		
		Not initiated	In progress	Completed
A1.3.1	The performance measurement and monitoring system established, set up and applied at all tiers.		X	
A1.3.2	An evaluation document for human resources capacity drafted.		X	
A1.3.3	The medium-term plan on development of human resources for applying the performance system approved.		X	
A1.3.4	Staff trained according to the development plan.		X	
A1.3.5	The NAES and the regional and local employment offices human resources evaluated with performance indicators at all tiers.		X	

During 2020, NAES has worked towards improving its annual performance monitoring system, by developing clear linkages between organizational objectives and roles and responsibilities of staff at all levels at the Head Office. Similarly, at the regional and local level, work processes have been mapped out and complemented with related timelines and responsible staff, leading to improved allocation of human resources. In its efforts to streamline business processes, detailed guidelines have been developed with the purpose improving services, increasing transparency and accountability. Throughout 2020, annual performance indicators and performance cards were the main tools used to assess regional / local employment office performance. From 2021 onwards, performance reports will be generated through the new ICT management system.

NAES has taken action to improve staff capacities at all levels; however, they remain ad-hoc in nature and not necessarily part of a comprehensive staff development plan. The latter will be developed with support of IPA 2015 - Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training.

TAIEX is one of the instruments used by NAES to engage in exchange and peer learning with EU institutions. In 2020, workshops were organized jointly with VDAB, Brussels on the provision of employment and training services in the COVID-19 context.

In addition, with the support of partners operating in the field, multi-level training has taken place on topics such as the changes in the regulative framework, the implementation of new employment promotion programs, the new Employment Services System, etc...

Strategic Objective A2: Expanding the range and outreach of services and active labour market programs (ALMP)

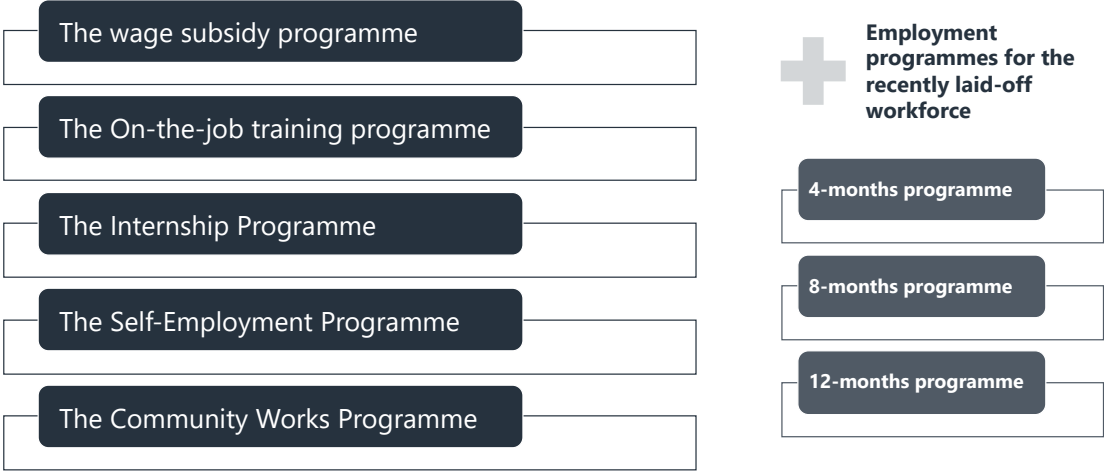
Result A2.1: Developing and diversifying the ALMPs based on the needs of groups with high risk of becoming long term unemployed

Activities		Implementation Status		
		Not initiated	In progress	Completed
A2.1.1	Needs of special groups assessed for support with ALMPs identified.		X	
A2.1.2	Legal and regulatory framework for the implementation of ALMPs reviewed based on law no. 15/2019 to support provision of improved and diversified ALMPs that are adaptable to special regions, on gender and special group issues.		X	
A2.1.3	The self-employment program, designed and implemented.		X	
A2.1.4	A feasibility study conducted for the development, implementation, and analysis of the cost-benefit of an active labour market program that targets young people who are neither employed, nor in education, or in training (NEET).	X		
A2.1.5	The national action plan for the implementation of Youth Guarantee (focusing on NEET youth = not in training or employed) drafted. The Youth Guarantee scheme implemented for beneficiaries of NEET category.	X		
A2.1.6	Active labour market policies improved based on the monitoring results.		X	

In 2020, the Ministry of Finance and Economy, in close collaboration with UNDP, further progress its reform on the EPP portfolio and provisioning, as set out in the National Employment and Skills Strategy. After a thorough review of the Employment Promotion Programmes in 2019, in terms of the degree to which they addressed the needs of the client base of NAES and the implementation procedures, in 2020, the legal and operational framework for the implementation of the reformed EPP packages was completed (*see Figure 5*). The reform aimed to develop and deliver a service

portfolio that is based on a balanced demand and supply oriented approach, recognizing and fostering the potential of various groups of jobseekers through tailored action plans and mediation measures. Beyond the design and approval of the EPPs, operational guidelines were developed for their implementation.

Figure 5: 7 EPPs approved in 2020



The programmes approved in 2020 include:

- (1) On-the-job Training, which targets jobseekers who do not have any qualifications, and trains them at the workplace, providing a subsidy for the duration of 4 months period for all types of professions, based on an approved training plan, and supervised by a trainer of the employer - [\(DCM No. 17, dated 15.01.2020\)](#)
- (2) Wage-subsidy, which is a one-year subsidized employment contract, where the needs of the jobseekers are matched to the profile of the employers, the wage is defined based on the market salary rate, and the duration of the subsidy is defined based on the vulnerabilities of the jobseeker - [\(DCM No. 17, dated 15.01.2020\)](#)
- (3) Internship programme, which ensures quick transition to the labour market of the recent graduates, in the same of similar area of study of recent graduates, for a duration of 6 months - [\(DCM No. 17, dated 15.01.2020\)](#)
- (4) Self-Employment Programme, which is a start your business programmes that provides financial grant and support for unemployed jobseekers, who have a proven, viable and marketable business idea and plan; - [\(DCM No. 348, dated 29.04.2020\)](#)
- (5) Community employment, which is a programme with a clear focus on workforce training and is designed to place the work experience offered near the labour market, and in line with the local employment opportunities, implemented in partnership with community and NGO/voluntary organizations - [\(DCM No. 535, dated 08.07.2020\)](#)
- (6) Active labour market programme to support the labour market reintegration of workers that self-declare to have been informally employed and laid-off as result of the COVID-19 pandemic. This programme subsidizes 12 months of social and health insurance contributions of workers and employers - [\(DCM no. 608, dated 29.7.2020\)](#)

(7) Active labour market programme to support the labour market reintegration of formal workers laid-off as result of the COVID-19 pandemic until June 23, 2020. Wage subsidies (aligned to the minimum wage) for 2-4 months and social insurance contributions for 4-8 months are provided to employers willing to hire recently laid-off workers - ([DCM no. 608, dated 29.7.2020](#))

A total of **4,146 jobseekers** benefited from the EPPs in 2020, of which 2,822 from the reformed EPPs. 68% of the beneficiaries were women and 40% were young women and men (*see Table 1*).

Table 3: Characteristics of EPP beneficiaries

Beneficiaries of the EPPs 2020 (Data from NAES Databases)	Number of beneficiaries	%
Total number	2,822	100%
Women	1,920	68%
Head of households	484	17%
Youth (16-29)	1,121	40%
Beneficiaries of unemployment benefit	313	11%
Beneficiaries of the Economic Aid	125	4%
Long-Term unemployed	336	12%
Roma and Egyptians	111	4%
People with disabilities	25	1%
Returned Migrants	6	0%

580 companies signed contracts with NAES regional offices, out of which 243 benefited from the programmes targeting unemployed due to COVID-19 and the others for the remaining programmes. The majority of EPP' vacancies were targeting the 8-months programmes (1,131). Interestingly, the programme targeting the informal employment was taken up by 560 informal workers, recently laid-off due to COVID-19 (*see Table 4*).

Table 4: EPP beneficiaries by programme type

Type of Programmes (Data from NAES databases)	Nr. of Partner companies	Nr. of beneficiaries
Wage-subsidy Programme	162	340
On-the-job Training programme	90	270
Internship Programme	85	491
4-months employment programme	3	30
8-months employment programme	126	1,131
12 months employment programme for informal workers	114	560
Total	580	2822

Progress was marked also with regards to the self-employment programme, whose approval paved the way for NAES to implement it as part of the EPP portfolio. After more than 3 years after its first piloting, the self-employment programme will be offered to registered unemployed jobseekers around the country in 2021. The operational guidelines were developed and subsequently endorsed

by the Employment Advisory Council. NAES team and employment office staff were trained on the operational aspects of the programme. Additionally, a curriculum for entrepreneurship and business plan development was designed and consulted with the trainers of the VTCs. The curricula were approved, and all the relevant trainers were equipped with knowledge and tools to deliver the training.

NESS 2019-2022 identifies tapping on the potential and knowledge of private VET providers as a crucial method for expanding coverage of skills development. Channelling of public funds to the private training market has been identified as a viable opportunity particularly in the non-formal training market. RISI Albania in close collaboration with MFE, NAES, UNDP/SD4E, and GIZ ProSEED has contributed to the development of the necessary modalities for enabling the channelling of public funds into the non-formal training providers. RISI Albania provided the international expertise (from the Swiss Federal Institute for Adult Education) to design the framework modalities based on international and regional practices. Work on this is expected to continue in 2021.

Result A2.2: Improvement of the planning and implementation process for employment promotion programs, in order to improve their efficiency and impact

Activities		Implementation Status		
		Not initiated	In progress	Completed
A2.2.1	Methodology (procedures) of prioritizing funds based on the scope of implementation of programs for employment promotion, developed and approved by the MFE.			X
A2.2.2	Funds distributed according to priorities and employability plans.		X	
A2.2.3	Programs promoting employment implemented throughout the country, effectively and efficiently, and gender equality provided, including contracting.		X	
A2.2.4	Application criteria and evaluation scoring reviewed periodically.		X	

At the beginning of 2020, the state budget for the implementation of EPPs was initially set at ALL 390 million, a significant decline from the past three years when EPP funds stood unchanged at ALL 490 million. The onset of the pandemic and the initial job shedding that ensued, highlighted the need for a rapid response. Thus, in the mid-year budget revision, the government allocated an additional ALL 200 million for EPP implementation, bringing the overall budget to ALL 590 million. The methodology for the allocation / distribution of EPP funds was prepared and approved (Instruction on the Minister No. 25, dated 16.06.2020), based on selected criteria.

Despite the government commitment and prioritization of EPPs in the context of declining government revenues, implementation challenges have persisted throughout the year, leading to an unprecedented low level of fund utilization. Only ALL 70.4 million were disbursed in 2020 (see table 5), whereas overall contractual commitments amounted to ALL 327 million (carried over to 2021). Implementation challenges relate to the COVID-19 outbreak, but not only. On one hand NAES is an institution in restructuring, experiencing growing pains, and with limited capacities to cope with the rapid changes. On the other hand, the EPPs themselves, be that in terms of design (duration, eligibility criteria for employers and jobseekers) or implementation modalities, have faced significant resistance by employment offices and employers alike. In this regard, the need for immediate capacity support is evident. Furthermore, it ought to strike a balance between its efforts to streamline business processes and performance (in terms of actual beneficiaries it serves).

Table 5: Disbursement of EPP funds by programme

Type of Programmes (Data from NAES databases)	No. of beneficiaries	Funds Disbursed (ALL)
DCM 17 - Wage-subsidy Programme	341	510,363
DCM 17 - On-the-job Training programme	273	2,221,986
DCM 17 - Internship Programme	491	1,279,678
DCM 608 - 4-month employment programme	30	606,265
DCM 608 - 8-month employment programme	1,129	26,381,493
DCM 608 – 12-month employment programme for informal workers	563	792,957
DCM 873 - Internship programme (former)	717	26,784,626
DCM 162 – Vocational training for NE beneficiaries (former)	602	11,854,181
Total	4,146	70,431,549

Strategic Objective A3: Guarantee decent jobs by strengthening the role and function of labour inspection

Result A3.1: Strengthening the inspection system and guaranteeing coverage of the whole territory with this system

Activities		Implementation Status		
		Not initiated	In progress	Completed
A3.1.1	A modern and professional inspection system set up throughout the country. It will guarantee enforcement of the labour legislation and occupational health and safety.		X	
A3.1.2	The sub-legal framework for occupational health and safety approved.		X	

A3.1.3	The practical Guidelines for inspection, based on the European Code of Inspection approved.	X		
A3.1.4	The Program on Integrity and Prevention of Corruption at the State Labour Inspectorate approved and applied.			X
A3.1.5	Action Plan for training in the State Labour Inspectorate approved and implemented.		X	
A3.1.6	Mechanisms set up for exchanging information with other implementing agencies (NES, tax offices), aiming to improve coverage of economic units and employees.		X	
A3.1.7	The existing legal and regulatory framework for job inspection adjusted with the EU directive on sanctions to employers who employ migrants without proper documents.	X		
A3.1.8	The role of the State Labour Inspectorate empowered to enforce obligations set by the law on employment promotion and the Labour Code.			X

In 2020, the State Inspectorate of Labour and Social Services (SILSS) continued to carry out inspections through the e-inspection portal. In addition, SILSS developed a matrix that includes all inspection and decision-making functions. This matrix, a comprehensive inventory of the legal and regulatory framework on labour inspection, as well as increased accessibility by all the actors (companies, organizations, inspectors) aim to improve labour inspection effectiveness and strengthen its regulatory role. In addition, it supports SILSS's implementation of the Program on Integrity and Prevention of Corruption.

In the frame of the ESAP II project the RCC and the ILO have supported the online system. To enhance the performance of the transparency platform, several new functional technical solutions have been developed for improving the selection procedure for the subjects of inspection based on a risk assessment module. As a result, SILSS has started to work on adding additional features to the online system, enabling:

- a) self-declaration by employers
- b) monitoring of informally employed workers identified in the inspected entities (employers) to promote their formalization
- c) development of mechanisms that improve awareness, processing of claims, identification of labour market informality.

Albania's legal framework on occupational safety and health is comprehensive and aligned to specific requirements of the EU Acquis. Over the years, a total of 25 regulations have been adopted

on issues related to health and safety at work. The Occupational Safety and Health Policy Document 2016-2020 needs to be reviewed with the participation of all key actors: government institutions, and social partners, with the aim to increase the number of actors that are actively involved in promoting occupational health and safety at work. In the context of Chapter 19 of the EU Acquis, periodic updates of the legal gap analysis of Albanian legislation vis-à-vis EU legislation of occupational health and safety at work are undertaken.

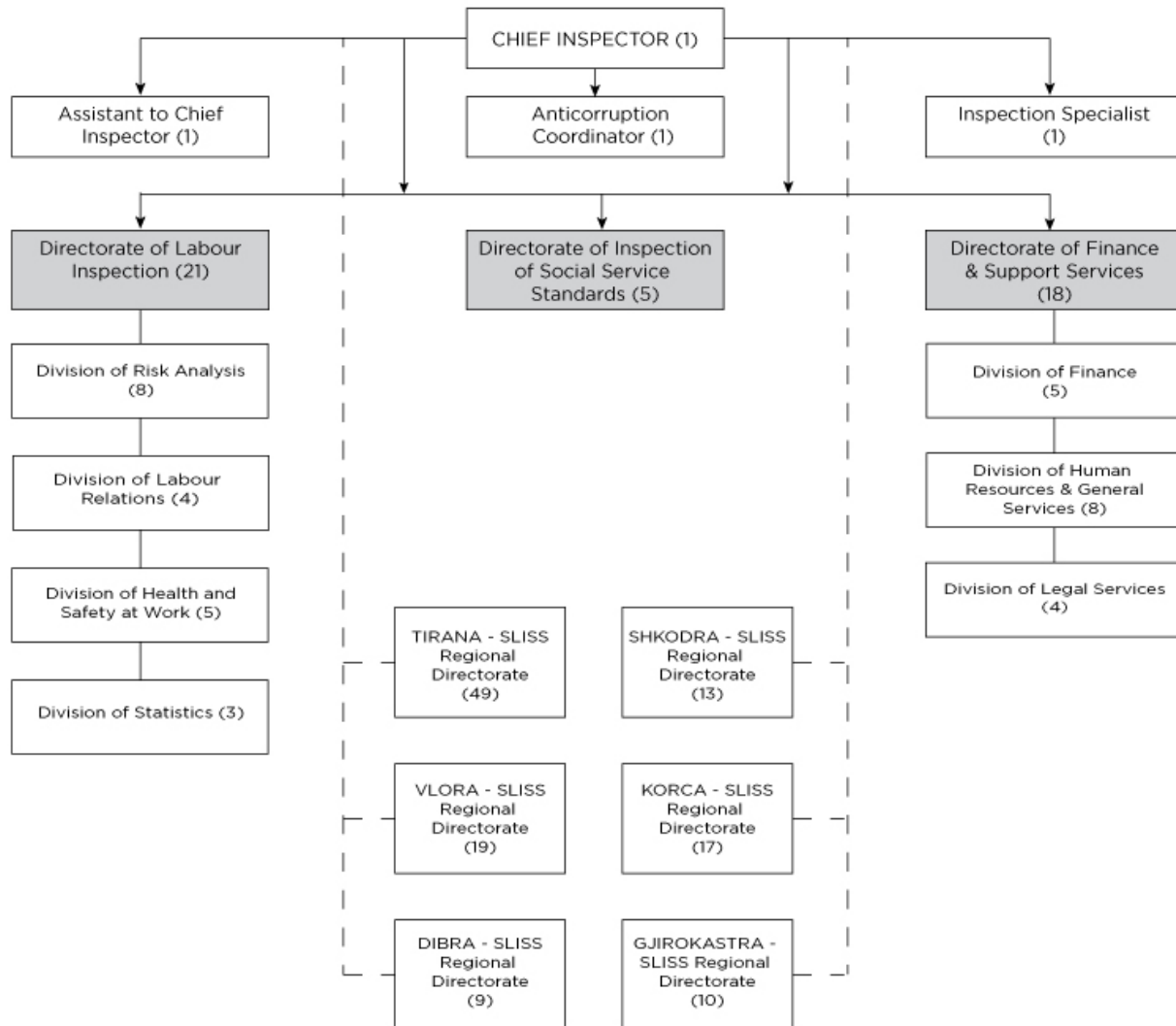
In response to the COVID-19 pandemic, lockdown and safe return to business operations, the ILO and SLISS worked together on the following areas related to occupational health and security in the workplace (OSH):

- 60% of the state labour inspectors trained on ILO OSH anti COVID standards and Government of Albania red protocols in the workplace and all the State Labour Inspectorate inspectors and offices were provided with personalized PPEs and the ILO OSH COVID 19 publications.
- OSH councils in 40 footwear and garment companies were advised and supported in complying with the ILO and GoA OSH standards for a safe resumption and continuation of operations.
- 6 national trainers from the Albanian OSH Center and State Labour Inspectorate trained on the ILO standards on OSH and COVID-19 ensuring for a sound and sustainable transfer of the relevant know-how.

