



Evaluation Summaries

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

Quick Facts

Countries: *Albania*

Final Evaluation: *November 2011*

Mode of Evaluation: *independent*

Technical Area: *Employment*

Evaluation Management: *Regional
Evaluation Officer/EUROPE*

Evaluation Team: *Mr Frank Kavanagh
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Project Start: *January 2008*

Project End: *December 2011*

Project Code: *ALB/03/50/ITA*

Donor: *Government of Italy*

Keywords: *Employment, Employment Service,
Vocational training, Training, Active Labour
Market Policies*

Background & Context

Summary of the project purpose, logic and structure

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

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

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

Present situation of project

A key highlight was the focus on the Individual Employment Plan (IEP) concept where jobseekers are engaged with in a

comprehensive and collaborative way, so that an employment/training action plan is jointly developed by the jobseeker and the National Employment System (NES) adviser. This is a very good foundation for the eventual implementation of the European Employment Strategy, which enjoins each National Public Employment Service (PES) to offer such an in-depth engagement with the unemployed as they cross particular thresholds of unemployment.

A NES assessment was conducted and the report published formed the basis for the Change Strategy of NES. Training of trainers was used as a key tool in capacity building with a more effective approach to Training Needs Analysis, Active labour Market Programme Design, Monitoring and Evaluation and procurement of contracted training.

Methodologies for Labour Market Analysis were introduced and used in the development of Labour Market Information System. A Skills Needs Survey was conducted in collaboration with the NES Statistics Department in early 2009.

A detailed Guide to ALMPs was produced in 2008 (updated in 2011 after input from the NES staff and management) and was used as a basis for training NES staff. As a result of this work specialists of the regional NES offices are now familiar with approaches to the design, implementation and monitoring of ALMPs

An Employment Fund for the pilot testing of the new ALMPs was agreed and established. Innovative ALMPs have begun to be pilot-tested in 4 regions: Lezha, Kukes, Shkodra and Gjirokaster. The concept of transferable skills was introduced as a means to place unemployed in relevant occupations using the OJT programme.

The MoLSAEO approaches to ALMP programming were improved in preparation

for future EU programming and funding of ALMPs. The social partners were involved both through tripartite activities and needs-based assistance.

Purpose, scope and clients of the evaluation

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

The final clients of the evaluation are:

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

Methodology of evaluation

The methods used were quantitative and qualitative in their approach and included a desk review of all available project documentation, interviews with government partners, NES management and staff, social

partners and the final beneficiaries - employer and jobseeker participants in the programmes.

Main Findings & Conclusions

The members of the evaluation team are unanimous in their conclusion that the ILO Project *Assistance to strengthen the Employment and Training system of the National Employment Service of Albania* has had a positive and systemic impact on policy making and operational activities in both the MoLSAEO and the NES. It has also forged valuable links among these two institutions and the social partners. In this regard, the Project is considered a success. However the direct funding component targeting ALMPs experienced some difficulties. There was some discontinuity in the Project management, slowness on the part of MoLSAEO to react at times and the ALMP component started very late into the project. Despite those difficulties, the direct funding of ALMPs has provided valuable resources and funds to disadvantaged groups and Regions that would otherwise not receive funds and with such flexible modalities. Because of the very late start to the disbursement of resources for the direct funding component it is not possible to establish gross and net impacts of the ALMPs. This will have to be done after the project end. An initial assessment of the impact of the ALMPs delivered under the project in Albania cannot therefore be established at the date of this evaluation. However all involved emphasised that the Project increased awareness of ALMP design and delivery, Employment Policy development and the barriers and solutions to participation of disadvantaged jobseekers in the labour market.

The technical assistance provided to the Employment Department of MoLSAEO on the design of evidence-based employment policies contributed to the strengthening of the labour market governance system. The results of this

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

Recommendations & Lessons Learned

Main recommendations and follow-up

1. The extension of the model of decentralised management of active labour market programmes should be encouraged within the National Employment Service. The possibility to influence the adjustment of ALMPs by staff should be considered in the context of a bilateral forum between local office and management staff and between MoLSAEO and the NES.
2. The increased emphasis on PWD as a target group came relatively late into the project. In response, the ceiling for the number of staff for the eligible enterprises was moved from 20 to 25. This was done in order to align it with the legal provision for the obligatory recruitment of PWD (1 for each 25 staff). In order to address a possible objection from the employers that they would need to adapt equipment and working space to accommodate PWD, a specific fund was created and approved by the Steering Committee. One of the difficulties for recruitment of PWDs is the high level of allowance already provided to PWD and the fear on their part that they will lose this, if they take up work. The flexible financial support package proposed within the project should be examined to see if it is enough and if other access and enabling tools need to be explored

in order to support employers to employ PWD.

