



Evaluation Unit (EVAL)

- **Project Title:** Assistance to strengthen the employment and training system of the National Employment Service
- **TC/SYMBOL:** ALB/03/50/ITA
- **Type of Evaluation:** Final independent
- **Country(ies):** Albania
- **Project End:** December 31, 2011
- **Evaluation Manager:** Irina Sinelina
- **Administrative Unit:** DWT/CO Budapest
- **Technical Unit:** Employment
- **Evaluation Team:** Mr. Frank Kavanagh (Team Leader), Mr Rosario Sapienza and Mrs Brikena Nallbani
- **Date Evaluation Completed:** November 2011
- **Key Words:** Employment, Public Employment Service, Active Labour Market Policies



**INTERNATIONAL LABOUR ORGANIZATION (ILO)
MULTI-BILATERAL PROGRAMME OF TECHNICAL COOPERATION
Decent Work Team and Country Office for Central and Eastern Europe
DWT/CO-Budapest.**

Evaluation Report

Project Number: ALB/03/M50/ITA

Project Title: Assistance to strengthen the employment and training system of the National Employment Service

Project Site: Tirana and other locations in Albania

Project language: English and Albanian

Executing agency: International Labour Office

Government counterpart: National Employment Service of the Republic of Albania (NES)

Starting Date: January 2008

End Date: December, 2011 (revised)

Budget: € 600,000 (\$789,771)-Government of Italy contribution
€ 200,000– MoLSAEO contribution

Evaluation Date: November 2011

ILO Department: Employment Programme, DWT-CO Budapest

Donor: Government of Italy

Acknowledgements

Thanks go to the representatives of the Employment Department of the Ministry of Labour, Social Affairs and Equal Opportunities and of the National Employment Service of Albania who carried out the Project through its lifetime.

A special acknowledgement goes to the staff of the ILO Decent Work Team and Country Office for Central and Eastern Europe and to the experts in charge of the project, who assisted us during the evaluation mission.

Table of contents

	Page No
Acknowledgements	3
Acronyms	5
Foreword	6
Abstract	7
Final Evaluation Report	13
1. Background on the project and its logic	13
<i>1.1 Institutional Framework</i>	16
<i>1.2 Institutional Development</i>	18
<i>1.3 Design of ALMPs</i>	18
2. Purpose, scope and clients of evaluation	19
3. Methodology	19
4. Review of implementation	20
<i>4.1 Project outputs to date</i>	21
5. Presentation of findings	25
<i>5.1 Relevance and strategic fit</i>	25
<i>5.2 Validity of design</i>	26
<i>5.3 Progress and effectiveness</i>	30
<i>5.4 Efficiency of resource use</i>	33
<i>5.5 Efficiency of management arrangements</i>	33
<i>5.6 Impact and sustainability</i>	34
6. Conclusions	35
7. Recommendations	37
Annexes	40
Annex 1- Terms of Reference of the Final Independent Evaluation	
Annex 2- Summary of achievement of Project's indicators (Log Frame)	
Annex 3- List of training tools and materials developed and adapted	
Annex 4- Agenda of meetings	

Acronyms

ALMP	Active Labour Market Policy
ANPE/Pole Emploi	French Public Employment Service
DWCP	Decent Work Country Programme
DWT/CO	Decent Work Team and Country Office
ETF	Employment and Training Fund
ICT	Information Communication Technologies
IEP	Individual Employment Plan
IPA	Instrument of Pre-Accession
MFA	Ministry of Foreign Affairs
MoLSAEO	Ministry of Labour, Social Affairs and Equal Opportunities
NES	National Employment System
NSSSED	National Strategy Social Economic Development
OJT	On the Job Training
PES	Public Employment Services
PWD	People with disabilities
SC	Steering Committee
TEEF	Training Enterprise and Employment Fund
VET	Vocational Education and Training

Foreword

This final evaluation report is the result of the joint efforts of the independent evaluation team: Mr. Frank Kavanagh (Team Leader), Mr Rosario Sapienza and Mrs Brikena Nallbani, based on inputs and information provided by the Project's implementation partners and the ILO staff.

ABSTRACT

Quick Facts

Geographical coverage:	Albania
Mode of Evaluation:	Final Evaluation
Technical Area:	National Employment Services
Evaluation Manager:	Ms. Irina Sinelina (ILO Decent Work Technical Support Team and Country Office for Eastern Europe and Central Asia, Moscow)
Evaluation Team:	Mr Frank Kavanagh (Team Leader), Mr Rosario Sapienza, Mrs Brikena Nallbani
Project Start:	January 2008
Project End:	December 2011 (revised)
Project code:	ALB/03/M50/ITA
Donor:	Italian Government, Ministry External Affairs (DGCS)

Background and context

Summary of the Project purposes, logic and structure

Despite high economic growth in the past decade, Albania suffers from high unemployment. The low youth employment rate and the high rate of discouragement among youth, suggests that young people in Albania face additional barriers and constraints in access to the labour market. Labour market outcomes are particularly bad for women and ethnic minorities. Long-term unemployment of adults is also a problem. Estimates indicate that 55 per cent of workers in the non-agricultural sector are engaged in lower-productive jobs in the informal economy.

Against this background, the Albanian Employment Strategy focuses on strengthening the capacity of the National Employment Service (NES) to administer active and passive labour market programmes, to deliver vocational education and training to the unemployed and the reduction of employment in the informal economy. The main problems identified during the design phase of the *first component* of the project which is the subject of this evaluation, were the fragmentation of policy interventions, with poor synergies across the various government agencies and actors. This first component set out to support the capacity of labour market institutions to address the labour market challenges through a major effort in both policy and programme development.

The **second component** of the project focused on strengthening the planning, design, monitoring and evaluation of active labour market policies (ALMPs) targeting groups at risk of labour market exclusion, especially women, young people, ethnic minorities and jobseekers with low educational attainment. ALMP's to be delivered were Employment Subsidies, On the Job Training (OJT) grants, Self Employment for women and support for the employment of people with disabilities.

Purpose, scope, clients and method of the evaluation

The purpose of the evaluation is to assess the performance of the Project in a systematic and objective manner in order to inform internal decision making and ensure accountability to the donor. The evaluation sets out to assess the relevance of the Project objectives and approach as well as identify the extent to which: i) the project has achieved its planned objectives, ii) its strategy has proved efficient and effective, and iii) the long-term impact the Project is likely to have. The evaluation examined the project as a whole, from its start date in 2008 through 2011.

The final clients of the evaluation are:

1. Policy makers, managers and practitioners of labour market and other institutions that partnered with the Project at central and local levels, as well as the social partners and the donor;
2. Project management, the ILO DWT-CO for Central and Eastern Europe, the ILO Regional Office for Europe, and, ultimately, the Technical Cooperation Committee of the ILO's Governing Body.
3. Ultimate beneficiaries of the project including disadvantaged job seekers and people at risk of labour market exclusion.

The methods used were quantitative and qualitative in their approach and included a desk review of all available project documentation, interviews with government partners, NES management and staff, social partners and the final beneficiaries - employer and jobseeker participants in the programmes.

Main findings and conclusions

Findings

The members of the evaluation team are unanimous in their conclusion that the ILO Project *Assistance to strengthen the Employment and Training system of the National Employment Service of Albania* has had a positive and systemic impact on policy making and operational activities in both the MoLSAEO and the NES. It has also forged valuable links among these two institutions and the social partners. In this regard, the Project is considered a success. However the direct funding component targeting ALMPs experienced some difficulties. There was some discontinuity in the Project management, slowness on the part of MoLSAEO to react at times and the ALMP component started very late into the project. Despite those difficulties, the direct funding of ALMPs has provided valuable resources and funds to disadvantaged

groups and Regions that would otherwise not receive funds and with such flexible modalities.

Because of the very late start to the disbursement of resources for the direct funding component it is not possible to establish gross and net impacts of the ALMPs. This will have to be done after the project end. An initial assessment of the impact of the ALMPs delivered under the project in Albania cannot therefore be established at the date of this evaluation. This is unfortunate. However all involved emphasised that the Project increased awareness of ALMP design and delivery, Employment Policy development and the barriers and solutions to participation of disadvantaged

jobseekers in the labour market.

Highlights of the Project Assistance to strengthen the Employment and Training System of the National Employment Service

- A key highlight was the focus on the Individual Employment Plan (IEP) concept where jobseekers are engaged with in a comprehensive and collaborative way, so that an employment/training action plan is jointly developed by the jobseeker and the NES adviser. This is a very good foundation for the eventual implementation of the European Employment Strategy, which enjoins each National PES to offer such an in-depth engagement with the unemployed as they cross particular thresholds of unemployment.
- A NES assessment was conducted and the report published formed the basis for the Change Strategy of NES.
- Training of trainers was used as a key tool in capacity building with a more effective approach to Training Needs Analysis, Active labour Market Programme Design, Monitoring and Evaluation and procurement of contracted training
- Methodologies for Labour Market Analysis were introduced and used in the development of LMIS.
- A Skills Needs Survey was conducted in collaboration with the NES Statistics Department in early 2009.
- A detailed Guide to ALMPs was produced in 2008 (updated in 2011 after input from the NES staff and management) and was used as a basis for training NES staff. As a result of this work specialists of the regional NES offices are now familiar with approaches to the design, implementation and monitoring of ALMPS
- An Employment Fund for the pilot testing of the new ALMPs was agreed and established
- Innovative ALMPs have begun to be pilot-tested in 4 regions: Lezha, Kukes, Shkodra and Gjirokaster.
- The concept of transferable skills was introduced as a means to place unemployed in relevant occupations using the OJT programme.
- The MoLSAEO approaches to ALMP programming were improved in preparation for future EU programming and funding of ALMPs
- The social partners were involved both through tripartite activities and needs-based assistance.

Conclusions

The technical assistance provided to the Employment Department of MoLSAEO on the design of evidence-based employment policies contributed

to the strengthening of the labour market governance system. The results of this assistance are reflected in the strategy paper developed under the project “The Modernisation of the National Employment Service of Albania and its response to the National Employment Strategy 2007-13” and in the NES development, to be financed by the EU Instrument of Pre-Accession (IPA).

Most, but not all, of the lessons learned from the Project are positive ones. These **Lessons learned** include the following:

1. The experience of the ILO Project in Albania has shown that, in line with other countries’ experiences, well-designed and targeted active labour market programmes targeting disadvantaged groups attract the interest of enterprises even in a situation of contracting labour demand. However there is a need to be vigilant in the implementation of work subsidy programmes to ensure that displacement of existing workers does not happen. The revised generous *trainee to established staff ratio* agreed during the project implementation, needs to be monitored closely.
2. ALMPs targeted at women need to take into account cultural norms and be reinforced with added provision of financial and other supports. The Self-Employment Programme has demonstrated this in a very clear way, as discussed below.
3. Targeting of disadvantaged groups for participation in ALMPs needs to be carefully managed. Additional counselling and skills/competencies identification are crucial to a better match of jobseekers to jobs. The provision of on-the job training in particular requires that extra resources and effort on the part of NES be put into the matching (e.g. development of the IEP) and support processes.
4. Training in ALMP evaluation has been instrumental in raising awareness among both front-line and management staff of the importance of monitoring, follow-up and gross and net impact measures. This has highlighted the lack of such an approach in the past with regard to mainstream NES ALMPs and the importance of reinforcing this area of NES work in the future.
5. Quantitative and qualitative expectations for delivery of programmes to disadvantaged jobseekers need to be fully costed and tested before projects are launched. The Project has failed to meet some of the targets originally agreed and this needs careful examination to ensure lessons are learned from this failure.
6. Flexibility in programme design is a crucial factor in delivering innovative pilot projects. The ability to be flexible supported the project in its mandate for direct support to disadvantaged jobseekers. However as stated, displacement is an ever present danger in the pursuit of such flexibility.

