

# National Employment and Skills Strategy 2019 – 2022

## Annual Progress Report 2022

July 2023  
Tirana, Albania

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## Acronyms

ADA	Austrian Development Agency
ADISA	Agency for the Delivery of Integrated Services in Albania
AFD	Agence Française de Développement
AICS	Agenzia Italiana per la Cooperazione allo Sviluppo / Italian Development Cooperation
ALMP	Active Labour Market Programmes
ANAD	Albanian National Association of the People with Hearing Impairments
AQF	Albanian Qualifications Framework
ASCAL	Quality Assurance Agency in Higher Education
CEP	Community Employment Programme
CGS	Career Guidance Services
CSL	Center for School Leadership (Qendra “Shkolla e Drejtorëve”)
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
EBRD	European Bank for Reconstruction and Development
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
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
LMIO	Labour Market Information 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
SISHP	Sistemi Informatik i Shërbimeve të Punësimit (Employment Services IT System)
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

2022 marks the 9<sup>th</sup> and the last year of implementation of the National Strategy on Employment and Skills 2014-2022 (NESS)<sup>1</sup>. The Annual Report provides an overview of key developments of the reforms in the employment and skills development sector during 2022. 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 2022 by action for each pillar, as well as the achievement of defined results and targets. Simultaneously it identifies challenges encountered and documents them to inform design and implementation of the new policy cycle. 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 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, communication, and lessons learned to date. Chapter 3 emphasizes the important role of coordination platforms in the sector such as the Integrated Policy Management Group (IPMG), as well as the implementation of key recommendations of the EU Progress Report, EU-Albania Sub-Committee on Innovation, Information Society and Social Policy, etc. Lastly, Chapter 4 reviews financial allocations to the sector and levels of delivery.

The COVID-19 crisis aftermath, the global energy crisis caused by the war in Ukraine, 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

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

and emerging needs. 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.

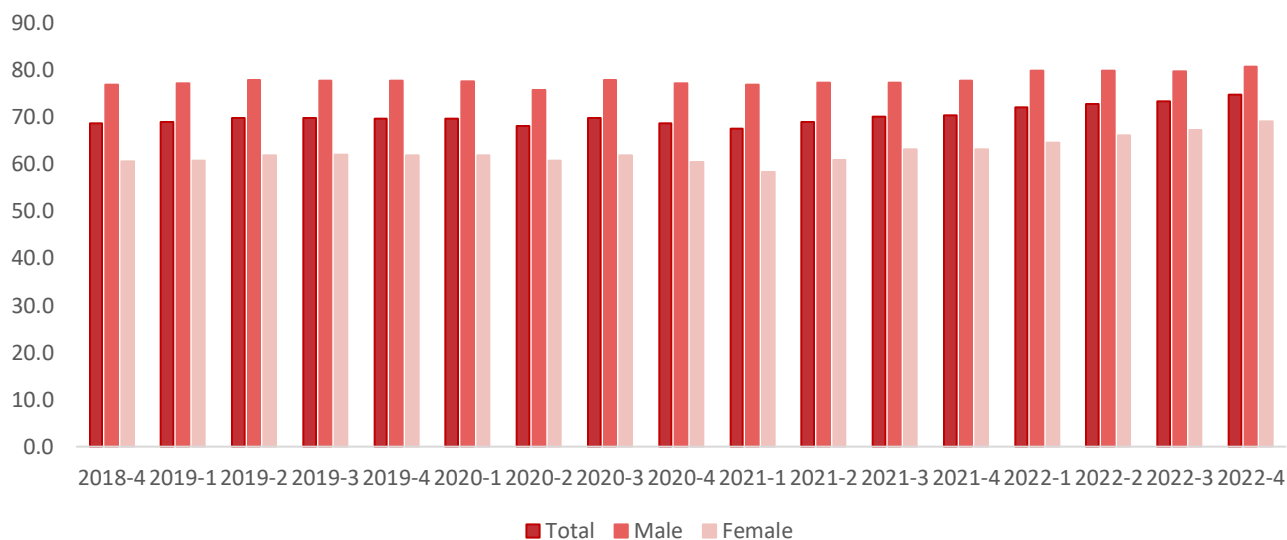
2022 was a year that shed light to the effects recent crisis (post-earthquake and COVID-19 pandemic) had on the labour market and on the effectiveness and adaptability potential of education and training systems to the needs of the labour market.

On the VET policies accounts, 2022 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

Following a strong economic growth of 8.5% in 2021, as expected, in 2022 growth returned to its long-term pattern of 3.5%. Private consumption, exports, and investment expanded, despite increasing energy and food prices. On the supply side, trade and construction led growth. Lower energy production from hydropower subtracted from growth, given an exceptionally dry year.<sup>2</sup>

Figure 1: Quarterly Labour Force Participation Rate Q4 2018 - Q4 2022



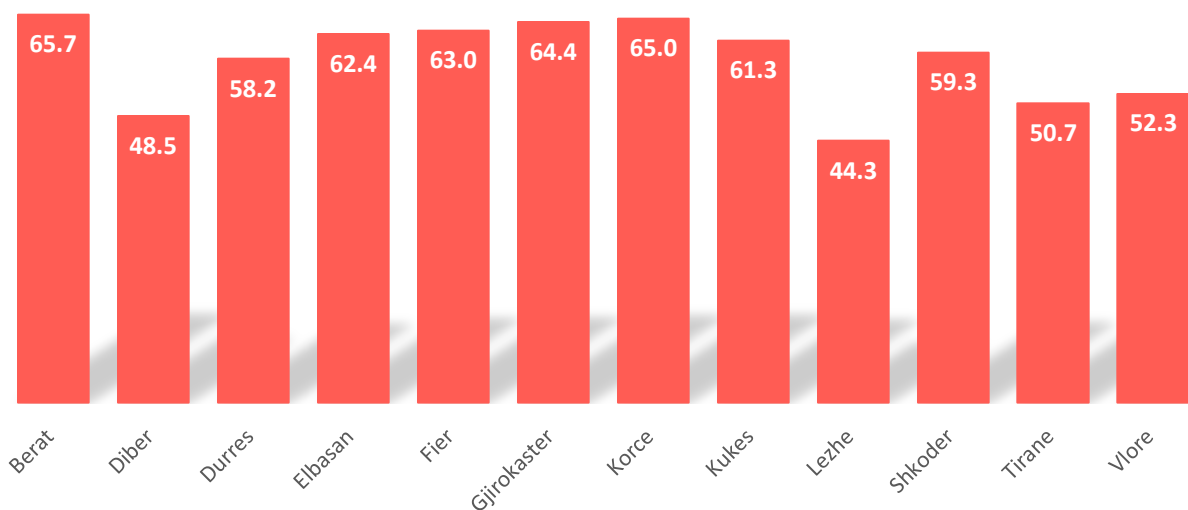
**Labour Force participation rate for the population aged 15-64 was 74.8%, for men being 11.6 percentage point higher than for women.** In the last quarter of 2022, the labour force participation rate for women is increased by 5.9 percentage points and for men is increased by 3.0 percentage points compared to the same quarter of 2021.

<sup>2</sup> <https://www.worldbank.org/en/country/albania/overview#3>

**In the last quarter of 2022, the employment rate of 15-64 increased by 4.4 percentage points** compared to the same period of the previous year. Whereas Albania has the highest employment rate of women among all countries in the Western Balkans, gender inequality in employment represents a challenge, although it has been in decline during 2022. At the end of 2022, men's employment rate exceeded women's by almost 10.4%, compared to a gender gap of 13.4 percentage points in the same period of the previous year (INSTAT, LFS Quarterly Indicators). 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 28.9% compared to the same period of the same year (0.6 percentage point increase).

Berat and Korça were the regions in the country with the highest employment rate in the last quarter of 2022, 65.7 %, and 65 % respectively, whereas the regions with the lowest employment rate were Lezha and Dibra with 44.3% and 48.5% respectively. Of the 12 regions, 11 of them experienced increase of employment rate compared to the same period of the previous year. Employment rate has declined only in the Elbasan region.

Figure 2: Employment rate by prefecture - Q42022



**Unemployment for the 15+ age group reached 10.8% in the last quarter of 2022, decreasing 0.4 percentage points compared to the same quarter of 2021.** The official unemployment rate for men is 10.7% and for women 11%. Registered unemployment has changed frequently in the recent years, from 70,524 in Q4-2019 to 91,452 in Q4-2020, decreasing to 76,879 at the end of 2022.

**In the last quarter of 2022, the unemployment rate for the age group 25-24 was 26.5%.** Compared to the same period of the previous year, youth unemployment rate has been in decline by 0.6 percentage points. 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.

In the last quarter of 2022, the **average monthly gross wage for an employee rose to ALL 66,014**, another 10.8% increase compared to the last quarter of 2021.

Financial and insurance activities, information and communication, public administration, and defence; compulsory social security; education; human health and social work activities, real estate activities, professional, scientific, and technical activities, administrative and support services 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 34,000 per month, effective September 2022.** At the end of 2021, the minimum wage was approximately 50.4% of the average wage. Following a twofold increase during 2022, at the end of 2022 the minimum wage stands at 52.5% of the average wage, comparably higher than in most EU countries<sup>3</sup>.

**Numbers of students enrolled in upper secondary education experienced another decline in the school year 2022-2023, where a total of 95,845 students were enrolled.** Out of these, **79,032 (82.5%) were enrolled in general education (gymnasiums and oriented programmes) and 16,183 (17.5%) in vocational education**<sup>4</sup>. A total of 3,676 students graduated from public VET schools (4-year programmes) in the academic year 2021-2022, and 9,351 trainees graduated from short-term training courses offered at the public VTCs<sup>5</sup>. Among VET graduates, 57.5% of the total number of 2020-2021 graduates were in employment one year after graduation. From these 38.3% were employed, 8% were self-employed, while 11.2% were working and studying at the same time. Compared to the results from the previous year, there is a significant increase of employed graduates (from 40.2% in 2020 to 57.5% in 2021), accompanied by a decline of graduates pursuing further studies (from 28.5% in 2020 to 23.5% in 2021), which shows a higher trend of the current generation of graduates to integrate in the labour market.<sup>6</sup>

### 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:

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<sup>3</sup> EC, Joint Employment Report 2022, accessible at: <https://op.europa.eu/en/publication-detail/-/publication/316112f2-fda1-11ec-b94a-01aa75ed71a1/language-en>

<sup>4</sup> <http://www.instat.gov.al>

<sup>5</sup> NAES, Administrative data

<sup>6</sup> Swisscontact (2022): National Tracing Survey: Graduates from Upper Secondary Education 2020-2021. National Employment and Skills Agency and Skills for Jobs project, p. 7

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

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



The Ministry of Finance and Economy, as the lead institution in the process of implementing the NESS 2014-2022, coordinates its work with other sector strategies and policies to achieve significant labour market impact. The National Agency for Employment and Skills (NAES), the National Agency for Vocational Education and Training, and Qualifications (NAVETQ) and the State Labour Inspectorate and Social Services (SILSS) are the main institutions responsible for the implementation of employment and skills policies. In addition, MFE closely coordinates with the Ministry of Health and Social Protection (MHSP), the Ministry of Education, Sports and Youth (MESY) and other relevant institutions.

## 1.4 Main results and achievements

The Ministry of Finance and Economy (MFE) and all 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 been **proactive to achieve the objectives** of the Strategy in its final year of implementation, while they have been undergoing significant **structural improvements**.

This section provides an overview of the key results in the implementation of NESS 2019-2022 during 2022, in each of the strategic pillars.

**In 2022, NAES implemented and expanded a diversified portfolio of Active Labour Market Programmes**, based on the individual-centred approach, shifting from traditional wage subsidy schemes to tailored programmes combining employment and training aspects.

A significant achievement was the roll-out of the Community Employment Programme. 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. 1267 long-term unemployed, mostly beneficiaries of cash assistance, participated in this tailored programme.

In addition, it was of high relevance that **a new Active Labour Market Programme** was designed and adopted with a **strong focus on re-skilling and upskilling of jobseekers and employees** in economic priority sectors, such as the ICT.

Despite impressive progress made by NAES and all employment structures throughout the country, the outstanding reforms such as the Youth Guarantee or implementation of inclusive employment with a focus on vulnerable groups, including people with disabilities and women require joint efforts from the entire labour market ecosystem to make a viable impact.

A key milestone towards offering quality vocational education and training to youth and adults was **the implementation of core building blocks of the VET quality assurance framework**. Supported by an online platform, the **self-assessment process continued** its fourth round of regular implementation in 2022, as a cornerstone of VET providers' efforts for institutional development and quality. The **accreditation model** that was adopted in 2021, in line with national and EU standards, building on the self-assessment results and aligning quality areas and standards, started implementation in 2022 and yield **concrete results with the accreditation of the first six VET providers** (five public and one non-public VET provider). To date already **50 external assessors and 4 NAVETQ experts** are certified through a dedicated training programme to carry out the accreditation process. The implementation of the accreditation commenced with six VET providers (five public and one non-public) undergoing the process during 2022.

With regards to **initial qualification and continuous professional development of VET teachers**, **22 new VET teachers** were **certified** through the training programme “Basics of didactics”, while **56 experienced VET teachers** successfully **acquired a higher qualification category**.

With regards to the implementation of the **strategic priority on social inclusion and territorial cohesion**, a significant milestone was the implementation of the Integrated Case Management to facilitate labour market integration of cash assistance beneficiaries through partnering with the social services of the municipality and by outsourcing service delivery to non-public and specialised providers. Out of more than 16,000 cases referred by the social services, almost 10,500 registered with employment offices benefiting from mediating services and active labour market programmes. 1,785 found employment, 692 have participated in employment promotion programs, while 813 have attended a vocational training programme.

The process of institutional consolidation continued in 2022. With the **revision of the organisational structure of the MFE**, the responsible department for employment and skills policies was upgraded to a general directorate, including dedicated units for labour relations, social insurances, and international agreements, as well as a dedicated unit that covers inspection functions for VET.

Consolidation of the institutional framework has shown first results during 2022. **NAES’ capacities** in the **delivery of employment services** and **employment promotion programs** improved significantly during 2022. All **employment offices deployed the new IT system**, while **new employment promotion programs**, such as the Community Employment Programme were **taken up and rolled out by all regional and local employment structures**.

With regards to the **SILSS**, inspection capacities enhanced, which was reflected in the **increased number of risk-based inspections**.

On the VET account, the restructuring of NAVETQ facilitated the **establishment and implementation** of the **accreditation model**, as well as of the **system for the initial qualification and continuous professional development of VET teachers**.

A notable achievement for 2022 was the regular functioning of advisory bodies and expert committees, such as the National Labour Council (NLC) and two Sector Skills Committees (SSC in ICT and SSC in Hospitality and Tourism).

With regards to the **consolidation of the legal framework**, by the end of 2022, 9 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 were crucial to the operationalization of the envisaged reforms. An important bylaw for the implementation of the ALMPs reform, has been the DCM no. 646, dated

10.10.2022 “On subsidized training offered for jobseekers by private and non-private training providers”.

Another milestone in the implementation of the employment promotion reform have been the **amendments proposed by the MFE to the Law no.15/2019**, with the aim to pave the way for the **operationalization of the Social Employment Fund** and **introduction of the Youth Guarantee Scheme**, as a dedicated programme. The proposed amendments received broad support and are in the final stages of adoption by the Parliament (June 2023).

The year 2022 witnessed significant progress in the **development and implementation of the Albanian Qualifications Framework (AQF)**, building on the successful referencing process of the AQF to the European Qualifications Framework (EQF). Subsequent to its adoption, [the referencing report](#) was made publicly available on the website of the European Commission. Notably, one of the noteworthy accomplishments during this period was the establishment and operationalization of the Sector Skills Committee in the Information and Communication Technology (ICT) sector, which held four regular meetings. Additionally, in 2022, the second Sector Skills Committee in the Hospitality and Tourism sector was also set up.

