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ANNEX

**of the Commission Implementing Decision on the financing of the multiannual Operational Programme
on EU for Youth Employment in favour of the Republic of Albania for 2024-2027**

MULTIANNUAL OPERATIONAL PROGRAMME

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and multiannual action plan in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI-Global Europe Regulation

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1 Programme synopsis

1.1 Programme Summary Table

Title	Multiannual Operational Programme on EU for Youth Employment in favour of Albania for 2024-2027			
OPSYS	ACT- 62470 2024-2027: JAD.1421652			
ABAC	ABAC Commitment level 1 number: JAD.1421652			
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)			
Team Europe	No			
IPA III beneficiaries	The Republic of Albania			
Programming document	IPA III Programming Framework			
PRIORITY AREAS AND SECTOR(S) INFORMATION				
Window and thematic priority	Window 4: Competitiveness and Inclusive growth Thematic Priority: 1: Education, employment, social protection and inclusion policies, and health (100 %).			
Sustainable Development Goals (SDGs)	Main SDG: SDG8 Decent Work and Economic Growth Other significant SDGs: SDG 1: No Poverty SDG 5: Gender Equality SDG 8: Quality Education SDG 10: Reduced Inequalities SDG 14: Climate Action			
DAC code(s)	Main DAC codes: 16020 - Employment creation (48%) Sub-code 1: 11330 - Vocational Training (40%) Sub-code 2: 11110 – Education policy and administrative management (12%)			
Main Delivery Channel	Central Government – 12000			
Targets	<input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity			
Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality, women's, and girl's empowerment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	X	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	X	<input type="checkbox"/>
	Nutrition	X	<input type="checkbox"/>	<input type="checkbox"/>

	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	X	<input type="checkbox"/>
	Tags	YES		NO
	digital connectivity	<input type="checkbox"/>		<input type="checkbox"/>
	digital governance	<input type="checkbox"/>		<input type="checkbox"/>
	digital entrepreneurship	X		<input type="checkbox"/>
	digital skills/literacy	X		<input type="checkbox"/>
	digital services	X		<input type="checkbox"/>
	Connectivity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Tags	YES		NO
digital connectivity	<input type="checkbox"/>		X	
energy	<input type="checkbox"/>		X	
transport	<input type="checkbox"/>		X	
health	<input type="checkbox"/>		X	
education and research	<input type="checkbox"/>		X	
Migration	<input type="checkbox"/>	X	<input type="checkbox"/>	
Reduction of Inequalities	<input type="checkbox"/>	X	<input type="checkbox"/>	
COVID-19	X	<input type="checkbox"/>	<input type="checkbox"/>	
BUDGET INFORMATION				
Amounts concerned	<p>Budget line: 15 02 02 01</p> <p>Total estimated cost for 2024-2027: EUR 63 480 000</p> <p>Total amount of EU budget contribution for 2024-2027: EUR 50 000 000</p> <p>The contribution from the general budget of the European Union is split per year as follows:</p> <ul style="list-style-type: none"> - For 2024 - EUR 2 500 000 - For 2025 - EUR 16 500 000 - For 2026 - EUR 14 000 000 - For 2027 - EUR 17 000 000 <p>The contribution from the general budget of the European Union for the subsequent years is subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p>			
MANAGEMENT AND IMPLEMENTATION				
Implementation modalities (management mode and delivery methods)	Indirect management with the Republic of Albania			
Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans	<p>Priorities: Human Capital Development</p> <p>Flagship Programme no. 10. Youth Guarantee</p>			

Final Date for conclusion of Financing Agreement	At the latest by 31 December 2025
Decommitment deadline for each budgetary commitment	Budgetary commitment 2024: by 31/12/2029 Budgetary commitment 2025: by 31/12/2030 Budgetary commitment 2026: by 31/12/2031 Budgetary commitment 2027: by 31/12/2033
Indicative eligibility period	31/12/2033
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement

1.2 Summary of the programme

The European Commission's 2023 Report¹ on Albania recognises the government's commitment to establishing a youth guarantee scheme, reflected in the adoption of the Brdo Declaration on ensuring sustainable labour market integration for young people on 8 July 2021. In line with this commitment, Albania aims to gradually implement the Youth Guarantee scheme, as outlined in the National Employment and Skills Strategy 2023-2030 (NESS). This strategy specifically targets young people Not in Education, Employment, or Training (NEET), and is in line with the objectives of the Western Balkans Youth Guarantee, as part of the Economic and Investment Plan (EIP) Flagship no. 10.

The main objective of the Operational Programme EU for Youth Employment is to provide unemployed and inactive young people, registered at employment offices, with quality employment, training, or education opportunities within a period of four months from the date of registration. The programme will primarily focus on the NEET population aged 15-29, given their high unemployment and inactivity rates. By addressing the challenges faced by youth in accessing suitable jobs and acquiring relevant skills for the labour market, the Youth Guarantee aims to alleviate the lack of future prospects that often leads to an increased need to emigrate. To facilitate the successful implementation of the Youth Guarantee, Albania has adopted the Youth Guarantee Implementation Plan 2023-2024 (YGIP). This plan will guide the initial pilot phase, which was launched on 27 October 2023.

The Operational Programme EU for Youth Employment 2024-2027 aims to *provide inclusive and responsive labour market integration of a skilled and adaptable young workforce*. The areas of support within the programme are outlined as follows:

Area of Support 1: Youth Employment

This area of support focuses on enhancing the employment and employability of young people, with a particular emphasis on vulnerable groups. It includes the implementation of a reinforced Youth Guarantee (YG) delivery model, building upon the lessons learned from the pilot phase, and improving the capacities of the National Agency for Employment and Skills (NAES), as well as all the other partners at the local and national level in Albania. The outreach phase in the YGIP in Albania envisages, among other activities, also using digital means as an essential component of modern engagement strategies and including young NEETs in the design of communication campaigns. In this context, NAES is set to introduce a dedicated "Youth Guarantee" Portal, serving as a comprehensive platform for sharing information about the Youth Guarantee and enabling NEETs to pre-register. Eligible activities include various initiatives, such as outreach activities in cooperation with the National Agency for Youth (NAY) and youth organisations, preparing youth before they register to the Youth Guarantee, building capacities of youth organisations and information campaigns on youth rights in the workplace. In addition, the programme aims to strengthen NAES's policies and capacity by upgrading their Information and Communication Technologies (ICT) platform and increasing human resources for data processing. To increase the reach and quality

¹ [Albania Report 2023 - European Commission \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/infographic/infographic_albania-report-2023-ec.pdf)

of employment services, additional staff will be recruited, youth-friendly employment offices will be established, and support for counsellors to reach youth in remote areas will be enhanced. In addition, the programme focuses on improving the employability of vulnerable youth through Active Labour Market Programmes (ALMPs), self-employment and entrepreneurship skills and improved employment services. This Area of support hinges on a collaborative effort, inviting young individuals and youth representatives to lead innovative, tailored, and youth-friendly approaches for delivering integrated services at the grassroots level, in collaboration with employers, employer organisations, municipal social services, education and training providers, local youth councils, and other social partners.

Area of Support 2: Vocational Education and Training

This area of support focuses on improving the quality, flexibility and diversity of the vocational education and training offer to enhance the career prospects of youth and young adults below 30. It emphasises the need to update the initial and continuous Vocational Education and Training (VET) programmes offered by public VET providers, to align with industry needs. New post-secondary education programmes will be developed and delivered through VET schools and through apprenticeship and traineeship models. To support the implementation of these updated programmes, grants will be provided to VET schools to improve the capacities of teaching and management staff, develop teaching materials, and improve governance, facilities and resources. Efforts to improve the learning environment in VET schools will be facilitated by investing in renewed school infrastructure and laboratories, including increased interaction between labour market actors and VET schools, skills competitions, and skills needed to take advantage of new opportunities in the green and digital transitions. Specialised programmes and resources will be developed to support students facing learning difficulties, while scholarships will be offered to students from vulnerable backgrounds, ensuring their access to quality vocational education. Furthermore, this area of support will provide opportunities for upskilling and retraining in collaboration with private and public providers.

Area of Support 3: Other Support

Another objective of the programme is to support the Managing Authority, Intermediate Bodies and other structures and authorities, including Operational Programme partners, in the implementation of the Operational Programme by strengthening their capacity to effectively implement and monitor the Operational Programme and successfully disburse the allocated funds through a wide range of training and other capacity-building activities, as well as provide additional compensation, to address the workload deriving from the implementation of this OP, for the salaries of assigned employees, in order to prevent staff turnover and create a stable working environment. The goal is to ensure efficient and effective implementation, monitoring, and communication. A comprehensive support system will be provided, including assistance with project development, conducting studies, and establishing an internal monitoring system. The programme will also serve as a pilot project to build administrative capacity and align with the Ministry of Finance's plans to prepare institutions to access Cohesion Policy funds.

2 Sector(s) analysis

2.1 National sectoral policies and context

The 'EU for Youth Employment' Operational Programme focuses on a specific target: the youth population in the 15-29 age group, in particular the NEET, is the specific target of this multi-annual Programme. This part of the youth population is most at risk of being excluded from the labour market. NEET rate is calculated as a percentage of the total population of the same age group and gender and reached the level of 26.1% in 2021. Within this group, 37.3% are unemployed, 15.4% are discouraged, 17.5% care for family members and around 29.8% are inactive for other reasons. Men NEET tend to have a higher share of unemployment (46.8%), and women NEET tend to have a higher proportion of inactivity due to family responsibilities (31.6%) (INSTAT, LFS 2021).

Two interlinked sectoral areas of support designed under this Operational Programme aim to strengthen the policy links between the labour market, education and youth policies by promoting skills-based active labour market policies, aimed at unlocking employment opportunities for Albanian youth.

Area of Support 1: Youth Employment.

Area of Support 2: Youth Vocational Education and Training.

Several strategic documents have envisaged policy reforms and planned interventions in these two areas of support.

Area of Support 1: Youth Employment.

Sectoral priorities are an important part of the country's long-term strategic framework set out in the National Strategy for Development and European Integration 2030 (NSDEI 2030). This overarching strategic framework sets the direction and defines the priorities of the country's sustainable economic and social development on its path towards EU integration, preparing Albania for a just green and digital transition, including links with the Sustainable Development Goals (SDGs) to achieve the goals of the 2030 Agenda by defining the vision for the country's democratic, social, and economic development in the period 2022-2030. Employment and social inclusion are addressed in the third pillar of the NSDEI 2030, Social Cohesion, which focuses on the development of human resources as the country's most valuable asset and aims to provide basic public services for all, fight poverty and promote employment, strengthen the social protection system, and support people in need.

The new National Employment and Skills Strategy 2023-2030 (NESS 2023-2030)² is fully in line with the IPA III programming framework objectives and continues these visions with more ambitious targets in terms of promoting the skills agenda and labour market policies. It targets Quality Jobs and Lifelong Skills for All and takes into account reforms and interventions relevant to skills development and better skills matching to increase decent and inclusive employment opportunities for all women and men, girls, and boys. The NESS 2023-2030 is operationalised through an Action plan covering the period 2023-2030. The NESS 2023 – 2030 has an estimated cost of ALL 75.5 billion (approximately EUR 650 million), of which 67% is funded through the public budget and 10% through international development programmes. The financing gap of the NESS 2023-2030 is at the level of 23%.

One of the key measures of the NESS 2023-2030, under Policy Goal 2, is a "supported and inclusive transition to work for young people (NEET) through the implementation of the Youth Guarantee scheme". Reforms and interventions will contribute to the successful implementation of the Youth Guarantee, but also to further progress in overall employment and skills development policies, such as the promotion of inclusive lifelong learning opportunities, the recognition of prior non-formal and informal learning, the digital transformation of employment services and programmes, the establishment of a skills mapping system to support the further development of guidance and counselling services, the expansion and consolidation of services for employers and jobseekers tailored to their needs, and the implementation of training and employment programmes in partnership with other labour market actors. Creating flexible and diverse entry points will enable a more productive environment for continuous education so that NEETs can re-enter education to retrain and improve their employability skills.

Although guidance and counselling are not the subject of a specific strategic action in NESS 2023-2030, the Strategy has created new opportunities for the consolidation and expansion of guidance and counselling services within the employment services and the provision of VET services. In line with the 'digital-first' policy, the NESS 2023-2030 envisages the full digitalisation of employment services and processes, and the consolidation of the Labour Market Information Observatory as a tool to be used for the provision of labour market signals and up-to-date labour market information to career counsellors and workers at the local level who reach out to young people.

The guidance and counselling approaches for the case management of unemployed jobseekers is planned to be optimised. The strategy aims to improve the efficiency of the three-tier employment services model³. The institutions will develop specialised case management approaches and models at the third level and provide counselling services to jobseekers in partnership with other labour market stakeholders, which will also help in addressing labour market obstacles in a specialised manner. Such partnerships will make it possible to draw on the experience and capacity of various actors at central and local levels, such as non-governmental organisations, international organisations, public and private training providers, supporting services providers, adult basic and secondary vocational education, chambers of commerce, industry and trade, employers' organisations, social partners, private employment agencies, and other formal and non-formal groups.

² Official Gazette, DCM no. 173, 24.03.2023; on the approval the National Strategy for Employment and Skills, its implementation plan 2023-2030 and the Youth Guarantee Implementation Plan 2023-2024.

³ First tier of employability: The jobseeker is ready for work and has no obvious secondary and personal issues and presents a low risk to convert into a long-term unemployed. Second tier of employability: The jobseeker is close to the labour market, but the econometric profiling shows that there is a medium risk for him/her to convert into a long-term unemployed. Third tier of employability: The jobseeker is disadvantaged and more at risk to convert into a long-term unemployed. The third-tier employability jobseekers constitute the category with the highest priority to engage in an intensive interaction with the NAES advisor and this group will have at its immediate disposal an inclusive range of interventions.

The National Youth Strategy 2022-2029 (NYS 2022-2029)⁴, in line with the European Youth Strategy 2019 – 2027, aims to ensure equal rights and opportunities, support and engagement for vulnerable, marginalised youth and youth most affected by poverty, violence, abuse, disability and social exclusion. Reforms and interventions are planned that contribute to the successful implementation of the Youth Guarantee scheme, but also to further improve the overall position of young people in society, such as: building youth employment skills, supported by youth-oriented career counselling and employment services, increasing and improving opportunities to enter the labour market, innovation and quality education to help youth reach their full potential, safety, security and inclusion of youth, taking into account their diverse and special needs. Special attention is given to youth risking marginalisation based on potential sources of discrimination, such as their ethnic origin, sex, sexual orientation, disability, religion, belief, or political opinion. Socioeconomic exclusion and democratic exclusion go hand in hand. Youth struggling with disadvantages are generally fewer active citizens and have less trust in institutions.

Area of support 2: Youth Vocational Education and Training

The NESS 2023-2030 places knowledge and skills at the heart of the economic model and expects to have a positive impact on long-term growth by promoting decent employment opportunities through more effective labour market policies and ensuring qualitative Vocational Education and Training (VET) for young people, adults, women and men, especially as a contribution to digital transformation and the country's green growth agenda; while at the same time reducing the rate of informal employment in non-agricultural sectors. The strategy emphasises the development of VET provision that is more relevant and flexible, including appropriate quality assurance mechanisms, the promotion of inclusive lifelong learning opportunities including adult education, and enabling measures such as the recognition of prior learning experiences and the improvement of data- and digitally- enabled management and services in the provision of training and employment services.

At the same time, the NESS 2023-2030 provides for institutions to develop and manage interactive online VET platforms and will provide targeted support to the VET providers to improve and strengthen the delivery of their educational or training provision in blended teaching, online classes, and e-internship, as a new and complementary modality to in-company trainings. These digital products will be assessed and gradually expanded to be used by all providers by 2030. The NESS 2023-2030 envisages strengthening the role of the Development Units within VET providers to improve cooperation with employers and the private sector and establishing new channels of communication with the private sector to support the promotion of and engagement with the VET system. It foresees the establishment of specialized clusters at the regional level to facilitate collaboration between employment services, VET institutions and businesses, social partners ensuring training programmes meet industry demands effectively. In addition, awareness raising and information on the recognition of prior non-formal and informal learning will be part of the lifelong learning promotion that will be also carried out through ad hoc communication and information campaigns.

More specifically, on the VET policy reform, the previous Ministry of Finance and Economy (MFE), now Ministry of Economy, Culture and Innovation (MECI)⁵, has also developed the **National Implementation Plan for the Declaration of Osnabrück (2022-2025)⁶**, which is embedded in the NESS 2023-2030. This plan was prepared as a response and contribution to the Economic Reform Programme (ERP) 2022-2024⁷ and, as a contribution to the efforts of the Government of Albania (GoA) to establish the National Youth Guarantee Scheme. The developed plan is based on four main policy areas: (1) Systemic and systematic engagement of the private sector in skills development (VET and Employment); (2) Ensuring sound evidenced-based governance of labour market and VET policies; (3) Supporting and promoting quality and inclusive lifelong learning to improve employability; (4) Digital transformation of VET provision and delivery of Employment services for the green transition.

⁴ Official Gazette, DCM no. 692, 26.10.2022, on the approval the National Strategy for Youth and its implementation plan 2022-2029.

⁵ Since its establishment in January 2024, the Ministry of Economy, Culture and Innovation (MECI) was assigned responsibility for employment and labour issues, taking over from the former Ministry of Finance and Economy (MFE).

⁶ The National Implementation Plan for the Declaration of Osnabrück 2022-2025 was prepared with the support of ETF, by the MFE and is available at: https://arkiva.financa.gov.al/wp-content/uploads/2022/11/Osnabruck-Declaration_National-Implementation-Plan_Albania51.docx

⁷ At the time of its preparation, it contributed to ERP 2022-2024. However, it remains relevant also in the context of ERP 2023-2025.

In addition, the National Education Strategy 2021-2026⁸ (NES 2021-2026) aims to provide a quality education system based on the principles of inclusion and lifelong learning, enabling the development of the individual's potential, which contributes to the personal well-being of individuals, as well as to the strengthening of democracy and the integration of the country into the European Union. It is an overarching strategy that covers the entire education sector (with the exception of VET) and includes three main policy goals related to pre-university education, quality management and assurance, and higher education. It sets out 14 specific objectives that are operationalised in the accompanying action plan for the period 2021-2026.

In the area of pre-university education, the policy focuses on increasing participation in pre-university education and establishing a system to prevent and respond to non-enrolment in school and the risk of dropping out; reducing the number of students studying in shared classes; providing financial support to vulnerable students such as Roma and Egyptians, and equipping schools with technological software and tools to help children with disabilities. Moreover, the strategy envisages piloting SELFIE (an application designed to help schools incorporate digital technologies into teaching, learning, and assessment); raising students' awareness of Internet safety; involving lower and upper secondary students in the national coding programme; and mainstreaming digital competence through information and communication technology from the first grade of primary education. In addition, the NES 2021-2026 envisages the full functionalisation of the Pre-University Information Management System (PUIMS), the establishment of the Higher Education Management Information System (HEIMS), and the inclusion of dropout risk assessment elements. With regard to higher education, the NES 2021-2026 provides for the establishment of career centres at all public universities.

Albania currently lacks a comprehensive legislative and regulatory framework that covers the various settings impacting a wide range of activities related to Early Childhood Care and Development (ECCD), from education and childcare to nutrition and parental education. The absence of a national regulatory system affects settings such as homes, day-care centres, kindergartens, schools, and health facilities where ECCD services are provided. Additionally, it extends to public, private, and non-governmental agencies offering ECCD services. It is important to note that early childhood institutional care in Albania is divided into two distinct structures: crèches (çerðhe), primarily catering to children aged 6 months to 3 years, and preschools (kopsht), focusing on the holistic development of children aged 3-6 years. To provide a clearer understanding of the gaps in the legislative framework, this document will maintain this distinction and explore the regulatory challenges faced by both types of structures.

Horizontal policies / strategies related to education and labour market inclusion

The National Strategy of Social Protection 2015–2023 (NSSP) aims to reform social protection policies through the transformation of the social assistance scheme into an active scheme that enables social reintegration; the revision of the system of disability evaluation; intervention and ensuring reintegration of children in families and the community, paying special attention to social and biological orphans, and ensuring the provision of integrated social and community welfare services. One of the priorities is to ensure the necessary funding for the affected groups through the Social Fund. The NSSP also highlights the need to establish links and better integration between active employment policies and social inclusion and social protection policies. The three main strategic objectives of the NSSP are: A) Poverty reduction and alleviation, focusing on the modernisation of the system of Economic Aid including through the management of the national electronic register and scoring system; strengthened management capacity at national and local levels; improved targeting as well as its transformation into a social reintegration programme through labour market activation measures; B) Improving the quality of life for persons with disabilities, focusing on the reformation and better targeting of the cash benefit scheme for persons with disabilities based on the bio-psycho-social assessment system; increased transparency including through the establishment of management information systems; strengthened monitoring and control systems, and the establishment of an integrated system of social care services to complement cash benefits; and C) Development of social care services based on the principles of decentralisation and deinstitutionalisation, to include vulnerable groups in Social Protection programmes. In addition, these objectives are in line with the IPA III objectives on the improvement of the governance, the financing of the education system, and the inclusion of the most disadvantaged groups, including children and marginalised communities.

Regarding integrated service delivery, the NSDEI 2030 has included the following goal “Every Albanian individual and family, such as the categories in need, will have equal access and will benefit from a functional and integrated system of social care services, based on the principles of decentralisation, deinstitutionalisation and

⁸ Official Gazette, DCM no. 621, 22.10.2021, on the approval of the National Education Strategy and its implementation plan 2021-2026.

diversification of services of social care” (NSDEI 2030 approved in 2023, page 133). In the social protection chapter, the NSDEI also highlights priority actions related to addressing inequalities and combating discrimination against ethnic minorities, Lesbian, Gay Bisexual, Transgender, Intersex and Queer (LGBTIQ) people and other people vulnerable to discrimination. It also highlights the importance of upholding gender equality principles and addressing gender-based violence through the strengthening of referral mechanisms for domestic violence and appropriate provision of services. These policy benchmarks have also been set out in a number of policy document which adopt a cross-sectoral approach towards social inclusion, such as the National Plan of Action for Integration of Roma and Egyptians (2020-2030) which focuses on providing access and reintegration opportunities for these communities in the areas of: employment and skills, social protection, and inclusive education; the National Agenda for Children's Rights 2021 – 2026; the Lesbian, Gay Bisexual, and Transgender Action Plan 2021 – 2027; the National Strategy for Gender Equality 2021 – 2030 and the National Action Plan for Persons with Disabilities 2021-2025.

The **National Strategy for Gender Equality 2021-2030**⁹ aims to create a society that values gender equality and gender justice as fundamental conditions for the sustainable, social, economic, and political development of the country, empowers all people to enjoy equal rights and opportunities and is based on the principle of zero tolerance to all forms of violence. It consists of four main strategic goals, including: 1. Fulfilment of economic and social rights of women, young women, girls, and men, young men and boys in society and empowering women, young women, and girls in all their diversity, with the aim of improving and sustaining the green economy and their equal participation in the digitalisation process; 2. Ensure the equal participation, representation, and leadership rights of women and men, young women and men, girls and boys in all their diversity in political and public decision-making processes at the local level; 3. Reduce all forms of harmful practises, gender-based violence and domestic violence; and 4. Apply gender mainstreaming as the main tool to achieve gender equality and gender justice in society.

