



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

## **Annual Progress Report 2016**

May 2017



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## List of Abbreviations

ADA – Austrian Development Agency  
ALMP – Active Labour Market Program  
AQF - Albanian Qualification Framework  
CPD – Continuing Professional Development  
DCM – Decision of Council of Minister  
EPP – Employment Promotion Program  
ESCO – European Skills, Competences, Qualifications and Occupations  
ETF – European Training Foundation  
EU – European Union  
GIZ – German International Cooperation  
HACCP - Hazard Analysis and Critical Control Point  
IADSA- Italian-Albanian debt for Development Swap Program  
ILO – International Labour Organization  
INSTAT – National Institute of Statistics  
IPA- Instrument for Pre-Accession Assistance  
IPMG- Integrated Policy Management Group  
ISCO - International Standard Classification of Occupations  
KKA – KulturKontakt Austria  
LMIS - Labour Market Information System  
MFC – Multifunctional Centers  
MoEDTE – Ministry of Economic Development, Trade and Entrepreneurship  
MoSWY – Ministry of Social Welfare and Youth  
NAVETQ – National Agency of Vocational Education, Training and Qualifications  
NES- National Employment Service  
NESS - National Employment and Skills Strategy  
NLC – National Labour Council  
NSM- New Service Model  
PWD – Person with Disabilities  
S4DE - Skills for Development and Education  
S4J – Skills for Jobs  
SEE - South East Europe  
SILSS - State Inspectorate for Labour and Social Service  
SRC – Sector Reform Contract  
TAP –Trans Adriatic Pipeline  
UNDP- United Nations Development Program  
VET- Vocational Education and Training  
VTC – Vocational Training Centres



## **Executive summary**

Albanian economy is recovering after a stagnation driven by the world economic downturn and its structural problems. However, the economic growth remains vulnerable to internal or external factors and progress in the reforms initiated is crucial to ensuring growth sustainability. The National Employment and Skills Strategy 2014-2020 puts the knowledge and skills at the heart of the economic model and is expected to trigger an inclusive long term growth. NESS goal is to promote jobs and skills opportunities for all Albanian women and men. This strategy represents one of the strongest commitment of the Albanian government to citizens welfare.

NESS is being implemented under the leadership of the Ministry of Social Welfare and Youth, in close cooperation with other Ministries and with the support and technical assistance provided by many international development partners. In 2015, the European Union committed support to NESS by selecting it to receive a Budget Support of 30 Million Euro through a Sector Reform Contract (SRC). Annual monitoring and reporting of NESS fulfills the obligations under SRC to receive the budget support. The progress made in employment and skills sector reforms till December 2015 were acknowledged by EU and the first budget support was disbursed.

NESS 2014-2020 comprises of 52 Actions to be implemented in a 7-year period. During 2016, out of these 52 actions, 48 actions or 92% of the total actions have been initiated. Actions showing no progress are those concerning with the extension of employment services to rural areas.

Public spending allocated to vocational education, labour market and employment measures amounted to 28 Mio Euro in 2016. Public funding allocated to vocational education increased 33% annually; funding spent on labour market and employment increased by 11% if compared with 2015.

The actions implemented under NESS strategy have triggered positive impact on labour market participation and employment overall. From 2015 to 2016 employment has increased by 6.5 % and official unemployment rate (15-74 years old) has decreased by 1.9 percentage points. Youth (15-29 years old) unemployment rate is 28.9 %, (29.7 % for males and 27.8 % for females). Compared to the previous year, youth unemployment rate has decreased by 4.3 percentage points.

The National Employment Service (NES) of Albania had been fully transformed and operated under the New Service Model (NSM) in 6 reconstructed offices only in 2016. Employment services offered are improved, including counseling services and mediation. NES has invested in improvement and operationability of its IT system, linked with other inational databases, supporting Job Match and internal managment. ALMP were reviewed in compliance with the recommendation of the assessment report. Seven employment programs with a budget of 490 million ALL were implemented in 2016.



Employment promotion program impact assessment is being initiated with support of UNDP. This report would be able to provide more grounded recommendation in improving employment support. Employment measures would also benefit if partnership with social partners and businesses strengthens, interrelated information system are installed and exchange of information enabled, including here reliable data from private employment agencies and Labour Inspectorate.

Vocational education sector has experienced a strong positive growth in investment during 2016, investments doubled reaching the value of 504.4 Mio ALL. Enrolment and participation rate in vocational education and vocational training kept progressing, total number of VET/VTC participants is reported to 35.4 thousand individuals in 2016 increasing by 16% if compared to 2014. Number of participants in short training courses was reported stagnant compare to 2015, however in aggregate number of trained individuals increased by 25% if compared to 2014. Participation of persons with disability was significantly lower than the targets. Life long learning is also reported to increase slowly.

MoSWY reduced the number of VET schools from 39 in 2015 to 35 in 2016. Efforts to establish multifunctional VET centers started in Elbasan, Shkodra, Tirana and Fier with the help of the IPA 2013 VET project. However, discussions on what the multifunctional model of VET schools will be is yet under discussions and existing practices are being evaluated.

While preparations for the accreditation of public or non public VET providers are underway, legal framework needs completion. Tracing system which follows up on the employability of individuals is just made operational, providing important feedback to the challenge of quality assurance of VET and labour market signals. This will improve the challenge of involving businesses and responding with VET offer to labour demand needs.

The efforts to revise the Law No. 10247, dated 04.03.2010 “On the Albanian Qualification Framework”, need to be taken forward for consultation and approval. The law would improve the process of curricula design in education and training as well as recognition of VET nationally and internationally, improving employability and labour mobility of VET graduates.

The strategy lead to significant result in reducing unemployment, however labour market outcomes are not yet generating a strong impact on marginalized groups employment. While male long term unemployment declined in 2016 if compared to previous year, women long term unemployment experienced an increment of around 2%. Young female unemployment and young male unemployment, both declined by 7% and 2.7% respectively, if compared with 2015. Unemployed jobseeker benefiting from employed job seekers were 10% of the total registered unemployed. Unemployed individuals from marginalized groups, as roman and Egyptians were only slightly benefiting from training and employment programs.

Governance system of the NESS has strengthen skills and capacities to develop evidence-based policies, more effective planning and management system, optimization of education and training service delivery and adopt risk mitigation mechanisms.



*The strategy has triggered very positive impact on employment and human capital development.* More needs to be done to improve labour market inclusiveness, ensure quality of the vocational education and training and strengthen the legal framework under which employment and vocational education operates.



## INTRODUCTION

The *National Employment and Skills Strategy 2014-2020 (NESS)* and its related Action Plan represent a step forward on policy formulation in employment and skills. NESS 2014-2020 is fully aligned with the Europe 2020 Strategy<sup>1</sup> objectives and targets which aims at promoting *smart, sustainable and inclusive growth*, as well as with the South Eastern Europe 2020 Strategy<sup>2</sup> – *Jobs and Prosperity in a European Perspective*.

The overall goal of the NESS 2014-2020 is *to promote quality jobs and skills opportunities for all Albanian women and men throughout their lifecycle*. This will be achieved through coherent and concerted policy actions that simultaneously address labour demand, labour supply and social inclusion. Therefore, the Albanian Employment and Skills Strategy focus on four strategic objectives, as follows:

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



Within these four strategic priorities, NESS 2014-2020 has identified 16 sub-objectives and 52 actions to be implemented, as per the following table:

Table 1. Strategic Areas, Sub-objectives and Actions of NESS 2014-2020

<b>STRATEGIC AREAS</b>	<b>Sub-objectives</b>	<b>Actions</b>
EMPLOYMENT SERVICES AND PROGRAMMES	4	9
VOCATIONAL EDUCATION AND TRAINING	5	21
SOCIAL INCLUSION AND TERRITORIAL COHESION	2	7
GOVERNANCE	5	15
<b>TOTAL</b>	<b>16</b>	<b>52</b>

Source: NESS 2014-2020

<sup>1</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<sup>2</sup> <http://www.rcc.int/files/user/docs/reports/SEE2020-Strategy.pdf>



These broader policies are accompanied by a number of reforms aimed at: i) ensuring the effectiveness of labour market policies; ii) offering quality skills development opportunities; iii) promoting equality and social inclusion; and iv) strengthening the education, training and labour market governance framework.

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

The specific objectives of this progress report are the following:

- a. to *take stock* of the status and level of implementation of each action.
- b. to identify *challenges of implementing* of each action;
- c. to identify *recommendations* for future implementation of the NESS Action Plan, through a *participative consultation process*, including social partners and active international agencies operating in the field;
- d. to *strengthen capacities* of MoSWY staff on *Monitoring & Evaluation systems and procedures*;
- e. to comply with the monitoring and reporting requirements of the *Sector Reform Contract (SRC) for Employment and Skills (2016-2018)*.
- f. to establish *regular procedures for monitoring and reporting* annually on the NESS implementation and *for collecting data* to be used at the mid-term and final reviews;
- g. to reinforce the role of *IPMG and policy coordination* mechanisms at the MoSWY;

This annual report is organized in line with the strategy, presenting the progress made and challenges faced per each strategic priority and specific action. The first part of the report summarizes the methodology followed for preparing the progress report and the pace of implementation with respect to the 52 actions. The second chapter provides an analyses of the results achieved with relevance to fulfillment of objectives under Sector Reform Contract.

Chapters three to six summarize in a narrative way measures and interventions undertaken under each strategic priority. Chapter 7 focuses on the overall achievements measured through monitoring indicators of the strategy. Finally, challenges faced and recommendations that support future progress of NESS 2014 - 2020 are presented in chapter 8. The report is enriched with a set of annexes illustrating the process of the report preparation and consultation, methodological tools used and data source.



## **I. ANNUAL PROGRESS IN IMPLEMENTING NESS 2014-2020**

Monitoring and Evaluation of NESS remains a responsibility of the MoSWY, as the overarching leader in the implementation of the adopted Strategy and Action Plan within the Government of Albania. The progress report serves to follow up the pace of strategy implementation, achievements, challenges, the need for coordination and policy dialog among stakeholders so that NESS progresses as per its' action plan and objectives is ensured.

The progress report, serves to fulfill the obligation under the Sector Reform Contract for Employment and Skills (2016-2018) as a condition to receive the budget support. Due to the importance of the monitoring process for the successful implementation of NESS, a specific chapter on Accountability, Monitoring and Assessment Analysis (Chapter 5) has been developed and made integral part of the strategy. The Accountability, Monitoring and Assessment of the strategy developed the processes and the procedures that should be followed to prepare the progress report. The methodology of gathering information, preparing the progress report, consulting with stakeholders and strategic partners has closely followed the requirements under the strategy and SRC.

This report preparation was supported by European Training Foundation.

The MoSWY was leading the process of data gathering and consultation of the document, through the Directorate of Labour and Employment and IPMG. The report is also helpful to international agencies and partners engaged in the implementation of NESS. A more thorough summary of the methodology is summarized through appendix 1.

### **I.1 Implementation status of actions under NESS 2014-2020, during 2016.**

The NESS comprises of 52 Actions to be implemented in a 7-year period. During 2016, out of these 52 Actions, 48 actions or 92% of the total have been initiated. Considering the reported information from public agencies involved in the implementation of the strategy, the average level of implementation for the initiated actions is 66%. This shows a high pace of implementation of the NESS, in compliance with the commitment from the Government side, support given by different international donors and budget support allocated by EU.

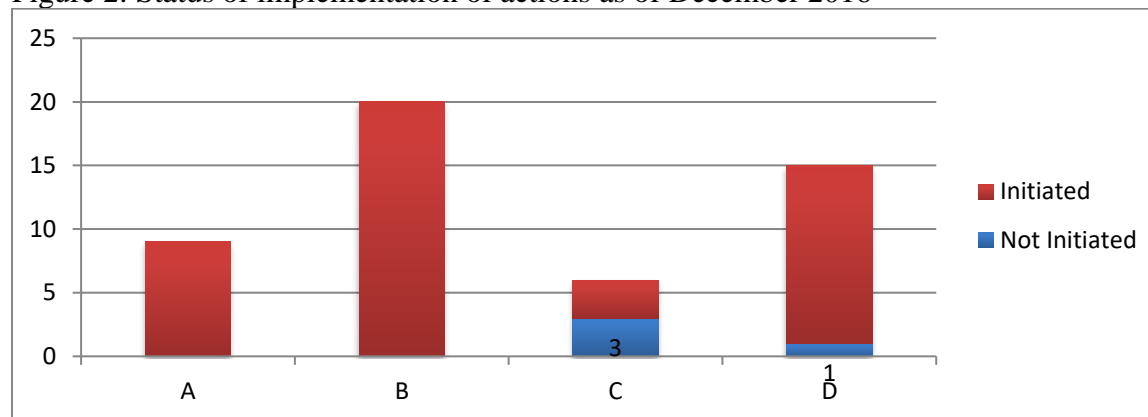
There are still 4 Actions whose implementation was not started by the end of 2016. These Actions are listed in the Table below. The first result to underline is that there is no Action left to be initiated under Pillar A and B. In the opposite position, Pillar C is the one where the implementation is lower, not only in terms of the number of Actions initiated, but also in terms of its overall level of implementation and achievements. This is mainly due to the fact that this Pillar requires a high level of inter-ministerial (for tackling the challenges of the rural areas in terms of job creation and up-skilling of the most vulnerable groups) and inter-departmental (for raising synergies between employment and skills development policies, and social assistance

programmes) coordination for implementing the defined activities, and so far, this has not had the necessary attention and required resources. Meanwhile, territorial reform has not yet been completed.

Table 1: Actions not yet being implemented as of December 2016

C1.1	Establishment of inter-ministerial cooperation to address the situation in rural areas, including the coordination with government initiative and strategies including Strategy for Rural Development.
C1.2	Expansion of the employment services to rural areas.
C1.3	Increase of VET offers in rural areas and outreach to excluded, vulnerable women, girls, boys and men in these areas.
D3.4	Establishment of mechanisms for sectorial skills forecasting.

Figure 2: Status of implementation of actions as of December 2016



Source: Administrative Data

Pillar D full initiation, depends on full empowerment of the new VET Law and other laws, the re-design of the institutional arrangements and responsibilities over the VET and employment policies combined with technical capacities available in the system and AQF law approval.

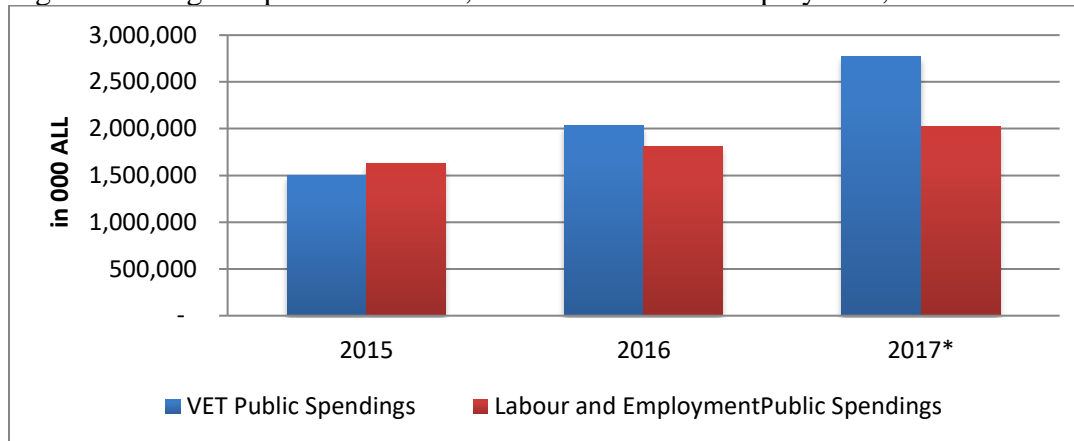
The implementation progress of the NESS in two years after its adoption is progressing in compliance with the action plan and objectives. This manifests a strong commitment of the MoSWY to move forward with the strategy implementation despite challenges.

## 1.2 Financial resources and allocations

The total budget attached to the NESS 2014-2020 amounts to EUR 69.8 million. In 2016, public spendings allocated to vocational education, labour market policies and employment measures amounted to EUR 28 Mio million. Budget spendings in VET increased annually by 33%, while

funds allocated to employment policies and measures amounted to EUR 13.4 million and increased by 11% if compared to 2015.

Figure 3: Budget expenses for VET, labour market and employment, 2015-2016



Source: MoSWY Administrative data

For the VET sector, budget improvement has all been placed on capital investments, which tripled during 2015-2016, staff costs have remained almost constant, showing no significant increase in funding dedicated to improvement of human capacity in the system. Operating expenses have increased by 23% in 2016 compared to 2015. Funds for labour market active policies have been stable, amounting around 450-490 million ALL.

Table 2 Budget expenses for VET, labour market and employment, 2015-2017\*

	2015 (in 000 ALL)	2016 (in 000 ALL)	2017 (in 000 ALL)
<b>VET Total Budget (actual)</b>	<b>1,494,262</b>	<b>2,030,334</b>	<b>2,776,570</b>
Operational Expenses	220,000	352,000	433,000
Wage and Social Insurance	1,095,570	1,166,238	1,122,860
Textbooks subsidies	8,000	8,000	8,000
Capital Investments	170,692	504,096	1,212,710
<b>Labour and Employment Budget</b>	<b>1,622,231</b>	<b>1,803,829</b>	<b>1,954,700</b>
<i>Capital Investments</i>	45,634	118,000	51,000
<i>ALMP</i>	450,000	480,000	490,000
<i>VTC</i>	216,872	216,852	212,364

Source: MoSWY administrative data



## **II. THE SECTOR REFORM CONTRACT - EMPLOYMENT AND SKILLS (2016-2018)**

The NESS is being implemented under the leadership of the Ministry of Social Welfare and Youth, in close cooperation with other Ministries and with the support and technical assistance provided by many international development partners operating in Albania.

