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Technical Cooperation

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

Project Self Evaluation Report

December 2010

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1. Background on the project and its logic

The first priority of labour market policy reform in Albania is to re-orient the National Employment Service (NES) from benefit administration to provision of services, assisting job-seekers effectively in re-employment 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 Decent Work Country Programme of Albania (2008 -2010), also emphasizes the importance of strengthening the capacity of the National Employment Service to provide tailored services to its clients.

Against this backdrop, the ILO DWT\CO for Central and Eastern in Budapest has received financing from the Italian Ministry of Foreign Affairs to implement a technical cooperation project entitled *Assistance to strengthen the employment and training system of the National Employment Service*. This Project aims to contribute to the priorities identified by the Country Review of Employment Policy of Albania, namely to implement a national employment policy that meets EU and international standards, and strengthen the capacity of the NES to effectively assist jobseekers in (re)employment. In particular, the Project is 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.

Due to the complexity of the project implementation, linked also to the difficulties linked to the establishment of the Employment Fund, the project required an extension of the time span and it is now expected to end by mid-2011.

2. Purpose and scope of evaluation

Before entering the last semester of the activity, the ILO planned to carry out a self evaluation in order to assess and understand the value of the work done so far.

The purpose of this self-evaluation is to assess the performance of the Project in a comprehensive, systematic and objective manner in terms of relevance, effectiveness, efficiency and impact. The self-evaluation is designed 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 self-evaluation is designed to analyse strategies and implementation modalities in order to provide recommendations to be integrated into the planning process of the ILO's technical assistance in the region. Particular emphasis is placed on the review of the Project's sustainability and impact, as well as on possible innovative technical cooperation

features in the national employment services review process. The self-evaluation reviews the relevance of the:

- Technical assistance to the reform of the public employment service and to the introduction of comprehensive, multi-service active labour market programmes (ALMPs).

3. Methodology

The self-evaluation has been carried out through a pragmatic approach based on a comprehensive analysis of various sources of information including desk review of survey data and project files, the project document, technical and policy papers produced by the project; work plans; progress reports and minutes of Steering Committees' meetings.

The self-evaluation process has been fed by continuous monitoring carry out through systematic recording of activities and through the documentation and gathering of information. The implementation of each component has been carefully analyzed during regular missions of the ILO project manager that allowed to detect immediately present or future difficulties and therefore, adopting the necessary correcting measures. The feedback from the beneficiary institutions, the donor and other stakeholders have been searched through the formal meetings of the project Steering Committee, regular meetings with MoLSAEO, NES and the Italian Cooperation.

A joint mission MoLSAEO, NES, Italian Cooperation and ILO has been carried out to Shkodra on 25 November 2009 in order to assess progress of the Project and meet with the main beneficiaries to discuss effectiveness and relevance of the activities undertaken. The mission report is attached in Annex 1.

A second joint mission, originally planned to Lezha on December 2010 has been postponed, for technical reasons, to January 2011.

4. The project objectives and indicators

In order to allow the evaluation of the project, indicators of success have been set since the very beginning along the main objectives and related outputs. The summary of project objectives and indicators (*as stated in the project document*) is:

Immediate Objective 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.

Indicators of achievement:

- *A review of NES organization, service delivery, and programmes carried out;*

- *Three Training of Trainers (TOT) activities are conducted and 10 participants per workshop are trained;*
- *Ten training workshops for NES practitioners are conducted and 15 participants per workshop are trained;*
- *A set of guidelines, formats, and procedures for NES staff drafted and disseminated at central and local level;*
- *A NES guide on the design, monitoring, and evaluation of employment services is drafted;*
- *A comprehensive NES organizational strategy is developed and approved.*

Outputs

1.1: Coordination framework, including the composition of the Steering Committee (SC), established and operational.

1.2: An in-depth assessment of NES organization, work-flow and service delivery conducted and findings fed in the re-orientation of the services

1.3: NES guidelines and procedures on employment services targeting groups at risk of labour market exclusion designed, pilot-tested and finalized

1.4: A comprehensive internal strategy of the NES drafted and approved

Immediate Objective 2

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

Indicators of achievement:

- *A set of guidelines for selecting groups at risk of labour market exclusion and partner enterprises are available and used by the NES;*
- *At least two training workshops conducted for newly contracted training providers;*
- *At least two workshops for policy-makers and managers for the design, management and monitoring of employment and training funds conducted;*
- *A set of guidelines, formats and procedures for contracting training are available and used by NES;*
- *An employment and training fund is established and operational;*
- *Eight training workshops for NES staff on active labour market programmes — with minimum 15 participants per workshop — conducted;*

- *A total of 3,000 disadvantaged unemployed have participated in employment and training programmes and 50 per cent are women;*
- *At least sixty per cent of participants of employment and training programmes are in decent employment;*
- *A package for the design, monitoring and evaluation of ALMPs targeting people at risk of labour market exclusion developed.*

Outputs

- 2.1: NES Guidelines and procedures for contracting training services designed, pilot-tested and finalized
- 2.2: Employment and training programmes targeting groups at risk of labour market exclusion introduced as part of a comprehensive financial and operational framework
- 2.3: Active labour market programmes targeting 3,000 people at risk of labour market exclusion implemented
- 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

Almost all of the planned outputs in the first component of the Project, namely capacity building of NES to provide targeted services to groups at risk of labour market exclusion have been achieved and activities completed.

Most of the planned outputs of the second component: innovative package of active labour market programmes are under implementation. However, the target of 3,000 people participating in active labour market programmes cannot be achieved. The key constraints related to the achievement of quantitative targets were:

- 1) the lack of contribution from the Albanian government, as originally envisaged, for the creation of an Employment Fund for financing the new ALMPs. The Fund was established, through a difficult process, with 180,000 US\$ transferred by ILO instead of the originally planned 400,000 US\$;
- 2) the overall costs of interventions targeting vulnerable groups, presenting multiple disadvantages (low-skilled, long-term unemployed, coming from low-income households, etc.) was more expensive, also given the time lag since the project design. That is why it was necessary to review the incentives in order to align them to the remunerations of similar measures applied by NES. The review of the measures targeting disabled unemployed and the integration of measures on self-employment contributed to the review of the expected target to no more than 500 individuals;

3). The global economic and financial crisis had a significant impact on the level of labour demand, consequently on the interest of the private sector to participate in the active measures and hire new labour.

5. Governance of the project

The project has been executed by the ILO and implemented by the NES in cooperation with the social partners. For the implementation of the project, a Steering Committee (SC) has been created as a forum to discuss needs and priorities and guide the project implementation from the technical point of view. The SC is composed of one representative from the following institutions:

- Employment Department of the Ministry of Labour and Social Affairs;
- National Employment Service;
- Workers’ organizations;
- Employers’ organizations;
- Department for Development Cooperation of the Italian MFA;
- ILO.

The ILO acts as secretariat of the SC. The SC met in January 2008 to agree upon management arrangements, discuss the findings of the project inception report and launch the performance assessment of the National Employment Service (NES) of Albania.

The Second Steering Committee Meeting, conveyed in December 2008, reviewed the progress of project activities and planned technical assistance and advisory services for the next period.

The third meeting was held 26 November 2009 to discuss the project progress and future project’s plans. As the project time span was expiring at the end of 2009, a project extension was requested, which was approved with a considerable delay. The restart of the project was officially signalled by the 4th meeting of the Project Steering Committee (SC) held on 14 June 2010. Another meeting was held on 24 September 2010 with important indications on the ALMPs implementation plan.

6. Review of implementation

For easy reference, the key outputs achieved so far by the project are summarised under separate headings below.

6.1 Performance assessment of the NES

In order to build the knowledge base on the performance of the employment services in Albania, an assessment of the organization, work-flow and service delivery of the NES was conducted between January and July 2008 to review the current situation and provide

action-oriented recommendations to improve service and programme delivery. The performance assessment examined the legal and strategic framework governing the employment service; its structure, organization and functions; trends in the delivery of employment services and programmes; and human and financial resources. It comprised the NES central office, all the twelve regional employment offices as well as seven local employment offices.

The assessment found that the Albanian employment service still lacks the capacity and resources to deliver on the core function of modern employment services as envisaged by the Employment Service Convention (C88), 1948 recently ratified by the Government of Albania. This, in turn, affects the capacity to effectively implement an active policy on employment. Addressing these shortcomings will require a long-term and sustained commitment of the Albanian Government both at policy and programme level.

The legal framework regulating the employment services is quite cumbersome. It includes at least forty different laws, decisions, guidelines, and orders most of which govern the relations between the Ministry of Labour and the NES; the central and local structures; the access of jobseekers, unemployed and employers to services; and the administration of employment promotion programmes and unemployment benefits. The knowledge of, and compliance with, the extensive procedural obligations set forth by the legal framework is a key requirement for counsellors' work. Thus, the work of the employment services seems mostly focused on benefit administration features rather than on assistance in employment and re-employment.

Access to employment services in Albania is limited to jobseekers resident in urban areas. Rural areas and their residents remain largely outside the reach of the service. This undermines the universality of access – as prescribed by the Employment Service Convention (C88) and the Statute of the NES – on the one hand, and the validity of the labour market data collected by the NES, on the other. In addition, there appears to be a gender bias in the way in which the service is organized and delivered, with little attention to those individual characteristics and determinants that have an impact in labour market performance of men and women, respectively. The basic tasks of the workflow, e.g. registration, counselling and contacts with the employers, should be given more attention to improve both efficiency and effectiveness of other functions. In particular, more could be done to market the services to employers, also with a view to tackle discriminatory practices in recruitment.

The *tiering* of services — self-service, group-based services/brief staff assisted services and intensive case management — has not yet been introduced. As registration with NES gives individuals access to a range of other benefits, this causes the unemployment register to be inflated by a considerable number of persons who are not actively seeking for a job. Another striking feature of the Albanian employment services is the sharp duality in organization and service delivery that exist between regional and local offices. The former

have better endowments and, generally, trained human resources. Local offices are scantily equipped, carry out most of the work manually and have mostly untrained human resources. Such situation hinders the execution of the basic functions, while the excessive attention on the procedural aspects of the service limit the time available for interactions with clients.

The availability of information on the labour market in Albania still needs improvement. The NES invests considerable resources to record the supply and demand of labour collected as a by-product of its intermediation activities. However, such information is rarely used for the provision of employment services and for the design of active labour market programmes. Although the data collected by NES is disaggregated by sex and education level, there appears to be a lack of understanding on the importance of characteristics and determinants that have an impact on labour market experience of the unemployed, as well as of several disadvantages that often cumulate on the same individual. This hampers the profiling and the early detection of serious labour market disadvantages that determine long-term unemployment or exit from the labour force. There is no coherent approach for the provision of individualized employment services to “hard to place” clients.

Decision relating to the design, implementation and sequencing of employment services is centralized and rigidly regulated, with local offices unable to tailor the services to the different labour market realities of the Albanian regions. These rigidities vanish the versatility of employment services for which both targeting and rigorous monitoring are key to improve the employment prospects of clients. The core elements that ensure the effectiveness of active labour market programmes – e.g. targeted to individual needs, designed to respond to labour market requirements, linked with work experience and part of a comprehensive package of services – are often overlooked in the design of employment promotion programmes in Albania. Furthermore, the current provision of labour market training is below, both in quantity and quality, the requirements of the labour market and the needs of individuals registered as unemployed. The programmes offered by public and training providers are neither competency-based nor linked to labour market demand. As a consequence, the return on training investment, i.e. the placement rate of individuals after training, is very low.

The funding modalities of employment promotion programmes would warrant revision. Despite some recent increases, the funds available for the administration of active labour market programmes are still insufficient to achieve the objectives stated by the Albanian Employment Strategy. In addition, the establishment of a National Employment Fund, envisaged by the Employment Promotion Law of 1995, never materialized.

The importance of transparent staff recruitment practices and human resource development approaches has been severely neglected in the past years. Both the recruitment and development of human resources need to be revisited to align the service

delivery of the Albanian NES to the principles enshrined in the Employment Service Convention (C88), 1948.¹

The findings of the assessment were discussed and validated during a workshop held on 03 November 2009.

6.2 Internal Strategy of the NES

As part of the capacity building component of the Project, an internal strategy was developed in close collaboration with NES management and relevant staff. The Strategy is a response to the goals set out in the Sector National Employment and Training Strategy and to ratified international instruments on employment issues. A working group was established to work on the Strategy, consisting of officials from MOLSAEO, managers from the NES Headquarters and the biggest regional offices, as well as representatives of workers' and employers' organizations. The working group suggested the following pillars for change in the NES' operations:

- *Customers' orientation.* Focus should be put on setting and delivering quality services, capable of responding to the different clients' needs (jobseekers and employers). An active cooperation with employers should include providing them with competent labour force as well as advice on human resources development. NES needs also to liaise with local authorities, e.g. municipalities, and other local actors (social partners, training providers, adults' education institutions, NGOs, etc) in order to maximize the impact of its services.
- *Coherence with European Employment Strategy.* Even if the main duty for alignment with the EU Employment integrated guidelines 2008-2010 stays with MoLSAEO, NES has an important role to play in employment policy implementation, in particular, in view of Guideline 17 (implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion), Guideline 19 (ensure inclusive labour markets for job-seekers and disadvantaged people), Guideline 20 (improve matching of labour market needs).
- *Labour Market Intelligence.* Easily accessible high-quality labor market information (LMI) is a key ingredient to improve both the short- and long-term matches of labor supply and demand, ensuring that individuals acquire the skill sets required by employers for today's dynamic labor market. The NES should benefit from a semi-permanent working group to consider all the issues related to labour market information.
- *Social partnership.* The Tripartite Councils should be transformed from purely procedural bodies to active ones, guiding NES' operations.

¹ Article 9 paragraphs 2) and 4) of Convention 88 prescribe that "the staff of the employment service shall be recruited with sole regard to their qualifications for the performance of their duties" and that "The staff of the employment service shall be adequately trained for the performance of their duties".

- *ITC*. Information technologies can allow for the provision of highly sophisticated service. The current IT system being mainly donors–driven and at pilot level, needs to be further developed in order to better serve jobseekers, employers and NES management.
- *Decentralization of both functions and financing*. Clients' needs orientation provides a strong argument for decentralization of the NES, which would not only be an administrative transfer of delegated functions to the regional and local office but also a strategic move towards integrated area-based approaches.
- *Better targeted donors' support*. Many donors have provided technical support to NES, however many aspects of NES' core activities still need assistance. There should be a consistent effort to ensure sustainability of donors' assistance and capitalise on pilot experiences.
- *Development of a monitoring and evaluation system*. NES' accountability, built upon a *performance management system* which also monitors the performance of different units within the organization, needs periodic *evaluation* for all major programmes, if cost effectiveness is to be maintained.
- *Establishment of a System of Managing the Quality*. For measuring performance, a system of quality including services' standards and internal processes should be established.