The **Digital Agenda of Albania 2022-2026**¹⁰ outlines the country’s vision for digital transformation and economic growth over the next five years, aligned to the EC political priorities on the digital transitions. The key strategic priorities of the Digital Agenda of Albania relevant to this Operational Programme (OP), are: promoting the digitalisation of the public sector and services, such as e-government, e-health, and e-education, to increase efficiency, transparency, and citizen participation; fostering a digital entrepreneurship ecosystem that supports start-ups, innovation, and digital skills development; and ensuring digital inclusion and accessibility for all citizens, especially vulnerable groups and those living in rural areas. It aims to promote investments in the key areas of advanced computing and data processing, artificial intelligence, cyber security, and the advanced digital skills needed to develop them.

In addition, the digitalisation of education and digital skills and the development of digital competences through better use of information and communication technology for teachers and students are part of the **National Strategy for Education 2021 – 2026**¹¹ and the Action Plan for its implementation, which cover higher education and pre-university education. The OP will support the achievement of the expected results and the measures that will be taken to achieve the objectives:

- Establishment of appropriate infrastructure for the use of ICT in schools and its maintenance.
- Development of digital competence through increased use of ICT in all subjects.
- Providing quality ICT services for the pre-university education system.

The Youth Guarantee Implementation Plan was approved as an annex to the NESS 2023-2030, committing to providing a decent employment, training, or education offer to every young NEET (15- 29 years old) within four months of their identification, as foreseen in the **Council Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee (2020)**,¹² taking into account regional circumstances. The Youth Guarantee will enable further alignment with the EU social acquis and policies as part of the ongoing European integration

⁹ Official Gazette, DCM no. 400, 30.06.2021, on the approval of the National Strategy Gender Equality and its implementation plan 2021-2030.

¹⁰ Official Gazette, DCM no. 370, 1.6.2022, on the approval of the cross-sectoral strategy ‘Digital Agenda of Albania’ and its implementation plan 2022-2026

¹¹ Official Gazette, DCM no. 621, 22.10.2021, on the approval of the National Education Strategy and its implementation plan 2021-2026.

¹² Council Recommendation of 30 October 2020 on A Bridge to Jobs – Reinforcing the Youth Guarantee and replacing the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee 2020/C 372/01, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2020.372.01.0001.01.ENG

process including the Pillar of Social Rights. It includes a commitment to provide decent jobs and quality education for youth, in line with the UN Sustainable Development Goals SDG8 Decent Work and Economic Growth and SDG 4: Quality Education.

The approved YGIP 2023-2024¹³ is in line with the strategic frameworks described above and provides for policy interventions in the following areas: (1) promoting information and activation strategies for young NEETs supported by local partnerships that are open to institutional diversity and value proximity to young people; (2) strengthening the role of school and vocational guidance and counselling in the mediation processes that govern access to employment and education and training programmes, as well as in matching job seekers with job opportunities; (3) consolidate the portfolio of Active Labour Market Policies and considering making reforms concerning this policy area; (4) strengthen the link between education and training on the one hand and labour market dynamics on the other; and (5) create incentives and strengthen further continuous training opportunities that offer young people the possibility of a second qualification.

The YGIP includes three interlinked steps that will be implemented in parallel. The first step provides for the amendments to the legal framework and the adoption of the policy reforms needed to implement the reinforced Youth Guarantee, which is a commitment to ensure that all young people under the age of 30 receive a quality offer of employment or continued education or training. The second step includes the policy reforms needed to introduce the YG service delivery system (preparatory services and quality provision) and a pilot action, as well as the establishment of monitoring mechanisms guided by the Employment Committee (EMCO) indicator framework¹⁴. The third step is to scale up the YG service delivery system, with close monitoring and evaluation in pilot municipalities. The third step will be supported by the OP.

The NAES has conducted a thorough analysis of the recommended indicators to assess the status of NEETs registered in Employment Offices. This analysis provided insights into available resources and regional labour market dynamics. It guided the NAES in identifying the initial pilot areas for the Youth Guarantee service delivery system, including registration, preparation services, quality offers, and monitoring. The pilot programme will begin in selected municipalities before expanding nationwide. These municipalities were chosen based on their capacity for efficient service delivery and socio-economic factors. The pilot municipalities are: Shkodra (North), Tirana (Central), Vlora (South). The Youth Guarantee pilot programme is scheduled to run from late October 2023 to February 2024. The purpose of these pilots is to gather practical experiences that can inform the launch and implementation of national Youth Guarantee schemes and related actions by the NAES and other institutions. The target groups include individuals with varying skill levels, such as graduates, youth with limited qualifications, and unemployed youth. The goal is to guarantee a quality offer to at least 200 young individuals, using a “first come, first served” approach. This will encompass new registrants and currently registered unemployed jobseekers who wish to participate in the Youth Guarantee programme.

2.2. Legal framework

The Law on Youth (No. 75/2019)¹⁵ is the legal framework that protects and promotes the rights of young people, recognises the importance of youth development, and aims to create an enabling environment for young people to participate in social, cultural, and economic activities. The law defines young people as persons between the ages of 15 to 29 and outlines the rights and obligations of young people in Albania. It provides for the establishment of the National Youth Council and Local Youth Councils, which serve mainly as advisory bodies for national institutions and municipalities on youth related issues, as well as provisions on youth organizations at national and local levels.

Area of Support 1: Youth Employment.

¹³ Official Gazette, DCM no. 173, 24.03.2023; on the approval the National Strategy for Employment and Skills, its implementation plan 2023-2030 and the Youth Guarantee Implementation Plan 2023-2024.

¹⁴ Employment Committee (EMCO) is the advisory committee for Employment and Social Affairs Ministers in the Employment and Social Affairs Council (EPCO) to promote the coordination of employment and labour market policies both at European and national level. The EMCO Indicators Group was mandated to develop a fully-fledged proposal for a methodology and indicators for monitoring at EU level the implementation and the results of the Youth Guarantee (YG). The present Indicator Framework for Monitoring the Youth Guarantee was endorsed by EMCO on 28 May 2015. It comprises indicators at three levels: Aggregate monitoring: Macroeconomic indicators; Direct monitoring: Monitoring of YG delivery; Follow-up monitoring: Follow-up of individuals who have who have exited the YG preparatory phase.

¹⁵ Official Gazette, Law no. 75, 4.11.2019, Law on Youth.

The Law on Employment Promotion (No. 15/2019)¹⁶ defines the rules and functions of the system of public employment services, active and passive labour market programmes, and the institutions in charge of their management. The law aims to promote the employability of the Albanian labour force, through the provision and delivery of public employment services and programmes, self-employment, and vocational qualifications. In line with the EU guidelines on employment policy, some of the key provisions of the law include special measures to promote the employment of groups such as young people, women, people with disabilities and the long-term unemployed; employment promotion programmes, such as wage subsidies, internships, on-the-job training, community employment programmes, self-employment, voucher schemes for provision of training by non-public providers, traineeships etc. The law also provides for the provision of incentives/subsidies to employers to encourage job creation, training opportunities, and self-employment.

The Law on Employment Promotion also regulates employment services, which include information services for jobseekers, employers, and others; job placement and mediation; and job guidance and counselling. The law obliges regional and local employment structures to provide information on labour market supply and demand, information on services and programmes, employment opportunities, educational and skills training provided by education and professional training institutions, and vocational and career orientation. The specialised counselling services provide in depth counselling services on an individual basis to those clients who may be at a disadvantage or face barriers to accessing employment opportunities and whose profile indicates that a more intensive level of intervention is required. Career, employment and vocational guidance and counselling is provided: (1) career guidance which aims to assist the jobseeker in selecting an appropriate occupation that matches their individual characteristics and is in demand in the labour market; (2) job counselling which aims to assist the jobseeker in identifying skill gaps and appropriate options to fill them; (3) employment counselling which aims to assist the jobseekers in clarifying their own employment goals, approach to employment and qualification opportunities as well as becoming aware of the skills needed to find and keep a job.

The Law on Employment Promotion sets out the typology of vocational training services for both jobseekers and employers. This law mandates the NAES to provide vocational training programmes for unemployed jobseekers, and also to provide the facilities for its provision.

The Law on Unemployed Jobseekers (No. 146/2015) sets out the administrative definitions of unemployed jobseekers, their rights and obligations and the institutions responsible for providing labour market integration support, in terms of services and programmes. The NAES is mandated as the institution responsible for creating and maintain a database of jobseekers and facilitating job matching services.

A wide range of Active Labour Market Measures (ALMMs) (defined in the Law on Employment Promotion as Employment Promotion Programmes area available to jobseekers. These were revised in 2020 to bring them up to date with the needs of both the supply and demand sides of the labour market:

- On-the-job Training, which targets jobseekers without qualifications, and trains them on the job: it provides an employer with a grant for 4 months, based on an approved training plan supervised by the employer's designated trainer - (*Decision of the Council of Ministers (DCM) No. 17, dated 15.01.2020*)¹⁷ (*amended*)
- Wage-subsidy, which is a one-year subsidised employment contract, where the need of the jobseeker is matched to the profile of the employers: the wage is set on the basis of the market wage, and the duration of the subsidy is defined based on the vulnerabilities of the jobseeker - (*DCM No. 17, dated 15.01.2020*)¹⁸(*amended*)
- Internship employment programme, which ensures the rapid transition into the labour market for eligible recent graduates, in the same or similar field as their studies, for a period-of 6 months - (*DCM No. 17, dated 15.01.2020*)¹⁹ (*amended*)

¹⁶ Official Gazette, Law no. 15, 13.3.2019, Law on Employment Promotion.

¹⁷ Official Gazette, DCM no. 17, 15.1.2020 on the procedures, criteria, and rules for the implementation of the employment promotion programmes through subsidized employment, on-the-job training, and internships. Latest revision on 6.5.2022.

¹⁸ Ibid.

¹⁹ Ibid.

- Self-Employment Programme, which is a start your business programme that provides financial grants and support to unemployed jobseekers, who have a proven, viable and marketable business ideas and plans. - (DCM No. 348, dated 29.04.2020)²⁰
- The Community Employment and Training programme, which addresses the needs of long-term unemployed jobseekers, is a programme with a clear focus on workforce training and is designed to reintegrate jobseekers into the labour market, in line with local employment opportunities. It is implemented in partnership with communities and community-based organisations - (DCM No. 535, dated 08.07.2020)²¹
- Outsourced training provision, which is a subsidy scheme for employed and unemployed jobseekers where training is provided by private training providers - (DCM No. 646, dated 5.10.2022)²²
- A more recently approved EPP foresees the implementation of the Traineeship programme in Albania for youth aged 15-29. The programme is yet to be operationalised and the NAES is working to develop the full operational procedures for its implementation. (DCM No. 264, dated. 27.04.2023)²³. It incorporates elements of a dual training system, representing a more comprehensive approach to training and employment. It is worth noting that, despite these significant advancements, there are still legislative gaps that need to be addressed before a fully-fledged apprenticeship programme can be successfully implemented.
- A special programme for persons with disabilities, providing a workplace adaptation grant which provides funding of up to EUR 1,600 to enable the adaptation of a workplace to the needs of a person with disabilities.
- Subsidies for transport and childcare are available to support the integration of vulnerable jobseekers into the labour market.

Each DCM sets out the criteria, procedures and levels of subsidies offered to partner employers. The NAES has approved internal operational guidelines to define the roles and responsibilities of the staff involved in implementation at the central, regional, and local levels.

The same law also introduces a quota/levy scheme for public and private employers and establishes an Employment Social Fund to finance programmes which aim at integrating persons with disabilities into the labour market. This newly introduced quota/levy scheme stipulates that every employer with more than 25 employees must employ one person with disabilities, and thereafter one additional person with disabilities for every 50 employees. If the employer fails to meet this obligation, the employer needs to contribute to the Employment Social Fund an amount equal to 100% of the minimum wage per month for each obligation not met. The fund is not yet fully operational.

The Law on the Support and Development of Start-ups (No. 25/2022)²⁴ aims to fill the existing legislative gap by providing a regulatory and institutional framework for the creation and development of start-ups and support for the ecosystem, to promote research, implementation and use of new ideas, models, products, and processes. Some of the key provisions of the law include delivering support mechanisms for start-up development, such as start-up one-stop-shops, awarding grants and support measures from the state budget, and other forms of support developed in cooperation with third parties.

The Law on Social Entrepreneurship (No. 65/2016)²⁵ regulates the definition of social enterprises, their economic activity, and governing structures. Social enterprises may have access to financing from the government grants and subsidies, as well as from banks and other financial institutions, and they must ensure the transparency of their activities.

²⁰ Official Gazette, DCM no. 348, 29.04.2020, on the procedures, criteria, and rules for the implementation of the employment promotion programme through self-employment. Latest revision on 16.08.2022.

²¹ Official Gazette, DCM no. 535, 8.7.2020, on the procedures, criteria, and rules for the implementation of the community employment and training programme. Latest revision on 05.05.2022.

²² Official Gazette, DCM no. 646, 5.10.2022, on the procedures, criteria, and rules for the implementation of vocational training programmes through offering financial subsidies based on competitive procedures, for offering vocational courses organized by public or private VET providers.

²³ Official Gazette, DCM no. 264, 27.04.2023, on the procedures, criteria, and rules for the implementation of the employment promotion programme according to the youth guarantee scheme, through traineeship.

²⁴ Official Gazette, Law no. 25, 10.3.2022, Law on support and development of start-ups.

²⁵ Official Gazette, Law no. 65-2016, 9.6.2016, Law on social enterprises in the Republic of Albania.

Area of Support 2: Youth Vocational Education and Training

The Law on Vocational Education and Training (No. 15/2017)²⁶ and its bylaws establish the fundamental principles for the provision, governance, funding, and management of VET in Albania and regulate the aspects of the VET system in accordance with the pre-university education system and the labour market. This law aims to create a system of VET that meets the needs of the labour market and provides individuals with the skills and knowledge necessary to succeed in the workforce, providing for qualifications at level of 2-5 of the Albanian Qualifications Framework (AQF). The law provides for the establishment of vocational schools and training centres, recognition of prior learning and accreditation of non-formal and informal learning. Even though the VET legislation provides for the dual form which combines the work process with education and qualification in a VET providing institution, the current regulations on this form of acquiring partial or full qualifications are not sufficient. The **Law on Crafts (No. 70.2016)²⁷**, which provides for qualification opportunities and modalities for apprentices in the craft sector, includes an apprenticeship scheme. This apprenticeship scheme is not fully regulated, and the NESS 2030 does not include any interventions to improve it.

The law emphasises the importance of cooperation between the education system and the private sector to ensure that the content of the VET programmes is relevant to the labour market and to promote the involvement of social partners in the development and implementation of VET policies and programmes. In addition, the law introduces a system of quality assurance and development, which includes provisions in the area of accreditation of providers and programmes, self-assessment, inspection, and monitoring. The law recognises the importance of guidance and counselling services in helping students make informed decisions about their education and career paths. It stipulates that VET institutions shall provide students with individualised guidance and counselling services to help them access the labour market or choose other education pathways, including assessing their interests, skills, and aptitudes, including their commitment to sustainable development and climate change which can provide a significant motivational factor to leverage for needed skills for the green transition and more generally sustainable development, providing information about employment opportunities, VET programmes and other career development opportunities. The law provides that each VET provider has dedicated structures, namely the Development Units, to provide these services. The approved DCM on the Recognition of Prior Learning²⁸ also provides for the new role of career counsellors to be established in the institutions accredited as Recognition of Prior Learning (RPL) providers.

The AQF, which recently referenced the European Qualification Framework²⁹, is regulated through the Law No. 10247/2010, amended in 2018³⁰. The AQF is divided into eight levels, each with specific learning outcomes, i.e., knowledge, skills, and broader competences, with the aim to improve transparency and the labour market relevance of qualifications, and enhance training quality, mobility, and progression within different educational pathways. The law initially covered only formal qualifications acquired through initial education programmes, i.e., general or pre-university education, general education, and VET. Later, provisions were made to promote lifelong learning allowing individuals to receive credits for skills and knowledge acquired through informal and non-formal learning. The law also establishes a quality assurance system for qualifications and defines the roles and responsibilities of the relevant institutions responsible for its implementation. To ensure a close link between AQF qualifications and the needs of the labour market, the amended AQF law, provides for the establishment of sector skills committees (SSC), which are advisory bodies that identify future sectoral needs for required qualifications, propose new qualifications, and assist in drafting and validating of occupational and qualifications standards. The law also provides for the possibility of collaborating with external experts to achieve quality assurance of qualifications and its related provisions.

The Law on Pre-University Education (No. 69/2012, amended)³¹ defines the objectives of pre-university education, which include the development of critical thinking, creativity, and problem-solving skills, and the promotion of social and civic values. It also provides for the establishment of a national framework curriculum, that sets out the content, standards, and assessment criteria for each subject at each level of pre-

²⁶ Official Gazette, Law no. 15-2017, 16.2.2017, Law on vocational education and training in the Republic of Albania.

²⁷ Official Gazette, Law no. 70-2016, 30.6.2016, Law on crafts in the Republic of Albania.

²⁸ Official Gazette, DCM no. 756, 9.12.2021, on the system of recognition of prior non-formal and informal learning.

²⁹ The EQF referencing Report, Albania, is available at: <https://europa.eu/europass/en/document-library/eqf-referencing-report-albania>

³⁰ Official Gazette, Law no. 10247, 4.3.2010, Law on Albanian Qualifications Framework. Latest revision on 14.06.2018.

³¹ Official Gazette, Law no. 69, 21.06.2012, Law on the System of Pre-university Education in the Republic of Albania. Latest revision on 18.08.2018.

university education. It contains provisions for various forms of school-based education, such as full-time, part-time and distance learning. This law sets an age limit of 18 years for entry into upper secondary education and 22 years for completion of upper secondary education. This is a limiting factor for lifelong learning, as opportunities to obtain the State Matura³² at a later stage of life are very rare and not really feasible. The available educational opportunities for adults, named as ‘Second Chance’ have a duration of 4 years and are difficult to access for inactive or unemployed persons. A permeable education system is crucial for providing equal opportunities to individuals from all backgrounds. By reducing barriers to entry, such a system ensures that education is accessible to a wider range of people, regardless of their socioeconomic status or other factors.

The law on pre-university education does not contain specific provisions on career guidance and counselling. However, within the framework of the curriculum for all qualifications, especially pre-university education, career guidance is not seen simply as provision of information, nor as the task of a single subject or field of study. Career guidance is seen as a complex effort by all subjects and areas of study to provide a basis for gradual changes in the learning process. There are spaces and opportunities for each subject to provide career guidance through tasks, activities, and especially curricular projects, to develop initiative, self-direction and self-confidence, individual work skills and teamwork, to develop ideas and take initiatives to implement them, taking into account opportunities and risks for their realisation.

Horizontal legislation related to inclusion in education and the labour market

The **Law on Protection from Discrimination, No. 10221/2010 (amended in 2020)**³³ prohibits discrimination on various grounds, including gender, age, race, ethnicity, religion, disability, sexual orientation, and social status. It establishes the Commissioner for Protection from Discrimination as an independent authority responsible for handling complaints and promoting equal treatment.

The **Law on inclusion and accessibility of Persons with Disabilities, No. 93/2014**³⁴, aims to protect and promote the rights of persons with disabilities. It ensures equal opportunities for participation in society, education, employment, health care, and access to public services. The law mandates the establishment of accessibility standards and the provision of reasonable accommodations for persons with disabilities. A **recent Law on social assistance, No. 57/2019**³⁵, removed a previous provision which stated that after 48 months of employment, persons with disabilities would lose cash disability benefits. This will be an additional incentive to promote their employment.

The **Law on the Protection of National Minorities, No. 96/2017**³⁶, recognises and protects the rights of national minorities. It promotes the preservation of cultural identity, language rights, and participation in public and political life for minority communities. The law also establishes the Council for National Minorities as a consultative body. This law recognises Roma and Egyptian communities as ethnic minorities in Albania.

The **Law on Gender Equality No. 9970/2008**³⁷ regulates the fundamental issues of gender equality in public life, of equal protection and treatment of women and men, equal opportunities in the enjoyment of rights, and the participation and support of women in the development of all spheres of life. This law provides for special interim/transitional measures to guarantee at least 30% participation of the underrepresented gender in political and public decision-making positions, as well as protection against discrimination in education, employment,

³² The State Matura, known as Matura Shtetërore in Albanian, is a comprehensive examination administered at the culmination of secondary education in Albania. Successful completion of the Matura exam is a prerequisite for pursuing higher education within the country. Upon passing the examination, students are conferred a "Maturity Diploma/Certificate," which serves as an official validation of their fulfilment of secondary education requirements. Introduced by the Ministry of Education and Sports in 2006, the State Matura exam has undergone significant modifications since its inception. In 2016, a revised higher education law was enacted to afford universities greater flexibility in utilizing the State Matura Examination as a foundation for admission into their respective programmes. Although students are still obliged to attain a minimum score calculated according to a predetermined formula devised by the Council of Ministers, universities now possess the autonomy to establish their own criteria, publicly disclose these criteria, establish admission quotas, and conduct independent evaluations of prospective applicants.

³³ Official Gazette, Law no. 102, 4.2.2010, Law on Protection against Discrimination. Latest revision on 11.11.2020.

³⁴ Official Gazette, Law no. 93, 24.7.2014, Law on Inclusion and accessibility of people with disabilities.

³⁵ Official Gazette, Law no. 57, 18.07.2019, Law on Social Assistance.

³⁶ Official Gazette, Law no. 96-2017, 13.10.2017, Law on Protection of National Minorities.

³⁷ Official Gazette, Law no. 9970, 24.7.2008, Law on Gender Equality in Society.

media, and others. It also provides for the compulsory collection of gender statistics by all state bodies such as agencies, and the establishment of institutional structures and mechanisms to promote gender equality.

2.3. Institutional setting, leadership, and capacity

Area of Support 1: Youth Employment.

The Ministry of Economy, Culture and Innovation (MECI) is the lead institution for policy development and monitoring of labour, employment, and skills development policies in Albania. The directorate responsible for this policy is the General Directorate for Employment, Skills Development, and Social Insurance Policies. The structure of the General Directorate (former MoFE until January 2024, now MECI), was revised during the first quarter of 2023 adding more resources. As of June 2024, it consists of four directorates.

The MECI is responsible for developing employment policy, regularly analysing labour market trends, forecasting possible development, and developing new policies to increase employment and reduce unemployment through employment promotion and self-employment programmes and measures. In addition, the MECI is responsible for planning and allocating resources for the implementation of employment and skills development policies, including employment services, ALMMs, and VET. Within the MECI, the General Directorate for Employment, Skills Development and Social Insurance policies is in charge of drafting policies to ensure the proper implementation of employment services, active and passive programmes and has responsibility for social dialogue, collective bargaining, and wages; labour law; employment policy; and employment and labour migration legislation. Within this general directorate, the Directorate of Employment and Migration Policies is responsible for the development of primary and secondary legislation on employment. In this directorate, which has recently been restructured, four persons are in charge of employment policies. This number may be sufficient to meaningfully fulfil the policy tasks assigned to it, but substantial support is needed to manage the complexity of the YG.

The global coordination of the YG is the responsibility of the MECI, and the National Coordinator is the Deputy Minister responsible for Employment and Skills. The latter will be responsible for monitoring and reporting to the Prime Minister and the European Commission on the progress of reforms and interventions for the YG, data collection and management, the monitoring and evaluation system, the organisation of the meetings of the inter-institutional group and the technical working group and dealing with any problem that may arise during preparations for the YG scheme.