In 2015, the European Union through a concerted dialogue with public institutions and civil society has selected this policy area for receiving Budget Support of 30 Million Euro through a Sector Reform Contract (SRC) signed in the second quarter of 2016. Employment and skills development policies are included in the Employment and Social Policy Sector, according to the Order of Primer-Minister 129, dated of 21.09.2015, on the establishment of Integrated Policy Management Groups.

The overall objective of the SRC is to contribute to a more inclusive and effective labour market by supporting the employment and skills development policy of the Albania Government as defined in the National Employment and Skills Strategy 2014-2020.

The specific objectives of the SRC for the period 2016-2018 are:

1. Increase labour market participation and provide job opportunities for all;
2. Improve quality and increase coverage of vocational education and training;
3. Improve the quality and effectiveness of labour market institutions and services.

By supporting the implementation of the NESS 2014-20, the SRC will contribute to the following expected results:

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

The day-to-day technical and financial monitoring of the implementation of the Sector Reform Contract is a continuous process and part of the responsibilities of the Ministry of Social Welfare and Youth. To this aim, the MoSWY, with the support of the Integrated Policy Management Group (IPMG) Secretariat, has established a permanent internal, technical and financial monitoring system for the implementation of the NESS. This system helps in elaborating regular progress reports (not less than annual) and it will also help the mid term monitoring and final reporting under SRC and NESS 2016-2020.



Every report shall provide an accurate account of implementation of the NESS, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding SRC indicators, NESS Outputs and Key-targets. The report shall be laid out in such a way as to allow monitoring of the financial means envisaged and employed. A final report, narrative and financial, is expected by the end of the contract period, and will cover the entire SRC implementation<sup>3</sup>.

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

The commitment and progress made in employment and skills sector reforms till December 2015 were acknowledged by EU and budget support was disbursed. During 2016, implementation has progressed in compliance with the action plan as 92% of the actions have been reported are under progress. Extension of employment services toward rural areas seems to lag behind due to capacity constraints especially financial constraints of the NES and the process of the territorial reform. Reforms in employment and VET are now based on a better renewed legal framework; however the progress of preparing bylaws has been on a slower pace, hindering the general progress of the strategy.

## **2.1 Key Results and Achievements - Sector Reform Contract**

Indicators measuring the results achieved under NESS confirm the success of this holistic sectorial approach on reaching objectives and deliver better employment and skills, while cost efficiency is strengthened through better governance.

Indicators measuring the results achieved with relevance to strategic objectives of increasing labour market participation and job opportunities for all, are (i) employment rate of young people, gender gap in employment and (iii) share of unemployed job seekers placed in employment through EPP.

Youth employment improved annually by 2.6 percentage points and stands higher than the targeted employment (see table 1). Employment promotion programs supporting dedicated to young people and young graduates, programs supporting self employment of young people (supported by UNDP), strengthening partnership with business and social partners to engage young people as apprentice have all contributed to the improved employability of young people. Gender gap in employment has also been narrowed by 2.8% annually, and improved by 2 % percentage points if compared to the targeted gender gap in employment (see table 3). Registered unemployed jobseekers benefiting from employment promotion program represent 4.35% of the

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<sup>3</sup> “Instrument for pre-accession assistance (IPA ii) 2014-2020: Albanian Sector Reform Contract for Employment and Skills”

overall registered unemployed people, standing in fulfillment of the targeted results form 2016. Number of roman and Egyptian individual benefiting from employment promotion program is reported to 201 individuals, slightly lower than in 2015. The monitoring system as requested by the indicator is in place and the first report is expected to be issued by the end of 2017.

Reformed employment promotion programs have been generating the expected results in term of employment for those being marginalized in the labour market, however capacities in the NES system needs strengthen and upgraded and in compliance with the objective. During 2016, 7 more offices were reconstructed and with 4 offices reconstructed in 2015 makes this indicator achieved. NES reports that all 36 offices have adopted the new service model, improved the ratio of staff to jobseeker case management.

Table 3: SRC Monitoring Indicators

	2014 (Baseline)	2015 Actual	2016 Target	2016 Actual <sup>4</sup>	2017
Youth employment rate (15-29 years), Labour Force Survey (Employment Rate, INSTAT)	28.20%	29.8%	28.70%	32.4%	29.2
Gender gap in Employment, Labour Force Survey	14.7	15%	14.2%	12.2%	13.7
Share of registered unemployed jobseekers benefiting from Employment Promotion Programmes (EPPs), NES	2.60%	4.00%	4.00%	4.35%	4.5
Number of Roma and Egyptians who complete training programmes and EPP, NES	211 (EPP) 128 (VET)	227 (EEP) 102 (VET)	Monitoring System in place	Monitoring system I place	First report
Number of public employment offices reorganized according to the New Service Model, NES	10	4	10	6	10

Source: National Institute of Statistics, MoSYW and National Employment Services

SRC second objective relates to improvement of quality and coverage of vocational education and training. A need assessment on professional development was performed with support of ETF in 2015, based on which a teacher training module, 24 days training module on “Basic didactics training programme in VET” was developed. The training of trainers was completed in developed in 2015, while in 2016 teachers training has been implemented. Overall, 42 teachers were trained through this module, in compliance with the teachers training targets (see table 2).

Establishing multifunctional centers as the new model of VET system consolidation is being developed through some isolated example and generalization of the model is prone to further

<sup>4</sup> Green color mean targets are achieved



decision making and discussions. So far, one operational multifunctional center has been fully established, as a provider of vocational education to 1600 students in 5 study direction, provider of 11 short term vocational courses to 120 registered unemployed individuals or individuals that businesses register for training. The center supports the regional VTC with labs and practical teaching. The establishment and functionality of the multifunctional center complies with results to be achieved under the objective of improving quality and offer of VET.

VET students employability results to be achieved consist on the establishment of a tracing system for VET graduates, a tool that will help to measure and understand VET graduates employability. So far the system has been designed, and endorsed by NES. However, it was not yet fully operational throughout all VET schools. Participation of disabled and marginalized students in VET system, are not yet traceable. A monitoring and tracing system is in place and operational, incompliance with expected results under SRC. The first report will be published in 2017. (see table 2)

Table 4: SRC Monitoring Indicators on quality and coverage of VET

Indicator	2014	2015	2016	2016	2017
	<i>(Baseline)</i>		<i>(Target)</i>	<i>(Actual)</i>	<i>(Target)</i>
Share of the 700 VET teachers/instructors trained through the “Basic didactics training programme in VET”	0%	3.50%	6% (42 Teachers)	6% (42 teachers)	50%
Establishment of Multifunctional VET Centers	0	1	VET law approved	Vet Law approved (feb 2017)	3
VET graduates employment rate	--	Not available	Tracing system in place	Tracing system in place	Monitoring Report

During 2016, improving the legal framework of employment and skills has progressed noticeable, with exemption of the objective of revising the AQF legal framework. The pace of adopting bylaws has been sluggish with consequences on the progress of implementing actions under NESS 2014-2020. VET law and Labour Code have been changed and adopted, while AQF law has been revised during 2016, however not fully adopted. MoSWY has been able to initiate 92% of actions under the NESS 2014-2020, establish a unit responsible for monitoring and reporting on the implementation of the strategy. IPMG ensures consultation of the progress and challenges faced, and acts to strengthen the cooperation of MoWY with other public institutions, international agencies and social partners contributing to the successful implementation of NESS. An electronic platform for monitoring the progress of NESS implementation and the achievement of results has been prepared and tested during the preparation of the annual progress report of 2016. The platform will be fully functional for further rounds of reporting and monitoring of the strategy.

Table 5: SRC Monitoring Indicators

	2014 (Baseline)	2015 (Actual)	2016 (Target)	2016 (Actual)	2017 (Target)
Development of Albanian Qualification Framework (AQF), NAVETQ	-	-	Revised AQF Law is adopted by CoM	Revised but not Adopted	Secondary legislation/ Sector Skills Committees
Adoption of the revised Labour Code and subsidiary legislation, MOSWY			Labor Code amendments adopted.	Objective Met in 2016	2 DCM

The progress made toward achievement of results monitored under Sector Reform Contract is significant, 9 out of 10 results measured and monitored are fully met. The Law on Albanian Qualification Framework was not approved by the Council of the Ministers. The law is prepared, but postponed for discussions and approval mainly because of the reform in the justice system.

### III. DECENT JOB OPPORTUNITIES THROUGH EFFECTIVE LABOUR MARKET POLICIES

Strategic Priority A. Foster decent job opportunities through effective labour market policies

Outcome Indicator: The labour market policies are effective and promote basic employment services to all women and men in order to enhance their job opportunities

The new employment promotion framework defined by the National Employment and Skills Strategy aims at ensuring the delivery of more effective and better resourced labour market policies. Such a framework centers on: i) the modernization of the NES delivery, both at central and regional levels; ii) the enhancement of compliance with ratified international labour standards; iii) the reform of the design of active labour market policies, and iv) the improvement of monitoring and evaluation of employment programmes. The reform of employment services, including the establishment of a National Employment Agency, is considered as instrumental to improving the quality of services, ensuring equal access to individuals living in urban and rural areas, and improving the range and scope of active labour market programmes.

Active labour market programs have supported 25,170 individuals, 25% more if compared to 2015. Investment in ALMP amounted to 490 Mio ALL, in 2016, increasing annually by 8% they are almost doubled if compared to 2014. Youth employment and gender gap objectives were met, in 2016 youth employment increased by 2.6% while gender gap closed by 2.8% if compared to 2015.

Table 6: Key-results Strategic Priority A

<b>Results –</b>			
	2014 (Baseline)	2015 (Actual)	2016 (Actual)
<b>National Employment and Skills Strategy 2014 – 2020</b>			
Number of women and men in employment programmes		20,140	25,170
10 per cent more women and men in employment programmes			25%
75 per cent of women benefit out of 55 per cent employed after active labour market programmes	Not provided	74%	51%
2 times more investment for the active labour market programmes	270 M ALL	450 M ALL	490 M ALL
<b>Sector Reform Contract Result Indicators (IPA 2015)</b>			
	2014 (Base line)	2015 Actual	2016 Actual
Youth employment rate (15-29 years), Labour Force Survey (Employment Rate, INSTAT)	28.20%	29.8%	32.4%
Gender gap in Employment, Labour Force Survey	14.70%	15%	12.2%
Share of registered unemployed jobseekers benefiting from Employment Promotion Programmes (EPPs), NES	2.60%	4.00%	4.60%
Number of Roma and Egyptians who complete training programmes, NES	211 (EPP) 128 (VET)	227 (EEP) 102 (VET)	Monitoring system I place
Number of public employment offices reorganized according to the New Service Model, NES	10	4	6

Source: National Institute of Statistics, MoSYW and National Employment Services

Table 7: Pillar A - Description of results to be achieved by 2020

A1. Modernizing the National Employment Service, including headquarters and regional and local offices
A1.1 Reorganization of NES offices according to the New Service Model. Outputs: <ul style="list-style-type: none"> <li>▪ Policy paper on New Service Model and action plan adopted in 2014.</li> <li>▪ Model operational within 1 "trial office" in Tirana early January 2014.</li> <li>▪ Specific ToR prepared for 12 offices within 1 year.</li> <li>▪ 36 employment offices re-organized according to the New Service Model by 2016.</li> </ul>

- Manual on the type and quality of services to be delivered by each regional and local employment office.
- Quality of services by each office verified.
- Gender equality and equal opportunities goals are integrated in all models, mechanisms, processes, and materials.
- Targets for female and male Roma, PWD, women in rural areas and disadvantaged categories of women are defined and monitored.
- Gender-sensitive labour mobility/migration considerations are integral part of all relevant models, labour market information systems, mechanisms and processes.
- Campaigns were held to increase the understanding among the wider public, public and private organizations as well as enterprises of the need to improve the recruitment base, and to offer equal pay for equal work.

#### A1.2 Definition and implementation of an NES staff recruitment and development plan.

##### Outputs:

- Annual rate of vacancy filling reaches 85%
- 30% qualified women in leading/management positions.
- Annual rate of female/male participation in active labour market programs reaches 18% in 2014, and 35% by the end of 2020.
- Job descriptions including competence standards adopted for all categories from managers to staff, at Ministry, NES and regional/ local levels.
- Performance management system in place and NES performance to meet female/male clients' needs is assessed twice a year.
- Staff tested for knowledge of the standards and understanding of service manuals.
- Equal pay for equal work pursued at NES, using sex disaggregated wage statistics.
- Mid-term plan for HR recruitment and development.
- Staff trained according to NES Development Plan and Annual Training Plan, and enabled to address gender equality, equal opportunities and diversity, and to engage in coaching for special needs groups.
- Zero tolerance against discrimination; sexual harassment policy is in place and also promoted with third parties.

#### A1.3 Modernization of IT infrastructure and systems in NES.

##### Outputs:

- New IT software/ system used by all NES staff at all levels and upgraded enabling it to categorize different types of clients and services provided for statistics generation purposes.
- Staff trained on the use of the IT system.
- IT-based (rather than paper-based) administrative procedures defined and adopted at managerial level.
- Migration counters within local NES offices are equipped with relevant IT to provide quality services (counseling, job matching) on employment in other locations in Albania and abroad
- Sufficient number of computers installed in regional and local employment offices.
- Job vacancy database installed covering the whole of Albania and constantly updated through inputs by employers, NES and jobseekers (and linked with EURES).
- The new IT system is mutually accessible for MoSWY institutions and for those interested and eligible at national and at SEE region levels.

#### A1.4 Establishment of new cooperation modalities with third parties.

##### Outputs:

- Number of vacancies announced through third parties at NES increased to 20 000 per year.

- One Job Fair organised at national level and four at regional level per year.
- Two new international labour mobility agreements signed with third countries per year.
- Cooperation agreements for collecting vacancies and for design and implementation ALMPs with Social Partners and Businesses established.
- Cooperation agreements with Private agencies and NGOs for implementing ALMPs established.
- Inspection legislation and programme reviewed to include inspection also of ALMPs.
- MoSWY is equipped with tools to identify preferential countries for developing bi-lateral agreements and other inter-state mechanisms facilitating employment of Albanian citizens abroad.
- Existing international framework regulating labour mobility of Albanian citizens abroad is enhanced through new agreements and other cooperation arrangements, especially in the SEE region.

Source: NESS 2014-2020

## A1. Progress Made in Modernizing the National Employment Service

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

The system of NES offices, which includes 36 regional employment offices, operates now under the NSM<sup>5</sup>. Reorganising the service model was in most of the offices accompanied by reconstructing the premises of the employment services, during 2014-2016, 20 offices out of 36 were fully reconstructed. Regional offices reconstructed in 2016 include the offices of Fier2, Tepelena, Bulqiza, Skrapari, Kavaja and Vora. The total budget for reconstruction allocated to employment services in 2016 amounted to 115 Mio Lek, or 20 times higher compared to 2013.

Table 8: List of NES offices reconstructed

Nr.	2014	2015	2016
1	Tirana	Kruja	Vora
2	Durres	Vlora 2	Kavaja
3	Berat	Librazhd	Tepelena
4	Gjirokastra	Devoll	Bulqiza
5	Korça		Fier 2
6	Kavaja		Skrapari
7	Vlora		
8	Fier		
9	Elbasan		
10	Laç		

Implementing the NSM in all regional offices was supported by intensive activities of capacity building, all employees (around 323) in the NES system were trained during 2016, supported by RisiAlbania. Capacity building actions were also supported by GIZ and UNDP.

Guidelines on the NSM were prepared and distributed in all NES regional offices. Training and guidelines have enabled service unification among all different offices. Trainings generated a common understanding of the guidelines and procedures developed in the Manual of Functional and Structural Organization of the Local and Regional Employment Offices, supported by RisiAlbania. The main areas included in the manual were those defining the task distribution in the three-tier service model, rights and responsibilities for each specialist in compliance with the information system, job descriptions per each position in a regional office. Regional offices were also assisted to develop their internal Operational Manual and performance based work plans.

<sup>5</sup> The New Service Model was designed through the technical assistance provided by the ILO-EU IPA 2010 project and adopted by NES.



The Management Model and Intelligent Job Matching System became fully operational in 2016. This system acts as a key to service quality assurance, which is based on the continuous monitoring of the service delivery. During 2016, some modifications of the system were implemented to enable a more accurate monitoring of the work done by each working station in the three tiers of the service delivery. The system was enriched with features that capture the work performed by the employment office specialists in fulfillment of the procedures as defined by law.

During 2016, the Intelligent Job Matching System was also improved by adding more options to describe the profile of the jobseekers which would then be used to define the typology of the services needed by this jobseeker, the individual employment plan and the employability rate. Procedures followed to register jobseekers have been revised and simplified, based on the needs and difficulties identified by the staff of the regional offices. Categorized answers were added in the system to improve the time efficiency of the registration process.

The Intelligent Job Matching System was also reviewed on the job offers component, more details on the job vacancies were added to the system. Once the vacancy is filled the process of unregistering the vacancy, including the details of how the vacancy was filled, are added. The intermediation activity, which links both parts of the information system concerning the jobseekers and the job offers has also been reviewed. More fields of search and job match have been developed in order to speed up and make more efficient the process of matching a vacancy with the right job seeker, with more details and options for search and reporting. The process of improving the Intelligent Job Matching System was supported by RisiAlbania.

#### *A1.2 Definition and implementation of NES staff recruitment and development plan.*

During 2016, no activities were reported under this specific action.