7. Support for the placement of People with Disabilities (PWDs) requires a higher level of financial and physical inputs but more importantly, a change in the mind-set of staff and employers. The project managed to fore-ground the need to support PWDs among NES staff and highlighted the barriers for PWDs entering employment.

Recommendations:

1. The extension of the model of decentralised management of active labour market programmes should be encouraged within the National Employment Service. The possibility to influence the adjustment of ALMPs by staff should be considered in the context of a bilateral forum between local office and management staff and between MoLSAEO and the NES.
2. The increased emphasis on PWD as a target group came relatively late into the project. In response, the ceiling for the number of staff for the eligible enterprises was moved from 20 to 25. This was done in order to align it with the legal provision for the obligatory recruitment of PWD (1 for each 25 staff). In order to address a possible objection from the employers that they would need to adapt equipment and working space to accommodate PWD, a specific fund was created and approved by the Steering Committee. One of the difficulties for recruitment of PWDs is the high level of allowance already provided to PWD and the fear on their part that they will lose this, if they take up work. The flexible financial support package proposed within the project should be examined to see if it is enough and if other access and enabling tools need to be explored in order to support employers to employ PWD.
3. The innovative design approach of the ALMPs required a significant staff commitment of time and resources to implement, particularly the need to provide in-depth counselling for a specific period and to assess participants skills and competencies and then match them to vacancies with similar profiles. This has fore-grounded the need to provide more staff resources on the front-line where NES officers meet clients. The development of a nationwide ICT- based case management system is an important prerequisite to support NES officers in the new case management, guidance and counselling approaches.
4. Employment Subsidies are an important tool for the NES. A majority of project ALMP funding was expended on Employment Subsidies. The programme is easy for staff to implement and is favoured by employers. It is however important to ensure that no displacement is taking place and in that regard the flexible ratios of subsidised worker to permanent existing staff needs to be monitored closely and adjusted as necessary.
5. The monitoring approach tested by the Project to measure the performance of active labour market programmes targeting disadvantaged jobseekers offers decision-makers a tool to appraise the labour market returns of investing

public funds to fight social exclusion. The MoLSAEO should continue these endeavours and commit human and financial resources to regularly verify the outcomes of active labour market programmes. This will need to be done after the end of the current project in order to fully measure the success or otherwise of the direct funding component.

6. In a situation where State funding is available for similar Programmes as those in the Project (OJT and Subsidy programmes in this case) it is important to ensure that a focus is maintained on the added-value aspects of the Project interventions. It is also important to ensure that a focus is kept on the target groups defined in the Project design. (There appears to be a small number of non-target group jobseekers among the current participants)
7. Quantitative targets for active labour market programmes should be established on the basis of an accurate cost and needs analysis as well as the experience gained in similar projects. In that regard it may be useful for the ILO to consider increasing the synergy between similar ILO and other donor projects in neighbouring countries to allow for peer-learning as projects are in progress. Issues encountered in any project are mainly country specific but methodological implementation issues could usefully be shared in relation to aspects such as competency and skills analyses, certification and mentoring, for instance. A case in point would be to have linked with the Serbian Youth Project team and a similar Youth Project in Kosovo which used/are using the same approach to competency matching, guidance and counselling for OJT programmes.
8. The innovative Self-Employment Programme for women deserves continued support. During the evaluation it became apparent that more supports are needed to facilitate start-ups by women. It may be beneficial to link in with existing supports for small business available through other mechanisms such as chambers of commerce or other donors in order to maximise the synergy between possible support mechanisms to ensure continuity of support and mentoring for small business start-ups.
9. Mechanisms should also be established so that ILO technical cooperation projects assisting member states to implement active labour market policies, remain open after the project's end date in order to provide advisory services to assess net impact. The NES should commit to conducting a longitudinal study next year of the performance of participants on the ALMPs against that of a control group extracted from the unemployment register and against participants on the similar State funded programmes.

FINAL EVALUATION REPORT

1. Background and logic of the Project

In the past decade there has been the sharp shift of employment to the private sector as a result of the privatisation and collapse of the larger state-owned enterprises, particularly in the mineral extraction, metallurgy, chemicals, textiles and paper industries and the reduction in the number of public civil servants during the second half of the 1990s. In 2008, more than 80 per cent of employment was in the private sector. Self-employment accounted for more than 60 per cent of total employment, 75% of which is in the agricultural sector¹.

The low youth employment rate and the high rate of discouragement among youth, suggests that young people in Albania face additional barriers and constraints in access to the labour market. The unemployment risk is highest for young men aged 15 to 34 and for young women aged 15 to 24. Labour market outcomes are particularly bad for women and ethnic minorities. Urban women have an unemployment rate of almost 30 per cent and their wages are 35 per cent lower than men. The unemployment rate amongst the Roma and Egyptian groups is estimated to be around 70 per cent and of those employed and they generally work in low-wage jobs in the informal economy.

Estimates indicate that 55 per cent of workers in the non-agricultural sector are engaged in lower-productive jobs in the informal economy. Of these, 27 per cent are unregistered wage employees — mostly in the construction sector — and 28 per cent are in self-employment or unpaid work. Informal workers are more likely to belong to poor households, have a low level of educational attainment; work longer hours for lower pay and do not enjoy social protection.

The Labour force in the second quarter of 2011 comprised 1,071,581 persons and the registered unemployment rate was 13.26 %. (See Tables 1 and 2 below). The average number of employed in private agricultural sector for the second quarter 2011 was 506,664. The average number of employed in the private non-agricultural sector had increased by 6.47 % compared to the second quarter of the previous year. The average number of registered unemployed in the second quarter was 142,068 persons. The average number of unemployed who received unemployment benefit was 7,979 or circa 8% of the registered unemployed.

¹ Project Inception Report 2008

Table 1**Labour Force (2009-2011)****LABOUR FORCE**

Item	Unit	Q.II/09	Q.III/09	Q.IV/09	Q.I/10	Q.II/10	Q.III/10	Q.IV/10	Q.I/11	Q.II/11
INCOME										
Average wage in public sector	Leks	40,100	42,000	42,000	42,000	42,800	44,700	45,000	45,500	45,500
Approved minimum wage	"	18,000	18,000	18,000	18,000	18,000	19,000	19,000	19,000	19,000
Unemployment benefit	"	5,980	5,980	6,340	6,340	6,340	6,565	6,565	6,565	6,565
Social assistance, average per family	"									
- full	"	3,746	3,900	3,900	3,690	3,940	3,980	4,023	4,127	4,190
- partial	"	3,114	3,135	3,150	3,169	3,169	3,200	3,325	3,336	3,386
EMPLOYMENT										
Labour Force	Number	1,114,166	1,113,580	1,042,618	1,045,261	1,049,491	1,059,199	1,059,959	1,063,275	1,071,581
- Total employment	"	972,831	971,518	899,278	900,653	904,850	915,981	916,919	920,439	929,513
a) in public sector	"	166,453	166,453	166,250	166,250	166,500	166,600	166,000	165,400	165,000
b) in non-agricultural private sector	"	237,829	236,516	236,838	238,213	242,160	242,717	244,255	248,375	257,849
c) in agricultural private sector*	"	568,549	568,549	496,190	496,190	496,190	506,664	506,664	506,664	506,664
UNEMPLOYMENT										
Total Registered unemployment	Number	141,335	142,062	143,340	144,608	144,641	143,218	143,040	142,836	142,068
Receiving unemployment benefit	"	8,485	9,268	10,050	9,853	10,775	10,205	9,509	8,517	7,979
UNEMPLOYMENT RATE										
Unemployment rate	%	12.70	12.76	13.75	13.83	13.78	13.52	13.49	13.49	13.26

Source: State Statistical Office

Table 2**REGISTERED UNEMPLOYED BY STATUS**

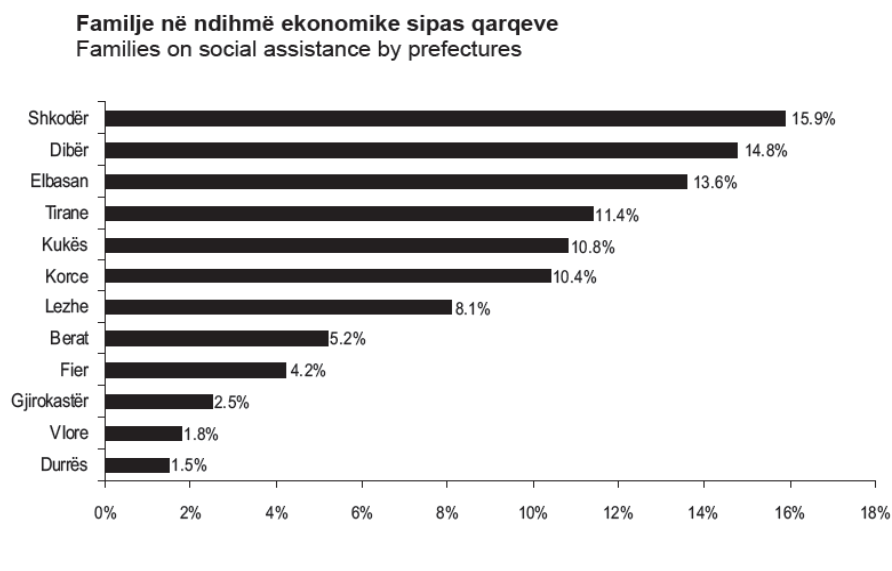
(2000 – 2009)

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total registered unemployment	215,085	180,513	172,385	163,030	157,008	153,250	149,794	142,871	140,599	142,012
- Total unemployment with unemployment benefit	21,894	14,322	11,184	11,276	11,125	10,306	11,137	11,137	9,369	9,010
- Total long-term registered unemployment	192,724	165,656	160,466	150,992	144,959	142,143	137,049	123,943	125,436	125,442
Total registered unemployment (in %)	100	100	100	100	100	100	100	100	100	100
- Total unemployment with unemployment benefit	10.2	7.9	6.5	6.9	7.0	6.7	7.4	7.8	6.6	6.3
- Total long-term unemployment	89.6	91.8	93.1	92.6	92.3	92.7	91.5	86.8	89.2	88.3

Source of information: Ministry of Labour, Social Affairs and Equal opportunities

The Target groups for the Direct Assistance component of the Project are the disadvantaged. This includes unemployed from families on social assistance. Table 3 below gives a breakdown of families on social assistance by prefectures.

Table 3



PËRKUFIZIME

Ndihma ekonomike është një ndihmë në para për familjet e varfra dhe shpërndahet çdo muaj. Ajo mund të jetë e pjesshme ose e plotë në varësi të të ardhurave të familjes.

BURIMI I INFORMACIONIT

Ministria e Punës, Çështjeve Sociale dhe Shanseve të Barabarta.
(Shërbimi Social Shtetëror)

DEFINITIONS

Social Assistance is a cash benefit for poor families which is distributed every month. It may be partial or full according to the family incomes.

SOURCE OF INFORMATION

Ministry of Labor, Social Affairs and Equal Opportunities
(State Social Service)

The average amount of partial social assistance per family ranges from 3,386 Albanian LEK to 4,190 LEK. The full rate is 19,000 LEK.

Internal and external migration has been used by Albanian workers to counter the risk of unemployment and poverty. Since 1990, approximately one fifth of the total population has left the country to work abroad, mostly to Italy and Greece. Migration flows have changed the sex and age structure as well as the composition of the population by educational level. The dominant migrant group has been young adult men, mostly with secondary and higher educational attainment.

The informal economy is large with some estimates putting it at between 40-50%. This obviously has an impact on the accuracy of labour market statistics. Despite the debate about the accuracy of employment figures, there is general agreement that the profile of the unemployed in Albania is as follows:

- long-term unemployed (more than 90 per cent of the registered unemployed have been seeking work for more than 12 months);

- young people are over-represented (around 13.7 per cent of Albanians aged between 15 and 24 years are unemployed) and have a low educational level
- women are overrepresented and have a low participation rate

1.1. Institutional framework

The Employment Strategy focuses on strengthening the capacity of the National Employment Service (NES) to administer active and passive labour market programmes, to deliver vocational education and training to the unemployed and the reduction of employment in the informal economy. A crosscutting strategy on social inclusion sets targets for labour market participation of women, formalisation of the labour market and tackling disadvantage through education and training.