The MECI supervises and ensures that the implementing agency in Albania, namely the National Agency for Employment and Skills, manages and implements the employment promotion programmes and manages regional/local employment structures. The NAES is responsible for the implementation of public policies and the provision of employment policies, as well as for the management of vocational education and training providers. In pursuit of its ambitious vision to become the partner of choice for vocational students, adult trainees, job seekers, job changers, and employers, the NAES has undergone a process of modernisation and reform. The reformed NAES was established in 2019 through a by-law that sets out its organisational structure, which includes administrative bodies and service providers for employment and self-employment and opened up the institution to potential partnerships at local, regional, and national levels. The Employment Advisory Council, established in 2019, is an advisory body to support the NAES, and includes representatives from employers' organisations, trade unions, social partners and government institutions.

The NAES provides a wide range of guidance and counselling services to job seekers, to assist them in their job search and career development. These services include providing information and counselling on career choices, training and study programmes, career change and mobility, placement, and self-employment, as well as other labour-market related issues, such as labour market programmes and financial assistance. Employment counsellors are mainly responsible for providing employment services and assessing the jobseeker's profile, skills, competences, and suitability for available jobs. Based on this assessment, the counsellor prepares an individual action plan which defines the next steps and responsibilities of the officially registered unemployed jobseekers and the placement officer.

The central organisational structure (head office in Tirana) of the NAES employs 90 staff, compared to 36 staff before the restructuring in 2019, and consists of 9 directorates, including the Directorates of Active and Passive Labour Market Programmes, Planning and Performance, and Employer Relations. The NAES is responsible for implementing national employment policies across the country and has 12 regional NAES offices and 40 employment offices, with a total of 298 staff. These offices serve about 80,000 registered jobseekers each

year, but unfortunately, the Public Employment Service (PES) client–staff ratio is high, ranging from 600 - 150':1. This ratio is much higher than in 'mature' European PES, where the average ratio is 150:1. Currently, 115 staff work directly with jobseekers, while 93 staff work with employers. NAES is currently in the process of reorganising the distribution of job counsellors to align the average client/staff ratio across the country. Although the total number of counsellors in Albania is likely to remain the same, NAES plans to increase the total number of counsellors in Tirana. In addition, two mobile offices have been set up in Tirana and Durres, where counsellors are deployed in municipalities where they are most needed, moving from municipality to municipality on a rotating basis. There are many more opportunities to expand the idea of mobile PES and bring the services to the clients. This requires, among other things, a fully funded travel budget for individual PES staff (in line with EU best practice).

The NAES is responsible for the executive coordination of the YGIP, and the Executive Coordinator of the Plan is the NAES director. The Executive Coordinator is responsible for managing the plan and coordinating the implementation of the instruments contained therein. Implementation will also involve the participation of stakeholders at multiple levels, such as municipalities, and the significant contributions from NGOs, especially those supporting young people (particularly those in a vulnerable situation). In addition, the institutional arrangements of the YGIP provide for a coordination and monitoring platform (Monitoring Committee) to integrate the different relevant policy sectors.

In addition to the responsible institutions at the central level and implementing institutions, cross-cutting coordination, and alignment with the ministries responsible for education and social protection, their implementing agencies, as well as with the municipalities play a key role in implementing the employment and skills development policies. Integrated service delivery at the local level remains a challenge. Local authorities are expected to play a central role in the successful implementation of the Youth Guarantee.

As per the approved YG governance structure, NAES in collaboration with local authorities, is responsible for adopting a localised approach to identify and register inactive NEETs, which is crucial for the programme's sustainability and long-term success. NAES oversees the establishment of Local Cooperation Networks and involve new partners in implementing employment and training policies, ensuring a comprehensive and collaborative effort, with municipalities, youth organisations, education providers, and social partners. Local authorities should be mobilised to deliver the outreach strategy, which combine pre-registration of the young NEETs, information on programmes and labour market opportunities, awareness raising and the development of basic employability skills. Linking these four areas of intervention will be of great value in improving the effectiveness of the services delivered in subsequent phases.

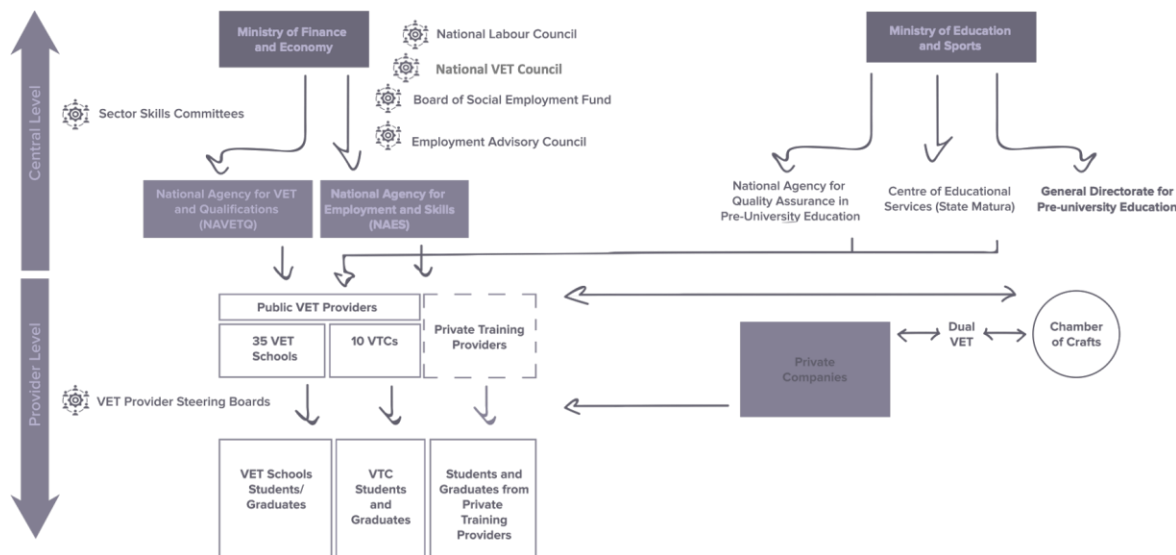
The Local Youth Councils are advisory bodies to the mayor of each municipality and are relatively new structures. They still need time and resources to build their operational and human capacity to effectively carry out their functions. This process involves identifying weakness, implementing appropriate policies and procedures, recruiting, training qualified staff, and establishing effective communication channels and workflows. These structures will be supported by the IPA 2022 EU for Youth Action. Local Youth Councils are a relevant platform on which to base the outreach approach alongside the youth workers who already exist in each municipality.

The Ministry of Health and Social Protection (MHSP) is entrusted with the responsibility of designing and monitoring the implementation of social protection policies, with a focus on promoting social care, social inclusion, and equal opportunities. The main tasks of the MHSP include the development of policies aimed at protecting, integrating, and improving the social well-being of vulnerable individuals, families, and communities. In addition, the MHSP is responsible for developing interventions against various forms of abuse, including gender-based violence, child abuse, and discrimination based on gender, sexual orientation, disability, ethnicity, and minority status. This includes policies to protect children's rights, promote gender equality, and combat discrimination based on sexual orientation, disability, ethnicity, and minority.

The State Social Service is a government agency under the MHSP. The State Social Service is responsible for the implementation of economic assistance and the disability allowance programmes in the country's 61 municipalities. The State Social Service is organised in a Head Office with 12 regional directorates, and 29 residential institutions. It works in close coordination with the social workers of the social assistance and social services units established in each municipality. The Economic Assistance Inspectors within the State Social Service at central and regional levels are responsible for monitoring the economic assistance and disability allowance programmes.

Area of Support 2: Youth Vocational Education and Training.

The VET system is primarily governed by the MECI, national agencies, and public VET providers. The MECI is responsible for formulating national policy, developing the legal framework, and monitoring implementation. It is also responsible for adopting national VET qualifications, opening and closing VET providers, and providing VET infrastructure and human resources. In addition, the MECI sets the quality assurance and development framework and conduct inspections of public and private VET providers. The ministry works closely with other institutions at central level, including the Ministry for Education and Sports (MES), the Agency of Quality Assurance in Pre-University Education, and the Centre of Education Services, on various issues such as recruitment and development of general subjects' teachers and the organisation of Matura Exams for secondary VET students. The figure³⁸ below gives an overview of the administration of the VET system in Albania (prior to the transfer of the VET portfolio from the former MFE to MECI):



The National Labour Council (NLC) is the highest tripartite consultative body established by the Labour Code³⁹, involving employers' and workers' organisations. Amendments to the Labour Code in 2015 restructured the NLC with the aim of strengthening social tripartite dialogue. The NLC is composed of 10 representative members from employers' organisations, and 10 representative members from trade unions, while the Government is represented by 7 ministers. The NLC makes recommendations to the Council of Ministers on Employment and Training related issues.

The National Vocational Education and Training Council (NVETC) is an advisory body to the Ministry responsible for VET policy. It is chaired by the Minister responsible for VET and is composed of representatives of other line ministries, representatives of the associations of municipalities, representatives of employers' organisations, representatives of trade unions, and representatives of non-public VET providers.

The development, management, monitoring, and quality assurance of VET is overseen by two national agencies that are subordinated to the MECI. The first agency, the National Agency for Vocational Education, Training and Qualifications (NAVETQ), was established in 2006 with a mandate to create a unified national system of vocational qualifications based on the AQF. Newly reorganised, as of October 2019, the NAVETQ is responsible for the development and revision of the National Classification of Occupations (based on ISCO-08), occupational and assessment standards, the national framework curricula for AQF levels 2-5, the accreditation of VET providers, and the organisation of continuous professional development for VET teachers and instructors. It has increased the number of its staff from 16 to 30 people. Its structure includes the Directorate of Occupations and Vocational qualifications, organised in two sectors; the Directorate of VET programmes and Teacher Qualifications organised in two sectors; and two additional sectors, namely the Sector for Accreditation of VET providers and the Sector for Projects and Supportive Services. The NAVETQ provides the Technical

³⁸ Review of the Albania's Vocational Education and Training System. 2020. UNDP, available at: <https://www.undp.org/albania/publications/review-albanias-vet-system>

³⁹ Article 200 of the Labour Code

Secretariat for the SSC, which enable employers to work directly with the NAVETQ and training providers to design curricula, skills and occupational standards, and dual learning programmes that meet the needs of the labour market. In this way, employers, including small businesses, can play a critical role in addressing the skills shortages and fostering resilient human capital in the sector and country. So far, two SSC have been established and are operational, in the Hospitality and Tourism⁴⁰ and ICT sector. The VET law provides for the establishment of up to 10 SSC in Albania⁴¹.

The second agency, the NAES, has been entrusted with the expanded responsibility of overseeing and supporting the management of all 45 public VET providers (35 VET schools and 10 Vocational Training Centres - VTCs) to improve their service delivery through regular monitoring and result-based management. This includes managing VET certificates and tracking of VET graduates. The NAES has previously played an important role in the VET system by managing the 10 public VTCs that provide short-term vocational trainings. The NAES has been responsible for conducting the biennial Skills Needs Analysis since 2010.

Training takes place mainly at public VET providers (VET schools and VTCs) for which the new VET Law provides a higher share of autonomy in terms of cooperation with companies and income-generating activities. In the school year 2022-2023, the 35 public vocational schools, with 1,671 staff, offered 26 broad vocational qualifications, and many other specialisations (so called “profiles”), making a total of 87 vocational qualifications. The VTCs also offer a wide range of short-term vocational training. In 2022, the 10 public VTCs, which employ 95 staff, offered 74 short-term vocational programmes. Career education is an essential component of VET providers, complemented by extracurricular activities, often in cooperation with companies, such as visits to businesses, job fairs, and internships. The objective is to prepare students for working life by improving their career management skills and the ability to search for and use information to make decisions. Each VET institution has a development unit within its internal structure responsible for providing career guidance. The VET system also provides learners with career education, counselling, and guidance to facilitate their transition into employment or further education. The total number of hours worked per week by members of the development unit varies depending on the number of students and the directions offered. The NAVETQ provides the necessary tools and training to the development unit staff of VET providers, including aspects of career guidance and counselling.

The private offer of upper secondary VET (initial VET) is limited to a handful of schools that provide similar programmes to the public provision. However, the private provision of short-term trainings (C-VET), including vocational training, has boomed, and opened up opportunities, especially in priority sectors, such as tourism and ICT, better preparing for the green and digital transitions. Collaboration with the Ministry of Tourism and Environment can be leveraged, as an active player of Albania’s Climate Change strategy and plans.

Representative organisations of the private sector and social partners (e.g., Chambers, Business Associations, and Trade Unions) are not legally entrusted with a specific role in the Albanian VET system. Their contribution is mainly voluntary and advisory and provided for in a number of committees and boards such as the National VET Council, the Sector Skills Committees, and the VET Providers’ Steering Boards. Subject-matter experts from the business community are expected to advise on sector-specific issues, propose/review VET qualifications, develop and validate occupational standards, support in-service learning, and participate in the assessment of vocational competencies.

The VET Provider’s Steering Board is a collegial body established by law that makes decisions on the overall strategic direction, planning and use of human, financial, and infrastructure resources of the VET provider. Each VET provider’s steering board is chaired by a representative of the private sector, and it is composed of two representatives of the private sector; one representative of the local/regional education authority; one representative of the district council; one representative of the regional/local employment office; one representative of the VET students and one representative of the teaching staff of the VET provider.

In addition, in 2018, the Ministry of Education and Sports issued Order No. 17, which sets out the procedures for adults who have not completed their full-time basic education for participation in part-time basic education, even if they have not attended at least two classes of basic education, the so-called “Second

⁴⁰ Official Gazette, DCM no. 163, 06.06.2022, on establishing and membership of the Sectorial Skills Committee on Hospitality and Tourism.

⁴¹ Official Gazette, DCM no. 426, 26.06.2019, on the organization, functioning and the criteria for selection of the members of Sectorial Skills Committees and their remuneration. Please refer also to DCM no. 332, 2.6.2021 for the amount of remuneration provided to the members of the committees.

Chance” programmes. This allows them to be admitted to classes higher than the one for which they have a school document, subject to approval by a committee established at the school level. However, despite these facilitations, the programme has not been successful in meeting the needs of low-skilled, low-educated unemployed adults, as the number of participants is very small, and the programme is not really attuned to the real circumstances of this group.

The Ministry of Education and Sports, and its subordinate agencies, i.e., the Agency for Quality Assurance in Pre-University Education and the Centre for Education Services, have developed policies and programmes to support guidance and counselling services in the education system, especially in secondary schools. A new “competence-based” curriculum has been introduced in pre-university education, in which various career guidance modules are offered as extracurricular activities. The general high school institutions offer elective modules, specifically professional elective modules (e.g., assembling household appliances, mechanical repair works, ethical dressing and decorating, working as a tourist guide, gardening, office assistance, etc.) and subject elective modules (e.g., career education, financial education, intellectual property, cultural heritage, etc.). The career education elective module (36 teaching hours) aims to enable final year students to identify career goals, develop career research skills, plan further education/training or employment, and carry out career research procedures. The idea of creating a positive attitude toward self-employment and the spirit of initiative and entrepreneurship is part of all curricula in general high school education. The elective module "Career education" is mainly intended for those who fail to go to university.

A recent Minister’s instruction on Career Orientation⁴² aims to assist pre-university education institutions, more specifically, school leaders, career guidance coordinators, teachers, and school counsellors, in planning and implementing career guidance activities. The guide aims to strengthen cooperation with parents, VET providers, professionals in different fields, municipalities, and employers. The guide also defines the roles and responsibilities of all actors involved in the process. The guide also gives examples of possible activities that can be organised by schools to improve career opportunities of students, such as: career days, career fairs and job fairs, meetings with different professionals, meeting with parents, visits to workplaces or education institutions, different school clubs etc.

All 43 universities (16 public and 27 non-public) have hired full-time staff to manage their Career and Alumni Centres. These centres provide Career Guidance as part of their commitment to the institutional accreditation process and raise awareness of the importance of career guidance services in orienting students to the labour market and in their academic and professional development. The Career and Alumni Centres help students and graduates connect their academic careers with employment opportunities and promotions in companies, organisations, and various associations interested in finding employees. They also help students with career development, by assessing their personal interests and matching them with job, salaries, and conditions that are of interest to both parties. Career and Alumni Centres disseminate information about labour market opportunities, internship opportunities, qualifications, etc. They organise meetings between graduates and students to share employment experiences and organise joint activities. Graduate students provide information based on their personal experience and career counselling for students.

The Minister of State for Youth and Children aims to strengthen the involvement of young people in political decision-making processes, to protect the rights of young people, to create the necessary conditions for activation and participation. As the responsible institution focusing on youth and children, the Minister of State builds bridges of cooperation between children and youth and in organisations in Albania and the diaspora, with representatives of public and private institutions, and with civil society organisations working in the field of youth. The National Youth Agency is a subordinate body of the Minister of State for Youth and Children, entrusted with ensuring and promoting the rights of young people through the support of non-formal education, youth activation interaction and funding of youth activities, based on and implementing state policy in the field of youth.

Municipalities have no direct role or formal responsibility for the provision of vocational education and training or employment services in Albania. However, they have a mandate to engage in local economic development and can support these services indirectly by work with VET institutions and employment offices. In addition, municipalities can coordinate with the NAES to support participants in employment promotion programmes. A career centre has been established by the municipality of Tirana to provide career guidance services to both students and adults, with staff who have received specialised training.

⁴² Minister’s order No. 246/2023, available at: <https://www.ascap.edu.al/wp-content/uploads/2023/01/Udhezuesi-i-karrieres-klasa-9-Final-1.pdf>

2.4 Sector(s) and donor coordination

For general policy and assistance, the Government of Albania (GoA) has an inter-institutional and operational organisation structure in place for managing the implementation of a broad sectoral and cross-sectoral approach through the Integrated Planning System (IPS), which acts as the main system that establishes the tools and mechanisms for integrated public policy planning. The State Agency for Strategic Planning and Aid Coordination (SASPAC) was established in October 2021. The main tasks of this Agency are to coordinate foreign assistance for development programmes and projects, coordinate the process of managing projects of national interest, provide methodological support in drafting cross-sectoral and sectoral strategies, to align them with the NSDEI 2030, and to monitor their implementation. This Agency collaborates closely with the Donor Technical Secretariat, a collective initiative of development partners in Albania, to facilitate stronger information exchange between development partners and the government and in particular, to strengthen the policy dialogue on legal and institutional developments, as part of the EU integration process taking place between the EU and Albania, in the framework of the Stabilisation and Association Agreement between the Republic of Albania and the EU.

Since 2014, efforts have been made to define concrete guidelines for the monitoring and evaluating procedures of the adopted sectoral strategies, namely in establishing Integrated Policy Management Groups (IPMGs) and the definition of their policy coordination role. The first IPMG on “Employment and Social Policies” was activated in 2017. The IPMG system was reformed under a new Order of the Prime Minister in 2023 also to reinforce multi-level governance and mainstream the partnership principle; the new IPMG “Human Capital Development” includes Thematic Groups on Employment, Skills and Decent Work, Social protection, Education, Children, Youth, Culture and Sport, Gender equality and Marginalised groups. Apart from relevant public authorities and agencies, representatives from the National Labour Council, trade unions, providers of social services, the Association of Municipalities, the private sector and NGOs are included in the IPMG.

The IPMG is led by the MECL, previously MFE. The sector's main donors and implementing partners are invited to IPMG meetings. Currently, active donors in the sector include the EU, the SDC, the Federal Ministry for Economic Cooperation and Development of Germany (BMZ), the United Kingdom (UK), the Agence Française de Développement (AFD), and a loan is in the process of being negotiated with the World Bank on reforming the economic assistance and reintegration programmes. This IPMG is also mandated to coordinate the harmonisation of national policies with Chapter 2, 3, 19, 25, 26 and 28 of the EU Acquis.

The IPMG has been functioning well and regularly since 2018 and all meetings have been well documented with respective agendas and minutes of the meeting, with regular reporting to the responsible directorate in the Prime Minister’s Office earlier, and later to SASPAC. It has been considered a best practice by the EU and the active donors in the sectors. This IPMG also served as the IPA Steering Committee for Employment, VET, Social Protection, and Education, monitoring and guiding the implementation of the budget sector contracts (Sector Reform Contract “Employment and Skills 2016-2020” and “EU for Social Inclusion 2019-2024”). The MFE held separate policy consultation meetings with members of CSOs, representing the voices of vulnerable groups in the country. The recent reform of the IPMGs have extended membership to social partners.

During the IPMG and thematic group meetings, the progress of government reforms on employment and social protection sector are discussed. The respective thematic groups meet regularly, four times a year, and have endorsed several strategic policy documents, in both the employment and social protection sectors, including the annual progress reports on the National Employment and Skills Strategy and Social Protection Strategy, the draft National Plan for Persons with Disabilities 2021-2025, the National Education Strategy 2021-2026, the Annual NESS Report 2022, and the Youth Guarantee Implementation Plan. Further efforts and coordination are needed to ensure that each IPMG can make a significant contribution to the Integrated Planning System.

The YGIP was drafted by two working groups established by an order of the Prime Minister, dated 24.02.2022: (i) the technical working group; and (ii) the inter-institutional group, which includes partners such as the Ministry of State for Youth and Children, the MHSP, the MES, Ministry of Interior, Ministry of Tourism and Environment and the main implementing agencies for employment, education, and qualifications. Youth Umbrella Organisations, social partners and various experts are also active in these two groups. The same plan was then consulted in an IPMG meeting and separately consulted with civil society organisations. The inter-institutional group will continue to operate and will serve as the monitoring committee of the YGIP and will be improved and strengthened to respect the European Code of Conduct on Partnership.

2.5 Mid-term budgetary perspectives

As described in the Law on Management of the Budgetary System⁴³, Albania's budget classification is in line with international standards and includes administrative, economic, functional, programme-based, and source of funding classifications. Budget management is primarily based on institutions and policy areas rather than sectors. Budget programmes are directly linked to policy goals and objectives that are consistent with sectoral policies and strategies.

The monitoring reports for these budget programmes contain detailed information on the corresponding expenditure, the progress made towards achieving each programme objective, the respective products, and the targets. Although a minimum of information on annual progress is reported, information on the number of beneficiaries is not always included. The MFE has also identified issues with the quality of reporting⁴⁴ on selected budget programmes, often the reports only state the facts, rather than providing a detailed analysis of monitoring indicators and expenditure items that could explain the reasons for non-compliance.

In the period 2023-2025, the level of the Medium-Term Budgetary Programme for the Ministry of Finance and Economy in Albania remains at around 10% of the total Medium-Term Expenditure Framework (MTEF), with a share of 3.10% of GDP.

Table 1

MTEF MFE 2023-2025	Budget 2023	MTEF 2024	MTEF 2025
In million ALL	65,992	72,781	74,383
% of the GDP	3.03%	3.18%	3.10%
% of the total MTEF	9.45%	10.44%	10.18%

The two main budgetary programmes that address the typology of expenditures under this programme are Labour Market and Vocational Education and Training, which were part of the MTEF of the MFE, but have been transferred and are managed by MECI following the restructuring. As analysed in Table 2, the annual budget for the labour market has increased by 20%, while the budget for vocational education and training has increased by 30%. These increases demonstrate the government's commitment to addressing labour market challenges and improving the skills of the labour force. The budget perspectives for 2024 and 2025 is almost identical to the 2023 budget, indicating a continued focus on these critical areas. In the MTBP 2025-2027, which is under preparation as of June 2024, the part of the budget planning for the labour market and vocational education will remain under MECI.