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

The modernization of the IT infrastructure and systems in NES has been fully completed during 2016, in all its main components. The new information and management system is in use since February 2014, in all 12 Regional Offices and 24 Local Employment Offices. This information system was developed by NES, through Swedish Government funds and supported by the technical assistance of the National Labour Service in Sweden. During 2016, numerous interventions to improve the system were designed and implemented. They aimed at improving the functionality of the system and expanding the range of reports and information extracted.

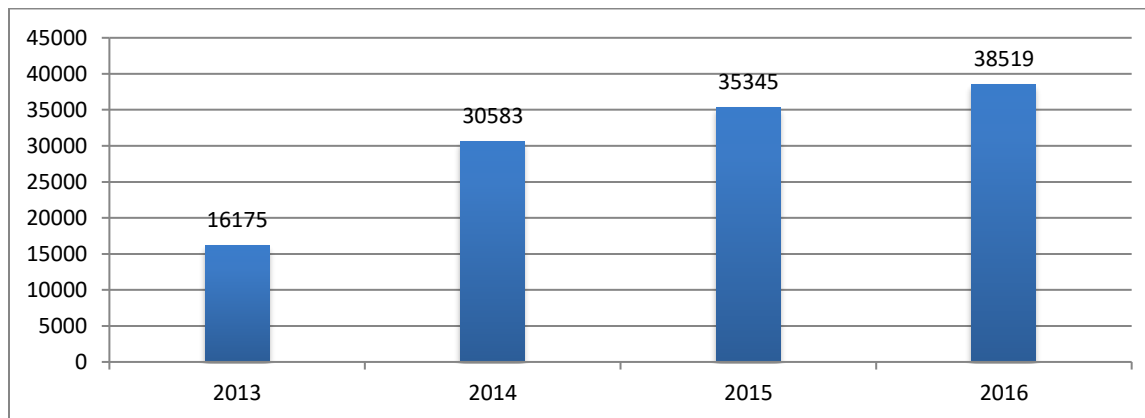
During 2016, the information system at NES was made part of the National Information Databases, through the DCM No. 191, dated 09.03.2016. This will enable the system to communicate with other national databases such as national population register (Gjendja Civile), Tax system, and Health Insurance System and Economic Aid system. This would allow clearance of the information on jobseekers or those seeking to get the unemployment status.

Under the activity of modernizing the IT infrastructure, NES is adopting an integrated financial and budgetary management system, whose design and implementation started in 2016. This system will enable exchange of information between the National Employment Directorate and Regional Directorates, Local Employment Offices and Public Vocational Training Centres on assets management, financial resources and human resource management. The system will improve efficiency of resource allocation, transparency of public spending and cost management. During 2017, NES plans to implement further improvements in the information system. These improvements will consist on elaborating more reports to enable monitoring and evaluation of NES performance.

#### *A1.4 Establishing new cooperation modalities with third parties.*

Vacancies announced through NES have been constantly increasing. During 2016, vacancies announced through NES amounted to 38,519 vacancies, increasing annually by 9%, compared to 2015 or twice the target by NES for 2016. The consolidation of the information system at NES, promotion and information sharing with the public, business and social partners have contributed to the improvement of the vacancies reported by third parties through the NES.

Figure 4: Third parties job vacancies announced through NES, 2013-2016



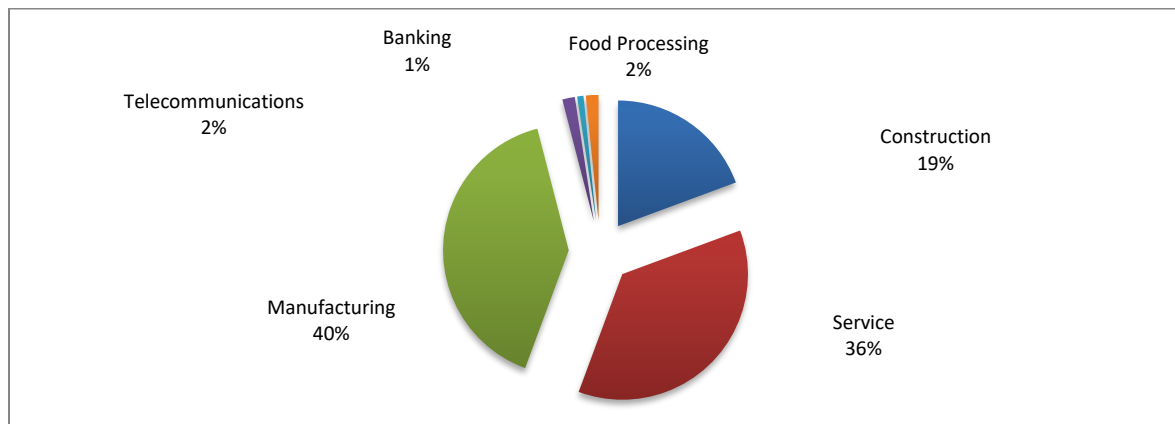
Source: NES administrative data

The Job Fair is becoming an important annual activity to promote employment policies, facilitate job match and generate employment. The Job Fair in 2016 was organized with the collaboration of the Tirana Municipality. Following the successful tradition of previous years the fair was supported by a larger network of businesses and social partners. In 2016, 130 companies participated and presented through their stands information about their human resource development policies, skills needs and vacancies. The number of exhibitors was twice the number compared to 2015. Companies mainly represented the construction sector, telecommunications, food processing and food distribution, banking and service sector. Business participants presented 6,200 job offers, mainly in the sectors of manufacturing, services and



construction. Highly skilled job offers were also presented by the telecommunication sector and banking (see figure 2).

Figure 5: Job offers per sector as presented at the Job Fair 2016



Source: NES administrative data

Around 34,000 people visited the fair, 13,480 people left their CVs at the different companies' booths. Many of the job applicants participated in job interviews at the fair, while job matching based on the curriculum submissions continued after the fair. Overall, during the fair 800 job vacancies were reported to be filled. GIZ, UNDP and Swisscontact supported the participation in the fair of Vocational Training Centres in Tirana and Durres, as well as different VET schools. These presented opportunities for vocational education and trainings in line with labour market demands.

There is an issue of still strengthening the cooperation with businesses and social partners and removing barriers of labour mobility by concluding agreements with other countries. There is also a need to strengthen the capacities and structures at MoSWY responsible to negotiate partnership nationally or internationally in support of active labour policy design and implementation.

Table 9: Pillar A - Description of results to be achieved by 2020

A2. Continuous improvement of legal and institutional framework in compliance with ratified international labour standards
A2.1 Regulation of private employment agencies and strengthening of the cooperation with the public employment services.
Outputs:
<ul style="list-style-type: none"> <li>▪ Legislation adopted to ensure ILO convention on private employment agencies.</li> <li>▪ Legal aspects and quality ensured through development of a minimum set of standards for recruitment, including abroad, and labour inspectorate.</li> </ul>

- Mechanism for quality assurance/ service delivery of private employment agencies established.
- Local employment partnerships to include also private employment agencies, alongside other partners.
- Private recruitment agencies report to relevant competent authorities on a regular and transparent basis on the services provided to the female and male population in Albania and abroad.
- Statistics on the number of female/male Albanian citizens supported with employment abroad are available on a regular basis.

A2.2 Expanding recognition and improvement of inspection services to reduce the number of labour law violations, especially the ones related to workers' safety and health at work.

Outputs:

- A modern, professional inspection system is in place throughout the country, ensuring implementation of labour legislation and occupational safety and health in line with European and international standards.
- Committee for Integrity and Corruption Prevention in the State Labour Inspectorate established.
- Programme for Integrity and Corruption Prevention in the State Labour Inspectorate adopted.
- State Labour Inspectorate training Action Plan adopted.
- Information-sharing mechanisms established with other enforcement agencies with a view to improve the coverage of economic units and workers.
- Existing legislative and procedural framework on labour inspection and enforcement is compliant with EU directive on sanctions against employers hiring irregular migrants.
- Labour inspectors are knowledgeable on rights and duties of foreigners working in Albania, capable of identifying (potential) victims of trafficking and referring them to relevant authorities.
- Mechanisms of protecting labour and human rights of migrants are in place.
- Legislation/by-laws for inspections amended to ensure that ALMPs can be implemented and (regulated) professions with high health & safety risks are inspected.
- Inspection role has been strengthened related to implementation of the Law on Employment Promotion in terms of PWDs and of the law on foreigners.

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

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

After ratifying the ILO Convention for Private Employment Agencies, in compliance with the Amendment of the Labour Code (December 2015), MoSWY in December 2016 developed two draft Decisions of the Council of Ministers (DCM). Draft decision on the “Establishment and Functionality of Temporary Employment Offices” and the “Establishment and Functionality of



the Private Employment Agencies”. Approving the two DCM is an obligation under the Budget Support indicators (indicator 10) for 2017.

The draft decision on the “Establishment and Functionality of Temporary Employment Offices” regulates the temporary employment agencies functionality closing a regulative gap in this field. The document is designed in full compliance with the EU directive 2008/104 for “Temporary Employment Agencies”. This decision also reflects the latest amendments in the Labour Code, which states in the article 18/2 the obligation to issue a DCM on the temporary employment agencies.

The private employment agencies offer intermediation services, while temporary employment agencies offer temporary employment contracts in a hosting enterprise sharing the contractual obligation with the employer. Both decisions are in the process of consultation with other Ministries and social partners. After the consultation process will be completed, the decision will be sent for approval to the Council of Ministers in the second half of year 2017, acting as a regulatory framework for private employment agencies activities and recruitment offered.

MoSWY has focused on partnership with private employment agencies to support more employment. An agreement was concluded with the “Europe Agency” and two businesses in Abu Dhabi. The employment offices were involved in the job intermediation process including hosting job interviews and matching job offers. As a result, 300 people were employed in different positions such as real estate agents, taxi drivers, nurses, dentists, in hotel, economists, office clerks for accounting, engineers (in oil extraction), different positions in construction etc. Job contracts included relocation costs covered by the employee, food and accommodation costs covered during the working time and health insurances in compliance with the domestic labour code in the host country.

Integration of private operators into the national information system and gathering real time information on vacancies or employment remains a challenge. Completing the regulatory framework for the private operations would also facilitate the exchange of information and statistical reporting.

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

Progress was made concerning the State Labour Inspectorate through different interventions during 2014-2015. These included legislative changes, capacity building and infrastructure investments supported by government budget and donor funding. This has led to a noticeable improvement in the service delivery. The e-inspectorate and electronic declaration of employees has shortened the time and effort that businesses have to invest to comply with the legal requirements.

During 2016, field inspections on Labour Code and labour regulations have been effective. 3,700 more businesses were inspected in 2016 if compared to 2015, out of which 3% were planned



inspections. Inspections were also undertaken in response to reported labour code violations. Inspections resulted in the formalization of labour arrangements for an additional 1,200 employees in 2016 if compared to 2015. 33% of inspections were dedicated to jobs in the late shifts. Overall 70 thousand job places were inspected in 2016. Inspections, when labour code and labour regulations were not fully respected, have issued monetary and non-monetary sanctions for the employers. In 2016, 596 companies have been under sanctions for not respecting labour regulations, 18 cases were fined because of job security violations. The overall fines and monetary sanctions in 2016 amounted to 32,095 thousand LEK. Statistical reports in 2016 shows that there were less job accidents reported (31 less job accidents in 2016, compared to 2015) and 0.7% less job inspections performed when an accidents was reported.

Monitoring field inspections remains a challenge for the Labour Inspectorate. The Law on “Labour Inspection” was revised (in 2017, march) while by-Laws and procedures for labour field inspections and inspection monitoring are yet to be drafted.

The Committee for Integrity and Corruption Prevention and the homonym Programme in the State Labour Inspectorate are included in the National Anti-Corruption Action Plan. The Prime Minister’s office follows the progress.

Table 10: Pillar A - Description of results to be achieved by 2020

A3. Expanding the range and scope of employment services and programmes (active labour market policies)
<p>A3.1 Assessment and design of adequate, gender-responsive labour market policies.</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ ALMPs improved, diversified and tailored to specific regions and target groups.</li> <li>▪ Procedures for application to ALMPs simplified.</li> <li>▪ ALMP implementation on regional level is strengthened through cooperation agreements.</li> <li>▪ Improved indicators in terms of inclusion of vulnerable groups in ALMPs in a regional basis.</li> <li>▪ ALMPs adopted by DCMs and implemented across the country in an effective, efficient, and gender-equitable manner.</li> <li>▪ Regional/Local employment partnerships established (which have identified needs and implement or monitor training and employment measures at local/ regional level).</li> <li>▪ Training for female and male skilled workers organized together with industry to respond to short term requests (e.g.TAP project).</li> <li>▪ Legal basis for provision of ALMPs is revised and adopted.</li> <li>▪ Equal opportunity policy and action plan are developed by NES, adopted and annually updated.</li> <li>▪ Designated NES officials are capable of identifying (potential) migrants among their clients and to provide tailored services/refer to other relevant support entities (e.g. on issues of legal status, medical assistance, etc.)</li> <li>▪ Effective, transparent and participative financing system for service delivery is designed and in place.</li> </ul>
<p>A3.2 Registration, profiling and gender-sensitive counseling of jobseekers</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Registers of unemployed people verified / updated to include only unemployed jobseekers.</li> </ul>

- Brochures published about employment services offered.
- Unemployed registers updated to contain only active jobseekers.
- National standards on ethical and fair recruitment in Albania and internationally developed and enforced.
- ISCO/ ESCO list and the National List of occupations used by job counselors.
- NES counselors trained and capacitated to deliver gender-sensitive counseling that responds to inclusion goals and diversity needs.
- NES counselors undertake profiling of jobseekers.
- NES counselors do gender-sensitive group or individual counseling.
- Job clubs organized.
- Designated NES counselors are capable to refer young female and male potential entrepreneurs among their clients to respective helpdesks, business development services and relevant support/training entities
- Migration counters in employment offices provide tailored counseling and guidance to all female and male returnee clients in order to facilitate the reintegration process.
- Continuous job counseling to immigrants, on application methods, documentation, criteria and procedures for obtaining a work permit and certificate for employment declaration.

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

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

Since 2014 several changes have been made to the Active labour market policies (ALMP) which are being implemented in Albania. The results of the evaluation of the Employment Promotion Policies in 2015 were reflected in the revision of the Law on Employment Promotion. In the beginning of 2016 the MSWY redesigned and reformulated the active labour market programs. As a result of the joint work carried out in collaboration with the Department of Employment Policies and Migration at the Ministry of Social Welfare and Youth and the National Employment Service, 3 DCMs have been revised/drafted and approved by the Council of Ministers in January 2016. More specifically,

- DCM 27 has been tailored to the needs of women-single heads of household
- DCM 199 to the needs of recent graduates.
- DCM 64 provides a support package for individuals under 30 years of age who were orphaned prior to turning 18.

Improvement were done to the:

- DCM 48 Employment of people for vulnerable groups
- DCM 47 on the job training

In addition, support is being provided by the Swiss-funded/ UNDP-led “Skills Development for Employment” Programme to the National Employment Service in revising all operational procedures for the implementation of ALMPs, and the scoring system for the selection of enterprises.



ALMPs were reviewed in January 2016 with a view to induce social inclusion of vulnerable and excluded social groups. The process of reformulation of the ALMPs was also extended to the revision of the application procedures aiming at simplifying them. ALMP beneficiaries include young jobseekers, women, Roma and Egyptians, disabled people, orphans and long-term unemployed individuals. The programmes target the manufacturing industry, tourism, telecommunications as well as agriculture businesses.

The main programmes implemented by NES included:

***Vulnerable Groups Employment (DCM 48)***- the programme supports the employment of unemployed, poor and vulnerable individuals by subsidizing four months of wage and annual social and health insurance payments, if the person is duly employed with an annual employment contract.

***On-the-Job training of youth and adults (DCM 47)***: The programme was designed to target mainly young people looking to identify a profession and employment opportunities. The programme supports on-the-job training for six months, funding the cost of on-the-job training to the amount of 19,000 LEK per person per month, and 50% of the apprentice wage (using the minimum wage as a reference wage). The programme also covers the insurance for work-related accidents. However, the company hosting apprentices is obliged to offer a job contract to 50% of those people supported by the programme.

***Support of young graduates' employment (DCM 199) (First and second cycle graduates, not older than 30 years)***: This programme combines on-the-job training and employment support. Young graduates are supported to have a three months' on-the-job training. The programme covers the cost of training (10,000 LEK or approx.75 Euros) and the minimum wage of the apprentice for the whole on-the-job training period (3 months). If trained graduates are employed, the programme supports their employment by covering annual social and health insurance costs, as well as subsidizing four months of wages using the minimum wage as a reference cost.

***Support of employment for women-single household heads, and single mothers caring for a child (or children) (DCM 27)***. The changes in the ALMP following the DCM have improved the targeting of female jobseekers. If companies employ a woman being either a single household head, or a single young mother caring for a child (or children) with a one-year full-time job contract, then the programme offers a subsidy equal to 115% of the minimum wage for six months, and an annual coverage of the social and health insurance costs. The difficulty of women to succeed in having a decent employment in general and the difficulty of single mothers in particular has been evidenced in numerous reports and studies.

***Support to employment of individuals with disabilities (DCM 248)***: The programme covers six months of wage subsidy and full coverage of social and health insurance, if the person has a one-year full time job contract, the programme subsidizes 50% of the social and health insurance



costs for six months. The programme also subsidizes any expenses incurred by companies to make the working place suitable for disabled individuals. During the period being supported by the employment promotion programme the disabled individuals keep receiving the social transfer for disability.

