

National Employment and Skills Strategy 2019 – 2022

Annual Progress Report 2021

June 2022
Tirana, Albania

Table of Contents

| | |
|---|----|
| Acronyms | 2 |
| Strategy Card | 4 |
| 1. Executive Summary | 5 |
| 1.1 Context | 5 |
| 1.2 Overview of labour market | 6 |
| 1.3 Intervention Logic / Theory of Change | 8 |
| 1.4 Main results and achievements | 9 |
| 2. Detailed Progress Report | 12 |
| 2.1 Strategic Priority A: Foster decent job opportunities through active labour market policies | 12 |
| 2.2 Strategic Priority B: Offer quality vocational education and training to youth and adults | 25 |
| 2.3 Strategic Priority C: Promote social inclusion and territorial cohesion | 42 |
| 2.4 Strategic Priority D: Strengthen the governance of the labour market and vocational qualification system | 50 |
| 2.5 Partnerships | 63 |
| 2.6 Gender Mainstreaming | 64 |
| 2.7 Communication | 65 |
| 3. Quality Assurance | 67 |
| 3.1 IPMG “Employment and Skills” and Technical Working Groups | 67 |
| 3.2 EU Progress Report for Albania | 68 |
| 3.3 Continuous Reporting in the frame of the EU-Albania Subcommittee on Innovation, Information Society and Social Policy | 70 |
| 3.4 Pre-Screening of the EU Acquis re. related Chapter 2 “Freedom of Movement of Workers” and Chapter 19 “Social Policy and Employment” | 71 |
| 3.5 Towards EU Standards. IPA 2019 – EU for Social Inclusion | 72 |
| 3.6 Alignment with other Sector Policies: ERP Policy Guidance | 74 |
| 4. Financial Resources and Allocations | 76 |
| ANNEXES | 78 |
| Annex I – List of institutions responsible for reporting | 78 |
| Annex II – Mapping of Donor Project Contributions by NESS Results | 82 |

Acronyms

| | |
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| 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 |
| 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 |
| ETF | European Training Foundation |
| EUD | European Union Delegation |
| GIZ | Gesellschaft für Internationale Zusammenarbeit / German Development Cooperation |
| HEI | Higher Education Institution |
| 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 |
| PMO | Prime Minister's Office |

| | |
|-------|---|
| PWD | People with Disabilities |
| R&E | Roma and Egyptians |
| QSHA | Centre for Education Services (alb. Qendra e Shërbimeve Arsimore) |
| 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 |
| SMIP | Pre-University Management Information System |
| SSC | Sector Skills Committees |
| TG | Thematic Group |
| UB | Unemployment Benefit |
| UNDP | United Nations Development Programme |
| 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

2021 marks the 8th 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 2021. 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 2021 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), the State Inspectorate for Labour and Social Services, 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. 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, and communication. 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 measures will remain particularly relevant in the medium term as Albania enters the recovery period.

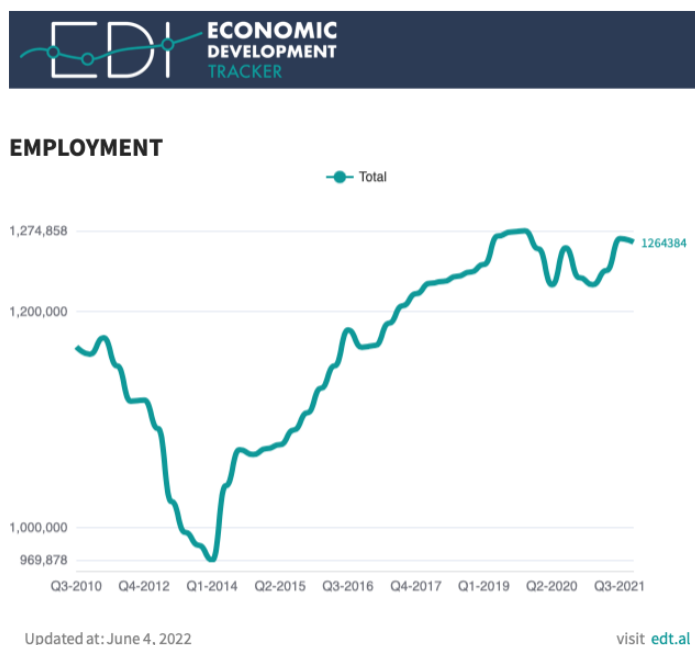
¹ The National Employment and Skills Strategy (NESS) initially covered the 2014-2020. Following the midterm review, the NESS and its related action plan were revised and extended until 2022.

2021 was a year that shed light to the effects recent crisis (post-earthquake and COVID-19 pandemic) had on the labour market and on the effectiveness and adaptability potential of education and training systems to the needs of the labour market. On the VET policies accounts, 2021 showed that efforts to improve the quality of the existing skills development offer need be complemented by targeted efforts transform the system into a permeable, flexible, and agile system that caters to the need of the labour market and individuals of all ages.

1.2 Overview of labour market

In 2021, Albania experienced a strong economic growth rebound of 8.5 percent (the highest growth rate registered in the 2000s) but over the medium-term the GDP growth rate is expected to return to its long-run potential level of 3 to 3.5 percent. The GDP growth recovery was driven by supportive fiscal and monetary policies and the rebound of the tourism sector².

Figure 1: Quarterly Employment Figures 2012-2021



Labour Force participation rate for the population aged 15-64 was 69.3%, for men being 15.9 percentage point higher than for women. In the last quarter of 2021, 1.26 million people were in employment, reaching close to the highest historical level of 2019 - (Fig. 1). Of all those in employment, 46.1% are employees, 33.3% are self-employed, and 20.6% are unpaid family workers.

The employment rate of people 15-64 increased by 0.4 percentage points. 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 employment rate exceeding women's by almost

14.4% at the end of 2021. 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, increased slightly to 26.4% (0.1 percentage point increase)

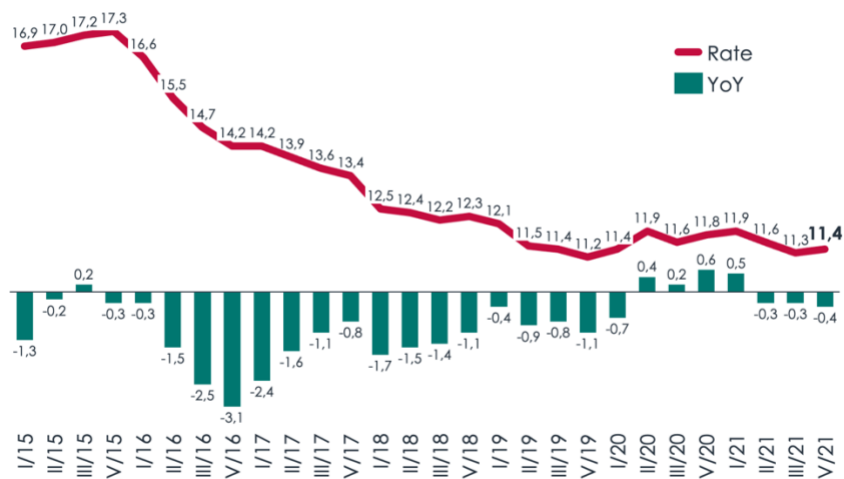
Gjirokastra and Elbasan were the regions in the country with the highest employment rate in 2021, 65.6%, and 62.2 % respectively, whereas the regions with the lowest employment rate were Lezha

² IFC, Creating markets in Albania, taking advantage of new trade and investment opportunities for a more robust private sector. 2022, <https://www.ifc.org/wps/wcm/connect/a9150cf7-63d6-496d-9c7e-2b19bc8effea/cpsd-albania.pdf?MOD=AJPERES&CVID=o5B9anh&fs=e&s=c1>

and Diber with 36.6% and 42.7% respectively. Of the 12 regions, only Shkoder and Tirana saw an increase in employment rates, whereas the regions of Dibër and Gjirokastrë experienced the sharpest declines.

Unemployment for the 15+ age group reached 11.4% in the last quarter of 2021, decreasing 0.4 percentage points compared to 2020. The official unemployment rate for men is 11.3% and for women 11.8%. By the end of the year, the number of the unemployed stood at 162,560. Registered unemployment increased rather rapidly, from 70,524 in Q4-2019 to 91,452 in Q4-2020, decreasing to 74,833 in Q3-2021. 46% of the unemployed sought employment through public employment services in the third quarter of 2021, which showed a considerable decrease from Q4-2020 (55%).

Unemployment rate, LFS, INSTAT



In 2021, the unemployment rate for the age group 25-24 was 27.1%. Compared to the previous year, youth unemployment rate has increased by 0.6 percentage point. 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 2021, 26.1% of youth were in this category. 37.4% of those classified as NEET are unemployed, 15.4% are discouraged, 17.5% are tending to domestic and family responsibilities, and the remaining 29.8% are inactive for other reasons.

In 2021, the **average monthly gross wage for an employee rose to ALL 57,191**, a 6.6% increase compared to 2020. Financial and insurance activities, information and communication, public administration, and defence; compulsory social security; 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 4.5%. a slight decrease by 2.2 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 Luxembourg³. 32.7% of contributors of the category of employees receive an average monthly gross wage up to the official minimum wage.

In the school year **2021-2022, the total enrolment in Albania's upper secondary education system was 103,467 students, of whom 85,188 (82.3%) were enrolled in general education (school gymnasium and oriented programmes) and 18,279 (17.7%) in vocational education**⁴. A total of 4,862 students graduated from public VET schools (4-year programmes) in 2019–2020, and 9,141 trainees graduated from short-term training courses offered at the public VTCs⁵. Among VET graduates, some 28.9% continued to pursue vocational or higher education⁶.

1.3 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:

³ EC, Joint Employment Report 2021, accessible at <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8351&furtherPubs=yes>.

⁴ <http://www.instat.gov.al>

⁵ Ibid.

⁶ NAES: Tracing survey for graduates from vocational secondary schools in Albania in 2019-2020, National Agency for Employment and Skills and Swiss Contact, 2021.

| | |
|---|---|
| Pillar A: Forster Decent job opportunities through effective labour market policies | <ul style="list-style-type: none"> • Objective: The labour market policies are effective and promote basic employment services to all women and men in order to enhance their job opportunities. |
| Pillar B: Offer quality VET for youth and adults | <ul style="list-style-type: none"> • Objective: VET system is capable across sectors to prepare and maintain a skilled work force answering to the existing demand in Albania and in the SEE region labour market. |
| Pillar C: Promote social inclusion and territorial cohesion | <ul style="list-style-type: none"> • Objective: All women and men have access to training and support services enabling their contribution to and benefiting from socio-economic development across regions, especially the rural population. |
| Pillar D: Strengthen the governance of the labour market and qualification systems | <ul style="list-style-type: none"> • Objective: Labour market and qualification systems are well governed and use the financing and human resources in a transparent and effective manner. |

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.

1.4 Main results and achievements

In 2021, 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**.

With regards to the **consolidation of the legal framework**, by the end of 2021, 8 bylaws of the Employment Promotion Law were adopted and in implementation, 13 bylaws of the VET Law, while the secondary legislation on the Albanian Qualifications Framework has been completed with the approval of the National Catalogue of Vocational Qualifications by the Minister of Finance and Economy. 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 overhauling revision and adoption of a comprehensive bylaw on the organisation, functions, and activity of the VET providers, which defines the organisational structure, functions and responsibilities of the VET providers and the development units, enrolment procedures, internal quality assurances processes, financial and human resources management, implementation of the

teaching and learning process, learners' assessment. In addition, the bylaw regulates the activity of different internal forums and commissions at the provider's level. Other important VET secondary legislation adopted in 2021 includes the DCM on inspection, and the DCM on the establishment of the RPL system.

With regards to the **development and implementation of the Albanian Qualifications Framework (AQF)** marked a significant achievement during 2021. The **referencing report** of the **Albanian Qualifications Framework** with the European Qualifications Framework was adopted by the EQF Advisory Group. The purpose of the referencing process is to establish a clear and transparent relationship between national qualification levels and the eight EQF levels. The referencing report was prepared by the Albanian Qualifications Framework Task Force based on 10 referencing criteria set out in the EQF Recommendation of the European Council.⁷ Following the adoption, the referencing report was published on the website of the European Commission.⁸ In this regard, noteworthy are also the efforts and steps taken to establish the first Sector Skills Committee in the ICT sector, which was formally established by a joint Order of both responsible Ministers.