The major commitment of the NES in the past few years includes: i) the strengthening the capacity of NES staff to provide targeted services to groups at risk of labour market exclusion; ii) the development of an integrated system for contracting training; and iii) the improvement of the capacity to monitor and evaluate service performance and the impact of labour market programmes.

A first priority of labour market policy reform is to re-orient the NES from benefit administration to provision of services, quality assistance to jobseekers and providing quality services to enterprises. This includes strengthening the planning, design, monitoring and evaluation of active labour market policies (ALMPs) targeting groups at risk of labour market exclusion, especially women, young people, ethnic minorities and jobseekers with low educational attainment.

The NES and MoLSAEO have benefitted from extensive technical assistance since the early 1990's. In that regard the first major project was launched in 1993-4 and completed in 1999. The World Bank funded a \$5.30 Million Labour Market Development Project targeted the MoLSAEO and the pre-NES structures in order to develop a functioning Public Employment Service and to establish a Training Enterprise and Employment Fund (TEEF) which had a budget of circa \$3.25 Million.

Under that major World Bank Funded Project delivered by the Swedish and Irish PES (FAS) and Lancashire Enterprises, the capacity of the MoLSAEO to develop and manage labour market policies that support the transition to a market economy was improved. MoLSAEO and pilot offices implementing labour market policies benefited from project support through: (i) establishment and strengthening of additional departments/units (Policy, Information Technology, Public Information); (ii) MoLSAEO staff training in functions of a modern labour ministry; (iii) introduction of the concept of active labour market services and their initial application in two full services labour offices piloted under the project; (iv) physical rehabilitation of the MoLSAEO and several branch offices; and (v) computerisation

with a Local Area Network for the MoLSAEO and several branch offices. Operation and management of pilot labour offices was also enhanced. Delivery of unemployment benefits improved at all offices through the introduction of simplified forms for unemployment benefit payment and more efficient registration of the unemployed. *Five types of active labour programs (institutional training, on-the-job training, small business clubs, temporary community employment and small business incubators) which were piloted through TEEF provided valuable lessons for future development of a national policy of training of the unemployed in order to facilitate their redeployment.* One of the models (Community Employment) was expanded into a larger scale programme implemented by the NES, supported by an IDA-financed Rehabilitation Credit.

Other smaller technical assistance since then has been provided as follows:

- The Ministry of Foreign Affairs of Italy funded with \$919,000 the Project “Redeployment of redundant public employees (RPE)”. The Project field-tested a system for contracting training, provided labour market training for 1,358 RPEs and trained employment service staff in job counselling and vocational guidance. At the end of the Project, it was agreed that the second phase would centre on the strengthening of the capacity of the National Employment Service in the design, monitoring and evaluation of active labour market programmes targeting people at risk of labour market exclusion, with special focus on contract training services.
- In 2003, the Swedish National Labour Market Board (AMS)-who were involved in the first World Bank funded project described above-granted a \$1 million technical assistance package to the Albanian NES to: i) introduce group counselling methods, ii) develop an IT system comprising of a vacancy bank and a job seekers’ register, inclusive of staff training, and iii) develop an information model. The project focused its activities in three pilot centres. Further work on the ICT system by the Swedish PES is in process/planned.
- The European Union has been supporting with €6 million the modernisation of the vocational training system through two CARDS Programmes (VET I and VET II).
- The French PES (Pole Emploi) in 2001-4 allocated \$500,000 to strengthen the capacity of the NES to provide job search and counselling services to jobseekers included support for self-employment). The technical assistance also envisaged the training of forty NES staff to implement Action Plans.
- In 2003, the Danish government granted \$200,000 to train NES staff in counselling and guidance, labour market needs identification, and analysis.

However, a fundamental issue identified under the first World Bank project still exists. In their 1999 evaluation report the Bank underlined that intense politicisation of the Government led to frequent changes in the MoLSAEO leadership. Six Ministers were changed during the project implementation period (6 years). These

changes brought additional instability and adversely affected the project because each Minister would bring his/her own advisors and it would take some time before they would get acquainted with the project. With each change in the MoLSAEO's leadership, many of the staff trained under the project, both in the MoLSAEO and in its local branch offices, were moved out of their positions for political reasons. Thus the institutional memory was interrupted and lost with each change of Minister/Government.

*The present project is **in part** replicating work that has been done with the NES in the past because that past impact and knowledge has been lost due to frequent staff changes. This issue has implications for the sustainability of lessons learned from the current Project which is the subject of this evaluation.*

1.2 Institutional Development

The main problems identified during the design phase of the Project were the fragmentation of policy interventions, with poor synergies across the various government agencies and actors. The capacity of labour market institutions to address the labour market challenges required a major effort in both policy and programme development. To enhance the links between labour market and human capital, a coherent employment strategy needed to be developed and interwoven with other economic and social policies

The employment situation and high inactivity rate of women was a matter of serious concern. One approach set out in the Project documents is the “tiering” of employment services, e.g. to provide basic employment services to all jobseekers, whilst the hard- to-place unemployed are targeted with intensive and individualised services through integrated packages of active labour market programmes. (This is in fact the logic behind the Individual Employment Plan introduced as part of the direct assistance element of the present project). There is no doubt about the benefit this approach could bring in terms of redressing imbalances in the access to the world of work and in striking a balance between quantity and quality of service provision. Against this background the first priority of labour market policy reform is to re-orient the NES from benefit administration to the provision of services, assisting job seekers effectively in re-employment and providing quality services to enterprises.

The direct recipients of *this institutional component* of the project were identified as decision-makers and staff of the Employment Department of MoLSAEO, the NES, as well as the social partners (staff of employers’ and workers’ organisations) and ultimately the main client of the NES who are jobseekers and employers.

1.3 Design, monitoring and evaluation of Active Labour Market Programmes (ALMPs)

The second component of the project focused on strengthening the planning, design, monitoring and evaluation of ALMPs targeting groups at risk of labour market exclusion, especially women, young people, ethnic minorities and jobseekers with low educational attainment. ALMP’s delivered were Employment Subsidies, On the

Job Training (OJT) grants, Self Employment for women and support for the employment of people with disabilities.

2. Purpose, scope and clients of evaluation

The purpose of the evaluation is to assess the performance of the Project in a comprehensive, systematic and objective manner in order to inform internal decision-making and ensure accountability to the Donor. The evaluation sets out to assess the relevance of Project objectives and approach as well as identify the extent to which: i) the project has achieved its planned objectives, ii) its strategy has proved efficient and effective, and iii) the long-term impact the Project is likely to have. The evaluation looks at the Project as a whole, identifies good practices and lessons learned, to be ultimately used as a knowledge base for developing future technical assistance packages.

The evaluation analyses strategies and implementation modalities in order to provide recommendations to be integrated in the planning process of ILO's technical assistance in the region. Particular emphasis is placed on the review of Project sustainability and impact, as well as on possible innovative technical cooperation features in employment and training. The evaluation assesses the achievements and effectiveness of pilot programmes at district level (direct assistance), their replicability and their instrumentality to the institution building and policy development processes. Finally, the evaluation reviews the relevance of the:

- Initiatives aimed at mainstreaming gender in technical cooperation;
- Involvement of the social partners;
- Technical assistance to the reform of the public employment service and to the introduction of comprehensive, multi-service active labour market programmes (ALMPs);

The final clients of the evaluation report are:

- Policy makers, managers and practitioners of labour market and other institutions that partnered with the Project at central and local levels, as well as the social partners and the donor;
- Project management, the ILO DWT-CO for Central and Eastern Europe, the ILO Regional Office for Europe, and, ultimately, the Technical Cooperation Committee of the ILO's Governing Body.
- Ultimate beneficiaries of the project including disadvantaged job seekers and people at risk of labour market exclusion.

3. Methodology

A pragmatic approach has been adopted to the evaluation based on both qualitative and quantitative methods. The following data sources and data collection methods were used by the evaluation team:

- a) A comprehensive analysis of various sources of information through a desk review of survey data and project files, including the project document, technical and policy papers produced by the Project; work plans; progress reports and minutes of Steering Committees' meetings;
- b) Interviews and meetings with governmental counterparts and project partners, direct beneficiaries, partner agencies, project management and staff. In that regard a mission was fielded to Albania from 31st October to 4th November, 2011 (see Annex 4 for the agenda of meetings).

4. Review of implementation

The project rationale was based on the ILO's experience in the areas of ALMP design and PES institutional development. Activities were developed with a view to achieving key outcomes from the two main elements of the project as follows:

Institutional Development

- *Coordination framework, including the composition of the Steering Committee (SC), established and operational*
- *An in-depth assessment of NES organisation, work-flow and service delivery conducted and findings fed into the reorientation of the services.*
- *NES guidelines and procedures for employment services targeting groups at risk of labour market exclusion designed, pilot-tested and finalised*
- *A comprehensive internal strategy of the NES drafted and approved.*

Active Labour Market Measures

- *Activation of the Employment and Training Fund.*
- *NES Guidelines and procedures for contracting training services designed, pilot-tested and finalised.*
- *Employment and training programmes targeting groups at risk of labour market exclusion introduced as part of a comprehensive financial and operational framework.*
- *Active labour market programmes targeting 3,000 people at risk of labour market exclusion implemented (On the job Training, Employment Subsidies, Self Employment for women and programme for placement of people with disabilities).*
- *A package for the design, monitoring, and evaluation of ALMPs targeting people at risk of labour market exclusion developed and used by NES.*

Participation criteria for Jobseeker beneficiaries were established with a view to targeting disadvantaged groups using the determinants of labour market disadvantage in Albania as follows:

- Age group: young people in the age cohort 16 to 25 years of age and people more than 45 years old. For beneficiaries less than 18 years of age the permission of parents was required. In addition, young unemployed should fulfil at least two out of the criteria set below (mainly educational level, occupational skills, work experience and household characteristics).
- Length of unemployment spell: the minimum requirement was for beneficiaries to have been registered with the employment service for at least six months (twelve months or more for employment subsidies)
- Educational attainment: Priority should be granted to registered unemployed with primary education or less and/or secondary education (among older unemployed – 45 years old and over – with secondary education attainment priority will be given to those who have a general education).
- Occupational skills: Priority should be given to unemployed with no skills or who have skills that are no longer demanded in the labour market.
- Sex: In general terms, in order to promote equality of opportunities, the programme would reserve 50 per cent of available measures to women. If a local employment office cannot reach the envisaged number of women participants, available measures will be reassigned to another local office able to achieve a gender balance. Upon request from the MoLSAEO, the Self-employment programme has been devoted to female unemployed.
- Work experience: programmes should target primarily first time jobseekers with no prior work experience and unemployed whose work experience is in occupations no longer required by the labour market.
- Household characteristics: priority should be given to those unemployed belonging to households receiving social assistance. Beneficiaries of social assistance need to be informed in advance that if they participate to the measures, the competent social work office will be informed and provided copy of the individual employment plan, with start and end dates. If a job is offered and the beneficiary refuses, the individual will lose the right to be registered as unemployed.
- Disability: all measures are available to people with disabilities whether they are entitled or not to the disability pension/benefit. In addition, a specific programme targeting people with disabilities should be introduced and tested.

4.1. Project outputs, indicators and results achieved to date

The complete breakdown of the project outputs and indicators of achievements is appended as Annex 2. Overall, considering the particular operational factors in Albania, a good body of work and achievements both at institutional and operational levels has been delivered by the Project using innovative and collaborative approaches. The planned outputs from the Institutional Development component have been achieved to a large extent.