Bearing in mind the above areas of reforms, the Strategy was complemented with a comprehensive NES action plan, indicating relevant responses to each specific objective to be achieved, also taking on board the Albanian National Employment Strategy. The action plan proposals included short-, mid- and long- term timeframes, covering the period 2010-2013.

The NES' Strategy was validated during a seminar on 9 December 2009 with MOLSAEO and NES officials as well as representatives of the social partners.

Furthermore, the document has been sent to the Director of NES, Mr. Thoma Miço, who has made some comments, duly incorporated in the final version that has been sent to H.E. Mr. Spiro Ksera, Minister of Labour, Social Affairs and Equal Opportunities for endorsement.

The final version of the NES change strategy 2010-2013 is attached in Annex 2

6.3 Capacity building training

The Project organized, from July 2008, a staff development programme for the design, monitoring and evaluation of active labour market programmes. The programme comprises three main components: i) a training needs analysis (TNA) workshop aimed at

gathering information on the needs and expectations of NES staff; ii) a series of thematic workshops on programme design, monitoring techniques, evaluation methods as well as profiling and targeting approaches; iii) the development of training material and tools in the local language for the staff of the employment service.

During the *Training Needs Analysis Workshop*, participants: i) reviewed concepts relating to employment policy objectives and implementation of active labour market programmes, including targeting and sequencing of programmes; ii) appraised the tools used in the identification of priority occupations and labour market training requirements; and iii) identified the technical elements to be included in the staff development programmed of the ILO project.

The results of the above mentioned *Training Needs Analysis Workshop* indicated that the training-of-trainers programme should address, on the one hand, the complexity of the tasks involved in designing, monitoring and evaluating active labour market programmes and the upgrading of the training competencies of the NES trainers, on the other.

The main objective of the training workshop "*Design of active labour market programmes*", held in December 2008, was to appraise the relevance of different design and targeting models to improve the impact of active labour market programmes. In particular the training workshop centred on improving participants' capacity to: i) identify the key features of programme design (type, duration and compensation levels); ii) match the key features of programme design to the characteristics of the target group, and iii) sequence the delivery of programmes to maximize impact (individual employment plan). The review of "good" practices of other countries in areas of relevance for programme design constituted a key part of the workshop.

The Project organized, from July 2008, a capacity building programme for the staff of the NES on the design, monitor and evaluation of active labour market programmes targeting disadvantaged groups. The programme comprised three main components: i) a *Training Needs Analysis Workshop*, held in July 2008; ii) a training workshop on the design and targeting of active labour market programmes, (December 2008); and iii) a training activity on *Monitoring and evaluation of active labour market programmes* (May 2009).

During the last leg of the capacity building programme, participants: i) reviewed approaches to monitor the performance of active labour market programmes; ii) examined evaluation techniques to measure the net impact of programmes on employment and earnings of individual beneficiaries; and iii) identified the role and responsibility of labour market institutions in the monitoring and evaluation process. The workshop was instrumental to familiarize participants with the key features of monitoring and evaluation of ALMPs and it provided the opportunity to review good practices in OECD and Western Balkan countries.

The training workshops also served as a forum to discuss and agree upon the indicators to be used to measure the performance of active labour market programmes to be piloted under the aegis of the ILO project and to identify the data to be collected on individual beneficiaries, service providers and overall programme costs.

6.4 Contracting training system

The project document recognizes that education and training reforms aimed at improving the quality of Albania's labour supply are of key importance for the encouragement of employment, especially in higher productivity jobs needed to raise incomes and living standards. In view of the increasing multiplicity of public and private training providers in Albania, the Country Review of Employment Policy of Albania suggested that the training system of the MOLSAE: i) be made more attractive and accessible to jobseekers; ii) addresses gender segregation in employment and occupation, and iii) be oriented towards skills which are in demand in the labour market. Against this backdrop, the project is undertaking a number of activities to support the NES in establishing a system for contracting training services.

The project has assisted the NES to conduct a skills needs survey to identify the occupations (and their skills content) that are most required by the labour market. Under the guidance of the project, the NES: i) determined the key characteristics of units to be investigated and identified the enterprises to be surveyed; ii) defined the geographical scope of the survey; iii) adapted the model survey questionnaire to local circumstances; and iv) trained survey supervisors and interviewers.

The collection of data among the sample enterprises in the thirty-six districts of the country has been completed by end January 2009. The data gathering is entrusted to the counsellors of local employment offices and field supervisors that have been trained under the aegis of the project to administer the questionnaire and verify the correctness of the answers provided. The project will also provide technical expertise to analyze the main results of the survey.

The findings of the survey will feed into the work of the tripartite working group entrusted to develop contracting training procedures. This working group, composed of employment and training services practitioners, staff of the NES and of the MOLSAEO as well as representatives of social partners, was briefed on: i) eligibility criteria for the selection of public and private training providers; ii) specific forms of contracting and contracting clauses; iii) financial arrangements; iv) evaluation of training systems, including the requirements for follow-up and placement of trainees (tracer studies). Currently, a preliminary draft of the contracting procedures is under preparation for circulation among stakeholders prior to its pilot-testing.

6.5 Skills survey

During the first semester of 2009, the project assisted the NES in processing the data from the skills needs survey, conducted with 1000 enterprises, and a preliminary report describing the main findings was drafted. The results of this project component will feed into the work for implementing the training programmes envisaged under the innovative active labour market measures.

The survey has shown that despite continuing high unemployment there remain labour shortages in certain occupations, especially in *Textiles and Clothing* and *Fish Processing*.

The deficits in *Textiles and Clothing* should be of particular concern because this sub-sector was shown to be a high employment growth industry. *Construction* was identified as another high growth sector for which there will need to be an adequate labour supply; however, there was some indication in the survey of possible future labour shortages in that *Plastering* and *Construction* worker occupations accounted for 1 in 20 of all hard to fill vacancies. Given the high growth of this sector, recruitment problems could intensify.

According to the sample, supply problems can be expected to be exacerbated in particular regions. Korce, for example, had particularly high labour demand expectations (with an anticipated growth rate of 18.6%), and most of the new jobs were expected to be in *Textiles and Clothing* and *Construction*. Lezhe was the region with a concentration of hard to fill fish processing jobs.

Another area of particular concern should be the widespread perceptions of inadequate proficiency, especially in certain occupations such as *Machine and Process Operatives*. The survey has suggested that the inadequacies could be related to the speed of change which is producing a demand to which some workers might be having difficulty in adapting. This means that not only might we expect to see enhanced demands for existing occupations, such as in *Textiles and Clothing* and *Construction*, but also that the content of occupations and how they are performed might also be changing. The need to adapt to new technologies was one influence mentioned. It is also notable that enterprises were expecting a substantial increase in need for soft skills in the future.

From the survey results, the following policy implications were derived:

- i. *A need for targeted policies.* It is clear that the Albanian economy is characterised by highly differentiated labour situations requiring targeted actions. This fact points to the need to develop active labour market policies tailored to sector, regional, age, gender, and possibly enterprise size related, needs.
- ii. *A need for coordination and cohesion across different policy streams.* The derived nature of skills demand means that labour market policies need to be coordinated with broader development strategies aimed at promoting certain industries – such as, *Textiles and Clothing* and *Tourism* - , or simply aimed at seeking to move Albania along a greater productivity, higher value adding, path of development. Co-ordination may be required amongst a range of regional and national institutions concerned with promoting development, including training agencies, but also possibly development agencies, technology centres, universities, and a range of government departments. Further, achieving coordination and cohesion implies a partnership approach, whereby policymakers, employment officials, and training providers work together with employers and workers representatives to monitor changing needs and put into practice appropriate training and other labour market strategies.
- iii. *A need to address both external training and internal workforce development.* The existence of strong dissatisfaction with workforce proficiencies both inside the workplace and on the external labour market, plus the recognition of a dynamic “derived” skills situation, points to the need to address not only formal external training capabilities but also the conditions for continuous learning within the

workplace. This implies a consideration of the adequacy of current teaching practices, and also the effectiveness of workplace organisation, working conditions and incentives to learn.

- iv. *A need to continually monitor changing skill needs.* The survey has been a very useful beginning for researching skill needs and employment trends in Albania. Consideration now needs to be given of how to increase a better understanding of labour market operations in the future. More generally, consideration could be given to the establishment of labour market observatories, possibly supplemented by sector, value chain, cluster, or/and regional tripartite monitoring and advisory committees set up to report on labour issues.

In November 2009, a training workshop was organized for discussing the results and policy implications with the relevant national stakeholders. The event involved MOLSAEO officials and NES managers responsible for employment and training issues, staff at central and regional levels responsible for labour market information and statistics, all directors of the public vocational training centers, representatives from INSTAT and other similar Projects.

6.6 Active labour market programmes targeting individuals at risk of labour market exclusion

The project document envisages the design and financing of a package of employment services and programmes to facilitate the transition of disadvantaged unemployed to decent work. There is a general recognition that the effectiveness of active labour market programmes could be improved through: i) better targeting and tailoring to the individual needs of beneficiaries; ii) the provision of a comprehensive package of services addressing both labour demand (e.g. tax incentives, self-employment promotion programmes) and supply (e.g. skills training, career guidance and other job-search assistance); iii) a design that is more responsive to labour market requirements; iv) closer links to the world of work (e.g. on-the-job training, work placement); and v) involvement of the social partners. To this end, different types and sequence of services and programmes were designed according to the main characteristics of end beneficiaries (young people aged 16 to 25 and jobseekers aged 45 and over). The aim of these programmes is to address the specific labour market disadvantage faced by individuals – for instance low education level, lack of work experience, discriminatory practices based on personal characteristics such as sex, national origin and disability – through multi-faceted interventions combining training, employment counseling, labour market information, job search assistance and subsidized employment. The key features of the new programmes and the piloting process were decided upon by a working group comprising representatives of the Employment Policy Department of the MOLSAEO and the NES. Priority will be assigned to: i) unemployed with a low level of education (less than primary and secondary education attainment); ii) unemployed registered with the NES for 6 months or more; iii) young unemployed with no prior work experience; and iv) beneficiaries of social assistance.

The design of the active labour market programmes to be piloted under the aegis of 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

964 private enterprises operating in all economic sectors and in all regions of the country, provides 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 difficult to find; as well as data on the training provided by enterprises to workers. The preliminary findings point to a number of interesting points: 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 nearly all regions, except in Lezha (fish processing industry), Shkodra and Gjirokaster (textile and leather manufacturing) ; v) employers considered that the skills more difficult to find relate to learning-to-learn and acquire new information, teamwork, leadership skills and appropriate use of technology.

To facilitate the work of NES staff in the local employment offices of Gjirokastra, Kukes, Lezha and Shkodra, the project developed a set of guidelines on the design, monitoring and evaluation of programmes 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, namely: i) the 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 employment and training services 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 costs.

The Guidelines were also used as a learning tool during the training and coaching activities organized in the reporting period for the NES counselors entrusted to 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 individualized 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 counseling sessions during programme duration.

6.7 Review of the Active Labour Market Policies

At the beginning of 2010, a review was conducted in order to verify the correspondence between the measures foreseen in the project and the changing conditions in the Albanian Labour Market. Meetings with experts and stakeholders have been organized and a survey on the interest to participate in the new ALMPs was carried out. For the latter, specific questionnaires were designed in order to assess the interest of employers to use the incentives foreseen by the project and for the unemployed the availability to start their own business. The results proved that the incentives were considered not sufficient to attract a relevant number of employers and jobseekers. Therefore, there were concrete elements for proposing adaptations to the levels of remuneration for the new measure.

A first set of modifications were proposed to the project Steering Committee at the meeting of 14 June 2010 and endorsed in the following ways:

Work-training programs

Programs that combine training with employment are an example of multiple-service intervention that aim at achieving a double-pronged objective, i.e. increase the employability of the unemployed and provide them with employment opportunities. Normally, the "training" component of these active labour market programs envisages a minimum period of learning (often expressed as a percentage of working time or total number of hours), which takes place in the enterprises (some programs also include a off-the-job training component).

In the ILO Guidelines for ALMPs, the following compensation levels were envisaged per participant in the work-training program:

- 25,000 ALL (=256 USD) for enterprise-based training to be provided for a minimum duration of 3 months under an employment contract of 6 months;
- administrative cost (estimated at 2 USD per month) to be calculated for 6 months; and
- fee for notary services (estimated 32 USD), which is required when the NES signs an Agreement with a partner service provider.

Based upon a comparison with the compensation level applied by the NES for similar measures (E.g. “On the job training”), the new remuneration was fixed at 11,600 Leke by 3 months = 34,800 Leke. With this amount and assuming the availability of 70,000 US\$ for this programme from the Employment Fund, the target could be **175**.

Employment subsidies

Employment subsidies are designed to provide incentives to enterprises to recruit workers by reducing the labour costs involved in hiring. These programs may envisage a total or partial waive of the employer’s share of social security contributions and/or the financing of a percentage of the worker’s wage (normally calculated on the basis of the minimum wage). They also normally include an obligation on the employer to retain the worker hired with the subsidy for a minimum period after the termination of the program.

The employment subsidy program under the Project envisages the reimbursement of the employer’s share of social security contributions for a period ranging from one to four months, with an obligation for the employer to retain the workers for a minimum additional period equal to the duration of the subsidy.

- a. cost of employer’s share of social contribution 3,006 Leke per month up to 4 months;
- b. administrative cost - the monthly cost should be multiplied by two to eight months, depending on the subsidy duration;
- c. fee for notary services

The new proposed remuneration will reimburse the total social contribution for half the duration of the contract (7,448 Leke per month + 54 Leke for accident insurance). Assuming that the scheme is implemented for 4 months contracts, and the availability of 60,000 US\$ for this programme from the Employment Fund, the target could be **315**.

Self-employment training

Self-employment promotion has two steps. The first step involves the provision of information and awareness-raising on what self-employment is and what it takes to start and manage a business, so that individuals can realistically consider it as a career option. If an individual decides go down this paths, a second step envisages the provision of a package of support measures that range from business skills training, to advice pre- and post-start-up as well as access to grants and/or credits.

The ILO project originally envisaged an amount of 8,000 ALL for one month or 64 hours of training up to a maximum amount of 25,000 ALL for 3 months or 200 hours of training. This measure requires further investigation in order to identify the level of financial and non financial support necessary to make it successful. Non financial support might be provided through a voucher to be spent at a Training Centre (600 USD). The voucher should be combined with financial grant of 1,000 USD. Assuming that the budget available from the Employment Fund is 50,000 USD, the target could be **31**.

As a result of the above mentioned new levels of remuneration, the envisaged targeted number of 3,000 jobseekers will be adequately reduced.

In the meantime, the Deputy Minister of MoLSAEO in charge of Equal Opportunities and Social Inclusion asked the ILO and the Italian Cooperation to reorient as many project activities as possible to unemployed women and unemployed persons with disabilities (PWDs). As a result, the project Steering Committee, in the meeting of 24 September 2010, agreed on the following new implementation modalities:

1. The targets of the project are vulnerable groups needing to be integrated in the labour market;
2. Priority will be given to social inclusion of PWDs and women;
3. An implementation plan, including the above priorities will be jointly prepared by the ILO and the MoLSAEO and submitted to the Project Steering Committee for endorsement.