2021 marked a significant development towards extending the VET offer to post-secondary levels. 2 additional public VET providers launched a post-secondary VET programme in diagnostics of vehicles, while another VET provider offered for the second year a post-secondary VET programme in fashion design. Furthermore, a review of the regulatory framework was conducted with the aim to analyse and explore the scope for post-secondary VET in Albania.

A key milestone towards offering quality vocational education and training to youth and adults was the **development of core building blocks of the VET quality assurance framework**. Supported by an online platform, the self-assessment process continued its regular implementation in 2021, as a cornerstone of VET providers' efforts for institutional development and quality. The **accreditation model** that was developed in 2020, in line with national and EU standards, building on the self-assessment results and aligning quality areas and standards, was **adopted and commenced implementation in 2021** with the certification of 38 external assessors and NAVETQ responsible departments.

A Labour Market Information Observatory has been developed, aspiring to become the primary mechanism for fetching and disseminating information and intelligence on labour market. MFE seeks to expand this toll to all other ministries with the aim to make it an integral part of decision making at all levels.

During 2021, the NAES was able to implement a diversified portfolio of Active Labour Market Programmes (ALMPs), as re-conceptualized based on the individual-centred approach.

⁷ Council Recommendation of 22 May 2017 on the European Qualifications Framework for Lifelong Learning and repealing the e recommendation of the European Parliament and of the Council of 23 April 2008 on the establishment of the European Qualifications Framework for lifelong learning,

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017H0615\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017H0615(01)), last accessed June 16, 2022

⁸ <https://europa.eu/europass/en/document-library/eqf-referencing-report-albania>, last accessed June 16, 2022

Two new programmes, the Self-Employment Programme and the Community Employment Programme were introduced for the first time 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. Both programmes were implemented throughout Albania, after a intensive capacity development of Employment Offices.

With regards to the **strategic priority on social inclusion and territorial cohesion**, a significant achievement for 2021 was the consolidation of the Integrated Case Management through a comprehensive piloting in Elbasan region, through partnering with the social services of the municipality and by outsourcing service delivery to non-public and specialised providers. In addition, in partnership with the organisations that protect the rights of children with disabilities, a Roadmap for inclusion of student with disabilities in VET was developed.

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, including the annual progress reporting of the National Employment and Skills Strategy and Social Protection Strategy, the draft National Plan for People with Disabilities 2021-2025, and the draft National Education Strategy 2021-2026.

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 main priorities of the National Agency for Employment and Skills (NAES) for 2021 has been the process of strengthening **its renewed organizational structures** to enable delivery of the employment policy and programmes, reformed in the last two years. The new structure envisages the division of roles and responsibilities between the local, regional, and central level within NAES, clear profiling of employees, and enhanced capacities for all the staff. In addition, as the developed Management Information system was introduced in all Employment offices, all need training to be able to utilize it in their day-to-day work.

A detailed Training Needs Analysis was conducted for all the staff of the Employment Offices, several training packages were sustainable, a comprehensive training program is currently ongoing. The TNA report outlines that it is important to introduce the competencies model, covering linking job descriptions, selection of candidates based on competencies required to perform job tasks, evaluation of performance, and development of competencies that could help

to perform better. As the result of the survey conducted it was identified that the competencies that were pointed out as the most important in the job also tend to be the competencies where respondents feel most competent. However, it is possible to pick out competencies that should be improved and developed despite the extensive level of NAES staff work experience. Furthermore, the growing focus on the development of services and provision of quality services emphasizes the need of improving the competencies related to clients' needs - proactive outreach, employment counselling, and job mediation techniques, labour market analysis. Training, development, and capacity building of NAES staff should be highlighted as a key priority.

It is crucial to develop a clear system of capacity building for staff. The system should be a part of HR management – directly linked with job descriptions, performance management and evaluation of the performance of individual staff, assessment of training needs as well as considering strategic goals. Capacity-building should be understood as an ongoing and continuous process when the skills and abilities of staff are developed and strengthened based on the changing environment.

Until the end of reporting period a total number of 219 staff were trained. In coordination with UNDP, SREPVET and Swisscontact employment office staff were trained on the new tools for delivering employment services (such as the Individual Employment Plan), the implementation of the newly approved Self-Employment Programme and Community Employment Programme, and for other functions.

The new Methodology of Cooperation with Business, that has enabled a unified service of EOs toward businesses that are seeking new staff has been implemented in 22 regional and local labour offices and has resulted in improving the cooperation with businesses. 132 staff from LO have been trained through a hands-on process. In addition, the system of monitoring and measuring the customer satisfaction already in place and can ensure the continuous improvement of the cooperation with businesses, and the improvement of EO services performance in general.

Furthermore, the recent developed strategic analysis of Regional Labour Market and Economic Development, piloted in Elbasan region complements a systemized approach to accommodate synergies between labour market, VET offer and skills of jobseekers, and contributes to strengthen the coordination with local governments, businesses, and other stakeholders

MoFE and NAES to develop and implement a targeted communication strategy and visibility plan, with the organisation of campaigns or events aimed to raise the image of NAES and inform the public about the transformation of NES into NAES and the new services offered, guaranteeing the participation of social partners and civil society organizations. A Communication Strategy, together with the Action Plan, was drafted and is currently being implemented.

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 | | X | |

| | | | | |
|---------------|---|--|---|---|
| | 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. | | | |
| A1.2.3 | 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 centre 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 2021 to reconstruct and equip employment offices with the physical assets, IT infrastructure, as well as branding and design. By the end of 2021, only 4 employment offices remain in need of reconstruction. In partnership with donor projects, some EOs have been equipped with computers and other materials.

The new ICT system was designed during 2021, with most of the modules developed and tested, in web and mobile version. The ICT system was fully rolled out to all EOs. The finalized modules have been introduced to employment offices' staff as they are developed, and related training has been delivered. Through the ICT system, NAES has been able to monitor the main administrative data. Data entry was continually monitored. Over 60,000 Individual Employment Plans were developed during 2021 and entered in the database. The new system has also allowed for the creation of a digital map of all vacancies. The ICT system has also allowed for registration, job search and vacancy publication by employers. The mediation services can now be provided online. The ICT system is automatically connected to the e-Albania government platform.

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 2021, 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. Performance targets have been allocated at the national, regional, and local level.

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 has been developed with support of IPA 2015 - Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training.

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 |

Following the adoption of the new Employment Promotion Law in 2019, the Ministry of Finance and Economy, in close collaboration with UNDP, undertook a thorough review and subsequent reform on the EPP portfolio and provisioning during 2019 and 2020. At the core of the reform was the endeavour to address the needs of the client base of NAES and improve the implementation procedures. 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. While the legal and operational framework was adopted in 2020, a fully-fledged implementation could only commence in 2021.

The programmes approved in 2021 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](#)) (amended)
- (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](#))(amended)

- (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](#)) (amended)
- (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](#)) (amended)
- (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](#)) (amended)

The implementation during 2021 aimed at achieving a better response to the needs of unemployed jobseekers, especially focused on responding to the needs of unemployed jobseekers, especially the most vulnerable, based on harmonized action between the National Agency for Employment and Skills, the State Social Service and local authorities.

Furthermore, following a pilot implementation by the end of 2020 in four regions, including Tirana, Shkodra, Kukës and Dibër, in 2021 the self-employment programme was implemented by all employment offices throughout the country.

The Community Employment Programme was launched for the first time in 2021 throughout Albania, following intensive training for all the Employment Offices around the country. This EPP is implemented in collaboration with selected NGOs, which are partners in providing employment, training in the workplace and counselling for sustainable employment, provided in the community and for the community.

A total of **2,238 jobseekers** benefited from the EPPs in 2021, through the partnership of 643 private sector companies. 53% of the beneficiaries were women and 47% were young women and men (*see Table 1*).

Table 1: Characteristics of EPP beneficiaries

| Beneficiaries of the EPPs 2021 (Data from NAES Databases) | Number of beneficiaries | % |
|--|--------------------------------|-------------|
| Total number | 2,238 | 100% |
| Women | 1,185 | 53% |
| Head of households | 185 | 8% |
| Youth (16-29) | 1,046 | 47% |
| Beneficiaries of unemployment benefit | 155 | 7% |

| | | |
|-----------------------------------|-----|-----|
| Beneficiaries of the Economic Aid | 123 | 5% |
| Long-Term unemployed | 441 | 20% |
| Roma and Egyptians | 44 | 2% |
| People with disabilities | 14 | 1% |
| Returned Migrants | 0 | 0% |

643 companies signed contracts with NAES regional offices for the implementation of , out of which 265 benefited from the programmes targeting unemployed due to COVID-19 and the others for the remaining programmes. In 2021, the distribution of the number of beneficiaries per programme was more even, while there was an increased participation of jobseekers in the Internship programme. (see Table 2). For the first time, NAES was able to implement the Self-Employment Programme and the Programme for Community employment.

Table 2: EPP beneficiaries by programme type

| Type of Programmes (Data from NAES databases) | Nr. of Partner companies | Nr. of beneficiaries | % of beneficiaries |
|---|--------------------------|----------------------|--------------------|
| Wage-subsidy Programme | 99 | 192 | 9% |
| On-the-job Training programme | 81 | 191 | 9% |
| Internship Programme | 130 | 628 | 28% |
| 4-months employment programme | 46 | 258 | 12% |
| 8-months employment programme | 115 | 398 | 18% |
| 12 months employment programme for informal workers | 104 | 318 | 14% |
| Programme for Community Employment | 23 | 208 | 9% |
| The Self-Employment Programme | 45 | 45 | 2% |
| Total | 643 | 2,238 | 100% |

The self-employment programme which was adopted as integral part of the ALMPs portfolio in 2020, in 2021 was introduced and implemented by all employment offices throughout the country. 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.

Supported by the SREPVET project, the MFE is designing of Youth Guarantee national plan, by completing the necessary legal framework, preparing the implementation procedures and modalities, and implementing a pilot benefiting a minimum of 200 NEETs (young people Not in Education, Employment or Training) beneficiaries. By the end of 2021, a Baseline Analysis of Youth Labour Market was conducted and as well, a Mapping and Profiling of NEET in Albania

study. Legal framework was analysed, and draft proposals were prepared for amendments to the legal framework, including a proposal for the Governance Model. In addition, the MFE has started the legal procedures for establishing the Multi-stakeholder Group and Expert Group.

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. MFE and NAES, supported by UNDP/SD4E, RISIA Albania 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. RISIA Albania provided the international expertise (from the Swiss Federal Institute for Adult Education) to design the framework modalities based on international and regional practices. GIZ assessed the status quo of the non-public providers in Albania (about 800 providers were interviewed and close to 10% of interviews were combined with the site visits), RISIA Albania provided models on how the voucher mechanism can be introduced in the implementation of the EPPs in the country, while UNDP provided supported as to how the legal framework can accommodate the introduction of an outsourcing mechanism for training provision.

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 2021, the state budget for the implementation of EPPs was initially set at ALL 521 million, but only All 389 million were spent, mainly due to contracts committed in the end of 2020. 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. It is evident that NAES, regional offices and local offices are in dire need of further capacity development to enable the effective and efficient delivery of the EPP reforms.

Table 3: Disbursement of EPP funds by programme 2021

| Type of Programmes (Data from NAES databases) | No. of beneficiaries | Funds Disbursed (ALL) |
|--|----------------------|-----------------------|
| DCM 17 - Wage-subsidy Programme | 484 | 51,154,883 |
| DCM 17 - On-the-job Training programme | 417 | 53,762,691 |
| DCM 17 - Internship Programme | 1,086 | 66,826,265 |
| DCM 608 - 4-month employment programme | 282 | 19,795,076 |
| DCM 608 - 8-month employment programme | 1,496 | 139,302,685 |
| DCM 608 – 12-month employment programme for informal workers | 816 | 36,474,561 |
| DCM 535 – Community Employment Programme | 208 | 1,197,597 |
| DCM 348 – the Self-Employment Programme | 45 | 20,624,270 |
| Total | 4,834 | 389,138,028 |

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 |

By Order no. 156, dated 24.11.2020 of the Prime Minister, "On the approval of the structure and staff of the State Labour Inspectorate and Social Services", the new structure and staff of the State Labour Inspectorate and Social Services (SLISS), was approved. It entered into force on 12.02.2021 and counts a total of 165 job positions, from 154 that was with the previous structure. The State Inspectorate for Labour and Social Services (SLISS), at the central level has an increase of employees from 36 to 48 in total.