In view of labour market and demographic trends, extensive efforts have been undertaken **to extend and expand the VET offer to post-secondary levels** during 2022. In addition to the existing programmes in “fashion design” and “diagnostics in automotive vehicles”, a new programme “real estate agent” has been designed and introduced in two VET providers during the academic year 2022-2023, in close collaboration with relevant business associations of the sector. More and more public VET providers are planning to introduce AQF level 5 qualifications as part of their offer.

Finally, 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, and the draft National Employment and Skills Strategy 2023-2030, which was adopted by the Council of Minister as of 24<sup>th</sup> March 2023.

## 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
<b>A1.1.1</b>	All employment offices reorganized following the National Services Model (one model, same standards, and instruments).			X
<b>A1.1.2</b>	Service manual developed with descriptions of services, standards, and tools of employment offices.			X
<b>A1.1.3</b>	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
<b>A1.1.4</b>	Periodic Employability Plan drafted according to tiers.			X
<b>A1.1.5</b>	Managerial staff of employment offices trained to implement the employability plan for special groups.			X
<b>A1.1.6</b>	Quality of services from each office verified.			X
<b>A1.1.7</b>	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

The National Agency for Employment and Skills (NAES) has prioritized the strengthening of its recently renewed organisational structures and human resources throughout 2022. It has implemented measures to improve the division of roles and responsibilities, clearly define employee profile, optimize workflow, and deliver high quality services to both employers and jobseekers alike. All employment offices have undergone reorganisation, and operate under the national employment services model, based on standardized work processes.

Furthermore, the new IT system was used by all employment offices throughout 2022 and helped ensure standardized work procedures. The IT system is designed based on the principles outlined in the employment services guidelines.

Following a comprehensive Training Needs Analysis conducted by the IPA Technical Assistance “Support to the Reform of Employment and VET Policies” (SREP VET) published in late 2021, NAES implemented several training initiatives during 2022. The training packages for

Employment Office personnel encompass various areas such as job seeker services, employer support, and management skills.

Throughout 2022, a total of 643 training sessions were organized for employment office employees, with some individuals potentially receiving training multiple times. Additionally, in collaboration with partners, NAES organized 360 other training sessions covering topics such as migration services, service quality development and counselling. These collaborative efforts aimed to provide comprehensive training opportunities to address diverse aspects of operations and service delivery.

Based on an internal communication and visibility plan, as well as updated guidelines for institutional marketing and communication, NAES undertook a national branding campaign by equipping all employment offices with the new logo, with the aim to standardize and improve institutional image.

With the aim to monitor the quality of its services, NAES carried out for the first time in 2022 a satisfaction/public perception survey on the quality of services offered by employment offices. The survey was carried out through a representative sample, including main features of the database. Core pillars of the assessment included 1) professionalism (behaviour and professional skills) of employment offices' staff; 2) infrastructure of employment offices, and 3) quality of the offer.

The vast majority (92%) of interviewed jobseekers assessed positively the behaviour of employment counsellors, while professional skills were evaluated positively by 85% of the interviewees.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>A.1.2.1</b>	Premises of employment offices organized and equipped in accordance with the standards of the National Employment Service Model.		X	
<b>A.1.2.2</b>	The new ICT system piloted and spanned in all the employment offices; it will be accessible for all the MFE institutions and other interested institutions; it will be adaptable so that it can enable categorization of jobseekers who are rearranged in profiles according to the functional statistical reporting module and online application processes.		X	
<b>A.1.2.3</b>	The ICT system designed so it can be used by all the trained staff in the NAES employment offices at all the levels.			X
<b>A1.2.4</b>	Performance measurement procedures reflected in the new information system for employment services.			X

<b>A1.2.5</b>	Functional report management module at specialist and office level.			X
<b>A1.2.6</b>	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	
<b>A1.2.7</b>	A call center established and functional based on the approved methodological manual.			X
<b>A1.2.8</b>	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	

Regarding the modernization of NAES’ infrastructure, out of a total of 40 employment offices, 36 are reconstructed.

During the year 2022, significant efforts were made to modernize the infrastructure of the Employment Offices in Tirana. The focus was on the reconstruction of Employment Office No. 1 was to ensure that services were provided in accordance with the latest standards. Additionally, NAES recognizes the utmost importance of providing appropriate services for individuals from disadvantaged categories, particularly people with disabilities (PwD). As part of this commitment, a dedicated investment was made to improve the physical and technological infrastructure of Employment Office No. 2, creating a more comfortable, suitable, and welcoming environment for jobseekers from this specific group. The office now offers easy access and self-service areas through adapted technological devices, facilitating access to employment-related services and vocational training. This initiative aims to empower individuals with disabilities and promote inclusivity in the workforce by ensuring they have equal opportunities to access essential resources and support.

Employment offices have been supported by NAES – through cooperation with development partners or the state budget – with equipment, including 89 computers and 45 UPS, 66 printers, 39 scanners, 15 laptops and 37 TV devices. At the same time, to facilitate field work of specialists working with employers, 53 tablet devices were purchased.

Since the introduction of the new IT system in 2021, NAES has been committed to validate and successfully implement the system across all levels, while continuously striving to improve its functionalities, by adapting processes and concepts outlined in the new guidelines to ensure optimal implementation. Moreover, the implementation of the improved employment services system was accompanied by comprehensive training for employees at all local offices.

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

Activities	Implementation Status		
	Not initiated	In progress	Completed

<b>A1.3.1</b>	The performance measurement and monitoring system established, set up and applied at all tiers.			X
<b>A1.3.2</b>	An evaluation document for human resources capacity drafted.			X
<b>A1.3.3</b>	The medium-term plan on development of human resources for applying the performance system approved.		X	
<b>A1.3.4</b>	Staff trained according to the development plan.		X	
<b>A1.3.5</b>	The NAES and the regional and local employment offices human resources evaluated with performance indicators at all tiers.			X

During 2022, annual performance indicators and performance cards were the main tools used to assess regional / local employment office performance. Performance reports have been generated through the new ICT management system. Performance targets have been allocated at the national, regional, and local level.

*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.*

<b>Activities</b>		<b>Implementation Status</b>		
		<b>Not initiated</b>	<b>In progress</b>	<b>Completed</b>
<b>A2.1.1</b>	Needs of special groups assessed for support with ALMPs identified.			X
<b>A2.1.2</b>	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
<b>A2.1.3</b>	The self-employment program, designed and implemented.			X
<b>A2.1.4</b>	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

<b>A2.1.5</b>	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
<b>A2.1.6</b>	Active labour market policies improved based on the monitoring results.			X

Active labour market programmes' implementation is based on a thorough reform that was undertaken in 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. Full implementation of reformed ALMPs commenced in 2021, continuing and expanding in 2022. Based on the priorities set out annually by the Ministry of Finance and Economy and the legal framework, during 2022, NAES implemented following ALMPs:

- (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 December 31, 2021. 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)

(8) Active labour market programme to support re-skilling and upskilling of unemployed jobseekers and employees based on the skills needed in economic priority sectors, through financing (voucher scheme) 3-12 months training programmes- ([DCM no.646, dated 05.10.2022](#))

The implementation during 2022 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.

A key successful factor in the implementation of ALMPs during 2022 has been the partnership between NAES civil society organizations, as well as with private training providers in the ICT sector.

A total of **4,344 jobseekers** benefited from the EPPs in 2022, through the partnership of 1,278 private sector companies and non-for-profit organisations. 53% of the beneficiaries were women and 47% were young women and men (*see Table 1*).

Table 1: Characteristics of EPP beneficiaries

<b>Beneficiaries of the EPPs 2022 (Data from NAES databases)</b>	<b>Number of beneficiaries</b>	<b>%</b>
<b>Total number</b>	<b>4,344</b>	<b>100%</b>
Women	2,573	59%
Youth (16-29)	1,794	41%
Beneficiaries of unemployment benefit	177	4%
Beneficiaries of the Economic Aid	692	16%
Long-Term unemployed	1267	29%
Roma and Egyptians	304	7%
People with disabilities	48	1%
Returned Migrants	17	0%

1,278 employers signed contracts with NAES regional offices, out of which 278 benefited from the programmes targeting unemployed due to COVID-19 and the others for the remaining programmes. In 2022, the distribution of the number of beneficiaries per programme was more even, while there was an increased participation of jobseekers in the Community Employment Programme (*see Table 2*).

Table 2: EPP beneficiaries by programme type

<b>Type of Programmes (Data from NAES databases)</b>	<b>Nr. of Partner companies</b>	<b>Nr. of beneficiaries</b>	<b>% of beneficiaries</b>
Wage-subsidy Programme	266	523	12,0%
On-the-job Training programme	150	338	7,8%
Internship Programme	229	929	21,4%

4-months employment programme	9	20	0,4%
8-months employment programme	106	515	11,8%
12 months employment programme for informal workers	163	466	10,8%
Programme for Community Employment	69	1267	29,2%
The Self-Employment Programme	286	286	6,6%
<b>Total</b>	<b>1,278</b>	<b>4,344</b>	<b>100%</b>

Significant progress was made during 2022 with the implementation of the Self-Employment Programme across all regions, resulting as one of the most sought-after programs by unemployed jobseekers. The impact of this program was evident as 242 individuals, primarily young people benefited from it. This figure represents a five-fold increase compared to the 44 beneficiaries in 2021. The substantial growth in the number of beneficiaries indicates that the program has proven to be sustainable and highly effective.

The Community Employment Programme (CEP) was introduced in 2021 across Albania, following comprehensive training for Employment Offices nationwide. This programme is a collaborative effort between selected NGOs and the government, aiming to offer employment opportunities, workplace training, and counseling for sustainable employment within local communities. The primary focus of this program is to assist long-term unemployed individuals facing multiple barriers to integrate into the labour market. Notably, the CEP has achieved remarkable success throughout 2022, witnessing an almost five-fold increase in participant numbers compared to the previous year.

Supported by the SREPVET project, the MFE has developed the National Plan for the Implementation of the Youth Guarantee Plan, which was endorsed by the Inter-Institutional Working Group on the Youth Guarantee. The plan was formally adopted as integral part of the new National Employment and Skills Strategy 2023-2030.

In pursuit of the National Plan and in preparation for the pilot phase, NAES has developed a comprehensive work plan in collaboration with the Technical Assistance project "EU Support to Social Inclusion," facilitated by GOPA Worldwide. The work plan encompasses the following measures: 1) Redesigning and extensively promoting the NAES employment platform ([puna.gov.al](http://puna.gov.al)) among young individuals, with the aim of enhancing accessibility and awareness.; 2) maintenance and improvement of the IT system for employment services, focusing on identifying and addressing specific requirements associated with the Youth Guarantee initiative.3) Diversifying the range of the ALMP offer, particularly through the implementation of a new subsidized training program, designed to provide additional opportunities for skills development.4) Drafting a monitoring framework for the Youth Guarantee, aligning it with the guidelines set forth by the Employment Committee (EMCO) in 2016, to ensure effective oversight and evaluation of the program's outcomes.

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. Efforts to identify and develop necessary modalities for enabling and channelling public funds into the non-formal training providers have been materialized through a new active labour market programme adopted in late 2022 (DCM no. 646, dated 5.10.2022).

*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
<b>A2.2.1</b>	Methodology (procedures) of prioritizing funds based on the scope of implementation of programs for employment promotion, developed and approved by the MFE.			X
<b>A2.2.2</b>	Funds distributed according to priorities and employability plans.			X
<b>A2.2.3</b>	Programs promoting employment implemented throughout the country, effectively and efficiently, and gender equality provided, including contracting.			X
<b>A2.2.4</b>	Application criteria and evaluation scoring reviewed periodically.			X

At the beginning of 2022, the state budget allocated an initial amount of ALL 555 million for the implementation of Employment Promotion Programs (EPPs), out of which ALL 452 million were effectively expended. To ensure fair and effective distribution of EPP funds, a comprehensive methodology was developed and endorsed through Instruction No. 25, dated 16.06.2020, by the relevant minister. This methodology was based on carefully selected criteria.

While there has been a notable improvement in the absorption capacities of the National Agency for Employment Services (NAES) and other employment structures until 2021, it is evident that the current capacities of the public employment service are insufficient to substantially amplify the impact of active labour market programs.

*Table 3: Disbursement of EPP funds by programme 2022*

Type of Programmes (Data from NAES databases)	No. of beneficiaries	Funds Disbursed (in million ALL)
DCM 17 - Wage-subsidy Programme	523	43.9
DCM 17 - On-the-job Training programme	338	35.4
DCM 17 - Internship Programme	929	59.2
DCM 608 - 4-month employment programme	20	1.8

DCM 608 - 8-month employment programme	515	69.2
DCM 608 – 12-month employment programme for informal workers	466	35.5
DCM 535 – Community Employment Programme	1267	144.5
DCM 348 – the Self-Employment Programme	286	58.8
<b>Total</b>	<b>4,344</b>	<b>448.2</b>

*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
<b>A3.1.1</b>	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
<b>A3.1.2</b>	The sub-legal framework for occupational health and safety approved.			X
<b>A3.1.3</b>	The practical Guidelines for inspection, based on the European Code of Inspection approved.		X	
<b>A3.1.4</b>	The Program on Integrity and Prevention of Corruption at the State Labour Inspectorate approved and applied.			X
<b>A3.1.5</b>	Action Plan for training in the State Labour Inspectorate approved and implemented.		X	
<b>A3.1.6</b>	Mechanisms set up for exchanging information with other implementing agencies (NES, tax offices), aiming to improve coverage of economic units and employees.		X	
<b>A3.1.7</b>	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	

<b>A3.1.8</b>	The role of the State Labour Inspectorate empowered to enforce obligations set by the law on employment promotion and the Labour Code.			X
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The institutional consolidation process of the State Inspectorate for Labour and Social Services (SILSS), as approved 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", continued during 2022. At the central level, SILSS has a total number of 48 employees, while at the regional level, it has a total of 116 employees (including vacancies).

Efficiency, effectiveness, and transparency of labour inspection has continued to improve during 2022, thanks to the application of an “awareness platform”. This platform has served two purposes, first, as a work tool for labour inspectors, ensuring more transparency of the labour inspection process. Secondly, it has served employers to verify their compliance with requirements of the labour legislation.

Furthermore, in 2022, SILSS implemented a series of comprehensive measures to enhance the quality of the inspection process. These measures encompassed 1) Strengthening the monitoring process by the General Directorate; 2) Enhancing the tools and resources available to labour inspectors, with a particular focus on improving efficiency and accuracy. This involved the development and implementation of specialized checklists tailored to specific sectors such as contract processing, construction, and private employment agencies. By utilizing these sector-specific checklists, inspectors were equipped with standardized guidelines to ensure comprehensive and thorough inspections; 3) standardizing inspection indicator reports to facilitate data analysis and comparison, and 4) enhancing inspection capacities through targeted training initiatives.

Through the implementation of these measures, SILSS demonstrated its commitment to bolstering the quality of the inspection process. By strengthening oversight, providing specialized tools, standardizing reporting practices, and investing in inspector training, SILSS has taken substantial steps towards achieving its goal of improving labour inspection standards and fostering a safer and more compliant work environment.

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.

Inter-Institutional Cooperation has significantly improved, both at Central and Regional level by a) Carrying out joint inspections (with the special unit on fight against informality, 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 with the General Tax Authority, the National Agency for Employment and Skills (NAES), the Public Procurement Agency and the national and international organisations.

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.

Key performance figures on inspections carried out during the period January-December 2022

- 227,343 workplaces in 10,154 subjects or 22% more inspections than in 2021
- 1,698 informal workers found or 54% more than in the previous year (1,682 formalized during the inspection process)
- 23% risk-based inspections more than in the previous year
- 22% more inspections in companies never inspected before

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>A3.2.1</b>	Local partnerships which include private employment agencies together with other partners.		X	
<b>A3.2.2</b>	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	
<b>A3.2.3</b>	There will be accurate and available statistics on the number of Albanian citizens (women and men) who have been offered employment.	X		

A first step towards implementing activities under this result has been taken during 2022. With the support of RisiAlbania, NAES has signed Memoranda of Understanding with the three largest private job portals in the country, with the aim to challenge available information on job vacancies from these portals to the public job portal [puna.gov.al](http://puna.gov.al).