According to the above mentioned agreement, the project will continue to target vulnerable groups as originally foreseen, but with a special emphasis on PWDs and women.

Proposal concerning PWDs

The following proposal takes on board ongoing activities and existing procedures, but introduces adaptations due to specific characteristics of these groups.

The first adaptation concerns the duration of the support from the fund. The investment for training and equipment requires more time. Therefore, it is suggested to offer a package of incentives for a maximum duration of 6 months, against a recruitment contract of at least one year. Within this ALMP, each enterprise can receive incentives for insertion with a ratio of 1 PWD for every 15 workers. The other eligibility criteria for participating enterprises remain unchanged.

The second change is the revision of the incentives. Per each inserted PWD the following contributions will be granted to the employer:

1. Wage subsidy - The scheme envisages to pay a monthly amount of 19.000 Leke (equivalent to the current minimum wage) for up 6 months.
2. Employer's share of social contributions per 6 months
3. Training cost - 11,600 Leke for 3 months = 34,800 Leke

In addition, the insertion of PWDs may require the adaptation of the workplaces or special equipment or programmes. As the current Employment Fund does not allow meeting such needs, it is suggested that from the second instalment to be transferred by the Italian Cooperation an additional sum is added to the Employment fund to be granted to employers recruiting PWDs for the above mentioned adaptations. The proposed amount is 50,000 US\$.

Proposal concerning women

The project was already designed to be gender sensitive. In order to reinforce this orientation, it was suggested:

1. At least 50% of unemployed selected for the ALMPs should be female. In drafting the list of participants, based upon the agreed eligibility criteria (e.g. duration of unemployment, level of education, age, working

experience, etc.), the NES counsellors will disaggregate the names by sex. The same proportion will be used for the creation of the control group.

2. The Programme on self-employment is devoted to women. In order to increase the chances of success, the project will involve the regional councils of the pilot regions in order to identify the local economic development opportunities. Apart from already planned training, each participant can benefit from the grant of 1,000 US\$. The creation of consortia (or cooperatives) will be incentivized: therefore, in case of a business plan elaborated jointly by three or more women, the grant will be 2,000 US\$ per participant. As the current available fund indicated for self-employment is small, it is suggested that from the second instalment to be transferred by the Italian Cooperation an additional sum is added to the Employment Fund for the above purpose. The proposed amount is 50,000 US\$.

In order to ensure the implementation of the above measures, the project will support NES staff with training and technical assistance as appropriate.

In order to reinforce the negotiation capacity of the NES, the ceiling of the staff per participating enterprises has been moved from 20 to 25 in order to align it with the legal ratio for compulsory recruitment of disabled (1 for every 25 staff).

6.8 Establishment of the Employment Fund

The project originally planned the creation of an Employment Fund to be used to implement pilot active labour market programmes through a contribution of 200,000 US\$ of donor funding and another US\$200,000 to be made available by the Government of Albania for the same purpose.

As the Albanian Authorities informed at later stage that was not possible to contribute to the above Fund, in agreement with the Italian Cooperation, it was decided to establish the Employment Fund with the part coming from the donor funding. In order to address the shortage of resources necessary for the management of the project, it was proposed that the Employment Fund would have been established with 180,000 US\$, while 20,000 US\$ would have been spend for TA.

The above financial constraints will be solved once the Employment Fund established and the ILO contribution disbursed, reaching the 80% spent of the first installment of the donor financing. Once the above threshold reached, the second installment will be available and all needs for the completion of the project can be reached.

Therefore, as a fundamental step, it was necessary to set up and sign a Letter of Agreement between the International Labour Organization and the Ministry of Labour,

Social Affairs and Equal Opportunities of the Republic of Albania for the implementation of Active Labour Market Programmes targeting disadvantaged unemployed jobseekers as envisaged by the project "Assistance To Strengthen The Employment And Training System Of The National Employment Service Of Albania".

The main problem was given by the modalities to transfer funds to the MoLSAEO. Further to many meetings and negotiations, the solution agreed with the Ministry of Finance was to transfer money to the bank account of the Ministry of Labour. During the process of transferring the fund to the beneficiary institution, the MoLSAEO informed that the transfer needed to be done to the specific sub-account of the NES as implementing agency of the project. This required an amendment to the already signed agreement between ILO and MoLSAEO. Finally funds have been concretely credited to the NES by the end of November 2010.

From the beginning of December 2010 the Director General of NES has provided directives to the four pilot NES regional offices and dependent local offices on the concrete implementation of the new ALMPs along the lines indicated by ILO and endorsed by the project Steering Committee. It was also agreed to start the implementation of the Self-Employment Programme in Lezha in order to have the necessary feedback for the implementation in the other 3 regions. The pilot of this programme has started on 09 December 2010 with a test aimed at identifying the entrepreneurial orientation of the pre-selected candidates. At the moment in which this report has been drafted, the selection procedures have been completed and the training provider is under tendering procedure.

8. Presentation of assessment indications

Based upon the assessment of the activities carried out so far, the following headings will indicate if and how the Project is **relevant** to the needs of the partner institutions and the social partners, the **effectiveness** of project interventions, the **sustainability** concerns, the overall **efficiency**, and the expected **impact**.

8.1 Relevance and strategic fit

Many of the interventions for NES have been narrow in focus and have been mostly focused on delivering training to counsellors. There have been no integrated interventions, looking at both NES internal management and service delivery. In this aspect, the project offers a holistic approach, aimed at the overall upgrade of NES operations. According to MoLSAEO and NES, the project is key for building capacity for the effective implementation of active labour market measures. It offers a demonstration model, developed in close consultations with the relevant institutions and their staff, in order to correspond to the local needs in the best possible way. In particular, MoLSAEO has envisaged a considerable financial allocation for active measures each year, however there are no mechanisms in place to ensure proper targeting and efficient use of resources. Further, no monitoring and evaluation have been carried out.

Another innovative aspect of the project is the establishment of a project Employment Fund in order to build capacity for decentralised implementation of employment policy, as well as transparency and efficiency in public spending. This is important also in view of a future EU accession and possibility to use resources from the European Social Fund.

The project has constantly consulted the social partners, and included them in the implementation activities, which has strengthened their access to the policymaking and policy implementation process. The Project has allowed them to become familiar and discuss all issues related to NES' improved functioning and active labour market measures.

8.2 Validity of design

All components of the project remain valid. There have been three main issues, which have been addressed vis-à-vis the original project design:

Quantitative targets set for beneficiaries: Those had to be revised, given the economic and financial crises and reduced levels of labour demand. Further, the particular situation in some of the regions where the project is implemented, e.i. Kukes, had to be taken on board given the predominance of the agricultural sector and the large presence of undeclared work overall in the Albanian economy. A targeted survey was carried out in the four regions of the project in order to assess in a realistic manner the demand from the private businesses. Also, the compensation levels of the measures were brought in line with what the MoLSAEO is currently offering. Since the project was designed a number of

years ago, an update was necessary in order to keep the attractiveness of the measures offered.

Special focus on women and people with disabilities (PWDs): At the request of the MoLSAEO, the piloted measures will have stronger focus on women and PWDs. This suggestion was endorsed by the project Steering Committee. The situation with PWDs is particularly alarming since NES is currently not offering any measures for this vulnerable group.

Establishment of a National Employment Fund: even though the Fund has been envisaged by Law, it was never implemented. However, the need for establishment of such a fund remains very much valid, especially in view of a future EU accession and possibility to use resources from the European Social Fund, which uses similar mechanisms.

8.3 Progress and effectiveness

Main achievements of the Project up to date:

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 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 progress has been very much affected by the slow decision of the MoLSAEO to go ahead with the Project Employment Fund. The issues related to the Albanian contribution to the Fund and finding the right administrative procedures to receive the money had resulted in significant project delays. Now, the Fund is in place and the project will focus on piloting the active measures.

8.4 Efficiency of resource use

Resources (funds, human resources, time and expertise) were allocated strategically to achieve the outcomes envisaged. There was widespread agreement amongst the Project partners that funds were used in an extremely effective way. This contributed to the achievement of the good results and to an efficient delivery of outputs. Yet, some difficulties have been registered due to mainly two issues: 1) The delays in the establishment of the Employment Fund had an impact on the financing mechanism since the second instalment was not delivered until the level of expenditures has reached at least 80%. This caused a shortage of resources for technical assistance that was addressed

by reallocating 20,000 US\$ from the originally foreseen 200,000 US\$ from the ILO quota to the Employment Fund. Another difficulty was linked to the delay from the Donor in providing the extension to the project implementation in 2009. For almost six months the project had to continue at maintenance level, reducing costs to the minimum.

8.5 Efficiency of management arrangements

The Project management and governance arrangements, operationalized through the Project Steering Committee, were efficient and effective.

The Project Steering Committee (PSC) executed its advisory and guidance role very effectively. All members have expressed high commitment during the meetings of the Committee showing their ownership of the process.

The Project had the full backing of senior officials of MoLSAEO and of the National Employment Service.

8.6 Impact and sustainability

As mentioned throughout this report, the activities undertaken by the Project had a wide and sustained impact. The most significant is the learning that occurred among the officials of the MoLSAEO, the National Employment Service and the social partners. The Project also succeeded in:

- ✓ Developing the capacity of labour market institutions to monitor and evaluate active labour market policies targeting vulnerable groups;
- ✓ Pioneering new approaches to skills surveys at both national and regional level to provide evidence for policy making;
- ✓ Strengthening the employment policy formulation functions of the MoLSAEO and setting up an Employment Fund to fund active labour market measures;
- ✓ Improving MoLSAEO and NES approaches to programming of employment measures, targeting vulnerable groups, which will also serve when the European social fund becomes available;
- ✓ Maintaining cooperation high among all relevant stakeholders throughout the project;
- ✓ Improving employment services delivery and the targeting of ALMPs to the most disadvantaged groups. The Project gave the possibility to the NES to pilot-test new targeting tools and case management approaches in a self-paced manner;
- ✓ Involving the social partners in Project's activities both through tripartite activities and needs-based assistance;

- ✓ Mainstreaming gender in ALMPs.

There is no doubt that the substantial capacity developed by the Project will continue to be used in all future policy formulation functions. The direct assistance component has provided many lessons learnt, which can be replicated in future ALMPs programming and influence the formulation of new approaches to combat long-term unemployment.

9 Final phase of the project

The project has reached many of the originally set objectives. Taking on board the delays objectively accumulated by the project both for internal and external causes, and under the assumption that the Donor will issue, by the end of the year 2010 the second tranche of the financing, the following action plan has been drafted for the completion of the project.

The specific objectives identified for the period December 2010 – July 2011 are:

1. To test and validate innovative ALMPs, targeting with priority women and the disabled unemployed;
2. To support the MoLSAEO and NES in the implementation of the Employment Strategy.

The expected results are:

Output 1.1: Revised pilot Active labour market programmes targeting people at risk of labour market exclusion, with priority on women and PWDs, implemented in targeted regions. Indicator 1: number of women participating at work training and employment subsidies; Indicator 2: number of women starting self employment; Indicator 3: number of PWDs successfully integrated in the enterprises participating to the project.

Output 1.2: The pilot implementation of ALMPs is assessed and the lessons learned used for updating the guidelines for the design, monitoring, and evaluation of ALMPs prepared by the ILO. Indicator 1: new guidelines for promoting employment and self-employment of women; Indicator 2: implementing rules for the compulsory quota of unemployed PWDs to be hired by the private enterprises; Indicator 3: incentives and procedures endorsed for the employment of unemployed PWDs, outside the remit of the labour code on compulsory recruitment.

Output 2.1: Service Agreement between MoLSAEO and NES, including performance indicators prepared and signed

Output 2.2: Employment legislation in the perspective of approximation to EU legislation, and proposal for legal adaptation delivered. Indicator: new employment legislation prepared.

The planned activities are:

Activities	Schedule
NES staff, with the support of national and international experts, implements the pilot ALMPs in the targeted regions.	December 2010 – April 2011
Additional funds (100,000 US\$) are transferred by ILO to the Employment Fund	First half January 2011
MoLSAEO, NES, Italian Cooperation and ILO jointly carry out a second project progress review in Lezha	Second half January 2011
Project Steering Committee	25 January 2011 (tentative date)
A working group made of experts from relevant Ministries, NES and social partners, supported by national and international experts, review the employment legislation in the perspective of approximation to EU legislation, and make proposals for legal adaptation.	January-February 2011
Based on lessons learned and evaluation results, refine the provisions of the Guidelines for the design, monitoring and evaluation of active labour market programmes to be submitted for approval. The new version edited in English and Albanian language.	March 2011
Workshops organized in all regions for updating NES staff on the revised Guidelines.	March – April 2011
Workshops organized in all regions in order to introduce impact evaluation in the Employment Service.	March-April 2011
<p>A working group chaired by the MoLSAEO and including representatives from the Ministry of Finance, NES, social partners and with assistance of ILO experts, prepares a draft Service Agreement between MoLSAEO and NES, including performance indicators.</p> <p>The WG participates in a study visit to Italy in order to see how the different needs of vulnerable groups have been addressed by the Italian Employment Services.</p> <p>The draft Service Agreement is endorsed by the NES tripartite Administrative Board before being submitted to the Minister of Labour and NES Director for signature.</p> <p>A dissemination seminar is organized involving the media.</p>	February – April 2011
An external evaluation conducted on the overall project.	May 2011
The project Steering Committee endorses the evaluation report.	Mid- June 2011
Final conference with national stakeholders, Donors and media.	Second half June

	2011
Final report prepared by ILO and delivered to the Italian Cooperation	By mid-July 2011

10. Conclusions and Recommendations

The following conclusions and recommendations stem from the analysis of the project documents, the feedback received from social partners and other stakeholders along the project life span and are based on the challenges that lie ahead for Albania in its path towards the European Union.

There are a number of labour administration areas that require further strengthening before the MoLSAEO and NES can upscale and diversify labour market measures targeting disadvantaged jobseekers. These include: i) the functional structure of the NES and its staff development programmes; ii) the alignment of the NES functions to the requirements of the Employment Service Convention (C88), iii) the mainstreaming of client-oriented approaches in the workflow of all local employment offices; and iv) the development of a coherent Labour Market Information System (LMIS).

The design and administration of active labour market programmes needs to be reshaped in terms of scope, sequencing and targeting, while rigorous methods of monitoring and evaluation needs to be introduced. The current programme design lacks flexibility and this often results in a mismatch between programmes and individuals' needs and between programmes and labour market requirements. The lack of flexibility in programme administration also delays the NES response to rapidly changing labour market needs.

Another constraint regards the functioning of the National Employment and Training Fund envisaged by the Employment Promotion Law of 1995. Notwithstanding such legal requirement, the Fund was never operationalized and this may have a negative impact on the design of efficient set of active labour market programmes to be further introduced after the pilot-tested under the aegis of the current project.