The total budget of SLISS for 2021 is: 176,300,000 ALL. The total number of vehicles used by SLISS is 7 (six) vehicles, of which 1 (one) is in use by the Tirana Regional Branch of which 1 (one) is in use by the Vlora Regional Branch, 1 (one) in the Dibër Regional Branch, 1 (one) in the Korca Regional Branch and 3 (three) are in use by the Central Directorate. The central directorate of SLISS has made possible the refund with fuel, for the movements of inspectors through the entities that have a considerable distance from the location of the institution.

SLISS priorities in terms of creating safe working conditions have also driven the planning of inspections in entities that pose a risk to the safety and health at work of employees, as well as the development of awareness raising meetings with business and strengthening inter-institutional cooperation.

Informative roundtables were held with representatives of employers and representatives of employees, etc. Inter-Institutional Cooperation has significantly improved, both at Central and Regional level by a) Carrying out joint inspections (with tax authorities, State Police, Prosecution, etc.); b) Periodic exchange of data on entities (with National Business Centre, tax authority, etc.); c) Addressing and exchanging information, case by case, for certain problems or evidence encountered in certain subjects and which require coordination of work or delegation for competence).

SLISS, with the aim of ensuring the implementation of the legal provisions on safety and health at work, decent working conditions and employee wellbeing, continues the close collaboration through Cooperation Agreements with the Commissioner for Anti-Discrimination, the AMA

(Audio-Visual Media Authority), the National Agency for Employment and Skills (NAES), the Public Procurement Agency and the Centre for Gender Alliance and Development.

Based on a Memorandum of Understanding (MoU) concluded between SLISS and the Public Procurement Agency, every entity that will participate in public procurement procedures, must complete a self-declaration that there is no violation of the labour legislation. On the other hand, this list of winning entities is forwarded to SLISS for confirmation whether these economic operators have made a false declaration to the benefit of procurement procedures.

Inspections carried out during the period January-December 2021:

- 17.8% of all inspections did not have violations of legal requirements of labour law;
- 33.3% of all inspections have violations of legal requirements of labour law, of which 87% have tasks to perform within a time limit;
- 37.8% of all inspections violate the legal requirements of the law on safety and health at work; 9.5% of all inspections have violations of legal requirements of DCMs pursuant to the law on safety and health at work;
- 17.5% of inspections that have violated the legal requirements have been followed by measures of warning, measures of punishment and measures of suspension of work.

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 citizens (women and men) who have been offered employment. | X | | |

Activities under this result have not been initiated.

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. The work for developing improved monitoring instruments has commenced. During 2021, NAES with the collaboration of partners, have developed the monitoring instruments to conduct process evaluation of the EPPs. The impact evaluation of the EPPs will be conducted during 2022, as foreseen in the approved DCMs.

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. Periodic reports are published for the implementation of the EPPs. Based on the findings of the monitoring report, amendments were proposed in the approved DCMs.

Result A4.3: Preparation of ALMPs monitoring reports

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

Periodic reports are published for the implementation of the EPPs. Based on the findings of the monitoring report, amendments were proposed in the approved DCMs.

See reporting on A4.2.

Table 4: 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% | 28.1% | | 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 |

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

¹⁰ See Above

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 multi-functionality, equality, diversity and flexibility. | | X | |
| 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 | | |

Efforts to update and expand the VET offer, in line with the labour market needs, continued in 2021.

In this regard, based on the findings of labour market studies, NAVETQ continued its work on developing occupational standards, vocational qualifications standards, as well as frame curricula. During 2021, 21 occupational standards were developed. Based on the occupational standards, NAVETQ developed 21 vocational qualifications standards of AQF levels 2, 3 and 4 in terms of learning outcomes for knowledge, skills, and competences, in line with the respective AQF level descriptors.

NAVETQ has been supported by the S4J project for the development and revision of occupational standards, vocational qualifications in the ICT sector and by the Austrian Agency for Education and Internationalisation (OEAD) for the development of occupational standards and vocational qualifications in the hospitality sector (hospitality assistant).

The virtual learning platform MësoVET, which was developed by S4J, continued to be used by all VET providers during 2021. During 2021 more than 9000 students and 800 teachers have been

registered on the platform, while more than 600 teachers have been trained on using the platform. The platform has been enriched with 310 subjects in 8 VET programmes. Continuous coaching and mentoring were provided to 150 teachers and other platform users.

During February- May 2021, NAES with the support of S4J conducted the tracer at the national level for the 2019 cohort of certified trainees and 2019-2020 cohort of VE graduates was conducted. 4701 certified trainees from 10 public VTCs and 1412 graduates from 36 schools were traced, utilizing the NAES Call Centre.

S4J supported its partner VET providers and responsible tracing coordinators from the development units, with the implementation of provider-based tracing. 926 graduates or 74% of the 2019-2020 graduation cohort were traced in June 2021, and 272 certified trainees from VTC Vlora were traced.

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 2021.

All VTCs continued with the delivery of an improved and unified offer of vocational training programmes, in close collaboration with NAVETQ.

GIZ, through the PROSEED Programme, supported the development new curricula for digital competences for unemployed job seekers, including basic and advanced digital skills, whereas the curricula of the vocational training programme electrical installations were digitalized to provide for a blended teaching and learning format.

Engagement and efforts to consolidate interventions aiming at improving the quality of non-formal training opportunities available to young people advanced further in 2021. RISI Albania partnered with 5 private non-formal training providers and supported them to diversify their training portfolio in line with the market needs and improve their training offer. In addition, RISI Albania provided career orientation and intermediation of the graduates, which led to 52% of employment rate of the graduates from these trainings. As globally and locally the digitalization is becoming a key word of the skills market, training providers were challenged to attract the interest of trainees for online activities and digital skills. On the other hand, training providers in ICT have provided young people with high-tech skills, as a result of cooperation with internationally well-known providers like Coding Dojo from the Silicon Valley.

These models of private non-formal training provision have upscaling potential. For this reason, MFE is partnering, among others, with the World Bank with the aim to expand the private training offer of skills development.

Efforts to extend the VET offer to the post-secondary level have been intensified during 2021. For the academic year 2021-2022, the Technical Economic School of Tirana enrolled the second class in Fashion Design at AQF level 5. In addition, two other VET providers, the Vocational School “Pavaresia” in Vlora and the vocational school “Stiliano Bandilli” in Berat started to offer the post-secondary VET programme on auto services and car diagnostics.

With the support of UNDP’s SD4E Programme, MFE embarked on an endeavour to understand the potential of the system to diversify the offer at the post-secondary level. The objective of this study was to analyse needs and scope for extending the offer of vocational education and training to post-secondary levels, as well as to identify the potential for increased collaboration between education and training providers and the private sector.

The analysis of the post-secondary VET in Albania showed that the education system is fragmented, the offer is more often an ad hoc reaction of providing institutions to administrative procedure changes, while a strategic framework and vision to make the education and training offer at this level work for learners of different age groups and backgrounds is rather non-existent. Despite principles mentioned in all three main laws, secondary legislation and the organization of the entire education system makes it impossible for any horizontal or vertical permeability.

Post-secondary VET labour market responsiveness remains limited. However, the rigid regulative framework and limited capacities of higher education institutions hamper the design and delivery of labour market relevant and practical post-secondary VET programs.

Post-secondary VET is a relatively new pathway compared to the more traditional and well known initial vocational education and training and higher education. Therefore, the systems need to opt for quality infrastructure, adequately trained and adequately rewarded teaching staff, methodologies, and teaching material).

Based on findings, consultations with stakeholders and analysis of the current situation in the country, the study highlights that the case for post-secondary VET in the Albanian education system has yet to be built. Employers are aware of the need for higher skills, yet they cannot recognize the value added of HEI post-secondary VET graduates. Potential learners (students), on the other hand, do not opt for post-secondary VET programs as their first choice, while it is an almost unknown option or working adults aiming to reskill or upskill.

The implementation of the recognition of prior learning, as planned in the activities B1.1.6, B1.1.7 and B1.1.8., has been on hold during 2021 awaiting the approval of the respective DCM, which was only adopted by the end of the year.¹¹ However, the adoption of the Osnabrück Declaration and Albania’s commitment to its objectives create a positive prerequisite for this policy instrument.

¹¹ DCM No. 756, dated 9.12.2021 “On the System of Validation of Prior Non-Formal and Informal Learning”

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 | |

With regards to the optimization of the VET providers' network, as one of the key priorities for the development of the VET sector, the working group of the Ministry and Finance and Economy continued its work to prepare the necessary legal framework for its operationalization.

One of the key milestones, hereto, is the adoption of the Minister's instruction on the organisation of the VET providers and aspects of management of human resources, development unit and continuous professional development of the professional staff.

The draft for a DCM on Procedures for the Criteria and Procedures for the opening, closing and reorganisation of VET providers was prepared by the working group and submitted, while it was not adopted during 2021.

Complementing the efforts to optimize the public network of VET providers, NAES with the support of the GIZ PROSEED programme, conducted a monitoring and evaluation of private VET providers. The report was presented to NAES and the Employment Advisory Council by the end of 2021.

Development units (DUs) were officially introduced in September 2020 in all public VET providers. In 2021, several development projects provided comprehensive and tailored training to different DU coordinators of all VET providers.

With the support of S4J, NAVETQ provided a capacity building training programme for curricula coordinators of all VE schools during September through December 2021. The training programme aimed at preparing coordinators to better fulfil their functions and equipping them with tools to translate skills needs into curricula. Furthermore, a Community of Practice with Curricula Coordinators was established on the platform "MësoVET" and social media to facilitate the exchange with fellow coordinators and discuss issues related to their function.

More specifically, the providers were engaged to develop DU annual plans, based on 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.

To support the implementation of new curricula in the hospitality and tourism schools, trainings to teachers of practice from all 11 tourism schools were organized, in a combined modality of one day theoretical training and one day practical learning in the workplace. These trainings were supported by OEAD in the frame of the AI-Tour project.

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 | |

The shift from face-to-face to remote teaching and learning processes – due to the COVID-19 pandemic – highlighted various pitfalls caused by manual information and data management. To address these, NAES with the support of S4J developed a data administration system, while the Centre for Education Services launched the process to develop a comprehensive management system for the entire pre-university education, including upper secondary VET.

The administration system developed with the support of S4J built on previous experiences and pilots and provided solutions on the following: a) efficient management of the data collection and reporting process; b) increased accuracy of collected data; c) generation of automated reports, based on users’ needs (at the VET provider and the system levels); d) visualization and increased use of data for managerial purposes (through VET providers’ and NAES websites, sharing of VET providers’ results in real time); e) 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 application and capacity building of responsible staff were developed and organized during 2021, while all VET providers have regularly been reporting data to NAES through the administrative data system. S4J provided technical assistance as per needs of the VET providers.

The IPA 2015 Technical Assistance Project “Support the Reform on Employment Policies and Vocational Education and Training” (SREP VET) project has conducted an in-depth analysis of the existing information systems that operates in VET and provided a report on the current situation of the VET information management system, including as annexes a hardware and connectivity recommendation paper, a graduate tracing survey form and tracking report for graduates. The report with recommendations for establishing a unified VET information management system was presented in two workshops with representatives from all relevant stakeholders. Following the conclusions of these workshops, the System Requirements Specification for VET MIS was prepared based on the designed and revised data structures and templates for a new consolidated VET MIS.

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 | | |

The IPA 2015 SREP VET project prepared System Requirements Specifications which are designed to complement and work with the existing MIS of MoES and the national systems and databases relevant to employment and education sectors. It also provides the opportunity for an online communication platform which can serve the needs of policy makers, responsible institutions, and other relevant stakeholders. It was submitted to NAES and MoFE for further development of the appropriate software.

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 | |

Another crucial achievement in the efforts for a quality assured VET system, as well as in the efforts to optimise the public VET offer, was the adoption of the model, standards, criteria, and procedures for the accreditation of VET providers.¹²

NAVETQ, in cooperation with UNDP’s SD4E Programme, had already developed a comprehensive model for the accreditation of VET providers in 2020.