*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
<b>A4.1.1</b>	The methodological framework for evaluation and monitoring drafted for the ALMPs.		X	
<b>A4.1.2</b>	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 2022, NAES with the collaboration of partners, has developed the monitoring instruments to conduct process evaluation of the EPPs.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>A4.2.1</b>	The monitoring structure for the active labour market programs set up.		X	
<b>A4.2.2</b>	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
<b>A4.3.1</b>	ALMPs monitoring reports		X	

NAES prepares a detailed section on the implementation of the ALMPs in its annual report. With the support of UNDP, a process evaluation on the implementation of three ALMPs, namely wage subsidy, on-the-job training, and internship (DCM no.17) has been carried out in the second half of 2022. Findings and recommendations will feed in the improvement of operational guidelines for these programmes.

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%	34.8%	Annually	NAES
Average duration in unemployment (months)	n/a	n/a <sup>7</sup>	n/a	n/a	Annually	NAES
Number of vacancies announcements in PES	50,785	25,141		39,815	Semi-annually	NAES
Share of registered jobseekers receiving levels 1, 2 and 3 of employment services	n/a	n/a <sup>8</sup>			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: 18.7% T: 22.3%	Semi-annually	NAES

<sup>7</sup> This indicator can only be measured after the New Employment Services System is fully operational.

<sup>8</sup> 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
<b>B1.1.1</b>	The VET offer diversified to reflect market needs, migration and demographic trends and principles of multi-functionality, equality, diversity and flexibility.		X	
<b>B1.1.2</b>	An offer updated based on the labour market needs.		X	
<b>B1.1.3</b>	A report on the capacities of VET providers regarding the provision of post-secondary vocational qualifications.			X
<b>B1.1.4</b>	Post-secondary vocational qualifications selected from the providers.			X
<b>B1.1.5</b>	Consolidated legal framework for RPL. (Recognition of Prior Learning)		X	
<b>B1.1.6</b>	The RPL implementing institutions have a clear division of roles in applying RPL.		X	
<b>B1.1.7</b>	Priority sectors for RPL implementation have been identified.	X		
<b>B1.1.8</b>	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 2022.

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 2022, 21 occupational standards were developed. Based on the occupational standards, NAVETQ developed and revised 20 vocational qualifications standards of AQF levels 2-5 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 of occupational standards, vocational qualifications standards and respective frame curricula of level 5 in the real estate sector, following an assessment of skills needs and several consultations between NAVETQ, the Technical Economic School of Tirana and private sector representatives to validate the findings. The AQF level 5 vocational qualification “Real estate agent” was offered by the Technical Economic School of Tirana and the Vocational School “Salih Ceka” in Elbasan, in the academic year 2022-2023, as part of its extended offer in VET, including qualifications of levels 2-5 of the AQF.

In addition, with the support of S4J, NAVETQ developed the occupational standard for the revision of the post-secondary program “Management and diagnostic in automotive vehicles”. This post-secondary VET programme has been offered by the vocational school “Stiliano Bandilli” in Berat offered by VET providers in the academic year 2022-2023. Altogether, four post-secondary programmes have been offered by public three public VET providers during the academic year 2022-2023. The offer of post-secondary VET programmes is expected to grow in the coming years.

VET providers received support to diversify their existing offer of VET programmes with new profiles. Especially, the S4J project engaged actively with its partner schools in this process. On its behalf, NAES supported the VET providers by facilitating the process of approving the opening of new programmes (AQF level 2-4 qualifications), with the aim to diversify the current offer. More concretely, following local analyses conducted by the VET providers, following qualifications were introduced in the school year 2022-2023: 1) Electrotechnics in the Multifunctional Centre of Kamza; 2) business administration and 3) transport vehicles’ services in the vocational school “Rakip Kryeziu” in Fier; and 4) Hospitality and Tourism in the vocational school “Nazmi Rushiti” in Peshkopi.

With the support of S4J, 2 vocational schools, the Technical Economic School of Tirana and Kolin Gjoka in Lezha were selected for funding and support by the Regional Challenge Fund, in a competitive procedure. The aim of actions financed by this initiative is to improve collaboration between education and training institutions and companies.

VET providers supported by S4J conducted tracing surveys at the provider level. A total of 1130 graduates of upper secondary VET of the 2020-2021 cohort, from 9 VE schools were traced with a response rate of 95%. Noteworthy was the increased ownership of the process by VET providers.

During February- May 2022, NAES with the support of S4J conducted the tracer at the national level for the 2020-2021 cohort of graduates of upper secondary VET and the 2021 cohort of certified trainees by VTCs. certified trainees and 2019-2020 cohort of VE graduates was conducted. 3809 VE graduates from 34 schools and 7837 certified trainees from 10 vocational centers were traced, with a response rate of 33.6% and 50.7% respectively.

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. 45 curricula were developed by NAVETQ in the period 2018-2021. In addition, due to needs identified by VTCs and channelled by NAES, 10 new unified vocational training programmes were developed in 2022.

All VTCs continued with the delivery of an improved and unified offer of vocational training programmes, in close collaboration with NAVETQ. VTCs identified needs to revise 15 vocational training programmes, 10 of which were developed by NAVETQ during 2022.

GIZ, through the PROSEED Programme, facilitated the implementation of a training programme on basic digital competences, integral part of all VTCs training offer. During 2022, this training programme was offered for free for unemployed jobseekers. 714 participants (50% of them being registered unemployed jobseekers) attended the training during 2022.

The implementation of the recognition of prior learning, as planned in the activities B1.1.6, B1.1.7 and B1.1.8., has not been operationalized during 2022, although the respective regulation was already adopted in 2021.<sup>9</sup> However, the adoption of the Osnabrück Declaration and Albania’s commitment to its objectives create a positive prerequisite for this policy instrument.

*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
<b>B1.2.1</b>	Findings from providers performance evaluation.			X
<b>B1.2.2</b>	Roadmap of operations and reorganization of VET providers’ network.			X
<b>B1.2.3</b>	The legal framework for the functioning and organization of VET providers adopted.			X
<b>B1.2.4</b>	Providers’ infrastructure improved based on the completed investments.		X	
<b>B1.2.5</b>	Organizational structures of VET providers approved and implemented		X	
<b>B1.2.6</b>	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 revised and finalized the VET providers optimisation plan, in collaboration with the SD4E project of UNDP.

The plan was approved by the Minister of Finance and Economy as of June 2022. MFE and NAES have continued their efforts to commence the implementation of the plan. More concretely, as of September 2022, NAES had prepared the documentation for the roll-out of the optimisation process for 16 VET providers. On the other hand, NAES, with the support of the IPA TA

<sup>9</sup> DCM No. 756, dated 9.12.2021 “On the System of Validation of Prior Non-Formal and Informal Learning”.

SREPVET project, conducted a detailed inventory of the infrastructure and learning facilities of all VET providers to inform the decision making in the transformation process.

Despite efforts, the adoption of respective secondary legislation required more time. By the end of 2022, the DCM on the Procedures and Criteria for the Opening, Closing and Reorganisation of VET providers had not been approved. Other bylaws that need amendment, is the Decision of the Council of Ministers that regulates the remuneration of teaching and non-teaching staff in the pre-university education system, including the VET.

In parallel to the efforts to implement the VET providers network optimisation plan, institutions have paid special attention to a crucial quality dimension in VET, such as investments in infrastructure and teaching and learning facilities.

Regarding this aspect, NAES has followed and sought support for the implementation of infrastructure interventions, leading to the following notable developments:

- Within the framework of the Cooperazione Italiana project, the "Rakip Kryeziu" Fier Vocational High School has undertaken the reconstruction of the school building, workshops, and other facilities, including the dormitory. These initiatives aim to provide students with an improved learning environment conducive to their vocational education.
- The reconstruction process of the "Antoni Athanas" Saranda Vocational High School, has been successfully completed prior to the commencement of the 2022-2023 school year. This effort enhances the learning experience for students at the school.

During the latter half of 2022, reconstruction and investment endeavors have commenced for the following vocational schools:

- Hospitality and Tourism School in Tirana
- IT school "Hermann Gmeiner" in Tirana
- Vocational school "Nazmi Rushiti" Peshkopi
- The Multifunctional Centre of Kamza (with KfW funds)
- The workshop facility at vocational school "Beqir Çela" in Durrës.

To address the challenges associated with inadequate premises the transfer of the public VTC in Shkodra to the premises of the vocational school "Arben Broci" has been facilitated with the assistance of Save the Children.

Throughout 2022, MFE carried out procurement procedures for workshop equipment for the following VET providers: 1) equipment for the kitchen workshop of the vocational school "Kolin Gjoka" in Lezha, 2) equipment for the patisserie workshop of the Hospitality and Tourism school in Tirana, 3) equipment for the electrotechnics workshop of the vocational school in Lushnja; 4) equipment for the car mechanics workshop of the school "Demir Progri" in Korça; 5) equipment for the automation technology workshop of the school "Gjergj Canco" in Tirana; equipment for the plumbing workshop of the school "Beqir Çela" in Durres; and 6) equipment for the fitting and welding workshops of the school "Ali Myftiu" and Construction school "Karl Gega" in Tirana.

In addition, VET providers have been supported with equipment, especially digital infrastructure, by different projects, such as S4J (Swisscontact), RisiAlbania (Helvetas), AL-VET (OeAD), Save the Children in Albania, GIZ Proseed, and through the Regional Challenge Fund mechanism. The latter is a regional funding opportunity that supports collaboration between education and training providers and companies to offer VET through cooperative training. During 2022, six VET providers applied to the 2<sup>nd</sup> regional Call, while two of them, namely the Technical Economic School of Tirana and “Kolin Gjoka” in Lezha have been selected for funding.

With regards to the functioning of the development units, NAVETQ provided tailored capacity building to DUs in all VET providers, as per the respective functions.

More concretely, in collaboration with S4J, tailored training measures and peer learning activities were organized for curricula and continuous professional development coordinators. S4J has continued its dedicated support to the tracing, curriculum and CPD coordination functions.

The AL-VET project has provided dedicated support to capacity building efforts by NAVETQ for the business relation coordinators in all public VET providers. OeAD supported the network of business relation coordinators among VET providers.

*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
<b>B2.1.1</b>	Report on the current situation of the VET information management system.			X
<b>B2.1.2</b>	Recommendations for establishing a unified VET information management system.			X

In the previous year, the IPA 2015 Technical Assistance Project “Support the Reform on Employment Policies and Vocational Education and Training” (SREPVET) project had 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. In the same year, the System Requirements Specification for VET MIS were prepared based on the designed and revised data structures and templates for a new consolidated VET MIS. However, the stand-alone VET MIS system was not operationalized, due to the decision of the government of Albania to develop a comprehensive system for the entire pre-education VET system, that would include features for the management of information in VET. With the approval of the respective regulation (DCM, no.742, dated 3.12.2021), the system for the management of information in pre-university education was formalized.

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

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

In conjunction with the efforts to establish and operationalize the Employment IT system, significant advancements have been accomplished within the information systems for Vocational Education and Training (VET). The progress made in 2022 includes:

- Successful implementation of a comprehensive information management system for pre-university education (SMIP), including the introduction of an online application system for for online enrolment in VET (grade 10). This digital platform streamlines the registration process, providing efficient access to pre-university education information. To provide for improved integration of VET in the Pre-university MIS system NAES has developed and proposed amendments to the regulatory framework, i.e., the DCM no. 742, dated 3.12.2021 On "Creation of the State Database for the Pre-university Information Management System (SMIP)."
- Development of a VET dedicated website hosted on NAES' official website. The revamped webpage services as a central hub for information and VET related resources, offering improved user experience.
- Enhancement of the VTC management information system and the development of technical specifications to incorporate it into the Employment Services IT system. This integration enables the automated referral of jobseekers to Vocational Training Centers and vice versa, facilitating seamless coordination and nationwide implementation.

Furthermore, throughout 2022, dedicated efforts were made to register private entities licensed for vocational training in the Information System of Employment Services (SISHP) as employers authorized to provide vocational training. This registration enables these entities to avail themselves of the online declaration service for certified trainees in their approved courses. Notably, a total of 877 of licensed private training providers have been registered at the end of 2022, including 70 requests for modifications to vocational training licenses to expand the list of vocational training courses offered.

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

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

See report in B2.2.

*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
<b>B3.1.1</b>	Accreditation model of VET providers and programs approved.			X
<b>B3.1.2</b>	Capacities of staff engaged in the accreditation process consolidated.		X	
<b>B3.1.3</b>	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.<sup>10</sup>

NAVETQ, in close collaboration with UNDP, has for the first time developed a comprehensive model for the accreditation process of VET providers. In support of Order no. 128, dated 6.7.2021 "On the approval of standards, criteria and accreditation procedures for providers of Vocational Education and Training", the piloting of the accreditation process was carried out, where five public institutions and one non-public institution submitted a request to undergo the accreditation process.

NAVETQ carried out the accreditation process through dedicated teams of external assessors that visited each VET provider and prepared the accreditation reports. Reports were reviewed by NAVETQ responsible staff (coordinators) and were submitted to the Minister of Finance and Economy for the final decision on the accreditation.

With regards to human resources for the accreditation process, NAVETQ carried out the training programme for two further groups of potential external assessors. As a result, a total of 50 candidates has been certified as external assessors. Additionally, the training programme was attended by four NAVETQ staff.

In parallel to the pilot implementation process, an information campaign was conducted to familiarize VET providers with the accreditation model. Five regional workshops took place from February to April, with the participation of 44 VET providers. The main objective was to present

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<sup>10</sup> 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."

the Manual of Accreditation and Ministerial Order No. 128, dated 6.7.2021, which approved the "Regulation on Standards, Criteria, and Accreditation Procedures of VET."

It was crucial for VET providers to understand the accreditation process, its phases, and the necessary preparations. The information sessions covered the overall model and provided a comprehensive understanding of the entire process, including the preparatory phase, documentation requirements, and collaboration with external evaluators during site visits. Given the complexity of the process, it was important for the providers to grasp the stages, standards, and criteria to ensure compliance.

The goal was to raise awareness among VET providers about the essential requirement for quality provision, clarify the description of specific criteria, and emphasize the advantages of accreditation compared to non-accredited institutions.

To facilitate understanding, an informative video outlining the accreditation process for VET providers was created and shared during various activities, offering a visualized and detailed step-by-step guide.

This comprehensive information campaign aimed to empower VET providers with the knowledge and resources needed to navigate the accreditation process successfully, ultimately enhancing the quality of their offerings and promoting excellence in vocational education and training.

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 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
<b>B3.2.1</b>	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 – 2022, 987 private training providers have been licensed countrywide, with 65% of them located in Tirana. During 2022, 186 applications (136 applications for new licenses and 50 applications for changing the license type) were submitted to NAES and MoFE.

Out of these 122 were licensed, while the rest of the applications have either been rejected or not completed.

Reportedly, throughout the year 2022, 9902 individuals (54.9% women and 18.6% unemployed) have attended trainings provided by licensed training providers.

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

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

Following the adoption of the DCM “**On the Documentation, Procedures and Criteria for State Inspection in the VET system**”<sup>11</sup> at the end of 2021, MFE included a dedicated unit for VET inspection in its revised organizational structure. The unit consists of three staff, one head of unit and two specialists. The staffing process is not yet completed, and the unit is in strong need of capacity support to operationalize its functions.

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

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

The self-assessment process has become ingrained in the work culture of public VET providers, including Vocational Training Centres (VTCs). 2022 marked the fourth consecutive year that 44 public VET providers have implemented self-assessment. In line with the latest instruction from the Minister of Finance and Economy (No. 18, dated 06.07.2021), which references ministerial order No. 16, dated 08.05.2018, the self-assessment will now cover all five predefined quality areas.

To facilitate and support VET providers in the process, the digital platform [www.scvet.al](http://www.scvet.al) was utilized, serving as a valuable monitoring tool for NAVETQ to oversee the overall implementation.

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<sup>11</sup> DCM No.755, dated 9.12.2021 “On the Definition of Documentation, Procedures and Criteria for the State Inspection in the VET System”.