From an institutional perspective, the SLISS carried out an internal functional assessment which ultimately resulted in the revision of its organizational structure (*Fig. 6*). In parallel, capacity development efforts are ongoing, largely through donor supported interventions (World Bank, ILO, and AFD).

We are waiting for the completion of the restructuring process of the AIS, as well as with the support of the World Bank and the French Development Agency (AFD) a review of the Verification Lists will be carried out, according to the types of activity, based on which draft a practical inspection guide.

Figure 6: SLISS Organizational Structure



Result A3.2: Inspecting and monitoring the activity of private agencies for temporary employment

Activities		Implementation Status		
		Not initiated	In progress	Completed
A3.2.1	Local partnerships which include private employment agencies together with other partners.	X		
A3.2.2	Private employment agencies regularly report to the respective authorities in charge, in a transparent way, on all services offered to the population (women and men) in Albania and abroad.	X		
A3.2.3	There will be accurate and available statistics on the number of Albanian	X		

	citizens (women and men) who have been offered employment.			
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Strategic Objective A4: Developing and implementing the monitoring model for active labour market programs (ALMP) sensitive to gender issues

Result A4.1: Establishing and approving the monitoring model for ALMPs

Activities		Implementation Status		
		Not initiated	In progress	Completed
A4.1.1	The methodological framework for evaluation and monitoring drafted for the ALMPs.		X	
A4.1.2	Instruments improved for monitoring inclusion of special groups in ALMPs.	X		

With UNDP support, a framework for the monitoring and evaluation has been developed. It intends to collect, compile, and provide information in a systematic, consistent, logical sequencing and easily accessible manner by decisionmakers, to closely monitor the delivery of employment and VET services. In relation to ALMPs, this framework envisages the monitoring of indicators at outcome, intermediate outcome, output, interventions, and inputs levels (e.g., percentage of jobseekers employed after ALMP participation, % of jobseekers that feel satisfied from ALMP participation, average earnings, % of jobseekers that apply to vacancies, etc.) Whereas the M&E framework was developed through a lengthy consultation process with MFE, NAES and NAVETQ and it was finalized in early 2020, it has yet to be integrated and utilized by the institutions for yielding results. The work for developing improved monitoring instruments has yet to commence.

Result A4.2: Implementing the monitoring plan for the ALMPs

Activities		Implementation Status		
		Not initiated	In progress	Completed
A4.2.1	The monitoring structure for the active labour market programs set up.		X	
A4.2.2	Active labour market programs periodically monitored based on standardized indicators.		X	

The monitoring structure at central NAES has been established and staffed. During 2020, monitoring activities have been carried out; however, they embody mainly “control” features as opposed to monitoring of performance indicators as envisaged in the new methodological framework.

Result A4.3: Preparation of ALMPs monitoring reports

Activities		Implementation Status		
		Not initiated	In progress	Completed
A4.3.1	ALMPs monitoring reports		X	

See reporting on A4.2.

Table 6: Strategic Priority A - outcome level indicators

Strategic Priority A: Foster decent job opportunities through active labour market policies						
Indicators	Baseline (2019)	2020	2021	2022	Frequency	Responsibility
Share of registered unemployed jobseekers (JS) in employment following levels 1, 2, and 3 of employment services	42.8%	30.7%			Annually	NAES
Average duration in unemployment (months)	n/a	n/a ⁹			Annually	NAES
Number of vacancies announcements in PES	50,785	25,141			Semi-annually	NAES
Share of registered jobseekers receiving levels 1, 2 and 3 of employment services	n/a	n/a ¹⁰			At any time	NAES
Share of the unemployed registered with PES (EU budget support indicator)	44.6% (2019)	A: 50.3% T: 46.3%	A: T: 48.8%	A: T: 51.3%	Annually	NAES INSTAT
Share of unemployed jobseekers in employment following ALMP participation	55% (2018)	A: T: 56%	A: T: 57%	A: T: 58%	Annually	NAES
At least 50% of ALMP beneficiaries are women		T: 50%	T: 50%	T: 50%		
Share of unemployed jobseekers in employment in the same sector, following ALMP participation	n/a	n/a			Annually	NAES
Share of unemployed jobseekers that successfully complete ALMP programme	72.8%	36.4%			At any time	NAES
Share of unemployed jobseekers that participate in ALMPs and vocational training	18.3% (2018)	19.8% (2019) 13.8% (2020)	A: T: 21.3%	A: T: 22.3%	Semi-annually	NAES

2.2 Strategic Priority B: Offer quality vocational education and training to youth and adults

Strategic Objective B1: Optimize VET providers at the individual and network level to ensure a qualitative and diverse offer

Result B1.1: Diversification of the VET offer, aligned with labour market needs

Activities		Implementation Status		
		Not initiated	In progress	Completed
B1.1.1	The VET offer diversified to reflect market needs, migration and demographic trends and principles of		X	

⁹ This indicator can only be measured after the New Employment Services System is fully operational

¹⁰ See Above

	multi-functionality, equality, diversity and flexibility.			
B1.1.2	An offer updated based on the labour market needs.		X	
B1.1.3	A report on the capacities of VET providers regarding the provision of post-secondary vocational qualifications.		X	
B1.1.4	Post-secondary vocational qualifications selected from the providers.		X	
B1.1.5	Consolidated legal framework for RPL. (Recognition of Prior Learning)		X	
B1.1.6	The RPL implementing institutions have a clear division of roles in applying RPL.	X		
B1.1.7	Priority sectors for RPL implementation have been identified.	X		
B1.1.8	The RPL is piloted in two occupations.	X		

Updating and expanding the VET offer in line with the labour market needs is an ongoing process, which continued in 2020, despite the difficulties imposed by the pandemic. In this context, NAVETQ, based on the findings of labour market studies and in cooperation with the Union of Chambers of Commerce and the private sector in general has drafted 19 occupational standards, of which 4 regional occupational standards for the 6 Western Balkans countries. In addition, 19 standards of vocational qualifications have been developed and / or revised, and 23 frame curricula have been drafted, revised, and improved, for levels 2-5 of the AQF. NAVETQ has been supported by S4J in revising the frame curricula for five vocational qualifications in Electrotechnics and six in ICT – with the involvement of relevant private sector representatives. 3 new profiles are planned to be offered in the 2021-2022 academic year including programming, multimedia, and mechatronics. Furthermore, office administration will be offered as a new profile following the revision of the curriculum in collaboration with Deloitte Albania & Kosovo. Lastly, soft skills modules are embedded in applied curricula and are being piloted in 2 schools in Vlora and Tirana.

S4J customised a virtual learning platform in Albanian and made it available for all VET providers. During 2020, 5600 users registered, and more than 600 teachers were trained on using the platform. Continuous coaching and mentoring were provided to platform users during the pandemic. Furthermore, it supported the provider-based graduate tracing in 10 VET providers. Findings from this process will inform NAES's efforts of reviewing the methodology of graduate tracing at the national level (to be used for the 2019-2020 graduate cohort).

The Austrian Agency for Education and Internationalisation (OEAD) in the frame of the AL Tour Project, financed by the Austrian Development Cooperation, has supported creation of digital teaching and learning materials, especially in the context of remote/ online learning. Altogether 24 teaching and learning materials were prepared to help teaching and learning in vocational programmes in the tourism sector. An important feature of all materials was balanced gender representation and gender-balanced language in the texts.

To increase the quality of short-term vocational training programmes that are offered by public Vocational Training Centres (VTC), a series of measures were undertaken by NAVETQ and NAES. 35 curricula were developed by NAVETQ in the period 2018-2020. In addition, 10 new unified vocational training programmes were developed in 2020. With the support of GIZ, a guideline for VTCs on how to develop short-term training programmes was developed, and 24 additional new programmes were revised/developed by VTCs on that basis. A digital skills curriculum for jobseekers was developed, with the support of GIZ, based on characteristics and needs of the jobseekers. This curriculum will be implemented in collaboration with other partners. In addition, GIZ supported the national curriculum on Mechatronics (AQF level 2) and its implementation started at MFC Kamza in the 2020-2021 academic year.

2020 witnessed the maturity and consolidation of several interventions to improving the quality of non-formal training opportunities available to young people. RISI Albania partnered with 8 private non-formal training providers and supported them to improve their training offer for young people interested in developing their careers in the tourism and ICT sectors. Ultimately these models of private non-formal training provision have upscaling potential. The COVID-19 context revealed the need for a steady supply of digital skills, prompting RISI Albania to support the accelerated transition towards blended learning and innovative programs.

For the first time, a public VET provider, the Technical Economic School of Tirana, based on a detailed sector labour market analysis and existing capacities, launched a post-secondary VET programme in Fashion Design at the level 5 of the AQF. 18 students are enrolled in this programme. Based on dialogue with the private sector, facilitated by S4J, the need for two additional post-secondary programmes (auto-service and diagnostics) has been identified in Berat and Vlora.

The implementation of the recognition of prior learning is depending on the adoption of the respective Decision of the Council of Ministers, which is drafted and submitted for approval, thus conditioning the implementation of the activities B1.1.6, B1.1.7 and B1.1.8.

Result B1.2: Reorganization of providers' network taking into consideration matching the offer to the regional demand.

Activities		Implementation Status		
		Not initiated	In progress	Completed
B1.2.1	Findings from providers performance evaluation.			X
B1.2.2	Roadmap of operations and reorganization of VET providers' network.			X
B1.2.3	The legal framework for the functioning and organization of VET providers adopted.		X	
B1.2.4	Providers' infrastructure improved based on the completed investments.		X	
B1.2.5	Organizational structures of VET providers approved and implemented		X	

B1.2.6	Developed and operational development units across all VET public providers as part of the structure		X	
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To address one of the key priorities for the development of the VET sector, a working group was established in early 2020 by the Minister of Finance and Economy to prepare, coordinate and accompany the process of optimisation of the VET providers’ network. In this context, to provide the necessary input for the discussion and the VET optimization plan, a comprehensive analysis of the socio-economic context, the labour market and a detailed analysis of each VET provider was carried out, with the support of UNDP. The analysis embodied four criteria for the optimisation: 1) the social-economic background of the region; 2) employment by sectors and occupations; 3) VET providers’ performance over the years; and 4) coverage by each VET provider.

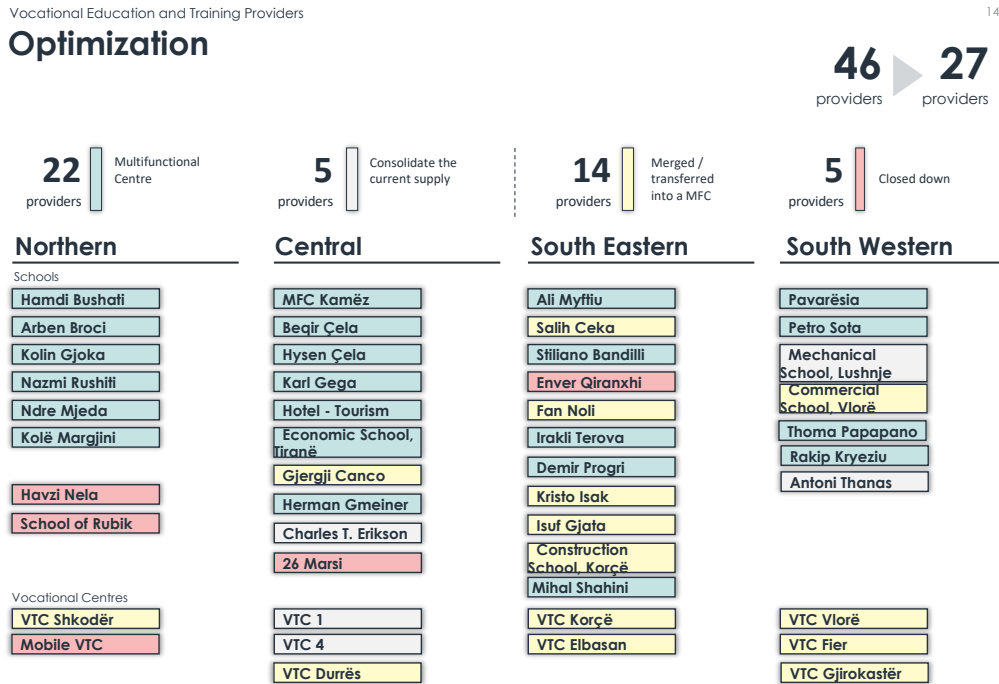
For the analysis of the socio-economic, demographic and labour market context, LFS as well as administrative data from public institutions were scrutinized. The assessment of VET providers was carried out based on the same benchmarking criteria applied in the baseline study conducted by ETF and GIZ in 2014. Further, the analysis included demographics (no. of female students, no. of Roma/Egyptians students, no. of students from rural areas) of the current students attending VET schools throughout the country. Coherence and continuity was ensured by taking stock of all relevant studies conducted in the last seven years, including the GIZ/VET baseline survey, the concept for a comprehensive VET reform conducted by UNDP/SD4E in 2015, the IPA 2013 Draft National Development Plan for VET, the results provided by S4J from the work with its partner institutions, and the most recent studies, one commissioned by the German Development Bank (KfW) to identify investment needs in VET¹¹ and the review of the VET system in Albania by UNDP on a macro level VET system review¹².

Based on the analysis of the context and the assessment of VET providers internal efficiency and external effectiveness, the plan for the optimization of the VET providers was finalized by the working group (MFE, NAVETQ and NAES) and endorsed by the Minister of Finance and Economy in early September 2020. The optimisation plan includes scenarios and recommendation for the VET providers’ network at national and regional level (*see Figure 7 below*).

¹¹ Vocational Education and Training in Albania: Phase II – Study to assess investment needs in Albania

¹² Review of Albania's Vocational Education and Training System, https://www.al.undp.org/content/albania/en/home/library/crisis_prevention_and_recovery/review-of-albania-s-vet-system.html

Figure 7: The optimized VET providers' network



After the official endorsement by the Minister, the working group was entrusted with clear tasks for the operationalization of the optimization plan: 1) development and / or revision of relevant bylaws; 2) development of the organisational structure of each optimized VET provider; 3) Assessment of needs for resources in the optimized VET providers; and 4) cost-benefit analysis of the optimisation process. With the support of UNDP, in the last quarter of 2020, the bylaw on the organization, functioning and activity of VET providers was thoroughly revised, consulted with VET providers and other stakeholders, including the Ministry of Education and its agencies. This process was informed and benefited from the experiences of various projects that operate at provider level). This bylaw is expected to be adopted within April 2021. The optimization plan is expected to be fully implemented within 2022.

S4J has provided technical support, consolidation and knowledge sharing along all functions of Development Units (DUs) in 10 VET providers. More specifically, the providers were engaged to develop DU annual plans inclusive of roles and responsibilities and performance indicators for each function and the unit itself. In addition, 10 communities of practice have supported peer learning and knowledge exchange among coordinators and heads of DUs. Providers have been coached to implement marketing plans with a stronger focus on digital marketing, and to design and apply project proposals aligned with provider strategic goals and context analysis. The 10 DUs are exercising their career guidance function in collaboration with EOs. Lastly, S4J has supported the tracing, curriculum and CPD coordination functions.

Further, OEAD provided targeted capacity building measures to business relations coordinators. A manual on quality criteria for the cooperation between schools and business have been developed and distributed to all VET providers. Business relations coordinators from 21 VET providers received dedicated training, while business relations coordinators of AI Tour Project

partner schools (Saranda, Korça, Durrës and Pogradec) were supported through intensive coaching and on-the-job-training.