In support of this implementation process, based on a roadmap that was prepared alongside the accreditation model, following activities and documents have been developed during 2021:

- A manual (guideline) for the accreditation process has been elaborated that includes standards, procedures, instruments, and instructions to support VET providers and other institutions with the implementation. This guideline is in use by NAVETQ for capacity building of external evaluators and internal staff.
- The legal basis has been consolidated through the adoption of the Regulation on Standards, Criteria and procedures for the accreditation of vocational education and training providers (Order of the Minister No.128, dated 6.7.2021)
- All necessary documents for the respective procedures, including different forms and questionnaires have been developed.
- New staff at the responsible department at NAVETQ has been recruited during 2021. Furthermore, NAVETQ carried out the process of recruiting and selecting 40 candidates for external evaluators of accreditation.
- A comprehensive training programme, including 36 hours of theory, 24 hours of practice, as well as a written and oral examination through an in-depth interview, was designed and implemented.

The training programme was conducted in two groups for a total of 40 candidates for external evaluators and 4 (four) internal NAVETQ staff. The first 17 candidate external evaluators and 4 NAVETQ staff completed the training programme between June and

¹² Minister’s Order No. 128, dated 06.07.2021 “On the approval of the regulation for the standards, criteria and procedures for the accreditation of vocational education and training providers”

December 2021, while the training for the second group of candidates for external evaluators kick-started in October 2021 to conclude in the first quarter of 2022.

- Alongside and as part of the training of candidate external evaluators and NAVETQ staff, simulation of the accreditation process was conducted with 5 VET providers for 6 vocational qualifications from their offer. For the simulation VET providers were selected that deemed themselves to be ready for the accreditation.

All these activities have been conducted following a clear roadmap that was developed for the roll-out of the accreditation process, which defines four key stages: 1) Pre-piloting stage: Capacity building and preparation of NAVETQ to undertake the piloting of the accreditation system; 2) Piloting stage: NAVETQ will undertake the pilot accreditation activities and will have, by 30 September 2022, the capacity to fully implement the accreditation system. 3) Full implementation stage: NAVETQ will undertake the evaluation of public and private VET providers by mid-2027. 4) Policy evaluation by continuing monitoring and independent external evaluation, including annual reports on the state of the VET system, an external independent evaluation of the accreditation system by 2028, and a review of the system based on the results of the independent evaluation.

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, 930 private training providers have been licensed countrywide, with 65% of them located in Tirana. The number of applications for licensing increases steadily, with 120 private entities being licensed each year to provide vocational training.

In its capacity as monitoring body, NAES continued to monitor private training provider.

Out of the 930 licensed providers, only 159 reported regularly to NAES during 2021. From statistics reported by these private training providers to NAES results that 7588 people have been trained, of which 3776 women and 3038 unemployed.

NAES, with the support of GIZ PROSEED programme, conducted a monitoring and evaluation of private training providers between May and October 2021. The study aimed to reach out to all 930 licensed providers, while only 883 providers responded, while the rest had suspended their activity.

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 DCM on **Documentation, Procedures and Criteria for State Inspection in the VET system** was adopted in 2021¹³. The bylaw was developed with the support of the SD4E project. Despite obstacles in the current legal framework that hampered the adoption of this bylaw, MFE advanced with the adoption procedures, so that inspection functions can be performed by a dedicated unit within the Ministry, as an effort to consolidate the quality assurance framework in VET.

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 | |

During 2021, the self-assessment process was carried out by all public VET providers for the third year in a row. In addition, two private VET providers joined the process on a voluntary basis and with the support of NAVETQ. The novelty in 2021 was the introduction of the digital platform www.scvet.al, which facilitated and helped 44 public VET providers and two private ones, to implement the process based on a standardised tool. In addition, through this platform, NAVETQ had the possibility to improve monitoring of the self-assessment and better utilise its results for purposes of the accreditation process. As a result, NAVETQ was able to monitor the implementation of the of the process in due time and support the schools accordingly. Regional workshops were organized between June and October 2021 to discuss the usage of the online platform and adopt the process to the facilities that this platform brings.

Based on the implementation experience and lessons learnt, the bylaw on self-assessment was revised and amendments were adopted alongside the adoption of the accreditation standards, criteria, and procedures.¹⁴ These changes aim at improving self-assessment's effectiveness as an internal quality assurance of the VET provider and establish a solid ground for the accreditation or other external evaluation processes.

¹³ DCM No.755, dated 9.12.2021 "On the Definition of Documentation, Procedures and Criteria for the State Inspection in the VET System", <http://qbz.gov.al/eli/vendim/2021/12/09/755>

¹⁴ Minister's Instruction No. 18, dated 6.7.2021 "On Amendments and Addenda on the Minister's Instruction No. 18, dated 8.5.2018 'On the development of the self-assessment in institutions of vocational education and training'"

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. After a stocktaking exercise to analyse the situation of each public VET provider, NAES developed the performance cards for the two types of VET providers: schools and VTCs. In addition, NAES' statistical programme and indicators have been revised to include indicators on the VET schools. The year 2021 served as a baseline year for the definition of indicators targets and values. This experience informed the development of NAES' workplan and performance card for 2022.

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 and continued in the academic year 2021-2021. During 2021, 1995 cooperation agreements were signed between VE schools and companies, out of which 1834 were dedicated agreements for the implementation of WBL. VTCs have signed 710 (406 for the implementation of WBL) cooperation agreements with companies. 1969 students and 3434 trainees attended internships in companies during 2021. Implementation in each VET provider was coordinated by development units. At the central level, NAVETQ and

NAES have jointly coordinated the process of institutionalizing the function of business relation coordinator in all public VET providers. The complete package for the documentation of the internship (WBL) has been prepared by NAVETQ and is being implemented. All business relation coordinators have been trained, while a manual for quality assurance in school-business relations has been prepared.

Monitoring was carried out to obtain feedback on the implementation of the model of professional practices in business.

Targeted support was provided by S4J to its partner VET providers to improve planning and implementation capacities for WBL, both in the VET provider and in the company. 32 school instructors were capacitated to develop internship plans, while 55 were capacitated to monitor students during WBL. One-to-one coaching provided to 10 business relation coordinators of S4J's partner institutions. 122 in-company instructors were assisted through site visits by experts, on how to improve the delivery of WBL. In addition, S4J's partner institutions were supported to organize activities that promote work-based learning during the European Skills Week.

OEAD office in Tirana provided support with the development, implementation, and evaluation of a training programme for business-relation coordinators at the national level. In the frame of the training programme, OEAD facilitated the establishment of the network of business relation coordinators of all VET providers.

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 | |

Cooperation agreements between VET providers continued to be signed during 2021. 1995 cooperation agreements were signed between schools and companies, whereas 710 such agreements were signed between VTCs and companies. Through the online data management application, NAES has now a registry of all signed agreements.

To support and facilitate school-business cooperation, NAES organized a National Virtual Fair and Skills Competitions in the ICT Sector.

S4J supported its partner institutions to strengthen the cooperation with companies and improve the quality of such cooperation. Noteworthy is the case of the Vocational School (Shkolla Tregtare) in Vlora, where the Chair of the School Board provided transportation for students of the school.

Another success story is the sponsorship agreement between the NOVOMAT and “Gjergj Canco” school in Tirana, for the supply of solar panels.

Furthermore, S4J facilitated 20 story telling meetings that were held by the Women Economic Chamber of Albania (WECA) in all ist partner VET providers were held during 2021, where prominent business representative business members talked and shared with students in opened discussions.

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 | |

While the career guidance function (with the Development Units) had been institutionalized in 2020 in all VET providers, NAES and NAVETQ, in close collaboration with several development projects, provided dedicated support to VET providers to perform and strengthen this function.

With the support of S4J, 9 VET providers offered job mediation services, mainly targeting 13th grade students or alumni. A job add corner has been created in every school, regularly enriched by vacancies coming from business partners, published adds or employment office. This information has often been shared through social media.

NAES, in collaboration with S4J, supported career development coordinators from all VET providers to design “Matura students’ days” aiming labor market insertion. Sample workplan and examples from partner schools were provided.

Relationships between schools and employment office intensified during 2021. Activities such as students’ information on labor office services, programs, vacancies; students’ registration as job seekers; employee rights etc. have been organized under career guidance coordinator leadership.

NAES, with the support of RISI Albania, continued its efforts to harmonize the career guidance function throughout the organization. In VTCs career guidance has been linked with the individual employment plans for jobseekers.

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. No further progress was reported with regards to this activity for 2021.

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 2021, NAVETQ continued the implementation of the 24-day Training Programme for "Basics of Didactics in VET". In collaboration with the GIZ PROSEED project, NAVETQ revised the training programme curriculum to include a module on "digital and green skills for VET teachers".

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 the approval of the Instruction on the Organization, Functioning and Activity of VET providers (Instructor No.14), comprehensive procedures for the selection and recruitment of VET teachers have been adopted and are in implementation, starting with the academic year 2021-2022.

Result B5.3: Continuous professional development of VET 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 | |

During this year, the CPD coordinators in the development units of all VET providers have been trained. The training needs at the provider level have been analysed through the Development Units.

NAVETQ has been working to prepare the methodology for the analysis of the needs of VET teachers at the national level, while it has drafted instruments for the implementation of CPD. NAVETQ has developed a regulation for the implementation of VET teacher's attestation and submitted it for approval to MFE.

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 2021, NAES has undertaken the following measures to ensure initial and continuous professional development of VET providers' staff: NAES has worked to improve recruitment policies of VET providers, which were adopted by the bylaw on the functioning of VET providers (Instruction No.14/2021). VET providers responsible staff have been trained on the implementation of recruitment procedures to increase the quality of teaching in public VET providers.

In addition, NAES has developed training packages for the initial and continuous professional development of VET providers' management and support staff. Furthermore, capacities at the provider level have been consolidated for the use of the new statistical application.

In December 2021, NAES, the Swiss Agency for Development and Cooperation through the Swisscontact implemented S4J project, and the School of Directors signed a Tripartite Agreement with the aim to develop a dedicated mandatory preparatory qualification programme for managers of VET providers.

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 MFE and NAES, aiming not only to expand outreach, but also to attract young girls in non-traditional professions. In these efforts, institutions have 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.

NAES has undertaken several measures to promote and increase attractiveness of VET, by 1) including profiles and other relevant information on the VE schools on the puna.go.al portal; 2) publishing up-to-date information on the offer of vocational schools and vocation training programmes offered by VTCs; 3) supporting all VET providers to design and publish brochures on their specific offer.

A virtual job and skills fair was organized in June 2021. In May 2021, NAES, in partnership with Elite Travel Agency, organized a national competition for VET students in ICT, with a focus on programming.

Also, with the partner company Elite Travel Agency, during October 2021, a national programming competition was held, where ICT students showed their knowledge, so much so that the number of winners who were awarded prizes and were motivated to participate in other competitions.

In cooperation with Albanian Skills, Skills Week and National Skills Competitions were organized.

UNDP's SD4E project continued to facilitate VET students' engagement through the R Generatl social media platform. In addition, in the last quarter of 2021, Following the VET system review conducted during 2020, SD4E considered to conduct a survey that explores perspectives and perceptions of upper secondary VET students on several key dimensions of the VET provisioning, such as: stimulating environment in the school where they learn, their learning interests, their

expectations and the challenges they perceive and face during their learning path. The study includes a combination of quantitative and qualitative methods and tools with the aim to 1) identify perceptions, expectations, and challenges that students face in the VET system; 2) analyse and elaborate the main topics identified; 3) recommend school level and policy interventions that will improve the experience of VET students.

S4J supported NAES to organize a nation-wide level training with VET providers marketing coordinators. Besides case studies provided during the live webinars, partner provider coordinators were also mentors in group projects as training assignments. S4J partner VET providers were supported to develop SMART marketing objectives and design targeted marketing plans and strategy making use of administrative data and annual assessment. Additional efforts were put in digital marketing targeting increased enrolment.

The GIZ PROSEED programme organized activities to encourage girls and boys to attend non-traditional professions, with the result that a considerable number of girls and boys are attending respectively ICT-network maintenance and social & health care VET programmes.

Another project working at provider level, OEAD’s AL Tour, has organized training for directors and teachers of the Tourism and Hospitality Schools in Korca and Saranda with the focus on promotional and PR activities has been performed. Particular attention was paid to identify measures for attracting vulnerable groups, especially girls from rural areas. In this context, new promotional materials for the school year 2021/2022 have been developed, printed and distributed.