3. The innovative design approach of the ALMPs required a significant staff commitment of time and resources to implement, particularly the need to provide in-depth counselling for a specific period and to assess participants skills and competencies and then match them to vacancies with similar profiles. This has foregrounded the need to provide more staff resources on the front-line where NES officers meet clients. The development of a nationwide ICT-based case management system is an important prerequisite to support NES officers in the new case management, guidance and counselling approaches.
4. Employment Subsidies are an important tool for the NES. A majority of project ALMP funding was expended on Employment Subsidies. The programme is easy for staff to implement and is favoured by employers. It is however important to ensure that no displacement is taking place and in that regard the flexible ratios of subsidised worker to permanent existing staff needs to be monitored closely and adjusted as necessary.
5. The monitoring approach tested by the Project to measure the performance of active labour market programmes targeting disadvantaged jobseekers offers decision-makers a tool to appraise the labour market returns of investing public funds to fight social exclusion. The MoLSAEO should continue these endeavours and commit human and financial resources to regularly verify the outcomes of active labour market programmes. This will need to be done after the end of the current project in order to fully measure the success or otherwise of the direct funding component.
6. In a situation where State funding is available for similar Programmes as those in the Project (OJT and Subsidy programmes in this case) it is important to ensure that a focus is maintained on the added-value aspects of the Project interventions. It is also important to ensure that a focus is kept on the target groups defined in the Project design. (There appears to be a small number of non-target group jobseekers among the current participants)
7. Quantitative targets for active labour market programmes should be established on the basis of an accurate cost and needs analysis as well as the experience gained in similar projects. In that regard it may be useful for the ILO to consider increasing the synergy between similar ILO and other donor projects in neighbouring countries to allow for peer-learning as projects are in progress. Issues encountered in any project are mainly country specific but methodological implementation issues could usefully be shared in relation to aspects such as competency and skills analyses, certification and mentoring, for instance. A case in point would be to have linked with the Serbian Youth Project team and a similar Youth Project in Kosovo which used/are using the same approach to competency matching, guidance and counselling for OJT programmes.
8. The innovative Self-Employment Programme for women deserves continued support. During the

- evaluation it became apparent that more supports are needed to facilitate start-ups by women. It may be beneficial to link in with existing supports for small business available through other mechanisms such as chambers of commerce or other donors in order to maximise the synergy between possible support mechanisms to ensure continuity of support and mentoring for small business start-ups.
9. Mechanisms should also be established so that ILO technical cooperation projects, assisting member states to implement active labour market policies, remain open after the project's end date in order to provide advisory services to assess net impact. The NES should commit to conducting a longitudinal study next year of the performance of participants on the ALMPs against that of a control group extracted from the unemployment register and against participants on the similar State funded programmes.
 2. ALMPs targeted at women need to take into account cultural norms and be reinforced with added provision of financial and other supports. The Self-Employment Programme has demonstrated this in a very clear way, as discussed below.
 3. Targeting of disadvantaged groups for participation in ALMPs needs to be carefully managed. Additional counselling and skills/competencies identification are crucial to a better match of jobseekers to jobs. The provision of on-the job training in particular requires that extra resources and effort on the part of NES be put into the matching (e.g. development of the IEP) and support processes.
 4. Training in ALMP evaluation has been instrumental in raising awareness among both front-line and management staff of the importance of monitoring, follow-up and gross and net impact measures. This has highlighted the lack of such an approach in the past with regard to mainstream NES ALMPs and the importance of reinforcing this area of NES work in the future.

Important lessons learned

1. The experience of the ILO Project in Albania has shown that, in line with other countries' experiences, well-designed and targeted active labour market programmes targeting disadvantaged groups attract the interest of enterprises even in a situation of contracting labour demand. However there is a need to be vigilant in the implementation of work subsidy programmes to ensure that displacement of existing workers does not happen. The revised generous *trainee to established staff ratio* agreed during the project implementation, needs to be monitored closely.
5. Quantitative and qualitative expectations for delivery of programmes to disadvantaged jobseekers need to be fully costed and tested before projects are launched. The Project has failed to meet some of the targets originally agreed and this needs careful examination to ensure lessons are learned from this failure.
6. Flexibility in programme design is a crucial factor in delivering innovative pilot projects. The ability to be flexible supported the project in its mandate for direct support to disadvantaged jobseekers. However as stated,

displacement is an ever present danger in the pursuit of such flexibility.

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