A major constraint relating to the implementation of the employment measures can be traced to the need to build the capacity of key national experts. This is a process that will bear fruits only in the mid to long-term and staff turnover may pose a threat to the sustainability of the activities to be implemented during the life of the project. In addition, the absorption capacity of the NES counterpart is often hampered by the routine workload and the multiplicity of technical cooperation activities. Thus, the NES staff is not always in a position to keep pace with project's implementation.

It is important that the NES pursues not only objectives relating to labour market efficiency, but also equity policy objectives through a more effective targeting of employment services and active labour market programmes to clients who are at a disadvantage in the labour market. To this end, the project has recommended a number of initiatives, which can be summarized as follows:

- a) Develop an internal strategy for NES that is cost-effective and based on the tiered approach, the establishment of a performance monitoring system based on clear indicators and the implementation of capacity building programmes for counsellors on the treatment of “hard to place” jobseekers. The design of a NES internal strategy is also considered instrumental to the introduction of a management-by-objective system, whereby the yearly financial envelope allocated to NES is decided upon the extent of the employment targets set.
- b) Reform the organization and delivery on the key functions (labour market information, counselling and guidance, job brokering and administration of passive and active labour market programmes) and deploy sufficient resources to ensure that: i) all NES staff acquire the necessary counselling and guidance skills, ii) all offices reach a reasonable level of service delivery and iii) uniform workflow procedures are applied. The NES should also review the current reporting and monitoring procedures between the central and local offices with a view to lighten the administrative burden. In particular, the monitoring of active labour market programmes is currently executed as an administrative task, while the outcome of programmes goes mainly undetected and it is not used for improving the design and targeting.
- c) Introduce adult training methodologies and develop competency-based curricula and training material, as well as monitoring and evaluation approaches to measure the impact of vocational training. The current public provision of vocational training is well below, both in quantity and quality, the requirements of the labour market on the one hand, and the needs of individuals registered as unemployed, on the other.

Another relevant issue that need to be addressed relate to the regular assessment of the impact of employment and training initiatives to inform policy and programme design. In addition, there is no periodic system of internal and external efficiency checks to verify the impact that employment services have on the unemployed treated by NES. The lack of institutional arrangements to carry out regular evaluation exercises on the impact of employment initiatives means that the practice is to rely on reactive approaches addressing specific issues as they arise.

ANNEXES

Monitoring Visit in Tirana and Shkodra
25th November, 2009

I. PURPOSE OF MISSION

Assess progress of the Project “Assistance for strengthening the employment and training system of the National Employment Service of Albania” and meet with the main project beneficiaries to discuss effectiveness and relevance of the activities undertaken.

II. MAIN FINDINGS

The monitoring visit included meetings with Ministry of Labour, Social Affairs and Equal Opportunities (MoLSAEO), NES headquarters in Tirana and its branch office and VET centre in Shkodra (please see in annex the agenda for the visit).

Kastriot Sulka, Deputy Minister of Labour, MoLSAEO

Mr. Sulka informed that the Ministry was under the way of reforming its two main pillars, namely the social assistance scheme and the employment policy design and implementation. Mr. Sulka mentioned that the ILO project was contributing significantly to the reform process and expressed his satisfaction with the Project’s activities. He stressed the need for the Project to continue due its relevance and explained that the Albanian side could not contribute financially, as originally envisaged, for multiple reasons. Mr. Sulka took the opportunity to thank the donor’s representative for the project funding as well as for other support granted by the Italian Government.

Mr. Sicignano stated that the SC meeting would give the opportunity for discussing in detail the Project’s progress and constraints as well as the way ahead.

Muharrem Xhelili, Director, Employment Policy Department, MoLSAEO

Mr. Xhelili stressed that the Project was among the few donor-funded activities in employment. As the chair of the Steering Committee, he was well informed of the progress of the activities. According to Mr. Xhelili, the Project has had an important impact on building the capacity of the National Employment Service (NES), mainly in conducting and analyzing skills surveys, monitoring and evaluating Active Labour Market Measures (ALMMs), and targeting individuals at risk of labour market exclusion. He appreciated also the ILO technical assistance provided to the NES for drafting an internal strategy, aimed at improving effectiveness and efficiency of its services. Mr. Xhelili regretted that Albania did not have the possibility to contribute financially to the Project, as originally planned. He explained the situation by mentioning that during the life of the Project three successive Ministers were changed and that 2009 was an electoral year in the country, which made impossible the establishment of the Employment and Training fund. Further, he stated that it would be a very big loss for the Albanian counterparts if the Project was interrupted at this point and that the Ministry would kindly ask to be granted an extension until the end of 2010. He stated that the Italian government had continuously assisted them and they had good relations with Marche, Veneto and Reggio Emilia regions. He also mentioned the project with the Public Training Centre number 4 in Tirana, to be funded by the Italian Cooperation, which would focus on improving

vocational training infrastructure, developing employment oriented adult-training methodologies and competency-based training, etc.

Mr. Sicignano suggested having a semi-final evaluation of the Project, with recommendations for future assistance. The Italian Cooperation was currently preparing their 3-year funding plan and it was important to understand the issues that were requiring urgent attention.

Thoma Miço, Director General, National Employment Service

Mr. Miço introduced the NES as the beneficiary institution and as the technical counterpart of the Project. He explained the bottleneck related to the Albanian financial contribution and at the same time expressed the wish for the continuation of the activities. Mr. Miço assured that the NES would use the ILO techniques in implementing their employment promotion programmes and would strongly support the implementation of ALMMs proposed by the ILO.

NES Staff (Kostanca Martini, Head of Employment Services Sector, Evis Fico, Head of Migration and Labour Relations Sector, Erion Peci, Head of Employment Promotion Programmes Sector, Etleva Gjelij, Head of Labour Market Analysis and Statistical Sector)

Mrs. Martini highlighted the Project's assistance with regard to ALMMs. She mentioned the training of trainers, and the training of the NES' counsellors on the design, monitoring and evaluation of ALMMs. Furthermore, she explained that the selection of the four regions for piloting of the ILO ALMMs (Kukes, Shkodra, Lezha and Gjirokastra) were based on geographical diversity, high unemployment rates, predominance of long-term unemployed and of social assistance recipients. She appreciated the drafting of two tools: "*Guide to the design, monitoring and evaluation of the innovative active labour market programmes targeting individuals at risk of labour market exclusion*" and "*Guide on contracting training*".

Mrs. Gjelij spoke about the Project's assistance in the area of Labour Market Information. She mentioned that the Project provided the NES with appropriate methodology and tools to conduct skills needs surveys. Mrs. Gjelij listed the different Project's activities from the preparation of the questionnaire and the training of interviewers to the analysis of the survey findings and the policy implications. She asked if the Project could also provide SPSS program software to facilitate data processing.

Ms Fico explained briefly the NES' activities in the field of migration.

Shkodra, National Employment Services branch office and VET centre.

Mr. Lorenc Dema, Director of the Shkodra Regional Directorate for Employment

Mr. Dema made an overview of the Shkodra labour market: 14172 registered unemployed, which was 6% less compared to 2007; 23 companies working in the "façon" sector (assembling semi-final products in textile and apparel) employing 1195 workers; 7 companies in shoes and leather industry with 1335 workers; 232 bar-restaurants with 1012 workers; 110 construction companies with 1560 workers and 55 NGOs employing 300 people. The agro-industry was not developed in the region. The informal economy was a reality. A problem faced by both the enterprises and the employment office was the lack of flexibility from the Public Vocational Training Center regarding the type of training delivered. The VET center, having a fixed number of trainers, provided training in the same occupations regardless of the labour market demand.

The Employment Office had a staff of 14 employees (the Director, one head of employment services and programmes, six counsellors, one specialist in statistics, one specialist for migration and vocational training, one specialist for labour relations and the remaining staff worked on administrative issues). The Director stressed that the counsellors had a very high

number of clients to deal with, while the infrastructure (computers and IT) was very poor. At the same time, he highlighted as an advantage the fact that the staff of the office had not changed over the years (which was not the case in the other offices) and had benefited from the continuous technical assistance from the ILO.

The Director was familiar with the Project but since he was newly appointed, he suggested meeting directly with the counsellors who knew the ILO Project for a long time. The counsellors (Ms. Fatbardha Mujaxhi, Mr. Qemal Dekovi, Ms. Mimoza Kallaçej, Ms. Rita Vasa) explained the evolution of the Employment Office since 1992. At the beginning, the counsellors dealt only with the registration of the unemployed and provision of unemployment benefit. Progressively the range of services was enriched with employment and training services and programmes. However, Shkodra still had a high unemployment rate compared to the national average. The counsellors informed that those who had been trained by the ILO Project on the design and administration of innovative active labour market measures had organized training activities for their colleagues. In addition, according to the training delivered by Project, they had inserted in electronic format the data of the unemployed jobseekers that fulfilled the criteria to benefit from the ILO innovative ALMMs. The number of eligible target population was more than 8,000. The counsellors said that they were waiting for instructions to continue with the pilot-testing of the ILO programmes. The latter involved a series of techniques introduced for the first time in their work.

At the end, the mission made a tour of the Employment Office premises and visited three workshops of the Vocational Training Centre.



***The Modernization of the National Employment Service
of Albania and its response to the
National Employment Strategy
2007-2013***

2010

Acknowledgement

The strategic response to the objectives set by the National Employment Strategy 2007-2013 was prepared by the National Employment Service within the project “*Assistance to strengthen the employment and training system of the National Employment Service of Albania*” implemented by the ILO.

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Introduction

The National Employment Agency of Albania (NES) has been established in 1998² as an autonomous public service, with its own Statute and central administration reporting to the Ministry of Labour, Social Assistance and Equal Opportunities (MoLSAEO).

The Statute of the NES was enacted by Decision of the Council of Ministers in 1998³. Together with the Ministry, the NES is mandated to implement the employment policy designed by the MoLSAEO. Such policy is geared to enable all Albanian citizens to have access to full and productive employment, by means of counselling and vocational guidance for the job that best responds to their needs and aspirations.

The National Strategy *on Employment and Vocational Training (2007-2013)* endorsed by the Government in 2007⁴ builds on the goals of the European Employment Strategy: full employment, improving quality and productivity of labour and strengthening social cohesion.

The National Employment Strategy has set as a first priority to shift activities of the National Employment Service (NES) from benefit administration to provision of services, assisting job-seekers effectively in re-employment and providing quality service to enterprises. In order to establish a modern system of employment services, the National Strategy for Employment indicates certain directions to be followed, such as: the development of partnership with all labour market actors, enhancing the use of IT in the NES, closer liaison with enterprises, better performance, more adequate monitoring of achievements, cooperation with the private employment services, as well as decentralisation. Therefore, the NES is required to perform all the key functions of a modern Public Employment Service: labour market information (LMI), job mediation, and administration of passive and active labour market programmes. However, both the quantity and quality of services provided to the unemployed and to enterprises needs to be improved. The present document explains how the NES will achieve the objectives set in the national employment strategy and highlights the areas that need to be addressed in the short, medium and long term in order to allow the NES to perform the requested services.

Therefore, the management of the NES, with the support of an ILO project financed by the Italian Cooperation, has commissioned a working group to identify specific actions to be taken so that the NES could indeed render services of the expected quality.

Main pillars of the NES response

Bearing in mind the current situation, NES changes need to be based upon the following pillars:

1. Customer focus

² Law on Employment Promotion No 7995 of 1995, as amended in 1999, 2002 and 2006

³ Decision of the Council of Ministers (DCM) No. 42, dated 17.01.1998, "on the approval of the Statute of the NES" amended by the DCM No. 263, dated 25.05.2000, and DCM No. 17, dated 10.01.2003)

⁴ Ministry of Labour, Social Affairs and Equal Opportunities, *Sectoral Strategy on Employment and Vocational Training (2007-2013)*, Tirana, 2007.

Emphasis will be put on setting and delivering quality services suitable to responding to the different client needs (job seekers and employers). Particular attention will be devoted to services for those who really want to work (jobseekers), instead of those who register for purposes other than job searching. Tasks of a modern public employment service should include an active cooperation with employers, where the NES can provide them not only a competent labour force, but also advice on human resources development.

The NES also needs to liaise with local authorities such as municipalities and other local actors (training providers, NGOs, etc.) in order to maximize the impact of its services. The effectiveness of NES interventions in the labour market will significantly increase by establishing cooperation with social partners on the local level but also with institutions which provide services in the area of adult education.

The National Employment Service needs to identify local capacities for employment in a proactive way and ensure adequate labour market matching that suits local needs. There should be more flexibility in the NES legal frame that can allow for more flexible use of the financial resources dedicated to ALMP in the local context.

The NES must be proactive in adapting services to local labour market needs based on prognosis and surveys of employers' needs; also, the NES must better respond to employers' and job seekers' needs, and play the key role in developing local strategies and employment programmes.

Customer orientation will be at the core of NES' service delivery. A "tiered approach" will be adopted in order to allow for custom-tailored approach.

2. Coherence with the European Employment Strategy

The application of Albania to start the accession process to the EU has been recently approved by the European Council. Therefore, the country should start as soon as possible the approximation of its legislation and procedures to the requirements of the "Acquis Communautaires". One of the areas concerned is Employment. In this direction, the Albanian National Employment Strategy should be in line with the EU Employment integrated guidelines 2008-2010. Even if the main duty for alignment remains with the MoLSAEO, the NES has an important role to play with employment policy implementation. In particular, the Guidelines concerning NES are:

- Guideline 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.
- Guideline 18. Promote a lifecycle approach to work through:
 - ❖ a renewed endeavour to build employment pathways for young people and reduce youth unemployment,
 - ❖ resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay,
 - ❖ better reconciliation of work and private life and the provision of accessible and affordable childcare facilities and care for other dependants,
 - ❖ support for active ageing, including appropriate working conditions, improved (occupational) health status and adequate incentives to work and discouragement of early retirement,
 - ❖ modern social protection systems, including pensions and healthcare, ensuring their social adequacy, financial sustainability and responsiveness to changing needs, so as to support participation and better retention in employment and longer working lives.
 - ❖ Active inclusion policies can increase labour supply and strengthen society's cohesiveness and are a powerful means of promoting the social and labour market integration of the most disadvantaged.