Investments in infrastructure in VET providers amounted to ALL 956 million. No new investment contracts were awarded, and all investment had been initiated in 2019¹³. In relation to the much-needed infrastructure investments in the VET sector in Albania, KfW is enquiring and generating funding and co/funding opportunities to support such investments which are aligned with the optimization plan. These efforts derive from KfW’s assessment of investment needs in the VET sector undertaken in 2019. In 2020, the design of MFC Kamza was transformed in operational procedures and the approval process of building permits with the relevant authorities was initiated. The Prequalification evaluation report for the construction was finalized and sent out for the respective approvals whereas the Construction Tender was under preparation.

Through S4J, investments in infrastructure were focused in 4 providers to supply them with the needed digital infrastructure for online/distance learning. Similarly, GIZ’s ProSEED project has equipped workshop in the VTCs in Tirana, Vlora, Fier, Gjirokastra, and Shkodra.

Strategic Objective B2: Improve the VET information management system

Result B2.1: Analysis of the current situation of the information system/systems that operate in VET

Activities		Implementation Status		
		Not initiated	In progress	Completed
B2.1.1	Report on the current situation of the VET information management system.		X	
B2.1.2	Recommendations for establishing a unified VET information management system.		X	

In 2020, NAES carried out a preliminary analysis of the status of the VET Management Information System (VET MIS). The fact that most data and information at provider level are processed manually, became even more evident and problematic in the context of online / remote learning. Whereas the Centre for Education Services has commenced work to develop an integrated information system for the entire pre-university system, including upper secondary vocational schools, there are feature that are exclusive to the VET sector that cannot be sufficiently addressed.

Pilots of VET MIS systems are already available, most notably the “Impro” MIS developed by the Skills for Jobs (S4J) project in 2019, which has been tested and taken over by NAES for public VTCs. At the end of 2020, NAES, with the support of the S4J project, has started to develop an application that facilitates and ensures collection of official administrative data on VET. This application will provide solutions on the following:

- efficient management of the data collection and reporting process

¹³ Infrastructure investments continued in the following providers: Economic School in Tirana; Beqir Cela, Durres; 26 Marsi, Kavaje; Sali Ceka, Elbasan; Mihal Shahini, Cerrik; Stiliano Bandilli, Berat; Thoma Papapano, Gjirokaster.

- increased accuracy of collected data
- generation of automated reports, based on users' needs (at the VET provider and the system levels)
- visualization and increased use of data for managerial purposes (through VET providers' and NAES websites, sharing of VET providers' results in real time)
- collection of *ad hoc* data and generation of reports

The application includes 6 (five) modules: 1) the Students Module; 2) the VTC Trainee Module; 3) the Teacher Module; 4) the Company Module; 5) the Infrastructure / Equipment Module; and 6) VET offer. The work to revise reports and visualize data, as well capacity building of responsible staff is foreseen for 2021. This software is expected to be utilized by 34 VET schools and 10 VTCs.

The IPA 2015 “Technical assistance to support the reform on employment policies and vocational education and training” is also analysing the context and will support MFE and the other institutions in the development and roll-out of the VET MIS System.

Result B2.2: Defining the VET information management model / system

Activities		Implementation Status		
		Not initiated	In progress	Completed
B2.2.1	Unified VET information management system defined	X		

This activity has not been initiated.

Result B2.3: Creating a unified information management system in VET

Activities		Implementation Status		
		Not initiated	In progress	Completed
B2.3.1	Unified VET information management system updated.	X		
B2.3.2	Staffing capacity at national and provider level consolidated.	X		

This activity has not been initiated.

Strategic Objective B3: Provide vocational education and training based on the quality assurance framework in the VET system

Result B3.1: Establishing and implementing a process of accreditation for public and private VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B3.1.1	Accreditation model of VET providers and programs approved.		X	

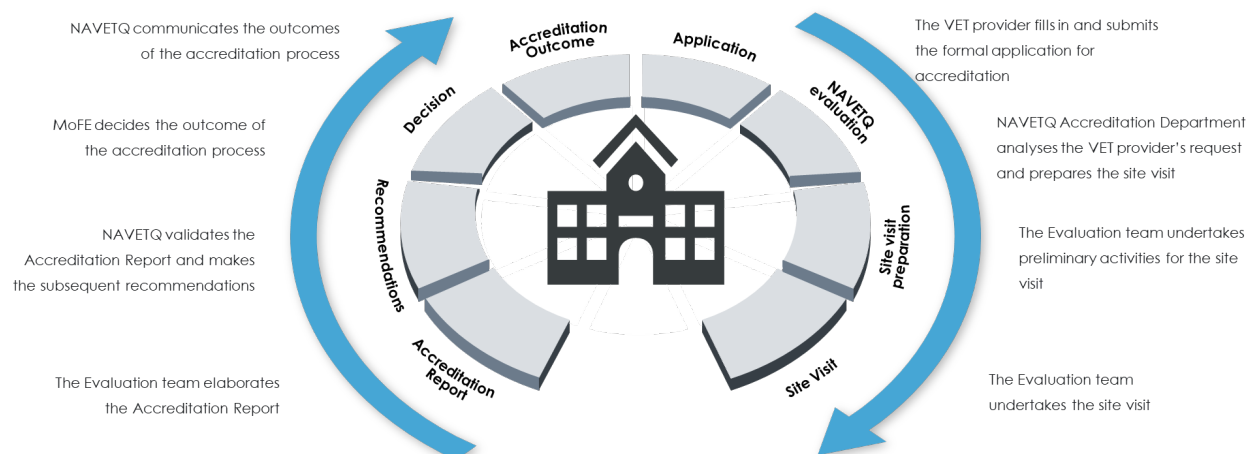
B3.1.2	Capacities of staff engaged in the accreditation process consolidated.	X		
B3.1.3	VET providers (public and private) are accredited or under process of accreditation.	X		

In 2020, NAVETQ in collaboration with UNDP international expertise, designed the accreditation model for VET providers, which includes roles and responsibilities of institutions for the accreditation, standards and criteria, accreditation procedures, as well as a road map for to support the accreditation process roll-out. The proposed model was thoroughly consulted internally within NAVETQ, as well as with MFE, NAES, pre-university institutions, social partners, and public and non-public VET providers. The model and results from the consultations are supporting the development of the legal framework for the implementation of the accreditation. The accreditation model complements the self-assessment process, already introduced among all public VET providers, in the following aspects:

- Both quality assurance processes evaluate the same 5 quality areas: 1) Management and organization. 2. Relationships and cooperation. 3. Implemented curricula. 4. Teaching and learning. 5. Assessment), divided in sub-areas, indicators, and criteria (descriptors).
- The accreditation model considers the differences in purposes: self-assessment is internal, continuous, less formal, more friendly, focused on processes and aiming, mostly, improvement; evaluation for accreditation is external, a one-time event, limited in time, more formal, less friendly, focused on results and accountability.
- Self-assessment and accreditation processes should support each other: both processes should use the same data and evidence base, self-assessment will need to offer evidence for accreditation and accreditation, in turn, should inform self-assessment to increase its objectivity and relevance for improvement.

The proposed accreditation process is undertaken at two levels – national level and VET provider level. Main institutions involved at the national level are NAVETQ and MFE.

Figure 8: The accreditation model and processes



Result B3.2: Improvement of licensing and monitoring procedures for private VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B3.2.1	Licensing procedures for private VET providers reviewed and approved		X	

MFE and NAES share the responsibility for licensing private VET providers with the National Business Centre. The licensing procedures are regulated by a dedicated Law and respective bylaws. In the period 2009 – 2020, 852 private training providers have been licensed countrywide, with 62% of them located in Tirana. The number of applications for licensing increases steadily.

In 2020, NAES has reviewed existing procedures for the licensing and functioning of private training providers. Based on the experience of contributing to the licensing and monitoring of licensed providers, NAES has reviewed the bylaw on procedures of application for vocational training licenses by private entities, which will be considered by MFE for potential amendment.

In its capacity as monitoring body, NAES continued to monitor private training provider. However, there is a need to significantly improve the monitoring procedures and tools.

Result B3.3: Strengthening the inspection function of VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B3.3.1	The unit responsible for inspection, as well as the inspection standards and procedures defined	X		
B3.3.2	Plan for periodic inspection of VET providers implemented	X		

The draft DCM on the standards, criteria, and procedures for the inspection of VET providers was drafted with the support of UNDP, and internally discussed at MFE. However, the adoption of this bylaw is closely linked to the restructuring process of the Ministry, as a responsible department (division) within MFE has yet to be established.

Result B3.4: Consolidation of the self-assessment process for public VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B3.4.1	VET public providers' self-assessment reports		X	
B3.4.2	Self-assessment process recommendations reflected in the providers development plans		X	

In the frame of internal quality assurance of VET providers, NAVETQ and MFE, in collaboration with UNDP have improved the Self-Assessment Guideline and organized four regional meetings with directors and self-assessment teams of public VET providers to discuss the implementation

of the self-assessment, and to develop solutions to improve the process. The coaching and consultation process was interrupted by COVID-19 outbreak in early March 2020, causing a delay in the finalization of the self-assessment process and reports. Nonetheless, all public VET providers finalized the self-assessment reports on one to two quality areas by September 2020. S4J and AI Tour projects provided coaching to the respective project partner VET providers to implement the process and to prepare comprehensive reports. The self-assessment reports and results were utilized to develop strategic plans (3 providers) and annual plans (10 providers). In addition, NAVETQ, with the support of OEAD, developed a manual on gender relevant elements in the process of self-assessment.

Upon NAVETQ’s request, the SD4E Programme of UNDP has developed an online platform to support VET providers in the implementation of the self-assessment process. In addition, with the support of OEAD, NAVETQ has organized meetings with VET providers on how to make use of self-assessment results to improve the quality culture in the activity of VET provider.

GIZ’s ProSEED carried out 2 tracer studies of VT graduates in Shkoder, Korce, Durres, Gjirokaster.

Result B3.5: Setting up a monitoring system for public VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B3.5.1	The unit in charge of monitoring VET providers established		X	
B3.5.2	Plans for periodic monitoring of public VET providers drafted and implemented		X	

The unit in charge of VET monitoring is now in place within NAES. One of the first initiatives has been an onsite visit in all VET providers. This stocktaking exercise in the process of optimization of VET providers. S4J and UNDP’s SD4E have jointly developed a monitoring framework for VET providers, and NAES has integrated it in the IT Management System. In addition, NAES’ statistical programme and indicators have been revised has been revised to include indicators on the VET schools. ProSEED and S4J are jointly supporting NAES to unify the tracing methodology at VTC level.

Strategic Objective B4: Strengthen connections between learning and work and facilitate transition to work

Result B4.1: Improving the model of internships in businesses in the public VET providers’ system (WBL)

Activities		Implementation Status		
		Not initiated	In progress	Completed
B4.1.1	The model of internships in businesses is an integral part of VET programs and curricula		X	
B4.1.2	The regulatory package for the WBL model approved			X

B4.1.3	The business liaison officer function institutionalized in all the VET providers (as part of the development unit)			X
B4.1.4	Trainings held for VET providers' staff and for businesses, on the implementation of the WBL model		X	
B4.1.5	A mechanism for evaluation (feedback) and improvement of the WBL model drafted and implemented.		X	

The bylaw that regulates work-based learning (WBL) was adopted in 2020, and its implementation commenced at the beginning of the 2020-2021 academic year. NAVETQ, in collaboration with the OEAD's AI Tour Project, has organized 4 regional round tables for school and business representatives to introduce the WBL regulation and its implications, as well as to improve mutual understanding of schools and companies. Nonetheless, its implementation will reveal any needs for adjustments and improvements, which will be reflected accordingly.

An important step was the establishment of Development Units (DU) in all VET providers, including the allocation of human resources and budgets. The function of business relation coordinator is one of the core functions of the DUs. With the support of S4J and OEAD training of business relation coordinators is ongoing.

Result B4.2: Strengthening cooperation between schools and businesses for various aspects of the implementation of what they provide (curricula, ongoing professional development of teachers, student evaluation, etc.)

Activities		Implementation Status		
		Not initiated	In progress	Completed
B4.2.1	Awareness campaigns for involving businesses in various aspects of the VET offer		X	
B4.2.2	Cooperation agreements signed between VET providers and businesses		X	
B4.2.3	Success stories of business engagement with VET promoted		X	

Local dialogue roundtables have been set up and developed to strengthen school-business cooperation on various aspects of VET offer implementation, with the support of S4J, between providers and businesses. The skills development dialogue platform aims to bring providers together with the private sector and other stakeholders, by increasing the exchange of information and partnership at the local level between providers and businesses to reduce the gap between vocational education and the world of work. A total of 13 roundtables were held in 5 regions, with the participation of 188 stakeholders (68 business representatives). Due to the situation created by the COVID-19 pandemic, 5 consultations have been carried out online. Findings from the roundtables along with tracer reports will be used to orient the VET offer for the 2021-2022 academic year.

Whereas cooperation agreements are signed between VET providers and companies on a regular basis, no institutional inventory of these agreements exists. However, S4J reports that 173 new MOUs were signed between partner providers and private sector companies. In addition, partnerships with business associations and in relevant sectors are pursued, and sponsorship agreements are promoted.

Result B4.3: Establishing the career guidance system for VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B4.3.1	Functions of career counselling within the development unit implemented		X	
B4.3.2	Capacities have been set up for career guidance and counselling within the development unit		X	
B4.3.3	An information system for career guidance set up	X		
B4.3.3	Updated information on careers made available to VET students and trainees	X		

An important development in 2020 has been the institutionalization of the career guidance function in all VET providers (with the Development Units). NAVETQ has conducted a study on the current situation and challenges of career guidance and counselling in the country, the findings of which have been shared with directors and career guidance coordinators across all VET providers. This study will serve as a basis for consolidating a career guidance model applied in VET, especially through development units and relevant coordinators aiming at developing the capacities of the latter. Meanwhile, various donors are supporting providers with the development of various instruments, with the aim of providing young people with the necessary orientation towards occupations required by the labour market, as well as on the VET offer of further qualifications.

NAES, with the support of RISI Albania, and based on its experience of providing career guidance through employment services, is working to develop and harmonize the career services function throughout the organization. In VTCs career guidance has been linked with the individual employment plans for jobseekers. In the frame of strengthening the link between training and the world of work, NAES, with the support of GIZ, has continued to implement the Start Smart package for the development of soft skills of unemployed jobseekers. During 2020, only 2,285 jobseekers obtained the Start Smart training, a substantial decline from 2019, which is largely attributed to the onset of the COVID-19 pandemic. GIZ has also supported private VET providers in offering career guidance to their trainees, as they are very well connected in the market and informed about labour market needs.

Result B4.4: Establishing a dual education model in the field of crafts

Activities		Implementation Status		
		Not initiated	In progress	Completed

B4.4.1	The legal framework for the operation of the dual model of the National Chamber of Crafts approved		X	
B4.4.2	Report on the stage of development of the National Chamber of Crafts		X	
B4.4.3	Roadmap for the implementation of dual education drafted and implemented		X	

Based on the Law on Crafts No. 70/2016, MFE, in cooperation with the National Chamber of Crafts developed and approved the relevant regulations for awarding the "assistant master" and "master" titles. The register of craft businesses was approved by instruction of the Minister of Finance and Economy.

Strategic Objective B5: Initial and ongoing professional development of VET directors, teachers, and support staff

Result B5.1: Defining and implementing the model for initial qualification of VET teachers (related to the vocational subjects' teachers)

Activities		Implementation Status		
		Not initiated	In progress	Completed
B5.1.1	There is a standard initial qualification model defined for VET teachers		X	
B5.1.2	The legal framework for implementation of the initial qualification model for VET teachers approved		X	
B5.1.3	The initial qualification model for VET teachers implemented in compliance with the approved modalities and legal framework	X		

During 2020, NAVETQ continued the implementation of the 24-day Training Programme for "Basics of Didactics in VET". With the support of OEAD, 35 teachers in the Northeast were trained. Meanwhile, with the support of GIZ, this program is being improved by fully integrating the digital competencies that should be possessed by all teachers in VET. The 24-day training programme is being integrated into the legal framework as a mandatory initial training for all new teachers recruited and selected in public VET providers.

Result B5.2: Improving the recruitment/hiring policies for VET teachers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B5.2.1	Procedures for hiring VET teachers approved and applied		X	

With support of UNDP, the bylaw that regulates the organization and functioning of VET providers was approved. This bylaw improved hiring procedures and criteria for VET teachers.

Result B5.3: Ongoing qualification of teachers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B5.3.1	Training needs of VET teachers at the national level and at the level of VET providers identified regularly.		X	
B5.3.2	The instruments necessary for the implementation of CPDVET have been developed and budgets are well defined.		X	

In 2020, 967 (692 women) out of 1,130 teachers in VET providers have participated in some type of training. With the support of S4J 4 soft skills training modules (communication, teamwork, positivity, and integrity) have been developed and training has been offered to VET teachers. NAVETQ has developed a draft concept paper for the continuous professional development (CPD) of VET teachers in Albania, to guide future institutional and legal changes in this component of the VET reform, as well as to orient technical support in this process. At the VET provider level, the identification of teacher training needs is a regular process which supports their capacity development. At the central level, NAES is attempting to standardize instruments for training needs assessment, and subsequently institutionalize them.