Table 2

MTEF MECI 2023-2025	Budget 2023 (ALL)	MTEF 2024 (ALL)	MTEF 2025 (ALL)
10550 Labour Market	2,434,006 (+20%)	2,601,000 (+7%)	2,651,000 (+2%)
09240 Vocational Education and Training	3,394,159 (+30%)	3,338,469 (-2%)	3,318,469 (-1%)

The cost calculation of the NESS 2023-2030 estimates an overall funding gap of 23%, with the largest gap calculated for specific objective 1.2: upskilling of all women and men of working age (43%), and objective 2.1: more inclusive mediation for vulnerable jobseekers (34%).

The implementation of the YGIP will require a significant amount of funding due to the ambitious targets and measures proposed. The table below summarises the total costs of the YGIP as outlined in the NESS 2023-2030. However, some activities for which no costs are indicated are included in other policy measures within NESS 2023-2030, in particular policy goals 1.1 and 1.2.

Table 3

Budget Overview of the YGIP, in the NESS 2023-2030 costs action plan⁴⁵

⁴³ Official Gazette, law no. 9936, 26.6.2008, Law on Management of the Budgetary System in the Republic of Albania. Latest revision on 22.10.2021.

⁴⁴ Jorgoni, Elira and Sorensen, Dajna (2022). ESPN Thematic Report on National monitoring frameworks for public social spending – Albania, European Social Policy Network (ESPN), Brussels: European Commission.

⁴⁵ Official Gazette, DCM no. 173, 24.03.2023; on the approval the National Strategy for Employment and Skills, its implementation plan 2023-2030 and the Youth Guarantee Implementation Plan 2023-2024.

2.1.2. Supported and inclusive school-to-work transition for young people (NEET) through the implementation of the Youth Guarantee scheme	Indicative Cost 2023-2030 (ALL)	State Budget (ALL)	Foreign Funding (ALL)	Financial Gap (ALL)
Conducting an (annual) assessment of the NEET profile in Albania	2,105,100,000	392,481,517	1,032,150,000	680,468,483
Developing the National Portal of Youth Guarantee				-
Expanding the already developed and tested early warning system, which will allow to assess the risk of drop out from compulsory education.				-
Providing educational support to students at risk of drop out				-
Assessing the implementation of social support measures to reduce disadvantages in access to the education and training system	-			-
Developing and implementing community-based information campaigns and campaigns that use innovative methods of engagement in social networks, in cooperation with partners and stakeholders	371,400,000	84,899,129	159,450,000	127,050,871
Organising trainings with employment offices and other partners to deliver more specialised services to NEET	92,400,000	-	33,000,000	59,400,000
Strengthening guidance and counselling services within the education and training system	-			-
Providing support to NEET persons to acquire job search skills, soft labour market skills, digital skills, etc., as per their needs	10,873,356,000	805,080,660	4,764,756,000	5,303,519,340
Adapting and expanding the programme to promote employment and training, such as employment supporting programmes, vocational secondary, post-secondary and part-time education programmes, and continuous training and internship programmes to enhance basic and professional skills.	-			-
Expanding the labour market information management system to track the NEET youth journey before, during and after their inclusion in the Youth Guarantee scheme	-			-

Area of support 1: Youth Employment

The financing of public employment polices is governed by the Law on Employment Promotion (No. 15, 2019) which stipulates that employment policies are mainly financed by the state budget, donors, and private sector. The state budget is the main source of funding for NAES regional offices and employment offices to finance the provision of employment services and employment promotion programmes. In 2023, a budget of ALL 445,367,500 has been allocated for the provision of employment services, which covers the staff costs of NAES structures. This includes funds for travel and subsistence of employment office staff providing services to jobseekers and employers outside of Employment Offices premises. It is envisaged that the IT system of employment services will be improved and about ALL 60,000,000 per year is foreseen.

The budget for the implementation of ALMMs in 2023 is ALL 550,000,000 and provides for the implementation of the various types of approved EPPs. Funding subsidies provided by the NAES include wage subsidies to employers, grants to Civil Society organizations (CSOs), self-employment grants, transportation costs, childcare costs, reasonable accommodation costs for employed persons with disabilities, and material costs for on-the-job training.

Table 4

MTEF 2023-2025, 10550 Labour Market (ALL)	2023	2024	2025
Employment structures (head office, 12 regional offices and 40 employment offices)	445,367,500	537,667,500	587,667,500
Employment Promotion Programmes	550,000,000	550,000,000	550,000,000
Unemployment benefit	900,000,000	900,000,000	950,000,000
VTCs (short term training)	264,881,000	271,875,000	271,875,000
IT system	66,000,000	60,000,000	60,000,000
Skills campus	50,000,000	120,000,000	70,000,000

Area of support 2: Youth Vocational Education and Training

The financing of public Vocational Education and Training is regulated by the VET Law (No. 15/2017), Chapter VI, Article 30, 31 and 32, which identifies four sources of financing: the State Budget, revenues generated by public VET providers, contributions from donors, and sponsorship.

The State Budget is the main source of funding for public VET allocated to both secondary VET schools and VTCs. Municipalities are responsible for the maintenance of the dormitories. Donor funding is critical to the functioning of the system, exceeding national funding resources for VET. Although there is no legal obligation for employers to contribute to the financing of initial VET, it is common for cooperating companies that offer internships to provide in-kind support, such as mentoring, food, or transport for the interns.

The State Budget allocation for public VET providers is based on regular forecasts for various expenditures, including personnel (salaries, social and health insurance), bonuses for good performance and continuous professional development, operational expenditures (consumables, repairs, development of vocational practice and theory, extracurricular activities), and investments (construction, maintenance of buildings, infrastructure, and equipment). Expenditure planning is carried out at central level by the MECI, previously MFE, and is based on historical data, considering the number of staff employed and students enrolled, but not the actual costs for specific VET programmes.

The following two tables provide an overview of the funding plans for VET schools and Vocational Training Centres.

Table 5

MTEF 2023-2025, Product – VET schools (09240)	2023 (ALL)	2024 (ALL)	2025 (ALL)
VET schools (wages, operational/running costs, materials for WBL at school)	1,861,213,000	1,859,463,000	1,955,345,000
Student scholarships	275,252,000	277,411,000	294,520,000
Schools text for vulnerable students	13,500,000	13,500,000	14,500,000
School infrastructure, renovation	790,469,000	868,469,000	748,469,000

Table 6

MTEF 2023-2025, Product – VTCs (10550)	2023 (ALL)	2024 (ALL)	2025 (ALL)
VTCs (wages, operational/running costs, materials for practical training)	264,881,000	271,875,000	271,875,000
School infrastructure, renovation	15,000,000	9,000,000	
Building the Skills Campus	50,000,000	120,000,000	70,000,000

In addition, the budget of the National Agency for Vocational Education and Training and Qualifications includes expenses related to the implementation of the quality assurance framework, such as the accreditation of VET providers, the recruitment of external evaluators, travel, and staff costs for monitoring visits and the preparation of accreditation reports. This budget is estimated to be approximately ALL 10,000,000 annually. Moreover, the budget allocated for the training of teaching staff is approximately ALL 6,000,000 annually and is expected to increase to ALL 8,000,000 in 2025. A budget of ALL 12,000,000 has been set aside for the review of qualification and occupational standards, which is expected to increase to ALL

19,500,000 in 2025. In addition, the development of framework curricula and other school materials has a budget of ALL 13,000,000 in 2023, ALL 16,000,000 in 2024, and ALL 22,000,000 in 2025

2.6 Performance assessment framework

Responsibility for monitoring and evaluating employment and VET lies mainly with the NAES and NAVETQ, with a dedicated unit within NAES responsible for monitoring VET. A skills intelligence system is under development to provide updated labour market analyses based on administrative and statistical data. Digital management information systems will also be developed for VET school administration. The MECI aims to improve accountability and provide better quality information to stakeholders through progress and performance assessments, although completion of the monitoring and evaluation system depends on regular use of the tools and integration into institutional culture and routines.

The Institute for Statistics of the Republic of Albania (INSTAT) is the national institution responsible for collecting and certifying national data on the labour market and education. The NAES collects and reports administrative data on main labour market policy statistics, such as data on registered unemployment, services, measures, and programmes provided by beneficiary, typology, etc, and administrative data on job vacancies. The NAES also collects administrative data on the VET system, including data from the VET schools and the Vocational Training Centres (VTCs). The NAES conducts studies to trace beneficiaries of Employment Promotion programmes, graduates of VET schools and beneficiaries of short-term training provided by VTCs. INSTAT continues to conduct the Labour Force Survey (LFS), and the Survey of Income and Living Conditions (SILC), two important surveys for understanding labour market dynamics and households' vulnerability.

The monitoring framework for the employment and skills strategic framework is currently in place, providing a clear timetable for reporting progress included in the NESS 2023-2030 action plan. Previous cycle strategies were assessed through Annual Reports that provided updated information and analysis on policy implementation and challenges encountered. The NESS 2014-2020 underwent a mid-term review in 2019, which resulted in a revision of priority measures and an extension of the Action Plan until 2022. The monitoring frameworks have also influenced the design of the new NESS strategy for 2023-2030.

The MECI, previously MFE, has identified the need for tools and methods to assess the links between service delivery outcomes and the policy goal of providing quality jobs and employment opportunities for youth and adults. The monitoring and evaluation frameworks for the NAVETQ and the NAES, including Employment Offices, Vocational Training Centres, and VET schools, have been developed with the support of external international development programmes. This system allows for a systematic, consistent, and easily accessible compilation and provision of information to decision-makers that can be used to closely monitor the delivery of public services such as VET and employment services. The system is also able to measure the impact of public services, as part of the NESS 2023-2030. The system still needs to be embedded in the institutional framework in terms of defining roles and responsibilities and the tools needed to fully operationalise it.

2.7 Socio-economic analysis (including SWOT analysis)

Area of support 1: Youth Employment

The labour market outcomes of young people in Albania have improved in recent years but are still below the average for EU countries and below the outcomes for the population as a whole. The employment rate for the 15+ age group increased from 50.3% to 52.9%. Despite the improvement in the youth (15-29) employment rate, from 33.8% in 2017 to 41.5% in 2021, the gender gap remains unchanged at 10.2 p.p. The unemployment rate for the 15+ age group showed a positive trend, decreasing by 2.2 percentage points (pp.) between 2017 and 2021, to 11.5%. In the youth age group (15-29) it decreased by 5 pp. from 25.9 in 2017 to 20.9 in 2021.

The NEET rate decreased from 29.7% in 2017 to 26.1% in 2021. In this group, 37.3% are unemployed, and the others are outside of the labour force because they are discouraged workers (15.4%), performing domestic and family duties (17.5%) or for other reasons (29.8%).

A detailed analysis of the NEET population was conducted by the SREPVET project⁴⁶ based on data from the LFS and NAES administrative data for the period 2017-2020. The report observed that more than two-thirds of NEET (65%) are economically inactive, with 60% of this group being young women. Besides feeling discouraged, one

⁴⁶ Technical Assistance to Support the Reform of Employment Policies and Vocational Education and Training project 2020-2022, IPA 2015 Action Programme for Albania.

of the reasons for inactivity is the responsibility for household chores. Women make up 98% of young NEETs who give this reason for their inactivity. Among the unemployed NEET, the long-term unemployed makes up the majority (58.2%) of unemployed NEET, with men NEET being the most represented in this category. Only 25.6% of the total number of NEETs are registered with the NAES employment services. Consequently, 74% are 'unknown' to the public services.

The same report found that **the regional distribution of NEETs** in 2020 showed considerable differences.

- Tirana, Durres and Elbasan comprise a more urban population in the centre of the country and have 51.7% of the NEETs nationally. This includes three level 3 regions⁴⁷: Tirana (35.1%), Elbasan (8.9%) and Durres (7.7%).
- Coastal regions of Albania, which includes all the coastal regions except Durres, have 26.9% of the NEETs. This includes four regions: Vlore (4.6%), Fier (8.1%), Lezha (7.4%) and Shkoder (6.8%).
- Inner Albania, which includes the remaining five regions, has 21.5% of the NEETs. This category includes the regions of Diber (5.8%), Kukes (1.2%), Korçe (6.9%), Gjirokaster (1.4%) and Berat (4.4%).

The regions with the highest rate of young people who are NEETs are Diber (49.2%) and Lezha (43.2%) – these were the only regions with a NEET rate over 40% in 2021. All the other regions have a NEET rate below 30%. These were also the regions where the situation deteriorated significantly in the five year period 2017-2021. On the other hand, Gjirokaster and Fier recorded the largest decrease in the NEET rate during the same period. Even though the number of NEETs is much higher – as mentioned above – the incidence is lower in the urban areas of Durres, Elbasan, and Tirana, as well as in Kukes.

The same report produced by SREPVET, identified five NEET profiles (sub-categories):

1. Young NEETs with family care responsibilities: they are almost all women with low and, to a lesser extent, medium levels of education – although a small proportion of them have had higher education. Their lack of employability, mainly resulting from their low average level of education, combined with a disadvantaged and socially unprotected economic situation, puts them far from entering the work force and finding a job. The vast majority are married. They represent about 17% of the total (30,716). The most important requirement for this group seems to be social and economic support to complement education and training. In addition, they need guaranteed access to Early Childhood Education and Care (ECEC) for their children as well.

2. Discouraged NEETs: are young people in the youngest groups who are not in employment and have never had work experience, have no prospect of finding a job, and usually have a low or medium level of qualifications due to school failure and early school leaving. These young people do not have the right skills for a successful active job search. They make up about 15% of the total (28,101). Social skills development, mentoring and the chance of a second opportunity seem to be what this group desperately needs. NEETs with disabilities are a minority among young people who are inactive. Their inactivity is mainly due to their disabilities. The available data do not allow for a more precise characterisation of this group. They represent about 4% of the total (7,191). It is a small group that needs very specific support.

3. Other Inactive NEETs: represent the largest category of inactive young people. One of the key priorities for an effective implementation strategy is to characterise this group. It includes inactive young people who have not received education and training provision in the last four months. It is assumed that these are young people not yet active in the labour market but there is a lack of information to better characterise them. The NEET youth registration strategy to be developed under the YGIP could address this lack of data. The group represents about 29% of the total (53,848). The first step in meeting the needs of these NEETs is to reach out, identify and register them and then better understand their profile and reasons for being NEET.

4. Young, long-term unemployed NEETs: these are young unemployed people who have been unemployed for more than 12 months, with a higher proportion of lower and higher educational levels than among active young people. They are mostly male, are older and show a greater mismatch between their skills profiles and professional expectations compared to the dynamics of labour market demand. They represent about 20% of the total (37,623). In order to promote the employability of these NEETs, the development of social and transversal skills needs to

⁴⁷ Albania reports to Eurostat data disaggregated for 3 statistical level 2 regions (North, Centre and South) and 12 level 3 regions, available at: [Maps - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

be combined with professional ones. The young people in this group are likely to need longer preparation before they can enter the Youth Guarantee scheme.

5. Active NEETs: are young unemployed people who are still actively looking for a job; they have been unemployed for less than a year; they are on average better educated and have mostly an average level of education. Their main difficulty lies in the existing obstacles to transition into the labour market. These obstacles may result from a lack of employment opportunities that require the skills of these young people and/or a mismatch between their skills and the dynamics of demand and opportunities in the labour market. They represent about 15% of the total (27,061). (Re) skilling strategies should be at the core of the strategy to meet the needs of these NEETs.

In the context analysis of NESS 2023-2030, Albania acknowledges that the labour market mechanism in Albania still needs improvements in term of efficient and all-inclusive mediation, and better matching of job supply and demand. According to the **Skills toward Employment and Productivity Survey of the World Bank, in 2018**⁴⁸ non-formal channels (personal contacts, recommendations from others) were the most important and frequently used channels for recruitment. The same report highlighted that large companies and foreign-owned companies are more inclined to use non-formal channels for hiring employees. The predominance of non-formal channels and offering jobs to those already employed in other businesses, indicate the difficulties that the employers face in identifying employees with the right skills, as well as in finding employees through formal channels and professional services.

The same report estimates that 7.4% of private sector employers have used public employment services to recruit staff. Similarly, the use of private employment services is also low (less than 10 per cent). These findings are partly confirmed by a survey conducted by **Albanian Investment Council** in 2022⁴⁹, which found that only 15% of the 253 surveyed companies used the employment offices to secure workers. Continuous communication from the state to the private sector, especially at operational levels, is needed. Skills Needs Assessment (SNA) is just one of the many and varied channels that the state should open. SNA is an adopted standard methodology that was conducted in 2017.

The use of employment services by jobseekers still remains a challenge. About 50% of unemployed are registered at PES. At the end of 2022, there were 76,879 unemployed jobseekers registered at employment offices nationwide.

Table 7

Registered unemployment (average number) (Source: NAES Administrative data)	2020	2021	2022	2023 (Jan-Feb)
The total of unemployed job seekers	82,921	87,419	76,879	76,063
Female	43,647	45,125	40,620	42,199
In Unemployment benefit	4,745	4,679	2,586	2,510
NEET 15-29 years old	18,561	20,155	17,598	18,225
In economic aid	26,633	27,576	27,451	24,680
Long term unemployed job seekers	37,788	43,902	35,530	---
From the Roma and Egyptian community	7,570	7,671	7,198	7,039
People with disabilities	604	475	237	487
Returned immigrants	572	567	360	375

The NAES has recently redesigned **the profiling system for registered unemployed jobseekers and the preparation of the Individual Employment Plan (IEP), accompanied by a new tool for the guidance and counselling approach.** However, the value of the IEP is still not fully exploited, and the matching process is still mainly mechanical. The IEP should also be used for planning and budgeting through the employment services'

⁴⁸ Honorati, Maddalena; Johansson De Silva, Sara; Kupets, Olga; Inoue, Keiko; Kelmendi, Flora; Miyamoto, Koji; Santillana Farakos, Ana María; Valerio, Alexandra. *Western Balkans - Demand for skills in Albania : an analysis of the skills towards employment and productivity survey (English)*. Washington, D.C. World Bank Group.

⁴⁹ Albanian Investment Council, Findings of the IC Survey 'On the workforce challenges', 2022. Available at: https://www.investment.com.al/wp-content/uploads/2022/12/EN_AIC-Surveys-Findings-On-the-Workforce-Challenges-2022.pdf?fbclid=IwAR213ij_w50QDvVsXUeF0BhdCA2TILv-mrreqSUWpPROphV9CjyLER4_4k

IT system, with the main target groups being unemployed jobseekers, especially those from vulnerable categories. There is also a need to build capacities to reduce the workload of employment agents and enable them to spend sufficient time with registered unemployed jobseekers by making greater use of the IEP, understanding jobseekers' needs and vulnerabilities, and responding to their needs with tailored services. Moreover, there is a great need for standardised referral mechanisms between state and local structures to better support the needs of the registered unemployed jobseekers. The performance of the employment services in terms of direct job mediation is outlined below.

Table 8

Number of people employed through PES (Source: NAES Administrative data)	2020	2021	2022	2023 (Jan-Feb)
Total	23,118	24,158	26,808	4963
Women	13,531	11,677	13,044	2666
Heads	6,306	7,699	7,898	1479
In unemployment benefit	2,728	2,212	893	48
In economic aid	1,374	972	1,785	376
Long term unemployed job seekers	2,636	2,974	4,152	---
From the Roma and Egyptian community	738	513	497	136
People with disabilities	50	32	18	13
Returned immigrants	67	28	2	21

The main instrument to address the imbalances in the Albanian labour market are the ALMMs. The ALMMs are designed by the MECI, previously MFE, and implemented by the NAES. The portfolio of approved ALMMs includes six different types of ALMMs. Recently, in May 2023, a new ALMM on Traineeship was approved by the Council of Ministers. For the implementation of the planned programmes of ALMMs, around EUR 4.5 million is provided every year, with an increase in 2022 of EUR 1 million for the implementation of the Youth Guarantee pilot project. The funding sources include only the NAES budget. The largest part of the NAES budget is allocated to unemployment benefit (about twice as much as on active labour market programmes).

Table 9

Number of participants by type of Employment Promotion Programme (Source: NAES Administrative data)	2020	2021	2022	2023 (Jan-Feb)
DCM 17 (Subsidized Employment, on-the-job training, internships)	1,105	1,896	1,790	807
DCM 535 (Community-Employment)	0	207	1,267	995
DCM 348 (Self-Employment)	0	44	286	235
DCM 608 (COVID-Employment)	1,722	2,687	1,001	184
Old DCM (concluded in 2020)	1,319	0	0	0
Total	4,146	4,834	4,344	2,221

Recently, a process evaluation of the EPPs conducted by the UNDP (to be published) found that the newly approved portfolio of EPPs (all of them approved after 2020) has been very well received by employment counsellors and provides flexibility to both employers and jobseekers. Furthermore, the unemployed jobseeker is now the focus of the redesigned programmes, but this change has not been easy and the implementation of the redesigned EPPs process is still in its initial stages. Therefore, there is still a need for specific targeting and targeting mechanisms to focus on unemployed jobseekers and to implement outreaching activities for unemployed jobseekers.

There is an increased need to deliver ALMMs and employment services in collaboration with non-public actors and other public service providers in the municipalities. The development and delivering of such mechanisms require well-coordinated efforts, that go beyond signed memorandums.

The NAES is following a ‘digital-first’ policy, that allows Employment Offices to focus on delivering services to more challenging client groups, and to this end is working towards the digitalisation of all its services to jobseekers and employers, using the System of Employment Service (SES). The SES was completely redesigned in 2020 and is now fully operational in all 40 employment offices in the country. The registration services and the profiling process have been simplified considering that a significant amount of information is automatically filled in by communicating in real time with various other databases, such as: the civil registry, the tax administration, economic aid, etc. The Guidance and Counselling approach to case management and progress stages are implemented in the system.

Multichannel approaches and additional service delivery models are being developed. Recently, the focus has also shifted to using local partnerships to enable the delivery of employment services in more locations. Online employment services are currently provided through the online platform puna.gov.al. Services include registration, CV preparation, applications for vacancies etc. Other online services are offered to employers through the e-Albania portal. Many new jobseekers have registered through the online platform and are using the online services. Mobile services have also been set up recently.

The NAES has also recently designed and tested a new feature of the online employment service, that uses artificial intelligence (AI)-generated content to prepare CVs and provide career/employment advice to jobseekers. The NAES is also working on the development of the Vocational Training module, which will be also linked to the SES. Further developments are taking place to improve the automatic matching of jobseekers with jobs. The modalities of the Individual Employment Plan could also be redesigned, as it is not always used optimally by counsellors and needs to be filled with more data.

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Employment Policy has a well-developed and approved strategic, legal and operational framework and is up to date with EU guidelines. • The National Employment and Skills Strategy 2023-2030 was approved in March 2023 (the second reform cycle in the sector after 2014-2022) • The Public Employment Service has 41 local offices and service points, with inter-institutional coordination at all levels. • A wide range of EPPs are in place, fully reformed in 2019. 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Lack of information and in-depth analysis on the current status of NEETs in Albania. • Insufficient exchange between labour market actors and the Public Employment Service. • Gaps in accessibility and quality in the provision of employment services based on individual needs of jobseekers. • The EPP budget covers only 6% (excluding training provided by the VTCs) of registered jobseekers, and there are challenges in financial absorption. • Limited knowledge on the labour market and career guidance tools.
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • The Youth Guarantee is an opportunity to improve the Public Employment Service. • Working conditions are improving, and new wage policies are being developed. • Opportunity to use NAES' recently introduced innovative online services for more effective youth engagement. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Only 17,000 NEET are registered as unemployed jobseekers. • High regional differences in labour market outcomes for NEETs. • Stereotypes, prejudices, and discrimination are barriers to the effective integration of vulnerable groups.