- ❖ Policies aiming at offering active labour market measures to the long-term unemployed should be pursued, taking into consideration the participation rate benchmark of 25 % in 2010. Activation should be in the form of training, retraining, work practice, a job or other employability measure, combined where appropriate with on-going job search assistance. Facilitating access to employment for job seekers, preventing unemployment and ensuring that those who become unemployed remain closely connected to the labour market and employable are essential to increase participation, and combat social exclusion. Attaining these objectives requires removing barriers to the labour market by assisting with effective job-searching, facilitating access to training and other active labour market measures. Ensuring affordable access to basic social services, adequate levels of minimum resources to all, combined with the principle of fair remuneration in order to make work pay are equally important. This approach should, at the same time, ensure that work pays for all workers, as well as remove unemployment, poverty and inactivity traps.
 - ❖ Special attention should be paid to promoting the inclusion of disadvantaged people, including low-skilled workers, in the labour market, inter alia, through the expansion of social services and the social economy, as well as the development of new sources of jobs in response to collective needs. Combating discrimination, promoting access to employment for disabled people and integrating immigrants and minorities are particularly essential.
- Guideline 19: Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people and the inactive through
 - ❖ active and preventive labour market measures including early identification of needs, job search assistance, guidance and training as part of personalized action plans, provision of necessary social services to support the inclusion of those furthest away from the labour market and contribute to the eradication of poverty;
 - ❖ continuous review of the incentives and disincentives resulting from the tax and benefit systems, including the management and conditionality of benefits and a significant reduction of high marginal effective tax rates - notably for those with low incomes - whilst ensuring adequate levels of social protection;
 - ❖ development of new sources of jobs in services for individuals and businesses, notably at the local level.
 - Guideline 20: Improve matching of labour market needs through
 - ❖ the modernisation and strengthening of labour market institutions, notably employment services, also with a view to ensuring greater transparency of employment and training opportunities at national and European level;
 - ❖ removing obstacles to mobility for workers across Europe within the framework of the Treaties;
 - ❖ better anticipation of skill needs, labour market shortages and bottlenecks;
 - ❖ appropriate management of economic migration;
 - ❖ improving the adaptability of workers and enterprises.

3. Labour Market Intelligence

Easily accessible high-quality labour market information (LMI) is a key ingredient to improve both the short- and long-term matches of labour supply and demand, and ensures that individuals acquire the skill sets required by employers in today's dynamic labour market.

LMI is used together with the analysis of the unemployed and vacancies to complete the picture and justify measures designed to help the unemployed find jobs and employers fill vacancies. Data collected through the periodical surveys conducted at local level needs firstly to be analysed at

regional and national levels, and then confronted with the indicators collected by the labour force survey as well as with other statistical data (household budget survey, living standard measurement survey and enterprise register), so that a more comprehensive picture of the labour market situation in Albania could be obtained. Data may also be combined with other available information (e.g. studies, analyses, researches) for the development of employment promotion programmes targeting the specific characteristics of regional labour markets.⁵ The creation of a fully integrated information system will require the establishment of effective partnerships with the main labour market stakeholders: the social partners, private employment agencies and training providers.

4. Social partnership

The importance of social partnership is already translated into an institutional arrangement, both at national and regional level. The role of the Tripartite Councils should be transformed from a purely procedural to active guidance in NES operations. Presently their contributions have been limited to fulfilling statutory obligations while the new NES functions will require more active cooperation.

5. Information Technology (IT)

The experience of other European public employment services shows how information technology can provide a highly sophisticated service in achieving established objectives. The current IT system is mainly donor-driven and at pilot level. Therefore, it needs to be further developed in order to:

- Create a portal on the NES web site, which will contain the following:
 - jobseekers database (availability, on-line CVs)
 - job vacancies database
 - list of private employment agencies and other mediation institutions
 - other relevant information (e.g.: recruitment in the Public Administration, database of the professions, qualification recognition, training courses, grants schemes, placement and other domestic and international opportunities)
 - a section dedicated to the fulfilment electronically the legal obligations from employers (e.g. vacancies)
 - networking centres and establishment of an Intranet system for easing the communication inside NES
- Support the NES management (accounting, data gathering, statistics, monitoring, reporting).

6. Decentralisation

An important pillar of the European Employment Strategy is the issue of decentralization of both functions and financing. In order to achieve this, the NES needs to have the legal basis that depends on the MoLSAEO in terms of promotion of the adequate legal framework. Clients' needs orientation provides a strong argument for decentralization of the NES. Because of that, the solutions must be adopted at regional and local level and problems solved in cooperation with the other labour market actors.

Decentralisation implies not only an administrative transfer of delegated functions to the regional and local office but is a strategic move towards area-based and integrated approaches. This would result in:

- i) better co-ordination between labour market policy and social inclusion initiatives and economic development strategies;
- ii) better adaptation of policies to local conditions;
- iii) greater participation of the civil society and the private sector in decision making.

⁵ Given the considerable economic development gaps among the Albanian regions, the collection and processing of this data would be instrumental to improve the effectiveness of ALMPs.

These initiatives do not make formal devolution of responsibility a necessary condition but emphasise the duty of public officers to co-operate with other stakeholders and to form partnerships to make their action more appropriate at local level.

7. Improved targeting of donor support

Many donors have provided technical support to the NES over the years, in particular the following:

- 1993-1999: the Swiss Government funded the ILO project whose aim was to establish employment services and the labour inspectorate
- 2001-2003: the Italian Ministry of Foreign Affairs financed the ILO project on Redeployment of redundant public employees;
- Since 2001, the National Employment Agency of France (ANPE) has been assisting the NES in strengthening its capacity to provide job search and counselling services;
- Since 2003, SIDA has financed a pilot project aimed at developing an IT system including a vacancy bank and a job seekers' register;
- The Greek Manpower Employment Organization (OAED) has been assisting the NES in improving service delivery through fellowships for its staff and funds for training courses for the registered unemployed;
- CARDS 2006 is assisting the NES by strengthening its structure mainly at the regional level.

Such programmes have assisted the NES in different areas, however, many aspects of NES core activities require further assistance. There should be a consistent effort to ensure sustainability of donor assistance and capitalise on pilot experiences, with the aim to transform them into routine practices. No evaluation has been conducted on pilot initiatives – despite resources and expertise made available by multi- or bi-lateral organizations – and their impact is only partially detectable. It is up to the NES to be proactive in order to ensure maximum benefit from donor-financed initiatives, both at national and local level.

8. Development of a monitoring and evaluation system

NES accountability is built around a *performance management system*, which also monitors the performance of different units within the organization. Monitoring will allow to assess not only the level of achievement, but also to improve the efficiency of the services delivery through an early identification of weaknesses and performance gaps and the adoption of appropriate plans to address such weaknesses. Therefore, performance indicators are set to measure the level of achievement⁶. In addition, periodic *evaluations* should be carried out at least for all major programmes in order to assess cost effectiveness.

9. Establishing a system of quality management

Elements and actions necessary for establishing a quality management system are:

- describing services and defining the criteria of quality;
- openness for direct client participation in the design of the service;
- establishing a system of awarding and motivating the NES staff to improve the quality of their services;
- developing a system for client monitoring – survey on clients' opinion on defined standards of quality immediately after the service was delivered.

⁶ See the list of indicators elaborated by ILO experts within the “*Guide to the design, monitoring and evaluation of innovative active labour market programmes targeting individuals at risk of labour market exclusion*”

Actions to be taken to establish and maintain a quality management system include expert support and adequate training.

Several phases and steps are needed in order to develop services in accordance with client (job seekers and employers) expectations:

- analyzing and measuring needs of the different groups of clients and the degree of their satisfaction with NES services;
- developing innovative initiatives for improving the structure of interaction between NES and clients (the speed of response, internal architecture of local services, staff communication skills);
- developing and maintaining standards of service for different client groups.

Total quality management (TQM) also involves the realization of the objectives established beforehand by the Ministry of Labour through the “*service agreement*”⁷. Through the system of quality management the NES has therefore facilitated the fulfilment of the needs and expectations of employers, job seekers and the Ministry as well.

TQM indicators will be based on the following elements in relation to services for job seekers:

- time needed for collecting data on the unemployed (the speed of reaction);
- information about the clients must be relevant for mediation and must contain employability indicators (the relevance of the data);
- time needed for concluding an individual employment plan and establishing the level and type of the service;
- the speed of updating and the accuracy of vacancies;

TQM indicators will consider the following aspects in relation to services rendered to employers:

- client data should be based on recognized needs;
- accuracy of vacancy descriptions;
- time necessary for providing the service;
- each employer should receive the service in accordance with his/her demands.

Specific objectives

The objectives set in the National Employment Strategy are the specific objectives to be achieved by the NES through the appropriate changes both in the structure and in the quality of services delivered.

For each objective, the description of changes is complemented by a proposed plan of action. The overall action plan is summarised in Annex 1.

Establishment of a modern and unique national system

Governance

⁷ See next section Governance – Relations with the MoLSAEO

- **Relations with MoLSAEO**

As the new National Employment Strategy has given more responsibility to the NES in the labour market, more intense monitoring and evaluation of the activities of the NES is necessary. This could be achieved through the mechanism of the “*Service Agreement*” through which the Ministry will agree with the NES annually on the objectives and set indicators, benchmarks and milestone. A joint MoLSAEO/NES working group will be established in order to draft the Service Agreement, including performance indicators. This tool will not only increase the liability of the NES but can become a powerful tool for an evidence-based negotiation with the Ministry of Finance for the annual allotment of funds to the NES. Linked to the “*Service Agreement*”, it will be necessary to give more responsibility and autonomy to the NES in suggesting employment promotion programmes in line with the different needs at regional and local level. The involvement of social partners through the Tripartite Administrative Board shall be strengthened.

In preparation for the future EU accession, approximation to the EU *Acquis* in the field of employment will be necessary. Therefore, the Ministry should take the lead in the legal adaption of the employment legislation that should be undertaken. In this context, the service agreement can provide useful indications for both the legal adaptation and its implementation.

Actions to be taken

Activity	Time schedule
Creating a joint working group MoLSAEO/NES for drafting the Service Agreement, including performance indicators	November 2010
Signature of the Contract in line with the annual budget cycle for 2011	February 2011
Analysis by MoLSAEO of the Employment legislation in the perspective of approximation to the EU legislation, and proposal for legal adaptation	Spring 2011

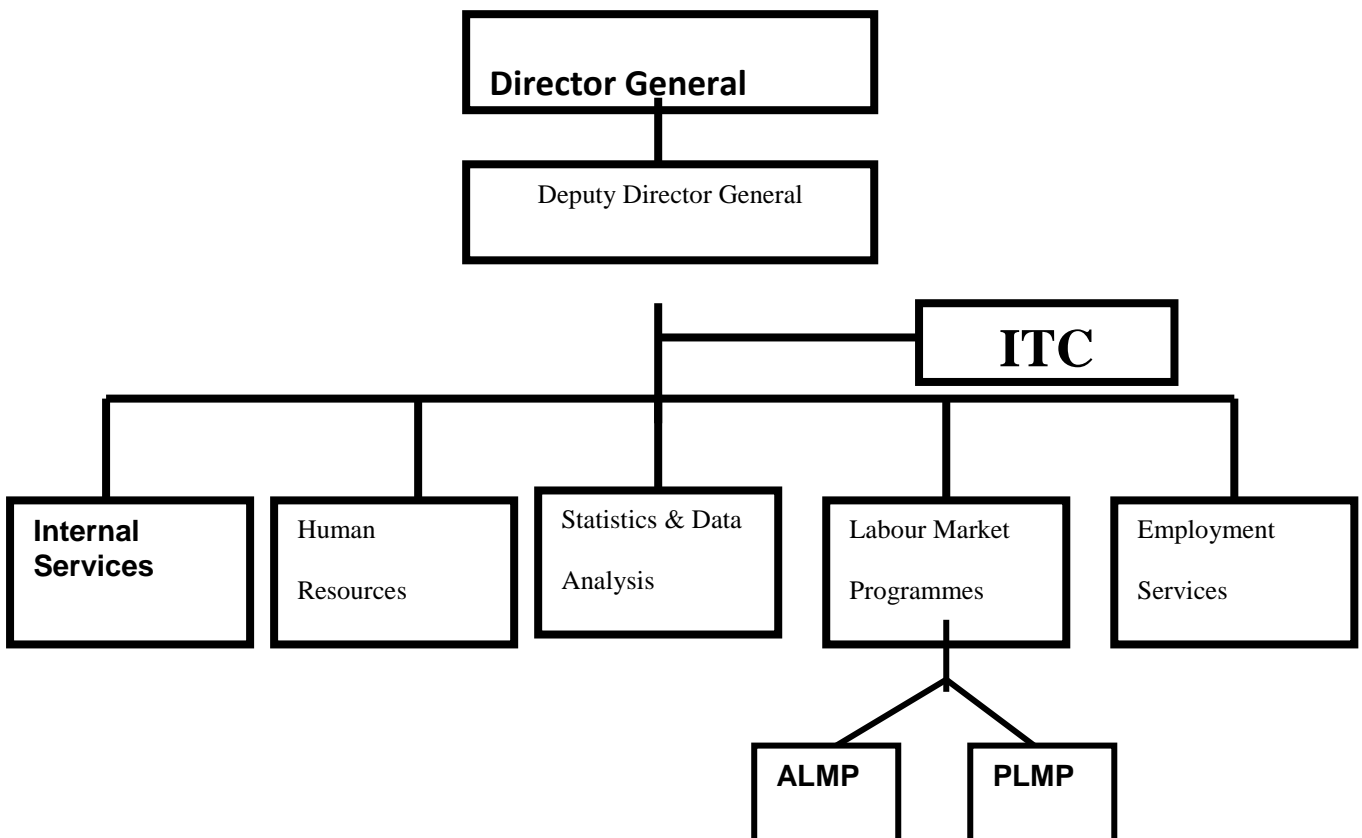
- **Re-organization of NES headquarters**

The possibility to achieve set objectives depends on many factors. One is the adoption of a more functional organizational chart, but another important factor is the introduction of a new “management style”, which will allow managers to focus on achievable goals and to attain the best possible results from available resources. In a labour intensive organisation, this result can be achieved by involving and empowering the staff. Therefore, it is proposed that NES management, including directors of Regional Offices are trained on “Management by objectives”. As a result, NES managers are expected to focus on results and not on the process and they will be able to delegate tasks to their staff through a negotiated agreed-upon work plan.

Suggestions have already been forwarded by the ILO concerning the new organizational chart in the Assessment of the NES functioning. The new model is presented below, however, it might be necessary to fine-tune the draft by NES managers with the support of the ILO.

Proposed new organisational chart of NES Headquarters

1. Create a new department (Internal Services) in charge of budgeting, finance, legal services and auditing.
2. The Human Resource Department should focus on human resource development. A specific Unit will be responsible for the staff training;
3. Create a new department dealing with labour market programmes. This new department would consist of two units: one unit could administrate the unemployment benefits and another one could manage the active labour market programmes. The Vocational Training Department might be merged with the LM Programmes Department to cover the whole spectrum of active labour market programmes.
4. The Employment Service Department would remain responsible for overseeing registration, counselling, vocational guidance, development of individual employment plans and migration. Keeping this department is necessary due to the importance of improved relations with the jobseekers. In a second phase, the department could be included in the Department for Labour Market Measures.
5. Establish a new Department on Statistics and Data Analysis, as it is instrumental to the work of all other sectors and departments to collect and analyse data generated by the employment services at national and local level and feed the relevant information into the workflow of other departments and sectors. A specific working group will be set up within the Department in order to support the establishment and updating of the LMI. Chaired by the Head of the Statistics and Data Analysis, the group will be composed by the heads of the regional offices and up to five representatives from local offices.
6. The IT Unit, due to the strategic impact on the overall functioning of NES, is suggested to be report directly to top management



The implementation of the new organisation model may require some time due to the complex procedures to be followed before the structure could be implemented: opinion of the NES Tripartite Administrative Board, clearance from the Department of Public Administration and final Order of the Prime Minister.