In the context of COVID-19, NAVETQ developed a guideline for remote schooling. To further support teachers and the learning process alike, it carried out a survey among 450 teachers in 21 VET schools, identifying challenges to remote schooling and elaborating recommendations to address them. In addition, in collaboration with the National Agency for Quality Assurance in Pre-university Education (NAQAPE), NAVETQ has coordinated training delivery for digital competencies and online teaching for VET teachers. Lastly, NAVETQ has supported the preparation and organization of the teacher qualification examinations for VET teachers by drafting the National Programme and developing relevant tests.

During 2020, the focus was put on resilience and topical issues such as distant learning, performance evaluation, annual planning etc.

Result B5.4: Initial and ongoing qualification for directors and support staff of VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
B5.4.1	Standard model, as well as initial and ongoing training packages for directors and support staff of VET providers		X	
B5.4.2	Trainings held for directors and support staff of VET providers		X	
B5.4.3	The networks of VET directors which exchange information/experiences for various problems.		X	

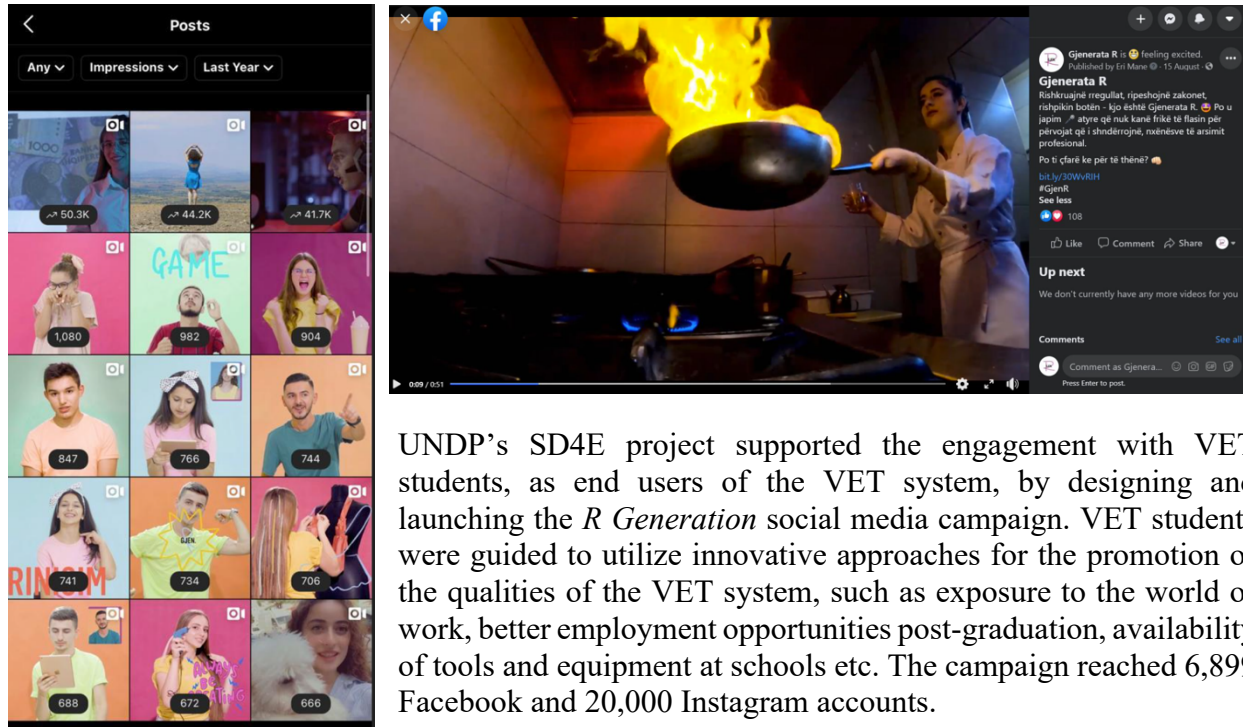
In 2020, NAES has developed instruments for training needs assessment and capacity development of management and support staff of VET providers. In addition, NAES has encouraged the setup of coordination platforms among providers, and it has carried out information sessions on topics such as a) managing online / remote learning; b) planning delivery of VET programmes while adhering to COVID health and safety guidelines (with GIZ support in designing a training package); c) support to development unit staff; and d) support to management and other responsible staff on recruitment procedures. Lastly, NAES has engaged in discussions with the Centre for School Leadership (CSL) for the adaptation of the year-long training programme for management staff of VET providers. S4J is working to customise the compulsory program for VET directors, as well as they are supporting 13 non-teaching functions. directors training for VET.

Strategic Objective B6: Enhancing the VET image and informing on VET providers, qualifications and offer

Result B6.1: Organizing promotional, publicity and awareness campaigns on the importance and opportunities offered by VET and Lifelong Learning (LLL) for girls, boys, women, and men in urban and rural areas

Activities		Implementation Status		
		Not initiated	In progress	Completed
B6.1.1	More focused promotional events to reach out girls and women in urban and rural areas		X	
B6.1.2	Advising girls and boys to choose training in non-traditional professions and inclusion of girls in non-traditional courses, especially in sectors with high potential and productivity, publicly promoted		X	

The promotion of VET as a viable pathway towards employment has been a key focus area for NAES, aiming not only to expand outreach, but also to attract young girls in non-traditional professions. In its efforts, NAES has been supported by various projects, combining traditional and innovative ways to reach out and engage youth. The campaigns have placed VET students and their experiences at the centre, ensuring that their voices speak to potential students.



UNDP’s SD4E project supported the engagement with VET students, as end users of the VET system, by designing and launching the *R Generation* social media campaign. VET students were guided to utilize innovative approaches for the promotion of the qualities of the VET system, such as exposure to the world of work, better employment opportunities post-graduation, availability of tools and equipment at schools etc. The campaign reached 6,899 Facebook and 20,000 Instagram accounts.

Also, in the context of promoting the importance and opportunities offered by the VET system, 1-2 success stories / personal testimonies were published on NAES official website / social media platforms. With the support of S4J, promotional spots for 18 VET providers were launched during the enrolment period. In addition, 25 videos of VET graduates highlighted the positive labour market outcomes of graduates. Promotional materials developed included:

- video commercial personalised for each provider, developed, and streamed in social, national, and local media for one month
- short promo videos in social network highlighting providers achievements
- self-made videos and predefined hashtags
- social network promotion and calendar of posts including school activities and “passion for the profession” promoting successful alumni
- new branding including a representative logo was developed for 3 (new) partner providers
- production and share of personalised promotional materials for all providers, available also online
- development of schoolbooks for 3 providers

Another project working at provider level, OEAD’s AL Tour, facilitated promotion campaigns on behalf of its project partner schools in Korça and Saranda through video commercials, testimonies of successful girls and women in the tourism and hospitality sector, etc. In addition, flyers, posters

and local media appearances were used to attract more students, especially girls, to the Tourism and Hospitality schools in Korca and in Saranda and the respective two dormitories.

Lastly, NAES has been working on revamping its website, and with the support of S4J has defined the content to be published on the website, including provider details.

Result B6.2: Preparation for participation of VET students in national, European, and global skills competitions and media promotion

Activities		Implementation Status		
		Not initiated	In progress	Completed
B6.2.1	Making Albania a member of EuroSkills/World Skills	X		
B6.2.2	Participation of VET students/trainees in international competitions organized by EuroSkills and/or World Skills, upon becoming a member	X		

No specific measures are reported to have been taken by public institutions in terms of advancing Albania's participation in Euro Skills and World Skills. Nonetheless, private initiative in support of the preparation of VET students' participants in international, European and World skills competitions have continued. More specification VET providers engaged in cooperation with Albanian Skills, the Albanian Skills Competition 2020 (6th Edition) in categories such as web development, software development, graphic design, photography, entrepreneurship, and hairdressing.

Table 7: Strategic Priority B - outcome level indicators

Strategic Priority B: Offer Quality Vocational Education and Training for Youth and Adults						
Indicators	Baseline (2019)	2020	2021	2022	Frequency	Responsibility
Employment rate of secondary VE graduates (excluding those attending tertiary education)	64% (2018)	pending	A: T: 65%	A: T: 65.5%	Annual	NAES / VS / VTC
Employment rate of VET graduates	47% (2017)	pending		A: T: 52%	Annual	NAES / VS / VTC
Share of VET graduates employed in the same occupation as their field of studies		pending			Annual	NAES / VS / VTC
Average duration of unemployment of VET graduates		pending			Annual	NAES / VS / VTC
Share of VET graduates that utilize acquired skills		pending			Annual	NAES / VS / VTC
Share (number) of VE students that successfully complete a VE programme		11,258 / 12,206 = 92%			Annual	NAES / VS
Share (number) of VT trainees that successfully complete a VT programme		8,366 / 9251 = 90% (2020)			Annual	NAES / VTC

2.3 Strategic Priority C: Promote social inclusion and territorial cohesion

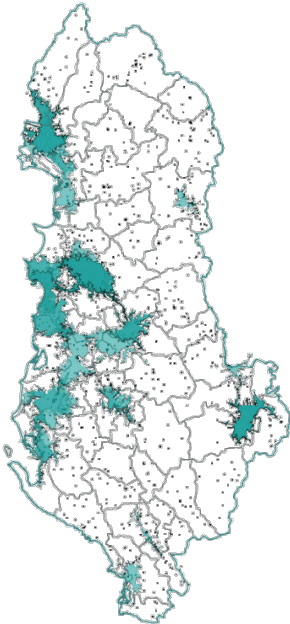
Strategic Objective C1: Broaden the coverage, inclusion and effectiveness of employment and vocational education and training services for young people and adults including the population threatened by exclusion

Result C1.1: Evaluation of needs for employment and training services in areas that are not covered

Activities		Implementation Status		
		Not initiated	In progress	Completed
C1.1.1	A report to assess needs for employment and VET services in areas that are not covered and are identified upon relevant recommendations		X	
C1.1.2	The methodologies for statistical surveys reviewed in order to take into consideration women and men who live in uncovered areas		X	
C1.1.3	Registration of unemployed jobseekers, be they women or men, from uncovered areas		X	

In the frame of the TA *Gender Equality in Access to Economic opportunities*, funded from AFD and implemented by Expertise France, an assessment to investigate the socio-economic status of rural women in Albania will be undertaken. The assessment has a particular focus in the municipalities of Elbasan, Korca and Lushnja.

Figure 9: Geographical coverage of VET offer



With regards to VET services, a comprehensive analysis of the socio-economic context, the labour market and a detailed analysis of each VET provider was carried out, with the support of UNDP. The analysis embodied four criteria for the optimisation: 1) the social-economic background of the region; 2) employment by sectors and occupations; 3) VET providers’ performance over the years; and 4) coverage by each VET provider.

The optimization exercise provided an opportunity to analyse the current coverage by public VET providers. This review highlighted that the potential of VET expansion is significant everywhere in the country, apart from the central region. Nonetheless, given the demographic and socio-economic trends, VET expansion should rather be seen as increased access as opposed to additional VET providers in uncovered areas. This element has been taken into consideration as optimization scenarios were considered.

Result C1.2: Drafting the plan of territorial coverage of employment and vocational education and training services.

Activities		Implementation Status		
		Not initiated	In progress	Completed
C1.2.1	Detailed plan for offering employment and VET services in areas lacking coverage		X	
C1.2.2	Defining employment services and guaranteed participation in VET programs for individuals that live in areas that lack coverage		X	

As part of targeted marketing, VET providers are guided to focus more on rural areas attracting more vulnerable students with no access in VET. During 2020, in Gjergj Canco school, the focus was to bring more girls in ICT form rural areas. *For complementary reporting refer to CI.1.*

Result C1.3: Implementation of service plan in areas that lack coverage

Activities		Implementation Status		
		Not initiated	In progress	Completed
C1.3.1	Cooperation modalities and agreements with local units, to establish mutual roles and kinds of service that will be offered in areas that lack coverage with employment and training offices		X	
C1.3.2	Service points near local administrative units		X	
C1.3.3	Services offered by the NGOs contracted by NES/NAES		X	

To expand coverage of employment services to uncovered areas, NAES has signed a cooperation Agreement with the Agency for Delivery of Integrated Services in Albania (ADISA) for front-end services. In addition, NAES has been pursuing cooperation agreements with Local Government Units aiming at strengthening and coordinating delivery of employment policies at the regional and local level. Beyond the agreements signed in 2019 with the Municipalities of Maliq, Korca, Fier and Delvine, in 2020 NAES signed an agreement with the Municipality of Elbasan, and it prepared 4 additional agreements with the Municipalities of Tirana, Berat, Durrës, and Lezha. Whereas these measures relate to the day-to-day work of NAES, the necessity to carry out a thorough assessment of coverage remains.

Result C1.4: Implementation of the VET plan in areas lacking coverage

Activities		Implementation Status		
		Not initiated	In progress	Completed
C1.4.1	Needs for vocational training identified		X	

C1.4.2	Redesigning the skills and qualifications package adjusted to the rural economy based on the evaluation of the skills gap analysis. The way and modality of offering vocational training defined and piloted		X	
C1.4.3	Roadmap for the training agenda for adults in Albania, based on the European agenda	X		
C1.4.4	Services offered in areas that lack coverage	X		
C1.4.5	Vocational education courses offered for unemployed jobseekers, women and men, in areas that lack coverage.	X		

Implementing agencies have not reported significant progress towards this result. However, the ILO in cooperation with the Business Albania as member of the sectoral skill's committee developed a methodology for skills' anticipation in the agricultural sector and specifically in the wine production value chain. The report was finalised and shared with the National Agency for VET and Qualifications and will be followed by trainings with NAVETQ staff and sectoral skills committee members and relevant farmers in 2021. In addition, in the frame of the UN joint project supported by the Norwegian Government, the ILO conducted a Market System Analysis with a focus on the potential of Green Economy and Decent Jobs in the Vjosa upper river basin in Permet. This will serve as a basis for informing further employment decisions in Gjirokastra region. Another project, OEAD's AI Tour, has undertaken some measures to advance participation of vulnerable groups in vocational education and training. Two VTCs were coached in providing vocational training courses to 50 vulnerable adults, while awareness raising events for the local communities were organized in Korça and Saranda with a special focus on employment opportunities for girls graduating from VET.

Result C1.5: Increasing access to employment and VET services for special groups

Activities		Implementation Status		
		Not initiated	In progress	Completed
C1.5.1	Modalities and procedures for contracting other stakeholders to offer the specified services		X	
C1.5.2	Approved legal framework for contracting third parties for quality and timely implementation of employment programs		X	
C1.5.3	Budget defined and contracted at the specialized NGOs		X	
C1.5.4	Reviewing and developing new measures to promote employment (EPP) and active labour market measures (ALMP), as well as expanding the range			X

and scope of programs offered. Encouraging special groups including consolidated models/procedures at the regional and local level			
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The national model of employment services stipulates the preparation of an Individual Employment Plan for each registered unemployed jobseeker. The assessment of the unemployed jobseeker by the counsellor also determines the service packages that suit him/her best for labour market reintegration. In addition, employment counsellors have the possibility of referring jobseekers for additional specialized services.

Although some infrastructure improvements to facilitate access of people with disabilities in VET providers, participation of the latter has only risen slightly (from 128 to 143), significantly less than disability prevalence in the age cohort. NAVETQ, with the support of S4J, a sign language curriculum has been approved and the training of the first cohort of instructors that will teach this curriculum is expected to start in 2021.

In 2020, NAES and UNDP joined forces for the implementation of the “Supported Continuous Unemployed Learning” (SCUL) project, financed by the EU Programme for Employment and Social Innovation (EaSI). The intervention aims to contribute to the active participation of vulnerable low qualified jobseekers to the society and their transition to the labour market through the provision of quality, flexible, targeted trainings on basic numeracy, literacy, and digital skills. By 2022, it aims to achieve the following results: 1) vulnerable jobseekers are referred to tailored basic learning provision or other social services; 2) Low skilled jobseekers benefit from quality, flexible, targeted trainings on basic skills; and 3) Training provision is constantly improved based on collected evidence. 6000 low-skilled jobseekers will be direct beneficiaries.

Strategic Objective C2: Promote reintegration into the labour market

Result C2.1: Developing the scheme for the reintegration into the labour market of beneficiaries from the Economic Aid scheme

Activities		Implementation Status		
		Not initiated	In progress	Completed
C2.1.1	Employment services harmonized with the State Social Service, which address individuals’ needs for those who face several disadvantages in order to maximize interaction between passive and active policies to identify and minimize discouraging factors for access to the labour market and to enable them to get out of the social welfare scheme. - Reviewing the current welfare at work program focusing on improving the transition from cash benefits, improving employability and employment, as well as possibilities for expanding the program with bigger		X	

	concentration on connections with EPP/ALMM and reintegration into the labour market for women and men			
C2.1.2	A monitoring mechanism established, which traces the situation of vulnerable women and men and/or those who have been excluded by society in Albania, including those affected by migration		X	

Poverty reduction and alleviation is one of the priority objectives of the National Social Protection Strategy. The strategy reflects the commitment of the Albanian government in the field of social protection, aiming to provide quality public services to every Albanian citizen regardless of income level, origin, age, gender, ethnicity, education, sexual orientation, cultural identity, and beliefs. religious and political. Within this strategy are three policies that aim to provide protection and social reintegration for individuals and families affected by poverty, as well as for individuals in vulnerable situations: i) Reducing and alleviating poverty; ii) Improving the quality of life of people with disabilities; iii) Development of social care services. One of the connecting elements of the three is building the link between the NE program and social care services, which should play a key role in improving the quality of life of individuals and communities in need, as well as in empowerment and reintegration.