**Apprenticeship Programme for recent graduates (DCM 873):** The programme supports recent graduates (graduated not more than 24 months before entering the programme) with placements in six months' apprenticeships and by paying a monthly rate equal to the level of an unemployment benefit.

**Support the employment of orphans(DCM 64):** The program supports young individuals (up to 30 years old) who have the status of being orphans and are registered as unemployed jobseekers. The programme supports their placement either in on-the-job training programmes or subsidized employment arrangements (where the programme pays their minimum wage for at least four months and covers fully their health and social insurance costs for 24 months). Among youngsters, the social category of orphans appears the most vulnerable when it comes to succeed in the labour market. Employers are required to have a job contract that lasts at least six months longer than the employment programme. The long-term employment support for the orphans makes their employment sustainable.

During 2016, the slow recovery of the economy overall has brought positive dynamics in the labour market. Labour force participation increased Labour market developments in 2016 were characterised by

- an improvement of labour participation by 3.1%,
- better employment since the employment rate increased by 6.5% and
- unemployment, which contracted by 2.8% annually.

NES reported that 5,211 Individuals, or **4.35% of registered job seekers**, participated in the ALMPs implemented in 2016. The target for 2016 (Budget support indicator 4) was that 4% of jobseekers participate in the employment promotion programmes.

The employment promotion programmes in 2016 contributed to the employment of those, who are categorised as vulnerable and marginalized in the labour market, including women, youngsters, orphans, Roma or disabled people. Reports show that:

- 56% of the ALMP beneficiaries were women and girls (DCMs 47, 48 and 27)
- 174 recent university graduates were employed and 489 recent graduates were supported to have an apprenticeship in either private businesses or public institutions.
- 53 individuals with disabilities were employed.
- 8% of the total beneficiaries (around 423 unemployed jobseekers) were removed from the social transfer schemes and placed back into labour market.
- 40% of registered jobseekers (or 2105 individuals) placed into employment through the ALMPs were long-term unemployed individuals.

- The programme supported the employment of 111 Roma individuals, 142 returnees, 6 victims of trafficking and 4 orphans who were registered jobseekers.

Noticeable progress has been observed in designing and implementing adequate, gender-responsive labour market measures. The legislation and other internal regulatory frameworks were improved with a view to support an effective implementation of the employment promotion measures. ALMPs have been diversified and tailored to specific regions and target groups through the revised and improved legal framework. However, the participation of marginalized individuals in employment promotion programs remains still weak. The diversification of the ALMPs has provided possibilities for the on-the job training of adults, especially females and young graduates.

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

Modernization of the regional and local employment offices, adoption in all offices of the New Service Model, the changes introduced in the revised Labour Code and its bylaws, the consolidated information management system at NES and the opportunity to interlink and crosscheck information from employment offices with other national datasets such as taxation system have considerably improved the registration of unemployed jobseekers. The information now is cleared of fraud unemployment status of individuals, of accumulated cases which once registered in the system were not unregistered because of an unclear legal framework. In 2016, the register of the unemployed jobseekers amounted to 93,885 individuals, from 145,000 in 2015.

During 2016 by crosschecking information with the tax system 3,479 cases of fraud unemployment status were identified and cleared up from the register. Law no. 146, dated 2015, “For the Jobseekers” introduced an active jobseeker status, where jobseekers are requested to accept jobs offered by employment offices. During 2016, 4,095 individuals were unregistered from the jobseeker register since they have turned down job offers identified by the employment office.

The active jobseeker status was also reflected in the requirement that jobseekers have to confirm their unemployment status and willingness to find a job every month. During 2016, 25,388 cases were cancelled from the jobseeker register because they did not comply with the legal requirement to confirm their status at the employment centre within the timeline defined by law.

Table 11: Pillar A - Description of results to be achieved by 2020

A4. Improvement of the gender-sensitive monitoring and evaluation of employment measures
A4.1 Development of a sustainable and gender-sensitive system for monitoring and evaluation, including implementation of impact evaluation of employment measures on sub-groups of female and male job-seekers.



#### Outputs:

- Monitoring Plan for NES is designed and implemented including a proper methodology.
- Programmes monitored and evaluated according to agreed criteria, results and indicators.
- New policies are redefined or adjusted based on the regular monitoring reports.
- Gender equality and diversity criteria are an integral part of all monitoring and evaluation procedures and processes, and the relevant indicators of the National Set of Harmonized Gender Indicators are consistently applied.
- Period reports on the achievements of gender-sensitive targets for employment and training are prepared.
- Labour market policies are adapted as per the main recommendations of the studies and assessments carried out.

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

The process of identifying monitoring indicators including statistical indicators for the National Employment Services was completed in 2016. The methodology of the monitoring indicators for NES is reflected in the information and management system reporting.

Under the budget support agreement, a tracing system of VET graduates was developed and made operational with support of GIZ in 2016. The system was handed over and is being used by national employment offices. The tracing system will be able to generate monitoring reports on the employment of VET school and VTC graduates. The monitoring and impact assessment of the active labour market policies, completed in 2015, was the guiding document in preparing the employment promotion programmes at the beginning of 2016.

Employment promotion programmes were changed to offer equal employment opportunities to marginalized groups including Roma and Egyptians, young single mothers, victims of violence, orphans and disabled people. The application procedures and scoring of applicants for eligibility of support were also made easier and more transparent. MoSWY negotiated and implemented an increase of the unemployment benefit from 6,850 ALL to 11,000 ALL per month, satisfying article 168 of the ILO convention, ratified by Albania. It states that the unemployment benefit should be not less than 50% of the minimum wage. Monitoring indicators reported by NES include a set of indicators dedicated to measure gender equity in employment promotion programmes and labour market outcomes. They are part of the statistical report produced by NES.

Accomplished	Work in Progress
<p>New Service Model delivery adopted and being implemented (training delivered to staff) in all 36 Employment offices (regional and local).</p> <p>7 New offices fully reconstructed. <i>Budget support in the following years remains a challenge.</i></p> <p>Employment services offered are improved, including counseling services and mediation based on the NSM/trainings/operational manuals developed.</p> <p>Employment Promotion Programmes , reviewed and changed in compliance with the results and recommendation of the assessment report. Seven employment programs implemented in 2016.</p> <p>The financial contribution to the EPP in 2016 amounted to 490 milion ALL and increased if compared to 2014 by 45%.</p> <p>Information System for Employment Services installed and upgraded was connected to other national databases such as tax and civil registry.</p> <p>Annual Job Fairs organized with the collaboration of the Municipality.</p>	<p>Reporting modules of the Information System for Employment Services are being developed. They are not yet operational delaying the process of NES Performance Management System operationally.</p> <p>Regulatory framework and collaboration with private employment agencies needs to be strengthened.</p> <p>International Labour Standards compliance and Labour Inspections data needs to improve reliability and systematic data collection procedures</p> <p>Impact assessment of Active Labour Market Programmes 2015-2016 is planned (control groups and data collection needs to be improved)</p>



#### **IV: QUALITY VOCATIONAL EDUCATION AND TRAINING TO YOUTH AND ADULTS**

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

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

Investments in human capital and the quality of the education and training system are at the core of an innovative and competitive economy with more and better jobs. Efforts to increase enrolment rates at all educational levels, including enrolments in VET system is an on-going priority of the Government of Albania.

Increasing men's and women's employability involves making sure that they acquire the skills, knowledge and attitudes that will allow them to find work and cope with unpredictable labour market changes throughout their working lives. Increasing the quality of educational outcomes, developing qualifications, improving the attractiveness and relevance of the vocational education system and anticipating skills needs to redress mismatches, and improving skills recognition are critical objectives of this reform in the country. Lifelong learning and training are also considered instrumental to foster enterprise competitiveness and enhance labour productivity, as well as to improve job quality. Educational gaps across regions and population groups should be identified and addressed, aiming at promoting territorial cohesion and social inclusion of the most vulnerable.

Results reported under NESS annual progress showed that the sector has experienced a strong positive growth in investment during 2016, investments doubled reaching the value of 504.4 Mio ALL. Enrolment and participation rate in vocational education and vocational training kept progressing slowly, total number of VET/VTC participants is reported to 35.4 thousand individuals in 2016 increasing by 16% if compared to 2014. Number of participants in short training courses was reported stagnant compare to 2015, however in aggregate number of trained individuals increased by 25% if compared to 2014. Participation of persons with disability was significantly lower than the targets. Lifelong learning is also reported to increase slowly.

Tracing system which follows up on the employability of individuals completing vocational education or vocational training are just made operational in 2016, fulfilling an obligation under NESS and budget support. The first trial and data are made available from GIZ project of MFC Kamza and other institutions will be joining the tracing system in 2017.

**Table 12 Results – Strategic Priority B:**

<b>Results – Strategic Priority B:</b>			
	2014 (Baseline)	2015	2016
<b>National Employment and Skills Strategy 2014 – 2020</b>			
Up to 25 per cent increase of the share of female and male students attending VET programmes	30 458	35 262	35 390
25 per cent are females of the 40 per cent employed from vocational education graduates	<u>Not provided</u> [1]	Not provided	Tracing system was established and installed at NESS
Up to 4 per cent increase of adults participating in lifelong learning	1.30%	1.00%	1.1 %
Up to 55 per cent increase of employment rate of short training courses participants, out of which 75 per cent are females	13893	17 524	16 890
	46% Female	48% Female	47% Female
Increase the annual share of PWD VET students by 1 p.p.	250	134	80
30 per cent increase of investment of million by 2020		170 million Lek	504.1 million Lek
<b>Sector Reform Contract Result Indicators</b>			
	2014	2015	2016
Share of the 700 VET teachers/instructors trained through the “Basic didactics training programme in VET”, NAVETQ	0%	3.50%	6% (42 pax)
Establishment of Multifunctional VET Centers, MoSWY	0	1	VET law approved (feb 2017)
VET graduates employment rate, MoSWY and NES tracer system	--	Not available	Tracing system in place

Table 13: Pillar B - Description of results to be achieved by 2020

**B1. Optimizing the VET providers network and diversifying offers (including the definition of competences by sectors)**

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

Outputs:

- National Baseline Survey of public VET providers is completed.
- National public network of VET providers is rationalized and re-conceptualized according to labour market needs, migration and demographic trends, as well as principles of multi-functionality, equality, diversity and flexibility of VET provision.
- Detailed plans elaborated jointly with all stakeholders on how to implement the transfer or merging of schools/VTCs into new networked structures in each region and within each institution.
- Operational plans implemented.
- Some VET providers are developed into multifunctional centers of competence for certain sectors (in charge of curriculum development and teacher training for the respective sector in Albania) through public-private partnerships.
- VET providers are knowledgeable about labour migration trends in Albania and interest among the population to obtain skills on demand in main destination countries, especially in the SEE region.

**B1.2 Maintaining the database and quality assurance of training provision by private VET providers country-wide.**

Outputs:

- System for accrediting VET providers (including private ones) further developed to assure quality of provision.
- More and more VET providers voluntarily adhere to a self-developed “quality label” system.
- Private training providers have included the qualifications and training offered by them in the database.

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

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

Reorganization of the VET schools and the programmes offered, following the first wave of system consolidation, continued in 2016. MoSWY reduced the number of VET schools from 39 in 2015 to 35 in 2016. In six VET schools, enrolments were discontinued due to a lack of labour market demand. Overall VET schools, 18 500 students were enrolled during 2016.

Efforts to establish multifunctional VET centers started in Elbasan, Shkodra, Tirana and Fier with the help of the IPA 2013 VET project. However, discussions on what the multifunctional model of VET schools will be is yet under discussions and existing practices are being evaluated.

A multifunctional VET centre is being established in Kamza with support from GIZ. The multifunctional center in KAMZA offers VET to 1600 students in 5 study directions. During



2016 the MFC offered 8 short term vocational courses to 117 registered unemployed job seekers, and 3 short courses upon request of businesses. Laboratories and facilities are shared and made available to the vocational training center as well. The school offered activities for the community especially training young mothers on child care.

The “Skills for Jobs (S4J)” programme implemented by Swiss Contact is supporting the transformation and re-organization of Vlora vocational education and training system into a possibly MFC concept. The reorganization includes supporting VET schools “Pavarësia School”, VET school “Tregtare” and the Regional Public Training Center to develop programs and cooperation, that would possibly lead to a regional MFC. The project has established mechanism to integrate regional labour market needs into the consolidated VET system. VET/VTC representative met and discussed with private businesses (25 private sector representatives) on the integration of regional market needs into VET/VTC offer. The support provided to re-organization of the VET system in Vlora is delayed by the fact that MFC model is not yet finalized in legal documents but remains still a policy reform document without a strong endorsement by the Albanian Government. S4J is waiting the finalization of the MFC model to complete its intervention and support provided to Vlora region VET schools and VTC regional center.

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

Preparations for the accreditation of public or non public VET providers are underway. Article 25 of the Law No. 15/2017 “Vocational Education and Training in the Republic of Albania” defines the necessity and procedures for accreditation of VET providers. The law specifies standards, criteria and procedures to be followed for the accreditation of any VET provider. Standards, criteria and procedures based on which accreditation will be prepared by NAVETQ and approved by MoSWY. Currently, NAVETQ does not have a mandate to oversee non-formal VET.

Preparation and approval of bylaws on NAVETQ will enable the initiation of the accreditation process. NAVETQ with support from UNDP, Skills for Development Programme, have undergone a preparatory phase where assessment of current situation and a policy concept note on the accreditation of VET providers are prepared. The documents are ready for a wide consultation with the stakeholders and social partners

UNDP/S4D, during 2016, has also reviewed and updated the database of private training providers available at MoSWY.

Table 14: Pillar B - Description of results to be achieved by 2020

B2. Assuring the quality of VET providers and improving the quality and adequacy of VET inputs (labs and equipment, curricula, teaching materials) and processes

B2.1 Analysis and upgrading of buildings, workshops and equipment available in VET providers, including facilities for girls/women amenities, and required amenities responding to the needs of PWDs.

Outputs:

- Once the VET providers' network and the range of profiles to be offered in each VET institution have been redefined, an in-depth analysis by sector experts into the required infrastructure upgrading is undertaken.
- Strategic Facilities and Equipment Investment Plan 2015-2020 defined in line with sectorial priorities, new VET provider network plan, national and regional Skills Need Analysis and respective diversification of VET offers, private sector involvement in VET delivery, based on clear criteria ( following quality training standards) and balanced and agreed at regional level.
- VET providers equipped according to the investment plan, including safe amenities and facilities for girls/women, and infrastructure and equipment responding to the needs of PWD.
- Contracts with companies to use their equipment and facilities promoted and established by VET providers based on an analysis of which companies comply with certain standards to offer training places.

B2.2 Create a National Catalogue of Vocational Qualifications and revise all VET frame curricula.

Outputs:

- New VET curriculum model (modular system) defined jointly with NAVETQ staff and approved, based on competence standards for each learning area.
- National List of professions revised/ National Catalogue of Vocational Qualifications designed and adopted.
- Sector Councils with the participation of social partners have been set up and defined qualifications/ competences for selected priority sectors and qualifications.
- NAVETQ actors trained and frame curricula for long and short courses revised, based on job descriptions and qualification descriptions (“national qualification or competence standards”) and on examples developed by donors.
- Actors in VET institutions trained and frame curricula further developed/ adjusted (and revised at regular intervals) in collaboration with experts from the business world.
- Quality assurance criteria for official approval of VET curricula are defined.
- One national competence-based framework curriculum for each qualification, published online as part of the National Catalogue for Vocational Qualifications.
- Gender equality and diversity goals are integrated into VET design, contents and provision, and gender stereotypes in profiling, curricula, promotion and teaching methodologies are eliminated.
- VET providers develop programmes which are tailored towards preparing specialists in professions on demand in other countries, taking into consideration Albania's strategic advantage and overall governmental policy towards providing employment of nationals

in other countries.

- There are cooperation platforms between VET providers and their counterparts abroad on sharing best practices and modern education technologies.

B2.3 Review of existing and develop new programmes for post-secondary VET provision.

Outputs:

- Qualifications identified reflect sector skill needs.
- Occupational and qualification standards developed
- Curricula for post-secondary VET developed for priority sectors and qualifications and published online as part of the National Catalogue of Vocational Qualifications.
- Inter-institutional cooperation arrangements between schools and universities in place to deliver post-secondary VET.
- Teachers/ trainers trained on post-secondary VET programmes.
- Conditions for practice learning in place enhanced together with the private sector.
- Cooperation agreements for implementation of post/secondary VET programmes or other higher non-university studies are established between HE institutions, VET providers and private sector.

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

Outputs:

- Teaching and learning materials (rather than textbooks) to accompany new curricula are developed (Model to be considered as used for economic schools).
- Gender-sensitive revision completed.
- Adequacy for PWD assessed and gaps identified.
- Teaching and learning materials published in e-book formats online in the web portal for the VET System.

B2.5 Definition and implementation of quality assurance criteria of VET system (at providers' level) and changing the internal and external verification of VET curriculum implementation (inspection).

Outputs:

- Accreditation and quality assurance criteria for public and private providers redefined and linked to whether they offer training for employable skills.
- Public VET providers undertake self-evaluation and implement own development plans.
- Role and criteria for inspection of public VET provision redefined (national standards).
- Multiannual plan for VET providers' inspections being implemented.

## **B2. Progress made under Assuring the quality of VET providers**

### *B2.1 Analysis and upgrading of buildings, workshops and equipment available in VET*





Improving buildings, workshops and existing equipment at VET providers, including facilities for girls/women, and required amenities responding to the needs of people with disabilities, is a process that is followed by the Ministry of Social Welfare and Youth on a continuous basis and accomplished through funding from the state budget and various donors.