In collaboration with UNDP, NAVETQ has organized five regional meetings between February and April 2022, with the participation of 130 individuals from various VET providers. These meetings served a dual purpose, aiming to achieve two key objectives: 1) to introduce VET providers to the accreditation model, standard, criteria and level descriptors, and 2) to discuss and check the current state of implementation of the self-assessment for the five quality areas.

Upon completion of the self-assessment process, NAVETQ specialists carefully reviewed all the reports submitted by the VET providers. They provided valuable feedback on the overall quality of the reports and offered specific suggestions for enhancing and expanding upon the recommendations. In addition, NAVETQ developed an instrument for continuous quality improvement, designed to complement the recommendations resulting from the self-assessment. This instrument outlines specific actions, establishes a timeline for addressing particular recommendations, and assigns responsibility to individuals or teams tasked with achieving the desired outcomes.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>B3.5.1</b>	The unit in charge of monitoring VET providers established			X
<b>B3.5.2</b>	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. In March 2022, NAES introduced the annual monitoring indicators at the national level and the provider level for all vocational education schools.

*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
<b>B4.1.1</b>	The model of internships in businesses is an integral part of VET programs and curricula			X
<b>B4.1.2</b>	The regulatory package for the WBL model approved			X

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

Following several pilots of different models of work-based learning, a specific bylaw was adopted already in 2020 (work-based learning regulation) that regulates the organisation, planning and implementation of work-based learning in a company, in the framework of acquiring a vocational qualification of levels 2 to 5 of the AQF. Vocational schools and Vocational Training Centres are obliged to organize in-company work-based learning based on this regulation.

During 2022, 2238 companies had cooperation with VE schools, out of which 1732 had signed dedicated agreements for the implementation of WBL. VTCs have signed 708 (406 for the implementation of WBL) cooperation agreements with companies. 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.

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
<b>B4.2.1</b>	Awareness campaigns for involving businesses in various aspects of the VET offer		X	
<b>B4.2.2</b>	Cooperation agreements signed between VET providers and businesses			X
<b>B4.2.3</b>	Success stories of business engagement with VET promoted		X	

The implementation of the work-based learning regulation (see report on result B4.1.) has contributed to enhancing cooperation between vocational schools and businesses for other aspects of teaching and learning in VET. Business relations coordinators at school engage not only in the organization and coordination of work-based learning in companies, for the more, they support other teaching staff in developing “teaching instructions plans”, especially, the in-company professional practice programs.

Representatives from businesses increasingly participate in evaluation committees during the final level examinations in VET schools.

Teachers responsible to coordinate in-company work-based learning are in direct contact with businesses, not only to monitor students during their practice, but also to gain insights in the world of work, which has a direct impact in their own continuous professional development. One of the requirements for every VET teacher is to document their continuous professional development in a portfolio (documentation and self-assessment tool). In addition, each VET teacher is recommended to have at least three working days experience in a company, every year. This criterion is not mandatory, however an advantage in the assessment of their portfolio.

Furthermore, a training course for in-company mentors has been developed with local experts, based on the model of initial training of trainers by the Swiss Federal University for VET (SFUVET)<sup>12</sup>.

NAES and VET providers were supported to inform participating companies on necessary instruments to improve quality of work-based learning.

251 in-company mentors have been trained and certified in quality aspects of work-based learning, while webinars featuring quality assurance of WBL were organized throughout the year, with the support of S4J.

Communities of practices and knowledge-sharing events have been instrumental to boost collaboration between teachers and in-company mentors.

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

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

<sup>12</sup> <https://www.sfuvet.swiss/>

Coordinators of vocational guidance have been formalized in all VET providers and are currently fully functional. All career guidance coordinators have been trained and certified through a training programme by NAVETQ.

Dedicated career guidance activities have been organized throughout the vocational schools, engaging in cooperation with basic education schools, universities, and businesses. During the academic year, career guidance activities are intensified especially during the registration period, where guidance is offered to potential students on the programmes that each school offers and the opportunities that each VET programme implies. Additionally, career guidance plays a crucial role when students have to decide on the more specialized qualifications (1- or 2-year qualifications offered after grade 11).

26 occupational profiles, covering eight broad vocational qualifications of level 2-5 revised and updated, including digital modality to improve outreach. The requirement profiles can be found in this link: <https://dip.skillsforjobs.al/>.

VET providers have received assistance to develop and implement career guidance and orientation tools, while job boards are active in several VET providers. With the assistance of S4J, job vacancies are regularly disseminated in VET providers' social media accounts for better outreach.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>B4.4.1</b>	The legal framework for the operation of the dual model of the National Chamber of Crafts approved		X	
<b>B4.4.2</b>	Report on the stage of development of the National Chamber of Crafts		X	
<b>B4.4.3</b>	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 2022.

*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
<b>B5.1.1</b>	There is a standard initial qualification model defined for VET teachers			X

<b>B5.1.2</b>	The legal framework for implementation of the initial qualification model for VET teachers approved			X
<b>B5.1.3</b>	The initial qualification model for VET teachers implemented in compliance with the approved modalities and legal framework		X	

The adopted regular framework (Minister’s Instruction No. 14, dated 27.05.2021), as well as the institutional restructuring of VET responsible institutions (NAVETQ and NAES) enabled the formalization and consolidation of the system for initial qualification of VET teachers. This system has been fully operationalized for all new teachers hired during 2022. The system/model for VET teachers’ initial qualification provides the following:

- ⇒ Temporary contract employment during the first year of work, as an "internship" period under the guidance, supervision, and evaluation of a vocational school mentor.
- ⇒ Obligation to complete during the internship period as a teacher, the 30-day training course "Basics of didactics in VET" (if they do not possess a master's degree in pedagogy-psychology).
- ⇒ A dedicated unit (division) at NAVETQ has been established, which is responsible for the organization and implementation of the 30-days training programme “Basics of didactics in VET”<sup>13</sup>
- ⇒ Relevant instructions have been drawn up regarding the responsibilities, procedures, and timelines for the implementation of this training.

During the year 2022, 14 experienced trainers were engaged in the course, 34 teachers from public VET providers of Tirana, Elbasan, Durrës, Fier, Shkodra, Lushnja, Vlora and Korça participated and were successfully certified.

Successful completion of all requirements of the initial qualification and the relevant certificate enables the aspiring teacher to be employed with a permanent contract and to develop further professional career.

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

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

<sup>13</sup> In its initial form, the training programme “Basics of didactics” had a 24-day duration. In 2021, it was revised, with the support of the GIZ PROSEED project to introduce a new module “Digital and green skills for VET teachers”.

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
<b>B5.3.1</b>	Training needs of VET teachers at the national level and at the level of VET providers identified regularly.			X
<b>B5.3.2</b>	The instruments necessary for the implementation of CPDVET have been developed and budgets are well defined.			X

Another result of the improved legal and institutional framework was the transfer from the Ministry of Education and Sports (MES) of the system for Continuous Professional Development (CPD) of teachers of vocational theory and practice (in-service training). The CPD system works as a three-level mechanism according to the three qualification categories of career progress for all teachers. The system commenced implementation under the administration of NAVETQ during 2022 for all VET teachers who applied for a higher qualification category. NAVETQ has engaged to administer the procedure. More concretely, 64 VET teachers, while seven had not met the assessment portfolio criteria within the deadline, while one teacher had not participated in the written exam. At the end of the process for the year 2022, 56 were certified and acquired the aspired qualification category.

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

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

During 2022, in support of the regulatory framework (Minister's Instruction no.14, dated 27.05.2021), NAES continued its efforts to establish a system for initial qualification and continuous professional development of VET management and support staff.

NAES has signed a Memorandum of Understanding with the [Center for School Leadership](#) (CSL), that bears the responsibility for carrying out the Compulsory Training Programme for School Leaders of Pre-University Education system. Based on that, a dedicated Compulsory Training Programme for VET principals has been designed, developed, and revised during 2022, with the technical assistance of S4J.

*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
<b>B6.1.1</b>	More focused promotional events to reach out girls and women in urban and rural areas		X	
<b>B6.1.2</b>	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) developing information on the VET offer in a language that is easy to understand; 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 jobs and skills fair has been organized in May 2022, as a joint effort between MFE, NAES, NAVETQ, the municipality of Tirana and private sector. The process was facilitated by the RisiAlbania project. At this fair, VET teachers and students demonstrated their skills and competences in occupations grouped in four economic sectors: tourism, ICT, food, construction, and industry.

With a focus on promoting the tourism sector as a viable career path, especially to youth, NAES initiated a tour in 10 major cities of Albania, consulting with businesses in the field of tourism to analyse their needs and to bundle this information in a friendly format to youth interested in this field. Part of this intervention was also the realisation of a documentary that promotes education and training in the tourism sector, which was launched in August 2022.

UNDP's SD4E contributed to the VET system promotion by focusing on the experience and perspective of VET on the system and its relevance. Key findings of a survey with more than 100 VET students from 20 VET providers across the country, include the following: 1) the primary sources of information, encouragement, and guidance for students considering VET education are their family members and relatives; 2) 37% of VET students engage in part-time work alongside their studies. Among them, 61% are employed in jobs either directly related or closely associated with their field of study. Notably, male VET students exhibit employment rates nearly 3.5 times higher than their female counterparts. 3) Students' perception of VET education is predominantly shaped by their understanding of their own field of study and their own school. 4) Overall, VET students express high satisfaction levels with various aspects of their education. Notably, positive feedback is received regarding teachers' communication skills and professional qualifications, particularly those involved in practical learning at school. 5) Practical learning experiences at businesses receive higher satisfaction ratings with fewer reported issues, indicating a greater demand for further enhancement. 6) Generally, VET students are optimistic about finding local employment immediately after completing their education.

In addition, VET students provided clear recommendations to tackle challenges that the VET system in Albania faces. These recommendations included: 1) increase employability of VET graduates; 2) increase and diversify the offer of VET; 3) improve investments in school infrastructure, buildings, tools, and equipment; 4) promote VET image; 5) revise and align VET programmes to the labour market needs; 6) invest in teachers' communication skills and competences.

The S4J project has supported VET providers to organize extensive promotion campaigns in urban and rural areas, and open day activities in schools for interested students and parents.

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, vocational schools have been supported to implement small school projects to promote gender equality, and participation of girls in VET programmes that are traditionally considered as "boys" domains.

**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
<b>B6.2.1</b>	Making Albania a member of EuroSkills/World Skills	X		
<b>B6.2.2</b>	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.

In addition to these efforts, thanks to the participation of different stakeholders in Erasmus+ financed actions, such as the [InterVET Western Balkans](#) project, VET teachers' and students' mobility and exchange has been facilitated, between the Western Balkans, including Albania and selected EU member countries (Spain, Poland, Italy, Slovenia, France, Malta and the Netherlands).

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: 57.5% 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
<b>C1.1.1</b>	A report to assess needs for employment and VET services in areas that are not covered and are identified upon relevant recommendations			X
<b>C1.1.2</b>	The methodologies for statistical surveys reviewed to take into consideration women and men who live in uncovered areas		X	
<b>C1.1.3</b>	Registration of unemployed jobseekers, be they women or men, from uncovered areas			X

Reviews carried out by different partners have identified multiple barriers that individuals in uncovered areas face to access employment services and education and training opportunities. NAES has been proactive during 2022 to adopt a comprehensive and holistic approach, especially by aligning its efforts with the social services of the municipalities.

**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
<b>C1.2.1</b>	Detailed plan for offering employment and VET services in areas lacking coverage		X	
<b>C1.2.2</b>	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.6.

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

Activities	Implementation Status
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		Not initiated	In progress	Completed
<b>C1.3.1</b>	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	
<b>C1.3.2</b>	Service points near local administrative units			X
<b>C1.3.3</b>	Services offered by the NGOs contracted by NES/NAES			X

Since 2019, 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.

Moreover, throughout the year 2022, a remarkable surge in synergy and collaboration between NAES and municipalities was witnessed, particularly in relation to the successful implementation of the Community Employment Programme. It is worth noting that municipalities played a pivotal role as the main providers within this framework. Additionally, the concerted efforts of NAES and municipalities were further amplified in alignment with the Joint Order issued by the two Ministers, namely the Minister of Health and Social Protection, and the Minister of Finance and Economy. This Order focused on endorsing the referral mechanism for the employment and social integration of individuals of working age who were beneficiaries of the cash aid scheme. This collaborative approach fostered an extended partnership between NAES and municipalities, reinforcing their joint commitment to addressing the employment and social integration needs of the target population.

In pursuit of achieving the harmonization of employment services at the territorial level, a comprehensive review of the organizational structure of the Regional Employment Directorates is underway. The primary objective of this undertaking is to proactively anticipate and respond to demographic shifts and fluctuations in the number of jobseekers across the entire territory. By strategically reassessing the organizational framework, the aim is to enhance the reach and coverage of local employment units, ensuring effective alignment with the evolving employment landscape.

Regarding the digital transformation of employment services, significant progress has been made by NAES towards the end of 2022. NAES has successfully implemented online accessibility to all employment services through the e-Albania portal. In this regard, substantial improvements have

been made to the official website and employment portal puna.gov.al. The range of available information and functionalities has been expanded, facilitating seamless access to employment services and programs. This proactive approach is intended to ensure direct and convenient access for individuals seeking employment assistance and streamline the overall service delivery process.

On the VET side, the Plan for Optimising the VET network was approved by the end of June 2022. Subsequently, under the guidance of the SREPVET project, dedicated efforts were made to compile a comprehensive inventory of both the physical and intangible infrastructure within the VET network. Additionally, a meticulous costing exercise was conducted to assess the financial costs associated with the implementation of all VET programs, including the introduction of new post-secondary level programs.

Lastly, in the frame of the digitalization in VET, all information on the VET offer (vocational education and vocational training) is made available online on NAES' website.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>C1.4.1</b>	Needs for vocational training identified		X	
<b>C1.4.2</b>	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	
<b>C1.4.3</b>	Roadmap for the training agenda for adults in Albania, based on the European agenda		X	
<b>C1.4.4</b>	Services offered in areas that lack coverage.	X		
<b>C1.4.5</b>	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.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>C1.5.1</b>	Modalities and procedures for contracting other stakeholders to offer the specified services			X

<b>C1.5.2</b>	Approved legal framework for contracting third parties for quality and timely implementation of employment programs		X	
<b>C1.5.3</b>	Budget defined and contracted at the specialized NGOs		X	
<b>C1.5.4</b>	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. Based on completed guidelines that support and standardise the work of employment counsellors, during 2022, NAES rolled out the implementation of IT system that included the digitized registration, profiling, four-staged counselling, and development of the individual employment plan.

Besides efforts to improve internal efficiency of service delivery for vulnerable groups, during 2022 NAES utilized reformed ALMPs, such as the Community Employment Programme, to deliver programmes and services in collaboration with non-public actors and other public service providers, like the municipalities. New programmes and new implementing modalities yielded first results to reach out to vulnerable groups. Long-term unemployed, beneficiaries of cash assistance, women, and youth directly benefited from the new programmes and implementing modalities (see table 1).

The curriculum developed by NAVETQ during 2021 with the support of S4J, continued to be implemented by VTCs, in collaboration with the National Association of the People with Hearing Impairments (ANAD).

Since 2020, NAES and UNDP have forces for the implementation of the “Supported Continuous Unemployed Learning” (SCUL) project, financed by the EU Programme for Employment and Social Innovation (EaSI).

In the frame of this project, an assessment of the basic literacy and numeracy, as well as basic digital skills levels of registered long-term unemployed jobseekers was carried out by UNDP and NAES, applying the UNESCO’s Minilamp methodology. The main objective of survey was to assess literacy numeracy and digital skills of adult unemployed (29+) jobseekers with low levels of certified education (unfinished lower secondary education), throughout the territory of Albania. The ambition of this intervention was to establish a structure and enhance the capacities to address the specific needs of the target group, building on which, hopefully, trigger systemic upskilling

mechanisms in the longer term, progressively reducing the size of the group and facilitate its transition towards the labour market.

Findings of this survey were presented in an international conference held in September 2022 in Tirana. The results of the assessment survey have been integrated to tailor a basic literacy and numeracy, and basic digital training offer for low-qualified adults. In addition, based on these results a draft roadmap for the implementation of upskilling pathways has been developed and policy responses have been designed in the new policy on skills development (NESS 2023-2030).