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, VET providers have made efforts to support their students participate in different skills competitions that are organized by public or private entities.

Table 5: 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 was conducted. The assessment has a particular focus in the municipalities of Elbasan, Korça and Lushnja, and was implemented in close cooperation with NAES. To support economic empowerment for women from rural and distant areas, it appears that the NAES and public institutions need to consider the diversity of barriers faced by women and adopt a comprehensive and holistic approach. Specific recommendations are formulated for the NAES, for national stakeholders in charge of economic development, for national stakeholders in charge of labour law and for municipalities. It is evident, that tackling employment of women in the rural areas requires an integrated approach and cooperation between all the actors at the local and central level.

In its objective to support labour market integration of vulnerable groups, NAES would need to strengthen the cooperation with social services stakeholders, specifically with municipalities and their social administrators. Social Administrators are the main interlocutors of rural women and have a trusted role in the community. In addition, employment services should be brought closer to the most vulnerable women, by expanding the coverage as well as making use of the digital tools. The latter should be coupled with services and programmes that address local digital literacy of women in rural areas.

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. See more details in B.5.

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. During the period 2019-2021 NAES signed 16 agreements with the Municipalities of Elbasan, Gramsh, Librazhd, Peqin, Cërrik, Prrenjas, Fier, Lushnjë, Patos, Rroskovec, Korçë, Maliq, Lezhë, Laç, Mirditë dhe Delvinë. While these agreements are a step towards improving cooperation, more concrete plans need to be developed.

On the VET side, after the thorough analysis conducted in 2020, the Plan for Optimising the VET network is yet to be approved in the first semester of 2022. Following the approval, more detailed and local analysis will be conducting to implement the optimised VET providers. During 2021, a thorough assessment of the of human and infrastructure resources was conducted.

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 | | X | |

| | | | | |
|---------------|---|--|---|---|
| | timely implementation of employment programs | | | |
| 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 and scope of programs offered. Encouraging special groups including consolidated models/procedures at the regional and local level | | | X |

The employment service delivery model outlined in DCM 837, has regulated the administrative procedures for the delivery of employment services. It foresees that NAES develops several tools which ease the labour market integration of jobseekers, based on the assessed risk of becoming long-term unemployed. As such, during 2021, NAES completed and approved several employment service packages that support and standardise the work of employment counsellors, such as the profiling tool, Individual Employment Plans, counselling services etc. In addition, the development of such tools has highlighted the need to deliver programmes and services in collaboration with non-public actors and with other public service providers in the municipalities. This requires coordinated efforts, that go beyond signed memorandums.

MFE with the support of UNDP, conducted a study on VET inclusiveness to understand the level of preparedness of the VET network. There are several problems that still prevent the participation of children with disabilities in secondary education, including in VET. These issues are related to the limited capacities of teachers regarding disability, lack of support teachers, unaccommodating and inappropriate infrastructure for children with disabilities, lack of assessment structures and adjusted transport, discrimination and bullying from older children, the school staff and other children parents. The collaboration between professionals from various disciplines and between different government sectors, both at central and local level, the lack of teaching materials and the lack of adapted school curricula for children with disabilities, continue to be constant obstacles in fulfilling their right to education. Even though the principle of inclusive education is widely accepted in educational institutions and legislation, its implementation faces many barriers. Based on the above, MFE in collaboration with CSOs of parents of children with disabilities have designed a work plan with short-, medium- and long-term actions to address these challenges.

NAVETQ, with the support of S4J, has developed a curriculum for instructors of sign language. This curriculum has been adopted and the first cohort of instructors that will teach this curriculum graduated 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 project is developing a new measure for addressing the needs of low-qualified adults to enter the labour market by providing functional skills, such as writing, reading and digital skills. During 2021, an assessment of the target group registered at NAES was conducted and all the available programmes have been identified. In collaboration with UNESCO, the tools for skills assessment have been identified, and it will be rolled out during 2022 to assess the level of literacy, numeracy and digital skills of adults in Albania.

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 concentration on connections with EPP/ALMM and reintegration into the labour market for women and men | | X | |
| 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 | |

During 2021, all the registered jobseekers were profiled according to the new profiling tool and were categorized based on the new profiles. Around a quarter of the registered unemployed were categorized with the status “pending”, which means that integrated service delivery is needed to address additional vulnerabilities.

In addition to the services delivered in-house and considering the limited human capacities of the PES staff and the limited outreach to some more rural areas, MFE is considering outsourcing some of the more specialized service packages to third parties. Such a modality is being considered for vulnerable groups, who require intensive employment counselling and coaching, combined with

social services that address unmet social needs. During 2021, NAES was able to find employment through mediation services to 972, EPPs 165 and vocational training to 170 beneficiaries of economic aid.

As such, UNDP in close collaboration with the employment offices, non-public providers, vulnerable jobseekers has designed an ICM model, which combines employment and social services, tailored to the needs of people who are recipients of social assistance, and supports an enabling pathway from social assistance to employment. This approach is in line with the national goals to support the transition period of exiting from cash assistance programme, outlined in the exit strategy and Action Plan for social assistance beneficiaries. The exit strategy puts the main focus on labour market integration, i.e. sustainable employment, and thus NAES is considered as the institution who will need to provide the necessary individual support to this group.

In 2021, UNDP and NAES have worked together to design a model for Integrated Case Management (ICM) which was implemented by contracting CSOs specialised in this field. In addition, in the region of Elbasan, NAES piloted the ICM with unemployed jobseekers who were beneficiaries of economic aid. At the same time, MFE mapped the local initiatives and identified the specialised non-public providers that offer employment and social services to vulnerable groups

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 6: 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 | | | Automatical ly | 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% | (2020) 28% (disability), 13% Roma / Egyptian, 6% | A: T:7.1% | A: T:7.3% | Semi-annually | NAES |

| | economic aid. | economic aid. | | | | |
|--|-------------------------------|--|-------------|--|---------------|--------------------|
| 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, while implementation of the expanded structure (from 36 to 90 employees) commenced in June 2020 and continued during 2021. By the end of 2021, 64% 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.

During 2021, the restructuring of NAES' regional employment structures was conducted. The restructuring was based on the principle of optimizing human resources for highest quality services. Main objectives of the restructuring process aim at clear divisions of roles and responsibilities, profiling of employees, optimizing the work and providing adequate services to

employers and jobseekers alike. Restructuring commissions focused first on the reconfirmation of existing, before continuing with recruiting new staff.

During October-November 2021, The IPA 2015 "Technical Assistance to Support the Reform of Employment, Education and Vocational Training Policy", with the aim to enhance project management capacities of NAES staff, organized trainings on EU Project Cycle Management and on EU Grant Scheme Management.

Also, in the framework of the approval of guidelines related to processes and procedures directly related to services provided in employment offices to jobseekers and employers, NAES has conducted training of staff of all employment offices with the concepts new ones created in this framework and their combination with the new system of employment services.

Finally, in the frame of preparing for the launch of the new ICT System, NAES provided a full cycle training for all staff of local employment offices on the use of the new system. In addition, continuous support and mentoring was provided to the system users.

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 restructuring process of NAVETQ commenced its implementation based on the Prime Minister's Order no. 155, dated 24.11.2020 "On the Approval of the Organizational Structure of the National Agency for Vocational Education, Training and Qualifications". To support the process, NAVETQ revised all internal regulations. From the announced vacancies based on the new organizational structure, 8 vacancies were filled during 2021.

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 for the establishment of the Social Employment Fund commenced in 2019 with the adoption of the new Employment Promotion Law and the first step for its adoption was concluded with the approval of the DCM that formally established the Social Employment Fund in 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.

Despite the existing formal adoption, another crucial aspect for the operationalization of the Social Employment 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 were 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 proposed that the General Directorate of Taxation to be the collecting agent. For this proposal to take the form of a legal act, in 2021 MFE launched the process of amending the Employment Promotion Law (Law No.15/2019, dated 13.03.2019). In addition, amendments in the Law will entrust NAES with the responsibilities and duties of the Technical Secretariat of the Social Employment Fund.

The law amendment process was impacted by the slowdown caused by the Parliamentary elections process, while the work on further regulations on the Social Employment Fund decelerated, as the economy and employers had to cope with the consequences of the COVID-19 pandemic.

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 | |

Financial management of public VET providers was partially addressed in the process of developing and adopting the bylaw on the organization, functions, and activity of VET providers. However, the discussion on developing and adopting secondary legislation on income generation by public VET providers has not advanced during 2021, although it was identified as a key dimension for the implementation of the optimization process.

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. Official endorsement of the &E Framework by the institutions was postponed in 2021, mostly because of the restructuring and staffing process of NAES and NAVETQ and limited capacities at the Department for Employment and VET Policies at MFE. However, the NESS 2022 M&E Framework, as well as M&E frameworks developed for the implementation level (VET providers and employment offices) were utilized by NAES to develop and agree on performance indicators.

In parallel to this, the IPMG and Thematic Group “Employment and Skills” convened regularly during 2021, 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 NLC has held only one meeting during the reporting period, on February 16, 2021. During this meeting, the NLC addressed the following issues: a) implementation of Law no. 29/2019 "On

additional financial treatment of employees working in underground mines, employees of the oil and gas industry and employees working in metallurgy"; b) information of trade unions and employers on ILO Convention 190 "On the Elimination of violence and harassment in the world of work."

Other issues addressed included challenges of small and medium enterprises to cope with the impact of the COVID-19 pandemic, as well as the implementation of the project "Empowering women in the manufacturing sector against COVID-19" of women against COVID-19". Information was shared on the activity of the Working Group for the improvement of mediation / conciliation procedures for the resolution of collective labour disputes as well as the increase of the capabilities of the State Mediation Network for reaching a consensus between the Employer and the Employee.

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.

In the framework of strengthening the social dialogue for collective agreements and protection of employees' rights during 2021, training courses were conducted for all specialists of Regional Employment Offices (employment services' officers) for conducting mediation / conciliation in cases of labour disputes. These trainings were organized by the International Training Centre (ITCILO), in cooperation with the Ministry of Finance and Economy and NAES.

The National Registry for Labour Disputes was designed as a functionality within the Information System of NAES, within the module of employers. The latter's development was finalized during 2021 and the registry will be fully operational, once the new system will be in use.

Further, the mediation network is set up, with each employment office appointing one employee responsible for mediation. Due to the restructuring process during 2021, the list of responsible employment officers for mediation was revised and approved by MFE.

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 | |

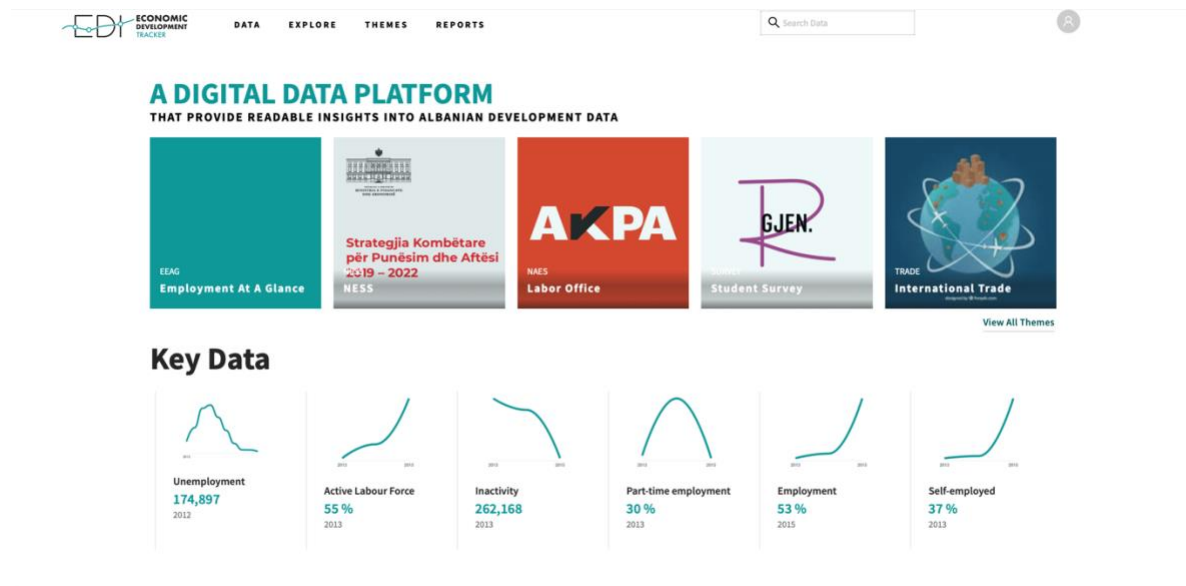
The lack of quality labour market analysis that informs policy making and all relevant stakeholders, is the key rationale behind setting a Labour Market Observatory (LMO) in Albania. Based on a feasibility study conducted during 2019, and discussions during 2020 on the establishment of LMO in the frame of wider reforms, 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.