During 2016 capital spendings and investment for vocational schools have doubled, amounted to 504 mio ALL (3.7 Mio Euro). Public funding coupled with EU funding and other donors investments have made possible capital investments in 35 VET schools and 10 VTC. Reconstruction of either school premises or practical teaching areas was completed in 8 VE schools. Laboratories for practical teaching were completed in 12 VET schools, in compliance with students number enrollment. Laboratories of general teaching were renewed and improved in 20 schools. All vocational center were equiped with laboratories for practical trainings.

Substantial support in improving schools' practical trainings and laboratories was given by donors – GIZ VET programme, SDC through S4J project and the Italian IADSA programme undertook investment in VET infrastructure.

During 2016 GIZ has provided equipment for the programme of Elderly Care and Car Mechanic at MFC Kamza with laboratories and teaching/learning materials.

ADA has prepared and delivered to the MoSWY an infrastructure investment plan for 3 VET schools<sup>6</sup>. Infrastructure investment will be initiated after signing a Memorandum of Understanding with MoSWY.

S4J project (funded by SDC) prepared the infrastructure needs assessment to enable the delivery of VET programs for 4 VET schools including “Pavarësia” and “Tregtare” in Vlora; “Kolin Gjoka” in Lezha and “Krist Isak” in Berat. The first IT infrastructure investments were delivered in Kolin Gjoka, Lezhe, including 2 IT laboratories and the refurbishment of the Career Center. The slow progress in school reconstruction and full rehabilitation has delayed the full implementation of the investment plan for the Kolin Gjoka VET school in Lezha.

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

The National Catalogue of Vocational Qualifications is now regulated since being part of the new Law on VET (No. 15, dated 16.02.2017). NAVETQ has developed all necessary elements of the National Catalogue of Vocational Qualifications including the List of Vocational Qualifications, Titles and Descriptions of Vocational Qualifications, and Frame Curricula. During 2016 the List of Vocational Qualifications announced 30 qualification descriptions.

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<sup>6</sup> A study assessing the equipment and infrastructure needs at Isuf Gjata School, Korca and Antoni Athanas School, Saranda was conducted and presented to representatives of the MoSWY by ADA.



The National List of Occupations (based on ISCO 2008) was entirely reviewed during 2016, with the support of the UNDP project “Skills Development for Employment” led by the UNDP. The process of revision included the revision of the occupational structure, the adjustment to the ISCO 2008, development of 372 new occupational description, validation of already developed occupational description with a total of 666 occupational descriptions developed. The revised National List of Occupation is expected to be approved by the Council of Ministers during 2017. As such, the National List of Occupations provides important information for the development of qualifications’ descriptions, i.e. of the Albanian Qualifications Framework.

During 2016, NAVETQ has prepared and approved 4 vocational qualification programmes of, 6 long term frame curricula were reviewed and 15 new frame curricula were prepared. 15 frame curricula were made available on-line. Training of actors involved in curricula design continued in 2016. NAVETQ has strengthened partnership and collaboration with business and social partners in support of VET programme revision and curriculum development.

Some donors have supported the development of specific vocational qualifications. For example, GIZ has supported NAVETQ to develop the curriculum for elderly care aligned with German standards. GIZ facilitated the participation of experts from MoSWY, NAVETQ, NES and VE Schools to visit the Didaktika Fair for VET in Germany in 2015 and 2016. (add more from the annual report of GIZ/possible Swisscontact Skills for Jobs project)

In the framework of the Italian-Albanian IADSA programme, two specific courses were developed during 2016: (i) a course on shoe design at the Economic School of Tirana (Fashion VET project), and (ii) a course on mechatronics at the “Arben Broci” school in Shkoder (MECAVET project).

Main challenges faced in reviewing the entire set of curricula for VET are related with the legal framework. The new VET law has paved the way for noticeable improvements, however the lack of bylaws has been a challenge to carry out the process of curricula revisions and the completion of the National Catalogue on Vocational Qualifications. NAVETQ is facing financial constraints as regards the review of frame curricula for the entire VET offer. The process requires engaging professionals from the business world and running consultation processes, which are costly and cannot be covered by the modest NAVETQ budget. Donors have been supporting NAVETQ, however its financial sustainability could be supported through raising fees for the services offered. NAVETQ need strengthening if it is to fulfill its mission as defined by the new VET Law.

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

NAVETQ have drafted descriptions of post-secondary vocational qualifications and curricula with support from donors’ projects during 2015. In 2016 no new post-secondary vocational



programmes or frame curricula were developed. NAVETQ, in compliance with the IPA Budget Support programme indicators and in cooperation with GIZ, have delivered the 24-day training programme “Basics of didactic in VET” to 42 VET teachers and trainers..

Developing qualifications of AQF level 5 (post-secondary VET programmes) appears to be a rather challenging exercise. Although 39 vocational qualifications (potential post-secondary VET courses) have been identified as needed by the private sector, the progress in offering post-secondary vocational education is constrained by the supply side. So far, there is no intentions among different actors to engage in offering post-secondary vocational education has been observed.

#### *B2.4 Gender equality content evaluation of existing teaching materials*

Teaching materials have been drafted by experts, these experts are from related fields, in accordance with criteria set in advance. During 2016 teaching materials (not textbooks) were developed and published in e-book format in the electronic platform of VET for 13 subjects. During 2014-2016, teaching materials were developed for 42 VET courses. Textbooks and teaching materials were reviewed with regard to gender and PwD sensitive language.

NAVETQ faces serious challenges as regards financial support to develop all teaching materials needed. Donors were invited to support this activity. NAVETQ aims to strengthen the coordination and cooperation with BOTEM (Text Books Publishing Public Agency) in order to avoid working in parallel for similar textbooks or teaching materials.

S4J has assessed the availability and quality of teaching and learning materials used in 2 VET schools supported by the project. The revision of teaching and learning materials with respect to gender sensitivity was also performed; finalizing and prepared ready to use assessed teaching and learning materials. The assessment phase identified a need to improve teaching staff ability to improve and modernize teaching materials.

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

The new VET Law introduces quality assurance mechanism for (public or private) VET providers , for which bylaws will have to be developed. During 2016, UNDP's SD4E programme supported NAVETQ to develop a manual for public VET providers internal evaluation public. The project has also prepared documentation for institutional arrangements, defining roles and responsibilities national standards to implement inspection of VET providers. After the adoption of the by-laws, all VET providers and staff responsible for the self-evaluation process will have to be trained.

Table 15: Pillar B - Description of results to be achieved by 2020

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

B3.1 Running publicity/ awareness-raising campaigns about importance of and opportunities in VET and LLL for girls, boys, women and men in urban and rural areas.

Outputs:

- TV spots, talk shows, newspaper articles, posters/ banners, leaflets, brochures which are free from gender stereotypes and transmit an inclusive message are produced and distributed.
- Information on VET pathways to primary school pupils disseminated.
- Annual Career and job fairs organized.
- Open door days of VET providers organized.
- School pupils' taster days in businesses organized.
- Job insertion and salary levels of graduates from reformed VET analyzed.
- Focused approach on outreach to women and girls in rural and urban areas pursued
- Coaching for girls and boys opting for training in non-traditional occupations.
- Girls' uptake of non-traditional courses (particularly in high-potential and high-productive sectors) publicly promoted.

B3.2 Design a public interactive, searchable web portal/database on qualifications, curricula and training offers by VET providers.

Outputs:

- Demand-oriented, interactive, user-friendly database, searchable by region/ location, sector/ qualifications and VET offers, incl. links to providers' web links for further information is made available.
- Approved curricula and teaching materials available published online.
- Data updated by NAVETQ and by VET providers as a matter of publicity (to be used by potential learners, NAVETQ, NES, and social partners).
- Publicity to ensure use by potential learners, NAVETQ, employment services.

B3.3 Preparation of the participation of Albanian VET students in national, European and World skills competitions and related media promotion.

Outputs:

- Albanian female and male VET students participate in national Euro Skills and World Skills competitions.

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

### *B3.1 Running publicity/ awareness on VET and LLL*

Organizing media campaigns and raising awareness on the importance and the opportunities in VET and lifelong learning for girls, boys, women and men in urban and rural areas promotional and awareness activities are implemented annually. Their aim is to improve enrolment rate in vocational schools and vocational centres.

During 2016 four regional fairs of vocational schools, concluded with a final National Fair in Tirana, Expo City in May 2016 were organised. The National Fair of vocational schools and vocational centres was organised as a competition for awarding the "Best VET School". Awareness and publicity campaign on VET were also implemented by donors supported project.



S4J supported the implementation of the regional promotion campaign "I choose VET". Career Orientation were introduced as functions of in-built labour market facilities at VET schools. Outreach activities to prospective students of VET were also implemented.

Open days for information and registration of students were held at all vocational schools. Students and parents were invited to visit the schools and get information on education and career opportunities. Mass media including TV and the press have covered VET reforms and success stories from VET graduates.

S4J program has prepared the Gradual Skills Development Schemes (GSDs) for work-based learning. The first two GSD schemes of bringing businesses to schools and schools to businesses were successfully implemented. GSD enabled that 124 students from 4 vocational schools participated in the "Open Day at the Business" mainly in business operation in tourism/hospitality. The program also enabled that 22 successful employers from businesses engaged in role model "Leadership Storytelling Week" in 4 vocational schools, where they met with 487 students.

RisiAlbania project took an innovative approach to disseminate information on education and training with a special focus on VET. Numerous TV and radio program printed or web based material were devoted to promoting of the career opportunities for VET graduates, including here self employment and entrepreneurship. These programs have attracted high viewership/listenership/readership, 71% of the audience stated that the programs have changed their perception about jobs and careers as well as employment seeking behavior (32%).

### *B3.2 Design of a public interactive, searchable web portal/databases on VET/LLL*

Documents such as curricula frame, teaching and learning materials, guidelines and training materials developed by NAVETQ or partner organizations, as approved by MoSWY, are uploaded periodically in the institutional website: [www.akafp.gov.al](http://www.akafp.gov.al). Material and documents are easily accessible to the public.

The set of documents, training material, datasets and whatever relevant information gathered and processed at NAVETQ is also made available to MOSWY.

VET portal was extended to accommodate new informative modules about VE schools and VT centres, with the support of GIZ. Under the preparation of the National Catalogue of Vocational Qualifications, the National List of Qualifications, in 2016, was updated with the revision/descriptions of 30 professional qualifications. These descriptions were made available to the VET providers and the general public.

S4J project finalized technical specification for designing an electronic platform for apprenticeship matching.

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

Two VET schools, Hotel Tourism School of Tirana and Antoni Athanas School of Saranda, participated in the Western Balkans Skills Show of Sarajevo in December 2017. Their participation was funded by KulturKontakt.

Table 16: Pillar B - Description of results to be achieved by 2020

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



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

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

No progress made in 2016 on the recruitment or appointment of school-business liaison persons overall VET system. There are initiatives supported by donor funded projects to support VET school and local business cooperation mechanisms. The newly adopted VET Law makes provisions for the introduction of this function as part of the new School Development Units, which are to be established within VET providers.

S4J project has developed the Business-School Cooperation and Sponsorship Concept, to support the implementation phase of the School Development Unit. The project has also supported the establishment of two business networks (one at national level and one at local level) in support of VE schools and VE centres.

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

In the period 2014-2016 NAVETQ implemented the project "Apprenticeship schemes for Youth Employment in Albania" funded by the EU Erasmus+ programme and co-funded by MoSWY. Under this Erasmus+ funded project, agreements with 30 companies were signed to support practical training of students.

S4J project also signed six cooperation agreements with top hotels and restaurants from Tirana and Lezha. The focus of the cooperation agreement was that of hosting practical training of students and in-company teacher training.

However development and initiatives undertaken the work based learning scheme is not yet formalized as an integral part of the VE system. The newly adopted law on Crafts has created legal option to establish apprenticeship. More has to be developed and clarified in the legal aspect so that work based learning is made systematic.

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

During 2014-2016 NAVETQ implemented the project "Apprenticeship schemes for Youth Employment in Albania", funded by the EU Erasmus+ programme and co-funded by MoSWY. The project elaborated a Roadmap for the implementation of a dual VET scheme. The Roadmap identified legal interventions needed to accommodate a dual based vocational education.

The roadmap developed steps to implement the apprenticeship scheme including definition of the legal status of the apprentice; clarification of the insurance status for the apprentice at the work place; training of in-company instructors; training of the apprenticeship coordinators at school;



introducing apprenticeships into the curricula; and establishing a contract between the apprentice and the company.

After the roadmap NAVETQ developed occupational and qualification descriptions and reviewed frame curricula for two study profiles – hotel receptionist and cook. The curricula were reviewed to enable students during the final year to be 2.5 days at school and 2.5 day at a company (either a hotel or a restaurant). 107 students were placed in this work-based learning VET programme. 30 businesses were involved in the project. In January 2017 teacher training on the new model took place, while in February 2017 business instructors were trained.

A complementary study to that undertaken NAVETQ/Erasmus was prepared by the UNDP SD4E programme, where key elements of the roadmap such as costing of the national rollout of work-based learning schemes; legal changes required accommodating this scheme and sectorial approaches to work-based learning were elaborated and developed.

S4J program has prepared the Gradual Skills Development Schemes (GSDs) for work-based learning. The first two GSD schemes of bringing businesses to schools and schools to businesses were successfully implemented. GSD enabled that 124 students from 4 vocational schools participated in the “Open Day at the Business” mainly in businesses operation in tourism/hospitality. The program also enabled that 22 successful employers from businesses engaged in role model «Leadership Storytelling Week» in 4 vocational schools, where they met with 487 students.

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

Implementing the new Law no. 70, dated 30.06.2016 “ On Craftsmanship” and the VET Law will facilitate the introduction of work-based learning. However, bylaws will still have to be drafted to make further progress. In addition, a closer cooperation with business associations and regular communication with businesses will remove some of the obstacles from the business side.

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

Based on the Memorandum of Cooperation signed between the Ministry of Social Welfare and Youth, Ministry of Education and Sports and Ministry of Economic Development, Tourism, Trade and Entrepreneurship regarding entrepreneurship learning, the NAVETQ has developed various curricula relevant to the learning modules for the enterprise. More concretely, NAVETQ has introduced two separate subjects “Basics of Entrepreneurship” (grade 12 for all profiles except for business-administration) and “Entrepreneurial Behaviour” (grade 13 of business administration).



A Regional Project implemented by Kulturkontakt Austria in Albania, Macedonia and Kosovo has delivered Training of Trainers actions on new and innovative approaches to Entrepreneurship Learning at VET schools, which involved 6 trainers from Albania. Teacher Training modules on entrepreneurial learning have been developed (3 Training actions). The trainers trained in the project have in turn delivered the three modules involving 70 participants from more than 30 VET schools in Albania. A tool-kit with methods and teaching instruments is being developed that will be made available in printing form to all schools/teachers participating in the project. The Entrepreneurship Learning training program was not accredited due to changes in the procedures of accreditation by Institute of Educational Learning.

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

S4J developed the community of practice in two vocational education programs, ICT and tourism/hospitality. The community of practice acts as a basis for developing teaching and learning materials helping students transition to work. The concept on developing a Virtual Learning Platform, designing Digital Online Learning and including private sector in this activity is also finalized.

Table 17: Pillar B - Description of results to be achieved by 2020

<p><b>B5. Enhancing recruitment and improving competences of VET teachers and teacher trainers (incl. pre service training and continuous professional development), staff in charge of regional management, school or center directors/managers.</b></p>
<p><b>B5.1. Definition of a new policy for recruitment and professional development of VET teachers and instructors to ensure quality of teaching and learning.</b></p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Approved policy paper regarding competence standards, pre service training and induction periods, certification, criteria for selection or recruitment, salary levels and continuous professional development of VET teachers and instructors (referring back to resp. CARDS document).</li> </ul>
<p><b>B5.2 Assessment of competences of VET teachers in public VET institutions and carrying out of an analysis of the demand for VET teachers and instructors, nationwide and by profile.</b></p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Once regional VET providers' network and VET profiles to be offered have been redefined, a national plan for selection/ recruitment and development of VET teachers and instructors/ specialists in 5-10 year perspective approved.</li> </ul>
<p><b>B5.3 Review of the VET teachers' preparation model.</b></p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ VET teacher pre-service programme revised.</li> <li>▪ Training actions to VET instructors in pedagogical elements delivered.</li> <li>▪ Pre/service training program implemented as of 2015.</li> <li>▪ Accreditation mechanism for the access to the VET teacher occupation and training</li> </ul>

actions are in place.

**B5.4** Induction of training for all potential VET teachers that includes obligatory modules on gender equality and social inclusion/diversity issues

Outputs:

- Compulsory induction training on gender equality and social inclusion/diversity issues for potential VET teachers implemented.

**B5.5** Organization and delivery of extensive training for all VET teachers (in-service), including obligatory capacity development on gender equality and social inclusion/diversity issues.

Outputs:

- Training needs identified.
- Database of trainers (including those trained under different donor projects), by specialist area, for both pre and in service training prepared.
- List of available training modules recorded in a database.
- Annual plan to organize VET teacher training defined and funds allocated.
- Networks of teachers in the same occupational field organized (as communities of practice).
- Online teacher materials for self-learning adopted.
- Modules on gender equality and diversity knowledge skills are integral part of VET teacher training materials.

**B5.6** Organization and delivery of training for managers of public VET human resources (regional managers, directors, Board members, VET inspectors).

Outputs:

- Training needs identified.
- Database of accredited (gender) trainers and training modules created and updated.
- Network of directors of VET institutions exchange information, learn and solve problems.
- Training actions to managers, directors, Board members and other VET human resources are delivered starting from 2015.