Area of support 2: Youth Vocational Education and Training

Albania is currently facing two major challenges related to skills mismatch, which refers to the gaps and imbalances in skills in the labour market due to the level of qualification or skills. The first challenge is the low skill level of the working age population in the Albanian labour market. According to the LFS 2021, 41.6% of the labour force and 48.3% of the working age population in Albania have basic education (8–9-years education) or less. This is higher than the average for the Western Balkan countries, which is 31%. In addition, certain segments of Albanian society, such as 45.28% of unemployed Roma jobseekers and 13.9% of Egyptian unemployed jobseekers registered with employment offices, have not completed primary education. Moreover, the majority of economic aid recipients have only completed the compulsory 9-year education.

The second challenge Albania faces concerns the possession of skills needed in the labour market, as a lack of such skills can hinder the creation of more and better-quality jobs. A recent study by the European Training

Foundation (ETF)⁵⁰ on skills in ETF partner countries attempted to measure the vertical and horizontal skills mismatch. According to the study, at least one in five university graduates had a job that required a lower level of formal qualifications, which was a trend in the most ETF partner countries, including Albania. In 2019, around 40% of employees in Albania were either overeducated or undereducated, which is similar to the situation in other Western Balkan countries. University graduates were more likely to be overqualified than secondary school graduates. Meanwhile, the horizontal mismatch weight (mismatch between the field of studies and occupation) was more than 66% in 2019, which was 6% higher than the average for Western Balkan countries.

These challenges related to the lack of skills, or their mismatch, are connected to the insufficient quantity, quality, or relevance of the education and training offered. An indicator of the insufficient quality of Albania's education system is the PISA scores, which reveal that Albanian youth aged 15 years old perform below the OECD average in reading, mathematics, and science (PISA 2018). The participation of adults (aged 25-64 years old) in formal and non-formal education and training in 2017 was 9.2 per cent, with a significant gap between Albania and the EU average, which was 43.7% for the same year, according to the results of the adult education survey conducted by INSTAT in 2017. According to the LFS 2020 conducted by INSTAT, less than 1% of adults aged 25-64 years old engaged in some type of lifelong learning activity in the four weeks prior to the survey. The same survey indicates that 9.5% of women and 8.8% of men aged 25-64 years old have participated in formal and non-formal education and training.

On average, less than 15% of businesses have provided internal or on-the-job training for their workforce, and less than 5% have provided external training, according to a survey conducted by the World Bank⁵¹. Workers and potential workers usually have limited work-based learning opportunities, which in turn, limits the development of skills and lifelong learning of the workforce and hinders the productivity growth of enterprises. The same study⁵² shows that nearly 51% of enterprises that have tried to hire workers in the last three years have faced difficulties in hiring due to the lack of job skills and experience or insufficient applications. These enterprises stated that applicants lacked the necessary technical and specific job skills, as well as the necessary soft skills to be efficient at work, particularly for occupations requiring higher skills. Construction, industry, and tourism sectors are particularly constrained when hiring individuals for low- to medium-skilled jobs, while enterprises in agro-processing and industry are more limited when hiring high-skilled workers. Employers also perceive that skills-related problems mainly affect young people and those entering the labour market for the first time, underscoring the importance of quality VET education and system.

Albania has set 5 priority sectors in its recently approved NSDIE 2030, i.e., Energy, Agriculture, ICT, Manufacturing, Hospitality and Tourism, which are crosscutting with the **foundational reforms of the VET system in the last years, in its legal and organisational framework, quality assurance and development framework, and other policies which guarantee a flexible system.** Some of the initiatives undertaken are the adoption, development and implementation of the AQF, the development of the quality assurance framework and the referencing of the AQF to the European Qualifications Framework. These initiatives aimed at increasing the quality of the skills supply for the labour market in Albania, but also to increase labour force mobility with other countries.

The Albanian VET system is built on a network of some 45 public institutions that deliver upper secondary initial VET (i-VET) programmes, as well as short-term vocational training (c-VET). 35 secondary vocational schools and 10 adult learning centres currently prepare around 17,000 upper secondary VET students and 11,000 adults. From the i-VET students, the majority attend schools in the region of Tirana and Durrës, which make up 51% of the total number of students. The top five programmes attended by students are: Hospitality and Tourism, Car Mechanics, ICT, Business Administration and Electrotechnics and Mechanics. VET attractiveness as an educational pathway – compared to general education – remains modest, with declining numbers of participation in upper secondary VET in the recent years (MFE, VET administrative data).

The participation rate in vocational education and training still lags compared to the EU countries. Gaps between urban and rural areas and students from different socio-economic classes in educational attainments persist, impacting on the social exclusion of groups in need in the population. The quality and relevance of education

⁵⁰ ETF. Skills mismatch measurement in ETF partner countries. 2019, available at: <https://www.etf.europa.eu/sites/default/files/2019-05/Skills%20mismatch%20measurement%20ETF%20partner%20countries.pdf>

⁵¹ World Bank (2018). Demand for Skills in Albania, An Analysis of the skills towards Employment and Productivity Survey, available at: <https://documents1.worldbank.org/curated/en/262231529562176390/pdf/ALB-STEP-Report-Final-with-Cover-Page-June-15.pdf>

⁵² Ibid.

needs to be improved, including the training systems, and the links strengthened between employers and vocational educational institutions.

Table 10

Number of students in VET schools (Source: INSTAT)	2018		2019		2020		2021	
	Registered	Graduated	Registered	Graduated	Registered	Graduated	Registered	Graduated
Total	21,287	4,189	19,664	3,807	19,024	4,862	18,279	3,831
Men	17,896	3,513	16,409	3,164	15,928	4,023	15,565	3,091
Women	3,391	676	3255	643	3,096	839	2714	740

In this context, the main remaining challenges of the VET system reform are how to guarantee an optimised VET system that provides high-quality, relevant, and sustainable skills for all, and intensifies the engagement with the private sector. With the aim to increase the labour market relevance and improve the effectiveness and efficiency of VET delivery, the re-organisation of the network and offer of the VET system in Albania has seen a long engagement and effort by the government and several development projects. In line with the European 2020 Strategic Framework, the Riga Conclusions⁵³, and the NESS 2014-2020, the previous MFE, NAES and NAVETQ, in collaboration with several other partners, prepared the Optimisation Plan for the VET system. The process was informed by several studies, among others: “The Baseline survey of public VET providers in Albania”, developed by GIZ and the ETF in 2014, the policy paper “The reform of the VET system in Albania” developed by the UNDP in 2015, the proposal developed in 2017 by the 2013 IPA technical assistance project, the “Review of the Albanian VET system” published by the UNDP in 2020, as well as the most recent study by KfW “VET in Albania. Phase-II-Student: Assessment of Investments Needs and options in Albania”. Thus, the Optimisation Plan for the VET system considers all the relevant information, findings, and recommendations from these studies. The following four core criteria that guided the process were established on the basis of the key achievements and milestones of the system in the last years:

- Socio-economic development context in each of the regions.
- Labour market situation by sector and occupation.
- Performance of the VET providers over the years.
- Geographical coverage of each VET provider.

Based on the approved optimisation plan, the VET provider network will be organised into approximately 31 VET providers. In terms of the new policy reform cycle, the optimisation process is understood as a systemic improvement that goes beyond the reorganisation process of the public VET providers. At the local level, VET providers are part of the local community and labour market. In communities far from urban centres, municipalities, as well as local education authorities, play an important role in providing local communities with information on existing services, employment, and learning opportunities. The government’s plan is to better leverage the role of the two meso-level structures (NAES and NAVETQ) to strengthen the links between local communities, businesses, and VET providers, especially in areas that lack VET services coverage⁵⁴. The main outstanding challenges of the sector reform have been provision of didactic tools, using IT and other technology in the learning process and further capacity development and growth.

Vocational students are eligible for assistance in transitioning to employment or further learning. Each vocational institution is required to establish a Development Unit, to which a career guidance coordinator is assigned. The latter is a regular teacher who devotes part of his or her time to career guidance. In addition, the deputy director – who is responsible for overseeing the implementation of the curriculum – is expected to ensure that all subjects include 1 to 3 career guidance topics, while classroom teachers are encouraged to devote at least 2 hours to career education every month. All VET schools have established a Development Unit and assigned staff

⁵³ Medium-term deliverables in the field of VET for the period 2015-2020, available at: <https://education.ec.europa.eu/document/riga-conclusions-2015>

⁵⁴ Diversification of the offer to post-secondary level, offer recognition of prior non-formal and informal learning, reskilling and upskilling opportunities for adults, e-learning opportunities.

to this task. The NAVETQ has developed a curriculum and conducted training for the relevant staff in all 35 VET schools.

Career guidance also considers and to some extent tests the full range of curricular strategies to incorporate learning about occupations at key transition points in a young person's journey through the education system. This is particularly true at the end of lower secondary school (grade 9) and the end of upper secondary school, especially in the VET schools. In lower secondary education, vocational learning is a cross-curricular issue. The Minister of Education and Sports recently approved and distributed a guide for practitioners. Implementation is still in the early stages.

Unmotivated students who have either disengaged from school or are at risk of disengaging from it, are likely to miss out on important support. This gap in service provision is a significant problem, especially considering that Albania has a higher rate of primary and lower secondary education dropouts than its neighbouring countries and more than double the rates of OECD and EU countries. CSOs and donor funding have successfully supported various projects that address this issue. However, these initiatives often have limitations in terms of their scope and the number of people they can reach. Additionally, such projects are usually tied to project funding cycles, which makes it challenging to sustain them over time and expand their reach. Therefore, it has become necessary to secure new sources of funding and government support to maintain the initiatives' continuity and scale them up to reach more people.

Despite well-regulated provisions in the legal and policy framework, and although this is one of the key reform policies recognised in national strategic documents, opportunities for adults to engage in lifelong learning or skills and career development in Albania are very limited. Participation in lifelong learning is extremely low. Less than 1% of adults aged 25–64 had engaged in some type of Life-Long Learning (LLL) activity in the four weeks before the survey results were gathered according to **INSTAT (Adult Education Study, 2017)**, which is a clear indicator of the poor level of lifelong learning policies and practices in the country.

Non-formal education ‘takes place through a programme of instruction but does not usually lead to the attainment of a formal qualification or award, for example, in-house professional development programmes conducted in the workplace’⁵⁵. Vocational training courses are non-formal courses typically lasting between a few weeks and six months. Vocational training is offered in VTCs, which fall under the responsibility of the NAES. Any adult who has an elementary school diploma can enrol in these programmes for a small fee (unemployed jobseekers are exempt from the fee). VTCs are used by many young people as an alternative to formal vocational training (around 50% of learners in public VTCs are 25 years old or younger). While formal vocational training programmes can last 3 to 4 years, non-formal training lasts only a few weeks or months.

Besides public VTCs, some 953 private entities have been licensed to provide a wide range of trainings, from soft skills to advanced vocational training and of different duration (from one to two weeks to several months). However, the responsible institutions (the MECI, previously MFE, and the NAES) have not managed to capitalise on the private offer, due to a lack of human resources and a missing framework for quality assurance in this regard.

Socio-economic and demographic trends require the government of Albania and other stakeholders to focus their policy priorities on lifelong learning to improve employability. In addition, Albanian authorities and other stakeholders need to further define the Recognition of Prior Learning (RPL) model as part of human capital development. The model will inform governance arrangements and resource allocations.

With a clearly defined governance structure that is transparent and efficient, implementation needs to focus on a balance between awareness raising and outreach to learners, employers, and other relevant institutions on the one hand, and the quality assurance of the RPL processes on the other. Quality assurance is crucial to build trust of all stakeholders in RPL, which is crucial for its success for learners, potential employers and society at large.

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • In recent years, the VET system has undergone significant reforms in its legal and institutional framework, quality assurance and development framework, to develop a flexible and sustainable system. 	<ul style="list-style-type: none"> • Gaps and imbalances in skills in the labour market due to the level of qualification or skills. • Insufficient quantity, quality, or relevance of the education and training offered.

⁵⁵ TVETpedia, UNEVOC-UNESCO.

<ul style="list-style-type: none"> • 45 public VET providers offer programmes of initial secondary higher vocational education (i-VET), as well as short-term vocational training (c-VET). 35 vocational secondary schools and 10 adult learning centres currently prepare about 17,000 upper secondary VET students and 11,000 adults. New cooperation mechanisms with private providers have been established. 	<ul style="list-style-type: none"> • Missing framework for the quality assurance of private VTCs. • Difficulties in developing cross-sectorial partnership that are essential to ensure close collaboration between different stakeholders, including government entities, providers of labour market information, employment offices, municipalities, employers, international partners and CSOs.
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • The labour market currently needs the skills produced by the VET system at all levels (CFA levels 2-5). • VET can expand post-secondary levels, introduce Recognition of Prior Learning for non-formal and informal learning, and diversify reskilling and upskilling opportunities for adult learners. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Frequent changes of VET governance. • Low attractiveness of the VET offers among young people and adults. • Opportunities offered by migration (pull factors). • High regional disparities in labour market outcomes for NEET. • Stereotypes, prejudice, and discrimination is an obstacle for the effective integration of vulnerable groups.

3 Overall Objective(s) and Specific Objective(s) of the Operational Programme

The overall objective of this OP is to *enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce.*

The specific objective (outcome 1) of this OP in the Youth Employment area of support is:

1. *Enhanced employment and employability of young individuals, focusing on vulnerable groups.*

The specific objective (outcome 2) of this OP in the Youth Vocational Education and Training area of support is:

2. *Improved quality, flexibility and diversity of vocational education and training offer to enhance career prospects of youth.*

The specific objective (outcome 3) of this OP in the other support area of support is:

3. *Capacities of the Managing Authority, Intermediate Body for Policy Management and Intermediate Body for Financial Management and Partners and end recipients for the efficient implementation of the Operational Programme, strengthened.*

3.1 Coherence with the IPA III Programming Framework and with the specific policy instruments of the enlargement process

Through this OP, by establishing a Youth Guarantee, the Albanian Government aims to achieve key objectives regarding youth employment, education and skills, participation, and development. These objectives take into account the specific issues faced by young women and young vulnerable persons, including those belonging to minority groups and youth living in remote or less economically developed regions and peripheral rural areas. Consequently, this OP is fully coherent with the IPA III objectives under the IPA III Programming Framework, Window 4, Thematic Priority 1: Education, employment, social protection and inclusion policies, and health, that aim to strengthen access to and quality of inclusive education, including vocational education and training, participation in Early Childhood Education and Care and lifelong learning opportunities at all levels. More specifically, the OP aims to:

- Ensure equal opportunities, access to the labour market, fair working conditions, social protection, and inclusion.
- Enhance employment opportunities for youth.
- Build strong links to the education sector and in developing a broad range of active labour market measures, increase labour market participation and employment in particular for youth.
- Support the quality, effectiveness, and labour market relevance of education, including vocational education, and training systems in order to provide people with skills adjusted to digitalisation, technological change, innovation, and economic change.
- Support the implementation of the Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport.

In line with the IPA III objectives, this OP will also contribute to fostering quality employment and access to the labour market, reducing the proportion of people engaged in informal employment as well as promoting equality and non-discrimination, social protection and inclusion and combating poverty.

Youth employment through active labour measures and the implementation of Youth Guarantee are established as a priority in the NESS 2023-2030 and as envisaged in the NESS, the Government confirms its full commitment to implement the Youth Guarantee – EIP Flagship Programme on the Western Balkans. Unlike previous strategic documents, the NESS emphasises the needs and inclusion opportunities of young NEETs as a specific category of youth and guarantees a smooth path to work transition. Thus, it is aligned to the overall objective of IPA assistance under Window 4, which aims to strengthen economic and social development, including through education, competitiveness, research and innovation, social inclusion, industrial and employment policies, with a specific focus on private sector development as well as agriculture, rural and industrial development.

The EIP⁵⁶ sets out a substantial investment package for the Western Balkan region, including Albania, and it is built on the foundations of a performance-based and reform-oriented proposal for IPA III and reinforced instruments to foster public and private sector investment and to support competitiveness and inclusive growth, sustainable connectivity, and the twin green and digital transition. To support employment and offer solutions and perspectives for young people at local level, the Commission proposes the Youth Guarantee flagship (flagship 10), which will guarantee that young NEET are provided with a quality employment, training or education offer within 4 months of identification. This OP aligns with the EIP by promoting employment, enhancing human capital, and supporting entrepreneurship. It also contributes to the Green Agenda and Green Deal by fostering green skills development, promoting green entrepreneurship, and raising environmental awareness among young people. By addressing youth unemployment and empowering young individuals, the Youth Guarantee helps advance the goals of these policy instruments within the context of the enlargement process. Wider involvement of the civil society and the private sector by encouraging innovative solutions and promoting social entrepreneurship to tackle social challenges is also fostered through the proposed interventions.

Albania opened a new phase in relations with the EU following **the first intergovernmental conference** on accession negotiations on 19 July 2022⁵⁷. Albania needs to further intensify efforts in key areas of rule of law, the fight against corruption and the fight against organised crime. Albania also has to address property rights, minority issues and freedom of expression. The commission has launched a screening process. According to the 2022 Report on Albania, Albania **has continued to maintain an overall focus on the EU reform agenda**⁵⁸, despite the challenges of addressing the economic and social consequences of the triple shock of the 2019 earthquake, the pandemic, and the Russian war against Ukraine.

- The proposed interventions draw upon key recommendations from the *2022 Report for Chapter 19*, which states that Albania has some level of preparation on social policy and employment, continues restructuring its employment governance, but needs to address the inclusivity in the labour market, especially for the vulnerable categories impacted the most by the consequences of the war against Ukraine. In line with the recommendation, Albania has adopted the 2023-2030 strategy for Employment and Skills, incorporating objectives of the decent work agenda, the Youth Guarantee Scheme, as well as the green and digital transitions. In addition, Albania has adopted an action plan and costing of the Youth Guarantee scheme in line with the EU model and guidance, incorporating its objectives in the new strategy on Employment and Skills. The long-term effects of the pandemic, increased commodity prices, and inflation pose risks to the pace of recovery and employment rates, particularly for informal workers and vulnerable groups. The NAES needs increased capacity and staffing. Public employment services made progress in establishing performance indicators, procedures, and outreach services for vulnerable groups. Long-term unemployment remains a challenge, necessitating more flexible and integrated policy interventions.

⁵⁶ Communication from the commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions. An Economic and Investment Plan for the Western Balkans. Available at: https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

⁵⁷ Council Conclusions on enlargement and stabilization and association process for the Republic of North Macedonia and the Republic of Albania, available at: <https://data.consilium.europa.eu/doc/document/ST-7002-2020-INIT/en/pdf>

⁵⁸ Albania 2022 Report, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2022 Communication on EU Enlargement policy, available at: <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Albania%20Report%202022.pdf>

- The proposed interventions draw upon key recommendations from the *2022 Report for Chapter 26*, which states that Albania still faces challenges in fully implementing the legislation related to the 2017 VET Law and achieving financial autonomy for VET providers. The government has made progress in consolidating the VET institutional framework by strengthening the NAES and restructuring the NAVETQ. However, additional efforts are needed to finalise staffing, enhance the quality assurance framework, and strengthen planning, monitoring, and evaluation functions at the central level. The Optimisation Plan for VET providers, endorsed in 2020, has not been implemented yet. It is crucial for Albania to adopt implementing legislation regarding the organisation, functions, and activities of VET providers, as well as their financial autonomy. The full implementation of this plan by 2023 is necessary to rationalise and modernise the VET offerings. Further training in 2022 and 2023 is required to ensure the successful implementation of digital education and the development of digital competences for online teaching in the VET sector. Additional efforts are needed to encourage more students to choose VET as a viable and attractive educational pathway.
- **In regard to Chapter 2**, Albania has made significant strides in preparing to join the European network of employment services (EURES). An integrated database has been established for the employment services, allowing for seamless information exchange between various departments. However, further development of the IT system is needed to ensure a smooth connection with EURES.
- **Finally, on Chapter 18**, in the field of social statistics, Albania has made progress in certain areas. The country's statistical agency, INSTAT, regularly conducts the labour force survey and provides micro-data to Eurostat. However, it does not yet produce job vacancy statistics. Further development might be needed to improve reporting on NEET rate within the LFS. The calculation of labour cost statistics is based on a labour cost survey. INSTAT has also conducted the survey of income and living conditions (SILC), and the data has been validated and published by Eurostat. Data on households and child poverty have been released using the EUROSTAT EU-SILC survey.
- No developments were reported regarding the preparations for the European Social Fund, however, the MECI intends to take proactive steps to prepare the institutions and progress has been made since the last report, in terms of institutional restructuring, staffing, and preparing the institutional framework, as described within this OP. In essence, successful adoption and implementation of this OP can be considered a pilot for the adoption and implementation of an ESF+ Programme when Albania joins the EU. Specifically, the proposed OP will provide the structure with the opportunity to develop the institutional framework and administrative capacities in programming, monitoring, evaluation, financial management and control which will be necessary to implement Cohesion Policy, and more broadly for chapter 22.

The proposed interventions of this OP respond to key challenges and Policy Guidance agreed in **Albania's Economic Reform Programme 2023-2025**⁵⁹. More concretely, this OP links to Policy guidance 5.1. Finalise, in cooperation with all relevant ministries and their agencies and stakeholders, a youth Guarantee Implementation Plan, adopt it and initiate its implementation; and 5.2. Conduct the regional labour market analysis in all regions, institutionalise the national skills needs analysis and utilise these tools together with the Labour Market Observatory to improve the labour market relevance of initial and continuous vocational education and training for young people and adults and to target the use of active labour market measures. In the Commission Assessment of the ERP, both were found to be partially implemented. The Youth Guarantee Plan in Albania has been carefully developed through an inclusive consultative process and is in line with the new national strategy on Employment and Skills for the period of 2023-2030. In March 2023, the national implementation plan for the Youth Guarantee scheme was adopted, marking a significant step forward. To support the implementation of the plan and provide valuable labour market insights, a Labour Market Information Observatory has been established. This Observatory serves as the primary mechanism for collecting and disseminating labour market information and intelligence. So far, labour market analysis has been completed for two regions, namely Elbasan and Dures. This analysis needs to cover the remaining regions of the country. Additionally, the capacities for regular publication of datasets and findings derived from labour market analysis need to be strengthened. These datasets and findings are to be effectively utilised in policy-making processes, particularly in the areas of education, training, and ALMMs planning. By completing the labour market analysis for all regions and ensuring the regular utilisation of labour market data, Albania can enhance its ability to make informed decisions and develop targeted interventions for the youth population.

⁵⁹ Republic of Albania, Council of Ministers, Economic Report Programmes 2023-2025, available at: [Economic Reform Programme 2023-2025 \(financa.gov.al\)](https://www.financa.gov.al/en/economic-reform-programme-2023-2025)

The **Commission assessment of the ERP**⁶⁰ identified key structural challenges in terms of increasing funding and capacity for skills and training, social protection, and health care to improve employability and social inclusion. Recognising that Albania's labour market has shown consistent improvement in recent years, demonstrating resilience to economic shocks, key challenges remain in low educational attainment of the labour force and low lifelong learning participation. The level of investment in human capital, including education, health care and social protection, is significantly lower than the EU average. In addition, the lack of matching skills and insufficient skills contribute to high inactivity among young people, highlighting the importance of addressing them through initiatives like the Youth Guarantee, aligning curriculum to labour market needs, career support and guidance and promoting quality jobs.