The Law 57/2019 'On social assistance in the Republic of Albania' has conditioned the right to economic assistance with the registration of adult family members in employment offices (EO), and their inclusion in vocational training courses, as defined by legislation of employment (MSHMS, 2019). Also, the rejection of the appropriate job offer by the EO is a reason for their exclusion for up to one year from receiving economic assistance. For adult family members receiving economic assistance, empowerment and exit from the NE scheme is linked to their reintegration into the labor market.

In addition, NE beneficiaries are considered as a priority group to benefit from employment promotion programmes (regulated through DCM No. 17, dated 15.01.2020 'On procedures, criteria and rules for the implementation of employment promotion programs through employment, on-the-job training and professional practices'). Also, according to the Manual on the National Model of Employment Services, when these individuals have other social needs than those of finding employment, through the third tier of employment services they can be offered individual counselling. The responsible counsellor of the EO is the “case manager” on behalf of the employment services and is responsible to organize regular meetings, to identify the candidate’s skills, regular meetings, individual assessment to adjust employment opportunities, individual counselling and preparation of the individual employment, revision of the plan needed.

In 2020, with the support of UNDP, the Manual for Integrated Case Management, coordinating the work of local government units with EOs, was finalized. This manual introduces an integrated case management model between the two services, to respond to economic aid beneficiaries, particularly those with psycho-social and health needs, who require an intensive individual approach, to ensure their empowerment and labour market integration.

Result C2.2: Encouraging internal mobility for employment

Activities		Implementation Status		
		Not initiated	In progress	Completed
C2.2.1	The information exchange system between employment offices for vacancies, to fill the offers among other regions		X	
C2.2.2	Establishing cooperation and referral mechanisms at employment offices for mediation of jobseekers in other regions		X	

The new IT system of employment services makes it possible to obtain information on the jobseekers' readiness to work in a different place other than his/her residential area. In the case that the unemployed jobseeker declares that he/she is ready to work in another place at a certain distance, the system provides the unemployed jobseeker with the opportunity to select the municipalities in which he agrees to be employed. As a result, the unemployed jobseeker is considered for mediation for potential vacancies in all the selected municipalities.

Table 8: Strategic Priority C - outcome level indicators

Strategic Priority C: Promote Social Inclusion and Territorial Cohesion						
Indicators	Baseline (2019)	2020	2021	2022	Frequency	Responsibility
Share of registered unemployed jobseekers from vulnerable groups in employment following levels 1, 2 and 3 of employment services (without participating in ALMPs)		11% (disability), 11% Roma / Egyptian, 6% economic aid.			Annually	NAES
Share of vulnerable registered unemployed in employment following participation in ALMPs	n/a	n/a			Annually	NAES
Share of vulnerable registered unemployed jobseekers in employment following graduation from VET	n/a	n/a			Annually	NAES
Share of economic aid (NE) beneficiaries registered with EOs who are in employment (<i>budget support indicator</i>)	9.4% (2018)	A:6% T:10.34%	A: T:10.84%	A: T:11.34%	Annually	NAES
Share of jobseekers successfully mediated in regions other than their residence	n/a	n/a			Semi-annually	NAES
Share (number) of registered unemployed jobseekers from uncovered areas	n/a	n/a			Annually	NAES
Share (number) of unemployed jobseekers from uncovered areas receiving levels 1, 2 and 3 of employment services, based on the Individual Employment Plan (IEP)	n/a	n/a			Automatically	NAES

Share (number) of unemployed jobseekers from uncovered areas participating in ALMPs and Vocational Training	n/a	n/a			Semi-annually	NAES
Share (number) of unemployed jobseekers from special groups registered with EOs	21,794 (31%) economic aid, 6,111 (9%) RE, 542 (1%) disability.	26,633 (32%) economic aid, 7,570 (9%) RE, 604 (1%) disability.			Semi-annually	NAES
Share of NEET (15-29 years) registered with EOs (<i>budget support indicator</i>)	14035 (2018)	A: 14,860 (20.9%) (2019), 18,561 (22.4%) (2020)	A: T: 15438 T: 10%	A: T: 15438 T: 15%	Semi-annually Quarterly / annually	NAES INSTAT
Share (and number) of jobseekers from vulnerable groups participating in ALMPs and Vocational Training	(2019) 56% (disability), 24% Roma / Egyptian, 12% economic aid.	(2020) 28% (disability), 13% Roma / Egyptian, 6% economic aid.	A: T:7.1%	A: T:7.3%	Semi-annually	NAES
Share of Roma and Egyptian population targeted through inclusive employment and VET services in selected municipalities	Inventory of gaps in services	25% of Roma & Egyptian population targeted		50% of Roma & Egyptian population targeted	Semi-annually	NAES INSTAT
Share of economic aid (NE) beneficiaries registered with EOs receiving levels 1, 2 and 3 of employment services, based on the individual employment plan (IEP)	n/a	n/a			Semi-annually	NAES
Share of economic aid (NE) beneficiaries registered with EOs participating in ALMPs and Vocational Training	1% (2018)	A: (2019)-12% (2020) 6%	A: T: 6%	A: T: 10%	Semi-annually	NAES

2.4 Strategic Priority D: Strengthen the governance of the labour market and vocational qualification system

Strategic Objective D1: Increase the performance of labour market and qualification system governance

Result D1.1: Establishing the National Agency for Employment and Skills (NAES) as the institution responsible for administration, observation and implementation of employment policies and management of public VET providers

Activities		Implementation Status		
		Not initiated	In progress	Completed
D1.1.1	Relevant by-laws drafted and adopted			X

D1.1.2	The structure and responsibilities of the institution in charge of observation and development of employment policies and VET management approved			X
D1.1.3	The NAES staff hired / reconfirmed		X	
D1.1.4	The budget allocated according to the functions of the institution responsible for implementation of employment policies and management of VET providers		X	
D1.1.5	Staff trained according to the relevant NAES functions and responsibilities and for application and management of programs financed by EU programs (EaSI, Erasmus+ etc.)		X	
D1.1.6	Structure/structures set up for administration, development and future perspective of VET in Albania; organizational chart and duties established		X	
D1.1.7	Annual plans for VET development approved in accordance with the Action Plan of NESS and progress report ensured		X	

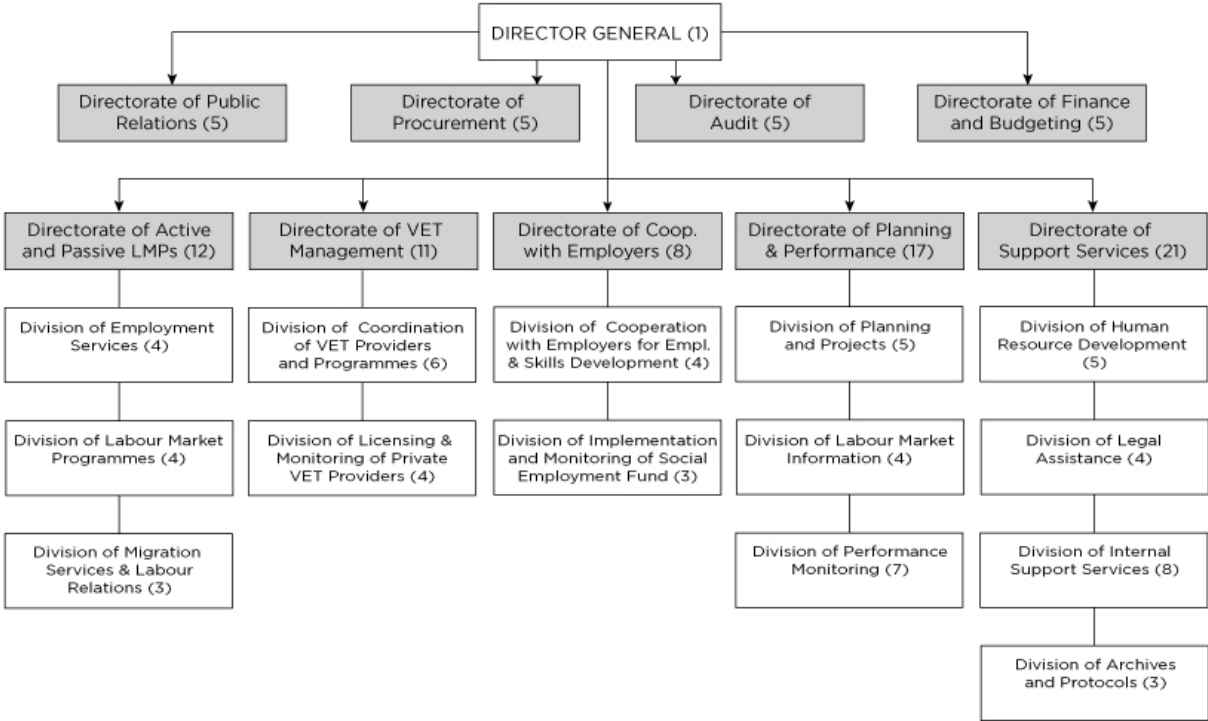
The legal framework for the establishment of NAES and its structure were completed by the end of 2019, and the actual implementation of the expanded structure (from 36 to 90 employees – *see Figure below*) commenced in June 2020, slightly delayed by the COVID-19 outbreak. By the end of 2020, 54% of NAES Head Office vacancies were filled, and the remainder are foreseen to be completed gradually within 2022, with necessary budgets allocated within the same timeframe. To absorb the VET management related functions, the NAES structure includes the Directorate of Management of VET Providers (composed of 11 staff). 6 out of the 11 vacancies were filled in 2020. In addition, by the end of 2020, the restructuring process of all Regional Directorates and Local Employment Offices, as well as Vocational Training Centres (VTC) was completed. The restructuring was based on the principle of optimizing human resources and providing the highest quality service.

ESAP II has provided some support to NAES in aligning its work with the provisions of the adopted legislation and new competences assigned, including support in strategic planning and workflow management, through establishing processes and instruments that will increase the effectiveness of the internal administrative processes. It has also specifically contributed to the creation of a risk register and an audit trail.

The IPA 2015 “Technical assistance to support the reform on employment policies and vocational education and training” is expected to enhance the capacities of all staff in employment offices country-wide in order to implement the National Service Model, to develop a human resource management model for all staff of the Employment Offices, to perform training needs assessment, to prepare training packages based on the functional roles according to the needs of the staff and

performance management tools, and to provide assistance to train ca. 330 employment service staff, starting in 2021.

Figure 10: NAES Organizational Structure



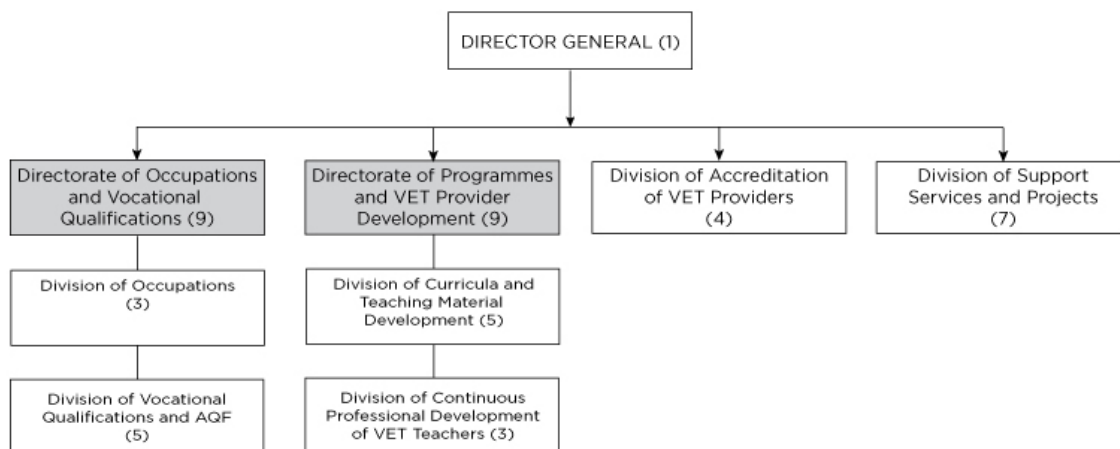
Result D1.2: Strengthening the National Agency for Vocational Education and Training and Qualifications (NAVETQ)

Activities		Implementation Status		
		Not initiated	In progress	Completed
D1.2.1	Structure and functions of NAVETQ approved in the relevant legal framework.			X
D1.2.2	NAVETQ staff hired based on the new structure and organization, and for application and management of projects financed by EU (EaSI, Erasmus+, etc.).		X	
D1.2.3	Budget allocated based on institutional function.		X	
D1.2.4	Staff trained in accordance with their functions and responsibilities.		X	

The bylaw on the organization and functioning of NAVETQ was adopted by the end of 2019 (DCM N0.673, dated 16.10.2019 “On the organization and functioning of the National Agency for Vocational Education, Training and Qualifications”), whereas the new organisational structure

was approved one year later in October 2020 through an Order of the Prime Minister (see Figure 7).

Figure 11: NAVETQ Organizational Structure



Based on the revised and improved legal framework that regulates its functioning, during 2020 NAVETQ improved its internal regulations, including procedures for hiring external experts to work on the development of occupational & qualifications standards, frame curricula, teaching materials, test items, etc. In addition, the process of implementing the revised organisational structure started in 2020 and it is being carried out, in close cooperation with the Department of Public Administration.

With the support of the ILO, one NAVETQ staff was trained on “Modular Creation and E-pedagogy in TVET” conducted by the ILO International Training Centre in Turin on 6-31 July 2020 (<https://www.itcilo.org/courses/e-learning-lab-digital-tvet-modular-content-creation-and-e-pedagogy-tvet>).

Result D1.3: Establishment of an operational Social Employment Fund (SEF)

Activities		Implementation Status		
		Not initiated	In progress	Completed
D1.3.1	Composition, criteria and duties of Fund Administration Board approved.			X
D1.3.2	The method of using the Social Employment Fund approved.	X		
D1.3.3	SEF Secretariat set up.		X	
D1.3.4	Capacities set up for operating and implementing SEF.	X		
D1.3.5	Promotional campaign for PWD-related innovations in the employment promotion law.	X		
D1.3.6	Establishing a network of NGOs with a focus on PWD.	X		

The work that commenced already in 2019 was concluded with the first step of formally adopting the Social Employment Fund early 2020 (DCM No. 177, dated 26.02.2020 “On the Social Employment Fund”). This DCM defines the composition criteria and duties of the Administration Board of Administration of the Social Employment Fund and election modalities. In addition, this DCM defines the criteria and the legal basis for the Technical Secretariat of the Fund, a function to be fulfilled by NAES.

Another aspect for the operationalization of the Fund is the designation of the Agency that will collect the levy. Provided that the Law does not explicitly assign institutional responsibilities with regards to the collection of the levy, several scenarios have been considered, with NAES, SLISS and the General Directorate of Taxation as potential collection agents. Not to distort NAES’s key functions and its relations with employers (both in terms of employment and VET), the working group has proposed that the General Directorate of Taxation play this function. However, a formal institutional decision has yet to be made, and an amendment in the Employment Promotion Law No. 15/2019 will be required.

The work on further regulations on the Social Employment Fund was impacted by the lockdown measures and its consequences for employers. The operationalization and collection of the levy would be perceived as another financial burden in this time of crisis. Initial drafts for the internal regulation of the Social Fund Management Board and types of programmes to be supported through the Fund were developed with UNDP support.

Result D1.4: Review financing and budgeting schemes at the VET provider level

Activities		Implementation Status		
		Not initiated	In progress	Completed
D1.4.1	The legal framework for financial management of VET providers approved and applied		X	
D1.4.2	Procedures for application of financing scheme including their own finances approved and applied		X	
D1.4.3	Guidelines and other support tools for implementation of financial procedures		X	

During 2020, several consultations took place between the different departments at the Ministry of Finance and Economy and the working group established to support the implementation of the VET optimisation process. Nevertheless, during this year no significant progress was made towards adopting the necessary legal framework for the financial management of public VET providers.

Result D1.5: Strengthen the monitoring and evaluation system of policymaking in the employment and VET sector

Activities		Implementation Status		
		Not initiated	In progress	Completed
D1.5.1	The methodology paper developed		X	

D1.5.2	Periodic reports for measuring the efficiency of active labour market programs, vocational training, VET and employment services		X	
D1.5.3	Evaluation and monitoring capacities developed		X	

One of the key challenges for policy implementation in the employment and VET sector has continuously been how to ensure a direct link between the service delivery and the policy goal for quality jobs and decent employment opportunities for youth and adults. Therefore, based on the commitment of MFE to re-organize the development and delivery of employment and VET services in a coordinated and demand-driven manner, with the support of UNDP, monitoring and evaluation (M&E) frameworks for NAVETQ and NAES, as well as for the institutions under its management, including Employment Offices (EOs), Vocational Training Centres (VTCs) and Secondary VET schools (VS) were developed.