- The Steering Committee (SC) met 7 times during the implementation of the project and it is expected to meet again before the project ends. Meeting were followed by the dissemination of the proceedings to the members by the Secretariat (ILO). The SC is composed of one representative from the following institutions:

Ministry of Labour, Social Assistance and Equal Opportunities
(Chair)
General Director of the National Employment Service
Council of Employers' Organizations of Albania (KOPSH)
Council of Employers' Organizations (KOP),
Union of Independent Trade Unions of Albania (BSPSH)
Trade Unions Confederation of Albania (KSSH)
Director of the Italian Cooperation
ILO

- A NES assessment was conducted and the report published. The main findings were presented during a two days workshop in November 2009 for a large number of NES staff from headquarters and regional offices and formed the basis for the Change Strategy of NES.
- A training of trainers was organised on:
 - Training Needs Analysis
 - Active labour Market Programme Design
 - Active Labour Market Programmes' Monitoring and Evaluation
 - A series of training sessions involving NES staff from all 12 regional offices has been held in July 2011 on Impact Evaluation of ALMPs
 - A Guide on contracting training was produced and disseminated
- A methodology for Labour Market Analysis was tested in 2009 with the support of an international expert. Training was organised for NES staff on the outcomes of the first national survey.
- Through a participatory process, an internal NES Change Strategy was prepared taking into account inter-alia the European Employment Guidelines and the Albanian National Strategy for Employment and Training 2007-2013. The Change Strategy has been validated by the NES staff during a workshop an agreed final version was sent to the MoLSAEO for endorsement. Pending formal approval, the NES is applying the main thrust of the Strategy
- An Employment Fund of \$400,000 for the pilot testing of the new ALMPs was agreed (\$200,000 from the project funds and \$200,000 from MoLSAEO). As the contribution from the MoLSAEO was not possible, the Employment Fund was established with an initial contribution from the

project of \$180,000 to which recently has been added an additional \$130,000 partly coming from savings elsewhere in the project

- The ALMPs have been pilot-tested in 4 regions: Lezha, Kukes, Shkodra and Gjirokaster. From the outset the target of 3,000 participants was somewhat ambitious/ambiguous considering that:

The planned 3000 participants was not sufficiently broken down by type of jobseeker treatment in the project document and it may have intended to include development of employment plans for jobseekers who did not ultimately take part in a programme;

The employment fund was delayed and was not co-funded by the NES as planned.;

The grants for participants of the planned ILO funded Programmes needed to be aligned upwards to that available in similar NES programmes.

(This latter change was approved by the Project Steering Committee and as a result, 360 jobseekers in total are expected to participate in the ALMPs in the 4 Regions by project end).

- The design of the active labour market programmes piloted by the ILO project was informed by the findings of the Skills Needs Survey, conducted in collaboration with the NES Statistics Department in early 2009. The survey, which involved a representative sample of 964 private enterprises across all economic sectors and in all regions of the country, provided general data on enterprises (size, economic sector, ownership structure) and their employees (sex, age, level of education, occupational category); detailed figures on enterprises' employment trends, vacancies available, occupations and their skills content; information on recruitment patterns and on skills shortages; as well as data on the training provided by enterprises to workers.

The preliminary findings indicated: i) a prevalence of workers in the age-group 25-55 (predominantly employed in process/plant operations and elementary occupations), working in micro (1-5 workers) and small enterprises (6-20 workers); ii) a high share of workers with secondary education attainment; iii) women are three times less likely than men to have managerial and technical jobs and three times more likely to be process/plant workers; iv) men predominate in employment in most regions, except in Lezha (fish processing industry), Shkodra and Gjirokaster (textile and leather manufacturing) ; v) employers considered that the skills more difficult to find are learning-to-learn and ability to acquire new information, teamwork, leadership skills and appropriate use of technology.

- To facilitate the work of NES staff in the targeted local employment offices of Gjirokastra, Kukes, Lezha and Shkodra, the project developed a set of Guidelines on the design, monitoring and evaluation of ALMPs targeting individuals at risk of labour market exclusion. These guidelines provide NES

practitioners with a step-by-step approach to design and administer employment promotion programmes as follows: i) identification of the economic sectors, occupations and skills required by the local labour market; ii) the design of programmes that address the labour market disadvantage of unemployed and respond to labour market requirements; iii) the setting of eligibility criteria for end beneficiaries, training providers and partner enterprises; iv) the preparation of individual employment plans that detail the exact mix of support and training needed by the individual to re-enter the labour market; v) the matching process of individuals with programmes, partner enterprises and training providers; and vi) the monitoring of the employment impact of programmes and their cost-effectiveness.

The Guidelines were also used as a learning tool during the training coaching and capacity building activities organised for the NES counsellors who would pilot-test the new active labour market programmes. These capacity building activities focused on:

- *Planning the delivery of programmes*: allocation of the human resources necessary to manage and monitor the implementation of programmes; assignment of the total number of beneficiaries to be treated to local employment office and individual case managers; how to advertise the programmes among eligible individuals and service providers; and the provision of information on the programmes to interested parties.
- *Managing the workflow of services and programmes*: key features of the portfolio of services and programmes available (from low-intensity services to individualised services and intensive treatment); development of individual employment plans and competency-based training plans; gateway period; and mix of programmes and services to address the multiple layers of disadvantage faced by the unemployed.
- *Selection of individual participants, training providers and partner enterprises*: the setting of primary and secondary eligibility criteria for individual unemployed; verifying the eligibility of training providers and partner enterprises; establishment of *ex-ante* control groups to measure the impact of programmes; and reporting requirement on programmes' intake.
- *Matching of individual participants to programmes and service providers*: key features of available programmes (type, duration and compensation levels); skills audit of the individual beneficiary; development of individual employment plans (IEPs) as a tool to match individual needs to programmes features and labour market requirements;
- *Monitoring of programme implementation*: performance monitoring formats for recording information on participants, non-participants and service providers during programmes implementation and at follow-up; as well as management of monitoring visits to service providers and individual counselling sessions during programme duration.

5. Presentation of findings

5.1 Relevance and strategic fit

The labour market in Albania has been characterised by high employment rates (13.4% at Nov 2011). The informal economy is extensive and a large proportion of employment is informal (c 40% by some estimates). Coupled with this the NES has been unable to deliver a modern employment service to registered jobseekers or to reach those in the informal economy. This is partly as a result of underinvestment in NES personnel and resources and as discussed above, staff turnover is high and associated with changes of Minister or Government. The concept of a permanent civil/public service staffing approach has yet to be realised.

The staff/client ratio is high and ranges from 1:300 to 1:700 depending on the Region in question. NES Advisers provide a jobseeker registration service but are not equipped to provide in-depth counselling or development of Individual action plans for clients. Training has been provided in this area by Pole Emploi (French PES) in Tirana and Korce offices. Computerisation of the service has been slow, partly for historical and national digital network infrastructural reasons but also because of lack of funding. Despite many years of technical assistance starting with the major World Bank funded project in 1993-4, the provision of a responsive and agile PES has yet to be achieved.

The project set out to address these issues by strengthening the capacity of the NES to develop and implement a change strategy. This included an in-depth analysis of the NES and the subsequent strategic document setting out the way forward for the NES as a modern and responsive PES. Developments included the targeting and evaluation of ALMPs and issues such as contracting training in a more efficient way. Performance management measures have been explored and staff development supported.

In the view of the Ministry and the NES, the project was of key importance to policy formulation, institutional and staff development and created a robust demonstration model for targeting active labour market programmes to disadvantaged/marginalised jobseekers. In particular, the competency-based approach to training and other ALMPs is considered as a model to be mainstreamed to other unemployed individuals in the new programming cycle and has been included in a new IPA funded project to be implemented soon.

The identification with, and ownership of the project by all the players interviewed was singular and positive. A large part of this was attributed to the strong participatory approach used to respond to the requests and needs of the NES with regard to institutional development and policy formulation and the flexibility displayed by the project team with regard to adjusting the ALMPs to the needs of the target group. The innovative development of the self-employment programme was frequently cited as being of great value to the target group but also as an extra responsibility for the overburdened NES advisers in their advocacy role. The four

regions² chosen for the implementation of the ALMPs were selected based on the difficult and challenging labour market in those Regions (high unemployment rate and low economic growth).

Overall the project has had a very significant influence on NES policy development and the design and methodology for the evaluation/impact assessment of ALMPs.

5.2 Validity of design

The project had two components. **The first** combined employment policy development with capacity building of the NES. **The second** focused on the design, monitoring and evaluation of employment programmes targeting a number of groups of disadvantaged jobseekers, including PWDs, as described above.

The phasing of activities was valid in that the institutional development was conducted before the direct funding component. This allowed for sufficient NES capacity to be built so that the targeted funding for the ALMP component could be disbursed in an efficient and effective way. NES Advisers' development came before ALMP implementation thus ensuring better matching of disadvantaged jobseekers to programmes and subsequent evaluation and monitoring of same. The in-depth assessment of NES organisation, work-flow and service delivery conducted and the findings fed in the re-orientation of the services. The NES guidelines and procedures on employment services targeting groups at risk of labour market exclusion were designed, pilot-tested and finalised before actual placement of any jobseekers in ALMPs. In parallel, a comprehensive internal strategy of the NES was drafted and approved. The planned institutional and policy development outputs were ambitious, but realistic and have been achieved to the great credit of the Project Steering Committee.

The planned outputs of the second component have proven to be more difficult to achieve from a quantitative perspective.

Three issues have been identified as follows:

Quantitative targets set for beneficiaries: Considering that this was a structured pilot programme that required extra effort on the part of NES and Employers to implement, the targets seem to have been unrealistic in the first place and had to be revised. The general deteriorating economic situation meant that labour demand was lowered. A targeted survey was carried out in the four regions of the project in order to re-assess the demand from employers. The grant levels were also adjusted upwards to match the rates offered by MoLSAEO for the mainstream OJT and Employment Subsidy schemes. This was partly because the project had been designed some years ago and inflation had overtaken the original amounts proposed in the original design. The allowable ratio of participants to regular staff in companies was changed to make

² Lezha, Shkodra, Kukes and Gjirokastra

the subsidy scheme more attractive and the length of time for participants was also adjusted. This may have indicated some weaknesses in the original design or a need to reinforce the NES efforts to implement the pilot programmes. The focus on quality that the pilot programmes require has also impacted on the quantitative targets.

Special focus on women and people with disabilities (PWDs): During the implementation of the project the MoLSAEO, requested that there be a stronger focus on enterprise for women and NES services/financial assistance to ensure placement of PWDs. These changes were endorsed by the project Steering Committee. It is not clear if this change was informed by in-depth research on the actual package of needs that women entering self-employment or PWDs might need. The project recognised that supporting PWDs into employment would be a challenging process. However it was decided to offer an enhanced package of incentives to see if this could improve the existing approach to integrating PWD in the labour market. There was also a perception among some NES staff that the needs of PWDs should be addressed by NGOs and not NES.

Establishment of a National Employment Fund: A Fund was in fact established under the original 1993-9 World Bank funded project, mentioned above. However, while a fund was operationalised at that time, it never received additional funds from the State budget, rather relying totally on the World Bank Loan. The re-establishment of the Fund during the project took some time, with the result that ILO funds were late being transferred and this impacted on the start date of implementation of the direct funding component of the project.

At the date of this evaluation, approximately 164 jobseekers (46% of the revised target) have participated in active labour market programmes (mainly employment subsidies and self-employment measures with a lower number participating in on-the-job training). As the programmes have only commenced in April 2011, it is too early to make any comment on placement success rates other than to note that the monitoring of programme participants since then indicates little or no dropouts from the programmes. To date none of the self-employment for women participants have applied to draw down the second tranche of funding as this is contingent upon them registering the business. While this might indicate poor follow through, this is apparently not the case. The particular modalities of the Albanian taxation system means that it is more cost-effective to register at the beginning of the year. Any start-ups are unlikely to be registered until January 2012 at the earliest.