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

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

After adoption of the Minister of Education and Sport Order No. 6, dated of 24.02.2015, "On the general criteria and procedures for recruitment, personnel theoretical and practical teaching in public education institutions and vocational training", NAVETQ developed the *Road Map to Human Resources Management for public VET providers*. Both documents are being used by VET schools for the recruitment and initial training of teachers.



In 2016, no further development in the field of school teachers' recruitment and development policy were reported. The completion of the legal framework by preparation of bylaws of the VET law would be providing more accurate guidance on the human resource management in VET system.

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

Assessment of competences of VET teachers and VET instructors was carried out in 2015 by NAVETQ with support from GIZ. ETF conducted an assessment on continuing professional development (CPD) of VET teachers and trainers, establishing levels & types of CPD that VET teachers and trainers have received.

#### *B5.3 Review of the VET teachers' preparation model.*

An overall review of the VET teacher preparation model was part of the two studies on the needs for training and continuing development of VET teachers and instructors, implemented in 2015.

Pedagogical training before the appointment (pre-service) of VET teachers, by the institutional set up of the VET system in Albania is a responsibility of the Faculty of Education, nevertheless it is not offered.

NAVETQ, with the support of GIZ, prepared a 24-day (in-service) training on "Fundamentals of didactics on VET", which is or will be an obligatory training for all VET teachers and instructors. This is meant to replace the pre-service training. NAVETQ monitored the implementation of the programme in 2016. In 2016, 42 VET teachers and instructors were trained (see 5.5.). NAVETQ published the approved guidelines for this programme and distributed to VET schools and VTCs 900 copies of the training materials.

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

No progress made on the induction/ mentoring of newly recruited teachers in VET.

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

See under B5.3. above. Progress made includes: the needs assessment for teacher and instructor training, the revision of the teachers' preparation model and the preparation of the teacher training modules for "Fundamentals of Pedagogy on VET".

During 2016, GIZ supported a national training cycle of in-service pedagogical training of 40 VET teachers and instructors. In addition, GIZ has provided training for teachers from the VET Centre Kamza. Training covered general pedagogical training of all 64 teachers (VET and general subject teachers), training in technical fields such as ICT, elderly care and car



mechanics, organization and follow-up on internships as well as study visits to Germany (educational fairs and school exchange). Teachers and instructor trained are reported through a database, which creation was funded by GIZ.

S4J supported the participation of 4 groups of VET teachers & instructors in the 24 days didactic training. The project has also supported the creation of a network of 12 Master Trainers in VET providers. Master trainers are identified as the early adopters and will support their institutions and colleagues in introducing new ways of learning through coaching.

In the frame of the Italian-Albanian Development Protocol, the following short courses for VET teachers were delivered:

- Agricultural School of Cerrik: Health and security in the workplace (HACCP); management of a non-profit making agricultural enterprise in a VET school, including social and economic planning; role of professional tutors and difference between internships and apprenticeships, how to develop an integrated curriculum, how to elaborate a contract and/or framework agreement with third parties, monitoring of school activities.
- Professional school “Hysen Cela” in Durres: course on security in the maritime sector, how to develop project-based learning in the maritime, environment and tourist sectors.

In both cases there are Italian twinning schools who sent their teachers to Albania. The respective twinning agreements between the schools envisage further training actions in 2017.

In 2016 ETF together with NAVETQ undertook a pilot project to set up Teacher Training units in three schools/VTCs (Beqir Cela Durres, Kamza, Industrial school/ VTC Fier). The pilot project supported developing a professional development (CPD) need assessment methodology at school level. Guidelines on how to organise and coordinate CPD provision were also delivered. The CPD of VET teachers and instructors will be one of the new functions integrated in the to-be-established School Development Units within VET providers, as stipulated by the new Law on VET. However, by-laws still have to be developed.

ADA/KulturKontakt supported different activities of teachers training for two IT vocational schools - “Austrian School Peter Mahringer” in Shkodra and Hermann-Gmeiner School. Teachers were trained through four 2-days workshops on methodology and didactics of IT-education. Four PEER-Learning units were held at the vocational school of Shkodra with IT teachers coming from Austrian vocational education. A study trip focused on teacher training to HTL Rennweg in Vienna was organized for the principal and 7 IT teachers of Hermann-Gmeiner School. The visit was followed up by a joint project with Austrian Partner Training on gender sensitive teaching, gender sensitive career guidance and development of gender sensitive outreach measures were provided by KKA for 30 teachers of 15 vocational schools. Training was followed up by setting up a web based platform for information and teaching materials sharing among trained teachers.



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

With support from the GIZ VET programme, training was delivered for VE school and training centre directors training.

In the frame of the Italian-Albanian Development Protocol, professional training on school management and continuous improvement has been provided at the Vocational school “Hysen Cela” in Durres.

A database of accredited trainers and programmes has been created and is continuously updated by NAVETQ.

S4J project engaged two experts in delivering on-job training and support for management staff in VET schools of Vlora region (Tregtare School and Pavarësia School) and Kolin Gjoka School in Lezha. Management staffs of the previously mentioned schools were also engaged in peer exchange capacity building activities on how to develop Apprenticeship Programs when participating in the Regional Fair of Sarajevo.

#### **Main challenges faced implementing “Pillar B”**

- Approved laws on VET and on Craftsmanship have contributed to clarifying the role and responsibilities among institutions; nevertheless the slow pace of drafting and approving bylaws is influencing the progress of actions under pillar B.
- Strengthen capacities devoted to teaching materials development, including financial capacities, institutional capacities and coordination is still needed.
- Quality assurance and accreditation of VET providers
- The model of introducing work based learning at VET system still experimental and not sustainable
- More resources for human resource development throughout the VET system
- AQF legal framework has not progressed affecting the process of curricula revision and cataloguing at national level (with reference to EU) the qualifications and competences
- Business participation and engagement with VET system remains a challenge

On track	On progress	Delayed or not completed
<p>Assessment and reorganization of VET schools completed.</p> <p>Vocational Qualifications titles and descriptions made available at NAVETQ website (<a href="http://www.akafp.gov.al">www.akafp.gov.al</a>)</p> <p>Media campaigns on VET offers and opportunities, Open Days and increased media coverage on Employment and Skills development topics.</p> <p>“Fundamentals on Didactics for VET teachers” has been organized for 42 teachers and 18 trainers.</p> <p>Human Resources (HR) Management of VET Providers Roadmap drafted</p>	<p>New VET Law adopted preparation of bylaws (and re: by-laws)</p> <p>Maintaining a database of VET providers and quality assurance has been conceptualized and documents guiding the process are prepared (UNDP supported) however the complete application of the process depends on the progress of preparing and adopting by-laws.</p> <p>MfC Model design is under preparation (IPA 2013)</p> <p>Intervention on infrastructure has started in 8 VET schools and VET Regional Directorate in Tirana. Equipping schools with labs and other equipment continued in 2016. GIZ, IASDA and IPA 2013 are contributing to infrastructure interventions.</p> <p>Craftsmanship Law adopted, bylaws under preparation</p> <p>Creation of the Chamber of Crafts is ongoing</p>	<p>Development Plan VET staff needs training in all its dimensions (pedagogics, technical, managerial, etc.)</p> <p>Financial resources allocated to the planned activities (i.e. VET staff training, MfCs establishment, AQF further implementation seems constrained.</p> <p>Business participation in a “dual approach” perspective very limited due to lack of legal provisions and incentives (feasibility study for Apprenticeship Schemes in Albania)</p>



## V. MORE SOCIAL INCLUSION AND TERRITORIAL COHESION THROUGH EMPLOYMENT AND SKILLS POLICY.

### Strategic Priority C. Promote social inclusion and territorial cohesion

**Outcome Indicator: All women and men have access to training and support services enabling their contribution to, and benefiting from, socio-economic development across regions, especially the rural population.**

Educational attainment, labour market status and geographical location are strong determinants of poverty. Addressing existing gaps in these areas will have a positive impact on reducing social exclusion among vulnerable groups of the population (low-skilled individuals, long-term unemployed, women working as contributing family members and youth living in rural areas). Targeted education and training policy actions will be used to reduce gaps in educational and training outcomes between rural and urban areas and between poor and non-poor students. Equity concerns, however, demand that specific interventions be deployed to address the needs of individuals at risk of poverty and social exclusion through better access to education, employment and social services as well as employment and income opportunities. The coordination between social assistance programmes and active labour market measures will allow activation strategies grounded on a mutual obligation system. For social inclusion purposes, the focus of the present Employment and Skills Strategy centres on three policy areas. First, the reform and expansion of the National Employment Service, accompanied by an improvement in the range and coverage of employment services and active labour market programmes, will be vital for the improvement of both labour market attachment and employment prospects of population groups at risk of marginalization. The linkages with employment will also be strengthened by the introduction of services and programmes to shift beneficiaries from social assistance to employment.

The strategy lead to significant result in reducing unemployment, however labour market outcomes are not yet generating a strong impact on marginalized groups employment . While male long term unemployment declined in 2016 if compared to previous year, women long term unemployment experienced an increment of around 2%. Young female unemployment and young male unemployment, both declined by 7% and 2.7% respectively, if compared with 2015. Unemployed jobseeker benefiting from employed job seekers were 10% of the total registered unemployed. Unemployed individuals from marginalized groups, as roman and Egyptians were only slightly benefiting from training and employment programs.

**Table 18 Results – Strategic Priority C**

<b>Results – Strategic Priority C:</b>			
	2014 (Baseline)	2015	2016
<b>National Employment and Skills Strategy 2014 – 2020</b>			
Decrease of long term unemployment for women to 61.0 per cent, for men to 59.0 per cent	Female 70.1% Male 61.0%	Female 66.3% Male 65.8%	Female 68.2% Male 64.8%
Decrease in youth unemployment (15-29 years) for girls from 33.8 to 25.0 per cent, for boys from 43.6 per cent to 35.0 per cent, Labour Force Survey	Female 33.8% Male 43.6 %	Female 34.7% Male 32.3%	Female 27.8% Male 29.6%
Reduction of the gender wage gap in 4 per cent point, Labour Force Survey	13.7 p.p.	14.2 p.p.	12.2 p.p
10 per cent of social assistance beneficiaries come from employment promotion programmes	306	353	10%
Annual number of women and men covered by social and health insurance by 1 per cent point	Not provided	Not provided	na
<b>Sector Reform Contract Result Indicators (IPA 2015)</b>			
Number of Roma and Egyptians who complete training programmes, NES	339	239	Monitoring system in place

**Pillar C - Description of results achieved by sub-objective and by Action**

C1. Extending employment and vocational training services to rural areas

C1.1 Establishment of inter-ministerial cooperation to address the situation in rural areas, including the coordination with government initiative and strategies including Strategy for Rural Development.

Outputs:

- Inputs to Rural Development Strategy by Ministry of Agriculture and Rural Development provided.
- Statistical survey methodologies revisited to consider women and men living in rural areas.
- New system in place for registering female and male unemployed jobseekers from rural areas.
- Reconsider definition of "self-employed" in rural areas together with INSTAT. People (families) who own a piece of land are not self-employed *per definitionem* (e.g. Macedonia and Romania do cover people in villages).
- System for registration of female and male rural workers, payment of a small tax for



receiving minimum social protection and employment services in return defined and implemented.

- Statistical methodology tracking female/male rural out-migration established.
- Areas of significant out-migration from rural areas to urban areas are mapped.

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

Outputs:

- Territorial coverage of NES office/services is mapped out. (Focus on uncovered areas with a view to ensure service delivery according to regional differences.)
- NES staff has updated their knowledge on needs of women and men in rural areas and the support including training and other ALMPs to which they could be referred. Action Plan including capacity building of NES staff is drafted and implemented.
- Initiatives to promote registration of unemployed women and men from rural areas are developed
- Mobile units offer employment services to female and male unemployed jobseekers in rural areas.

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

Outputs:

- Public or private training providers to establish satellites or mobile units to offer training courses also in rural areas, tailored to the needs of rural population, including female and male youth and women of all age groups.
- Basic & practical skills courses for crafts trades, farming, food processing offered to female and male rural workers.
- Post-secondary VET to cover agro-food processing technician training, particularly for women.

#### C1.4 Training and employment of marginalized and disadvantaged women and men, including Roma and PWDs.

Outputs:

- A new program on wage subsidies and on the job training for people with PWDs will be implemented for the first time in 2014.
- Review of the ALMMs is carried out and new measures designed.
- New measures for employment promotion of marginalized and disadvantaged women and men, among which Roma and PWDs are extended to rural areas.

### **C1. Progress Made in Extending employment and vocational training services to rural areas**

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

No progress was reported in 2016.

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

Study for the structure of the rural economy/employment has begun. It is expected that the study will provide a clearer picture of out of the labour force in rural areas, and establish a basis for the extension of employment services and VET in rural areas.

No further steps or interventions progress was reported in 2016

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

Study for the structure of the rural economy/employment has begun. It is expected that the study will provide a clearer picture of the need to offer vocational trainings or vocational education for the rural areas.

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

During 2016, ALMP had been designed to have a particular focus on marginalized individuals. Two of the seven council of minister decisions on ALMP were dedicated to marginalized groups. The scoring formula developed by NES to enable selection of beneficiaries were given preferential rates to individuals marginalized. Overall the employment promotion program reported that:

- 10% of beneficiaries of employment program were removed from the social protection schemes
- 6.3 % of employed people were removed from the registered unemployed jobseekers (budget support indicator)
- 53% of employed individuals under employment promotion program were females
- 23% of employed individuals under employment promotion program were long term unemployed individuals
- 1.4% of employed individuals under employment promotion program were roman (318 individuals)
- 0.15% of employed individuals under employment promotion program were PwD (25 individuals)
- 0.7% of employed individuals under employment promotion program were emigrants living under extreme difficult conditions (141 individuals)

## **C2. Promoting social entrepreneurship (social economy and the third sector jobs) and women's economic empowerment**

### **C2.1 Design and implementation of measures in relation to social entrepreneurship.**

#### **Outputs:**

- Increase in the number of women and girls benefiting.
- Tracer study on female/male beneficiaries progressing into employment, start-up, clusters etc, in rural and urban areas.

- Mentoring programme for women and girls in place and accessible in rural areas.
- Concept of social enterprise (incl. model of cooperatives) is defined and addressed through proper legislation, in a SEE regional perspective.
- Comprehensive start-up strategies consisting of an all-inclusive consultancy, professional business idea assessment is composed.
- Modularized training in preparation of a start-up and on-going consultancy for at least the first year of self-employment is assured
- Required qualifications ensuing from the Small Business Act for Europe - Istanbul Indicators integrated into NES modules, and reflected in all training, coaching, counseling and business consultancy measures.
- Increased access to training and the labour market for women by supporting policies, measures and initiatives that aim at reconciling work and family life (e.g. child care facilities), including in rural areas.
- Inter-sectoral cooperation between the Policy Advisory Group on Women's Entrepreneurship (MoEDTE), NES and the VET system.

C2.2 Creation of conditions for fostering female and male employment in the third sector (social enterprise focus).

Outputs:

- Capacity building of NGOs including improvement of management knowledge and skills, supporting professionalism, training for the establishment and implementation of new business, and promotion of "learning partnership" is promoted.
- Training of local and regional authorities and public institutions how to work with third sector organizations is delivered.
- Cooperation between NGOs and the business sector is promoted.

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

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

The Social Enterprise Law was approved, preparation of bylaws was under progress during 2016. This Law regulates the organization and operation of social enterprises and sets out the conditions and criteria that an entity must fill to obtain the status of social enterprise.

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

No progress was reported

## **C3. Introduce an activation strategy to minimize inactivity and welfare traps**

C3.1 Reform of social assistance system to avoid leakages, targeting errors and increase coverage of eligible individuals and to link welfare with reintegration into the labour market.

Outputs:

- Harmonized delivery of employment and social services to address the needs of individuals facing multiple disadvantages, maximize the interaction between passive and active policies, identify disincentives to labour market participation, and reduce welfare dependency.
- A system combining social welfare and active labour market policies (possibly including a community works programme) is established to support labour market integration of *Ndihma Ekonomike* recipients.
- A monitoring mechanism is established which tracks the situation of vulnerable and/or socially excluded women and men in Albania, including those affected by migration.

### **C3. Progress Made to o minimize inactivity and welfare traps**

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

The National Social Protection Strategy 2015-2020 was approved in 2015, by the Decision of Council of Ministers Nr. 1071, dated of 23.12.2015. This Strategy mainly aims at reforming the Social Protection Programme. One of the main objectives of this strategy is the transformation of an economic aid program into an active reintegration scheme, by creating packages for the creation of employment opportunities, through increasing the involvement of social assistance beneficiaries in active labour market policies. Increase the efficiency of the social assistance scheme and its a passive to an active scheme will be implemented through several steps. It envisages also establishing a sustainable connection between the Economic Aid scheme, the vocational education and training schemes and the employment promotion programmes, thus strengthening and activating at the same time, families and individuals.

During 2016, NES information system was connected to the information system used by the social protection system (social assistance). Exchange of information has helped employment programs to target people under social assistance program. During 2016, 10% of people supported by ALMP were taken out of the social assistance (*ndihma ekonomike*).