Another regional initiative “Strengthening national and local systems to support the effective socio-economic integration of returnees in the Western Balkans” financed by the EU and implemented by UNDP has partnered closely with the National Agency for Employment and Skills and the Employment Offices of Fier, Berat and Devoll to support the fundamental rights of Roma community and other vulnerable returnees in Albania.

During 2022 the project worked closely with local level institutions responsible to provide services for the reintegration of returnees with a main focus to those from Roma and Egyptian ethnic minority, with local civil society actors and local business community. The community of returnees, is considered both as beneficiary and partner during the implementation, aiming to create ownership of the actions foreseen to take, to the returnees themselves. Key achievements include 1) developed local action plans (Berat, Fier and devoll) in the benefit of reintegration of returnees; 2) provider level institutions (municipalities and employment offices) enabled to improve service provision and respond to the reintegration needs of the returnees by establishment of multi-stakeholder platforms and case management protocols; 3) personalized support to more than 210 individual’s growth, reflective of individual’s education, skills, experience, preferences and professional aspirations by equipping returnees with a suite of soft, technical and digital skills to improve their employability in the formal labour market; 4) 32 returnees with entrepreneurial potential supported to start their own business.

*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
<b>C2.1.1</b>	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			X

	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			
<b>C2.1.2</b>	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 2022, priority was given to the reintegration into the labour market of beneficiaries of Economic Assistance. For this reason, in support of the Decision of the Council of Ministers No. 822, dated 24.12.2019 "On the mechanism of inter-institutional coordination of work for the referral for employment of individuals and members of active working age of beneficiary families of NE", the Joint Order was drawn up and signed between the Ministry of Finance and Economy and the Ministry of Health and Social Protection. Regional commissions were established in all regions, which assessed and referred members of active working age for employment and social integration. These commissions had representatives from the State Social Service, the Regional Directorates of Employment, and the Directorates of Social Services in the Municipality. Files of 16,526 beneficiaries of economic aid were referred to employment offices by the Social State Services, out of which 10,840 (approximately 65%) went to employment offices. One third of the individuals that approached the employment offices have been mediated for employment or have been referred to an active labour market program or vocational training. 1,785 individuals have found employment, 692 have participated in employment promotion programmes, while 813 have attended a vocational training course.

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 uncovered areas, with the support of UNDP's regional project, NAES has designed an Integrated Case Management (ICM) model, a targeted and inclusive package of social and employment services, in line with specific and individual needs of marginalized communities. The package has been piloted in the municipalities of the region of Elbasan, through financial support to third parties. Main target of this intervention are individuals who receive economic aid and supports to create an empowering environment for their sustainable transition from social assistance to employment. As such, the ICM model combines employment and social services, tailored to the needs of people who are recipients of social assistance, and supports marginalized groups to enter or re-enter the labour market.

This approach is in line with the national goals to support the transition period of individuals from a cash assistance program, outlined in the exit strategy and Action Plan for social assistance beneficiaries.

The objective of the ICM approach is to enhance the economic independence of beneficiaries of social assistance and create an enabling environment for them to join the formal labour market. In order to institutionalize the model, three non-government organizations partnered to pilot integrated case management models to gain insights from the implementation, gather evidence, and prepare all the necessary tools needed. This pilot intervention aimed at introducing practices for provision of holistic support to people at risk of exclusion from labour market; better outreach to job seekers and inactive population; more effective information dissemination of labour market demand, training, employment, and self-employment opportunities. The activities were implemented in close collaboration with the respective Employment Offices and VET providers. The end objective of this intervention was to inform policymakers on preparing a new Employment Promotion Programme, which will diversify the portfolio of NAES and ultimately improve the employability of unemployed jobseekers.

**Result C2.2:** *Encouraging internal mobility for employment.*

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>C2.2.1</b>	The information exchange system between employment offices for vacancies, to fill the offers among other regions		X	
<b>C2.2.2</b>	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. However internal mobility of jobseekers between regions remains a challenge to be addressed both among regional offices and respectively in the IT system.

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)		<b>11% (disability), 11% Roma / Egyptian, 6% economic aid.</b>			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)	<b>A:6% T:10.34%</b>	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			Automaticall y	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	<b>21,794 (31%) economic aid, 6,111 (9%) RE, 542 (1%) disability.</b>	<b>26,633 (32%) economic aid, 7,570 (9%) RE, 604 (1%) disability.</b>			Semi-annually	NAES
Share of NEET (15-29 years) registered with EOs ( <i>budget support indicator</i> )	14035 (2018)	<b>A: 14,860 (20.9%) (2019), 18,561 (22.4%) (2020)</b>	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	<b>(2019) 56% (disability), 24% Roma / Egyptian, 12% economic aid.</b>	<b>(2020) 28% (disability), 13% Roma / Egyptian, 6% economic aid.</b>	A: T:7.1%	A: T:7.3%	Semi-annually	NAES
Share of Roma and Egyptian population targeted through inclusive employment and VET services in selected municipalities	Inventory of gaps in services	25% of Roma & Egyptian population targeted		50% of Roma & Egyptian population targeted	Semi-annually	NAES  INSTAT

Share of economic aid (NE) beneficiaries registered with EOs receiving levels 1, 2 and 3 of employment services, based on the individual employment plan (IEP)	<b>n/a</b>	<b>n/a</b>			Semi-annually	NAES
Share of economic aid (NE) beneficiaries registered with EOs participating in ALMPs and Vocational Training	1% (2018)	<b>A: (2019)-12% (2020) 6%</b>	A: T: 6%	A: T: 10%	AL: 16% T: 12%	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
<b>D1.1.1</b>	Relevant by-laws drafted and adopted			X
<b>D1.1.2</b>	The structure and responsibilities of the institution in charge of observation and development of employment policies and VET management approved			X
<b>D1.1.3</b>	The NAES staff hired / reconfirmed		X	
<b>D1.1.4</b>	The budget allocated according to the functions of the institution responsible for implementation of employment policies and management of VET providers			X
<b>D1.1.5</b>	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
<b>D1.1.6</b>	Structure/structures set up for administration, development, and future perspective of VET in Albania; organizational chart and duties established			X
<b>D1.1.7</b>	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 continued to be gradually completed during 2022, with necessary budgets allocated within the same timeframe.

During 2022, the restructuring of NAES' regional and local employment offices has been prepared. In the restructuring process of regional and local structures, as well as in the improvement of head

quarter's structures, NAES focused on the professionalisation of its workforce and respectively adequate remuneration.

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

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

Throughout 2022, the restructuring process of NAVETQ continued with the review of job descriptions and job positions according to the renewed functions of the institution. New vacancies were announced, in line with the approved organisational structure. As a result of competitive processes, seven (7) vacancies were filled, accompanied by induction training.

In addition, NAVETQ has continued to operate as the National Support Service for the Electronic Platform for Adult Learning in Europe (EPALE), and the National Coordinator of the EU Adult Learning Agenda in the country.

In addition, NAVETQ implements an Erasmus+ project on capacity building in VET (ERASMUS-EDU-2022-CB-VET).

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>D1.3.1</b>	Composition, criteria and duties of Fund Administration Board approved.			X
<b>D1.3.2</b>	The method of using the Social Employment Fund approved.	X		
<b>D1.3.3</b>	SEF Secretariat set up.		X	

<b>D1.3.4</b>	Capacities set up for operating and implementing SEF.		X	
<b>D1.3.5</b>	Promotional campaign for PWD-related innovations in the employment promotion law.	X		
<b>D1.3.6</b>	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 2022 MFE submitted for adoption the proposed amendments and addenda to 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.

In parallel to these efforts, NAES has proposed revisions to its internal organisational structures to prepare and accommodate for the operationalization of the Social Employment Fund.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>D1.4.1</b>	The legal framework for financial management of VET providers approved and applied		X	
<b>D1.4.2</b>	Procedures for application of financing scheme including their own finances approved and applied		X	
<b>D1.4.3</b>	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 2022, 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
<b>D1.5.1</b>	The methodology paper developed			X
<b>D1.5.2</b>	Periodic reports for measuring the efficiency of active labour market programs, vocational training, VET and employment services			X
<b>D1.5.3</b>	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 the commitment of MFE to re-organize the development and delivery of employment services and VET 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 (Monitoring and Evaluation) Framework for the National Strategy for Employment and Skills 2019-2022 was developed to address the challenge of ensuring a direct link between service delivery and policy goals in the employment and VET sector. This framework aimed to collect, compile, and provide information in a systematic and consistent manner, allowing decision-makers to 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. The M&E Framework could not be applied systematically during the time span of the NESS 2019-2022 due to extended restructuring processes of MFE, NAES and NAVETQ. However, the M&E

Framework was utilized to collect information on the strategic indicators, as well as by NAES to develop and agree on performance indicators for employment offices and VET providers.

In parallel to this, the IPMG and Thematic Group “Employment and Skills” convened regularly during 2022, 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
<b>D2.1.1</b>	Evaluation report for the 3-year activity of the NLC		X	
<b>D2.1.2</b>	The regulation for the functioning of NLC reviewed and approved			X
<b>D2.1.3</b>	DCM for representation criteria approved			X
<b>D2.1.4</b>	The mechanism for implementation of NLC recommendations approved and functional		X	
<b>D2.1.5</b>	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 re-composition of the NLC has been carried out during 2022, following the approval of the bylaw (DCM no. 54, dated 29.1.2020) on setting the criteria for the representation of the social partners, as well the approval of the DCM no. 356, dated 26.05.2022 "On the appointment of Employers' Organizations and Trade Union Organizations in the National Labour Council" the National Labour Council.

During the year 2022, the National Labour Council held two meetings, namely in July and December, in which important issues were discussed such as:

- Inform the NLC on the DCM no.356, dated 26.05.2022 “On the Appointment of Employers’ Organizations and Trade Unions in the National Labour Council” and the following Order of Minister Finance and Economy "On the appointment of members and candidates in the NLC, representatives of employers' and employees' organizations ";
- Election of two NLC Vice-Presidents, one representative of employees, and one representing the employers’ side.
- Information on the activity of the State Inspectorate of Labour and Social Services for 2022 and objectives for 2023.

- Information on the activity and role of the National Agency for Employment and Skills, for the year 2022 and the objectives for the year 2023;
- Information from the Ministry of Tourism and Environment about the measures taken to support the tourism sector in the tourist season;
- Presentation of the draft National Employment and Skills Strategy 2023-2030;
- Information on the DCM no. 751, dated 01.12.2022 "A special protection from the state for unemployed women with three or more children aged up to 18"; The draft law "On some additions and changes to law no. 9634, dated 30.10.2006, "On inspection at work", amended.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>D2.2.1</b>	The legal framework for the establishment and operation of the NCVET approved			X
<b>D2.2.2</b>	NCVET established and operational			X
<b>D2.2.3</b>	Technical ad-hoc committees established and operational	X		
<b>D2.2.4</b>	Technical Secretariat functional			X
<b>D2.2.5</b>	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. During 2022, all members of this Council have been designated and the first meeting took place at the end of 2022. However, the challenge to transform this forum in a mechanism for strategic support to policy design in VET persists.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>D2.3.1</b>	The national database set up and accessible		X	
<b>D2.3.2</b>	A national network for mediation and reconciliation set up		X	
<b>D2.3.3</b>	The information system for registering disputes set up and functional		X	
<b>D2.3.4</b>	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. 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. No further activities were reported under this result for 2022.

*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
<b>D3.1.1</b>	A developed design for the labour market and VET information system		X	
<b>D3.1.2</b>	The labour market and VET information system set up at the Ministry		X	
<b>D3.1.3</b>	The labour market information system is functional based on applications that provide information linking options		X	
<b>D3.1.4</b>	Updated information of the labour market and VET coordinated among institutions		X	
<b>D3.1.5</b>	Periodic bulletins with labour market and VET information		X	

Throughout the year 2022, NAES pursued a range of initiatives focused on comprehensively examining labour market dynamics and assessing the effectiveness of employment and skills development policies. As part of these efforts, NAES produced a vital publication known as the Statistical Bulletin, which serves as an indispensable resource for capturing and analyzing prevailing labour market trends. This annual document, available on the official AKPA website at

<https://akpa.gov.al/wp-content/uploads/2022/12/Buletini-Statistical-2021.pdf>, presents a wealth of essential statistical information concerning various aspects of employment, as well as both active and passive labour market programs, and VET.

By providing a comprehensive overview of key indicators and figures, the Statistical Bulletin offers valuable insights into the state of the labour market, helping stakeholders and policymakers gain a deeper understanding of the current landscape.

In collaboration with RISI Albania, NAES has undertaken a significant endeavour in 2022 by conducting a comprehensive Regional Analysis of the Labour Market and Economic Development for the Durrës region. This initiative followed a similar analysis conducted in the Elbasan region in 2021, demonstrating NAES's commitment to examining and understanding regional dynamics across Albania.

The primary objective of this analysis was to assess the present economic landscape and identify the specific requirements and challenges facing the labour market and overall economic development in the Durrës region. Through a meticulous examination of key indicators, industry trends, and labour market dynamics, the analysis generated a comprehensive understanding of the region's economic situation. This valuable information serves as a foundation for devising strategic initiatives tailored to the unique needs and opportunities present in the Durrës region, contributing to the formulation of effective policies that can drive sustainable economic growth and create employment opportunities for its residents.

NAES has made a significant contribution to the establishment of the Labour Market Information Observatory (LMIO), which was first designed and developed with the support of UNDP. The LMIO serves the crucial purpose of providing real-time and comprehensive insights into the labour market, enabling the anticipation of required skillsets. Currently, the LMIO is actively involved in the collection, processing, and analysis of administrative data generated by the General Directorate of Taxes. Furthermore, the LMIO has successfully integrated data categorized by occupation, gender, and region, offering a holistic view of the labour market situation. In addition to this, NAES, as one of the key stakeholders in the labour market, has contributed the most pertinent and crucial data to the LMIO. Notably, all the data provided by NAES has been meticulously standardized to align with the format and specifications of the instrument.

In parallel to these efforts, NAES is steadily developing the national level tracing system of VET graduates. The national tracing survey takes place in the form of a census, and collects data on the employment status, relation of the acquired qualifications to the current job, salary levels, etc. The data have served to analyse the labour market and conduct comparisons to previous years. The survey and analysis has been carried out in collaboration with the S4J of Swisscontact.

**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
<b>D3.2.1</b>	Periodic SNAs and other evaluations		X	

Within the framework of the Information and Communication Technology (ICT) sectoral committee, a comprehensive analysis of skill requirements in the ICT sector has been undertaken, with the support of RisiAlbania. This analysis has been under discussion during the committee's meetings, with the primary objective of validating the findings and subsequently aligning them with pertinent qualifications in the labour market.

The main focus of this analysis was to identify and understand the evolving skills landscape within the ICT sector. By doing so, the committee aims to ensure that the skill requirements of the industry are accurately assessed and appropriately addressed. Consequently, this process enables the translation of identified skill needs into meaningful qualifications that can effectively meet the demands of the labour market.

**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
<b>D4.1.1</b>	Legal framework for implementation of AQF completed			X
<b>D4.1.2</b>	New/reviewed vocational qualifications based on the labour market needs (according to the skill needs analysis)		X	
<b>D4.1.3</b>	Updated qualification evaluation and certification system		X	
<b>D4.1.4</b>	VET credit system designed in accordance with ECVET	X		
<b>D4.1.5</b>	Mechanisms for including informal qualifications in the AQF and NAVETQ staff for implementation of this mechanism		X	
<b>D4.1.6</b>	Designed communication strategy and action plan for AQF		X	
<b>D4.1.7</b>	Completed reference report			X

With regards to the AQF, responsible institutions made significant strides in 2022 to operationalize the recommendations outlined in the European Qualifications Framework (EQF) Referencing report and ensure compliance with EQF standards.