During the evaluation visits, it became clear that in Kukes some 6 women are in the process of registering with three of those proposing to form a cooperative venture which will allow them to maximise the funds available to them from the scheme (\$2000 each as against \$1000 for an individual starting up on their own). The self-employment fund was described as too low by many commentators and that a figure of \$2500 would be a more realistic start-up support as this would cover registration of the business, first years rent and an advance tax payment required by the State at the start up. There was also a request for a small capital grant to purchase basic

equipment (In the case of the women in Kukes this would help them upgrade/buy sewing machines etc.).

The qualitative improvement aspects of the direct assistance component were demanding and particularly so for the OJT Programme in the design of training programmes based on competencies. This approach required that: i) the employment service counsellors implementing the programmes be trained in competency-based training approaches; ii) competency profiles for priority occupations be developed (in the main it appears that already existing NES training modules were used with some slight adjustments for the extra time afforded under the pilot schemes); iii) a training plan be compiled to take account of the particular characteristics of the jobseeker and the requirements of the partner enterprise; iv) an instructor be appointed by the private firm to ensure quality training.

This model is obviously demanding from the point of view of the employer and the NES counsellor. The qualitative outcomes for individual participants, however, have yet to be established and measuring them will have to wait until participants complete the programmes and are hopefully placed in full-time jobs. Participants interviewed during the evaluation were happy with the selection procedures and for those on the OJT programme, the training they received.

While it is disappointing that immediate placement and progression outcomes are not available yet, the positive impact on the employment outlook of participants who are mostly long-term unemployed, should not be underestimated. This was also confirmed to the evaluation team during the field visits by participants themselves and by the management and staff of local employment offices implementing the active labour market programmes.

Table 4 below reflects the disproportionate participation in employment subsidy programmes and the lesser participation in OJT (due to perceived challenges associated with the OJT programme, as set out above).

Table 4: Distribution of Programmes by Office (percentage)

	Lezhe	Shkoder	Kukes	Gjirokaster
On the Job Training (%)	21	20	0	0
Employment Subsidy (%)	57	41	65	100
Self-Employment (%)	22	39	35	0
Totals %	100	100	100	100

Source: NES Information System, Nov 2011

An initial performance report prepared by the Project indicates that approximately 58 per cent of participants are in the age group 15 to 25 years of age; 33 per cent are in the age group 45-60 with others at 9 per cent. Nearly 77 per cent of participants are long term unemployed over 9 months and 48 per cent over 12 months unemployed, 8 per cent having been unemployed for two years or longer prior to programme participation. Over 73 per cent had no work experience prior to programme entry (See Table 5 below). With the exception of gender balance issues in the OJT and Subsidy Programmes (discussed below), targeting therefore does generally appear to have been in accordance with the guidelines.

Table 5: Programme beneficiaries in target branch offices, by sex, age group, unemployment spell and prior work experience (percentage-rounded)

	Total	Lezhe	Shkoder	Kukes	Gjirokaster
Men	58	50	56	64	88
Women	42	50	44	36	12
15-19	5	5	6	7	0
20-24	53	56	39	71	53
Non target group	9	11	14	9	0
45-60	33	28	41	13	47
> 9 months	23	26	11	7	82
9-12 months	29	32	24	39	18
12-24 months	40	35	63	32	0
> 24 months	8	7	2	22	0
Without Exp	73	66	91	42	100
With Experience	27	34	9	58	0

Source: NES Information November 2011

While the Project adopted a gender sensitive approach in design, implementation and monitoring of active labour market programmes, this is not reflected in the participation rate (in 2 programmes) of women where the target was 50% (Table 6 below). The gender balance policy of the project completely failed in the OJT and Employment Subsidy programmes. As against that the self-employment programme targeting women added a balance that allowed the overall participation of women to come in at 42% which is close to the 50% target. All Project documentation, including training materials, researches and reports, emphasise the need to take into consideration the different impact that labour market interventions may have on men and women, respectively.

Table 6: Participants by Gender (%)

	Male	Female
On the Job Training	75	25
Employment Subsidy	83	17
Self Employment	0	100
Support for PWD	0	0

5.3 Progress and effectiveness

Progress and effectiveness of the institutional development component is regarded as positive. The delivery of advisory services geared towards institutional capacity building, the development of the NES Strategy alongside the publication of important guides and good practice documents were highly commended by all relevant actors during the evaluation visits.

The direct assistance component of the Project achieved good results thus far, in that disadvantaged participants are actually working in regions with high unemployment rates. The fact that the ALMPs started later on in the Project life is regrettable, but it did allow the prior development of a sound policy approach, the building of staff capacity to manage competency-based approaches and the construction of an innovative model for ALMP delivery (particularly self-employment) which it is intended to mainstream.

Progress on the direct funding element of the Project was very much affected by the slowness in the decision making process of the MoLSAEO in relation to the re-establishment of an Employment Fund mechanisms. The issues related to the Albanian contribution (ultimately there was no cash contribution as had been planned) to the Fund and finding the right administrative procedures to receive the money resulted in significant project delays. The Project was designed to be of 18 months duration but ultimately took some 48 Months to complete.

The involvement of the local staff in the capacity building provided by the project proved to be satisfactory (interviews at central and local level). This included better understanding on their tasks, more comprehensive understanding of the NES functioning, networking among colleagues coming from different regional offices, discussions on improvement of the services and bottlenecks within the NES.

The NES managers and advisers appreciated the opportunity to get it right in terms of learning how to manage and evaluate the ALMPs and matching unemployed and enterprises as well as design of individualised competency based training programmes. The ALMP placement approach envisaged that each beneficiary be exposed to a three-week intensive case-management and guidance process so that all possible intervention options were explored prior to programme entry. Competencies

were to be identified and individual employment plans produced for each participant. Such an approach was new in the NES and requires a considerable resource commitment. While some of these approaches were put into practice it is not clear if all participants benefited from this intensive approach. It appears that reaching the target group was the main criteria. The quantitative targets on ALMPs beneficiaries were adjusted as set out above, to 375 (maximum) beneficiaries. Actual achievements to date (Nov 2011) are summarised in Table 7 below.

Table 7: Number of Beneficiaries of ILO funds, by type of programme and sex

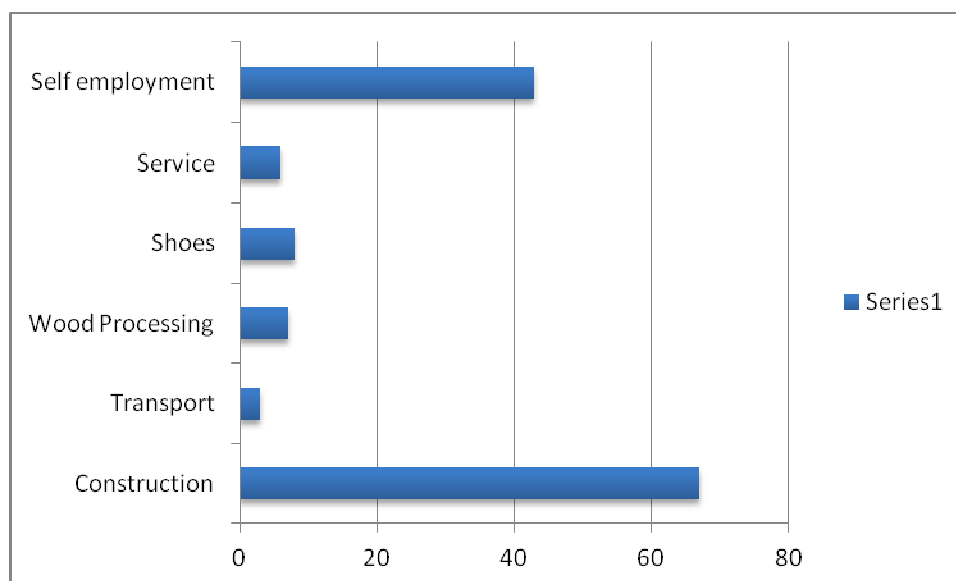
Programme	Total	Men	Women
On-the-job training	24	18	6
Employment subsidy	94	78	16
Self-Employment	46	0	46
Total	164	96	68

Source: NES Nov 2011

A singular success of the project was the ability to encourage so many women to test the possibilities of Self-Employment. This was the most innovative aspect of the project given that employment subsidy and OJT programmes were already being delivered by mainstream NES services prior to the project commencement.

It is too early to measure the effectiveness of the ALMPs on the employment prospects of beneficiaries. However, it is worthwhile noting (**Chart 1** below) that most partner enterprises (52 %) operate in the Construction sector. The rest are more or less evenly divided among service (5%), Mining (5%), Wood Processing (6%), Light Manufacturing (6%), Transport (2%). The high number in Construction is a matter of some concern for the sustainability of the jobs created, considering the economic downturn and its potential effect on that industry.

Chart 1 Sectoral Distribution of Participants (Numbers)



The cost effectiveness of the programmes piloted by the ILO Project can be measured in a very basic way, by dividing the funds already allocated by the number of participants in the programmes from the beginning of disbursement to the date of the evaluation. As shown in Table 8 below, the average investment on each beneficiary is €982. The employment subsidy is the most costly with an average of €1187.

Table 8: ALMP cost per beneficiary, by type and NES office

	Leke	Dollars	Euro
Average cost per client	128,559	1,292	982
<i>by type of ALMP:</i>			
Work- training	114,938	1,155	878
Employment subsidy	155,466	1,562	1,187
Self-employment (grant)	50,000	503	382
<i>by NES Office:</i>			
Shkoder	113,996	1,146	870
Lezhe	155,555	1,563	1,188
Kukes	106,070	1,066	810
Gjirokaster	131,059	1,317	1,001

1 US\$ = 99,50 Leke

1 US\$ = 0,76 €

Source NES November 2011

To the costs above should be added the overall overhead costs of the NES per participant, which is in effect, an in-kind contribution from the NES. However, the real cost effectiveness of the programmes from a governmental point of view cannot

be calculated until costs are measured against the tax revenue contributed by young participants who are eventually in employment, added to social welfare benefit payments that are saved.³

The project ensured that the core ILO principles regarding workers' rights, gender equality and decent work, as well as good practice in the design, monitor and evaluation of ALMPs were embedded in the Project's ethos. While the gender balance across two of the programmes has not been achieved, this embedding of the core ILO principles was in the view of the evaluators, a fundamental element of the Project effectiveness.

5.4 Efficiency of resource use

Resources (funds, human resources, time and expertise) were generally allocated strategically to achieve significant outcomes. As mentioned above, there is an issue about the viability of the Self Employment option if seed capital and increased grant funding is not added to the package of support.

The delayed re-establishment of the Employment Fund as discussed above, had an impact on the phasing of financing. This caused a shortage of resources for technical assistance that was addressed by reallocating \$20,000 from the amount originally planned to come from the ILO contribution to the Employment Fund. Allied to this was a delay by the Donor to agree to an extension to the project implementation in 2009. For almost six months the project had to continue at maintenance level, reducing costs to the minimum.

The delay to the establishment of the Employment Fund also meant that the approval for the ILO to request the second instalment was delayed. This then created a current account funding issue and delayed the procurement and mobilisation of technical assistance. This second instalment was transferred to the ILO in February 2011. In effect there was no permanent ILO coordinator on the ground in Albania from February 2010 to February 2011. Despite this, the team managed to deliver successful activity but would have been more efficient with an ILO coordinator in place during that period.

5.5 Efficiency of management arrangements

The Project management and governance operationalised through the Project Steering Committee (SC), the backstopping of the ILO and the assistance of the ILO's Chief Technical Advisor, was efficient and effective.