Actions to be taken

Activity	Time schedule
Fine tuning of the reorganisation model and agreement with MoLSAEO	October 2010
Approval from the Tripartite Administrative Board	January 2011
Clearance from the Public Administration Department	April 2011
Order of the Prime Minister	June 2011
The new model is operational	October 2011
Training on Management by Objectives	Second half 2011

• Tripartite Administrative Board

The Board is the highest decision-making body of the NES. It is composed of 13 members out of which 3 representatives come from the trade unions and 3 from employers' organizations. Their mandate lasts for 2 years.

The Board has the following competencies:

- examines draft legal acts (bills) related to the NES activity area;
- approves the organizational and financial regulations;
- approves the balance sheet, the annual report, and the budget proposal;
- decides on investments of funds;
- decides on important NES contracts and agreements;
- agrees upon the NES structures and regulations;
- establishes the Control Commission for controlling its activity.

Despite the fact that above listed competencies are important, so far the role of the Board, has not played an active role in the modernisation of NES. The Board will be requested to promote and animate meetings with social partners, private employment agencies, NGOs in order to reach consensus and propose initiatives from the NES to respond to the identified needs. The Board's members should receive copies of the monitoring and evaluation reports and other relevant documents and be informed on the workshops and training initiatives promoted by the NES, including those with the support of donors, and they can decide to participate.

Actions to be taken

Activity	Time schedule
Active involvement of the Board members in meetings with social partners, private employment agencies, NGOs	Over the period
Copies of the monitoring and evaluation reports and other relevant documents and information on workshops and training initiatives promoted by NES, including those with the support of Donors, are sent to the Tripartite Board	Over the period

• Decentralisation

Decentralisation, which is postulated also by the European Employment Strategy, implies not only an administrative transfer of delegated functions to the regional and local office but is also a strategic move towards an area-based and integrated approach. This would result in i) better co-ordination between labour market policy and social inclusion initiatives and economic development strategies, ii) better adaptation of policies to local conditions iii) greater participation of civil society and the private sector in decision making.

These initiatives make formal devolution of responsibility a necessary condition. They also emphasise the duty of public officers to co-operate with other stakeholders and form partnerships to make their actions more relevant at the local level.

Delegating functions from headquarters implies a shift in management responsibilities at the local level. Managers should be trained on “Management by Objectives” and on Local Economic and Employment Development initiatives. The staff of the regional office and the directors of local branches will report to the Head of the Regional NES Office. The role of the regional and local NES offices will be further defined during the delegation process.

In short term, a detailed plan for decentralisation should be prepared by MoLSAEO and NES, and discussed with national and local stakeholders. Once consensus is reached, the process will envisage, in medium term, the adoption of the appropriate legal and administrative measures.. By 2011, accompanied by appropriate training to the staff, the entire process could be operational.

Actions to be taken

Activity	Time schedule
Definition of the Regional and local offices	November 2010
Delegation of competences, including the definition of quality standards and performance indicators	January 2011
Training need analysis by the HR Department	November 2010
Training implementation by the HR Department	Second half 2011

- **Labour Market Intelligence**

Understanding the needs of the Labour Market and possibly anticipating them is a key to individualized employment counselling and job search assistance. It offers information to jobseekers and employers on job openings, labour market conditions, available training courses and information on the programmes and services of the NES.

Therefore, for NES LMI is not a simple data collection exercise as it implies analyses that can allow for outputs to be translated into policy outcomes. NES staff has to consider this task as strategic for their job and give it top priority, not consider it as an additional burden. Obviously, the human resources implication should be carefully assessed and possible measures discussed with MoLSAEO. In particular, the function of LMI coordinator at regional level needs to be carefully assessed and detailed as part of the decentralisation process.

Surveys, regularly conducted at both regional and local level, will provide critical information not only for employment service purposes, but also for economic development and educational planning. The experience gained in previous exercises shows that the sample needs to be extended in terms of geographical coverage and that the number and type of enterprises surveyed should be statistically significant. The Statistics and Data Analysis Department has to review the questionnaire in order to include questions that are essential to detect skills shortages or future skills requirements and to delete information of no concrete utility. The same Department conducts data analysis using currently Microsoft Excel, but will soon use Statistical software such as SPSS. A consistent data storage policy needs also to be elaborated and implemented with high priority.

Before starting a new survey, the Human Resources Department of NES will assess the training needs and implement courses for surveyors on the administration of questionnaires and collection of data and for the staff of the central and regional offices of the NES on data tabulation and analysis, as appropriate. In order to improve the comparability of data, the questionnaire will be designed and implemented by keeping the same questions and methodologies.

In building consistent LMI, NES should establish continuous cooperation with INSTAT, which can also provide the necessary guidelines for the analysis of data in line with EUROSTAT directives, in the perspective of alignment to EU standards.

Labour Market Intelligence would require the creation of an efficient data storage system that can facilitate the dynamic analysis of the LM.

Actions to be taken

Activity	Time schedule
Surveys are conducted country-wide and regularly	Every 18 months, over the period
Data analysis is done at national and regional level	Over 2010 and onwards
SPSS or an equivalent statistical software is available for data analysis	March 2011
Human Resources Department of NES will assess the training needs and implement courses for surveyors on the administration of questionnaires and collection of data and for the staff of the central and regional offices of the NES on data tabulation and analysis, as appropriate.	2011
Continuous cooperation with INSTAT	over 2010 and onwards
Creation of an efficient data storage system	2011

Development of Information Technology (IT) in the employment services as a key factor in the improvement of services quality

The key factor in NES changes is the extensive use of IT. The pilot project in Tirana and Korca funded by SIDA will be gradually extended to the other regions (short–medium term).

Creation of the electronic databases of Jobseekers and Vacancies can improve the quality and quantity of these important services. As public institution, the NES has to play a role as facilitator of employment regardless to whom take the initiative (NES, Employers, Private Employment Agencies, Individuals). In particular, this would be in line with ILO Convention no. 88 – a convention which Albania has ratified.

The web site of the NES now starts with the display of data bases on vacancies and jobseekers. The system needs to be improved as data is presently provided through CD ROMs sent by the NES regional branches.

Once the network is in place, an Intranet service needs to be created in order to disseminate the most important information, directives, and training opportunities among the staff. Videoconferences can replace the expensive and time-consuming trips from regional/local branches to Tirana.

Orientation towards a system open to end-users - by developing WEB applications for job seekers and employers - will enable counsellors to pay more attention to their essential functions instead of administrative tasks. In parallel, the waiting time for services will be reduced compared to “traditional mediation service”.

The new information system will improve contacts with employers in the following ways:

1. Inform employers about NES services, acquire information on the special working places, provide answers to questions related to employment promotion programmes enable direct mediation;
2. Mediation process catering to employers' needs available (best candidate selected by using database containing job seeker profiles);

The new IT system will also support communication with jobseekers:

1. Possibility of reducing the risk of long-term unemployment, preparation of individual employment plans, and activation and motivation of unemployed persons;
2. *Inform job seekers about NES services, acquire information on the special working places, related to employment promotion programmes enable direct mediation;*
3. Supports adequate choice of additional education and training aiming to increase the level of qualification and competitiveness and prevent becoming a redundant worker.

New technologies will also allow the exchange of electronic data with specific public or state institutions (MoLSAEO, Ministry of Education, Ministry of Finance, INSTAT, etc.).

A valuable change may also be achieved by reducing the thus far manually managed administrative tasks, such as storage/filing of data, statistics, financial systems, processes for supporting human resources management, and reporting systems.

A new IT system will also be useful for new practices such as monitoring and evaluation by establishing a system of measurement of the performances that will facilitate employment services to quantify their efficiency in implementing the programmes and providing the services.

Due to the importance of this component, an IT development strategy should be elaborated, incorporating the interventions from donors (SIDA, EC AENEAS) and envisaging a sustainable investment plan using part of NES resources. Training for all staff would be necessary to complement the hardware part of the IT Strategy.

It might be useful to exchange experiences with other EU Public Employment Services both to align the NES Albania with the requirements of EURES⁸ and EUROSTAT, and to fully exploit the potential of IT for other functions relevant for the NES performance.

Actions to be taken

Activity	Time schedule
An IT strategy is prepared. NES staff will be supported by ILO experts and benefit from best practices from other countries. Possible study visit, as appropriate.	January 2011
All regions are networked (SIDA project)	2011
An employment portal is operational at NES starting with job vacancies	January 2010
A FAQ section is created within the site in order to answer the most frequent requests for information from jobseekers and employers	2010
Intranet is operational	2011
Computer-aided support for monitoring and evaluation is introduced	2011
Support to administrative tasks, such as storage/filing of the data, statistics, financial system, system for supporting human resources management, reporting are introduced	2011 and onwards

Establishment and development of partnership with other actors in the labour market

NES participation in the labour market will significantly increase by establishing cooperation with social partners at local level but also with institutions which provide services in the area of adult education. The availability of adult learning opportunities should be assessed and made public. Therefore, a survey will be conducted on adult learning opportunities in the country by the NES staff with the support of ILO experts. The database will be published in the NES Employment Portal.

Social partners are the main actors in the labour market. Therefore, their role in employability issues should be considered essential. So far their involvement has been limited to the formal tripartite bodies foreseen by NES regulation at national and local level. They have to be consulted in the reform process and in the identification of labour market needs. Their role in local economic and employment development initiatives is extremely significant.

An important role is played by the Municipalities in administering social assistance and for promoting local employment and economic development projects. The NES should be proactive in searching and establishing solid relations with local authorities and also with other local partners such as NGOs that can be of great support in an integrated approach to the disabled and to other vulnerable groups.

Actions to be taken

Activity	Time schedule
Periodical information sharing sessions will be organised by NES with social partners at national and local level	2011 and onwards
Partnership building meetings to be organised with local partners	2nd half 2010

⁸ EURES is a network of 31 European countries offering a powerful support to labour mobility, by providing information and learning opportunities throughout Europe. See: <http://ec.europa.eu/eures/home.jsp?lang=en>

Survey on adult learning opportunities	2011
List of available suppliers and their training offers published on NES site	March 2011

Improving contacts with enterprises

The services provided to enterprises are very basic. The counsellors limit themselves to visiting companies and soliciting vacancies. More advanced services to employers – such as preparation of job descriptions, job and task analysis and advice on human resource recruitment practices – need to be offered in the future. The approach followed so far by the NES in contacting employers has been rather passive. A more proactive approach will be put in place, generating benefits in terms of placement of disadvantaged individuals. Employers need to be convinced that they need the help of a professional when advertising a job (task analysis — job description — job requirements). The approach to employers should aim at easing the modalities for fulfilling the legal obligations that employers have concerning vacancies and establishment and modification of employment contracts. With the electronic system in place, the above obligations can be fulfilled through the use of e-forms. This approach could be tested now in Tirana and Korca. Until then, a specific service line will be opened in the NES offices avoiding that employers are received on *the first come, first served basis*.

In order to consolidate relations with employers and anticipate problems, as appropriate, systemic visits to employers will be scheduled at least quarterly or on ad hoc basis when necessary. Focus Group meetings can be organised by the NES local branches at sector level in order to analyse common needs and solutions. Maintaining contacts with employers does not always imply personal contact: this may be done by phone, e-mail or other means.

The NES will carefully follow actual employers' demands for labour force and services and will react on these demands within reasonable time.

Actions to be taken

Activity	Time schedule
Sector Focus groups are organised with trend-setting companies in each local office in order to analyse the needs of employers and agree on how NES could help with solutions	Twice a year. Starting 2nd half of 2010
The legal obligations on vacancies can be fulfilled via email or internet	2011
Quarterly visits are agreed with employers or on ad-hoc basis if needed	Over the period
Short seminars will be organised at local level involving employers on topics like advertising a job (task analysis — job description — job requirements)	2010
A dedicated telephone line will be established at regional level in order to facilitate contact with employers	As soon as possible

Development of human resources

The modernisation of NES requires not only investment in infrastructure and equipment, but more and more investment in the soft component, in human resources. It is absolutely necessary that the NES staff is fully aware of the objectives and priorities and is prepared for them. This requires initial training for each new working process and also constant support both

through coaching and refreshing courses. The establishment of performance indicators will help the HR department to identify weaknesses and adopt the necessary interventions for filling the gaps.

Training should not be considered as an option or being linked to donors' projects, but will be organised in a systemic way, using the already trained staff as trainers.

Actions to be taken

Activity	Time schedule
Systemic training need analysis, taking on board donor activities	2010
Training plan, using the already trained staff as trainers as appropriate	Over the period
Establishment of performance indicators to identify weaknesses and adopt the necessary interventions for filling the gaps	2010

Private employment services

Based upon the directives included in ILO Convention no. 88, cooperation with private employment agencies could assume the form of: 1) partnership in information sharing, and 2) complementary services (e.g. on migration and for specific profiles).

Actions to be taken

Activity	Time schedule
Partnership in information sharing	Twice a year

Programs of employment promotion

Assistance to Jobseekers is mainly provided at registration. This phase, which is actually purely administrative, should be improved in order to collect sufficient information for jobseeker profiling. In fact, the services need to be customised at least on three profiles of clients:

1. Those who have full capacity to find a job alone will receive information on vacancies and advice on preparing a CV and undertake an employment interview. Job vacancies will be available on the web site but also in written form in the NES offices. Preparing a CV and interviewing tips will be provided by short group training that can be scheduled regularly (e.g. monthly). Whenever possible Job Clubs will be established providing training to assist participants who are ready for work, to develop skills which they can use to find a job. A limited number of the employment offices have a system for providing visitors with clear directions and information on the steps they need to take (for instance, which documents are necessary for registering, which are the vacancies currently available, or simply which services the employment office offers). Therefore, in short term an information leaflet will be prepared and made available in all 36 NES offices. The information fiche will also be posted in the website of NES.
2. Individuals who need support in the identification of their strengths and weaknesses will be helped in finding solutions through training, internship, and other measures. The

- identification of the client profile needs to be drafted during the counselling and guidance interviews and recorded in the Individual Employment Plan (IEP);
3. Vulnerable groups needing targeted interventions must have customized services catering to the different categories of vulnerability. Special attention should be devoted to disabled people for whom relations with the civil society need to be strengthened in order to find common solutions.