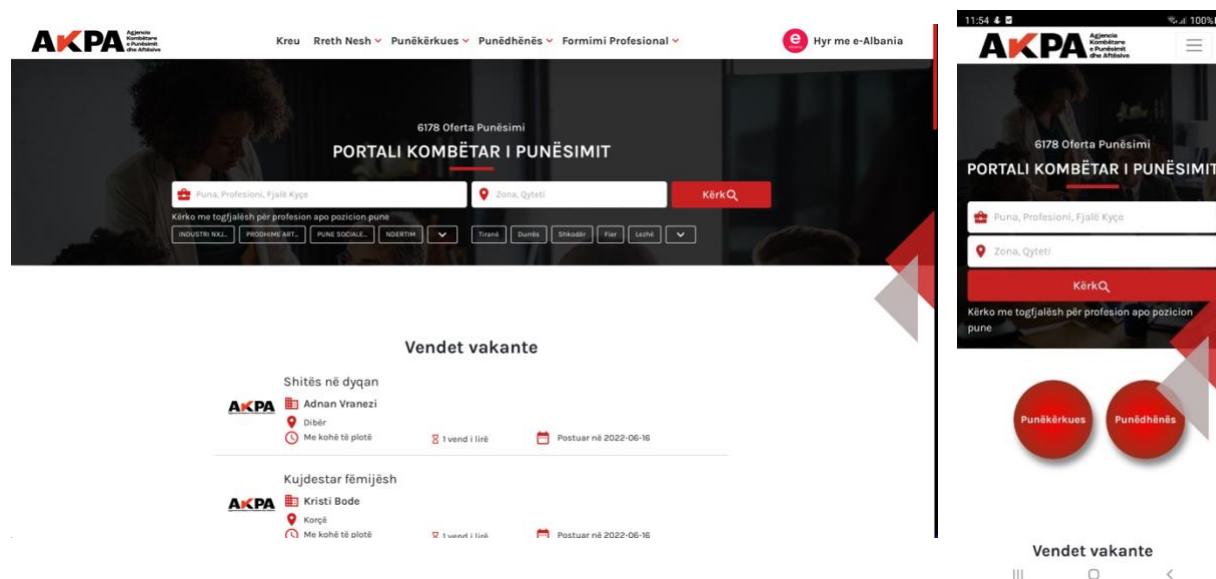
To support the development of the LMO and guarantee institutional buy-in, MFE and UNDP have embarked on a staged approach to rolling out a full-fledged LMO. The adoption of such an approach would help other government partners and stakeholders to understand the tangible benefits that can be produced 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.

The feasibility study suggested that LMIO should be run by a team of experts who make sense of data and articulate signals. This technical support is suggested to be carried out by UNDP for a midterm period.



The new ICT system for employment services ensures interaction with relevant ICT systems and databases of public authorities such as GDT, National Business Centre, Social States Service etc. The new ICT system is composed of 12 modules that aim to improve accessibility and improved interaction between employers and unemployed jobseekers, as the two main clients of employment offices.

As part of the ICT system, a portal has been developed and launched to serve as an interface between labour demand and labour supply. Another important feature of the ICT system is to produce reports for labour market analyses that will help improve employment policies, based on such evidence.



On the VET account, a management information system is developed and operational for public VTCs, while an application has been developed for management of administrative data of public vocational schools, which allows for data collection and generation of upper VET statistics.

The IPA Technical Assistance has prepared a report on the status quo of the VET Management and has elaborated recommendations for the establishment of a unified VET MIS. Meanwhile, the Ministry of Education and Sports through the Centre for Educational Services (QSHA) has already developed an MIS system for the pre-university education, including vocational education schools, which was adopted by DCM No.742, dated 3.12.2021 “On the establishment of the state database for the system of information management of pre-university education (SMIP).

Every year, NAES publishes the Labour Market Statistical Bulletin, while in 201 NAES commenced the publication of the annual calendar on labour market statistics, which are published quarterly, including VET statistics.

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 2021, with the support of RISI Albania, NAES conducted a regional labour market and economic analysis, focused on Elbasan, with the aim to 1) conduct an in-depth analysis of the needs and priorities of the regional labor market and economic development of Elbasan, 2) provide strategic recommendations to NAES and guide implementation of employment and VET policies in the selected region, and 3) apply a methodology for further regional labour market and economic development analyzes. The instrument applied consists of 12 analytical data, from regional and national development plans to more detailed data, such as categories of enterprises operating in the region, vacancies, etc.

This analysis elaborates on the assessment of the current situation and the needs of the regional labor market and economic development in Elbasan, an assessment which comes after a major national recession caused by the COVID-19 pandemic.

With regards to the establishment of the first Sector Skill Committee in the ICT sector, NAVETQ, with the support of RISI Albania, commissioned a sectoral skills' needs analysis.

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 |

With regards to the AQF, in 2021, Albania took another important step towards achieving the standards and objectives in the EU integration process and fulfilling the obligations for the approximation of the Albanian Qualifications system to the European Qualifications Framework (EQF). The Advisory Group of the EQF (EQF Advisory Group) evaluated and approved the Referencing Report of the Albanian Qualifications Framework to the European Qualifications

Framework.¹⁵ With the approval of the referencing report, diplomas and certificates issued by educational and training institutions in Albania, which offer qualifications in line with the Albanian Qualifications Framework are allowed to refer to the respective EQF level, thus facilitating their recognition in EU countries and the European Higher Education Area and mobility of professionals.

The National Catalogue of Vocational Qualifications, that includes 122 vocational qualifications of AQF levels 2-5, was formally adopted by Minister's Order no. 99 dated 25.5.2021 "On the approval of the National Catalogue of Professional Qualifications". Meanwhile, NAVETQ continued consultations with VET providers throughout the country to further develop and improve the catalogue and, thus, improve the VET offer.

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 | |

The **Sectorial Skills Committee**, as one of the key mechanisms to help bridge the labour demand and supply and to involve the private sector on the definition of key qualifications, was expected to be piloted by NAVETQ in the ICT sector by the end of 2021 and it was postponed for beginning of 2022.

The results of analyses and prioritization of the economic sectors of the country, based on a scientific methodology, (process that preceded the selection of ICT as a priority sector to set the SSC) was presented to the high representatives of MoFE and was assessed as important to inform important developments of the economy, going beyond the aim of SSC.

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

The roadmap for the establishment of sectoral committees, developed with RISI Albania's support, and the analysis for the prioritization of economic sectors were instrumental to select the sectors that were ready to establish Sector Skills Committees.

ICT and Tourism and Hospitality have been selected as the first 2 sectors for which a sectoral committee will be set up. After a delimitation analysis, the proposal for the establishment of the

¹⁵ <https://europa.eu/europass/en/document-library/eqf-referencing-report-albania>,

first sectoral committee in ICT was submitted for approval to both Ministries, Ministry of Finance and Economy and the Ministry of Education and Sport. The ICT sector committee was established by a joint order of the MFE and MES, no. 64, dated 30.03.2021, while NAVETQ proceeded with the selection of this SSC's members.

A DCM was also approved for the remuneration of the members of the Sectoral Committee with No. 322, dated 02.06.2021 "For an addition to the decision no. 656, dated 31.10.2018, "On determining the amount of remuneration of members of councils, boards or permanent commissions of central government units", as amended.

In addition, with the support of RISI Albania, NAVETQ developed the coordination framework for the establishment of the Sectoral Skills Committees, the Regulation of the Technical Secretariat of the Sectoral Committees was developed, as well several internal NAVETQ regulations on the selection procedures for members of SSCs.

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 2021. An important progress in this regard was the adoption of the new law on foreigners. An overview of the novelties of this law is provided below.

The Law 79/2021 "On foreigners" constitutes a new comprehensive law that aims to regulate the regime of entry, stay, employment and exit of foreigners in / from Republic of Albania.

This law was one of the obligations of the National Plan for European Integration for the year 2021. The law approximates national legislation with several directives falling under chapters 2 and 24. One of them is the Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and members of their families to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221 / EEC, 68/360 / EEC, 72/194 / EEC, 73/148 / EEC, 75/34 / EEC, 75/35 / EEC, 90/364 / EEC, 90/365 / EEC and 93 / 96 / EEC ".

Full implementation of the law 79/2021 "On foreigners" requires the drafting and approval of new bylaws. Two bylaws were already adopted in 2021, while others are in the process of development. The two bylaws adopted are the following: 1) The DCM No. 858, dated 29.12.2021, "On the criteria, procedures and documentation for entry and treatment of foreign citizens in the Republic of Albania"; 2) The DCM No. 857, dated 29.12.2021 "On the establishment and functioning of the National Electronic Register on Foreigners in the Republic of Albania".

According to the legal provisions, until the full implementation of the new law for the transitional period, the provisions of law 103/2018 "On foreigners", as amended, will continue to apply.

Table 7: 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 | Partially achieved | | Annually | NAES |
| NAVETQ is functional | | Partially achieved | Partially achieved | | Annually | NAVETQ |
| Amount of the SEF collected levy | | Not operational yet | Not operational yet | | Annually | NAES |
| Number of SEF beneficiaries | | 0 | | | Annually | NAES |
| New finance mechanisms in VET are applied | None | None | A: T: Yes | A: T: Yes (2021) | 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 Number of recommendations | | 2 | | | Annually | MFE |
| Number of NVET meetings Number of recommendations | | 0 | | | Annually | MFE |
| Periodic newsletter with information on the labour market and VET. | No | 2019 Yes, 2020 In process | 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 | 120 National Vocational Catalogue approved | | Annually | NAVETQ |
| Number of functioning Sector Skills Committees | | 0 | 1 st SSC in ICT formally established | | 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, including the Youth Guarantee and the implementation of the priorities of the Osnabrück Declaration.

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 2021 was channelled through two technical assistance projects, 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 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.

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.

Some of the main communication materials are as follows:

Social media pages of the main agencies:

- NAES: <https://www.facebook.com/akpa.gov.al>
- NAVETQ: <https://www.facebook.com/profile.php?id=100011359170332>

The innovative tools for promoting the Vocational Education and Training System through the student's perspective Gjenerata R continued in 2021:

<https://www.facebook.com/gjeneratar>

<https://www.instagram.com/gjeneratar/?hl=en>

https://www.youtube.com/channel/UCvwbA_-9M7dmZZ_LkSzVlhw

Exploring the VET system with the disability lens. Policymakers, practitioners, and advocates come together to discuss and make recommendations

- <https://www.al.undp.org/content/albania/en/home/presscenter/articles/2021/--exploring-the-vet-system-with-the-disability-lens--policymaker.html>
- <https://www.facebook.com/PNUDSHQIPERI/posts/4725058187552920>
- <https://www.facebook.com/PNUDSHQIPERI/posts/4673510729374333>
- <https://abcnews.al/undp-publikon-rekomandime-per-gjitheperfshirjen-e-personave-me-aftesi-te-kufizuara-ne-arsim/>

Certification of the external evaluators of the Accreditation Model of the VET providers

- https://www.facebook.com/permalink.php?story_fbid=1868327166889238&id=100011359170332
- <https://www.facebook.com/PNUDSHQIPERI/posts/4779503232108415>

Training the external evaluators for the accreditation model:

- https://www.facebook.com/permalink.php?story_fbid=1823151474740141&id=100011359170332
- <https://www.facebook.com/PNUDSHQIPERI/posts/4227173490674728>

Discussing the results of the self-assessment process of the VET providers:

- a) https://www.facebook.com/permalink.php?story_fbid=1828275377561084&id=100011359170332
- b) <https://www.facebook.com/PNUDSHQIPERI/posts/4216517158407028>

Refencing the Albanian Qualification Framework to the European Qualification Framework:

<https://www.facebook.com/PNUDSHQIPERI/photos/a.395266583865457/4634562939935779/>

Capacity Development activities for the National Agency for Employment and skills on the implementation procedures of the Employment Promotion Programmes:

- a) <https://www.facebook.com/PNUDSHQIPERI/posts/4520718704653537>
- b) <https://www.facebook.com/PNUDSHQIPERI/posts/4410711085654300>
- c) [https://twitter.com/UNDPAlbania/status/1217763838847864833?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1217763838847864833%7Ctwgr%5E%7Ctwcon%5Es1 &ref_url=https%3A%2F%2Fpublish.twitter.com%2F%3Fquery%3Dhttps3A2F2Ftwitter.com2FUNDPAlbania2Fstatus2F1217763838847864833widget%3DTweet](https://twitter.com/UNDPAlbania/status/1217763838847864833?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1217763838847864833%7Ctwgr%5E%7Ctwcon%5Es1&ref_url=https%3A%2F%2Fpublish.twitter.com%2F%3Fquery%3Dhttps3A2F2Ftwitter.com2FUNDPAlbania2Fstatus2F1217763838847864833widget%3DTweet)

3. Quality Assurance

3.1 IPMG “Employment and Skills” and Technical Working Groups

The approach of integrated policy management through Integrated Policy Management Groups (IPMG) was introduced in 2015 as a response to 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. Several IPMGs were established in 2015, including the IPMG on Employment and Skills. The legal framework for the functioning of the sectoral policy integrated management approach was revised in 2018 by an Order of the Prime Minister¹⁶, as the main mechanism that sets the tools for integrated public policy management. Based on this, following IPMGs were (re) established based: 1) Good Governance and Public Administration; 2) Competitiveness and Investments; 3) Employment and Skills; 4) Integrated Management of Land; 5) Integrated Management of Water.