Following the need for a harmonized M&E system, based on the M&E frameworks of the employment and VET providers and executive agencies, the M&E Framework for the National Strategy for Employment and Skills 2019-2022 was finalized in early 2020. The M&E Framework developed intends to collect, compile, and provide information in a systematic, consistent, logically sequencing and easily accessible manner by decision-makers to closely monitor the delivery of public services, such as VET and employment services. At the same time, it interlinks the latter with information on the implementation of the National Employment and Skills Strategy 2019-2022, thus measuring the impact the public services and the Strategy itself have on the beneficiaries.

The final aim is to enhance accountability through assessing progress and performance and by providing better information to relevant stakeholders, society at large and individual citizens. Given that the M&E framework has been finalized, the most crucial element for the finalization of this output is to integrate it in the respective institutions for yielding results. If it is not used and reflected in the annual work plan or more complex policy reviews that are assessed and designed every 4-5 years, it will not produce the intended results such. Endorsement by the institutions and training of responsible staff for the collection and reporting of information related to the application of the M&E Framework have been postponed due to the COVID-19 crisis and social distancing measures, but also because responsible staff for monitoring and evaluation are currently being hired.

In parallel to this, the IPMG and Thematic Group “Employment and Skills” convened regularly during 2020, based on the approved annual agenda, as platforms of policy coordination and monitoring.

Strategic Objective D2: Strengthen the role of social dialogue in labour market and vocational qualifications system governance

Result D2.1: Consolidating the role of the National Labour Council

Activities	Implementation Status		
	Not initiated	In progress	Completed

D2.1.1	Evaluation report for the 3-year activity of the NLC		X	
D2.1.2	The regulation for the functioning of NLC reviewed and approved			X
D2.1.3	DCM for representation criteria approved			X
D2.1.4	The mechanism for implementation of NLC recommendations approved and functional		X	
D2.1.5	The National Labour Council reconstituted, upon completion of the term, based on new criteria		X	

The National Labour Council (NLC) is the highest institution of social dialogue at the central level with a 3-year mandate given through a Decision of the Council of Ministers. The latest re-composition of NLC took place in 2018. A persistent challenge related to the NLC has been the lack of pre-defined, objective and easily verifiable criteria for the representation of Social Partners. Following consultations with the latter, the DCM setting the criteria for representation was approved at the beginning of 2020 (DCM 54, dated 29.1.2020).

The Labour Relations and Social Dialogue Division within the Ministry of Finance was set up in 2018 and became fully staffed in 2019. It acts as the Technical Secretariat for coordination of work with social partners and state institutions, and it is responsible for the preparation of NLC meetings. In 2020, the NLC convened only twice out of four times required. Main topics discussed during the meetings include: 1) measures undertaken to cope with the Covid-19 situation and financial support for employees of the health and education system, tourism sector, etc.; 2) the formal approval of the ILO Convention no. 190 on Violence and Harassment; 3) the situation regarding the implementation of labour legislation by the SILSS, as well as 4) the increase of the minimum wage. Nonetheless, there is significant scope for improvement both in the regular functioning of the NLC, as well as in the quality of discussion that ensues. Improvements in the latter could have a significant role in the uptake of NLC recommendations by the Council of Ministers, as well as improve accountability. The NLC technical committees have yet to be activated to better inform NCL discussions and decisions. Capacity support to the NLC Secretariate is also necessary.

In the frame of the ESAP II project, a tripartite workshop was organized with the NLC Secretariat and the social partners on establishing a performance-monitoring framework for the NLCs in the Western Balkans, seeking to improve their effectiveness/accountability. This regional framework will also serve as the basis for the establishment of the mechanism for monitoring the implementation of NLC recommendations approved and functional.

Result D2.2: Strengthening the role of the National VET Council

Activities		Implementation Status		
		Not initiated	In progress	Completed
D2.2.1	The legal framework for the establishment and operation of the NCVET approved			X

D2.2.2	NCVET established and operational		X	
D2.2.3	Technical ad-hoc committees established and operational	X		
D2.2.4	Technical Secretariat functional		X	
D2.2.5	Capacities of the NCVET and the Technical Secretariat strengthened	X		

The legal framework for the establishment and functioning of the National VET Council (NCVET) was approved at the end of 2018. The composition of NCVET has been approved by MFE and the Secretariat to NCVET has been setup within NAVETQ. Nonetheless, the first meeting of NCVET has yet to convene.

Result D2.3: Strengthening the social dialogue for collective contracts and protection of employees' rights

Activities		Implementation Status		
		Not initiated	In progress	Completed
D2.3.1	The national database set up and accessible		X	
D2.3.2	A national network for mediation and reconciliation set up		X	
D2.3.3	The information system for registering disputes set up and functional		X	
D2.3.4	Capacities of the national network for mediation and reconciliation set up		X	

Regarding strengthening the social dialogue for collective contract and protection of the rights of employees the main goals remain: 1) building the capacities of EO mediators to negotiate and prevent labour disputes; 2) improving the effectiveness of the mediation service and reconciliation of collective disputes; and 3) promoting the advantages of pre-trial resolution of labour disputes.

During October - December 2020, a series of webinars were organized with the state mediation network, on the following topics:

- international labour standards and the Albanian mediation / conciliation mechanism and best practices for resolving collective labour disputes
- stages of mediation procedures for resolving collective labour disputes
- techniques and skills for reaching consensus between the employer and the employee as well as the role that the mediator should play during the mediation process
- Gender Discrimination and Harassment in the Workplace

Pursuant to Order no. 233, dated 25.09.2020 of the Minister, a Working Group was set up to improve mediation / conciliation procedures. The tripartite working group composed of representatives of MFE, NAES, SLISS, Trade Unions and Employers in cooperation with ILO experts and a national expert in the field have held several meetings. In conclusion, the Working Group has come up with some recommendations and proposals for improving mediation / conciliation procedures for resolving collective labour disputes, independently, impartially, and

quickly. Work is ongoing to draft the Instruction "On the organization and functioning of structures for mediation and conciliation of collective labour conflicts, as well as relevant procedures."

In Albania there is no integrated database for recording collective agreements, trade unions and collective disputes. The administrative data are kept manually, and accessibility is limited. The existence of accurate and reliable information helps public authorities to design policy measures aimed at promoting and implementing best practices. To improve the current situation, with the contribution of the ILO, a national database was created for collective agreements and Trade Unions, which will be accessible by various actors, such as MFE, NAES and Social Partners. Furthermore, the ILO has provided IT infrastructure support for the connection of the new system in all employment offices, and it will support capacity building of EO staff. MFE will take formal ownership of the database / information system. Awareness campaigns to promote the mediation / conciliation system will take place throughout 2021. Lastly, the ILO will support the development of a mechanism for out-of-court settlement of collective labour disputes.

During 2020, in the frame of the ILO – SIDA project on “Access to Justice through amicable labour dispute resolution”:

- 42 state labour mediators were trained on mediation and conciliation of collective labour disputes through 5 on-line trainings organized jointly by the ILO and MFE.
- The public ALDR procedures were analysed and recommendations for improvements have been provided. Draft instructions as well as the practical guidelines for NAES mediators and conciliators have been drafted and validated through an intensive and inclusive tripartite process consisting of 4 hybrid meetings of the working group, 2 days technical workshop, focus groups meetings with NAES mediators, social partners, conciliation offices’ and MFE staff.

Strategic Objective D3: Develop and improve the labour market and VET information system which provides safe and updated data

Result D3.1: Development and implementation of a national labour market and VET information system

Activities		Implementation Status		
		Not initiated	In progress	Completed
D3.1.1	A developed design for the labour market and VET information system		X	
D3.1.2	The labour market and VET information system set up at the Ministry		X	
D3.1.3	The labour market information system is functional based on applications that provide information linking options		X	
D3.1.4	Updated information of the labour market and VET coordinated among institutions		X	
D3.1.5	Periodic bulletins with labour market and VET information		X	

The lack of quality labour market analysis that informs policy making and all relevant stakeholders, is the key rationale behind setting a Labour Market Observatory (LMO) in Albania. During 2020, operational aspects associated with the establishment of an LMO were discussed, in the frame of reforms to the wider labour market information architecture. Whereas labour market information means different things to different stakeholders, MFE, with international expertise from UNDP, carried out a feasibility study and outlined the core functions the LMO should embody, including the following:

- A forum for bringing together different stakeholders and helping to develop a shared vision of what labour market data needs to be collected, analysed, and disseminated.
- A mechanism for coordinating the different actors and institutions who produce and utilize labour market information.
- A unit responsible for analysing existing information, commissioning new studies, surveys and disseminating findings about the labour market.
- Ensuring synergies occur between the development of plans and strategies, and the analysis and utilization of labour market data.
- Monitoring and reporting on policies for skills development.

To support the development of the LMO and guarantee institutional buy-in, MFE and UNDP have embarked on a staged approach to rolling out a full-fledged LMO. The adoption of such an approach would help other government partners and stakeholders to understand the tangible benefits that can be produced by an LMO. This initial activity would centre on the production of a labour market intelligence report and this would be performed within the UNDP, with the assumption that this activity could be transferred to a suitable organisation in government to manage when the LMO is established. This would also provide the opportunity for the LMO to perform other tasks, including that associated with supporting the policy process and Monitoring and Evaluation activities.

During COVID-19, MFE produced several labour market outlook briefs, as well as periodic policy implementation updates.

Result D3.2: Consolidation of mechanisms for forecasting skills for qualifications in the market, at the sectoral, national and local level

Activities		Implementation Status		
		Not initiated	In progress	Completed
D3.2.1	Periodic SNAs and other evaluations		X	

During 2020, NAVETQ with the support of S4J, has conducted a study on new professions and professional skills in the sector of Electrical Engineering / Electronics in Albania. In the frame of this study, 24 interviews were conducted with senior executives of selected companies in the sector. The skills need analysis aimed to identify: 1) the lack of skills of current employees, 2) the lack of skills in the market to fill vacancies, and 3) forecast of skills and occupations needs for the future. The study was undertaken with the aim of orienting the update and adaptation of curricula in vocational education according to the needs of the labour market. The findings of this study were validated in an online meeting with representatives of private companies as well as VET providers in this sector. The constructive discussion in this meeting, together with the findings of

the study, further guided the decision-making of NAVETQ to update vocational qualifications in this sector.

In December 2020, RISI Albania carried out a survey among businesses on COVID-19 impact in the Albanian workforce. The survey is a unique source of information that gathers insights from six industry groups (business process outsourcing, banking / financial services, software development / IT solutions, digital marketing, retail / trade / real estate, and hospitality and tourism) in the country and the changing nature of skills, jobs, and work. It also outlines a series of practical recommendations on how business leaders can make the right strategic plans regarding human capital.

Strategic Objective D4: Developing and implementing the Albanian Qualifications Framework (AQF)

Result D4.1: Maintaining the National Catalogue of Vocational Qualifications

Activities		Implementation Status		
		Not initiated	In progress	Completed
D4.1.1	Legal framework for implementation of AQF completed		X	
D4.1.2	New/reviewed vocational qualifications based on the labour market needs (according to the skill needs analysis)		X	
D4.1.3	Updated qualification evaluation and certification system		X	
D4.1.4	VET credit system designed in accordance with ECVET			X
D4.1.5	Mechanisms for including informal qualifications in the AQF and NAVETQ staff for implementation of this mechanism		X	
D4.1.6	Designed communication strategy and action plan for AQF	X		
D4.1.7	Completed reference report	X		

Albania is a member of the EU European Qualification Framework (EQF) Advisory Group. This body is chaired by the European Commission and comprises the EU countries, European Economic Areas (EEA) countries, candidate and potential candidate countries, the European social partners, students' groups and other representative associations and institutions. The advisory group was founded to oversee the implementation of the 2017 Council Recommendation on the EQF for lifelong learning and the members of the EQF Advisory Group are invited to reference their national qualification frameworks to the European Qualifications Framework (EQF).

Albania has established a taskforce to oversee the development and implementation of the Albanian Qualifications Framework (AQF) and to guide its EQF referencing process. The Director of the National Agency of VET and Qualifications (NAVETQ) and the Director of the Department for Integration of the Ministry of Education, Sport and Youth (MESY) are the co-chairs of this taskforce. Its mandate was renewed in 2020, through a joint order of the Minister of Education, Sports and Youth and the Minister of Finance and Economy. The taskforce has approved the action

plan for the further development and implementation of the AQF and has drafted a roadmap for the implementation of the AQF referencing process with the EQF.

The process of referencing the AQF to the EQF has started. With the support of UNDP, three experts (two international and one national expert), respectively for higher education and pre-university education (including VET), have been contracted to support the process. More specifically, the experts started with the collection of all necessary inputs and prepare the actual draft EQF Referencing Report for Albania for this important assignment. The detailed plan of action drafted by the experts is consulted with the taskforce and pursuing their feedback, the detailed plan already revised. Also, a first draft of the structure for the referencing report is elaborated and is consulted with the co-chairs of the task force and is ready to be discussed with the key stakeholders.

The bylaw on the mechanism for the inclusion of lifelong learning qualifications in the AQF was adopted; however, its implementation is closely linked to NAVETQ institutional restructuring. With the support of the ETF, a study was conducted to assess the need and readiness of the VET system to introduce a credit system in VET. This study was further discussed in a consultative meeting with members of the AQF task force, business representatives and experts in the field. One of the main recommendations of the study includes testing the credit system for professional qualifications at level 5 of the AQF.

Updating and enriching the VET offer in line with labour market needs is an ongoing process. In 2020, NAVETQ based on the findings of labour market studies and in cooperation with the Union of Chambers of Commerce and the private sector in general has drafted 19 occupational standards, of which 4 regional occupational standards for the 6 Western Balkans countries. In addition, 19 standards of vocational qualifications have been developed and / or revised, and 23 frame curricula have been drafted, revised, and improved, for levels 2-5 of the AQF. 25 guidelines for the final level exams, and 37 guidelines for the Vocational State Matura exams have been reviewed and developed / revised. In addition, 1400 test units have been developed. Lastly all VET providers have received direct support in conducting online testing in the context of COVID-19 pandemic.

Result D4.2: Set up and functioning of Sectoral Committees

Activities		Implementation Status		
		Not initiated	In progress	Completed
D4.2.1	Legal framework for setting up and operating sectoral committees, completed		X	
D4.2.2	1 Sectoral Committee in an identified sector piloted		X	
D4.2.3	Functioning mechanisms of SC and vocational qualifications validated in a piloted sector		X	
D4.2.4	Report on identified sectors			X
D4.2.5	Setting up a Sectoral Committee in the second sector already identified		X	

2020 emphasized even more the need for continuously consulting employers when designing and delivering vocational education and training programs. Sector skills committees (SSC) represent a formal mechanism which allows industry and education and training actors to coordinate more effectively to ensure the system delivers the qualification, knowledge, and skills that industry needs.

The roadmap for the establishment of sectoral committees in Albania has been drafted with the support of international experts. With the support of RISI Albania, the necessary expertise has been contracted and methodologies for the prioritization of sectors and the definition of the first sector have been developed and are currently in the testing phase. The AQF taskforce has guided the process. The joint order of the Minister responsible for Education and the Minister responsible for Vocational Education and Training for the establishment of the first sectoral committee is expected to be approved in the first quarter of 2021.

Capacity support to NAVETQ is expected to continue in the foreseeable future through RISI Albania.

Strategic Objective D5: The national legislation that regulates labour market governance is in accordance with the country’s goals for social and economic development and integration, as well as with the European Union directives

Result D5.1: Approximation of the relevant Albanian legislation with the EU Directives

Activities		Implementation Status		
		Not initiated	In progress	Completed
D5.1.1	An analysis of legal and institutional gap for EU chapters conducted		X	
D5.1.2	Legislation approximated and approved		X	

The legal and institutional gap analysis (LGA) for Chapters 2, 19 and 24 of the EU Acquis is a process that has continued during 2020. The MFE, in collaboration with other line Ministries and the School of Public Administration, have carried out institutional capacity assessments with the aim of identifying capacity development needs.

In 2020, MFE has worked to improve the legislation on employment of foreigners, in accordance with EU directives in this area. In cooperation with other line ministries as well as with experts in the field, the following legal and sub-legal acts have been drafted and approved:

- Law No.13 / 2020 "On some changes and additions to law no. 108/2013, "On foreigners", as amended"
- DCM No. 836, dated 28.10.2020 "On determining the criteria, documentation and procedure for obtaining, renewing, refusing and cancelling the work permit for contracting services type "C/SHK ", as well as the state fee for the issuance of this work permit"
- DCM No. 542, dated 8.7.2020 "On determining the criteria, documentation and procedure for obtaining, refusing and cancelling the work permit, for the transferred within the enterprise, type "A/TN ""
- DCM No. 924, dated 25.11.2020, "On determining the criteria, documentation and procedure for obtaining, renewing, refusing and cancelling the work permit, as a highly qualified employee, type "A/KL", as well as the state fee for issuing this work permit.

- Instruction No. 31, dated 13.8.2020, "On the declaration of employment of citizens of European Union countries and the Schengen area, family members of citizens of European Union countries and the Schengen area, who are not citizens of these countries, citizens of the United States of America, citizens of Kosovo, Bosnia and Herzegovina, Montenegro, Serbia and Northern Macedonia, as well as citizens employed in various sectors in order to rectify the consequences and recover from natural disasters”;
- Pursuant to the Prime Minister's Order No. 67, dated 20.05.2020 "On the establishment of the inter-institutional working group for drafting the draft law “On Foreigners”, during 2020, work has been done to draft and finalize the new draft law on foreigners. This draft law provides for a single work and residence permit. This procedure for a unique permit will benefit all categories of foreigners seeking to stay for employment purposes.