Related to this structural challenge, four key reform measures are approved in the ERP 2023-2025: 1. Increasing the quality and access to VET; 2. Improving the employability of the most vulnerable unemployed jobseekers; 3. Increasing the coverage and adequacy of integrated social care system to reduce the share of the population at risk of poverty; 4. Increasing access to health care. This OP directly addresses the key reforms outlined in reform measures 1 and 2. Monitoring the performance in the light of the **European Pillar of Social Rights**, the Commission provided an assessment of the 16 headline indicators on the Social Scoreboard used to compare performance of EU member States, by analysing the trend of the indicators on the latest available three-year period data for the country. Albania scores better than the EU average in two headline indicators, worse in 13, and there are no available data for one indicator. The interventions proposed are in line the **European Pillar of Social Rights** and some of the key principles laid within - Chapter 1, Equal opportunities, and access to the labour market that among other rights includes access to education, training, and life-long learning, the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services.

The **conclusion of the meetings**⁶¹ organised in the context of the Stabilisation and Association Agreement, welcomed the revised enlargement methodology that is now being applied to four negotiating countries, including Albania, making the accession process more focused on fundamental reforms, more predictable and based on objective criteria and rigorous positive and negative conditionality, as well as reversibility. The screening process has started in 2023 and roadmaps will be developed following the screening processes. The meeting welcomed the progress Albania made in the area of the fundamentals. On economic reforms, the Council has encouraged Albania to continue efforts to further meet the requirements of the EU's internal market and to cope with competitive pressures and market forces of the union. There was no particular mention of any other reforms relevant to this OP.

The **National Plan for European Integration 2023-2025** defines the key priorities in terms of acquis adoption and alignment, as follows:

- **On chapter 19**, to implement the new and revised employment promotion programmes and adopt the new youth guarantee programme and intensify efforts on the implementation of the social protection strategy. A special focus is given to gender quality, social inclusion of people with disabilities, minorities and LGBTIQ.
- **On chapter 26**, to complete the legislation implementing the Law on VET and implement the optimisation plan, and to develop services and competences in accordance with the needs of the private sector at the local level; digitalisation in education and development and strengthening of digital competencies.
- **On chapter 2**, to align the EU legislation on the free movement of workers and development of an IT system to enable connection to EURES. EU citizens will have access to Albanian labour market and will be treated equally to Albanian citizens in terms of employment, conditions, remuneration, study, and vocational training.

According to the Western Balkans Strategy, the European Commission will support employment and social policy in the region, encouraging appropriate engagement from all levels of government, social partners, and civil society. In addition, further efforts are needed to increase the competitiveness of the Western Balkan economies, to address high unemployment, especially among the young, to increase prosperity and to create business opportunities not least for local players. Stronger skills-based economies will also help to attenuate the brain drain that exists, turning it into brain circulation. Fairness and inclusiveness are important in ensuring that the benefits of recovery and

⁶⁰ Commission staff working document, Economic Reform Programme of Albania 2023-2025, Commission Assessment, available at: https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-05/Albania%202023%20ERP%20assessment%20SWD_2023_105.pdf

⁶¹ Enlargement and Stabilisation and Association Process – Council conclusions, 31 December 2022, available at: <https://www.consilium.europa.eu/media/60797/st15935-en22.pdf>

growth are shared by everyone and that no one is left behind. A well-functioning labour market and a well-trained and productive workforce are crucial for a resilient economy.

4 Operational features of the programme

4.1. Interaction of the programme with IPA III annual action plans or measures and interventions from other donors/International Financial Institutions

Ensuring complementarity and avoiding overlaps of interventions between the different sectoral programmes under IPA III are essential in ensuring coherence and efficiency to maximise the benefits of the IPA assistance. This OP supports the supply-side policies for the labour force by supporting employment, education, and training actions. Complementarity at the action and activity level will be enhanced through close cooperation and coordination between the structures by seeking common implementation modalities in areas of common synergy, in parallel with additional activities and ensuring coherence in terms of timing. The IPMG and thematic groups will be utilised as the formal coordination bodies among various donors, while thematic groups will be used to ensure coordination with development projects at the operational level.

When preparing this OP, consideration was given to ongoing projects, the implementation of IPA II programmes and information given in the sectoral planning documents. More specifically, this regards in particular the IPA 2019 EU for Social Inclusion which provided technical assistance to support the implementation of reforms in the area of social inclusion in Albania 2021-2025, which is supporting the national institutions in carrying out reforms in the area of integrated social, employment, education, and health policies, as well as supporting the piloting of the Youth Guarantee Scheme for 2023-2024. At the central level, the technical assistance is providing support and advice to the three responsible Ministries, while at the local level, it is supporting the municipalities on the delivery of these services, following the decentralisation process. With the overall goal to strengthen the capacity of the government of Albania to successfully implement reforms in the area of social inclusion, social care services, inclusive education and VET and employment, the technical assistance aims to achieve tangible results such as: 1) stronger and integrated social and community care services at municipal level; 2) established financial and legal framework for modern social care practice and standards; 3) better equipped education system to implement inclusive education in schools; 4) increased employability and labour market participation of those at risk of social exclusion; 5) delivery of VET for the groups at risk, especially in the rural areas and 6) stronger policy coordination in the different areas of social inclusion.

The IPA 2022 action EU for Youth shall support the participation and empowerment of youth in the political, economic and social life of Albania, and foresees three specific objectives: 1. Youth civic participation consolidated through inclusive, gender responsive and structured dialogue, youth human rights consolidated and youth volunteerism and participation in local community development, culture and sports fostered; 2. The employability of young boys and girls not in education and employment improved through the implementation of qualitative and labour market relevant education and training. 3. Life skills improved through their integration in secondary education curricula and careers guidance introduced in the school system. The proposed interventions fall under the remit of the Minister of State for Youth and Children, the MECI and the Ministry of Education and Sports. This action is foreseen to support the initial pilots of the Youth Guarantee and will expose the institutions to the required capacities for facilitating a full roll-out of the Youth Guarantee. Assistance will be provided to support the role of the newly established National Youth Council and Local Youth Councils as part of more inclusive, participatory processes for decision and policymaking in practice in order to achieve a co-responsibility culture, building a sense of ownership, and fostering positive attitudes toward a renewed governance style. Technical Assistance will also be provided to prepare the institutions for the initial pilot of the YG.

This OP correlates to IPA 2023 sector budget support. The **draft action document for EU for Social Inclusion in Albania 2024** aims to provide support to the Government's priorities towards advancing labour market policies and social welfare reforms that foster equal opportunities, decent work, and the wellbeing of the population. These objectives directly respond to the structural challenges currently faced by the country and propose interventions that fall under the remit of at least the MECI and MHSP. The main objective of the action is to expand the coverage, inclusiveness, effectiveness and shock-responsiveness of social protection and labour market measures, including categories at risk of exclusion. The specific objectives are linked with (i) enhancing the governance systems and delivery instruments for better jobs and employability of the labour force, including skills development for young people and adults, in line with the European Skills Agenda; and (ii) improving the adequacy of social protection measures and accessibility and quality of integrated social care measures. More specifically, and relevant to this OP, the first specific objective foresees reforms in enhanced governance and the delivery system to facilitate increased labour market participation, including social and disability assistance beneficiaries, youth, women and

men and other population at-risk of exclusion; and a strengthened enabling framework for an extended, relevant, and permeable VET offer and inclusive life-long learning.

Other main partners contributing in the sector are followed by the Swiss Development Cooperation (SDC) – Skills Development for Employment (implemented by UNDP), Skills for Jobs (implemented by Swiss Contact) and Making the Labour Market Work for Young People (RISI Albania); German Development Cooperation (GIZ) focusing in migration, skills development and employment, and BMZ Programme – ‘Regional Challenge Fund’ (loan), and infrastructure development (financed by SDC) as well as Italian Development Cooperation.

- **The UNDP has been a long-standing partner of the GoA in supporting the development and implementation of innovative employment and VET policies**, aligned with the government priorities set out in the national strategies. With the support of the SDC, the UNDP has been instrumental in producing several crucial outputs, many of which serve as building blocks for the skills development and employment system, including support for the extended National Employment and Skills Strategy (NESS) Action plan and Monitoring and Evaluation (M&E) framework; support to the reorganisation and strengthened governance systems in the National Agency for Employment and Skills (NAES) and the National Agency for VET and Qualifications (NAVETQ) as well as key secondary legislation on VET and employment promotion Law; reorientation of employment services and employment promotion programmes to better cater to individual jobseeker needs; or VET provider functioning and model for accreditation. The UNDP has been instrumental in supporting the previous MFE, now MECI, achieve the objectives by the EU Sectoral Budget Support mechanism.
- **Skills for Jobs (S4J) is part of the SDC development programme** to support the Government of Albania in the reform of National VET and Employment Promotion System. While the UNDP primarily acts on the macro- and meso-level, the S4J puts a complementary focus on the micro-level of the system. The S4J project in the current phase (Mid-2019-Mid-2023) was designed to address the main challenges of the VET system at the provision level such as: low quality and status, insufficient financing, weak labour market orientation and poor private sector engagement. The project focused on ensuring systemic change, capacity development and empowerment of key actors. Based on this approach, in its second phase, the S4J supported 10 partner VET institutions in six regions of the country, in terms of: 1) employers’ and partner relations; 2) diversification of the VET offer; 3) new ways of inclusive learning and quality; 4) work-based learning in cooperation with employers and 5) organisational development. A new project cycle is being designed covering the period 2023-2027.
- **RisiAlbania project** is another intervention supported by SDC and implemented by a consortium consisting of HELVETAS Swiss Inter-cooperation and Partners Albania, in partnership with the Ministry of Finance and Economy. RisiAlbania was initiated in 2013. Phase I of the project ran from November 2013 to October 2017, Phase II, lasted 4 years (November 2017 to October 2021). Currently the project is implementing Phase III, which lasts 4 years (November 2021 to October 2025). Based on the market system development approach, the overall goal of the project is for young women and men to be equipped with well-informed career advice and market-relevant skills, and to have increased access to better and inclusive jobs which are provided by competitive and resilient businesses. The goal will be achieved through (i) enhanced growth and job creation by the private sector in three selected subsectors (agribusiness, tourism, and ICT), (ii) improved career guidance and job intermediation services and (iii) improved and developed skills of young women and men through market-oriented private non-formal skills training programmes.
- **The Regional Challenge Fund (RCF)** is a unique financing mechanism that aims to increase the employability of vocational education and training students by reinforcing a cooperative training approach in the economies of the Western Balkans 6: Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia, and Serbia. The Fund is commissioned and financed by the German and the Swiss Governments. The Fund is managed and executed by the Western Balkans Chambers Investment Forum (WB 6 CIF), a joint initiative of chambers of commerce from Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia. The RCF supports projects that are jointly implemented by vocational training institutes and partnering enterprises that engage, or plan to engage, in cooperative training activities. They can receive support for developing new programmes or expanding and improving existing offers. The grants are allocated to consortia that have successfully passed the two-step competitive selection process. The RCF provides financial and accompanying support to the selected consortia for: 1) Workshop infrastructure and equipment for training facilities

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

within the vocational training institutes 2) Training of vocational training institute teachers, in-company trainers, and cooperative training coordinators (in VET institutions and enterprises) 3) Advisory support during the planning and implementation of the project.

- **The PROSEED Programme of the GIZ** started in 2017, and its implementation has been extended to 2025 (PROSEED 2.0). The overall objective of phase 2 of the project is to improve the employment situation in Albania, while considering green and digital aspects. In three intervention areas: 1) vocational education and training; 2) private sector development and 3) policy development support, the project aims to achieve the following outcomes: 1) Modernising VET qualifications and curricula through “digital” and “green” competences, including equipment; 2) Improving the competitiveness and support services for MSMEs, considering digital transformation and green business elements; 3) Supporting policy development in VET and private sector development and 4) Mainstreaming digitalisation and the green economy.
- **UNICEF focuses on supporting youth transition from education to the labour market through its Education and Adolescents programme.** It places particular emphasis on youth at risk of dropping out from secondary education and NEETs, with a specific focus on girls. UNICEF is working to establish local and national networks to identify youth at risk of dropping out and develop career orientation and guidance programmes in collaboration with the MES, implementing an early warning system for drop-out prevention in pre-university education, including VET schools, and providing 21st century skills through the flagship programmes like Upshift and Ponder.
- More recently, in 2023, **the technical assistance facility of the EU/ILO** on innovation in youth employment policy, started to support the government of Albania with technical assistance to prepare the outreach strategy for young Albanian NEET based on good practice from the EU and in line with YG principles, to select youth organisations and CSOs to deliver outreach measures, and to set minimum quality and quantity of services to be delivered and the process with which the youth organisations and CSOs will accompany the person to registration in the YG delivery system.
- **Supporting Women’s Economic Opportunities of Expertise France** is a project that complements an AFD loan and aims to reduce gender inequality in access to economic opportunities in Albania and promote more inclusive growth, by addressing the factors that deprive women of the same economic opportunities as men. In doing so, the project contributes to achieving the social criteria required for EU integration. The project has three specific objectives: 1) Promote greater equity in the right and access to inheritance, by recognising the rights acquired by women concerning the ownership of land; 2) Promote labour market opportunities for women through a) The application of labour legislation, which provides for equal treatment for workers and the creation of favourable working conditions for combining the private and professional lives of women; b) The creation of employment services adapted to women living in rural areas; c) An improvement in the quality and range of education services for children in order to promote and facilitate the participation of women in the labour market; 3) Strengthen the institutional framework to take the gender dimension into account at national and local levels, in the definition of public policies. This involves monitoring the results of gender-responsive budgeting and progress in gender equality.
- **A new loan is being negotiated with the World Bank to improve the economic aid programme and develop reintegration programmes. The World Bank’s activity and support to the employment and skills sector is based on the Country Economic Memorandum⁶²** that highlights 4 key priorities to help Albania identify the next steps in its structural reform agenda, namely, refocus attention on the pre-crisis reform agenda and accelerate long-term economic growth, including by spurring productivity growth, building human capital, and supporting investment. On the labour supply side, this means investing in people and supporting workers’ transition to better employment (Priority 1), while on the labour demand side, this means accelerating firm productivity growth and creating better job opportunities (Priority 2). Beyond achieving higher economic growth, policymakers need to strengthen the quality of the country’s socioeconomic development model through more green, resilient, and inclusive development (GRID), which can ensure the sustainability of economic growth (Priority 3). Foundationally, Albania needs to create fiscal space to support its growth priorities (Priority 4).

⁶² Albania country economic memorandum: Strengthening the sustainability of Albanian’s Growth model (English). Washington, D.C. : World Bank Group, available at: <http://documents.worldbank.org/curated/en/099845001312232607/P1752090e8141b05a08afc06ea6bc385da3>

4.2. Description of the programme

4.2.1. Intervention Logic

The Overall Objective/Impact of this action is *to enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce.*

Area of support 1. Youth Employment

The **Specific Objective (Outcome 1)** is: *Enhanced employment and employability of young individuals, focusing on vulnerable groups*

The **Outputs** to be delivered contributing to the corresponding Specific Objective (Outcome 1) are:

- 1.1 Employment opportunities of young people increased through the implementation of a reinforced YG delivery model.
- 1.2 Employability of youth in the labour market improved through employment promotion programmes and enhanced employment services.

Area of support 2: Youth Vocational Education and Training

The **Specific Objective (Outcome 2)** is: *Improved quality, flexibility and diversity of vocational education and training offer to enhance the career prospects of youth.*

The **Outputs** to be delivered contributing to the corresponding Specific Objective (Outcome 2) are:

- 2.1. The development of a high quality and relevant VET offer supported.
- 2.2. Relevant upskilling and reskilling opportunities provided in partnership with public and private providers.

Area of support 3: Other support

The **Specific Objective (Outcome)** is: Capacities of Managing Authority, Intermediate Body for Policy Management and Intermediate Body for Financial Management and Partners and end recipients for the efficient implementation of the Operational Programme, strengthened.

The **Outputs** to be delivered to the corresponding Specific Objective (Outcome) are:

- 3.1. Administrative capacities of MA, IBPM, IBFM, Partners, recipients and end recipients increased.
- 3.2. Capacities of Partners to participate actively in the OP implementation strengthened
- 3.3. Effective implementation of the OP supported
- 3.4. Monitoring and evaluation of the OP effectively implemented

4.2.2 Detailed description of each area of support

The concept of Areas of Support within the OP is crucial for organising and guiding the implementation of activities. These areas represent specific sub-sectors or thematic focuses of the programme and ensure a structured approach to address identified needs and challenges. The Areas of Support play a significant role in achieving the programme's overall objectives by aligning with EU legislation, promoting legislative approximation, capacity building, sector reforms, and harmonisation. This approach enhances clarity, focus, and efficiency, enabling the programme to deliver targeted and coordinated interventions to maximise its impact.

This operational programme aims to *enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce*, foster innovation, addressing regional labour market disparities, as well as ensuring equal opportunities in two specific sub-sectors.

1. Area of Support 1: Youth Employment
2. Area of Support 2: Youth Vocational Education and Training
3. Other support: Technical assistance

Area of Support 1: Youth Employment

Rationale

The proposed action will make a significant contribution to addressing the pressing needs to address the challenges that youth face in entering the evolving labour market. Accelerated economic growth and shared prosperity will depend upon measures to raise productivity and competitiveness and to redistribute wealth through quality, inclusive services and effective social protection. Policy solutions to address structural weaknesses in the economy for more inclusive and resilient economic development, prepared for the just green and digital transitions, are needed. The labour market outcomes for young people in Albania have shown improvement in recent years but still lag behind EU countries and the overall population. Although the employment rate for young people aged 15-29 has increased, there remains a persistent gender gap. Unemployment rates have decreased, both for the overall population and the youth age group. However, a significant number of young people are categorized as NEETs, with regional variations in their geographical distribution and profile.

NEETs face several labour market integration challenges, including those with family care responsibilities, discouraged NEETs, NEETs with disabilities, other inactive NEETs, long-term unemployed NEETs, and active NEETs. This underscores the need for social and economic support, improved employability skills, mentoring, and targeted interventions to address the specific needs of each NEET profile. At the same time, employers face persistent challenges in finding employees with the necessary skills.

The key instrument utilised to remedy market imbalances in the labour market in Albania are the ALMMs. The legal framework defines ALMMs as encompassing of Employment Services, Employment Promotion Programmes, life-long learning, regulated under the governance of the MECI, the NAES, the NAVETQ, regional structures, employment offices, VET providers, employers, civil society, education institutions and social partners. Capacity enhancements are needed, including on the effective delivery of employment services, improving the matching process between job seekers and employers, and on working in partnership with other labour market actors.

The approved portfolio of ALMMs includes employment services and six different types of EPPs, with a recent addition of the Traineeship programme. The annual budget allocated for EPP implementation is approximately EUR 4.5 million, with an increase of EUR 1 million in 2022 for the Youth Guarantee pilot. The majority of the NAES budget is allocated to unemployment benefits, significantly surpassing the funding for active labour market programmes. The number of participants in the EPPs varies each year, with different programmes showing different levels of engagement. A recent process evaluation conducted by the UNDP highlighted the positive reception of the newly approved EPPs among employment counsellors, providing flexibility for both employers and jobseekers. However, the implementation of the redesigned EPPs targeting unemployed jobseekers is still in its early stages, requiring specific targeting mechanisms and outreach activities. The implementation of EPPs began in 2019 amid COVID-19 social distancing policies, hampering the implementation of the necessary collaboration with non-public actors and other public service providers.

The NAES is adopting a "digital-first" policy, aiming to digitize all services using the System of Employment Service (SES), which underwent a redesign in 2020 and is now operational in all employment offices across the country. Multichannel approaches and local partnerships are being developed, and online services for jobseekers and employers are available through platforms like puna.gov.al and the e-Albania portal. The NAES is also exploring the use of artificial intelligence (AI) for CV preparation and career guidance, as well as enhancing the automatic matching of jobseekers to job opportunities. Further developments are underway to improve targeting (the utilisation of individual employment plans) and expand coverage. The EU, SDC and other donors have provided valuable support in recent years.

Outreach will play a major role in the YG implementation as most of the NEETs are inactive. Nearly a third (28.7%) of unemployed NEETs are registered in the employment services (10.1% of the total). Thus, the outreach strategy is a crucial phase and a major element in the approach to the implementation of YG in Albania. The main outreach approach for YG in Albania will be the development of local networks, in which the main partners will be municipalities, youth organisations and local employment services. The outreach strategy must combine pre-registration of the young NEETs, information on programmes and labour market opportunities, awareness raising and the development of basic employability skills. Linking these four areas of intervention will be of great value in improving the effectiveness of the services delivered in subsequent phases.

The SWOT analysis of Albania's labour market reveals strengths in its well-developed strategic framework, structure and delivery model of employment services, and a range of established EPPs. However, weaknesses include limited data on NEET individuals, inadequate human resources and expertise, insufficient presence of the NAES in all municipalities, coordination challenges, low NEET registration rates, and a lack of local expertise in digital career guidance tools. Opportunities lie in the improving labour market conditions, lessons learned from

youth focused EPPs, and the potential of innovative and online services. Threats include the low attractiveness of employment offices to young people, regional disparities in labour market outcomes for NEETs, and prejudice and discrimination for vulnerable groups.

Applicable EU legislation. Interventions under this Specific Objective are not part of the *acquis* but adhere and contribute to implementation of the principles established in the Council Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee (2020) and the European Pillar of Social Rights in particular the principle of equal opportunities and active support employment. However, the outputs will directly contribute to Albania implementing reforms guided by the principles of the European Pillar of Social Rights, the Employment Guidelines, the Osnabrück Declaration, as well as the VET recommendations.

The **Specific Objective (Outcome)** is: Enhanced employment and employability of young individuals, focusing on vulnerable groups

Typologies of outputs: To achieve the stated outcome within this area of support, two key outputs will be accomplished:

- 1.1. Employment opportunities of young people increased through the implementation of a reinforced YG delivery model.
- 1.2. Improved employability of youth in the labour market through Employment Promotion Programmes and enhanced Employment Services.