Each of the IPMGs has two or more thematic groups. The IPMG “Employment and Skills” has 2 two thematic groups: 1) Thematic Group “Employment and Skills”; 2) Thematic Group “Social protection and inclusion”

According to this regulation, the IPMGs have the following responsibilities: 1) ensure common interaction and decision-making at a high political and managerial level; 2) planning, coordinating & monitoring cross-sectoral and national policies and programs in the priority areas; 3) ensure leading for the coordinated implementation of priority policies and reforms; 4) supporting role for the co-ordination of foreign aid; 5) IPA Sectoral Monitoring Committee; 6) IPA Funding Reporting and Monitoring; 7) support in the framework of the EU membership; Ensure wide governmental dialogue with other independent institutions, international development partners, local government, civil society, and the private sector.

To make this mechanism operational, two structures at technical level are also established: 1) The General Secretariat of the IPMGs and 2) the Technical Secretariats of each IPMG.

The General Secretariat is composed of members from the Prime Minister’s Office the Ministry of Finance and Economy (MFE), and the Ministry for Europe and Foreign Affairs (MEFA).

The General Secretariat is chaired by the representative of the PMO. The duties of the General Secretariat focus on preparing an integrated calendar of all IPMGs, providing methodological support, ensuring interaction of these platforms with other mechanisms and EU integration processes, and ensuring harmonization with other processes related to IPSIS.

Each IPMG has its own Technical Secretariat that is responsible for coordinating the work within the IPMG and thematic groups, as well as the interinstitutional work related to EU integration processes; organizing meetings of the IPMG and thematic groups; preparing list of permanent

¹⁶ Prime Minister’s Order No. 157, date 22.10.2018 “Undertaking measures for implementation of sector / cross-sector wide approach, and establishing and functioning of the integrated sectorial / cross-sectoral mechanism”

membership and other guests for the respective IPMG; organizing the agenda, organizing meetings and other administrative activities, and reporting regularly on the activity of the respective IPMG. The Technical Secretariat of the IPMG on Employment and Skills is the Department for Employment and VET Policies at the Ministry of Finance and Economy.

The IMPG on Employment and Skills has been convening regularly during 2021. Main topics discussed in the IPMG, and the thematic group meetings are the following:

1. Presentation of the 2020 Monitoring Progress of the National Employment and Skills Strategy (NESS) 2014-2022
2. Presentation of the 2020 Monitoring Progress Monitoring Report on implementation of the Action Plan of National Social Protection Strategy 2019-2022
3. Presentation of the Draft National Plan for People with Disabilities 2021-2025
4. Presentation of the Draft National Strategy for Education 2021-2026

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 made on implementation of the 2020 report’s recommendations regarding free movement of family members of EU citizens, conclusion of new social security bilateral agreements and the development of the IT system for mapping job seekers vacancies that is preparing the implementation of the European network of employment services (EURES) upon accession. In the coming year, Albania should a) continue the development of the IT system to enable connection to EURES; b) continue negotiating and implementing new bilateral agreements on social security, notably with EU Member States; c) continue negotiating and implementing 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, in line with the law on foreigners under which nationals of an EU Member State or Schengen country, legally residing in Albania do not need a work permit or business registration certificate. Immigration admission policies do not present obstacles to the permanent settlement of EU workers’ family members. Parliament adopted in 2020 an amendment to the law on foreigners, enabling family members of EU citizens, irrespective of their citizenship, to work in Albania without a work permit in line with the EU *acquis* in this area.

In preparation for joining the *European network of employment services (EURES)*, Albania has established an integrated database for its employment services. This will facilitate exchanges of information between IT departments on civil status, the tax system, the compulsory healthcare system and the economic assistance system. A new National Agency for Employment and Skills service IT system was developed to enable connection to EURES, upon accession. The Unit for Migration

Services and Labour Relations under the National Agency for Employment and Skills has also the tasks related to EURES. Under the new system of employment services, the national list of occupations has been supplemented with competencies in line with European skills/competences, qualifications and occupations (ESCO).

On the *coordination of social security systems*, Albania has bilateral agreements in place with Austria, Belgium, Czechia, Germany, Hungary, Luxembourg, North Macedonia, Romania, and Turkey. The agreement with Kosovo is under revision. The negotiations with Bulgaria for a new agreement were concluded in March 2021, expected to enter into force in 2022. Exchanges with Croatia, France, Spain, and Montenegro, on coordinating social security schemes have taken place. A technical cooperation agreement is in place to continue negotiations for a bilateral agreement with Italy. Negotiations and implementation of new bilateral agreements on social security between Albania and EU Member States have yet to be fostered.

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 2021 has recognized that Albania has *some level of preparation* on social policy and employment. Despite the negative impact of COVID-19 pandemic on the labour market, *some progress* was made in implementing recommendations of the previous report, especially by strengthening the quality and effectiveness of labour market institutions and providing services to the most vulnerable groups. During 2021, Albania continued restructuring its employment governance, in line with the revised policy framework and the laws on vocational education and training and employment promotion. Albania's labour market contracted slightly due to the COVID-19 pandemic with informal workers hit harder. Social services reform is progressing, however financial and administrative efforts should be stepped up to strengthen the local level capacities for service delivery and linkages to active labour measures. Albania should ensure a sustainable and inclusive recovery from the pandemic, with an increased coverage and financial allocation on the Social Fund for financing social care services of all municipalities and ensure implementation in practice of secondary legislation on public procurement on social services... In the coming year, the country should: a) ensure that the legal provisions are in place for the implementation of the Social Employment Fund and continue strengthening the employment structures; b) ensure implementation of the bylaw on representativeness criteria for membership in the National Labour Council and adopt the by-laws for the establishment of the Tripartite Regional Council; c) take steps to establish and implement the Youth Guarantee by developing a Youth Guarantee Implementation Plan in line with the EU model and guidance.

Bipartite *social dialogue* remains fragile in both the private and the public sector, mainly due to insufficient experience of trade unions, lack of a culture of dialogue, as well as employers' skepticism towards trade unions. Coverage by collective bargaining agreements is higher in the public sector in comparison with the private sector. Regarding tripartite social dialogue, decision of the Council of Ministers (54 of 2020) sets out the representativeness criteria for the membership

in the National Labour Council (NLC). The nomination of the new National Labour Council (NLC) members is still not complete. Despite the number of meetings of the NLC increased in 2020 compared to previous years, significant efforts are needed to transform the NLC into an effective and regular social dialogue forum, aiming at ensuring an effective and timely consultation on relevant laws and policy initiatives. Meetings of the sub-committees of the National Labour Council are currently not held, which decreases the meaningfulness of discussions at the level of NLC. At regional level, tripartite Regional Consultative Councils, consisting of representatives of employers' organizations, trade unions and representatives of state structures, provided for by law need to be duly operationalized.

On *employment policy*, EU progress report acknowledges that during the reporting year, additional efforts were put on the promotion of employment services at local level, along with territorial and social cohesion. Public employment services made further progress in establishing and following performance indicators and procedures, improved visibility, and outreach services for vulnerable groups. Work is advanced on the development of an information management system that will enable automation of many processes and will assist in profiling the job seekers and ensuring instant traceability. Progress has been made in encouraging internal mobility for employment, as well as on the promotion of e-tools for gaining access to employment services, which proved effective in the context of COVID-19.

Albania progressed its reform on the Employment Promotion Programmes (EPPs) portfolio and provisioning, as set out in the National Employment and Skills Strategy. Albania completed the legal and operational framework for the implementation of the reformed EPP packages. New programmes further subsidize orphan beneficiaries, single parents with children under 6 years of age, parents of children with disabilities, victims and potential victims of trafficking, victims of domestic violence or gender-based violence, beneficiaries of economic assistance, Roma, and Egyptian groups.

Some progress was made in strengthening linkages between active labour market policies and social assistance scheme, after the adoption of the operational plan for labour market integration of cash assistance beneficiaries.

The initiative of the government on establishing a youth guarantee scheme is considered as positive. The youth guarantee has been included in the legal framework for employment promotion, and it is part of the new strategy on Employment and Skills (2020-2022).

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

The 12th Subcommittee meeting under the Stabilisation and Association Agreement (SAA) was held in Tirana on 28 January 2021. Representatives from the European Commission (EC) discussed with relevant Albanian authorities the most recent developments, among others, in the sector of employment and labour policies and skills development.

EC took note of the efforts done by Albanian authorities to overcome the effects of the COVID-19 pandemic on the labour market as well as the education and cultural sectors, in particular with regard to the most vulnerable groups. It was acknowledged that digital technologies had an important role supporting the economy and mitigating the effects of the pandemic. In addition, EC Commission recognised the efforts made by Albania during 2020 in the field of employment and labour market and welcomed the progress in filling vacancies in the National Agency for Employment and Skills and the completion of restructuring of Regional Employment Directorates and the Regional Directorates of Vocational Training. The importance of sufficient human resources for employment and vocational training policies was underlined. The Commission encouraged the authorities to strengthen cooperation across ministries and governmental bodies for the drafting and adoption of the Albanian Smart Specializations Strategy.

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

Main development with regards to the pre-screening of the EU Acquis Chapter 2 and 19 for 2021 has been the adoption of the new law on foreigners. The Law 79/2021 "On foreigners" constitutes a new comprehensive law that aims to regulate the regime of entry, stay, employment and exit of foreigners in / from Republic of Albania.

This law was one of the obligations of the National Plan for European Integration for the year 2021. The law approximates national legislation with several directives falling under chapters 2 and 24. One of them is the Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and members of their families to move and reside freely within the territory of the Member States amending Regulation (EEC) No 1612/68 and repealing Directives 64/221 / EEC, 68/360 / EEC, 72/194 / EEC, 73/148 / EEC, 75/34 / EEC, 75/35 / EEC, 90/364 / EEC, 90/365 / EEC and 93 / 96 / EEC ".

Full implementation of the law 79/2021 "On foreigners" requires the drafting and approval of new bylaws. Two bylaws were already adopted in 2021, while others are in the process of development. The two bylaws adopted are the following:

The DCM No. 858, dated 29.12.2021, “On the criteria, procedures and documentation for entry and treatment of foreign citizens in the Republic of Albania.”

The DCM No. 857, dated 29.12.2021 “On the establishment and functioning of the National Electronic Register on Foreigners in the Republic of Albania.”

According to article 80 of Law 79/2021, citizens of member states of the European Union and the Schengen area and members of their families, who are not citizens of these countries and who are legally resident in the Republic of Albania, that enjoy the right to employment, as well as Albanian citizens, except in cases when employment is specifically related to having Albanian citizenship under Albanian legislation, do not need approval for employment from the National Employment and Skills Agency. Furthermore, they are exempted from the annual numerical quotas for foreign workers. EU citizens and members of their families who are not citizens of these countries enjoy

priority in their employment before the approval of the employment of a foreign citizen from third countries (paragraph 9, article 74, L.79 / 2021).