Table 9: Strategic Priority D - outcome level indicators

Strategic Priority D: Strengthen Labour Market and Qualifications System Governance						
Indicators	Baseline (2019)	2020	2021	2022	Frequency	Responsibility
Improvement of outreach, type and effectiveness of services	See priority A					
Improvement of outreach, type and effectiveness of ALMPs	See priority A					
Improved implementation of health and safety at work	See priority A					
Improved relevance and effectiveness of VET	See priority B					
Improved social dialogue: # of approved and implemented recommendations		none			Annually	MFE
NAES is functional		Partially achieved			Annually	NAES
NAVETQ is functional		Partially achieved			Annually	NAVETQ
Amount of the SEF collected levy		Not operational yet			Annually	NAES
Number of SEF beneficiaries		0			Annually	NAES
New finance mechanisms in VET are applied	None	None	A: T: Yes (2021)	A: T: Yes	Annually	NAES / VS/ VTC
Regular reporting on the measurement of efficiency and effectiveness of ALMPs, vocational training, VET and employment services	No	In Process	A: T: Yes (IV 2021)	A: T: Yes (IV 2022)	Annually	NAES
Number of NLC meetings		2			Annually	MFE
Number of recommendations						
Number of NVET meetings		0			Annually	MFE
Number of recommendations						
Periodic newsletter with information on the labour market and VET.	No	2019-Yes 2020-In Progress	A: T: Yes (IV 2021)	A: T: Yes (IV 2022)	Annually	NAES
Number of SNA carried out		0			Annually	NAES

Number of approved vocational qualifications included in the National Catalogue		120			Annually	NAVETQ
Number of functioning Sector Skills Committees		0			Annually	NAVETQ
Number of approved legislations		23			Annually	MFE
Level of legal framework implementation					Every four years	MFE

2.5 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 NAES, NAVETQ, the Inspectorate of Labour and Social Services. Parallel support in the implementation was provided by a range of projects/programmes funded by the European Delegation in Albania (EUD), Swiss Development Cooperation (SDC), the German Government (through GIZ and KfW), the Austrian Development Agency (ADA), the Italian Development Cooperation, and the World Bank (see Annex 2 for a full list of projects and NESS support provided). The European Training Foundation (ETF) has continued its support to strategic policy development, harmonization with EU initiatives, 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.

EU support in 2020 was channelled through IPA 2019 EU for Social Inclusion and IPA 2015 “Technical assistance to support the reform on employment policies and vocational education and training”. The EU for Social 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. 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 IPA 2015 “Technical assistance to support the reform on employment policies and vocational education and training” commenced in 2020, aims to contribute to the implementation of the National Employment and Skills Strategy (NESS) action plan 2019 – 2022 through support in the following areas: a) support to strengthen the capacities of NAES in designing, delivering and monitoring high quality employment programmes and services, targeted to the needs of the unemployed jobseekers, as per the new service model, and b) support the NAES in elaborating a medium-term development plan for providers of vocational education and training and developing mechanisms to improve strategic planning, to improve quality of VET offer and measure impact of VET policies.

The Swiss Development Cooperation (SDC) follows a broad systemic approach to supporting the sector by implementing three parallel but interconnected “sister projects” working on macro, meso and micro level. The SD4E Programme, implemented by UNDP provides policy support and

capacity building on macro and meso level institutions, with the aim to improve the policy framework and VET governance and enable the stakeholders to provide better coordinated and demand-driven services. The S4J project, implemented through Swisscontact, works at implementation level and supports 10 VET providers in different regions to address main challenges in the VET system, such as low quality and status, insufficient financing, weak labour market orientation, and poor private sector engagement. In its current phase, the project aims at supporting the management and teaching staff of 10 VET schools and up to 10000 students from secondary VET schools and 6000 trainees from VTCs. Lastly, Swiss support is also provided through the RISI Albania “Enhancing Youth Employment” project, implemented by Helvetas and Partners Albania. The project aims to foster business growth and expansion in selected sectors (Tourism, Agro-processing and ICT), including the establishment of Sector Skills Councils and the improvement of the career guidance offer for young people.

The German Government has been one of the key bilateral donors that supports the VET sector through GIZ and KfW. The ProSEED programme, implemented by GIZ, focusses on economic and regional development, employment promotion and VET to strengthen practical and labour market oriented vocational learning of youth between 19-34, marginalized groups and returnees. In addition, the “Fund for VET and Employment”, implemented by KfW, focuses on a significant investment at MFC Kamza, as well as the infrastructure development in the VET system.

In 2020, the Austrian Development Cooperation supported the sector through the AI-Tour project. The project, which came to an end in 2020, aimed to improve the labour market relevance, quality, and social inclusion of vocational education offerings for the tourism and hospitality sector.

2.6 Gender Mainstreaming

The Ministry of Finance and Economy along the implementation of NESS 2014-2022 has paid specific attention to strengthening governance and accountability for gender equality 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 considered 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 periodic monitoring of the strategy, dedicated consultations with civil society are held and their feedback and recommendations are reflected in setting a rationale for the strategy,

priorities, actions, timelines, objectives, expected outcomes and/or targets, and effective policy planning across implementing institutions.

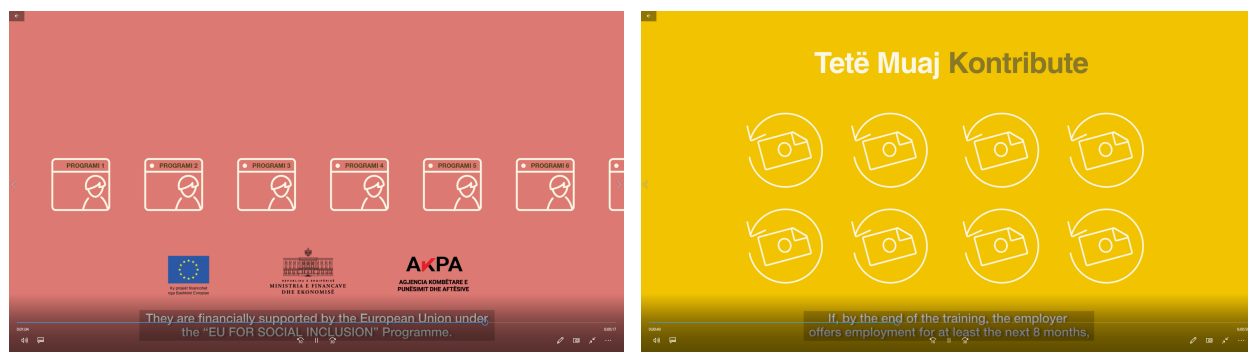
2.7 Communication

The NESS 2014-2022 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 includes 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.

To give visibility to actions taken and results achieved in the frame of the strategy implementation, multiple communication tools and platforms were utilized in 2020. Promotional materials were developed (promotional videos, infographics, posters, etc..) were designed and distributed in the social media accounts of NAES and various government pages to inform on the new ALMPs.

- <https://www.facebook.com/watch/?v=1926866614117360>
- <https://www.instagram.com/p/CE6KQDGA29/?igshid=ugo48xstsdjs>

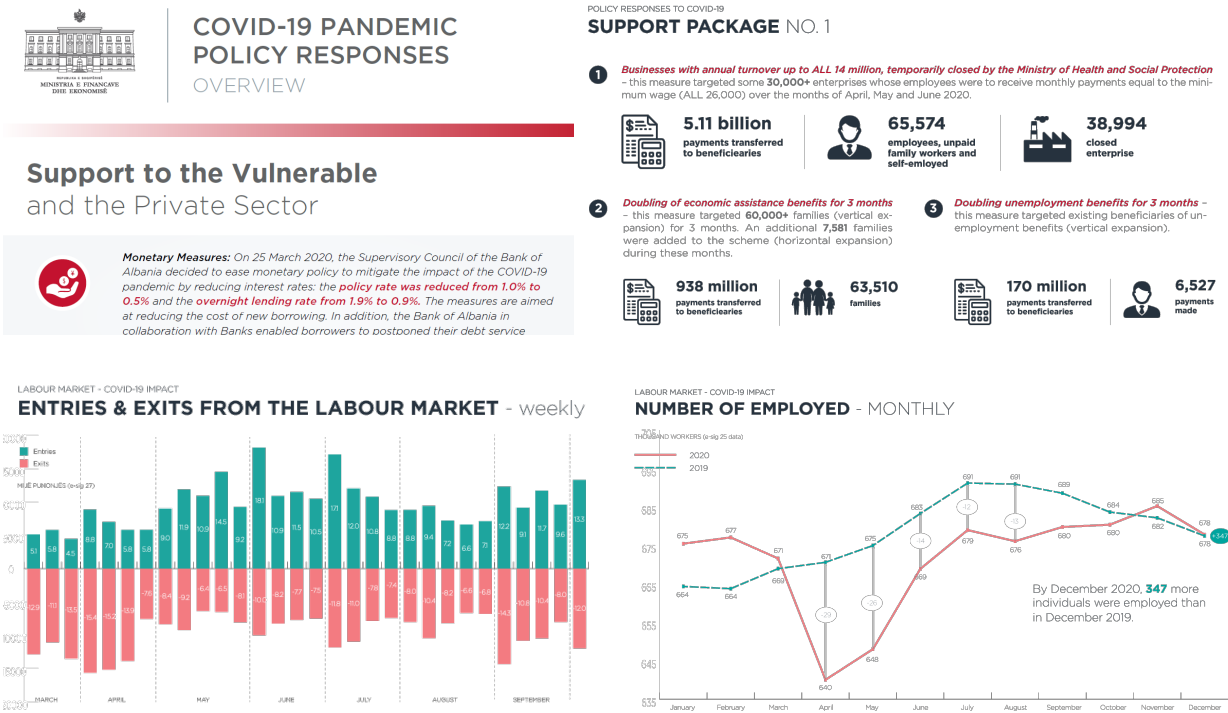


A new innovative idea for promoting skills and talents of VET students was perceived in May-June 2020 by SD4E project and was successfully published during July - September 2020 on all social media platforms to stimulate interest and increase the number of new enrolments in VET Institutions. More can be found on the following links:

- <https://www.instagram.com/p/CD61HwipVZ6/>
- <https://www.facebook.com/gjenerator>
- https://www.youtube.com/results?search_query=Gjenerata+R

In addition, as the COVID-19 situation unfolded, continuous monitoring of labour market and economic indicators becomes imperative. While projections and forecasts were available through a wide range of sources, the MFE prepared and published periodic updates, in the form of short briefs (Fig. 12) based on analysis of official sources like the National Agency for Employment and Skills, General Department of Taxation, and data coming from other sources as they became available.

Figure 12: COVID-19 related briefs



2.8 Lessons Learnt

The periodic review that is undertaken in the context of the annual progress report provides an opportunity for reflection on the lessons learned.

Relevance of strategic priorities remains high even in the context of COVID-19. The onset of the pandemic further revealed existing challenges and gaps in the system of skills development and employment, as well as it shed light on the vulnerabilities of those at the margins of the labour

market. Rather than the introduction of a new array of measures, the mid-term response to the pandemic requires a new impetus of the reforms already initiated. The system needs to be transformed into one that is agile and services the individual with all his/her needs and vulnerabilities, as opposed to one that is bound by existing constraints (e.g., financial, conceptual, structural). Despite all the efforts and achievement since the start of the implementation of the strategy, system interventions need to achieve scale (e.g., vocational training offer and coverage needs to be significantly upscaled, as should coverage of ALMPs).

The development of a robust Labour Market Information System is key to improve evidence-based policy formulation and implementation. The MFE needs to take leadership and coordinate inter-institutional efforts with the Ministry of Education, Ministry of Health and Social Protection and other relevant implementing agencies. The LMIS should provide evidence and inform beyond the functional responsibilities of single institutions. In addition, it has the potential to break institutional silos, just as policies need to break institutional boundaries.

More institutional efforts are necessary for the implementation of monitoring and evaluation frameworks. The development of a comprehensive M&E Framework extending beyond the monitoring of the strategy, was an important development in 2020. Whereas the M&E framework was developed through a lengthy consultation process with MFE, NAES and NAVETQ, it has yet to be integrated and utilized by the institutions for yielding results.

Striking a balance between the improvement of legal and institutional frameworks and delivery of results for end beneficiaries is necessary. Addressing constraints in the legal and institutional frameworks is crucial; nonetheless, failure to reach results cannot be solely attributed to these gaps. As labour market and skills development institutions are now considerably strengthened, it is paramount that they engage in proper planning and delivery of results.

The employment and skills development sector has benefited from longstanding donor support. In many ways donor funded projects have 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. **However, no matter how successful self-contained project can be, they cannot deliver socio-economic changes on the scale that engaging in policy development can.** 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.

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.

3. Quality Assurance

3.1 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 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 Finance and Economy, while the Directorate of Employment and Skills Development Policies at MFE serves as the 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 despite the situation created by the COVID-19 pandemic. Update on the current situation, measures taken and plans for the next COVID emergency period 19 were discussed in the two IPMG meetings. In the IPMG meetings the progress of government reforms on employment and social sector (Progress Reports of 2019 of the NESS 2019 – 2022 and Social Protection Strategy 2019 – 2023) were discussed.

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

1. Update of short-term measures taken by the Government as a response to the COVID-19 crisis
2. Presentation of the 2019 Monitoring Progress of the National Employment and Skills Strategy (NESS) 2014-2022
3. Digitalization in Education (including VET) in the context of COVID-19
4. National Plan on Deinstitutionalization of Children
5. Presentation of the 2019 Monitoring Progress Monitoring Report on implementation of the Action Plan of National Social Protection Strategy 2015-2020
6. VET optimization proposals and Action Plan
7. Added challenges faced in the employment and social protection sector in the post-earthquake / COVID-19

3.2 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 do 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. According to article 9 and 10 of the new law 13/2020 "On some changes and additions to the law no. 108/2013" on foreigners ", family members of EU citizens who do not have the citizenship of an EU country, enjoy equal rights as Albanian citizens for employment and self-employment in the Albanian labor market, according to the predictions in the Labor Code. They are exempted from the obligation to obtain a work permit or work authorization to work in the Republic of Albania.

Regarding the preparation made for joining EURES (European network of employment services), the Progress Report recognizes that Albania has set up an integrated database for its employment services which facilitates information exchange on civil status, the tax system, the compulsory healthcare system, and the economic assistance system. A new IT was under development in 2020 and it was designed to enable connection to EURES, upon accession. The Unit for Migration Services and Labour Relations under the newly established National Agency for Employment and Skills also has responsibilities related to EURES participation. More importantly, this new system supplements the national list of occupations with competencies in line with European skills/competences, qualifications, and occupations (ESCO).

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, Turkey, Canada, and Kosovo. Negotiations with Switzerland have been completed; however, the signing and ratification of the agreement remains pending. Whereas Albania and Kosovo have an agreement in place, its scope is very limited. To this end in 2020, the first round of negotiations took place to review this agreement and align to the requirement of the EU Regulations 883/2004. The second round of negotiations with Bulgaria was planned for April 2020; however, due to the COVID-19 pandemic it did not take place in 2020. No further progress was market on the initial exchanges on coordinating social security schemes with Spain, France, and Croatia.

Chapter 19: Social policy and employment. EU rules in 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 the European level. EU in the annual progress report has recognized that 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 the restructuring of its employment governance system, in line with the laws on

vocational education and training and employment promotion. The employment rate and labour market participation remain low, and the informal economy is still a significant job provider. Social services reform is progressing, but financial and administrative efforts should be stepped up to strengthen the local level. The Progress Report recommended that Albania continues the operationalisation of the employment and vocational education and training (VET) structure, following the establishment of the new National Agency for Employment and Skills (NAES), and finalise the adoption of the necessary implementing legislation for the employment reform. In addition, it sought that the country adopt the implementing legislation on representativeness criteria for membership in the National Labour Council and the bylaws for the establishment of the tripartite regional council.

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, has yet to be adopted. 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 deteriorated slightly in 2020, largely as a result of the economic shock related to COVID-19 pandemic. Job creation continued to be one of cross-sectoral priorities of the current government.

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

The 11th Subcommittee meeting under the Stabilisation and Association Agreement (SAA) was held in Tirana on 23 January 2020. 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.

3.4 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.

3.5 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, signed in 2020, 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 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.

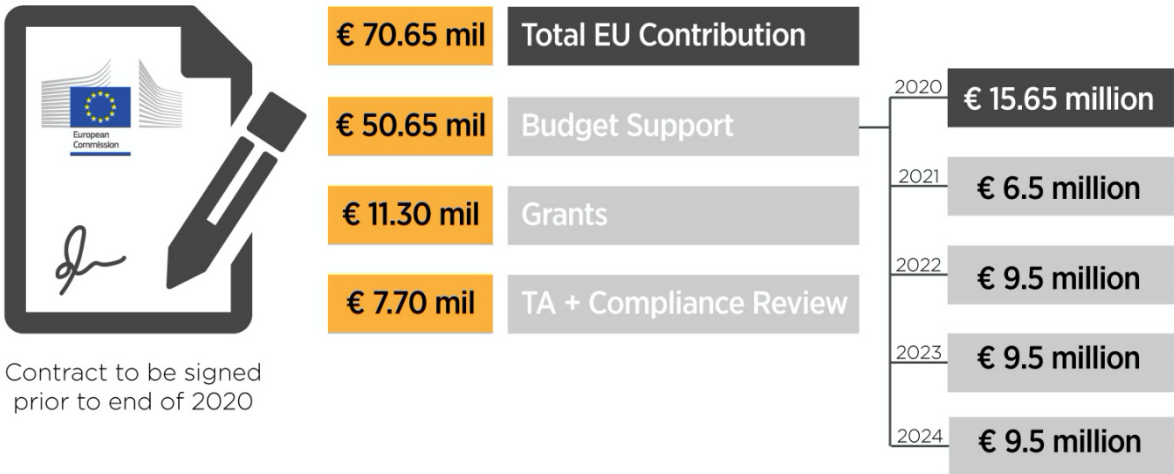
The overall objective is to expand coverage, inclusiveness, effectiveness and emergency responsiveness of social care services, pre-university education and employment opportunities for youth and adults in Albania, including populations at risk of exclusion.