³ This is the $(B + tW)$ formula used to measure long-term outcomes of ALMPs, where B is the benefit payments saved, t is the tax rate and W is total participant earnings (i.e. the product of employment rate and wage rate). When impact is measured over long periods, the earnings component in the formula can be relatively large.

The SC executed its advisory and guidance role very effectively. All members interviewed during the evaluation mission rated highly the work of the Committee and their ownership of the process. They felt that they had a genuine policy and management role in the Project. Communications channels among the Project, the partners and other agencies functioned very well and in an open manner.

The Project had the full backing of all senior officials of the MoLSAEO and of the National Employment Service. Despite the need to extend the duration of the project and the hiatus period, the Project management monitored the project performance closely and had appropriate systems to do so. Cooperation with project partners was effective, particularly in relation to participation in the SC.

5.6 Impact and sustainability

The most significant impact of the project is the learning that occurred among the officials of MoLSAEO, the National Employment Service and the social partners. The Project succeeded in:

- Building upon many years of technical assistance to the MoLSAEO, its predecessors and the NES by formalising, improving and introducing new procedures for both the management of the NES and more particularly for ALMPs. This was a crucial added value. **In order to sustain this change process, more stable staffing will need to be introduced so that institutional memory and knowledge is maintained and not dispersed as has happened since 1993;**
- Developing capacity in the NES to the point where a new operational and management structure has been recently put in place at headquarters with a view towards more logical and cogent division of responsibilities and support for innovation and development of capacities. This will ensure that the NES will be well placed to monitor, evaluate, report on and control the spending of IPA and other funds becoming available next year and in the coming years;
- The targeting of IPA funding which has been influenced by the project both from the perspective of the NES review and the strategic plans developed during the project. Allied to this, lessons and innovative approaches learned in relation to ALMP design delivery and monitoring are reflected in the plans for the forthcoming IPA funding;
- Developing the capacity of labour market institutions to monitor and evaluate active labour market policies targeting disadvantaged groups of jobseekers;
- Providing reassurance that ALMP continuity will be maintained. Because the project ends in December 2011 and because funds will continue to be disbursed by the NES after this date, several assurances were sought and have been provided to the evaluators as regards the capacity and intention to carry on with the management of the ALMPs after the end of the project. From the

front desk staff to the Director General, the NES is ready and able to manage, monitor and provide a regular (monthly if required) account of the Fund. Sufficient capacity has been developed as a result of the project to ensure this;

- Mainstreaming gender parity in ALMP delivery. A particular innovation was the provision of support for business start-ups among women;
- Maintaining cooperation high among all stakeholders throughout the project;
- Involving the social partners in Project's activities both through tripartite activities and needs-based assistance.

All stakeholders emphasised that the Project provided substantial learning at policy and programme level and improved the targeting of disadvantaged groups in line with the ILO core principles of decent work and equal opportunities. There is no doubt that the substantial capacity developed by the Project will continue to be used in future policy formulation.

6. Conclusions

The members of the evaluation team conclude that the ILO Project *Assistance to strengthen the Employment and Training system of the National Employment Service of Albania* has had a positive and systemic impact on policy making and operational activities in both the MoLSAEO and the NES. It has also forged valuable links among these two institutions and the social partners. In this regard, the Project is considered a success. Despite some discontinuity in the Project management, the direct funding of ALMPs have provided valuable resources and funds to disadvantaged groups and Regions that would otherwise not receive funds and with such flexible modalities.

The technical assistance provided to the Employment Department of MoLSAEO on the design of evidence-based employment policies contributed to the strengthening of the labour market governance system. The results of this assistance is reflected in the strategy paper developed under the project -“The Modernisation of the National Employment Service of Albania and its response to the National Employment Strategy 2007-13”- and in the NES developments to be financed by the EU Instrument of Pre-Accession (IPA).

The mainstreaming of the intensive case management and individual employment plan approach suggested during the Project will require most of the limited NES resources. Such mainstreaming will not be possible unless the workloads already being managed by employment service staff are reduced, new staff recruited and case-management ICT made available to all NES officers.

Most of the lessons learned from the Project are positive ones. These are to be discussed at a planned workshop/conference planned for December 2011. These Lessons learned include the following:

1. Strategies that combine institutional capacity building with demonstration programmes directed at the creation of more and better job opportunities would seem to be more effective in responding to the needs of Long-term unemployed.
2. The experience of the ILO Project in Albania has shown that, in line with other countries' experiences, well designed and targeted active labour market programmes targeting disadvantaged groups attract the interest of enterprises even in a situation of contracting labour demand.
3. ALMPs targeted at women need to take into account cultural norms and be reinforced with added provision of financial and other supports. This Self-Employment Programme has demonstrated this is a very clear way, as discussed above.
4. Targeting of disadvantaged groups for participation in ALMPs needs to be carefully managed. Additional counselling and skills/competencies identification are crucial to a better match of jobseekers to jobs. The provision of on-the job training in particular, requires that extra resources and effort on the part of NES be put into the matching and support processes.
5. Training in ALMP evaluation has been instrumental in raising awareness among both front-line and management staff of the importance of monitoring, follow-up and gross and net impact measures. This has highlighted the lack of such an approach in the past with regard to mainstream NES ALMPs and the importance of reinforcing this area of NES work in the future.
6. While the re-establishment of the Employment and Training Fund has been achieved during the project, its sustainability after the project end is not clear. It can provide a useful structure within which to manage and source funds from both donors and the pre-accession instruments of the EU. In order to ensure sustainability it is necessary the Fund should contain an element of Government Financing after the Project end.
7. Quantitative and qualitative Expectations for delivery of programmes to disadvantaged jobseekers need to be fully costed and tested before projects are launched.
8. Flexibility in programme design is a crucial factor in delivering innovative pilot projects. The ability to be flexible supported the project in its mandate for direct support to disadvantaged jobseekers.
9. Support for the placement of PWDs requires a higher level of financial and physical inputs but more importantly, a change in the mind-set of staff and employers.

7. Recommendations:

1. The project allowed the local management to decide the mix of programmes to be delivered and resource allocation. A flexible approach to adjusting rules and regulations for specific ALMPs was introduced. These factors were key to the success of the direct assistance component (once it got started) of the Project. The extension of this model of decentralised management of active labour market programmes should be encouraged within the National Employment Service. The possibility to influence the adjustment of ALMPs by staff should be considered in the context of a bilateral forum between local office and management staff and between MoLSAEO and the NES.
2. The failure to encourage employers to actually recruit PWDs needs to be addressed. While the increased emphasis on PWDs as a target group came relatively late into the project, the SC and the project team introduced initiatives to meet this new emphasis. The ceiling for the number of staff for the eligible enterprises was moved from 20 to 25. This was done in order to align it with the legal provision for the obligatory recruitment of PWD (1 for each 25 staff). In order to address a possible objection from the employers that they would need to adapt equipment and working space to accommodate PWD, a specific fund was created and approved by the Steering Committee.

It is recommended that PWD needs awareness training be encouraged for all staff within the NES and MoLSAEO. It is important that awareness is raised in both staff and employers that disability occurs in structured ways and that the problem of adjustment is one for society, not individuals. The emphasis should shift to analysing, understanding and challenging the ways society disables people. The dominance of a “medical” model of PWD needs has led to a disabling culture while a “social” model facilitates the development of a disability aware culture. The NES can be instrumental in fostering an enabling culture for PWDs. The flexible financial support package proposed within the project should be examined to see if it is enough and other access and enabling tools be explored in order to support employers to employ PWD. A mechanism needs to be put in place to allow existing benefit payments to PWDs to be maintained while PWDs are taking part in ALMPs.

3. The innovative design approach of the ALMPs required a significant staff commitment of time and resources to implement, particularly the need to provide in-depth counselling for a specific period and to assess participants skills and competencies and then match them to vacancies with similar profiles. This has fore-grounded the need to provide more staff resources on the front-line where NES officers meet clients. The extension of the case management and counselling approach piloted by Pole Emploi to all the NES offices is urgent. Coupled with this, the development of an ICT based case

management system is an important prerequisite to support NES officers in the new case management, guidance and counselling approaches.

4. Employment Subsidies are an important tool for the NES. A majority of project ALMP funding was expended on Employment Subsidies. The programme is easy for staff to implement and is favoured by employers. It is however important to ensure that no displacement is taking place and in that regard the flexible ratios of subsidised worker to permanent existing staff needs to be monitored closely and adjusted as necessary. The possibility of a 5-person enterprise to recruit 5 more staff using the subsidy needs to be examined carefully to ensure that displacement is not taking place. Consideration should be given to returning to the 3:1 ratio set out in the original project design. There was also an upper limit of 25 for the size of enterprise. In the view of the Director of the NES it might be more effective to target larger enterprises with more capacity to retain and train workers. This would also be useful in relation to OJT programme where larger companies would be more able to dedicate a member of staff to provide and supervise the training. This has to be balanced with the reality of disadvantaged regions where most employment is in SME's and agriculture/wood processing.
5. The monitoring approach tested by the Project to measure the performance of active labour market programmes targeting disadvantaged jobseekers offers decision-makers a tool to appraise the labour market returns of investing public funds to fight social exclusion. The MoLSAEO should continue these endeavours and commit human and financial resources to regularly verify the outcomes of active labour market programmes. It is encouraging that both the NES and the Ministry have conducted such research in the past year, partly as a result of the awareness raising of monitoring and evaluation undertaken in the Project. (e.g. MoLSAEO have determined that the placement rate from State funded OJT programmes is 70%, Employment Subsidies 47% and Internships 65%).
6. In a situation where State funding is available for similar Programmes as those in the Project (OJT and Subsidy programmes in this case) it is important to ensure that a focus is maintained on the added-value aspects of the Project interventions. The Project brought welcome extra funding to bear on the OJT and Subsidy Programmes in a period when State funding was low for such Programmes. It is also important to ensure that a focus is kept on the target groups defined in the Project design.
7. Quantitative targets for active labour market programmes should be established on the basis of an accurate cost and needs analysis as well as the experience gained in similar projects. In that regard it may be useful for the

ILO to consider increasing the synergy between similar ILO and other donor projects in neighbouring countries to allow for peer-learning as projects are in progress. Issues encountered in any project are mainly country specific but methodological implementation issues could usefully be shared in relation to aspects such as competency and skills analyses, certification and mentoring, for instance. A case in point would be to have linked with the Serbian Youth Project team and a similar UNDP managed Youth Project in Kosovo which used/are using the more or less identical model design and approach to competency matching, guidance and counselling for OJT programmes.

8. The innovative Self-Employment Programme for women deserves continued support. It seems that at least 6 women in one Region will set up in business and this is an encouraging result. During the evaluation it became apparent that more supports are needed to facilitate start-ups by women. It may be beneficial to link in with existing supports for small business available through other mechanisms such as chambers of commerce or other donors to maximise the synergy between possible support mechanisms in order to ensure continuity of support and mentoring for small business start-ups. It has been demonstrated in many countries that the first three years of an enterprise are the most critical and that many business fail in that period. It is useful to keep this in mind when planning further supports in the context of IPA or other funding programmes.

9. Mechanisms should also be established so that ILO technical cooperation projects assisting member states to implement active labour market policies remain open after the project's end date to provide advisory services to assess net impact. The present Project should conduct a longitudinal study of the performance of participants on the ALMPs against that of a control group extracted from the unemployment register and against participants on the similar State funded programmes. This will give an important measurement of the programme success rate. The NES Director has undertaken to closely monitor and report on the disbursement of the remaining funds after the project end date but it would be useful to have the possibility of continued ILO monitoring and evaluation.