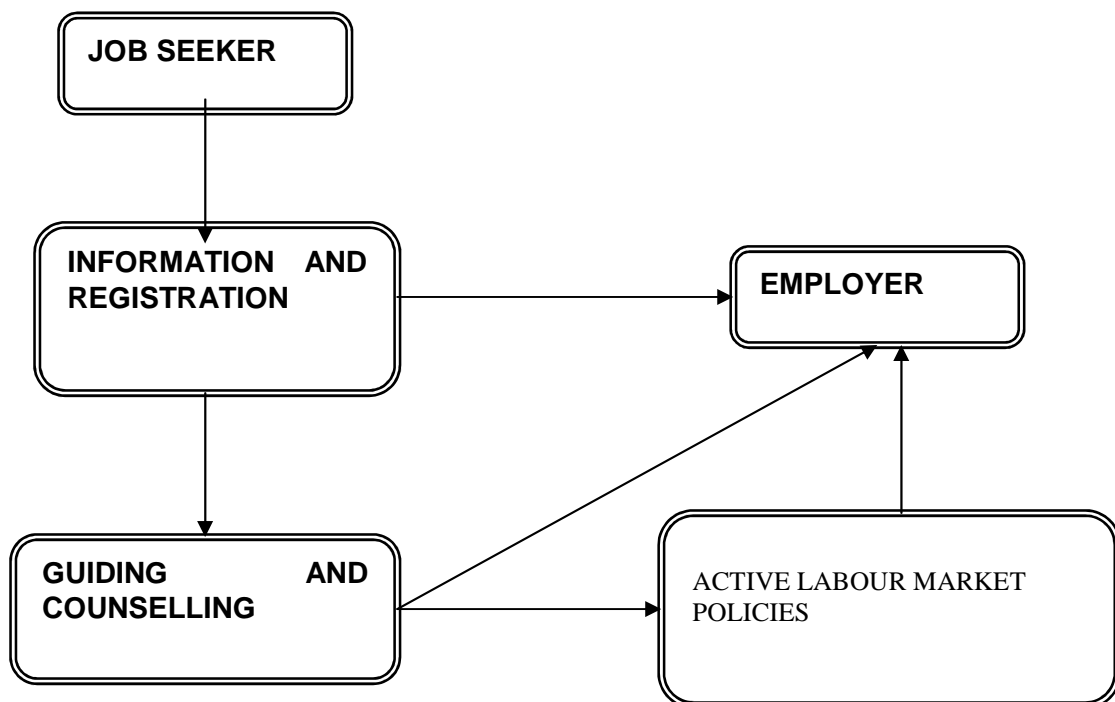
Registration is the first contact and probably one of the few opportunities that a jobseeker has to discuss employment opportunities, training courses and other options which may lead to employment. So far, the NES front line staff does not use counselling techniques that can help individuals to explore their strengths and weaknesses and to take appropriate action. The current caseload is an obstacle to fully exploit this opportunity as the time devoted to each jobseeker is too short.

Taking on board the staff training programmes on counselling skills and techniques already carried out by the ILO, ANPE and SIDA and the existence of a group of NES trainers tasked to train and re-train counsellors on counselling and guidance skills and on service workflow, the following implementation plan could be envisaged in short term:

1. A feasibility analysis will be conducted in order to organise the implementation of the counselling service, considering that it *should allocate adequate resources to allow counselling practitioners the time each client requires. The analysis should take on board the inputs given in this field by the CARDS 2006 programme on Employment and programmes of other donors (e.g. ANPE, ILO).*
2. A series of training courses will be organised for those staff members who did not undertake specific training courses organised by Donors.
3. Short refreshing courses will be organized for those who have been already trained.
4. The counselling service starts in some pilot NES offices. Coaching function during the testing phase will be ensured by the already trained trainers.

All the above training initiatives will be coordinated by the HRD Department at NES Headquarters.

The suggested structure of the key functions for jobseekers is presented in the following graph:



This *tiered service delivery*, which systematically differentiates the service provided to different clients according to their needs, can be further improved by introducing, once the IT development will allow it, a Self Service System.

Jobseekers can access directly the main information and the available vacancies once they are on the NES website or can use devoted IT workstations in the NES offices. In the future, the Self Service System can help solving the problem of differentiating between those who want to work and those who are registering for other benefits.

In order to help the jobseekers to adapt their profiles to LM needs and the enterprises to fill in the vacancies with persons holding the needed capacities, the NES design and implement the following groups of measures:

a. *Measures to reduce mismatch*

Individualized employment counselling and job search assistance, underpinned by timely and reliable labour market information, is at the core of any strategy to combat long-term unemployment and is widely acknowledged as the most cost-effective means to ease the transition to work.

b. *Measures to raise the stock of skills*

Training is the dominant active labour market measure implemented worldwide to develop skills among workers of all ages. The content of the training as well as the training modality (on-the-job, in a classroom or both) will be jointly decided upon by the employer and the NES counsellor and will partly depend on the individual characteristics of the unemployed to be recruited and partly on the tasks of the job. This is reflected in the Individual Employment Plan (IEP) compiled by the job counsellor during the counselling interviews. Combining these data with the LMI indications, the NES will be able to identify the skills that are in demand and adopt the appropriate training plans.

The current problem is the weakness of the supply side. The NES uses in-company training measures. As far as institutional training is concerned the main tools are courses delivered by the nine (plus a mobile) VET Centres subordinated to MoLSAEO. This can be an important asset, provided that the courses offered correspond to the needs of the LM. Such courses are not only a valuable contribution from the lifelong learning perspective, but also clearly oriented toward skill improvement. A second important point is that the effectiveness of the training delivered so far has not been assessed in terms of increased employability. Therefore, a tracer system is recommended in order to see if the investment in training has produced results, and if so, what these results are. There is an information gap on adult learning opportunities in Albania, which can result extremely useful for NES. Therefore, it is necessary to survey all existing opportunities, creating a data base that can be published on the NES website.

c. *Measures to increase the demand for labour*

Employment subsidies are designed to provide incentives to enterprises to recruit workers by reducing the labour costs involved in hiring. These programmes may envisage a total or partial waiver of the employer's share of social security contributions and/or the financing of a percentage of the worker's wage (normally calculated on the basis of the minimum wage). They also normally include an obligation on the employer's side to retain the worker hired with the subsidy for a minimum period after the termination of the programme. These measures are normally part of the ALMPs of NES.

d. Promotion of Self-employment

The programme involves two steps: first, the provision of information and awareness-raising on what self-employment is and what it takes to start and manage a business, so that individuals can realistically consider it as a career option. Should an individual decide to explore this career option further or start his/her own business, the second step envisages the provision of a package of support measures that range from business skills training, to pre- and post-start-up advice as well as access to grants and/or credits.

The geographical organization of the employment services mainly covers urban/peri-urban areas, while rural areas are out of NES' reach unless jobseekers move to urban areas where they can register. The reasons for this are twofold: the lack of administrative and financial capacity to cover the whole territory on one hand, and the privatization of land, whereby members of rural households who received a certain extension of land are considered self-employed on the other. This situation prevents the NES from covering a large sector of the population. This gap is particularly serious as: i) it is in rural areas where underemployment and informality, but also inactivity, is more acute; ii) it prevents the universal access of Albanian citizens to employment services, and iii) it limits the validity of the labour market data collected by the NES.

Anyhow, solutions in short and medium terms are difficult to be envisaged, due to the disproportionate cost of delivering employment and skills services in rural areas. This makes also difficult for local training providers to competitively tender for delivering services. In some countries, such as UK,, a partial solution has been found with the use of IT and video conferencing equipment that allows delivering remote tutoring. The service would include video conferencing for CV preparation, job search and interview preparation to economically inactive residents. At present, this option does not seem feasible in Albania, due to the lack of financial resources and the limited level of computer literacy.

At this stage, the possible initiatives that can be tested in pilot areas are limited to:

- Dissemination of information on vacancies through agreements with local authorities and NGOs
- Free call phone service to contact the nearest NES office.

Actions to be taken

Activity	Time schedule
Information leaflet prepared	October 2010
Feasibility study on the development of a Self service system	
Improvement of jobseekers profiling and assistance in job broking	Over the period
ILO pilot project on ALMP is tested in 4 regions. 1,500 jobseekers selected.	2010-2011
The training courses delivered by the public VET centre are assessed by NES	2011
A tracer programme is introduced for monitoring the impact of training courses offered by NES	2011
The guidelines for design, implementation and monitoring ALMP, designed by ILO, will gradually be implemented in all local and regional offices	2011

Public works

Public works have been used also in Albania in the past years. This is not a long term or structural solution, as the main purpose is to provide poverty and income relief through temporary work for the unemployed. In any case, no specific assessment of public work has been carried out in Albania.

Preference should therefore be given to local economic and employment development initiatives, to be designed and implemented together with local authorities and social partners. In the same direction, a feasibility study will be conducted by NES for a possible establishment of Community Employment programmes in order to help people who are long-term unemployed and other disadvantaged people to get back to work by offering part-time and temporary placements in jobs based within local communities.

Actions to be taken

Activity	Time schedule
A study is conducted on how public work could improve the skills of participants	2011
A feasibility study will be conducted by NES for a possible establishment of Community Employment programmes	2011

Employment and vocational training for the Roma community

NES needs to improve its targeting of vulnerable groups, including Roma. There are already a number of strategies⁹ and projects¹⁰ drawing the attention to the employment situation of the Roma community.

Even if the main responsibility for Roma community initiatives is with MoLSAEO, NES has an active role in initiatives aimed at helping the Roma community boosting its employment possibilities. NES will propose MoLSAEO some measures that could be implemented.

Actions to be taken

Activity	Time schedule
NES prepares and proposes to MoLSAEO in order to help the Roma community boosting their employment possibilities	2010

Gender equality and equal chances

Article 7 of the Law Nr. 9198, dated 26.2.2004, on *An Equal Gender Society* gave to the National Employment Service the duty to ensure and monitor “the implementation of measures

⁹ Such as the National Strategy for the Improvement of Living Conditions of the Roma Minority adopted in 2003 by a decision of the Council of Ministers. Among its aims are: the mitigation of poverty, the promotion of Roma involvement in public life, and support for the preservation of Roma identity.

¹⁰ The UNDP/UNV project Empowering the Vulnerable Minority Communities of Albania (March 2008 – March 2010) is directly assisting communities at the local level by facilitating their access to social services, promoting participatory planning, developing local infrastructure and working in partnership with government and civil society to implement the national Roma strategy. A joint programme will coordinate the activities of UN agencies working with vulnerable minorities and provide direct assistance to the poorest and most marginalized Roma communities in three regions of Albania: Tirana, Elbasan and Fier.

on equal opportunities among men and women in the areas of employment and vocational training as well as in the unemployment and social support area”.

The National Strategy on Gender Equity and Domestic Violence, approved by the Decision of the Council of the Ministers No. 913, dated December 19th, 2007 foresees, among other measures, the economic empowerment of women and increased opportunities of women for employment and professional qualification.

Considering the level of unemployment of women, the MoLSAEO has taken concrete steps for the implementation of policies for the employment of women. The employment promotion program aims at the employment of unemployed female jobseekers and at the encouragement of employers to increase the number of hired unemployed female jobseekers.

New specific initiatives should be based upon the assessment of the employment promotion programs for women implemented in the last three years upon request from MoLSAEO that has considered women as a priority.

Actions to be taken

Activity	Time schedule
Assessment of the employment promotion programs for women implemented in the last three years	2010
Based upon the outputs of the assessment of the running programmes, a new plan will be suggested by NES to MoLSAEO aimed at helping women in areas where they are more vulnerable with training and measures promoting self employment or facilitating their recruitment through subsidies	2011

Employment and vocational training policies for potential and returning migrants

Special attention needs to be devoted to the migrants. Potential migrants need to be supported both by the NES directly or in agreement with the Private Employment Services. Even if at moment the migration flows are almost frozen, for circular and seasonal migration the NES should be able to provide the necessary support for those who intend to migrate legally.

The experience of the Migration Service Centre, that has been active for some years in Tirana and supported by IOM, could be considered as a practice to be used as a reference. Assistance to migrants includes information on documentation and visa requirements related to working, living, and studying in the EU countries as well as asylum procedures, family reunification according to national legislation and relevant EU norms.

Concerning returning migrants the NES counsellors need to be trained for providing support for finding a job using the qualifications earned abroad or to start their own business.

The National Employment Service needs to focus on the following activities:

- Capacity building should be provided to the regional employment offices to assist staff in handling migration issues.
- Education and training measures must be introduced for returning migrants.
- There is a need to develop specific adaptation schemes for returning migrants for business start-ups in order to utilise and valorise experience gained abroad. Often

migrants are not familiar with local regulations for starting a business, or with issues relating to local labour market and business practices.

- A register should be created for potential migrants, including details of skill profiles. The list of potential migrants can be included in the NES Employment portal as well. This could be used in managed migration schemes, through which European employers request specific professional profiles and the National Employment Service manages the recruitment on their behalf. This has already been undertaken on project basis. However, it needs to be scaled up to become a routine practice, through initiatives including training some of the staff of the employment offices on European-style recruitment techniques and HRD management. In this way, the overall capacity of the employment service in relation to job mediation would also be improved.

Actions to be taken

Activity	Time schedule
Based upon the experience of the Migration Service Centre, NES will identify measures for helping potential migrants	2010
An electronic register should be created for potential migrants, including details of skill profiles and available in case of requests from foreign employers	2011
For returning migrants the NES counsellors need to be trained for providing support for finding a job using the qualifications earned abroad or to start their own business.	2011
Develop specific adaptation schemes for returning migrants for business set-up in order to utilise and valorise experience gained abroad.	2011
Education and training measures must be introduced for returning migrants, and returnees must be encouraged to participate in existing VET measures	2011

Passive programs - unemployment benefits

Most of the resources allotted to the NES budget are devoted to finance Passive Measures. As the amount of the benefits is fixed by law, the challenge is how to activate people receiving such benefits to become active job seekers. This, in fact was the main reason for the creation of the “one stop shop” for the unemployed, at NES instead of giving the competence on the unemployment benefits to other social insurance institutions.

Given its level, the eligibility criteria and the 12 month maximum duration, it is unlikely that the unemployment benefit constitutes a disincentive to active job search. However, the low coverage and level of the benefit may constitute an incentive for individuals to supplement income through work in the informal economy. In this respect, a stronger cooperation with Labour Inspectorate may produce a more precise identification of those who are just unemployed and of those who are really interested to find a job and, therefore, are the main clients to be targeted by the NES job mediation function.

Hopefully, future changes in the legislation may allow the integration of passive and active measures. Through the individual employment plan the benefit could enter as a tool with the purpose of increasing the employability of the unemployed in the shortest period of time. Provisions of ILO Convention no. 168 on Employment Promotion and Protection against Unemployment (ratified by Albania on 4 August 2006) may offer the possibility to refuse, withdraw, suspend or reduce the unemployment benefits “*when the person concerned has failed without just cause to use the facilities available for placement, vocational guidance, training, retraining or redeployment in suitable work*”.

In any case, the introduction of the information technologies will facilitate the data management, monitoring and reporting functions.