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. Out of a total EU contribution of EUR 70.65 million, EUR 50,65 million are in the form of budget support.

Figure 13: IPA 2019 - EU for Social Inclusion



By 2020, Albania had fulfilled all the pre-conditions for requesting the first tranche of 15.65 million. The table below summarizes of all the performance indicators Albania must fulfil in the frame of this contract and the respective variable tranche allocations.

Figure 14: Performance indicators and related variable tranche allocations, as per IPA II financing Agreement 2020-2024

No.	Performance indicators	Q2-2021 ¹⁴	Q2-2022	Q2-2023	Q2-2024
1	Number of families benefiting from cash assistance, including targeted support from COVID 19 crisis response measures (disaggregated at the individual level by gender, disability and minority)	<i>Target:</i> 68,500 <i>Variable tranche:</i> EUR 2.5 mil	N/A	N/A	N/A
2	Existing EPPs are reconfigured to respond to unemployed jobseekers' needs including populations at risk of exclusion <i>Baseline:</i> 13,678	<i>Target:</i> 14,020 <i>Variable tranche:</i> EUR 2.5 mil	<i>Target:</i> 14,362 <i>Variable tranche:</i> EUR 1.3 mil	<i>Target:</i> 14,704 <i>Variable tranche:</i> EUR 1.1 mil	<i>Target:</i> 15,046 <i>Variable tranche:</i> EUR 1.1 mil
3	Number of Municipalities using systematically the National Electronic Register of Social Care Services (NERSCS)	N/A	<i>Target:</i> 10 <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 20 <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 30 <i>Variable tranche:</i> EUR 0.75 mil
4	Number of municipalities providing community based social services for at least three categories (people with disabilities, children and youth at risk, elderly, women)	N/A	<i>Target:</i> 15 <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 20 <i>Variable tranche:</i> EUR 1.5 mil	<i>Target:</i> 25 <i>Variable tranche:</i> EUR 1.5 mil
5	Number of municipalities using resources and procedures of the Social Fund	N/A	<i>Target:</i> 14 <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 30 <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 45 <i>Variable tranche:</i> EUR 0.75 mil
6	Number of girls and boys with disabilities attending mainstream public pre university education <i>Baseline:</i> 3,946	N/A	<i>Target:</i> 4,143 <i>Variable tranche:</i> EUR 0.8 mil	<i>Target:</i> 4,341 <i>Variable tranche:</i> EUR 0.6 mil	<i>Target:</i> 4,735 <i>Variable tranche:</i> EUR 0.6 mil
7	Number of psychologists and social workers serving in public pre-university schools <i>Baseline:</i> 466	N/A	<i>Target:</i> 513 <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 559 <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 582 <i>Variable tranche:</i> EUR 1.0 mil
8	Percentage of registered unemployed jobseekers <i>Baseline:</i> 43.2%	N/A	<i>Target:</i> 46.2% <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 48.2% <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 51.2% <i>Variable tranche:</i> EUR 0.5 mil

¹⁴ Results for each of the indicators are expected to be achieved by Q2, whereas the assessment will be carried out the following quarter (Q3).

No.	Performance indicators	Q2-2021 ¹⁴	Q2-2022	Q2-2023	Q2-2024
9	Number of women and men aged 15-29 not in education, employment and training (NEET) registered with NAES <i>Baseline:</i> 14,035	N/A	<i>Target:</i> 14,737 <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 15,439 <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 16,140 <i>Variable tranche:</i> EUR 0.5 mil
10	Number of quality assured curricula revised and adopted for VET (initial and continuous) qualifications based on skills gap assessment result <i>Baseline:</i> 87 vocational qualifications for initial VET and 15 unified VT courses for continuous VET	N/A	<i>Target:</i> Revised VET titles and qualifications in line with AQF <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> One additional VET and 3 unified VT curricula designed <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> One additional VET and 3 unified VT curricula adopted and offered <i>Variable tranche:</i> EUR 0.5 mil
11	VET providers are resourced and staffed in line with new and adopted curricula	N/A	<i>Target:</i> VET provider optimization plan adopted <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> Contracts signed for 3 VET providers <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 3 providers equipped and resourced <i>Variable tranche:</i> EUR 0.5 mil

Beyond the achievement of performance indicators, the budget support contract requires the fulfillment of the general conditions for the release of tranches. The general conditions include: 1) Satisfactory progress in the implementation of the National Employment and Skills Strategy and the National Strategy for Social Protection and continued credibility and relevance of that or any successor strategies and the Covid-19 emergency measures (evidenced through annual progress reports); 2) Implementation of a credible stability-oriented macroeconomic policy; 3) Satisfactory progress in the implementation of the programme to improve public financial management; and 4) Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

3.6 Alignment with other Sector Policies: ERP Policy Guidance

Employment and skills development policies are defined in accordance with 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 (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 2020, the recommendations pertaining to the sector were as follows:

Policy Guidance 6: *Take short-term measures to preserve employment including through short-time work schemes, and once the Covid-19 pandemic subsides, ensure an increased provision of active labour market policies, especially training, upskilling, and reskilling.*

The government of Albania adopted two support packages for people and businesses affected by the COVID-19 pandemic of a combined size of ALL 45 billion (2.8% of GDP), the majority of which in the form of wage subsidies to ensure job-protection in the formal labour market. To support the labour market reintegration of those laid off as a result of COVID-19, the Council of Ministers, through DCM no. 608 dated 29.7.2020 approved new EPPs targeting this category of unemployed jobseekers. The program subsidizes wages and compulsory insurance to varying degrees depending on the time of employment and the group of jobseekers. The program will support the unemployed jobseekers who have been employed insured and uninsured and became unemployed due to the pandemic situation. The program was launched in September 2020 and is expected to start implementation in October 2020.

4. Financial Resources and Allocations

The total state budget initially allocated to employment and vocational education and training for 2020 was 41.6 million EUR. Details on the budget allocation are provided in the tables below, for comparison, also the budget from the previous years is provided.

Table 10: Planned Budget vs. Actual Expenditures by Programme 2016-2020

Expenditures in million ALL										
Programmes	2016		2017		2018		2019		2020	
	Budget	Actual	Budget	Actual	Budget	Budget	Budget	Actual	Budget ¹⁵	Actual
Labour Market	2,246	1,809	1,955	1,488	2,118	1,233	1,720	1,480	1,699	1,547
VET	2,053	1,970	2,777	1,997	2,997	2,660	3,238	2,695	3,237	2,901
TOTAL	4,299	3,779	4,732	3,485	5,115	3,893	4,958	4,175	4,936	4,448

¹⁵ Planned budget figures refer to the initial budget allocation at the beginning of the year, and they do not reflect subsequent budget revisions.

While the budget allocated to VET in 2020 was ALL 3.24 billion (approximately 26.2 million euros¹⁶), actual expenditures were ALL 2.9 billion (approximately 23.4 million Euros), for an overall budget utilization rate of nearly 90%. Table 9 provides additional details on the budget by typology of expenditures. The underutilization of the budget allocation comes primarily from the capital expenditures.

Table 11: VET - Planned Budget vs. Actual Expenditures by expenditure type

Expenditures in thousand ALL						
	2018		2019		2020	
	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures
Current expenditures	449,000	367,692.90	659,959	399,513	659,959	610,355
Wages and salaries	1,239,500	1,204,416	1,398,541	1,250,209	1,398,541	1,334,976
Capital expenditures	1,316,200	1,088,021	1,179,369	1,045,553	1,179,369	956,459
TOTAL	3,004,700	2,660,129	3,237,869	2,695,176	3,237,869	2,901,790

The budget foreseen for employment and labour market programmes in 2020 was approximately ALL 1.7 billion (approximately 13.7 million Euros). The actual expenditure amounted to ALL 1.55 billion (approximately 12.5 million Euros), for an overall utilization rate of 91%. Table 10 provides additional details on the budget by typology of expenditures. The underutilization of the budget allocation arises from the implementation (or lack thereof) of active labour market programmes, whereas payments towards unemployment benefits significantly exceeded the original budget for 2020, largely as a result of the uptick in the number of unemployed in the context of COVID-19.

Table 12: Labour Market - Planned Budget vs. Actual Expenditures by expenditure type

	2018		2019		2020	
	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget ¹⁷	Actual expenditures
Wages and salaries	276,171	267,484	308,908	282,556	291,957	265,952
ALMPs	490,000	258,371	490,000	345,955	390,000	71,555
Unemployment benefits	800,000	334,784	500,000	504,163	600,000	886,601
Central NAES	85,279	60,815	85,000	57,031	80,000	50,701
Vocational Training	257,494	238,683	274,792	263,660	299,043	235,009
Revenues from VTCs	8,000	5,261	8,000	4,345	8,000	2,353
Capital expenditures	141,031	62,187	53,400	21,857	30,000	34,818
TOTAL	2,057,975	1,227,587	1,720,000	1,479,567	1,699,000	1,546,989

¹⁶ The exchange rate EUR-ALL applied is 123.79, as per officially published by the European Commission in December 2020 (<http://ec.europa.eu/budget/graphs/inforeuro.html>).

¹⁷ Planned budget figures refer to the initial budget allocation at the beginning of the year, and they do not reflect subsequent budget revisions. For example, the ALMP budget increased in June 2020 to ALL 590 million, and the unemployment benefits budget increased to ALL 900 million.

ANNEXES

Annex I – List of institutions responsible for reporting

STRATEGY RESULTS		Responsible institutions
Pillar A - Foster decent job opportunities through effective labour market policies		
A1.1	Functional reorganization of employment offices based on the National Employment Services Model	MFE, NAES
A1.2	Modernization of technology infrastructure and systems in NAES	MFE, NAES
A1.3	Application of the performance measurement system for provision of active labour market programs	MFE, NAES
A2.1	Developing and diversifying the ALMPs based on the needs of groups with high risk of becoming long term unemployed	MFE, NAES
A2.2	Improvement of the planning and implementation process for promotional programs, to improve their efficiency and impact	MFE, NAES
A3.1	Strengthening the inspection system and guaranteeing coverage of the whole territory with this system	MFE, SLISS
A3.2	Inspecting and monitoring the activity of private agencies for temporary employment	MFE, SLISS
A4.1	Establishing and approving the monitoring model for ALMPs	MFE / NAES
A4.2	Implementing the monitoring plan for the ALMPs	MFE / NAES
A4.3	Preparation of ALMPs monitoring reports	MFE / NAES
Pillar B - Offer quality vocational education and training to youth and adults		
B1.1	Diversification of the VET offer, aligned with the market needs	MFE, NAES, NAVETQ
B1.2	Reorganization of providers' network taking into consideration matching the offer to the regional demand	MFE, NAES, NAVETQ
B2.1	Analysis of the current situation of the information system/s that operate/s in VET	MFE, NAES, NAVETQ
B2.2	Defining the VET information management model / system	MFE, NAES, NAVETQ
B2.3	Creating a unified information management system in VET	MFE, NAES, NAVETQ
B3.1	Establishing and implementing a process of accreditation for public and private VET providers	MFE, NAVETQ
B3.2	Improvement of licensing and monitoring procedures for private VET providers	MFE, NAES, NAVETQ
B3.3	Strengthening the inspection function of VET providers	MFE

STRATEGY RESULTS		Responsible institutions
B3.4	Consolidation of the self-assessment process for public VET providers	MFE, NAES, NAVETQ
B3.5	Setting up a monitoring system for public VET providers	MFE, NAES, NAVETQ
B4.1	Improving the model of internships in businesses in the public VET providers' system (WBL)	MFE, NAES, NAVETQ
B4.2	Strengthening cooperation between schools and businesses for various aspects of the implementation of what they provide (curricula, ongoing professional development of teachers, student evaluation, etc.)	MFE, NAES, NAVETQ
B4.3	Establishing the career guidance system for VET providers	MFE, NAES
B4.4	Establishing a dual education model in the field of crafts	MFE, NAVETQ
B5.1	Defining and implementing the model for initial qualification of VET teachers (related to the vocational subjects' teachers)	MFE, NAVETQ
B5.2	Improving the recruitment/hiring policies for VET teachers	MFE
B5.3	Continuous Professional Development of VET Teachers	MFE, NAVETQ
B5.4	Initial and ongoing qualification for directors and support staff of VET providers	MFE, NAES
B6.1	Organizing promotional, publicity and awareness campaigns on the importance and opportunities offered by VET and Lifelong Learning (LLL) for girls, boys, women and men in urban and rural areas	MFE, NAES, NAVETQ
B6.2	Preparation for participation of VET students in national, European, and global skills competitions and media promotion	MFE, NAES, NAVETQ
Pillar C - Promote social inclusion and territorial cohesion		
C1.1	Evaluation of needs for employment and training services in areas that are not covered	MFE, NAES
C1.2	Drafting the plan of territorial coverage of employment and vocational education and training services	MFE, NAES
C1.3	Implementation of service plan in areas that lack coverage	MFE, NAES
C1.4	Implementation of the VET plan in areas lacking coverage	MFE, NAES, NAVETQ
C1.5	Increasing access to employment and VET services for special groups	MFE, NAES
C2.1	Developing the scheme for the reintegration into the labour market of beneficiaries from the Economic Aid scheme	MFE, NAES
C2.2	Encouraging internal mobility for employment	MFE, NAES
Pillar D - Strengthen the governance of the labour market and qualification system		

STRATEGY RESULTS		Responsible institutions
D1.1	Establishing the National Agency for Employment and Skills (NAES) as the institution responsible for administration, observation and implementation of employment policies and management of public VET providers	MFE, NAES
D1.2	Strengthening the National Agency for Vocational Education and Training and Qualifications (NAVETQ)	MFE, NAVETQ
D1.3	Establishment of an operational Social Employment Fund (SEF)	MFE, NAES
D1.4	Review financing and budgeting schemes at the VET provider level	MFE, NAVETQ
D1.5	Strengthen the monitoring and evaluation system of policy making in the employment and VET sector	MFE, NAES, NAVETQ
D2.1	Consolidating the role of the National Labour Council	MFE
D2.2	Strengthening the role of the National VET Council	MFE, NAVETQ
D2.3	Strengthening the social dialogue for collective contracts and protection of employees' rights	MFE, NAES
D3.1	Development and implementation of a national labour market and VET information system	MFE, NAES, NAVETQ
D3.2	Consolidation of mechanisms for forecasting skills for qualifications in the market, at the sectoral, national and local level	MFE, NAES, NAVETQ
D4.1	Maintaining the National Catalogue of Vocational Qualifications	MFE, NAVETQ
D4.2	Set up and functioning of Sectoral Committees	MFE, NAES, NAVETQ
D5.1	Approximation of the relevant Albanian legislation with the EU Directives	MFE

Annex II – Mapping of Donor Project Contributions by NESS Results¹⁸

Result	Description	AFD - TA	ESAP II	ETF	ILO	IPA 2015 TA ¹⁹	KfW Kamza	OEAD	ProSEE D GIZ	RISI Albania	S4J	UNDP / SD4E
A1	Modernize public employment services				X	X				X		X
A2	Expanding range and outreach of ALMPs					X				X		X
A3	Strengthening role and function of labour inspection		X		X							
A4	Monitoring model for ALMPs											X
B1	Optimization of VET providers					X	X	X	X		X	X
B2	Improving VET management info. system					X					X	
B3	Quality assurance framework for VET system							X	X		X	X
B4	Strengthening connection between learning and work					X		X	X	X	X	X
B5	Initial and continuous prof. development in VET			X				X	X		X	
B6	Enhancing image and information on VET					X		X	X		X	X
C1	Expansion of VET and employment services	X			X				X			X

¹⁸ Based on self-reporting by the respective projects. Minor adjustments reflected if reporting differed from intended measures. Projects that have not submitted any inputs, have not been reflected.

¹⁹ IPA 2015 “Technical assistance to support the reform on employment policies and vocational education and training” commenced its inception phase in 2020; however, actual implementation started only in 2021.

Result	Description	AFD - TA	ESAP II	ETF	ILO	IPA 2015 TA¹⁹	KfW Kamza	OEAD	ProSEED GIZ	RISI Albania	S4J	UNDP / SD4E
C2	Promote labour market reintegration							X			X	X
D1	Labour market and qualifications governance		X		X	X						X
D2	Strengthen social dialogue in employment and VET				X							
D3	Development of labour market information system					X						X
D4	Development and implementation of AQF			X						X		X
D5	Legislation in line with EU Acquis											X