#### Main Challenges

- Inter institutional coordination (line ministries, institutions, donors and social partners)
- Financial and human resources to support extension of NES services to rural areas
- By Laws to support employment opportunities for marginalized groups as social enterprising
- Strengthening of the national system of social exclusion monitoring to support better policy targeting

On track	On progress	Delayed or not completed
<p>Social Protection Strategy 2015-2020 was approved (with a significant component on Labour Market inclusion of the most vulnerable groups through VET offers)</p> <p>Social enterprise Law is approved</p> <p>Pilot of “modernization of Social Assistance Services” in three regions is completed</p> <p>Roma monitoring system is operational and training of staff responsible to enter information is performed</p>	<p>Study for the structure of the rural economy/employment has begun. It is expected that the study will provide a clearer picture of the working age population out of the labour force in rural areas, and establish a basis for the extension of employment services and VET in rural areas.</p> <p>Social enterprise Law approved, by laws on progress</p>	<p>Extension of Employment and VET services to rural areas not initiated yet – many challenges faced</p> <p>Inter-ministerial cooperation is lacking to address the needs of the rural population in a comprehensive way in what regards employment and VET policies</p>

## VI. Better governance of the labour market and qualification systems

### Strategic Priority D. Strengthen the governance of labour market and qualification systems

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

Effective employment, education and training policies call for improved administration, efficient use of financial resources and better design, monitoring and evaluation of outcomes. Improving labour administration requires building the capacity of labour market institutions, namely the Departments of MoSWY responsible for employment & migration, VET, labour relations and OSH policies, the National Employment Services (NES), the National Agency for Vocational Education and Training and Qualification (NAVETQ) and the State Inspectorate for Labour and Social Service (SILSS) to manage their core tasks.

The interventions to improve the governance of the labour market is based on a multi-pronged approach, and robust social dialogue mechanisms. Governance system will develop evidence-based policies, more effective planning and management system, optimization of education and training service delivery and adopt risk mitigation mechanisms.

#### Key-results (by result indicators and targets)

Results – Strategic Priority D:			
	2014 (Baseline)	2015	2016
<b>National Employment and Skills Strategy 2014 – 2020</b>			
75 per cent of the staff of MoSWY working for Strategy reforms	Not provided	Not provided	na
At least 80 per cent of the targets established by the Action Plan of the Strategy achieved	Not provided	Not provided	na
Establishment of Employment and Training Fund	Law drafted	na	na
Establishment of sound mechanisms for monitoring and evaluation of the labour market and VET outcomes	On-going	Completed	Completed
A modern legal framework aligned with the EU standards, including a further developed Albanian Qualification Framework	--	VET Law drafted AQF Law under revision	VET Law Approved AQF Law under revision
Strengthen social dialogue	NLC re-established	NLC met 3 times	NLC met 3 times

Increased involvement of the private sector in the governance and financing of the sector	No progress	No progress	No progress
Sector Reform Contract Result Indicators (IPA 2015)			
Number of qualifications designed/revised according to the Albanian Qualification Framework (AQF), NAVETQ	87	20	30
Adoption of the revised Labour Code and subsidiary legislation, M0SWY		Labour Code amendments adopted.	Objective Met in 2015

### Pillar D - Description of results achieved by sub-objective and by Action

<p><b>D1. Reforming the financing and governance of the labour market and VET systems</b></p> <p>D1.1. Creation of an Employment and Skills Development Fund.</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Employment and Skills Development Fund principles and mechanisms for both the collection of contributions and the disbursement of funds developed in consultation with the private sector and donors.</li> <li>▪ Legislation for Employment and Skills Development Fund drafted and adopted.</li> <li>▪ Employment and Skills Development Fund managers and staff recruited and trained.</li> <li>▪ Employment and Skills Development Fund procedures drafted and made operational.</li> <li>▪ Annual implementation plans drafted and implemented through specific regulations.</li> <li>▪ The role of business as intermediaries is strengthened.</li> <li>▪ Calls for applications published to fund training and employment measures according to specific criteria.</li> <li>▪ Contracts with providers signed and managed.</li> <li>▪ Awareness-raising, publicity, monitoring, evaluation and reporting activities implemented.</li> </ul> <p>D 1.2. Creation of (an) autonomous structure(s) for the administration, the development and oversight of VET (the current NAVETQ).</p> <p>Outputs:</p> <ul style="list-style-type: none"> <li>▪ Revised Law and related by-laws drafted and adopted.</li> <li>▪ Strong private sector participation ensured in the decision-making of the structures and annual development activities.</li> <li>▪ Structure(s) for the administration and development of VET in Albania established and organisational chart and tasks defined.</li> <li>▪ Staff recruited and all staff trained in line with the new tasks and a training needs analysis.</li> <li>▪ Annual plans for VET development approved in line with NESS 2014-2020 Action Plan and progress reporting assured.</li> </ul> <p>D 1.3 Strengthening the role of the National Labour Council.</p> <p>Outputs:</p>
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- Functional National Labour Council with tripartite representation is approved.
- Legal framework for the operationalization of the National Labour Council is in place.
- Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.

#### D 1.4 Creation of a National Council for Employment and VET.

##### Outputs:

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

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

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

The Draft Law "On the Fund for Employment and Skills Development" was developed through a long process of consultations in the period 2013-2014. Establishing the Employment and development Fund has not progressed in 2016 due to legal and budgetary constraints.

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

The Law No. 15/2017 "On the Vocational Education and Training in the Republic of Albania", article 9, describes the National Agency of Vocational Education, Training and Qualifications roles and responsibilities in the VET system. The organizational structure, rules and operational procedures are to be developed through a Council of Minister Decision, which was under preparations during 2016, but not finalized and approved. However, the approval of this CMD would strengthen NAVETQ and clarify its legal framework of functionality and mission removing overlapping and inter institutions coordination issues.

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

The National Labour Council (NLC) is the highest tripartite social dialogue structure at national level. NLC is organized in 6 thematic tripartite commissions – Legal Commission, Employment, Vocational Education, Training and Qualification Commission, Wages and Pensions Commission, Work Environment Commission, Health and Safety Commission, Equal Opportunities, Disability and Youth Commission and lastly the Economic and Financial Commission. Thematic consultations are firstly implemented through commissions and then presented to NLC.



Three consultative meetings of NLC were held during 2016. The Council discussed and consulted with government representatives and social partners the Law on Social Enterprises, Social Protection and Inclusion Document, a strategic document dedicated to social inclusion. The latest reform and policy interventions on reducing labour market informality were presented and discussed with the council in an annual review of the reform results and problems. The council has been very active in organizing promoting activities on the Labour Code changes, curricula development for VET and job safety issues.

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

No progress was reported.

<b>D2. Developing and implementing the Albanian Qualification Framework</b>
<p>D2.1 Review of the work undertaken on vocational qualifications of the AQF. Outputs:</p> <ul style="list-style-type: none"> <li>▪ Legal framework for AQF has been reviewed.</li> <li>▪ Legal package (financial, administrative etc. regulations) has been prepared.</li> <li>▪ Reviews undertaken on the work done so far on qualifications by NAVETQ and under different donor projects, and on qualifications offered by public or private VET providers or universities or existing only on paper.</li> <li>▪ Research of various models for implementation of the credit system in VET is undertaken.</li> <li>▪ Albanian credit system model is conceptualised.</li> </ul>
<p>D2.2 Establishment and operationalization of sector committees. Outputs:</p> <ul style="list-style-type: none"> <li>▪ Sectors of strategic importance to Albania have been prioritised and sector committees established with social partner representation.</li> <li>▪ Compliance with 30% minimum quota of qualified women in leading/decision-making/management positions.</li> <li>▪ Sector committees reviewed qualifications required within their sector.</li> <li>▪ NAVETQ revised list of professions.</li> <li>▪ Sector committees developed occupational standards at different levels of competence for a prioritised list of occupations.</li> </ul>
<p>D2.3 Revision and linking of curricula to the Albanian Qualifications Framework. Outputs:</p> <ul style="list-style-type: none"> <li>▪ Curricula revised on the basis of qualifications referenced to AQF levels.</li> </ul>
<p>D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/ recognition of prior learning. Outputs:</p> <ul style="list-style-type: none"> <li>▪ Bodies appointed and procedures in place for the validation of qualifications; assessments of knowledge, skills and competences; certification; and validation of prior</li> </ul>

learning.

- National system of qualifications is capable of recognizing work experience, skills and qualifications received abroad.

## **D2. Developing and implementing the Albanian Qualification Framework**

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

NAVETQ, lead the work of AQF Task Force during 2016, with support provided by ETF. The scope of the task-force was mainly the revision of the Law No. 10247, dated 04.03.2010 "On the Albanian Qualification Framework", and preparation of proposals for the needed secondary legislation. The Task- during 2016 and has finalized and consulted the Amendments to the 2010 Law on AQF. The completed set of documents required for the Parliamentary approval of the Law are finalized. Task force has prepared a informative document for the public on the qualification network and updated the List of National Qualification as per labour market demand. The task force has started the process of referencing national qualifications with European Qualification Framework.

Coordination of the task force, given modest resources, was challenging. Overall interventions and developments developing qualification framework is in need of a clear legal framework, better quality assurance for qualifications and more resources.

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

A study on supply and demand for qualifications in the sector of hospitality and tourism was implemented by NAVETQ during 2016. The information collected was used to update the National List of Occupations, which by end of 2016, included 666 occupation description. Sectorial committees were not established and made operational during 2016, since the amended AQF law was not approved. The AQF law amendments define fully how Sectorial Committees will be organized and function.

A model for their operations and the implementation of the committees has been developed by RisiAlbania and NAVETQ. The Albanian Qualifications Framework Task Force or Authority (AQF) will be responsible for managing the SSCs on behalf of MoSWY. In each sector committee there will be representatives from private sector, including sector associations, lead firms, the Chamber of Commerce and Industry, Trade Unions, and from the skills supply side including public and private TVET institutions, Universities from sector, NAVETQ, AAHE, NES and others.

In addition, RisiAlbania has also organized a study tour in September 2015 for MoSWY, NAVETQ, Ministry of Education, and Ministry of Economy and sector business associations of Tourism and ICT to Estonia in order to see at how sector committees are operating in practice.

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

During 2016, 14 curricula and professional qualifications were designed in accordance with descriptions of qualifications associated with AQF levels. All curricula on vocational education system are prepared in full compliance with qualification description. The process of reviewing and aligning all the curricula in VET education with AQF would benefit from improvement in the legal framework and strengthening NAVETQ.

### *D2.4 Selecting bodies and putting in place procedures for the validation of qualifications, skills assessments, certification and the validation/ recognition of prior learning.*

The process of implementing recognition of prior learning mechanisms was prepared and piloted, however the legal basis is not yet fully in place. The new VET law supports implementation of procedures for recognition of prior learning but it is not complete without the AQF law and its bylaws. Recognition of prior learning would contribute to the development of lifelong learning opportunities, especially among adults and improve their participation. Completion of the legal framework would unlock the progress of this activity.

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

D3.1 Gender-sensitive review of existing surveys and analysis of skills needs at national and regional levels.

Outputs:

- Regular gender-sensitive national skill needs analyses carried out and findings published on line.
- Skills needs assessment and related methodologies take into account mobility/migration of the population.
- Capacity development measures that ensure that gender equality, diversity and equal opportunity aspects are integrated into all methodologies and studies, and into the analysis and interpretation of VET and labour market data.
- Regional skill needs, using ETF-GIZ baseline study and regional development plans (UNDP), among others.
- National and regional skill needs analyses have informed the re-conceptualization of the network of VET providers and the gender-sensitive VET profiles offered in Albania and in each region.

D3.2 Establishment of a gender-sensitive tracer system for VET graduates (initial and continuous training).

Outputs:

- Gender-sensitive tracer systems implemented by all VET providers and results released to the general public.

- Female and male graduates are tracked and gaps in gender-specific data and information closed.
- Results obtained through gender-sensitive tracer studies inform VET and labour market policy, management, decision-making, prioritization and budget allocation.
- Employment policy makers are capable of recognizing skill gaps in the national labour market and elaborate measures promoting skill transfer/borrowing from other labour markets.

D3.3 Developing information sharing instruments about gender-sensitive labour market data (labour market bulletins, websites etc.).

Outputs:

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

D3.4 Establishment of mechanisms for sectorial skills forecasting.

Outputs:

- Sectorial skills forecasting methodology is designed.

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

Periodical Skills Needs Analysis surveys are planned for the period 2016-2018 in cooperation with UNDP. During 2016 preparations to implement the SNA in 2017 were done. The preparations involved revision of the methodology, sampling and questionnaire including gender issues. The methodology and questionnaire were discussed with ILO experts and the working group at NES. The revision included also the gender sensitiveness

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

Aiming to increase the effectiveness of the vocational training and its relevance for employment GIZ VET programme in Albania, implemented a tracer system for VET graduates VET secondary schools and VT centers. This system is already operational for Tirana region including Kamza. The reports with information on students/trainees' employability after the completion of schools/VTC would improve evaluation of VET providers, especially of public providers. The



tracer system adoption at National Employment System was approved by a Minister Order (add number/details).

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

No progress was reported

The Labour Force Survey 2015-2016 data were reprocessed according to the latest international standards approved by the International Conference of Labour Statisticians (ICLS). They are used to withdraw information on the dynamics of labour market tracing the monitoring indicators of the NESS 2014-2020. Strategy monitoring indicators are designed with relevance to National Harmonised Gender Indicators. National Employment Service reports periodically statistics on the ALMP. Periodic reports are also elaborated on labour migration.

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

No progresses made until December 2015.

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

Review of all pieces of existing legislation that regulate VET (in schools, VTCs, or higher professional education at universities, by public or private providers) and aspects related to VET (curriculum development, teacher training etc.).

### Outputs:

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

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

*D4.1 Review of all pieces of existing legislation that regulate VET (in schools, VTCs, or higher professional education at universities, by public or private providers) and aspects related to VET (curriculum development, teacher training etc.).*

After approval of the Law on VET different working groups composed of specialists, experts, lawyers of the Ministry of Social Welfare and Youth, the NAVETQ, the NES as well as independent experts in the field of general education and vocational education, training and qualification are working to prepare the bylaws. During 2016, the working groups were supported by ETF, GIZ, and UNDP. The lack of bylaws has been a serious constraint on the progress of reforms in the VET and AQF.

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

D5.1. Approximation of relevant Albanian legislation with EU Directives.

Outputs:

- Legislation adopted in conformity with EU legislation.
- Compliance is ensured on blue card directive, seasonal worker directive, single permit, researchers and scientists, family unification.
- SEE regional labour market is more inclusive and labour mobility is promoted across countries.

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

Outputs:

- Skill transfer programmes are facilitated in the SEE region.

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

*D5.1 Approximation of relevant Albanian legislation with EU Directives.*

No Updates

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

No Updates

On track	On progress	Delayed or not completed
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<p>National Labour Council (NLC) meets regularly and is fully operational.</p> <p>Law on VET approved</p> <p>Tracer System operational</p> <p>EU Directives and international labour conventions adopted</p>	<p>NLC Specialized Committees still to be further implemented as well as regional structures for social dialogue</p> <p>By Laws on VET preparation is under progress</p> <p>Guidelines for establishing Sectoral Skills Committees have been drafted, still pending on the approval of qualification framework</p> <p>Curricula and qualification standards linked to AQF-EQF is an on-going process supported by ETF</p> <p>Skills Needs Analyses 2016 in progress</p> <p>Autonomous structure for governing VET system is ongoing, depending on the progress of bylaws preparation.</p> <p>Labour migrants regulatory framework still with many deadlocks</p>	<p>Recognition of Prior Learning mechanisms have been defined and tested in few qualifications, but lacks further regulations and resources for its establishment at the system level</p>
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## VII. EMPLOYMENT AND SKILLS STRATEGY ACHIEVEMENTS

Monitoring the achievements under NESS 2014-2020 is aligned with other European and regional strategies, similar to the alignment of the strategy. MoSWY has endorsed, as an integral part of the strategy the set of monitoring and evaluation indicators, many of which are similar to those used under EU 2020 strategy. National Institute of Statistics, provides annually measures of the monitoring indicators under NESS 2014-2020. A summary table of all indicators, presenting baseline and targets, as well as indicator measured in 2016 is prepared. The aim of this analyses is to see the progress of baseline toward the targets, while the strategy implementation approaches its mid term review at the end of 2017.

Monitoring indicators manifest a strong positive impact of the NESS implementation on employment and labour market participation. 17 out of 20 monitoring indicators manifest a progress toward fulfilment of NESS objectives. Only few indicators are progressing toward targets with slower pace, however they do not seem to be at risk of not being met. The only indicator that is lagging behind targets is the employability of VET graduates.

The actions implemented under NESS strategy have triggered positive impact on labour market participation and employment overall. From 2015 to 2016 employment has increased by 6.5 % and official unemployment rate (15-74 years old) has decreased by 1.9 percentage points. Youth (15-29 years old) unemployment rate is 28.9 %, (29.7 % for males and 27.8 % for females). Compared to the previous year, youth unemployment rate has decreased by 4.3 percentage points.

The long term unemployment remains still rigid to policy interventions. Compared to the previous year, the share of long term unemployed to the total unemployment has increased by 0.2 percentage points.

Agriculture, service sector and industry are the most important sectors generating employment, however a slight decline in share of agriculture employment relative to industry and service sector continues to happen. The strategy reports targets with increase share of agriculture employment, which probably have to be reviewed and reflect better the structure of the economy.

Vocational education enrollment in 2016 improved only slightly. Overall VET system (public and non public) 27 300 students are enrolled, from which 18500 are enrolled in the public VET system. VET students in 2016 represented 19.5% of the students attending general secondary education nationally. The share of students attending VET education is increased by 4.5 percentage points if compared to 2014. While enrollments in the VET system have been improved noticeably, the employability of VET graduates is reported lower than employability in previous years. More has to be done in improving business perception on the quality of VET



graduates. Improving business participation in VET would generate more employment among VET graduates.