Actions to be taken

Activity	Time schedule
NES will analyse the impact of ILO Convention no. 168 on Employment Promotion and Protection against Unemployment and make proposals to MoLSAEO for possible legal frame support	2010
IT support designed for improving management, monitoring and reporting functions designed and implemented	2010

ANNEX 1 – Indicative action plan and timeframe for the implementation of the planned NES changes

Area of changes	Actions	Timeframe	Details
Relations with MoLSAEO	Service Agreement, including performance indicators	November 2010	To be applied from 2011
Re-organization of NES Headquarters	Fine-tuning of the new organisational model, adoption through the legal procedure and implemented	Second half 2011	NES Management with the support of ILO experts
	Training on Management by Objectives	2011	NES Managers, including Directors of Regional Offices
Decentralisation	Definition of the Regional and local offices	2011	In line and coherence with the indications from the CARDS programme on NES Modernisation
	Delegation of competences, including quality standards and performance indicators	2011	NES Management with the support of ILO experts
	Training	2011	HR Department with support from ILO experts
LMI	Survey structure fine-tuning	November 2010	
	Survey carried out in all regions	2011 onwards	
	Data analysed at regional and national level	November 2010	On the job support in data analysis by ILO experts. SPSS or other similar statistical software available
	LMI published on the NES Website	January 2011	A leaflet concerning the main findings will be disseminated among employers and other interested public
Relations with other actors in the labour market	Survey on Adult learning facilities	2011	NES training experts
	List of available suppliers and their training offer published in NES Web	2010	
Development of the Information Technology	NES web functioning with vacancies data base	January 2010	
	A FAQ section is created within the web in order to answer the most frequent requests for information from jobseekers and employers	2010	

	An IT development strategy is designed	January 2011	NES IT experts with the support of peers from other countries or after a study visit to Italy (Piedmont Region experience)
	Monitoring and reporting functions are gradually introduced	Over 2010	Programmes already exist and to be adapted
	All NES branches are in network	2011	Linked to the development of the SIDA project
	Intranet is established	Mid-2011	
Contacts with enterprises	Sector Focus groups are organised in each local office in order to analyse the needs of employers and agree on how NES could help with solutions	Twice a year Starting 2 nd half 2010	
	The legal obligations on vacancies can be fulfilled via email or internet	Starting soon	Depending on the availability of IT
	Quarterly visits are agreed with employers or on ad-hoc basis if needed	Over the period	
	Short seminars will be organised at local level involving employers on topics like advertising a job (task analysis—job description— job requirements)	2010	With the support of ILO experts
	A dedicated telephone line will be established at regional level in order to facilitate the contacts with employers	As soon as possible	
Human resources development	Systematic training need analysis	2010	With the support of ILO experts
	Training plan, using the already trained staff as trainers as appropriate	2010	Initial and refreshing courses. Planning supported by ILO experts
	Establishment of performance indicators to identify weaknesses and adopt the necessary	2 nd half 2010	With the support of ILO experts

	interventions for filling the gaps		
Private employment agencies	Partnership in information sharing	Over the period	Periodical meetings
ALMP	Information leaflet	October 2010	
	Counselling and IEP	July -December 2010	Improvement of jobseekers profiling and assistance in job broking
	Professional orientation	2012	Feasibility study in 2011
	ILO pilot project on ALMP is tested in 4 regions	2010 -2011	1,500 jobseekers selected based upon their IEPs and agreement reached with them through activation and motivation workshops.
	The guidelines for design, implementation and monitoring ALMP, designed by ILO, will gradually be implemented in all local and regional offices	2011	
Public works	Feasibility study will be conducted by NES for a possible establishment of Community Employment programmes	2011	
Roma community	In coordination with MoLSAEO, the NES will identify initiatives aimed at supporting employability of the Roma community	2010	
Gender equality	The current three-year project on female employment will be assessed	2010	
	Based upon the outcomes of the assessment, NES will elaborate a proposal to MoLSAEO for a systemic approach in the field		

Migration	Services designed for assisting potential migrants	2010	
	Agreement with Private Employment Services for integrating the assistance to potential migrants		
	Services designed for returning migrants in finding a job using the qualifications earned abroad or to start their own business	2010	
	Qualification recognition	2011	Feasibility study
Passive measures	A comparative analysis of best practices in Europe is conducted and results presented to the MoLSAEO for further steps	2010	
	The impact of the ILO Convention no. 168 is analysed	2010	
	IT helps improving data management, monitoring and reporting functions	Over the period	It is linked to availability of IT equipment

ANNEX 2 – The Objectives set by the National Employment Strategy, the provisions in the Action Plan for the implementation of the Strategy and the response from the NES

Employment Strategy	Action plan	NES proposed changes
<p>Establishment of a modern and unique employment system all over the country</p>	<p>Increase of the performance of the employment services and especially the intermediation for employment, better matching the job supply and demand.</p> <p>Cooperation on regional and local level for organizing the work of the employment offices.</p> <p>Development of active policies focusing on young people and people from special problematic groups, for being integrated in the labour market.</p> <p>Focusing of new programs in the labour market especially for special groups like first time jobseekers, long term unemployed people.</p> <p>Unification of the employment services and increase of specialists performance in thier work with the clients.</p> <p>The further improvement of monitoring and evaluation of the work of the employment services</p> <p>Improving the quality of the short term study of the Labour market (carried out every year)</p>	<p>Governance</p> <ul style="list-style-type: none"> • <u>Relations with MoLSAEO</u> A “<i>service Agreement</i>” will be agreed annually by the Ministry together with the objectives and set indicators, benchmarks and milestone. • <u>Re-organization of NES Headquarters</u> NES Management, including the Directors of the Regional Offices is trained in “Management by objectives”. As a result, NES managers are expected to focus on results and not on the process and they will be able to delegate tasks to their staff through a negotiated contract of goals. <p>Concerning the new organization chart, some suggestions have been forwarded by ILO Assessment of the NES functioning, e.g. creation of new departments: 1) Internal Services taking care of budget, finance, legal services and auditing; 2) Statistics and Data Analysis; 3) Labour Market Department, including Active and Passive Labour Market Measures and Training.</p> <p>The Human Resource Department and the Employment Service Department would remain unchanged.</p> <ul style="list-style-type: none"> • <u>Decentralisation</u> Definition of competences and functions of the regional and local offices Delegation from the NES Director to the Directors of the Regional Centres Organisational model defined Performance indicators set up Managers will be trained on “Management by Objectives” and on Local Economic and Employment Development initiatives. Regional and local offices staff trained on labour market information (data gathering and analysis) and the setting up of new active measures • <u>Labour Market Intelligence</u> surveys, will be regularly conducted at both regional and local level, and provide critical information not only for employment service purposes, but also for economic development and educational planning. The survey will cover the entire country and the target of the surveyed enterprises will be chosen in a way to be statistically significant. The

		<p>questionnaire will be reviewed including the questions that are essential to detect skills shortages or future skills requirements and deleting information of no concrete utility. The data analysis at national and regional levels will be helped by adequate Statistical software such as SPSS.</p> <p>Training needs analysis carried out and training courses implemented by the HR Department for surveyors on the administration of questionnaires and collection of data and for the staff of the central and regional offices on data tabulation and analysis, as appropriate</p>
Establishment and development of partnership with other actors in the labour market	Cooperation with the universities, INSTAT, social partners and research institutions and different donors	<p>Improved cooperation with social partners at local level but also with institutions which provide services in the area of adult education.</p> <p>They will be associated in the reform process and in the identification of labour market needs.</p>
Development of the Information Technology (IT) in the employment services as a key factor in the improvement of services quality	<p>Creation of a computerized system of the labour market information for:</p> <ul style="list-style-type: none"> - the development of a new way of the information system management on the labour market in the NES as the basis for launching the management with objectives and results. <p>Development and implementation of the self-service process through internet for the unemployed jobseekers at the employment offices</p> <p>Development and implementation of an IT system for the registration of the unemployed jobseekers and the job vacancies.</p>	<p>The key factor in NES changes is the extensive use of IT. The pilot project in Tirana and Korca funded by SIDA will be gradually extended to the other regions (short –medium term).</p> <p>Creation of the electronic databases of Jobseekers and Vacancies will improve the quality and quantity of these important services.</p> <p>Once the network is in place, an Intranet service will be created in order to disseminate the most important information, directives, training opportunities, etc among the staff. Videoconferences will replace the expensive and time consuming trips from regional/local branches to Tirana.</p> <p>The new information system will enhance the contacts <i>with employers, and with jobseekers</i>.</p> <p>Storage/filing of the data, statistics, financial system, system for supporting human resources management, and reporting systems will be carried out electronically</p>
Improvement of the contacts with enterprises	Assure regular visits to the enterprises in order to structure these visits and their results in a productive way.	More advanced services to employers – such as preparation of job descriptions, job and task analysis and advice on human resource recruitment practices – will be offered in the future. The approach followed so far by the NES in contacting employers has been rather passive. A more proactive approach will be put in place, generating benefits in terms of placement of disadvantaged individuals. When the electronic system is in place, the above obligations can be fulfilled

		<p>through e-forms. This approach could be tested now in Tirana and Korca. Up to then, a specific service line will be opened in the NES offices avoiding that employers are received on the <i>first come, first served</i> basis.</p> <p>Visit will be set at least quarterly or on ad hoc basis when necessary and in agreement with the entrepreneurs.</p> <p>Focus Group meetings will be organised by the NES local branches at sector level in order to analyse common needs and solutions. Maintaining contacts with employer does not mean always the personal contact; personal contact will be alternated with contacts by phone, e-mail or other means</p> <p>NES will carefully follow the actual employers' demands for labour force and services and will react on these demands within reasonable time.</p>
Development of human resources	<p>Further training of the employment services staff to increase their performance for the implementation of programs.</p> <p>Acquire the material "Standards of application of the employment services" and "Trainer's manual"</p> <p>Training of a group of employees of the DEP in the Ministry and the General Directorate of the NES for the planning, drafting and implementation of a monitoring-evaluation system, based on the performance</p>	<p>The establishment of performance indicators will help the HR department to identify weaknesses and adopt the necessary interventions for filling the gaps. The already trained staff will be used as trainers.</p>
Private employment services	<p>Increase of the cooperation of private services with public ones.</p> <p>In cooperation with the ILO/migrant project to create the forum of the private employment agencies with the participation of the representatives of the public services aiming at the use from these agencies of a code of ethics and exchange experiences.</p>	<p>Cooperation with private employment agencies could assume the form of: 1) partnership in information sharing, and 2) complementarities of services (e.g. on migration and for specific profiles)</p>

<p>Programmes of employment promotion</p>	<p>Drafting of secondary legal acts for the application of the last changes of the law No. 7995 dated 20.09.1995 “On the encouragement of employment”, changed.</p> <p>Continuation of the implementation of the employment promotion programs and the implementation of new programs, concretely: 632 encouragement of the employment of women 873 professional apprenticeships Monitoring and evaluation of active policies with the engagement of the social partners Starting the implementation of the apprenticeship program for the unemployed jobseekers who have finished the high school Implementation of the program for the definition of the rules for the employers to fulfil the obligations when they don't employ persons with limited abilities and encouragement of their employment with the fund created</p> <p>Promotion of employment of the persons with limited abilities Undertaking a range of measures for the employment of women Reorientation of women towards the most requested professions, involving the women in rural areas in non-agricultural activities</p>	<p>Assistance to Jobseekers is mainly provided at registration. This phase, which is actually purely administrative, will be improved in order to collect sufficient information for Jobseekers' profiling. In fact, the services will be customised at least on three profiles of clients:</p> <ol style="list-style-type: none"> those who have full capacity to find a job alone, will receive information on vacancies and advice on preparing a CV and undertake an employment interview. Job vacancies will be available on the web site but also in written form in the NES offices. Filling CV and interviewing tips will be provided by short group training that can be scheduled on a basis (e.g. monthly). Whenever possible Job Clubs will be established providing training to assist participants who are ready for work, to develop skills which they can use to find a job. A limited number of the employment offices have a system for providing visitors with clear directions and information on the steps they need to take (for instance, which documents are necessary for registering, which are the vacancies currently available, or simply which services the employment office offers). Therefore, in short term an information leaflet should be prepared and made available in all 36 NES offices. The information fiche, could also be posted in the website of NES. individuals who need support in the identification of their strengths and weaknesses and be helped in finding solutions through training, internship, and other measures. The identification of the client profile needs to be drafted during the counselling and guidance interviews and recorded in the Individual Employment Plan (IEP); Vulnerable groups who need targeted interventions, which need to be customised to each category of vulnerability. Special attention should be devoted to disabled people for which the relations with the civil society need to be strengthened to share solutions <p>Once the IT development will allow it, a Self Service System will be established. The jobseekers can access directly the main information and the available vacancies once they are in the website of NES or can use devoted IT workstations in the NES offices. In the future, the Self Service System can help solving the problem of keeping separate those who want to work from those who are registering for other purposes. As in many other countries, there is the possibility that the registration is done on line and once the procedure completed, the registered unemployed can print a certificate with the number of registration. A study will be conducted by NES Managers, with the support of ILO, for identifying legal and concrete feasibility.</p> <p>Active LM programmes are designed for supporting jobseekers in adapting their</p>
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Public works		<p>As they are not offering a long term or structural solution, but just provide poverty and income relief, preference will be given to local economic and employment development initiatives, together with local authorities and social partners. In the same direction, a feasibility study will be conducted by NES for a possible establishment of Community Employment programmes in order to help people who are long-term unemployed and other disadvantaged people to get back to work by offering part-time and temporary placements in jobs based within local communities.</p>
Employment and vocational training for the Roma community	Encouragement of employment and vocational training for the Roma community	<p>In coordination with MoLSAEO, the NES will undertake initiatives aimed at helping the Roma community with training, and measures promoting self employment or facilitating their recruitment through subsidies.</p>
Gender equality and equal chances		<p>NES will assess the women employment promotion programs applied in the last three years upon request from MoLSAEO that has considered women as a priority. Based upon the outcomes of the assessment, new initiatives will be proposed and agreed with MoLSAEO</p>

<p>Employment and vocational training policies for potential emigrants and returned migrants</p>	<p>Measures for encouraging the employment and vocational training for the potential emigrants and the return migrants</p>	<ul style="list-style-type: none"> • Capacity building should be provided to the regional employment offices to help them working on migration issues. • Education and training measures will be introduced for returning migrants. • specific schemes will be designed for returning migrants for business set up in order to utilise and valorise experience gained abroad. • A register will be created for potential migrants, including details of skill profiles. The list of potential migrants will be published in the NES Employment portal.
<p>Passive programs - unemployment payment</p>	<p>Reaching the standards of the ILO convention No. 168 “Encouragement of employment and protection from unemployment”</p>	<p>Employment benefits are set by law. Through the individual employment plan the benefit could enter as part of the tools with the purpose of increasing the employability of the unemployed in the shortest period of time.</p> <p>The introduction of the information technologies will facilitate the data management, monitoring and reporting functions.</p>