Table 11: Impact, outcome, and output indicators (incl. baselines and targets):

Results	Indicator	Measurement Unit	Baseline	Target	Source
Impact: <i>to enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce.</i>	Rate of youth NEET	Rate	26.1% (2021)	20% (2032)	LFS, INSTAT
	Employability levels of young people exiting the YG preparatory phase with a positive, known outcome within 4 months.	Percentage rate (disaggregated by gender, age, region, type of employment...)	N/A	40% (2032)	Impact Evaluation
	Increased readiness of Albania for EU accession negotiations under Chapter 22.	Level of preparation	Moderately prepared (2022)	Chapter 22 closed (2032)	EC Annual Enlargement Reports
Outcome 1: Enhanced employment and employability of young individuals, focusing on vulnerable groups	Percentage increase of individuals who found a job within 6 months after having received support, disaggregated by gender, region (NUTS III), type of vulnerability	Rate	N/A	3 percentage points each year (2032)	Tracer Studies at the country and regional level, evaluations
	Percentage increase of young NEET who continued their business one year after the received support, disaggregated by gender, region (NUTS III), type of vulnerability	Rate	N/A	5 percentage points each year (2032)	

Results	Indicator	Measurement Unit	Baseline	Target	Source
1.3 Output 1.1: Employment opportunities of young people increased through the implementation of a reinforced YG delivery model.	Number of young people in YG preparatory phase (annual stock), disaggregated by gender, region (NUTS III), type of vulnerability	Number of persons	0	40,000 (2030)	NAES Administrative data
	Number of young people reached by outreach and information, communication, and awareness-raising activities on YG, disaggregated by type of activity: direct outreach activity, information, communication, and awareness-raising, disaggregated by gender, region (NUTS III), type of vulnerability	Number of persons	0	60,000 (2030)	NAY administrative data
	Number of Employment service delivery points, adopted for youth, supported by the EU	Number	0 (2023)	12 (2030)	TA reports
Output 1.2: Employability of youth in the labour market improved through Employment Promotion Programmes and enhanced Employment Services	Number of young NEET employed due to improved mediation services disaggregated by gender, region (NUTS III), type of vulnerability, supported by the EU.	Number of persons	0	15,000 (2030)	NAES administrative data
	Number of young NEET starting a business as a result of the received support, disaggregated by gender, region (NUTS III), type of vulnerability, supported by the EU	Number of persons	0	600 (2030)	NAES administrative data

Results	Indicator	Measurement Unit	Baseline	Target	Source
	Number of vulnerable beneficiaries of EPP receiving support adapted to their needs, disaggregated by gender, region (NUTS III), type of vulnerability, supported by the EU.	Number of persons	0	6,000 (2030)	NAES administrative data

Type of activities

Output 1.1. Employment opportunities of young people increased through the implementation of a reinforced YG delivery model.

Description of eligible activities

[1.1.1] Enhance the YG implementation model and build the capacities of national and municipal level institutions to facilitate the effective implementation of the scheme across its four key phases: mapping, outreach, preparation, and offer.

Local Partnership Network model with clear roles and responsibilities, and a shared commitment to common objectives, and well-understood targets shall be established and strengthened at the local level, throughout Albania. The NAES's human resource structure and staff profile will be enhanced to strengthen integrated and individualised service delivery and the management of the YG, in partnership with all the actors at the local level, including municipal social services, education providers, youth workers, Local Youth Council, private sector, employers and all other social partners.

The outreach component of the YG will be done in partnership with the National Agency for Youth that envisages building capacities of youth workers and organizations, and the establishment of a common framework for monitoring outreach activities; the introduction of a standard outreach methodology (including criteria for profiling and needs assessment, the definition of quality services delivery, data gathering and processing, a transition indicator to monitor progress).

The implementation of employment mediation is a key aspect of the YG programme to enhance the employability and employment prospects of young people in the labour market. After young individuals register in the unemployment jobseeker's database of the NAES, various employment services will be provided to prepare them for the job market. Additionally, the NAES will offer mediation services to facilitate the placement of these young jobseekers into quality jobs. The YG programme recognises the importance of not only securing employment for young people but also ensuring that the job opportunities provided are of high quality. To achieve this, the reinforced YG will invest in the quality of job offers by providing support to NAES local employment offices. These offices will be empowered to verify the quality of job offers extended to young individuals who are NEET. By offering employment mediation services, the YG programme aims to bridge the gap between job seekers and employers, increasing the likelihood of young people finding suitable employment opportunities. Mediation services can involve various activities, such as matching job seekers' skills and preferences with available job openings, providing guidance on writing resumes and preparing for interviews, and facilitating connections between employers and potential candidates. Moreover, the YG programme acknowledges the significance of quality job offers that align with young people's skills, interests, and career aspirations. By supporting NAES local employment offices in verifying the quality of job offers, the YG programme aims to ensure that young NEETs are presented with genuine and valuable employment opportunities. This can involve assessing the job conditions, salary, benefits, and potential for career growth and development. The capacities of local staff to provide such services, in partnership with local labour market actors, will be enhanced.

[1.1.2.] Implement outreach activities for young people offering a line of support for labour market inclusion:

The National Youth Agency will lead outreach activities, to be implemented in collaboration with youth organizations and other social partners. All partners involved in YG implementation shall promote information

and activation strategies for young NEETs supported by local partnerships that are open to institutional diversity and value proximity to young people. Implementing partners will establish modern, youth-friendly, national, and local information channels for awareness-raising activities among NEETs while ensuring the involvement of young people and youth organisations. Various and innovative communication channels/tools/methods shall be used, such as: online communication, media (TV, radio, news portals, magazines), events, electronic and printed publications, promotional materials, photos, and audio-visual materials, etc. The above-mentioned outreach initiatives will be complemented by information, communication, and awareness-raising activities about youth rights at work implemented in partnership with trade unions within their regular activities and events organised with other YG partners. The goal will be to motivate young people to act, make them aware of the opportunities and guide them through the system.

[1.1.3] Enhance the Youth Guarantee Portal, diversify the delivery of online employment services and learning.

Outreaching activities will be complemented with activities that further develop the Youth Portal, an online pre-registration system for young people, implemented by the NAES. The development of an online registration module for the referral of outreach beneficiaries to the NAES YG service delivery system, the introduction of the outreach component and the potential for inclusion of municipal Youth Centres and, where needed, other organisations in outreach responsibilities.

The fine-tuning of the monitoring system, as described above, as well as additional data sharing features (education, social security, cadastre, tax authority, business register), will require an upgrading of the NAES ICT platform and a strengthening of human resources dealing with data processing and analysis. Other digitalisation reforms and initiatives will be supported, including the NAES IT system, the Labour market Information Observatory and online pre-registration modules for outreach activities, and alignment of data with ESCO classifications. The interoperability between social, employment, education registries will be established and enhanced, as this is also key for the verification of NEET status, tracing of clients and monitoring of the YG.

Develop a comprehensive digital platform that enables individuals to access educational content and engage in online learning experiences. This platform serves as a centralised hub where a wide range of courses, training materials, and resources can be accessed remotely, providing flexibility and convenience to learners across the country. The institutions have already acquired some experience in the realm of online learning platforms, utilised by certain VET schools. Its significance has grown notably, particularly during the implementation of social distancing measures during the Covid-19 pandemic. At present, the NAES has commenced the process of assuming responsibility for the platform. However, further support is necessary to enhance its functionality, expand access to jobseekers, and incorporate new learning programmes into the platform. By leveraging this expertise, the NAES can focus on developing operability, ensuring smooth navigation, and enhancing the user experience. Moreover, efforts should be directed towards broadening the platform's reach, making it accessible to a larger pool of jobseekers who can benefit from the available learning opportunities.

[1.1.4] Increase the coverage and quality of employment services delivered by the employment offices to implement YG:

To increase the coverage of the YG at least 10 new youth-friendly employment service delivery points will be established, refurbished and equipped with the necessary IT equipment. These youth friendly employment offices will be established in areas where there is high concentration of NEET and pockets of long-term unemployment, as well as areas which ensure high visibility of the YG. In addition, existing employment offices will be equipped with vehicles to establish mobile offices which offer services to NEET residing in rural locations or in areas distant from the employment offices.

Delivery model:

An option of a **direct grant** to the NAY will be considered, if justified. Cooperation with partner youth organisations, youth centres and other organisations through a transparent process to ensure sound outreach to young people is envisaged. For potential support to third parties, the criteria will be subject to consideration by the relevant authorities. The principles underlying the criteria will include at least the following:

- Relevance of the action,
- Quality and feasibility of the action,
- Financial and operational capacity,
- Complementarity with other funds and policies regarding employment,

- Contribution to the Programme indicators,
- Sustainability of the action, including a green criterion.

Other delivery methods will be taken into consideration and proposed in the Operational Identification Sheets. Those will be in line with the detailed operational proposals, the objectives and planned activities of the intervention. Delivery methods for this action, that may be considered as alternative or complementary to eventual grants, include twinning, services and supply procurements.

End recipients and target groups:

The end recipients are the following:

- NAES
- NAY
- MECI
- Ministry of State for Youth and Children
- Employers and Employer organisations
- Municipalities
- Schools and training providers.

The target groups are the following:

- NEET (15 – 29)
- NAES staff
- NAY staff
- Youth Organisations, other partner organisations and youth workers.

Conditions: Some conditions for the start of the activities have been met. The Government has approved the YG Implementation Plan 2023-2024. The YGIP should be reviewed and approved to cover the period 2025-2027. Reforms include the revision of the legal framework governing employment promotion as well as the adjustments to the functional organisation and staffing levels of the Agency.

Output 1.2: Employability of youth in the labour market improved through Employment Promotion Programmes and enhanced Employment Services

Description of eligible activities

[1.2.1] Promote and support youth entrepreneurship and self-employment.

The NAES has implemented the Self-Employment programme targeting unemployed jobseekers since 2021. So far, around 400 unemployed have benefited from this programme, which aims to assist unemployed individuals in realizing their entrepreneurial aspirations by offering a range of resources and assistance. The Self-Employment programme is a competitive programme, organised at the national level, with clear procedures and rules for the participants.

The NAES will enhance the existing programme to provide support before the young people receive the grant, as well as after they start their businesses, through tailored mentorship, guidance on business planning, market research, financial management, sustainability integration, and other essential aspects of starting a business to young people aspiring to start their own business. Youth entrepreneurship in sectors such as digital and tourism, with self-employment potential will have a particular focus. Additionally, access to funding, business incubators, networking events, and specialised training will equip the young entrepreneurs with the necessary skills and knowledge to succeed in their ventures.

[1.2.2] Implement dedicated employment services and programme contributing to the social inclusion of groups at risk in the labour market (youth, women, long-term unemployed, Economic Aid beneficiaries, persons with disabilities, low-skilled individuals, Roma and Egyptians):

The National Employment and Skills Strategy, the Economic Reform Programme, the Youth Guarantee Plan 2023-2024, and the Council Recommendation on the integration of the long-term unemployed into the labour market, 2016 emphasise the importance of activation strategies, individualised delivery modes, case management and the availability of a wide spectrum of EPPs to ease the transition to the labour market.

On an annual basis, the NAES and the MECI prepare the annual performance targets, which define a range of public programmes aimed at increasing employment, enabling people to move into jobs and achieving a better match between labour supply and demand, especially for vulnerable groups in the labour market such as the long-term unemployed and beneficiaries of economic aid. As vulnerable groups in the labour market often face very specific or even multiple obstacles, providing them with additional support through EPPs and, at times, even tailor-made and innovative support to meet their complex needs will be essential. The inclusion pathway will require a step-by-step approach which relies on the cooperation between the NAES and other institutions that provide different types of services (social, health, education, childcare, etc.) as well as providing passive measures and benefits might be needed before as well as during EPPs implementation to tackle social integration obstacles more generally.

The focus of this programme will be to improve labour market inclusion for unemployed women, low-skilled unemployed persons, unemployed persons who are beneficiaries of Economic Aid, unemployed persons with disabilities, Roma and Egyptians, and others that will be identified as vulnerable in the labour market. The range of ALMPs that will be implemented for vulnerable groups will include direct employment measures that include the traineeship programme, employment subsidies (subsidising the employment of unemployed persons and enhancing job creation within enterprises), upskilling and reskilling (through on-the-job training targeted to the requirements of employers, occupations in demand and IT skills), the internship programme (acquiring practical working knowledge and skills needed to perform work tasks in specific workplaces) and Community Employment programmes (providing social inclusion of vulnerable groups to acquire specific skills and their gradual inclusion in the labour market, through the implementation of community projects on different levels).

During the implementation of EPPs, the following basic principles will be respected such as the principle of diversity and inclusiveness for all social categories in the private sector following the principles of fair and adequate representation of ethnic, gender, religious, racial or any other vulnerable category of citizens; rules governing occupational health and safety and policies encouraging balanced regional development, while also taking into account the number of registered unemployed persons in employment offices belonging to the region.

Additional support will be provided to address the compounding vulnerabilities of the young NEET, such as subsidies for reasonable accommodation for youth with disabilities, transportation subsidies for youth residing in areas distant from their workplace, subsidies for covering the costs of childcare and elderly care for young parents, as well as other areas which may be identified. This support will aim to remove barriers and facilitate labour market inclusion of vulnerable jobseekers.

The same EPPs were implemented in the previous period, and the tracer studies showed they are working fairly well.

Implement local partnerships in the ground will encompass a wide range of stakeholders, including municipal social services, education and training providers, employment offices, NGOs, youth organizations, employers and other social partners. New programmes will be developed to increase collaboration with local level actors and address the specific needs of vulnerable youth. Such collaborations and partnerships will be designed and developed and later financed under this output.

[1.2.3.] Implement communication and visibility activities to promote the programmes offered by NAES to employers and jobseekers

To ensure the success of the YG programme, it is crucial to implement engaging and targeted outreach activities for employers. This typology of activities aims to attract a wider variety of employers and encourage their participation in the programme. A communication campaign will be designed and delivered specifically targeting employers. This campaign will be tailored to effectively engage employers and convey the benefits and opportunities associated with the YG. By crafting compelling messages, utilising appropriate communication channels, sharing engaging storytelling and testimonials, providing clear information and support, leveraging partnerships and networks, and implementing monitoring and evaluation mechanisms, the campaign will strive to attract and engage employers. Through these efforts, the YG programme aims to build a strong network of employers who are committed to providing employment opportunities for young people and contribute to their skill development and future success.

Delivery methods:

An option of a **direct grant** to the NAES will be considered, if justified, to improve employment services and EPPs according to the needs of different groups/persons. Generally, efforts will be made to achieve the equal representation of men and women, ensuring diversity and inclusiveness for all social categories (Roma and

Egyptians, people with disabilities, Economic Aid Beneficiaries) and encouraging balanced regional development. Technical assistance may also be procured depending on the needs of the recipient and detailed activities proposed.

End recipients and target groups:

The end recipients are the following:

- NAES
- Ministry of Economy, Culture and Innovation
- Minister of State for Youth and Children
- Employers and Employers organisations
- CSOs
- Schools and training providers

The target groups are the following:

- NEET
- Unemployed women
- Long-term unemployed
- Unemployed PwDs
- Unemployed with low education
- Unemployed beneficiaries of economic aid
- Other vulnerable groups in the labour market
- NAES staff

Conditions: Organisational reforms in the NAES are needed. These include the revision of the legal framework governing EPPs as well as adjustments to the functional organisation and staffing levels of the Agency.

Area of Support 2: Youth Vocational Education and Training

Rationale

The proposed action will make a significant contribution to addressing the current two significant challenges related to skills mismatch in the labour market in Albania. The first challenge is the low level of skills among the working-age population. A substantial percentage of the labour force and working-age population in Albania have basic education or lower, which is lower than the average for Western Balkan countries. This is particularly true for certain segments of society, such as unemployed Roma and Egyptian jobseekers and recipients of economic aid. The second challenge is the possession of skills required by the labour market. Many university graduates in Albania have jobs that require a lower level of formal qualifications, and the trend is similar in other Western Balkan countries. A mismatch between the field of studies and occupation is also prevalent.

The challenges related to the lack of skills and their mismatch can be attributed to the insufficient quantity, quality, and relevance of education and training offered in Albania. The country's education system is marked by low PISA scores among Albanian youth, indicating below-average performance in reading, mathematics, and science. Furthermore, the participation of adults in formal and non-formal education and training is significantly lower than the EU average, and lifelong learning activities are limited. Businesses also contribute to the problem, as less than 15% provide internal or on-the-job training, limiting work-based learning opportunities for workers. The programmes offered by the VET providers are highly relevant to the labour market, at the level of around 60% of those who continue into employment (regular tracer studies). Only 17% of the cohort is registered in pre-university education providers. Life-long learning is at the level of 9% (Instat, forthcoming 2023).

These challenges are further compounded by difficulties faced by enterprises in hiring workers due to the lack of job skills, experience, or insufficient applications. Skills-related problems are particularly prevalent among young people and those entering the labour market for the first time.

These issues highlight the importance of quality VET in addressing the skills mismatch and promoting employment opportunities. Albania has undertaken several foundational reforms in its VET system. The Albanian VET system comprises public institutions that offer upper secondary initial VET programmes and short-term vocational training. However, the attractiveness of VET as an educational pathway remains modest, with declining numbers of participation in recent years. Furthermore, the opportunities for adults to engage in lifelong learning or skills and career development in Albania are very limited, with extremely low participation rates. Gaps in VET persist between urban and rural areas and different socio-economic classes, leading to social exclusion.

Based on the approved optimisation plan, the VET provider network in Albania will be organised into approximately 31 VET providers. However, the optimisation process is not limited to the reorganisation of public VET providers. It is understood as a systemic improvement that goes beyond structural changes. Municipalities and education authorities play an important role, especially in communities far from urban centres, by providing information on existing services, employment, and learning opportunities. The aim is to strengthen the links between local communities, businesses, and VET providers, particularly in areas lacking VET services coverage.

The VET system requires further capacity development and growth to ensure effective implementation and outcomes, including the provision of didactic tools and the utilisation of IT and other technology in the learning process. Though established within the Development Units of VET providers, further development of career guidance tools and strategies are needed, particularly at key transition points in a student's educational journey, such as the end of lower secondary school and the end of upper secondary school.

Addressing the issue of unmotivated students and education dropouts is crucial. Albania has a higher rate of primary and lower secondary education dropouts compared to neighbouring countries and significantly higher rates than OECD and EU countries. While community-based organisations and donor-funded projects have been successful in supporting initiatives to address this issue, their scope and reach are limited. Sustainability and expansion require securing new sources of funding and government support.

The SWOT analysis of the VET system highlights several key points. In terms of strengths, the system has undergone significant reforms, improving its legal framework, organisational structure, and quality assurance mechanisms. Additionally, there are a considerable number of public institutions delivering VET programmes, catering to both upper secondary students and adults. However, weaknesses include gaps in skills and imbalances in the labour market, as well as issues related to the quantity, quality, and relevance of education and training offered. The lack of a quality assurance framework for private vocational training centres and difficulties in establishing cross-sectorial partnerships are also identified weaknesses. On the other hand, there are opportunities to optimise the VET system, providing high-quality, relevant, and sustainable skills while strengthening engagement with the private sector. Municipalities can play a crucial role in providing information on services and opportunities. The demand for VET skills in the labour market presents opportunities for expansion, diversification and reskilling and upskilling opportunities for adults. Aspects related to the environment, biodiversity and climate change shall be mainstreamed and content on sustainability, sector by sector, shall be included in the courses and trainings developed.

However, the VET system also faces threats such as political and economic instability, low attractiveness among young people and adults, migration leading to skill drain, regional disparities in labour market outcomes, and challenges in integrating vulnerable groups due to stereotypes and discrimination.

Applicable EU legislation: Interventions under this Specific Objective are not part of the *acquis* but adhere and contribute to implementation of the principles established in the Council Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee (2020) and European Pillar of Social Rights in particular principle of equal opportunities and active support employment.

However, there is a need to improve the quality and relevance of education, diversify the VET offer, strengthen the training systems, and establish stronger links between employers and vocational educational institutions. The new NESS 2030 foresees concrete actions to be implemented during the new reform cycle, guided by the principles of the **European Pillar of Social Rights**, the **Employment Guidelines**, the **Osnabrück Declaration**, as well as the **VET recommendation**, which are some of the key pieces of the EU *acquis* for the sector.

The **Specific Objective (Outcome)** is: Improved quality, flexibility and diversity of the vocational education and training offer to enhance the career prospects of youth.

Typologies of outputs: To achieve the stated outcome within this area of support, two key outputs will be accomplished:

- 2.1. Supported development of a high quality and relevant VET offer.
- 2.2. Relevant upskilling and reskilling opportunities delivered in partnership with public and private providers.

Table 12: Impact, outcome, and output indicators (incl. baselines and targets):

Results	Indicator	Metrics	Baseline	Target	Source
Impact: to enable the inclusive and labour-	Rate of youth NEET	Rate	26.1% (2021)	20% (2032)	LFS

Results	Indicator	Metrics	Baseline	Target	Source
<i>market responsive integration of a skilled and adaptable young workforce.</i>	Employability levels of young people exiting the YG preparatory phase with a positive, known outcome within 4 months.	Rate	0	40% (2032)	Impact Evaluation (treatment vs. control group)
	Increased readiness of Albania for EU accession negotiations under Chapter 22.	Level of preparation	Moderately prepared (2022)	Chapter 22 closed (2032)	EC Annual Enlargement Reports
Outcome 2: Improved quality, flexibility and diversity of the vocational education and training offer to enhance the career prospects of youth	Percentage of students enrolled in upper secondary VET compared to the respective cohort	Rate	17,5% (2022)	30% (2032)	INSTAT
	Percentage of individuals who found a job within 6 months after having received a certificate/qualification, disaggregated by gender, region (NUTS III), type of vulnerability	Rate	57.5% (2021)	65% (2032)	NAES tracer study
Output 2.1: The development of a high quality and relevant VET offer supported.	Number of young people enrolled in the new or revised VET programmes	Number of persons	0	4,500 (2032)	Education Management Information System (EMIS)
	Number of NEET enrolled in the post-secondary VET programmes disaggregated by gender, region (NUTS III), type of vulnerability	Number of persons	0 (50)	1,200 (2032)	EMIS
	Number of VET students at the risk of drop-out who receive guidance and counselling and soft skills, disaggregated by gender, region (NUTS III), type of vulnerability	Number	0 (2023)	4,000 (2032)	EMIS
	Number of VET provider and student dormitories with improved infrastructure and learning environment, by region (NUTS III)	Number of VET providers and dormitories	0 (2023)	Up to 10 Vet providers and dormitories (2032)	TA reports
Output 2.2: Relevant upskilling and reskilling opportunities provided in partnership with public and private providers.	Number of NEET participants in upskilling and reskilling programmes provided by public providers, disaggregated by gender, region (NUTS II), type of vulnerability	Number of persons	0	8,000 (2032)	EMIS
	Number of NEET participants in upskilling and reskilling programmes provided by private providers, disaggregated by gender, region (NUTS II), type of vulnerability.	Number of persons	0	4,000 (2032)	EMIS

Type of activities:

Output 2.1. The development of a high quality and relevant VET offer supported.

The demand in the labour market for pre-university general and vocational education is at the level of 65% (400,000 employed). Some emerging sectors include digital and green economy, and both are requiring post-secondary qualifications. The number of vacant job positions has had an increasing trend (Administrative data). The main indicators of labour market in Albania, employment and unemployment, show favourable and encouraging dynamics to economy. Nevertheless, figures show difficulty in finding a job, mostly encountered among young people, and a non-optimum utilisation of labour force of women, in our labour market. Also, it is noted, that based on the reports on the performance of the economically inactive population over time, the latter may include a considerable number of individuals who are vigilant and alert to developments in the labour market

and tend to join immediately the labour market once having this opportunity. Population dynamics is a new trend in the national and regional labour market.

Description of eligible activities:

[2.1.1] Develop VET programmes in the priority sectors that are fully aligned to the sectorial needs:

The national strategies have approved the plans to update the frame curricula of i-VET and c-VET programmes to effectively respond to the priority economic sectors identified in the NSDIE 2030 and develop new programmes at the post-secondary level. These activities will involve a comprehensive process to ensure that the curricula are revised and aligned with the evolving needs of specific sectors and industries, as well as support efforts to improve life-long learning. The curricula will also provide specifications teaching material, equipment, laboratories and building infrastructure. Model of apprenticeships and traineeships will be designed and developed.