To facilitate this process, a Ministerial Instruction (Order no.29.12.2022) was issued, amending the previously approved bylaw governing the National Catalogue of Vocational Qualifications for AQF levels 2-5. These amendments encompass various aspects, including the assignment of vocational qualifications to their corresponding AQF levels, the determination of learning volume and qualification duration, and the inclusion of explanatory annexes for each vocational qualification. These annexes provide detailed information, such as relevant standards (descriptors) that outline the required knowledge, skills, and competences in terms of learning outcomes.

Furthermore, the National Catalogue of Vocational Qualifications was updated, and it currently encompasses a total of 126 vocational qualifications for AQF levels 2-5.

Throughout 2022, efforts were made to develop or revise 21 occupational standards and 20 vocational qualification standards. All vocational qualification standards are formulated in terms of learning outcomes for knowledge, skills, and broader competences, in line with the respective AQF level descriptors and based on relevant occupational standards. The identification of vocational qualifications for development or revision in the ICT sector received support from RisiAlbania within the framework of the Sectoral Committee in ICT.

Additionally, in 2022, guidelines (so called “orientation programmes”) were established for 21 level exams, including 6 guidelines for the Vocational State Matura exam and 15 guidelines for level exams of AQF qualifications at levels 2-5. In addition, 19 certificate supplements were developed.

To facilitate the implementation of vocational qualifications during the 2022-2023 academic year, three new framework curricula were developed, along with the enhancement of 20 existing framework curricula. Drawing upon the corresponding occupational standards, ten unified vocational training courses were developed.

Based on an [assessment of needs for skills in the Real Estate](#) sector, conducted by the S4J project, NAVETQ validated and endorsed the findings. Two further mapping studies on the occupations and skills needed in the e-commerce and tourism sector have followed, with a focus on developing post-secondary VET programmes (AQF level 5 qualifications).

In addition, existing vocational qualifications standards of the AQF level 5 qualification “Management and Diagnostic in automotive services” were revised and updated.

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

Activities		Implementation Status		
		Not initiated	In progress	Completed
<b>D4.2.1</b>	Legal framework for setting up and operating sectoral committees, completed			X
<b>D4.2.2</b>	1 Sectoral Committee in an identified sector piloted			X

<b>D4.2.3</b>	Functioning mechanisms of SC and vocational qualifications validated in a piloted sector		X	
<b>D4.2.4</b>	Report on identified sectors			X
<b>D4.2.5</b>	Setting up a Sectoral Committee in the second sector already identified			X

The **Sectoral Committees**, as one of the key mechanisms to help bridge the labour demand and supply, by involving the private sector in the design of key qualifications, were set into motion following the adoption of various bylaws, including the DCM no. 426, dated 26.6.2019, titled "On the organization, operation, and selection criteria for the members of the Sectoral Committees," alongside other relevant regulations.

The first Sectoral Committee in the Information and Communication Technology (ICT) sector commenced its operations in 2022. Over the course of the year, four regular meetings of the committee were conducted, addressing a range of pertinent topics. These discussions included updates provided to Sectoral Committee members on the AQF and the existing array of vocational qualifications within the ICT sector.

Furthermore, the committee was presented with the methodologies and documents developed by NAVETQ, encompassing occupational standards, vocational qualification standards, and framework curricula.

An essential aspect of the committee's work involved the analysis of skills needs within the ICT sector. To facilitate this, a study conducted by NAVETQ and RisiAlbania was presented and extensively discussed. The primary objective of this study was to identify labor market requirements and subsequently translate them into new or revised qualifications that could effectively address those needs.

Throughout the activities of the Sectoral Committee in ICT, support was provided by the Technical Secretariat at NAVETQ. This dedicated support helped ensure the smooth functioning of the committee and facilitated the efficient execution of its tasks and objectives.

In support of the respective bylaw (DCM No. 426, dated 26.6.2019), the Sectoral Committee on Hospitality was established by a joint Order of the Minister of Education and Sports and the Minister of Finance and Economy. In addition, the selection process of the Sectoral Committee's members was carried out by NAVETQ. The Sectoral Committee in Hospitality and Tourism is composed of representatives of ministries, companies, associations, and VET providers of the sector.

In this frame, NAVETQ, with the support of the European Bank for Reconstruction and Development (EBRD), has held the introductory of this Sectoral Committee. This event aimed to establish a solid foundation for the committee's activities and set the stage for its future endeavours.

*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
<b>D5.1.1</b>	An analysis of legal and institutional gap for EU chapters conducted		X	
<b>D5.1.2</b>	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 2022. An important progress in this regard was the adoption of the new law on foreigners in late 2021, and the adoption of relevant secondary legislation during 2022.

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" required the adoption of several bylaws. Besides two bylaws that were already adopted in 2021 (DCM no. 57, dated 29.12.2021 and DCM no.858, dated 29.12.202, following bylaws have been adopted during 2022:

- DCM no. 450, dated 30.6.2022 "On the approval of the form and content of residence permits for foreigners.
- Instruction no. 174, dated 12.09.2022 of the Minister of the Interior "On the procedures for the treatment of foreigners with irregular stay in the territory of the Republic of Albania";
- Instruction no. 186, dated 28.09.2022, of the Minister of the Interior "On the procedures for providing assistance in transit, with the aim of returning by air";
- Instruction no. 18, dated 22.6.2022 of the Minister of Finance and Economy "For the approval of the inter-institutional cooperation procedures for determining the annual employment quotas".
- Order no. 185, dated 28.09.2022, of the Minister of the Interior "On determining the monitoring procedures of residence permits and unique permits"
- Order no. 180, dated 22.06.2022, of the Minister of Finance and Economy "On the establishment, composition and operation of the evaluation commission for meeting the conditions for a unique permit as an investor"

- Order no. 178, dated 22.06.2022, of the Minister of Finance and Economy "On the establishment, composition and functioning of the evaluation commission for meeting the criteria of the unique permit as self-employed"
- Joint instruction no. 176, dated 15.9.2022 MB-MEPJ-SHISH "On the procedure of declaring a foreigner an undesirable person and the approval of the order model for declaring a foreigner an undesirable person"
- Joint instruction no. 219, dated 8.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On procedures for organizing return operations and joint return operations by ar.
- Joint instruction no. 220, dated 8.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On the extension procedure, the deadlines for extending the stay, cases of special importance, as well as the document with which the foreigner is provided".
- Joint instruction no. 228, dated 25.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On the procedure of registering a foreigner in the local authority responsible for border and migration";
- Joint instruction no. 227, dated 25.11.2022 of the Minister of Interior and the Minister for Europe and Foreign Affairs "On the cooperation of the structures of the Ministry for Europe and Foreign Affairs and the Ministry of the Interior for the procedures of equipment with prior invitation for foreigners.
- Joint instruction no. 240, dated 16.12.2022 of the Minister of Finance and Economy B "On determining the investment value for the device with a unique permit for the investor"
- Joint instruction no. 242, dated 20.12.2022 MEPJ-MB-SHISH "On the cooperation of the structures of the Ministry for Europe and Foreign Affairs, the Ministry of the Interior and the State Information Service for the procedures for issuing visas to foreigners";
- Order no. 234, dated 13.12.2022 of the Minister of Interior "On the approval of the format and content of the unique permit for special categories."

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	Fully achieved	Annually	NAES

NAVETQ is functional		Partially achieved	Partially achieved	Fully achieved	Annually	NAVETQ
Amount of the SEF collected levy		Not operational yet	Not operational yet	Not operational yet	Annually	NAES
Number of SEF beneficiaries		0	0	0	Annually	NAES
New finance mechanisms in VET are applied	None	None	A:None T: Yes	A: None 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	<b>In Process</b>	A: T: Yes (IV 2021)	A: T: Yes (IV 2022)	Annually	NAES
Number of NLC meetings		2	1	2	Annually	MFE
Number of recommendations						
Number of NVET meetings		0	0	1	Annually	MFE
Number of recommendations						
Periodic newsletter with information on the labour market and VET.	No	<b>2019 Yes, 2020 In process</b>	A: T: Yes (IV 2021)	A: T: Yes (IV 2022)	Annually	NAES
Number of SNA carried out	No	0	0	0	Annually	NAES
Number of approved vocational qualifications included in the National Catalogue		120	120 National Vocational Catalogue approved	122	Annually	NAVETQ
Number of functioning Sector Skills Committees		0	1 <sup>st</sup> SSC in ICT formally established	2 SSC in ICT & the SSC in Tourism	Annually	NAVETQ
Number of approved legislations		23			Annually	MFE
Level of legal framework implementation				Advanced	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. 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 2022 continued to be channelled through IPA II budget support programme and the 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 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.

During 2022, SDC worked to design its skills development portfolio in Albania for the period 2023-2027.

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 2022, regulating awarding of scholarships to students in the pre-university system was amended to extend scholarships to all girls enrolling in VET.

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 key policy and implementing bodies:

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

**VET students at the center of policy design** efforts through digital engagement platforms and exchange with policy makers:

<https://www.instagram.com/gjenerator/?hl=en>  
<https://www.facebook.com/gjenerator>  
<https://www.facebook.com/gjenerator>  
[https://www.youtube.com/channel/UCvëbA\\_-9M7dmZZ\\_LkSzVlbë](https://www.youtube.com/channel/UCvëbA_-9M7dmZZ_LkSzVlbë)  
<https://financa.gov.al/shkollat-profesionale-te-orientuara-drejt-kerkesave-te-tregut-te-punes/>

**National VET conference 12-13 April 2022.** A platform for exchange and collaboration for an innovative and resilient VET system that equips youths and adults with labour relevant skills and decent employment opportunities:

- <https://financa.gov.al/konferenca-kombetare-per-arsimin-dhe-formimin-profesional-diskutohen-arritjet-dhe-sfidat-per-te-ardhmen/>
- <https://www.undp.org/albania/press-releases/national-conference-dedicated-vocational-education-and-training-brings-together-actors-discuss-challenges-achievements-and>

### **National VET Students Survey**

- <https://www.undp.org/albania/publications/opinion-survey-2022-perspective-students-vocational-education-and-training>

### **Publication of the EQF Referencing Report of the Albanian Qualifications Framework**

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

### **Preparing for the Youth Guarantee**

- <https://ata.gov.al/2022/04/27/ibrahimaj-skema-e-garancise-rinore-per-integrimin-e-te-rinjve-ne-tregun-e-punes/>
- <https://connecting-youth.org/documents/CY%20Policy%20Paper%20-%20May%202022.pdf>

### **Upskilling youth with ICT skills (Coding Programme)**

- <https://financa.gov.al/prezantohet-programi-i-kodimit-ibrahimaj-investimi-ne-it-do-te-sjelle-zhvillim-dhe-rritje-ekonomike/>
- <https://ata.gov.al/2023/02/23/programi-i-kodimit-rama-deri-tani-1784-aplikime-nga-te-rinjte/>
- <https://businessmag.al/jeni-te-rinj-dhe-ju-pelqen-kodimi-aplikoni-ne-programin-e-ri-te-kodimit-ne-e-albania/>

### **Accreditation of VET providers**

- <https://www.facebook.com/watch/?v=1860481470983217>
- <https://www.facebook.com/UNDPinAlbania/posts/pfbid026Myy2PTJaurirWrhFN1wCCXvUFVAKoMFejapksBPsPBQxpP4mkv9pBj7ub3H2BWz>  
<https://durrelajm.al/shkolla-e-mesme-profesionale-beqir-cela-durres-akreditohet-me-4-drejtme-mesimore-dhe-14-kualifikime-profesionale/>

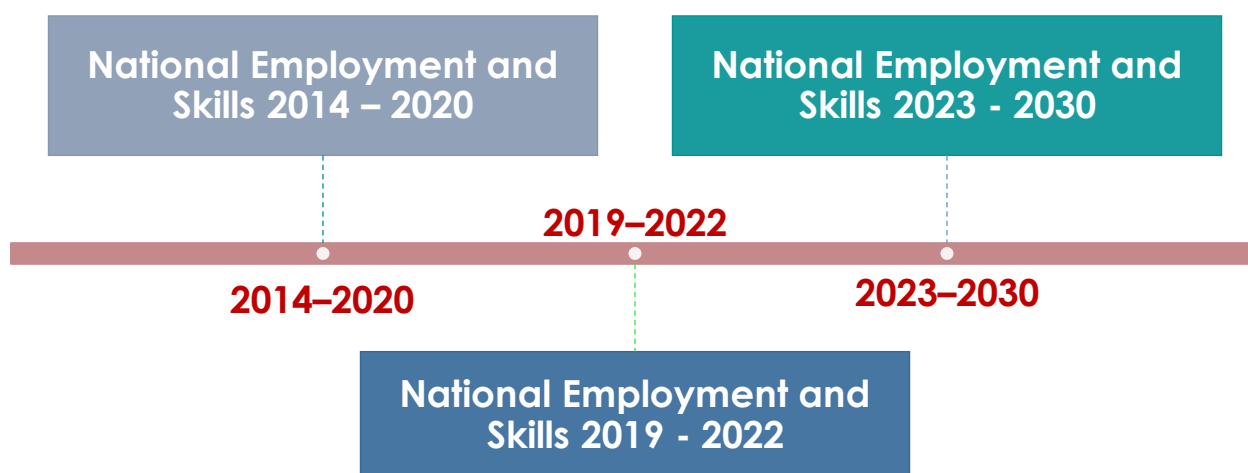
### **National Employment and Skills Strategy 2023-2030 – The development and consultation process**

- <https://ata.gov.al/2022/12/19/prezantohet-strategjia-kombetare-e-punesimit-dhe-aftesive-2023-2030/>
- <https://www.facebook.com/UNDPinAlbania/posts/pfbid02XyTbNJzt7E3cQzfo811vToWHwKtL3BHgJHqQ2fQuQF4E5gT4yewTJ2Lv5yVvbbjnl>
- <https://ata.gov.al/2022/12/16/mfe-prezanton-strategjine-kombetare-te-punesimit-dhe-aftesive-2023-2030/>
- <https://akshi.gov.al/strategjia-e-punesimit-2030-akshi-rol-kyc-edukimi-dhe-aftesimi-digjital-i-te-rinjve/>
- <https://konsultimipublik.gov.al/Konsultime/Detaje/561>
- <https://www.facebook.com/UNDPinAlbania/posts/pfbid0BpuqPkbS9PetXhkwjynT1PvJyLZM6AtP8toyQWd1EouqVP5NDvfKAjY3PXTpxNx9l>
- <https://www.facebook.com/UNDPinAlbania/posts/pfbid0My7mBKbaLqH7KuKaaDy8jj1fTAn2uokgmbexBrcVmpo1RHzwPHXtt5LL8FkhN3tWl>
- <https://www.facebook.com/UNDPinAlbania/videos/677566610444169/>

### 3. 2022 – The Bridge Year to the New Policy Cycle

2022 marked the last year in implementing the National Employment and Skills Strategy 2014-2022 (2014-2020 extended to 2022). Alongside this, Albania remained committed to the European Skills Agenda, particularly in implementing the Osnabrück Declaration. This commitment provided the backdrop for the development of the National Employment and Skills Strategy 2030, which represented an opportunity to set renewed vision and strategic priorities in terms of designing a more agile, flexible, and inclusive vocational education and training system and an inclusive labour market ecosystem that works for all.

Figure 3: Policy cycle in Employment and Skills



#### 3.1. The National Implementation Plan of the Osnabrück Declaration

Conclusions and collaboration initiated through the National VET conference were consolidated in the document of the National Implementation Plan of the Osnabrück Declaration. Alignment of strategic priorities and policy responses to priorities set in the [EU Council's VET Recommendation 2020](#) and the [Osnabrück Declaration](#) set the tone for a comprehensive and coherent strategic document.

The National Implementation Plan (NIP) was developed in the context of multiple challenges, including uncertain and fast changing economy, the digital and green transition, and the challenge to bring the reform from the national to the local level. To respond to these challenges, and in line with the strategic framework of the country, the following four strategic objectives were defined: 1) Systemic and systematic private sector engagement in skills development; 2) Ensure a sound, evidence-based governance of labour market and VET policies; 3) Support and promote quality and inclusive lifelong learning for enhanced employability; 4) Digital transformation for VET and Employment. The following table presents an overview of strategic and specific objectives of this plan.