According to the legal provisions, until the full implementation of the new law for the transitional period, the provisions of law 103/2018 "On foreigners", as amended, will continue to apply.

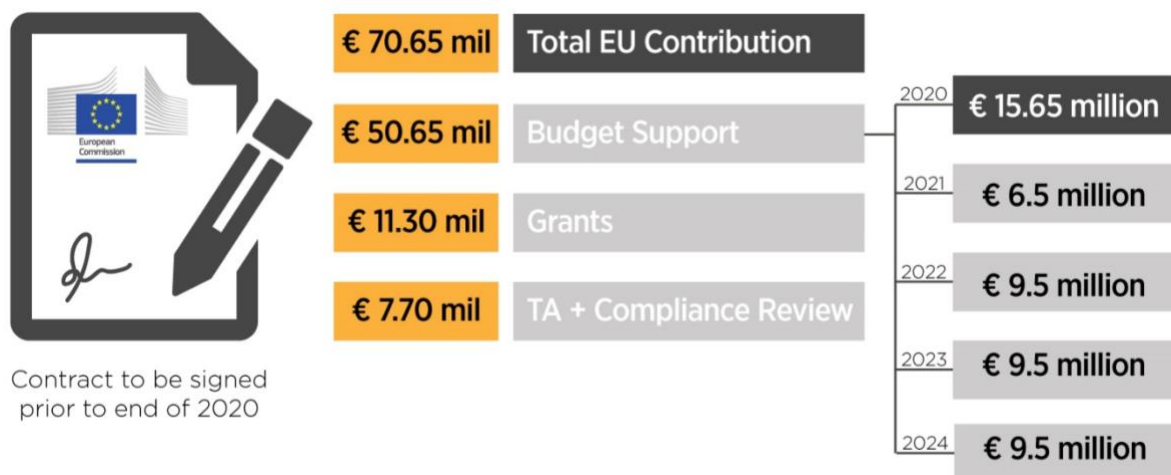
In the period between January and December 2021, 5,418 foreign nationals were provided with employment documents, of which 3,438 foreign nationals were provided with a Work Permit, 1,596 with a Certificate of Employment and 384 with a Certificate of Registration. In terms of gender, out of 3438 Work Permits 688 of them or (20%) are for female citizens. Out of 1596 Certificates of employment declarations 298 (19%) are female foreign nationals and out of 384 Registration Certificates 172 (45%) are female nationals.

On December 21, 2021, the "Agreement on the conditions for free access to the labour market in the Western Balkans" was signed in Tirana. The agreement was signed by the three Western Balkan countries, the Republic of Albania, the Republic of North Macedonia, and the Republic of Serbia, and aims to strengthen regional co-operation and mutual understanding, to contribute to economic development and economic growth, investment, and employment in the Western Balkans, ensuring economic progress and prosperity.

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

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 2: 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 3: Performance indicators and related variable tranche allocations, as per IPA II financing Agreement 2020-2024

| No. | Performance indicators | Q2-2021 ¹⁷ | 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) | Target: 68,500 Variable tranche: 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 Baseline: 13,678 | Target: 14,020 Variable tranche: EUR 2.5 mil | Target: 14,362 Variable tranche: EUR 1.3 mil | Target: 14,704 Variable tranche: EUR 1.1 mil | Target: 15,046 Variable tranche: EUR 1.1 mil |
| 3 | Number of Municipalities using systematically the National Electronic Register of Social Care Services (NERSCS) | N/A | Target: 10 Variable tranche: EUR 0.75 mil | Target: 20 Variable tranche: EUR 0.75 mil | Target: 30 Variable tranche: 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 | Target: 15 Variable tranche: EUR 1.0 mil | Target: 20 Variable tranche: EUR 1.5 mil | Target: 25 Variable tranche: EUR 1.5 mil |
| 5 | Number of municipalities using resources and procedures of the Social Fund | N/A | Target: 14 Variable tranche: EUR 0.75 mil | Target: 30 Variable tranche: EUR 0.75 mil | Target: 45 Variable tranche: EUR 0.75 mil |
| 6 | Number of girls and boys with disabilities attending mainstream public pre university education Baseline: 3,946 | N/A | Target: 4,143 Variable tranche: EUR 0.8 mil | Target: 4,341 Variable tranche: EUR 0.6 mil | Target: 4,735 Variable tranche: EUR 0.6 mil |
| 7 | Number of psychologists and social workers serving in public pre-university schools Baseline: 466 | N/A | Target: 513 Variable tranche: EUR 1.0 mil | Target: 559 Variable tranche: EUR 1.0 mil | Target: 582 Variable tranche: EUR 1.0 mil |
| 8 | Percentage of registered unemployed jobseekers Baseline: 43.2% | N/A | Target: 46.2% Variable tranche: EUR 0.5 mil | Target: 48.2% Variable tranche: EUR 0.5 mil | Target: 51.2% Variable tranche: EUR 0.5 mil |
| 9 | Number of women and men aged 15-29 not in education, employment and training (NEET) registered with NAES Baseline: 14,035 | N/A | Target: 14,737 Variable tranche: | Target: 15,439 Variable tranche: | Target: 16,140 Variable tranche: |

¹⁷ 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 ¹⁷ | Q2-2022 | Q2-2023 | Q2-2024 |
|-----|---|-----------------------|---|---|--|
| | | | EUR 0.5 mil | EUR 0.5 mil | 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 Education (2021-2026).

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) 2022-2024 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 2021, the recommendations pertaining to the sector were as follows:

Policy Guidance 5: *Establish an inter-ministerial task force involving relevant ministries, their agencies, and stakeholders to develop a Youth Guarantee implementation plan.*

Full implementation: MFE with the help of EU-financed IPA 2015 technical assistance SREPVET project, has been working on analyses on the development of the Youth Guarantee Implementation plan, such as the mapping of young people not in employment, education or training, and analysis of the legal framework. On 24 February 2022, by Order of Prime Minister No. 28 “On the establishment of the inter-institutional working group and technical group for the establishment, implementation and monitoring of the national plan for the Youth Guarantee scheme and for assignment of the national coordinator” was approved, implementing the policy guidance. In the next phase, it will be essential to fully involve relevant ministries, their agencies, and stakeholders (social partners, NGOs, in particular youth organisations) to develop the plan.

Policy Guidance 5: *Develop institutionalised tools to monitor skills needs in the labour market with the aim to provide relevant career guidance and to improve the offer of short-term vocational courses accordingly.*

Partial implementation: With the help from donors, the NAES has piloted a regional labour market analysis in Elbasan. NAES plans to deploy it in other regions. NAES has also started work on developing a labour market observatory which will add to existing administrative and survey data and conduct the scraping of big data. This will involve the transfer of know-how to NAES, which aims to conduct this analysis autonomously in 2025. The skills’ anticipation study (methodology) in the agricultural sector (dairy and wine value chains) developed with the ILO support, will assist the sectoral skills committees to be established by the NAVETQ.

4. Financial Resources and Allocations

The total state budget initially allocated to employment and vocational education and training for 2021 was 46.1 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 8: Planned Budget vs. Actual Expenditures by Programme 2016-2021

| Expenditures in million ALL | | | | | | | | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|--------------|--------------|--------------|
| Programmes | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | |
| | Budget | Actual | Budget | Actual | Budget | Budget | Budget | Actual | Budget ¹⁸ | Actual | Budget | Actual |
| Labour Market | 2,246 | 1,809 | 1,955 | 1,488 | 2,118 | 1,233 | 1,720 | 1,480 | 1,699 | 1,547 | 2,737 | 2,466 |
| VET | 2,053 | 1,970 | 2,777 | 1,997 | 2,997 | 2,660 | 3,238 | 2,695 | 3,237 | 2,901 | 2,855 | 2,437 |
| TOTAL | 4,299 | 3,779 | 4,732 | 3,485 | 5,115 | 3,893 | 4,958 | 4,175 | 4,936 | 4,448 | 5,592 | 4,903 |

While the budget allocated to VET in 2021 was ALL 2.86 billion (approximately 23.6 million euros¹⁹), actual expenditures were ALL 2.4 billion (approximately 20.1 million Euros), for an overall budget utilization rate of nearly 85%. Table 11 provides additional details on the budget by typology of expenditures. The underutilization of the budget allocation comes primarily from the capital expenditures.

Table 9: VET - Planned Budget vs. Actual Expenditures by expenditure type

| Expenditures in thousand ALL | | | | | | | | |
|------------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| | 2018 | | 2019 | | 2020 | | 2021 | |
| | Planned Budget | Actual expenditures | 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 | 427,728 | 337,854 |
| Wages and salaries | 1,239,500 | 1,204,416 | 1,398,541 | 1,250,209 | 1,398,541 | 1,334,976 | 1,625,724 | 1,577,982 |
| Capital expenditures | 1,316,200 | 1,088,021 | 1,179,369 | 1,045,553 | 1,179,369 | 956,459 | 801,834 | 521,240 |
| TOTAL | 3,004,700 | 2,660,129 | 3,237,869 | 2,695,176 | 3,237,869 | 2,901,790 | 2,854,436 | 2,437,076 |

The budget foreseen for employment and labour market programmes in was approximately ALL 2.7 billion (approximately 20.4 million Euros). The actual expenditure amounted to ALL 2.47 billion (approximately 20.3 million Euros), for an overall utilization rate of 90.1%. Table 12 provides additional details on the budget by typology of expenditures. The budget (planned and actual expenditures) in 2021 experienced a significant increase during 2021, mostly due a significant increase of the budget allocated to unemployment benefits. Expenditures for ALMPs improved, especially due to commitments made for contracts signed in the previous year.

¹⁸ Planned budget figures refer to the initial budget allocation at the beginning of the year, and they do not reflect subsequent budget revisions.

¹⁹ The exchange rate EUR-ALL applied is 121.19, as per officially published by the European Commission in December 2021 (<http://ec.europa.eu/budget/graphs/infoureuro.html>).

Table 10: Labour Market - Planned Budget vs. Actual Expenditures by expenditure type

| | 2018 | | 2019 | | 2020 | | 2021 | |
|--------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|------------------------------|---------------------|
| | Planned Budget | Actual expenditures | Planned Budget | Actual expenditures | Planned Budget | Actual expenditures | Planned Budget ²⁰ | Actual Expenditures |
| Wages and salaries | 361,897 | 328,299 | 393,908 | 288,259 | 371,957 | 316,653 | 520,369 | 485,980 |
| ALMPs | 490,000 | 258,371 | 490,000 | 345,955 | 390,000 | 71,555 | 521,700 | 393,240 |
| Unemployment benefits | 800,000 | 334,784 | 500,000 | 504,163 | 600,000 | 886,601 | 1,452,111 | 1,413,269 |
| Revenues from VTCs | 8,000 | 5,261 | 8,000 | 4,345 | 8,000 | 2,353 | | (252) |
| Operational Expenditures | n/a | n/a | n/a | n/a | n/a | n/a | 203,256 | 172,489 |
| Capital expenditures | 141,031 | 62,187 | 53,400 | 21,857 | 30,000 | 34,818 | 40,000 | 1,577 |
| TOTAL | 2,057,975 | 1,227,587 | 1,720,000 | 1,479,567 | 1,699,000 | 1,546,989 | 2,737,436 | 2,466,302 |

²⁰ Planned budget figures refer to the initial budget allocation at the beginning of the year, and they do not reflect subsequent budget revisions.

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 Results²¹

| Result | Description | AFD - TA | ETF | ILO | IPA 2015 TA ²² | KfW Kamza | OEAD | ProSEED 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 | | | | | | | |
| A4 | Monitoring model for ALMPs | | | | | | | | | | X |
| B1 | Optimization of VET providers | | | | | 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 |
| C1 | Expansion of VET and employment services | X | | X | | | | X | | | X |

²¹ 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.

²² 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 | ETF | ILO | IPA 2015 TA²² | 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 |
| D2 | Strengthen social dialogue in employment and VET | | | X | | | | | | | |
| D3 | Development of labour market information system | | | | | | | | | | X |
| D4 | Development and implementation of AQF | | X | | | | | | X | | X |
| D5 | Legislation in line with EU Acquis | | | | | | | | | | X |