The strategy has definitely triggered positive impact on employment and VET enrollment, however more efforts have to be dedicated to inclusive labour market and VET/VT outcome. Participation of vulnerable groups or success of vulnerable ones in the labour market needs to progress along side general progress and be sounder, especially with respect to women and youngsters participation in labour market and VET

**Table 19: Key-Targets Monitoring - National Employment and Skills Strategy 2014-2020**

Indicator	Means of verification	2012 (baseline)	2014	2015	2016	Targets 2017	Targets 2020
Youth (15-24 years old) not in employment and not in education (NEET)	LFS (Q2.2012-Q1.2013)	31.30%	30.90%	29.60%	26.90%	25.00%	20.00%
Registered unemployed benefitting from employment promotion programmes	NES	1%	2.80%	3.60%	4.35%	3.50%	10.00%
Incidence of long-term unemployment	LFS						
Total	LFS	75.10%	64.30%	66.00%	66.20%	65.00%	60.00%
Female	LFS	76.60%	70.10%	66.30%	68.20%	66.00%	61.00%
Male	LFS	74.30%	61.00%	65.80%	64.80%	64.00%	59.00%
Employment rate (population aged 15 years and above)	LFS	35.00%	44.30%	46.20%	48.70%	42.00%	50.00%
Labour force participation rate (population aged 15 years and above)	LFS	31.30%	53.70%	55.70%	57.40%	42.00%	50.00%
Unemployment rate (population aged 15-74 years old)	LFS	26.60%	17.50%	17.10%	15.20%	22.00%	15.00%
Youth unemployment rate (15-24), by sex							
Total	LFS	40.30%	39.00%	39.80%	36.40%	35.00%	30.00%
Female	LFS	33.80%	32.60%	40.80%	34.90%	30.00%	25.00%
Male	LFS	43.60%	42.50%	39.20%	37.30%	40.00%	35.00%
Work force by main economic sectors							
Agriculture	LFS	48.20%	42.70%	41.40%	40.20%	49.50%	50.00%
Industry	LFS	16.00%	17.50%	18.60%	19.30%	17.00%	18.00%
Services	LFS	33.00%	39.40%	39.80%	40.40%	32.50%	32.00%

Others	LFS	2.70%	0.40%	0.30%	0.00%	1.50%	0.00%
Employment rate of vocational education graduates (Share of employed with vocational education to the total employment)	LFS	15.70%	12.60%	12.40%	12.10%	25.00%	40.00%
Share of individuals (25-64yrs) participating in lifelong learning	LFS	1.10%	1.30%	1.00%	1.10%	2.50%	4.00%
Gender gap in employment	LFS	16.4 p.p	14.7 p.p	15 p.p	12.2 p.p	14 p.p	10 p.p
Share of working poor/low wage workers	LSMS	59.00%	n.a.	n.a.	na	55.00%	50.00%
Share of employment programme beneficiaries employed after participation	NES	43.00%	n.a.	n.a.	na	49.00%	55.00%
Share of social assistance beneficiaries referred to ALMPs	NES	1.40%	7.50%	6.00%	10.00%	5.00%	10.00%
Registered unemployed benefitting from basic employment services	NES	36.00%	39.20%	42.40%	na	50.00%	60.00%
Share of GDP invested in ALMPs	National Accounts	0.02%	n.a.	n.a.	na	0.03%	0.03%
Share of vocational education students on the overall secondary education.	Education statistics	14.20%	n.a.	n.a.	19.5%	20.00%	25.00%
Share of female students in vocational education (secondary level)	Education statistics	20.00%	n.a.	n.a.	na	24.00%	30.00%
Public investment in vocational education and training	National accounts	100%	n.a.	n.a.	na	(100%) +20%	(100%) 30.0%
Share of female and male agricultural family workers under social, health and pension insurance							
Total	LSMS	11.60%			na	20.00%	30.00%
Female	LSMS	5.50%			na	25.00%	35.00%
Male	LSMS	12.80%			na	15.00%	25.00%



## 8. CHALLENGES AHEAD

This annual monitoring process on the NESS implementation provides information on what has been done, by whom, by when and what has been achieved under the implementation of the National Strategy of Employment and Skills 2016.

The strategy has entered in a stage that could be considered a full pace of implementation, 92% of actions part of NESS action plan are initiated and reached an average implementation level of 66%.

*The strategy has triggered very positive impact on employment and human capital development. More needs to be done on improving labour market inclusiveness, ensure quality in the vocational education and training and strengthen the legal framework under which employment and vocational education operates.*

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

Legal changes implemented so far have been a stumbling stone on the reform initiated, the progress and results achieved. However, the legal changes are yet a reason of slowing down the progress. *Developing bylaws for the set of laws on VET and employment remains crucial to the strategy resuming its pace in implementation, improving governance and participation of social partners and businesses.* The progress done at technical level has to be taken forward to the decision making level, if results under the strategy have to be achieved.

Quality assurance mechanisms for vocational education and training institutions, as specified in the new VET law need to be promoted, developed and installed. The awareness and reforms in VET have resulted in increasing of participation in VET schools and centers. Quality assurance mechanism are crucial to sending signals to the labour market and improve employability of VET graduates. This intervention would minimize the risks of a negative impact on quality, which was recovered with a lot of efforts and long term commitment of the government and different actors. Institutions and VET providers need to be exposed to the practice of accreditation and internal quality assurance. Regulations and guidelines prepared need to be largely consulted, intensive capacity building and promoting activities need to be planned in a short time.

Private sector involvement in the design and implementation of labour market and VET policies remains crucial to the success of the strategy. Business involvement remains crucial to the sustainability of the results achieved as well.



Progresses are needed towards the involvement of private sector on VET mainly as a partner in delivering work base learning through internships, apprenticeship schemes, VET trainers. Contributions of private sector have been *ad-hoc* and needs to be framed by a coherent and encouraging legal framework and policy measures.

Labour market analysis tools need regular and systematic approaches. Labour market information (ex: SNA, skills forecasting, sectoral demand skills analysis, sectoral skills committees) is a critical tool for developing this sector and to make evidence-based policies. Sound data collection mechanisms, certification as official statistics, improving methodologies and systematic publishing of data and results are critical for monitoring progresses and define further actions.

Extension of services to rural areas and to the most vulnerable groups. This has been the most critical area of intervention highlighted by the responsible institutions. No progresses have been made on the extension of employment and VET services to the rural areas. Reduced progresses have been made on linking the reform of social assistance programmed to the employment and skills development programmes available. Strong emphasis in these measures is needed in the future for catching up the delivery levels needed. This calls for structured inter-ministerial and inter-departmental approaches, with concrete budget allocations and identified responsible teams.

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

Policy coordination and implementation with other Ministries and public institutions needs to be strengthened. The establishment of the IPMG is an opportunity for strengthening policy coordination both at inter-ministerial and inter-departmental levels. It is highly recommended that regular meetings of the IPMG take place and follow the progresses achieved both in NESS and SRC implementation.

## APPENDIXES

### Appendix 1: Methodology, phases and timetable

The preparation of Annual Progress Report on the implementation of the NESS 2014-2020 is expected to be developed in a close cooperation between the MoSWY, its main public institutions responsible for the interventions in the sector (NES, NAVETQ, SILSS), other line Ministries, the international development partners active in this field (UN agencies, ETF, Austrian, German, Italian and Swiss development cooperation agencies). INSTAT plays also a crucial role on providing the necessary statistical data for monitoring the key-indicators and respective targets/results. The participation of social partners and civil society organizations is also planned and encouraged within this process. The report will combine different sources of information, using both qualitative and quantitative data.

The elaboration of the Progress Report will be done in three phases:

Phases	Description of results	Deadlines
Phase 1 – Preparation and formalization of the process	<ul style="list-style-type: none"> <li>▪ Design of monitoring/reporting tools and data collection fiches;</li> <li>▪ Approval of the methodology</li> </ul>	<p>Mid February 2017</p> <p>Mid February 2017</p>
Phase 2 – Data collection and analysis, elaboration of the draft report	<ul style="list-style-type: none"> <li>▪ Data collected from the main stakeholders, including statistical data from INSTAT and best cases/testimonies from the field interventions (deadline: 31.03.2017);</li> <li>▪ Preliminary results made available in the format of a draft report (10.04.2017)</li> <li>▪ Comments to the draft results received and incorporated in the draft report;</li> <li>▪ Revised draft Report presented to the IPMG thematic group on its second meeting (end of February).</li> </ul>	End of March 2017
Phase 3 – Consolidation of results, final consultation with social partners and	<ul style="list-style-type: none"> <li>▪ Meeting of the National Labour Council's Specialized Commission on Employment and VET (to be decided);</li> <li>▪ Elaboration of the final draft of the</li> </ul>	Mid May 2017

<p>final draft of the Progress Report published and made available to the general public</p>	<p>Progress Report incorporating received suggestions/comments;</p> <ul style="list-style-type: none"> <li>▪ Preparation of the publication of the report (English and Albanian versions)</li> <li>▪ Information made available on-line at the Ministry's website (dedicated webpage to the NESS implementation)</li> </ul>	
	<ul style="list-style-type: none"> <li>▪ Final Draft</li> </ul>	<p>May 22, 2017</p>

### Annex F. Responsible institutions by Action (data collection)

File	To be filled by:
Key-targets 2020	INSTAT - Pranvera Elezi
Ind fiche Pillar A	SHKP - Artur Miko
Ind fiche Pillar B	NAVETQ - Sonila Limaj
Ind fiche Pillar C	SHKP - Artur Miko
Ind fiche Pillar D	MMSR - Silvana Banushi
A1.1	SHKP - Artur Miko/Brikena Nallbani
A1.2	SHKP - Artur Miko/Brikena Nallbani
A1.3	SHKP - Artur Miko/Brikena Nallbani
A1.4	SHKP - Artur Miko/Brikena Nallbani
A2.1	MMSR - Genta Prodani (Qosja)
A2.2	MMSR – Tefta Koçi
A3.1	MMSR - Genta Prodani (Qosja)
A3.2	SHKP - Artur Miko/Brikena Nallbani
A4.1	MMSR - Genta Prodani (Qosja)
B1.1	MMSR - Silvana Banushi
B1.2	MMSR - Silvana Banushi
B2.1	MMSR - Silvana Banushi
B2.2	NAVETQ - Sonila Limaj
B2.3	NAVETQ - Sonila Limaj
B2.4	NAVETQ - Sonila Limaj
B2.5	NAVETQ - Sonila Limaj
B3.1	MMSR - Silvana Banushi
B3.2	NAVETQ - Sonila Limaj
B3.3	NAVETQ - Sonila Limaj
B4.1	NAVETQ - Sonila Limaj
B4.2	MMSR - Silvana Banushi
B4.3	NAVETQ - Sonila Limaj
B4.4	NAVETQ - Sonila Limaj
B4.5	NAVETQ - Sonila Limaj
B5.1	NAVETQ - Sonila Limaj
B5.2	NAVETQ - Sonila Limaj
B5.3	NAVETQ - Sonila Limaj
B5.4	MMSR - Silvana Banushi

B5.5	NAVETQ - Sonila Limaj
B5.6	NAVETQ - Sonila Limaj
C1.1	SHKP - Artur Miko/Brikena Nallbani
C1.2	SHKP - Artur Miko/Brikena Nallbani
C1.3	SHKP - Artur Miko/Brikena Nallbani
C1.4	SHKP - Artur Miko/Brikena Nallbani
C2.1	SHKP - Artur Miko/Brikena Nallbani
C2.2	SHKP - Artur Miko/Brikena Nallbani
C3.1	MMSR - Merita Xhafaj
D1.1	MMSR - Genta Prodani (Qosja)
D1.2	MMSR - Silvana Banushi
D1.3	MMSR – Luljeta Krasta
D1.4	MMSR - Genta Prodani Qosja
D2.1	NAVETQ - Sonila Limaj
D2.2	NAVETQ - Sonila Limaj
D2.3	NAVETQ - Sonila Limaj
D2.4	NAVETQ - Sonila Limaj
D3.1	MMSR - Silvana Banushi
D3.2	MMSR - Silvana Banushi
D3.3	MMSR - Silvana Banushi
D3.4	MMSR - Silvana Banushi
D4.2	MMSR - Silvana Banushi
D5.1	MMSR – Alban Haxhi
D5.2	MMSR - Genta Prodani Qosja



### Annex G. NESS 2020 List of key statistical indicators

Key targets and indicators from the NESS 2014-2020 (**what needs to be monitored?**). These data are mainly collected by INSTAT and NES and available around May every year. Sources are indicated.

Indicator	Unit	Definition	Source	Data release	LAY
<b>EU2020 and SEE2020 reference indicators (common indicators)</b>					
<b>Education</b>					
K. Early school leavers	%	% of 18-24 with at most lower secondary education and not in further education or training	LFS	Yearly	2012
K. Tertiary educational attainment	%	% of 30-34 who have successfully completed university or university-like education	LFS	Yearly	2012
K. Highly qualified people	No.	Number of highly qualified people in the workforce	LFS	Yearly	2012
K. Early childhood education	%	% of children in pre-primary education	Education statistics	Yearly	2012
K. Achievement in Basic Skills	%	Share of 15-years-olds failing to reach Level 2 in reading, mathematics and science	PISA/OECD	Every 3 years	2012
K. Lifelong learning	%	Share of the population aged 25-64 who stated that they received formal or non-formal education or training in the four weeks preceding the survey.	LFS	Yearly	2012
Participation in VET	No.	Number of students in VET as percentage of total enrolment in	Education statistics	Yearly	2012

		Upper Secondary education – ISCED 3, Education statistics			
VET completion	%	Percentage of students having successfully completed a VET programme	Education statistics	Yearly	md
<b>Labour market/Employment</b>					
K. Employment rate (20-64)	%	Ratio between the employed aged 20-64, and the population aged 20-64	LFS	Yearly	2012
K. Overall employment rate	%	Ratio between the employed aged 15+, and the population aged 15+	LFS	Yearly	2012
K. Employment rate of recent graduates	%	The share of employed people aged 20-34 having successfully completed upper secondary or tertiary education, 1 to 3 years before the reference year of the survey and who are no longer in education or training	LFS	Yearly	md
Placement rate of VET learners	%	Share of employed who attended a VET programme on total employment	LFS	Yearly	2012
Share of GDP invested in ALMPs	%	Expenditure on Labour Market Policies categories 2-7, as share of GDP	National Accounts	Yearly	2012
<b>Entrepreneurship</b>					
Entrepreneurship promotion	Score	Scores for the following indicators: - Training needs analysis - University-enterprise co-	Small Business Act, OECD	Every 3 years	2012

		<ul style="list-style-type: none"> <li>operation</li> <li>- Training for women's entrepreneurship</li> <li>- Access to training</li> </ul>			
<b>National specific indicators (reflecting country's policy priorities)</b>					
Employment rate (15-64), total	%	Ratio between the employed aged 15-64, and the population aged 15-64	LFS	Yearly	2013
Employment rate (15-64), female	%	Ratio between the female employed aged 15-64, and the female population aged 15-64	LFS	Yearly	2013
Employment rate of older workers	%	Ratio between the employed aged 55-64, and the population aged 55-64	LFS	Yearly	2013
Unemployment rate, total	%	Unemployed persons aged 15+ as a percentage of the economically active population aged 15+,	LFS	Yearly	2013
Unemployment rate, female	%	Female unemployed persons aged 15+ as a percentage of the economically active female population aged 15+,	LFS	Yearly	2013
Youth unemployment rate (total, male and female)	%	Unemployed persons aged 15-24 as a percentage of the economically active population aged 15-24	LFS	Yearly	2013
Unemployment rate of the older workforce	%	Unemployed persons aged 55-64 as a percentage of the economically active population aged 55-64	LFS	Yearly	2013

Total long-term unemployment rate	%	Long-term unemployed - 12 months and more- as a percentage of the total active population; * data refer to age group 15-74	LFS	Yearly	2013
Youth neither in employment nor education or training (NEET)	%	Percentage of the population of a given age group who is not employed and not involved in further education or training	LFS	Yearly	2012
Registered unemployed benefitting from employment promotion programmes	%	Registered unemployed benefitting from employment promotion programmes as percentage of total registered unemployed	PES	Yearly	2013
Incidence of long-term unemployment	%	Share of the unemployed persons since 12 months or more in the total number of unemployed	LFS	Yearly	2012
Labour force participation rate/Activity rate	%	Active persons as a percentage of same age total population	LFS	Yearly	2012
Share of employed by main economic sectors (Agriculture, Industry, Services, Other not classified)	%	Share of employed by main economic sectors	LFS	Yearly	2012
Gender gap in employment	Percentage points	The difference between male and female male employment rates expressed as percentage points	LFS	Yearly	2012
Working poor/low wage workers	%	Share of working poor/low wage workers	LSMS	Yearly	2012

Share of beneficiaries employed after participation in employment programme	%	Share of beneficiaries employed after participation in employment programme	PES	Yearly	2012
Share of social assistance beneficiaries referred to ALMPs	%	Social assistance beneficiaries referred to ALMPs as share of total social assistance beneficiaries	PES	Yearly	2012
Registered unemployed benefitting from basic employment services	%	Registered unemployed benefitting from basic employment services as share of total registered unemployed	PES	Yearly	2012
Public investment in vocational education and training	%	Percentage increase of public investment in vocational education and training (baseline year 2012)	National accounts	Yearly	2012
Share of agricultural family workers under social, health and pension insurance (total, male and female)	%	Number of agricultural family workers under social, health and pension insurance as share of total agricultural family workers	LSMS	Yearly	2012

Note: K – key indicator (EU2020 or SEE2020 target or benchmark); All data should come on gender where applicable