Table 8: Strategic and Specific Objectives - National Implementation Plan

<b>Strategic Objective 1</b>	Systemic and systematic private sector engagement in skills development (VET and Employment)
Specific Objective 1.1.	1.1. Standardized management and mechanisms for a systemic execution of work-based learning through business-VET Provider cooperation
<b>Strategic Objective 2</b>	Ensure a sound evidenced-based governance of labour market and VET policies
Specific Objective 2.1	National and Regional Skills Intelligence Systems that provide regular signals on labour market and VET developments
Specific Objective 2.2	Enable social partners and stakeholders (VET governance mechanisms) to design and deliver quality and inclusive VET policies in a timely and effective manner, including basic skills across all sectors and occupations and sector-specific skills
<b>Strategic Priority 3</b>	Support and promote quality and inclusive lifelong learning for enhanced employability
Specific Objective 3.1	Promote and establish a life-long learning engagement for workforce development
<b>Strategic Priority 4</b>	Digital transformation of VET and Employment
Specific Objective 4.1	ICT-supported modernization of VET delivery.

The NIP has been submitted to the European Commission in June 2022, and the monitoring will be carried out with the support of the European Training Foundation (ETF).

Main achievements during 2022, include 1) the approval of the optimization plan 2) clear guidelines for development unit coordinators, especially those in closer contact with the private sector; in-company mentors trained and certified on quality aspects of WBL; 4) students mobility to 8 EU member states; 5) development of national skills intelligence tools, such as the LMIO; 6) improved re-skilling and upskilling offer in economic priority sectors (ICT, Tourism); 7) increased participation of jobseekers in ALMPs with a focus in training; 8) development of digitalization roadmap (e@VET Roadmap for ICT-supported modernization of the Albanian VET system).

The National Implementation Plan 2022-2025 of the Osnabrück Declaration has been integrated in the document of the National Employment and Skills Strategy 2023-2030, and will adjusted accordingly, in close communication with the European Commission.

### 3.2. Developing the New National Employment and Skills Strategy 2023-2030

The development process of the National Employment and Skills Strategy (NESS) 2030 commenced with a roadmap developed by the working group established at the MFE, which included (1) organizing a National VET Conference, (2) defining strategic priorities aligned with the Osnabrück Declaration, (3) identifying sector and institutional challenges for targeted solutions, (4) formulating goals, policy objectives, and policy responses, (5) creating a comprehensive strategic document, and (6) conducting consultations and validation prior to adoption by the Council of Ministers.

The development process involved extensive working group sessions and intensive discussions on the accomplishments, lessons learned, and challenges encountered during the implementation of the previous NESS cycle (2019-2022). These collaborative efforts were vital in paving the way and shaping the new policy cycle. The exchange of ideas and experiences provided valuable insights for addressing the evolving needs of the labour market and ensuring that NESS 2030 is a robust and effective strategic framework.

One key milestone in this process was the successful organization of the **National VET Conference** titled "Reforming the Vocational Training and Education System in Albania: Major Milestones, Challenges, and Way Forward." Held in Tirana on April 12th-13th, this conference represented a joint effort of all the key stakeholders and partners, and aimed to **take stock of the achievements, challenges, and way forward of the ongoing reform** in the employment and skills development sector.

Hosted by the Ministry of Finance and Economy in collaboration with the EU delegation and the Swiss Agency for Development and Cooperation (SDC), the conference aimed to achieve several objectives. Firstly, it provided a platform for policymakers, practitioners, experts, and donors to exchange experiences and insights on employment and skills development policy design and implementation. Secondly, it facilitated an assessment of the significant accomplishments of the current Employment and Skills Development strategy. Lastly, it sought to gather perspectives on the main challenges to be addressed in the new National Strategy for 2023-2030.

Broader socio-economic, labour market and institutional framework analysis conducted, with the support of UNDP, aimed at identifying sector and institutional challenges, supporting the design of coherent policy responses, as well as developing a consolidated action plan for the Strategy.

Furthermore, wide consultations with end users of policies and relevant stakeholders were a key milestone in the preparation of the new sector strategic framework. Recommendations from a VET students' survey carried out by UNDP were discussed in an innovative platform engaging VET students, parents, practitioners, and policy makers. Their ideas, feedback and recommendations have been included in the strategic document.

Another key important step in the development process of the new National Employment and Skills Strategy 2023-2030 was to discuss the proposed priority measures and actions within the IPMG thematic group “Employment and Skills” that included representatives from implementing bodies, line ministries and agencies, as well as international development partners. Their active participation and collective input significantly contributed to enhancing the policy document.

Consultations with civil society have played a pivotal role in shaping policy design and implementation since 2019. In dedicated consultations, civil society organizations (CSOs) emphasized the significance of a strategic document and the need for policy responses that specifically address inclusive skills development and employment opportunities for vulnerable groups. These groups include young NEETs, people with disabilities, and women. However, it was highlighted by civil society representatives that accurate budgeting of policies and alignment between central and local institutions are crucial aspects to consider during policy implementation.

Private sector engagement in employment and skills development has been a persistent challenge to implementing labour market relevant policies. Thus, the draft strategy was presented in different platforms, where the private sector is represented, such as the regular meetings of National Labour Council.

Recognizing the role of the private sector in shaping employment and skills development policies, a dedicated consultation meeting was organized and chaired by the Minister of Finance and Economy. This meeting brought together representatives from national and international chambers, employer organizations, business associations, and companies. The participants emphasized the importance of integrated approaches to skills development, addressing the migration of qualified workforce, fostering skills intelligence, and promoting structured collaboration between public and private stakeholders.

The presentation and endorsement of the draft National Employment and Skills Strategy 2023-2030 at the IPMG on Employment and Skills represented the last milestone in the preparation process, before it was submitted for approval by the end of 2022. IPMG members acknowledged the coherence in aligning policy goals with effective responses to address skills mismatch and rectify dysfunctional labour market practices. Moreover, they commended the document's action plan for its consistency and the robustness of its monitoring and evaluation framework, which included clear indicator baselines and targets.

Crucial dimensions of the strategy were underlined, placing particular emphasis on the importance of inclusiveness, lifelong learning, and fostering social dialogue.

These elements were recognized as integral components of the strategy's framework, ensuring a comprehensive and well-rounded approach to addressing employment and skills challenges.

Developing the strategic document on Employment and Skills Policy 2030 represented a complex and dynamic process demanding thorough analysis of existing policies, socio-economic trends, labour market advancements and institutional capabilities, with the aim to define policy objectives, examine alternatives, foster discussions, and make well-informed choices.

## 4. Quality Assurance

### 4.1. 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 Minister<sup>14</sup>, 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

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<sup>14</sup> 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 IPMG on Employment and Skills has been convening regularly during 2022. Main topics discussed in the IPMG, and the thematic group meetings are the following:

1. Presentation of the National Implementation Plan of the Osnabrück Declaration
2. Presentation of the 2021 Monitoring Progress of the National Employment and Skills Strategy 2019-2022
3. Presentation of the 2021 Monitoring Progress Monitoring Report on implementation of the Action Plan of National Social Protection Strategy 2019-2023
4. Discussion of the draft National Employment and Skills Strategy 2023-2030 (in the thematic group)
5. Endorsement of the National Employment and Skills Strategy 2023-2030 documents by the IPMG

## 4.2 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*”. As of 2022, Albania showed **some level of preparation** in freedom of movement for workers. **Some progress** was made on the implementation of the 2021 report’s recommendations regarding free movement of family members of EU citizens, strengthening of social security bilateral agreements and the development of the IT system for mapping job seeker 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) adopt the implementing legislation for the new law on foreigners; c) continue negotiating and implementing new bilateral agreements on social security, notably with EU Member States.

On **access to the labour market**, Parliament adopted a new law on foreigners, enabling simplified procedures for EU citizens settling in Albania, in line with the EU *acquis* in this area. Further steps need to be taken to finalise the adoption of the related implementing legislation.

In preparation for joining the **European network of employment services (EURES)**, Albania has established an integrated database for its employment services that will facilitate exchanges of information between IT departments on civil status, the tax system, the compulsory healthcare system and the economic assistance system. The IT system to enable connection with EURES needs to continue to be developed.

On the **coordination of social security systems**, Albania has bilateral agreements in place with Austria, Belgium, Czechia, Germany, Hungary, Luxembourg, North Macedonia, Romania, and Türkiye. The agreement with Kosovo was ratified by Albania in March 2022. The negotiations with Bulgaria for a new agreement were concluded in 2021, and its entering into force was

postponed to 2023. Exchanges on coordinating social security schemes have taken place with Croatia, Greece, Serbia, and Montenegro. 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 further 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. In its annual progress report 2022, the EU recognized that Albania has *some level of preparation* on social policy and employment.

Albania has **some level of preparation** on social policy and employment. **Some progress** was made in implementing recommendations of the previous report, especially by strengthening the quality and effectiveness of labour market institutions and providing employment services to the most vulnerable groups. During 2021, Albania continued restructuring its employment governance. The social care reform is progressing, but financial and administrative efforts need to be stepped up to strengthen the local level capacities for service delivery and the links to active labour market measures. Albania needs to address the coverage and financial allocation of the Social Fund, ensure implementation of legislation on public procurement of social services and of the management information system for social care. The triple shock stemming from the 2019 earthquake, the COVID-19 pandemic, and the consequences of the war against Ukraine has negatively impacted the most vulnerable categories, which needs to be assessed and mitigated.

In the coming year, the country should: a) adopt the 2023-2030 strategy for employment and skills, incorporating the objectives of the decent work agenda, the Youth Guarantee scheme, as well as green and digital transition and provide adequate human and financial resources for its implementation; b) increase budget allocation for the Social Fund to finance social care services and improve operational modalities for distribution and implement the legal framework on procurement of social care services; c) adopt the action plan and the costing of the Youth Guarantee scheme in line with the EU model and guidance, incorporating its objectives in the new strategy on Employment and Skills.

Regarding the **labour law**, the implementation of the amended Labour Code is under way. Twenty-five (25) EU regulations in the field of occupational safety and health have been transposed as well, covering areas such as: safety at work, equal treatment between women and men etc. After the significant slowdown of inspection activities during the COVID-19 pandemic, the number of inspections has significantly increased in 2021 (from 5 994 in 2020 to 7 039 in 2021, and over 184 000 jobs verified). Progress was made on the promotion on the e-inspection platform. In 2021, the restructuring of the State Labour Inspectorate and Social Services (SLISS) entered into force both centrally and at local level, with 165 positions overall (+11 compared to the previous year), but further steps are needed to strengthen its capacities on human resources, regular training and adequate means to perform duties. In particular, it is essential to enhance the tripartite collaboration among SLSSI, trade unions and business organisations in designing and conducting

the company visits and in addressing issues impacting the observance of the labour relations and working conditions in companies and institutions.

On child labour, the system for monitoring child labour and other forms of exploitation, as well as the coordination of law enforcement between the Agency for the Protection of Children’s Rights and the Labour Inspectorate still need to be strengthened.

On **health and safety at work** (OSH), a new policy framework has to be adopted based on a gap analysis and in line with the new EU OSH strategic priorities, with a focus on strengthening institutional capacity to effectively enforce compliance with the legislation.

On bipartite **social dialogue**, some progress was made with the ratification of the ILO Convention 190 on “Violence and Harassment in the World of Work”. It is important that the government undertake concrete measures and revise the legislation in alignment with the ILO convention.

Regarding tripartite social dialogue, good progress was made to strengthen the capacities of the newly assigned staff of the National Labour Council (NLC) Secretariat. The NLC met only once during 2021. The mandate of the former NCL ended in 2021 and the new NCL needs to be established and convened. There is currently no meaningful dialogue at any level.

On **employment policy**, Albania is implementing the last year of the National Employment and Skills Strategy (NESS) 2014-2022 and already started the preparation of the new policy framework 2023-2030.

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

The 14<sup>th</sup> meeting of the Subcommittee on Innovation, Information Society and Social Policy was held on 2<sup>nd</sup> February 2023.

Representatives from the European Commission discussed with relevant Albanian authorities the most recent developments in these areas, including employment and skills development.

The Commission acknowledged the efforts done by the Albanian authorities to progress in all areas under the remit of the subcommittee, and on addressing the effects of the pandemic and the challenges raised by the war in Ukraine and the energy crisis. The Commission underlined the need of supporting the reforms and actions in the areas of employment and VET, social protection, education, research and innovation with the necessary funding that would allow policies to have a stronger impact. It also highlighted the important role of digital technologies and cyber security capacities in supporting the economy and mitigating the effects of the ongoing war. On Social Cooperation, the Commission recognised Albania’s progress during 2022 in the field of employment and VET, in particular the development of the new Strategy for Employment and Skills 2023-2030 and the Youth Guarantee Implementation Plan. It encouraged Albania to ensure a reform of the Public Employment Service is conducted and sufficient human resources are dedicated for the implementation of these strategic plans.

The legislative work undertaken to align with the EU acquis in the field of labour law and occupational safety and health was recognised. The Commission stressed the importance of implementation of the adopted legislation, including through reinforcing labour inspections and social dialogue. The Commission recognised the progress made by Albania over the course of 2022 in the field of education and encouraged the continuation of the efforts in improving access to and participation in quality and inclusive education at all levels.

The Commission stressed the importance of the provision of continuous professional development of teachers, including digital skills development. The importance of making use of EU policy and tools available was highlighted. The Commission invited Albania to continue benefiting from the International dimension of the Erasmus+ programme 2021-2027, including the newly opened opportunities, i.e. European Universities initiative.

#### 4.4 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 2022 has been of respective secondary legislation following the adoption of the Law 79/2021 in late 2021. 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. 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 ".

To ensure full implementation of the law 79/2021 “On Foreigners” development and approval of new bylaws was required. During 2022, following bylaws have been adopted:

- DCM no. 450, dated 30.6.2022 "On the approval of the form and content of residence permits for foreigners.
- Instruction no. 174, dated 12.09.2022 of the Minister of the Interior "On the procedures for the treatment of foreigners with irregular stay in the territory of the Republic of Albania";
- Instruction no. 186, dated 28.09.2022, of the Minister of the Interior "On the procedures for providing assistance in transit, with the aim of returning by air";
- Instruction no. 18, dated 22.6.2022 of the Minister of Finance and Economy "For the approval of the inter-institutional cooperation procedures for determining the annual employment quotas".
- Order no. 185, dated 28.09.2022, of the Minister of the Interior "On determining the monitoring procedures of residence permits and unique permits"

- Order no. 180, dated 22.06.2022, of the Minister of Finance and Economy "On the establishment, composition and operation of the evaluation commission for meeting the conditions for a unique permit as an investor"
- Order no. 178, dated 22.06.2022, of the Minister of Finance and Economy "On the establishment, composition and functioning of the evaluation commission for meeting the criteria of the unique permit as self-employed"
- Joint instruction no. 176, dated 15.9.2022 MB-MEPJ-SHISH "On the procedure of declaring a foreigner an undesirable person and the approval of the order model for declaring a foreigner an undesirable person"
- Joint instruction no. 219, dated 8.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On procedures for organizing return operations and joint return operations by ar.
- Joint instruction no. 220, dated 8.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On the extension procedure, the deadlines for extending the stay, cases of special importance, as well as the document with which the foreigner is provided".
- Joint instruction no. 228, dated 25.11.2022 of the Minister of Interior and the Minister of Europe and Foreign Affairs "On the procedure of registering a foreigner in the local authority responsible for border and migration";
- Joint instruction no. 227, dated 25.11.2022 of the Minister of Interior and the Minister for Europe and Foreign Affairs "On the cooperation of the structures of the Ministry for Europe and Foreign Affairs and the Ministry of the Interior for the procedures of equipment with prior invitation for foreigners.
- Joint instruction no. 240, dated 16.12.2022 of the Minister of Finance and Economy B "On determining the investment value for the device with a unique permit for the investor"
- Joint instruction no. 242, dated 20.12.2022 MEPJ-MB-SHISH "On the cooperation of the structures of the Ministry for Europe and Foreign Affairs, the Ministry of the Interior and the State Information Service for the procedures for issuing visas to foreigners";
- Order no. 234, dated 13.12.2022 MB "On the approval of the format and content of the unique permit for special categories".