Annex 1

TERMS OF REFERENCE⁴

FINAL INDEPENDENT EVALUATION

**Assistance to strengthen the employment
and training system of the
National Employment Service in Albania**

International Labour Office

⁴ Some formatting detail and unimportant annexes to the TOR document have been deleted by FK (Team Leader) in order to save space

1. Introduction and rationale for the evaluation

Financed by the Government of Italy with a contribution of EUR 600,000, the International Labour Office (ILO) is implementing the Project *Assistance to strengthen the employment and training system of the National Employment Service*, aimed at: i) strengthening the capacity of NES to provide targeted services to groups at risk of labour market exclusion; and ii) designing and pilot-testing a system for contracting training and other employment services. The originally foreseen duration of eighteen months up to the end of 2009 was postponed till the end of 2011, due to the difficulties met in the establishment of a joint Employment Fund with the Ministry of Labor, Social Affairs and Equal Opportunities (MOLSAEO) for the implementation of pilot Active Labour Market Policies.

The government counterpart at the time of project formulation was the Ministry of Labor, Social Affairs and Equal Opportunities (MOLSAEO) of the Republic of Albania. The progress of the Project was assessed regularly by the Project Steering Committee (SC), which met regularly throughout the Project duration.

The rationale of the evaluation is specified in section F of the project document, which envisaged that the programme would be subject to an independent evaluation. Against this backdrop, and in compliance with ILO evaluation policy,⁵ the Employment Programme of the Decent Work Team and Country Office for Central and Eastern Europe (DWT/CO Budapest) is commissioning an independent evaluation of the Project *Assistance to strengthen the employment and training system of the National Employment Service* according to the terms of the reference specified henceforth.

2. Description of the project

The project *Assistance to strengthen the employment and training system of the National Employment Service of Albania* (ALB/03/50/ITA), financed by the Italian Ministry of Foreign Affairs and implemented by the National Employment Service of Albania (NES), was centred around two major components that combined strengthening the capacity of labour market institutions to address the employment challenge with demonstration programmes directed at improving the effectiveness and targeting of employment and training services. In particular, the direct support component of the project was geared to provide assistance for the development of employment programmes targeting disadvantaged jobseekers, especially those who

⁵ The ILO adheres to the principles of evaluation in the UN System: usefulness, impartiality, independence, quality, competence and transparency and consultation. ILO Evaluation Unit, *ILO Guidelines to result-based evaluation: Principles, rationale, planning and managing for evaluations*, ILO Geneva, January 2010.

face discrimination, poverty and social exclusion, as well as redress wide gender inequalities in access to employment and training services and, ultimately, to the labour market.

The first phase of the project implementation has achieved the following main results:

1. in-depth assessment of the NES structure, organization and workflow;
2. design of an internal operational strategy for the NES;
3. implementation of a survey to detect the skills needs of enterprises in Albania;
4. drafting of procedures for NES for contracting training;
5. capacity building for NES trainers on the design, monitoring and evaluation of Active Labour Market Programs (ALMPs);
6. capacity building for NES counsellors on the design, monitoring and evaluation of ALMPs;
7. design of gender-sensitive employment programmes targeting vulnerable groups;
8. publication and dissemination of tools.

The project also envisaged the establishment of an employment and training fund co-financed at 50% by the Italian funded project and the Ministry of Labour, Social Affairs and Equal Opportunities (MOLSAEO).

In July 2009, the MoLSAEO informed ILO that it could not make available its share of contribution and invited ILO to consider the possibility of financing the activities using only the project funds. Such request has been positively considered by ILO and the Donor.

As a result, a Letter of Agreement (LoA) between International Labour Organization (ILO) and the (MoLSAEO) was signed on September 2010 for the creation of a Project Employment Fund aimed at the implementation of the Active Labour Market Programs (ALMPs) targeting disadvantaged unemployed people. This allowed to transfer in mid November 2010 an amount of USD 180,000 to the National Employment Service (NES) Bank Account denominated for the Project. In order to guarantee the technical assistance, the ILO requested the second instalment of funds from the Donor that was transferred to the ILO in February 2011. As a consequence of such a delay in the set up of the Employment Fund, the Donor authorised for an extension of the final deadline for the project completion up to July 2011.

The pilot regions provided the feedback, as the NES has verified that the interest of employers for the proposed ALMPs was not as high as expected. This is probably due to the difficulties that the country has been experiencing in the context of the global financial crisis as well as due to the current level of compensation. Therefore, the Directors of the NES regional offices of Lezha and Shkodra, upon inputs from the employers, made suggestions for modifications in the incentives package that were proposed for the endorsement of the SC in February 2011. Once the minutes agreed (March 2011), beside the Programme on self-employment already started in December 2010, the effective implementation of the other ALMPs started effectively in May

2011 with the signature of notary contracts.

The delays were caused by objective difficulties outside the responsibility of the ILO as implementing agency. Therefore, since the project is almost completed a no-cost extension of the project duration was requested to the Donor till the end of 2011 to allow for smooth completion of pilot ALMPs supported by the Project Employment Fund.

3. Purpose, scope and clients of the evaluation

The purpose of the evaluation is to assess the performance of the Project in a comprehensive, systematic and objective manner in order to inform internal decision making and ensure accountability to the Donor. The evaluation will assess the relevance of Project objectives and approach as well as identify the extent to which: i) the project has achieved its planned objectives, ii) its strategy has proved efficient and effective, and iii) the long-term impact the Project is likely to have. The evaluation will look at the Project as a whole, identify good practices and lessons learned to be used as a knowledge base for developing future technical assistance packages.

The evaluation will analyze strategies and implementation modalities so as provide recommendations to be integrated in the planning process of ILO's technical assistance in the region. Particular emphasis will be placed on the review of Project sustainability and impact, as well as on possible innovative technical cooperation features in employment and training. The evaluation will also assess the achievements and effectiveness of pilot programmes at district level (direct assistance), their replicability and their instrumentality to the institution building and policy development processes. Finally, the evaluation will review the relevance of the:

- Initiatives aimed at mainstreaming gender in technical cooperation;
- Involvement of the social partners;
- Technical assistance to the reform of the public employment service and to the introduction of comprehensive, multi-service active labour market programmes (ALMPs);

The final clients of the evaluation report are:

4. Policy makers, managers and practitioners of labour market and other institutions that partnered with the Project at central and local levels, as well as the social partners and the donor;
5. Project management, the ILO DWT-CO for Central and Eastern Europe, the ILO Regional Office for Europe, and, ultimately, the Technical Cooperation Committee of the ILO's Governing Body.

6. Ultimate beneficiaries of the project including disadvantaged job seekers and people at risk of labour market exclusion.

4. Suggested analytical framework

The evaluation will assess the relevance, effectiveness, efficiency, impact orientation and sustainability of the overall Project. A detailed analytical framework, with suggested evaluation questions, is appended to the ToRs as Annex 1. The evaluation team can include other aspects in accordance with the purpose of the evaluation. The key evaluation criteria revolve around the following aspects:

- ***Relevance and strategic fit of the project:*** The evaluation will review the extent to which the objectives of the Project were/are consistent with beneficiary requirements and needs. The evaluation will also assess whether the approach was/is strategic and the ILO used/uses fully its comparative advantage, i.e. in the context of the overall ILO Decent Work Country Programme in Albania.
- ***Validity of project design:*** The evaluation will review the extent to which the project design was logical and coherent.
- ***Project progress and effectiveness:*** The assessment will measure the extent to which the project's immediate objectives were achieved.
- ***Efficiency of resource use:*** The evaluation will gauge how resources and inputs were converted into results.
- ***Effectiveness of management arrangements:*** The evaluation will note to what extent the management capacities and arrangements put in place supported the achievement of project results.
- ***Impact orientation and sustainability of the project:*** The evaluation will assess the strategic orientation of the project towards making a significant contribution to broader, long-term development changes and it will measure the extent to which the results of the project are durable and can be maintained, scaled up and replicated by partners.

In addition, the evaluation will analyze the Project's performance related to the ILO's cross-cutting issues: gender, poverty, labour standards and social dialogue.

5. Main output

The main outputs of the exercise will be:

- A final report in English with findings and recommendations addressing the above- mentioned key evaluation criteria. The report shall not exceed 40 pages excluding annexes and it will be structured alongside the format appended in Annex 2.
- A two-page summary of the Project Evaluation Report. This abstract will be drafted on the basis of the template developed by the Evaluation Unit of the ILO.

6. Evaluation methodology

The evaluation will be carried out through analyses of various sources of information including desk analysis, survey data stemming from the performance monitoring of active labour market programmes targeting disadvantaged youth, as well as interviews with governmental counterparts and project partners, unions and employers' representatives, direct beneficiaries, including young people who have participated in training and/or received services from the project pilots, partner agencies, project management and staff. To this purpose, the evaluation team will undertake a field mission to the Republic of Albania.

The sources of information, information gathering methods and timing are specified below.

A) To be dispatched electronically prior to the field mission:

- Project documents;
- Six-month progress reports;
- Policy and other key documents produced by the Project;
- ILO's evaluation guidelines.
- Training tools, learning packages and other publications;
- Technical and financial reports.
- DWCP/Albania
- Project self-assessment report (December 2010)

The evaluation will be carried out with the technical support of the Employment Programme of the ILO DWT-CO in Budapest. The evaluation team will relate to the Employment and Skills Specialist of the ILO DWT-CO Budapest for technical matters.

7. Management arrangements, work plan and time frame

The tentative timetable of the evaluation is the following:

1. Desk review	Review of key project documents. (Evaluators)	<i>25-29 October, 2010 (5 working days)</i>
2. Field visits	The evaluation team visits project sites, interviews stakeholders and beneficiaries and gathers additional information. (Evaluators and Project team)	1 -5 November, 2010 (5 working days)
3. Report drafting	The evaluation team drafts the evaluation report and submits it to the Evaluation Manager. (Evaluation Team Leader)	6 working days
4. Stakeholders comments and feedback	The draft report is circulated to stakeholders for comments and feedback. These are consolidated and sent to the evaluation team. (Evaluation manager and Project team)	7 working days
5. Final report	The evaluation team finalizes the report embedding the comments. (Evaluation Team Leader and evaluation manager)	2 working days

It is expected that the evaluation team will conduct consultations and meetings with representatives of the following institutions:

Ministry of Labor, Social Affairs and Equal Opportunities (MOLSAEO)

- Employment Policies Department.

National Employment Service of Albania (NES)

- Management;
- Employment Programmes;
- Training Department;
- Management and staff of the NES branch offices in Lezha, Kukes, Shkodra, and Gjirokaster as well as pilot programmes beneficiaries.

Social partners

- Council of Employers' Organizations of Albania (KOPSH)
- Council of Employers' Organizations (KOP);
- Union of Independent Trade Unions of Albania (BSPSH).
- Trade Unions Confederation of Albania (KSSH),

ILO

- ILO NC in Albania
- Employment Programme representatives and Project Staff

Evaluation Team

The evaluation team will be composed of a senior evaluation expert (to be competitively selected and appointed by the ILO), a national evaluator (to be appointed by the Ministry of Labour, Social Affairs and Equal Opportunities), and an evaluator to be appointed by the donor.

The senior evaluation expert (Team Leader) will take the role of coordinator of the evaluation team and will be responsible for preparing the evaluation report. The national evaluator and the evaluator appointed by the donor will provide inputs and contribute to the report.

The ILO Project will bear the costs (fees, travel and other related expenses) of the evaluation team.

Qualifications of the Senior Evaluation Expert

- Substantial knowledge in the field of project evaluation (i.e. labour market and development; employment policies)
- Knowledge of project monitoring and evaluation methodologies
- Advanced degree in social sciences or related fields
- Experience in interviewing, desk research, drafting and report writing.
- Excellent analytical skills
- Excellent communication and writing skills.
- Excellent command of English
- Command of Albanian would be an asset

Project management and staff

The names and contact details of the project management and ILO staff who will be involved in the evaluation are indicated in the table below.