One of the important *novelties of the new law on foreigners* was a *unique procedure*, and application *for work and residence permit* and a *unique permit for foreigners* who want to work in the Republic of Albania. Since January 2023, the unique procedure and application its possible online in the portal [e-albania.gov.al](http://e-albania.gov.al).

In the period between January and December 2022, 8,305 foreign citizens were provided with employment documents (6,411 work permits and 1894 certificates of employment), 65% more than in the previous year.

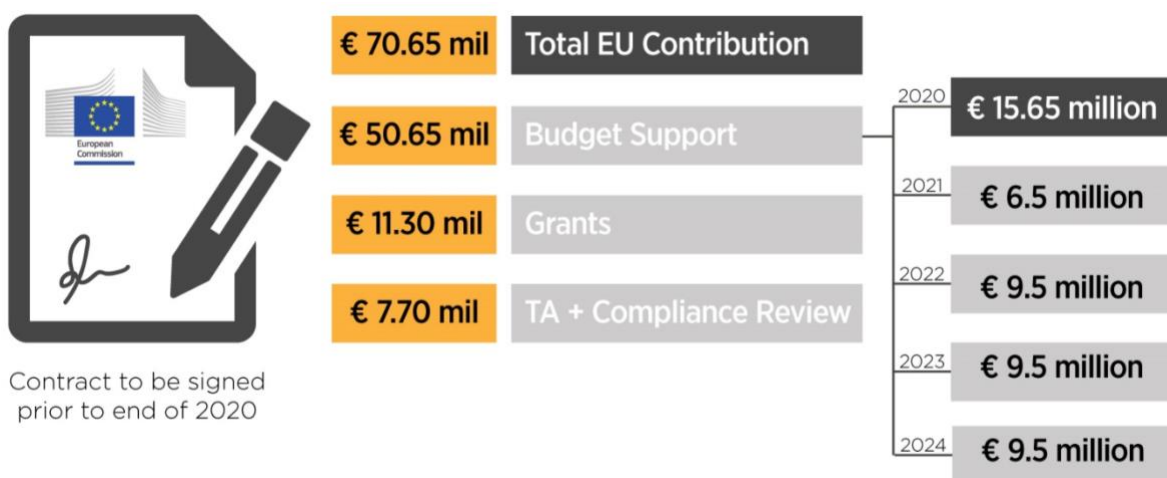
From the 6,411 work permits, 15% were awarded in the construction sector, 22% in the manufacturing industry, 13% in agriculture, 9% in construction, 9% in the mining industry and 8% in transportation, and 10% in the Hospitality and Accommodation sector.

From the 1,894 certificates of employment awarded to foreign citizens, 12% have been in the Trades sector, 9% in construction, 9% in the manufacturing industry. Main countries of origin for foreign citizens equipped with work permits were Turkey (17%), Bangladesh (14%), Egypt (11%), and India (11%). Foreign citizens equipped with a Certificate of Employment came mainly from Italy (33%), Kosovo (12%), Poland (9%) and Romania (7%).

#### 4.5 Towards EU Standards. IPA 2019 – EU for Social Inclusion

NESS 2019-2022 actions have been 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 4: IPA 2019 - EU for Social Inclusion



By 2020, Albania had fulfilled all the pre-conditions for requesting the first tranche of 15.65 million. In 2021 and 2022, two tranches of 5 million EUR and 6.5 million EUR were disbursed respectively. The table below summarizes of all the performance indicators Albania must fulfil in the frame of this contract and the respective variable tranche allocations.

Table 9: Performance indicators and related variable tranche allocations, as per IPA II financing Agreement 2020-2024

No.	Performance indicators	Q2-2021 <sup>15</sup>	Q2-2022	Q2-2023	Q2-2024
1	Number of families benefiting from cash assistance, including targeted support from COVID 19 crisis response measures (disaggregated at the individual level by gender, disability, and minority)	<i>Target:</i> 68,500  <i>Variable tranche:</i> EUR 2.5 mil	N/A	N/A	N/A
2	Existing EPPs are reconfigured to respond to unemployed jobseekers' needs including populations at risk of exclusion <i>Baseline:</i> 13,678	<i>Target:</i> 14,020  <i>Variable tranche:</i> EUR 2.5 mil	<i>Target:</i> 14,362  <i>Variable tranche:</i> EUR 1.3 mil	<i>Target:</i> 14,704  <i>Variable tranche:</i> EUR 1.1 mil	<i>Target:</i> 15,046  <i>Variable tranche:</i> EUR 1.1 mil
3	Number of Municipalities using systematically the National Electronic Register of Social Care Services (NERSCS)	N/A	<i>Target:</i> 10  <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 20  <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 30  <i>Variable tranche:</i> EUR 0.75 mil
4	Number of municipalities providing community based social services for at least three categories (people with disabilities, children and youth at risk, elderly, women)	N/A	<i>Target:</i> 15  <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 20  <i>Variable tranche:</i> EUR 1.5 mil	<i>Target:</i> 25  <i>Variable tranche:</i> EUR 1.5 mil
5	Number of municipalities using resources and procedures of the Social Fund.	N/A	<i>Target:</i> 14  <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 30  <i>Variable tranche:</i> EUR 0.75 mil	<i>Target:</i> 45  <i>Variable tranche:</i> EUR 0.75 mil
6	Number of girls and boys with disabilities attending mainstream public pre university education <i>Baseline:</i> 3,946	N/A	<i>Target:</i> 4,143  <i>Variable tranche:</i> EUR 0.8 mil	<i>Target:</i> 4,341  <i>Variable tranche:</i> EUR 0.6 mil	<i>Target:</i> 4,735  <i>Variable tranche:</i> EUR 0.6 mil
7	Number of psychologists and social workers serving in public pre-university schools <i>Baseline:</i> 466	N/A	<i>Target:</i> 513  <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 559  <i>Variable tranche:</i> EUR 1.0 mil	<i>Target:</i> 582  <i>Variable tranche:</i> EUR 1.0 mil
8	Percentage of registered unemployed jobseekers <i>Baseline:</i> 43.2%	N/A	<i>Target:</i> 46.2%  <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 48.2%  <i>Variable tranche:</i> EUR 0.5 mil	<i>Target:</i> 51.2%  <i>Variable tranche:</i> EUR 0.5 mil
9	Number of women and men aged 15-29 not in education, employment,	N/A	<i>Target:</i> 14,737	<i>Target:</i> 15,439	<i>Target:</i> 16,140

<sup>15</sup> 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 <sup>15</sup>	Q2-2022	Q2-2023	Q2-2024
	and training (NEET) registered with NAES. <i>Baseline:</i> 14,035		<i>Variable tranche:</i> EUR 0.5 mil	<i>Variable tranche:</i> EUR 0.5 mil	<i>Variable tranche:</i> EUR 0.5 mil
10	Number of quality assured curricula revised and adopted for VET (initial and continuous) qualifications based on skills gap assessment results. <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 fulfilment 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.

#### 4.6 Alignment with other Sector Policies: ERP Policy Guidance

Employment and skills development policies are defined in accordance with the Government of Albania policies on social cohesion (Strategic pillar 3 of the previous National Strategy for Development and Integration (NSDI) 2015 – 2020, and under strategic priority “Social Cohesion” of the new National Strategy for Development and European Integration 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 2022, the recommendations pertaining to the sector were as follows:

**Policy Guidance 5:** *Finalise, in co-operation with all relevant ministries, their agencies and stakeholders, a Youth Guarantee Implementation Plan, adopt it and initiate its implementation.*

Full implementation: Preparations for the Youth Guarantee Scheme based on the EU model to help young people integrate into the labour market (focused on NEET) have started. The National Implementation Plan for the Youth Guarantee Scheme has been finalised and adopted as part of the NESS 2023-2030. NAES is getting ready to pilot the scheme in 2023. With the support of EU-funded technical assistance its employment services for the piloting which will start in 2023. With EU-funded technical assistance, Albania has carried out a mapping of NEETs and a review of the legal framework. A multi-stakeholder group and a technical expert group were set up and prepared the Youth Guarantee implementation plan. Just over 10% of young NEETs aged 15-29 (18 142 out of 175 209) were registered as jobseekers in the third quarter of 2021. There are additional funds planned to be allocated for the piloting in state budget of 2023. NAES has undertaken a revision of its human resources and structures, with the aim to prepare for the implementation. Also the optimization of human resources of the local offices is foreseen, taking into consideration the number of job seekers in which region. NAES has also made significant improvements regarding the provision of online services. A new employment portal has been implemented, which offers access to services or information on employment programs, services offered and job vacancies, which enables a part of the services to be obtained through the portal and this leads to a reduction in physical visits for a part of the services.

The National Youth and Children Strategy 2022-2029 was adopted in October 2022. It aims at integrating youth policies for addressing challenges the Albanian youths face. Among others, the EU funded project EU4Youth aims to support participation and empower youth in the political, economic, and social life of Albania. It will contribute in the political, economic and social participation of youth in society by increasing quality employment for youth.

**Policy Guidance 5:** *Conduct the regional labour market analysis in all regions, institutionalise the national skills needs analysis and utilise these tools together with the Labour Market Observatory to improve the labour market relevance of initial and continuous vocational education and training for young people and adults and to target the use of active labour market measures.*

Partial implementation: 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. NAES during 2021 with the support of one of the partners (RisiAlbania) initiated the performance of regional analyses of the labour market. This process started with the Elbasan region and was expected to extend to other regions as well. During 2022, the regional analysis of Durres has been as one of the priority regions with economic development potential. Data are being collected and processed. At the same time, NAES, as one of the key institutions in the Labour Market, is making a significant contribution to the construction and consolidation with data of the Labour Market. The MoFE has developed the National Employment and Skill Strategy 2023-2030. The strategy foresees the improvement of information on labour market.

## 5. Financial Resources and Allocations

The total state budget initially allocated to employment and vocational education and training for 2022 was ALL 51,5 billion, or approximately 44.1 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 10: Planned Budget vs. Actual Expenditures by Programme 2016-2022

Expenditures in billion ALL														
Programmes	2016		2017		2018		2019		2020		2021		2022	
	Budget	Actual	Budget	Actual	Budget	Budget	Budget	Actual	Budget <sup>16</sup>	Actual	Budget	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	2,287	1,992
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	2,868	2,533
<b>TOTAL</b>	<b>4,299</b>	<b>3,779</b>	<b>4,732</b>	<b>3,485</b>	<b>5,115</b>	<b>3,893</b>	<b>4,958</b>	<b>4,175</b>	<b>4,936</b>	<b>4,448</b>	<b>5,592</b>	<b>4,903</b>	<b>5,155</b>	<b>4,525</b>

While the budget allocated to VET in 2022 was almost ALL 2.9 billion (approximately 24,6 million euros<sup>17</sup>), actual expenditures were ALL 2.5 billion (approximately 21,7 million Euros), for an overall budget utilization rate of 88,3%. 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 11: VET - Planned Budget vs. Actual Expenditures by expenditure type 2018-2022

Expenditures in thousand ALL										
	2018		2019		2020		2021		2022	
	Planned Budget	Actual expenditures	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	623,100	577,020
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	1,504,500	1,491,120
Capital expenditures	1,316,200	1,088,021	1,179,369	1,045,553	1,179,369	956,459	801,834	521,240	740,779	465,071
<b>TOTAL</b>	<b>3,004,700</b>	<b>2,660,129</b>	<b>3,237,869</b>	<b>2,695,176</b>	<b>3,237,869</b>	<b>2,901,790</b>	<b>2,854,436</b>	<b>2,437,076</b>	<b>2,868,379</b>	<b>2,533,211</b>

The budget foreseen for employment and labour market programmes in was approximately ALL 2.3 billion (approximately 19,6 million Euros). The actual expenditure amounted to ALL 1.92 billion (approximately 17 million Euros), for an overall utilization rate of 87%. Table 9 provides additional details on the budget by typology of expenditures. The budget (planned and actual

<sup>16</sup> Planned budget figures refer to the initial budget allocation at the beginning of the year, and they do not reflect subsequent budget revisions.

<sup>17</sup> The exchange rate EUR-ALL applied is 116.82, as per officially published by the European Commission in December 2022 (<http://ec.europa.eu/budget/graphs/foreuro.html>).

expenditures) remained at significantly higher levels compared to the pre-pandemic years, mostly due a significant increase of the budget allocated to unemployment benefits. Expenditures for ALMPs improved, although it cannot leverage and is accountable for the budget underutilization, along with the unemployment benefits.

Table 12: Labour Market - Planned Budget vs. Actual Expenditures 2022 by expenditure type

	2018		2019		2020		2021		2022	
	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual Expenditures	Planned Budget <sup>18</sup>	Actual Expenditures
Wages and salaries	361,897	328,299	393,908	288,259	371,957	316,653	520,369	485,980	522,035	519,368
ALMPs	490,000	258,371	490,000	345,955	390,000	71,555	521,700	393,240	550,000	452,222
Unemployment benefits	800,000	334,784	500,000	504,163	600,000	886,601	1,452,111	1,413,269	900,000	735,515
Revenues from VTCs	8,000	5,261	8,000	4,345	8,000	2,353		(252)	8,000	0
Operational Expenditures	n/a	n/a	n/a	n/a	n/a	n/a	203,256	172,489	239,419	219,383
Capital expenditures	141,031	62,187	53,400	21,857	30,000	34,818	40,000	1,577	67,000	65,195
<b>TOTAL</b>	<b>2,057,975</b>	<b>1,227,587</b>	<b>1,720,000</b>	<b>1,479,567</b>	<b>1,699,000</b>	<b>1,546,989</b>	<b>2,737,436</b>	<b>2,466,302</b>	<b>2,286,454</b>	<b>1,991,683</b>

<sup>18</sup> 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

<b>STRATEGY RESULTS</b>		Responsible institutions
<b>Pillar A - Foster decent job opportunities through effective labour market policies</b>		
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
<b>Pillar B - Offer quality vocational education and training to youth and adults</b>		
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

<b>STRATEGY RESULTS</b>		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
<b>Pillar C - Promote social inclusion and territorial cohesion</b>		
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
<b>Pillar D - Strengthen the governance of the labour market and qualification system</b>		

<b>STRATEGY RESULTS</b>		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 Results<sup>19</sup>

Result	Description	AFD - TA	ETF	ILO	IPA 2015 TA	IPA 2019 TA EU4SI	KfW Kamza	OEAD	ProSEED GIZ	RISI Albania	S4J	UNDP / SD4E / SCUL / Regional projects
<b>A1</b>	Modernize public employment services			X	X					X		X
<b>A2</b>	Expanding range and outreach of ALMPs				X		X			X		X
<b>A3</b>	Strengthening role and function of labour inspection			X								
<b>A4</b>	Monitoring model for ALMPs											X
<b>B1</b>	Optimization of VET providers						X	X	X		X	X
<b>B2</b>	Improving VET management info. system				X	X					X	
<b>B3</b>	Quality assurance framework for VET system							X	X		X	X
<b>B4</b>	Strengthening connection between learning and work				X			X	X	X	X	X
<b>B5</b>	Initial and continuous prof. development in VET		X					X	X		X	
<b>B6</b>	Enhancing image and information on VET				X	X		X	X	X	X	X
<b>C1</b>	Expansion of VET and employment services	X		X		X			X			X
<b>C2</b>	Promote labour market reintegration							X			X	X

<sup>19</sup> Information compiled in this annex is based on self-reporting by the respective projects and organisations. Minor adjustments reflected if reporting differed from intended measures. Projects that have not submitted any inputs, have not been reflected.

Result	Description	AFD - TA	ETF	ILO	IPA 2015 TA	IPA 2019 TA EU4SI	KfW Kamza	OEAD	ProSEED D GIZ	RISI Albania	S4J	UNDP / SD4E / SCUL / Regional projects
<b>D1</b>	Labour market and qualifications governance			X								X
<b>D2</b>	Strengthen social dialogue in employment and VET			X								
<b>D3</b>	Development of labour market information system											X
<b>D4</b>	Development and implementation of AQF		X							X		X
<b>D5</b>	Legislation in line with EU Acquis											X