Evaluation manager:	Irina Sinelina, Evaluation Officer, ILO DWT-CO Moscow , tel. +7 (495) 933-58-93, email: sinelina@ilo.org
----------------------------	--

Evaluation focal person:	Alena Nesporova, Deputy Regional Director, Regional Office for Europe and Central Asia, International Labour Office, tel. +41 22 799 6781, email: nesporova@ilo.org
Project management:	Natalia Popova, Employment Programme, ILO DWT-CO Budapest – tel. +36 1 4732657 – email: popova@ilo.org
ILO backstoppers:	Kinga Jakab (Administrative and Financial Officer), ILO DWT-CO Budapest, Tel: +36 1 4284053, email: jakab@ilo.org

ANNEX 2

PROJECT OBJECTIVE No.1:

The capacity of NES to provide targeted services to groups at risk of labour market exclusion will have been strengthened by the end of the Project.

OUTPUTS	INDICATORS:	RESULTS ACHIEVED AND STATUS
Output 1.1: Coordination framework, including the composition of the Steering Committee (SC), established and operational.	-The Steering Committee meets regularly and the minutes of the meetings are available and disseminated	<p><i>Status: Complete</i></p> <p>The Steering Committee (SC) conveyed 7 times during the implementation of the project and it is expected to meet again before the project ends. Meeting were regularly followed by the dissemination of the proceedings to the members by the Secretariat (ILO). The SC is composed of one representative from the following institutions:</p> <ul style="list-style-type: none"> • Ministry of Labour, Social Assistance and Equal Opportunities (Chair) • General Director of the National Employment Service • Council of Employers' Organizations of Albania (KOPSH) • Council of Employers' Organizations (KOP), • Union of Independent Trade Unions of Albania (BSPSH) • Trade Unions Confederation of Albania (KSSH) • Director of the Italian Cooperation • ILO
Output 1.2: An in-depth assessment of NES organisation, workflow and service delivery conducted and findings fed in the re-orientation of the service	<ul style="list-style-type: none"> • One review of NES organisation, service delivery and programmes carried out and available • Amendments to law and rules of procedures prepared and presented 	<p>The assessment was conducted and the report published.</p> <p>The main findings were presented during a two days workshop in November 2009 for a large number of NES staff from headquarters and regional offices and formed the basis for the Change Strategy of NES.</p>

<p>Output 1.3: NES guidelines and procedures on employment services targeting groups at risk of labour market exclusion, designed, pilot-tested and finalised</p>	<ul style="list-style-type: none"> • 10 counsellors are trained as trainers and are able to replicate training activities for NES staff; • 150 NES practitioners are trained on employment service procedures targeting group at risk; • A set of guidelines formats and procedures for NES staff approved and used centrally and at local level. 	<p>A training of trainers was organised on:</p> <ul style="list-style-type: none"> • 23-24 July 2008 on Training Needs Analysis • 09-11 December 2008 on Active labour Market Programme Design • 05-06 May 2009 on Active Labour Market Programmes' Monitoring and Evaluation • A series of training sessions involving NES staff from all 12 regional offices has been held in July 2011 on Impact Evaluation of ALMPs <p>A Guide on contracting training was issued and applied</p> <p>Methodology for Labour Market Analysis was tested in 2009 with the support of an international expert. A training was organised for NES staff on the outcomes of the first national survey. The TNA was repeated in 2010 by the NES staff alone.</p>
<p>Output 1.4: A comprehensive internal strategy of the NES drafted and approved</p>	<ul style="list-style-type: none"> • A NES strategy on the design, sequencing and evaluation of employment services is approved and adopted by all central and local offices. 	<p>Through a participatory process an internal Change Strategy was prepared along the European Employment Guidelines and in line with the directives of the Albanian National Strategy for Employment and Training 2007-2012. The Change Strategy has been validated by the NES staff during a specific workshop and the NES management express consensus on the final version which was sent to the Ministry of Labour for endorsement. Pending formal approval, anyhow the NES is applying the main indications contained in the document</p>

PROJECT OBJECTIVE No.2:

A system for contracting training and other employment services will have been designed, pilot-tested and finalised by the end of the Project.

OUTPUTS	INDICATORS:	RESULTS ACHIEVED AND STATUS
<p>Output 2.1: NES Guidelines and procedures for contracting training services designed, pilot-tested and finalised</p>	<ul style="list-style-type: none"> • A set of guidelines for selecting groups at risk of labour market exclusion and partner enterprises are available and used by the NES • Newly contracted training providers are trained to deliver competency based training to beneficiaries 	<p>A detailed Guide for ALMPs has been drafted in 2008 and was used as a basis for training NES staff.</p> <p>As during the implementation phase of the new ALMPs there was a need for a partial revision of the guidelines both on remuneration and eligibility criteria. As a result, in the second half of 2011 a revised Guide has been adopted and the changes illustrated to Social Partners and to the NES staff from headquarters and all 12 regional offices</p>
<p>Output 2.2: Employment and training programmes targeting groups at risk of labour market exclusion introduced as part of a comprehensive financial and operational framework</p>	<ul style="list-style-type: none"> • NES policymakers and managers are trained in the design, management and monitoring of employment and training funds; • Guidelines, formats and procedures for contracting training are available and used by NES; • An employment and training fund is established and operational; • 120 NES staff are trained on the administration and monitoring of ALMPs. 	<p>Based upon the prepared Guidelines, workshops and training session the management and employment specialists of the regional NES offices have been made aware of modalities for designing, implementing and monitoring ALMPs. Using the Training of Trainers approach the awareness and capacity on ALMPs</p> <p>An ad hoc Employment Fund for the pilot-testing of the new ALMPs was agreed at a level of 400,000 US\$ (half from the project and half from MoLSAEO). As the contribution from the MoLSAEO did not materialised, the Employment Fund was established only with the contribution from the project at a level of 180,000 US\$ to which recently have been added 130,000 US\$ deriving from savings in the project implementation</p> <p>The ALMPs have been pilot-tested in 4 regions: Lezha, Kukes, Shkodra and Gjirokaster.</p>

<p>Output 2.3: Active labour market programmes targeting 3000 people at risk of labour market exclusion implemented</p>	<ul style="list-style-type: none"> • At least 3000 disadvantaged unemployed- 50% of whom are women – have participated in employment and training programmes; • At least 60% of programme participants are in decent employment 	<p>Since the very beginning it appeared that the target of 3,000 people was too ambitious considering that:</p> <ul style="list-style-type: none"> • The employment fund was reduced from 400,000 US\$ to 180,000 US\$; • The remuneration identified originally needed to be reviewed to align to the remuneration of similar NES programmes <p>The adaptations were approved by the Project Steering Committee. As a result, 210 people will be effectively participate in the ALMPs pilot tested in the 4 mentioned regions</p>
<p>Output 2.4: A package for the design, monitoring and evaluation of ALMPs targeting people at risk of labour market exclusion developed and used by NES</p>	<ul style="list-style-type: none"> • A package for the design, monitoring and evaluation of ALMPs targeting people at risk of labour market exclusion is published and disseminated 	<p>A detailed Guide for ALMPs has been drafted in 2008. Translated into Albanian and disseminated.</p> <p>Based upon the feedback during the implementation phase and taking on board the modifications approved by the Project Steering Committee. a revised Guide has been issued. Duly translated into Albanian it has been disseminated to all NES staff.</p>

Annex 3

List of Training Tools and Materials developed and adapted

Assessment of the National Employment Service of the Republic of Albania

Guidelines to detect skills needs of enterprises (in Albanian language)

Training Needs Analysis Workshop - Tirana, 23 and 24 July 2008

Preliminary data on the survey to detect emerging skills in micro- and small enterprises in Albania (in Albanian and English languages)

Guide to the design, monitoring and evaluation of innovative active labour market programmes targeting individuals at risk of labour market exclusion;

Training on Design and Targeting of Active Labour Market Programme - Tirana, 9-11 December 2008

Training on Monitoring and Evaluation of Active Labour Market Programmes - Tirana, 5-6 May 2009

Financial Procedures for the implementation of innovative active labour market programmes targeting individuals at risk of labour market exclusion

Guide on contracting training

Internal Strategy of the NES

Training material on Impact evaluation of employment programs July 2011

Updated on Guidelines on design, implementation and monitoring of ALMPs - September 2011

Annex 4

External evaluation mission

Draft Agenda

31 October – 4 November 2011

Day	Hours	Activities	Activities
Monday 31/10	15:30	Briefing with ILO staff Mr. Alfred Topi Ms Kinga Jakab	<i>Instituti Sigurimeve Shoqerore</i> • Rruga Duresit, No 83 • Tirane Tel. (+355 4) 2270 274 • Fax: (+355 4) 2270 274 Entire evaluation team
	16:30	Director General of NES Office, Mr. Thoma Miço	NES Headquarters Blv. Bajram Curri Tirana Entire evaluation team
	17:00	Director of HR Dept at NES, Mrs. Brikena Nallbani	NES Headquarters Blv. Bajram Curri Tirana Entire evaluation team
Tuesday 01/11	09:30	Visit to Lezha – Director of Lezha NES Office, Mr. Nikolle Ndreca	Entire evaluation team
	10:30	Meeting with some participants to the Self-Employment Programme	
	11:30	Visit to a company involved in the Employment Subsidy Programme	
	12:30	Visit to a company involved in the Work Training Programme	
Wednesday 02/11	10:00	Visit to Shkodra Director of Shkodra NES Office,	Split evaluation team
	11:00	Meeting with some participants to the Self-Employment Programme	
	12:30	Visit to a company involved in the Employment Subsidy Programme	

Wednesday 02/11	11:00	Visit to Kukes– Director of Kukes NES Office, Mrs. Merita Brati	Split evaluation team
	12:00	Meeting with some participants to the Self-Employment Programme	
	14:00	Visit to a company involved in the Employment Subsidy Programme	
Thursday 03/11	09:30	Ministry of Labour, Social Affairs and Equal Opportunity, Mrs. Arieta Late, Director of Employment Dept and Chair of the Project Steering Committee	Rruga e Kavajes Tirana Tel/fax: (+355 42) 28 340 Entire evaluation team
	11:00	Director of Employment Services at NES	NES Headquarters Blv. Bajram Curri Tirana Entire evaluation team
	11:30	Director of Monitoring and Statistics at NES	NES Headquarters Blv. Bajram Curri Tirana Entire evaluation team
	12:30	Council of Employers' Organizations KOPSH (Këshilli i Organizatave të Punëdhënësve Te Shqiperise) President: Ms. Sh. Ngjela	Rr. Kavajes Sun Tower Business Center 29 Tirana Tel: (+355 42) 34 350 Fax: (+355 42) 34 053 Split evaluation team
	12:30	BusinessAlbania (BIZNESALBANIA) President: Mr. Luan Bregasi	Kullat Binjake, Kulla nr 2, kati IX Tirana Albania Tel-Fax: (+355 4) 228 0222 Email: info.businessalbania@gmail.com Split evaluation team
	14:30	Bashkimi I Sindikatave Te Pavarura Shqiptare (BSPSH) Union of Independent Trade Unions of Albania President: Mr. Gezim Kalaja	Bulevari "Zogu I" Pallati I Kultures "Ali Kelmendi" Tirana Tel.: (+355 42) 32 157 Fax: (+355 42) 32 157 E-mail: bspsh@albmail.com Split evaluation team
	14:30	Confederation of Trade Unions of Albania (KSSH) President: Mr Kol Nikollai	Pallati I Kultures "Ali Kelmendi" Kati i 3te Tirana Tel.: (+355 42) 22 956 Fax: (+355 42) 22 956 Email: kssh@icc.al.eu.org Split evaluation team
	16:00	Director of the Italian	

		Cooperation Office in Albania, Mr Aldo Sicignano	Rruga "Abdi Toptani" Torre "DRIN", Quinto piano Tirana, Albania Tel: + 355 4 2240 881/2/3 Fax: + 355 4 2240 884 e-mail: ufl.albania@esteri.it Entire evaluation team
Friday 04/11		Team review and discussion/decisions on Evaluation preliminary findings and outline of the document .	