Provide support to NAVETQ and the NAES, to conduct in-depth analysis and research in partnership with other line ministries and social partners ; to gain insights into the specific skills and competencies required by the priority economic sectors, with a particular focus on green and digital economies. Industry experts will be consulted, surveys will be conducted, and labour market trends will be studied to gather relevant information. Establish and strengthen the sectoral skills committee in agriculture.

An initial labour market observatory has been tested by NAES. Develop the capacities of the technical staff to develop and deliver policy recommendations.

Provide support to NAVETQ to embark on the task of revising of existing curricula through a well-standardised process that was validated during the referencing process of the AQF to the EQF (EC, 2022). The curricula will be updated to reflect the latest industry practices, emerging technologies, and evolving skill requirements, validated with the members of the Sectorial Skills Committees.

Build the capacities of the teaching and management staff to deliver these curricula, through innovation, peer-learning and active exchange. Establish and strengthen a platform for VET teachers.

[2.1.2.] Facilitate the implementation of the updated programmes and post-secondary programmes and school transition to the labour market.

Improve the functioning of Development Units, improvement of the learning environment to create an immersive and industry-relevant educational experience. For the accredited VET providers, the grants can also be used to prepare their institutions for the delivery of the RPL. Teacher training, development of teaching materials.

Organise after-school classes, workshops, and guest lectures where professionals from priority economic sectors can share their expertise and experiences with students. By creating opportunities for students to engage directly with industry professionals, these partnerships will aim to inspire and motivate them to continue their vocational education.

Offer job search and soft skills to pupils. Offer mediation services for internships, traineeships and apprenticeships.

Promote skills development and practical application of knowledge, organise skills competitions to provide students with opportunities to showcase their talents, enhance their practical skills, and build confidence. By participating in these competitions, students will further engage with their vocational studies and develop valuable skills that are sought after in the labour market.

Develop and deliver additional learning programmes specifically tailored for students facing learning difficulties. These programmes will provide individualised support and resources to help these students overcome their challenges and succeed academically. Specialised educators and resources will be made available to assist these students on their learning journey, ensuring that they receive the necessary attention and guidance, with a focus on Roma and Egyptian students, students with disabilities, students from families receiving economic aid and students living in rural areas etc.

Finance scholarships to students from vulnerable backgrounds to ensure that financial constraints do not hinder their access to quality vocational education. These scholarships will provide financial support and enable students from disadvantaged backgrounds to pursue their studies without the burden of financial barriers.

[2.1.3.] Establish a conducive learning environment in the public VET providers through improved school, learning and accommodation infrastructure.

Investment to improve the infrastructure of VET providers and student accommodation is integral to fostering a conducive and holistic learning environment for students pursuing vocational education. This investment encompasses upgrading infrastructure, expanding capacity, ensuring accessibility, prioritizing safety, and maintaining high standards of health and hygiene within the dormitory premises, applying energy efficiency and universal design. Moreover, it addresses the crucial aspects of student well-being, sustainability, community engagement, and ongoing monitoring and evaluation. Collaboration with educational authorities and stakeholders is key to aligning these investments with the broader goals of vocational education. In essence, investing in VET dormitories not only supports the physical needs of students but also contributes significantly to their educational success and personal development, ultimately enhancing the overall quality of vocational education programmes. The EU has supported the development of a methodology for costing VET programmes and all the existing VET programmes developed by NAES and NAVETQ have been costed with this methodology. An initial assessment of the current needs in the 149 dormitories around Albania has been conducted.

Provide infrastructure investments, works, to up to 10 VET providers and dormitories. Provide supplies to the VET providers, equipping them with the needed infrastructure and the needed laboratories to implement the revised curricula, with a particular focus on green and digital economy. Provide supplies to student accommodation buildings, including supplies for rooms, libraries, IT equipment, kitchen cabinets, dining halls and other necessary.

Delivery methods:

The whole range of twinning, technical assistance, technical studies and work/supply procurements may be envisaged as delivery methods for this action to align the VET programmes to the needs of the priority economic sectors, with a particular focus on green and digital economy.

Equally, grants and sub-granting schemes may be considered as options in the context of the action objective to promote and enhance partnerships among social partners.

End recipients and target groups:

The end recipients are the following:

- NAES
- Ministry of Economy, Culture and Innovation
- Employers and Employers organisations
- NGOs
- Schools and training providers
- Municipalities

The target groups are the following:

- Pupils in VET schools (girls, PwD, beneficiaries of economic aid, Roma, and Egyptians)
- Teachers and Development Units in VET schools
- Other vulnerable groups
- MECI
- NAVETQ
- NAES staff
- Non-public providers

Conditions: Organisational reforms in the MECI, NAVET, NAES and VET schools are needed. These include the revision of the legal framework governing autonomy of VET providers and the rolling out of the optimisation process of the VET providers.

Output 2.2. Relevant upskilling and reskilling opportunities provided in partnership with public and private providers.

Description of eligible activities

[2.2.1] Implement dedicated and quality short-term programmes for young individuals:

In 2022, the previous MFE and NAES established a dedicated programme aimed at subsidising short-term training offered by both public and private VET providers. Its implementation began in 2023, with a primary focus on

training in the ICT sector. The programme is well-structured and relies on a recently established quality assurance mechanisms to monitor the performance of the licensed/accredited VET providers.

The programme is meticulously organised, with established procedures, criteria, and operational guidelines that offer a comprehensive framework for the NAES and its organisational structures at the central, regional, and local level. What sets this programme apart from others is its user-friendly approach. Jobseekers have the convenience of applying for various courses online, allowing them to select training options based on their personal interests. Additionally, the employment offices provide valuable guidance to assist applicants in making informed decisions regarding their course selection. This streamlined and accessible application process ensures that jobseekers have a user-centric experience and can easily navigate the programme to find the training that aligns with their goals and aspirations.

The initial implementation of the programme has generated significant interest among both employed and unemployed youth, granting them access to a diverse range of high-quality training courses. This initial phase will be evaluated to assess its effectiveness, and based on the results, the programme will be expanded to other sectors and implementing partners. This expansion aims to ensure the availability of comprehensive and industry-relevant training programmes that address the present and future needs of priority economic sectors. Close collaboration with VET providers, the NAES and NAVETQ will enable the customisation of training courses to specifically target identified skill gaps in each respective sector.

Special attention will be given to the development of green skills related to sustainable practices, environmental conservation, and renewable energy. Recognising the importance of sustainability, the programme will emphasise the acquisition of knowledge and skills that contribute to environmentally friendly practices. This approach aligns with the growing demand for expertise in the digital realm and ensures that participants are equipped with the necessary skills to thrive in the digital economy.

Enhance the quality assurance mechanisms in the private VET provision and training at the workplace.

Delivery methods:

An option of a **direct grant to the NAES** will be considered, if justified, to deliver reskilling programmes. through the subsidy scheme.

End recipients and target groups:

The end recipients are the following:

- NAES
- Employers and Employers organisations
- NGOs .
- Schools and training providers

The target groups are the following:

- Pupils in VET schools (girls, PwD, beneficiaries of economic aid, Roma, and Egyptians)
- Teachers and Development Units in VET schools
- Jobseekers
- Other vulnerable groups
- MECI
- NAVETQ
- NAES staff
- Non-public providers

Conditions: Organisational reforms in the MECI, NAVET, NAES and VET schools are needed. These include the revision of the legal framework governing the autonomy of VET providers, as well as the rolling out of the optimisation process of the VET providers, and establishing the model, procedures, and criteria for delivering RPL in Albania.

Area of Support 3: Other support

Rationale

The intervention under "Other Support" will support the Managing Authority and other entities in the management and control system for the implementation of the OP, i.e., the Intermediate Body for Policy Management and the

Intermediate Body for Financial Management, as well as the OP partners and end recipients, as appropriate. It should be noted that the IPA III multi-annual operational programmes 2024-2027 are the first OPs implemented in Albania. In this context, the institutional capacity for the effective and efficient implementation of Programme activities, monitoring and control is one of the most important factors to be considered. For this reason, technical assistance funds will be used to support designated structures and authorities, as well as partners and end recipients of the OP, in the effective implementation of activities related to the management, monitoring, evaluation and control of the OP, through assistance in the preparation of technical documentation required for programme implementation, support in the design and implementation of communication and visibility activities, preparation of evaluation reports, ongoing monitoring of the results of the OP, and support in administrative reviews and technical audits in the field. This also includes a wide range of capacity-building activities to ensure staff competencies, as well as the introduction of provisions to provide additional compensation to the salaries of selected staff to prevent staff turnover and create a stable work environment that is resistant to change. The percentage envisaged for top-ups will be 9.21% of the total budget under Other Support.

Various entities will be involved in the implementation of the YG Programme and will perform a number of tasks. Support will be provided to the Managing Authority, Intermediate Bodies, and other structures to ensure the smooth functioning and efficient and effective implementation of the OP. This comprehensive support is intended to ensure efficient implementation, close monitoring, effective evaluation, better visibility, clear communication, well-documented processes, and continuous learning.

To assess the efficiency and effectiveness of the YG Programme, the Managing Authority will establish an internal monitoring system. This system will allow for regular monitoring of implementation progress and ensure systematic and timely collection of data on relevant indicators. In addition, the data collected will support the preparation of annual reports and provide valuable insights into the performance of the programme.

Applicable EU legislation

Interventions under this SO are not part of the EU *acquis*.

Outcome (Specific objective):

Capacities of Managing Authority, Intermediate Body for Policy Management and Intermediate Body for Financial Management and Partners and end recipients for the efficient implementation of the Operational Programme, strengthened.

Typologies of outputs:

Capacity building activities (training, coaching, on-the-job support, study visits), promotional and communication activities, monitoring and evaluation, preparation of technical documentation for tenders, preparation of documentation for grant schemes, etc.

Table 13: Impact, outcome, and output indicators (incl. baselines and targets):

Results	Indicator	Measurement Unit	Baseline	Target	Source
Impact: Administrative capacity and EU <i>acquis</i> alignment	Increased readiness of Albania for EU accession negotiations under Chapter 22.	Level of preparation	Moderately prepared (2022)	Good level of preparation (2032)	EC Annual Enlargement Reports
Outcome Capacities of MA, IBPM, IBFM Partners and end recipients for the efficient implementation of the OP, strengthened.	Budget disbursed against total budget allocation	Percentage	N/A (2024)	100 (2032)	TA Reports
Output 1 Administrative capacities of MA, IBPM, IBFM, partners, recipients and end recipients increased.	Roadmap for building administrative capacity related to ESF+ preparations	Number	0	1 (2027)	TA Reports
	Employees of MA, IBPM and IBFM in training and other forms of capacity building (gender disaggregated)	Number	0 (2024)	Min 40 (2032)	TA Reports

	Employees of the MA, IBPM and IBFM ⁶³ supported with top-ups of salaries due to increased workload (gender / age disaggregated)	Number	0 (2024)	21 (2032)	TA Reports
Output 2 Capacities of Partners to participate actively in the OP implementation strengthened	Trainings for Partners organised	Number	0 (2024)	10 (2032)	TA Reports
Output 3 Effective implementation of the OP supported	Tender documentation for service/work contracts prepared	Number	0 (2024)	8 (2027)	TA Reports
	Documentation for grant schemes prepared	Number	0 (2024)	4 (2027)	TA Reports
	Twinning/Twinning Light Fiche prepared	Number	0 (2024)	2 (2027)	TA Reports
	Communication and visibility events organised	Number	0 (2024)	10 (2032)	TA Reports
Output 4 Monitoring and evaluation of the OP results effectively implemented	Programme evaluations undertaken	Number	0 (2024)	2 (2027) – 1 mid-term evaluation for each area of support	Evaluation Reports
	Meetings of the Sectoral Monitoring Committee for the Programme held	Number	0 (2024)	16 (2032)	SMC Records

Type of activities

Output 1. Administrative capacities of MA, IBPM, IBFM, Partners, recipients and end recipients increased.

[1] Support to the capacity building of MA, IBPM and IBFM employees.

For the management and implementation of the OP, the new structures will be created in the bodies responsible for the areas of support that are the subject of this OP. Considering the lack of experience in the Albanian administration in the implementation of Operational Programmes, dedicated capacity building programmes will be developed and delivered for the employees of the institutions in the management structures of the OP with the focus on specific aspects of Programme implementation. Different types of capacity building activities will be proposed, such as training (including on-the-job training), coaching, study visits, addressing the needs of different groups of employees based on the Training Needs Assessments and scope of their tasks. The capacity building activities will be launched as soon as the structures for OP implementation are created and will continue throughout the whole period of OP realisation depending on the needs. The roadmap for building administrative capacity related to ESF+ preparations will also be developed, as part of preparations for Chapter 22. A further measure directed to strengthening the capacity of the structures of the OP will be through the provision of appropriate compensation as regards the salaries of selected staff due to their increased workload for the OP implementation.

Delivery method: service contracts

End recipients and target groups:

The end recipients are the following:

- MA (MECI)
- IBPM (NAES)
- IBFM (CFCU)

The target groups are the following:

⁶³ Employees supported with top-ups in horizontal structures (NAO management structure, NIPAC support office, audit authority and AFCOS) are not included in this Indicator.

- Ministry of State for Youth and Children
- NAVETQ
- NAY
- Others identified during Programme implementation.

Output 2. Capacities of Partners to participate actively in the OP implementation strengthened

[1] Capacity building of Partners.

The Operational Programme is based on the Youth Guarantee Implementation Plan, which was prepared in cooperation with the relevant central and municipalities, economic and social Partners, and CSOs. Partners were involved in the preparation and consultation of the OP and will be actively involved in the implementation of the Programme through their participation in the Sectoral Monitoring Committee and other activities such as consultation on the results of Programme implementation, preparation of grant schemes, communication, and visibility activities, etc. To ensure the active and effective participation of Partners, a customised training programme will be developed and implemented covering all aspects of Programme implementation, monitoring, and evaluation.

Delivery method: Service contract

End recipients:

- MA

Partners, including:

- Relevant public authorities including regional and national representatives of municipalities
- National public authorities responsible for the application of the horizontal principles
- Economic and social partners
- Bodies representing the civil society.

Output 3. Effective implementation of the OP supported

[1] Provide programme implementation support to institutions responsible for implementing the OP.

This activity will support the MA, IBPM and IPFM in the preparation of documents for tenders and grant schemes, in carrying out studies and analyses essential for the implementation of the Programme, and in the design and implementation of activities related to the communication and visibility of the Programme, such as the preparation of promotional materials, the organisation of events to disseminate information on Programme results, etc.

Delivery method: service contracts

End recipients and target groups:

The end recipients are the following:

- MA,
- IBPM
- IBFM

The target groups are the following:

- Youth
- NEETs
- VET providers
- Employers and Employers' associations
- CSOs
- Others identified in the Communication Strategy
- General public.

Output 4. Monitoring and evaluation of the OP effectively implemented

[1] Support to OP monitoring and evaluation.

The activity will support the institutions involved in Programme implementation in tasks related to establishing a monitoring system for the Programme and collecting and analysing data related to Programme implementation, as well as desk and on-the-spot management verifications of projects. The activity also involves preparation of an evaluation report (mid-term evaluation) for both areas of support covered by the Programme. In addition, the MA will be supported in performing the duties of the Secretariat for the Sectoral Monitoring Committee for the

Programme: establishment of the SMC, organisation of the SMC meetings (at least twice a year), preparation of reports and documentation for the SMC, etc.

Delivery method: Service contracts for TA, including communication and visibility of the OP. Service contract for evaluation.

End recipients and target groups:

The end recipients are:

- MA
- IBPM
- IBFM
- Sectoral Monitoring Committee members

Conditions (for all activities)

Adequate staffing of the institutions involved in the implementation of OP must be ensured by a stable work environment.

Indicative timeline for implementation (for all activities)

All activities will be implemented throughout the duration of the Programme, except for those related to evaluation, which will be carried out in 2027, when the mid-term evaluation reports will be prepared.

4.2.3 Indicative List of major projects per each area of support

NA

4.3 Mainstreaming

4.3.1 Environmental Protection, Climate Change and Biodiversity

In the Environmental Protection, Climate Change, and Biodiversity section, the programme acknowledges that while climate change is not the primary objective, it remains a critical issue that requires attention. Therefore, the programme aims to mainstream environmental protection and climate change considerations whenever possible. One significant aspect of this integration is the promotion of green jobs through activities aimed at youth employment. By supporting the generation of green jobs, the programme recognises the crucial role that these jobs play in preserving and restoring the environment.

Moreover, the programme acknowledges the importance of addressing economic barriers identified by young individuals while promoting activities that contribute to climate change prevention and mitigation. It extends support to both non-profit youth-led initiatives and entrepreneurial initiatives, understanding the significance of empowering young people and enabling their participation in combating climate change. This support encompasses capacity-building for entrepreneurs, assistance in business planning, and access to capital funds.

While education and training interventions may not have a direct impact on the environment, they can have indirect positive effects. By raising awareness and improving the educational levels of citizens, these interventions contribute to building a knowledgeable and environmentally conscious society. The programme recognises the need to integrate the skills required by the workforce across all sectors and levels to adapt to climate change and comply with environmental regulations. Transversal skills, including Science, Technology, Engineering, and Math (STEM) skills, are prioritized, as they are essential for meeting the challenges posed by climate change and environmental requirements.

By integrating these measures, the OP aims to contribute to environmental protection, enhance climate change resilience, and develop a skilled workforce capable of addressing the pressing challenges associated with climate change and environmental sustainability.

Overall, the programme recognises the importance of mainstreaming environmental protection and climate change considerations in its activities. It seeks to promote the generation of green jobs, support youth-led initiatives, enhance entrepreneurial initiatives, and integrate skills necessary for climate change adaptation and environmental compliance. Through these efforts, the programme strives to play a meaningful role in safeguarding the environment and fostering sustainable development.

4.3.2 Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this programme is labelled as **G1**. This implies that gender equality is a significant objective and will be mainstreamed throughout the action and promoted at all

levels. Young NEETs with family care responsibilities are almost all women. Their lack of employability skills, which results from their average low levels of education, combined with deprived and socially unprotected economic situations, pose additional barriers to entering working life and finding a job. The vast majority are married. They represent about 17% of the total NEET (30,716).

Specific objectives 1 and 2 are formulated to support young women, as part of the vulnerable groups in the labour market to provide tailored and needs based support to achieve gender equality and women's and girls' empowerment for more impactful actions.

This action will support youth equality and its role in combating discrimination based on sexual orientation, gender identity and gender expression. The action also considers the need for embedding a gender-transformative education approach throughout community development, consultative processes and decision making and the need to focus on empowering young women and ensuring their participation in economic and social life at community, local and national levels. This action will ensure no one is left behind, especially women and girls.

The action will support non-profit youth-led initiatives, but the identified activities also allow for support for the initiatives of empowerment for girls and women, taking into account the importance of economic barriers identified by young people and the fact that the economy is one of the most important perpetrators of gender discrimination and inequality, together with families and schools.

All the appropriate indicators (referring to persons reached and supported, youth led projects etc.) will include gender disaggregation statistics.

4.3.3. Human Rights

Bearing in mind that stereotypes, prejudice and discrimination based on nationality or ethnic origin, age, health conditions, disability, gender and marital and family status etc, are recognised as one of the threats for the effective integration of vulnerable groups, due attention will be paid to ensure that adherence to human rights principles is mainstreamed in all OP related interventions (in services and programmes, training curricula, standards etc.) and delivered through key messages when interacting with relevant actors (youth, employers, service providers etc.).

The action adopts a rights-based approach and includes support to applying all rights equally, increased accountability and transparency, as well as inclusiveness and participation. Addressing human rights violations, combating, discrimination based on sexual orientation, gender identity and gender expression, ending racism, ensuring diversity, and addressing intersectionality are just a few aspects that need to be tackled to better serve and support young people.

In this regard, specific attention will be given to the most vulnerable marginalised youth groups; among others youth in conflict, youth in poverty, youth from ethnic/religious/social and other minority groups, as well as LGBTIQ youth. The purpose is to provide enough support against discrimination and intersectionality so they will be empowered to take the initiative, together with other young people.

4.3.4. Disability

Recognising that the improvement of the overall social and economic position of persons with disabilities depends on their labour market participation, due consideration will be given to their inclusion in services and programmes. The essential prerequisite for the full effectiveness of the planned interventions is an individualised approach to needs assessment and integrated provision of services, which requires intensive and coordinated efforts of different service providers. To ensure access to services, all facilities will be adjusted to meet the needs of persons of disabilities. When developing standards for youth spaces, as well as during the process of adaptation and creation of spaces for young people, principles of universal design will be applied, in order to ensure that all spaces are accessible to young people with disabilities. To ensure labour market integration of young NEETs with disabilities, adjusted services (including accessibility for digitalised services) and programmes will be provided.

As per OECD Disability DAC codes identified in section 1.1, this programme is labelled as D1. Although this OP is not targeting disability as a principal objective, the action is designed to address all young people, including those in the most vulnerable situations. In this respect, young people with disability have been identified as one of the target groups of the OP. Considering that disability tends to be a vulnerability, with limited accessible infrastructure and education systems that are not inclusive enough for young people with disability, the implementation arrangements will include priorities related to the empowerment of young people with disability in the grants provided under output 1.1.

4.3.5 Democracy

Targeted consultations with young people, conducted with around 1,200 young people during the process of developing the National Youth Strategy 2029, highlight how young people have underlined, on several occasions, their lack of representation in decision-making at different levels, with a particular focus on disadvantaged young people. The patriarchal culture limits meaningful participation in decision making of girls and young women, but also LGBTIQ+ youth (suffering criminalisation and stigma). Consultations with young people, youth organisations and youth-serving organisations have also underlined the overall lack of a democratic framework that is not conducive to active participation of young people and does not provide enough space and opportunities for meaningful participation. This action aims at providing young people with opportunities aiming at improving their access to platforms and venues where their voice can be better heard. While more actions are needed by decision makers to include and engage young people in decision making related to policies, this OP is planned to support young people develop their competences, skills, and confidence to speak up on any sector and subject of interest for them. The action is therefore planned in complementarity with other regional and national initiatives supporting civil society, including youth civil society to participate in policy development.

4.3.6. Conflict sensitivity, peace, and resilience

In accordance with United Nations Security Council Resolution 2250, young people are seen as key actors in ensuring peace and security, not least because their lives are most affected by the impact of conflicts and insecurity. Peace, security, and humanitarian actions are considered by young people as cornerstones of youth engagement around the world, while to them there is an unprecedented number of youth organisations dedicated to helping young people or involving them in creating peaceful and just societies.

4.4 Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-External environment	Unfavourable economic situation affects the implementation of the OP and full implementation of the YG	L	H	Additional efforts to motivate employers considering benefits for end-beneficiaries that might not be immediate but will certainly help when labour market recovers.
3-To people and the organisation	Due to the numerous stakeholders in the sector, poor coordination and involvement may hamper overall implementation	M	M	Support to the Coordination bodies of the YG will be provided to improve and secure coordination.
3-To people and the organisation	Insufficient interest of young NEETs to take part in the YG	M	M	Strong efforts will be made to raise interest and motivation among the target group to take part in the planned interventions. The CSOs, youth workers, youth offices and the NAES, and NAY will have a crucial role in this and will be additionally capacitated to effectively communicate through the dedicated Youth Portal and provide services to this target group.
3-To people and the organisation	Youth-led organisations have limited capacity to access funding, they can face problems when trying to organise	M	M	This is natural, as it is of the essence of youth-led organisations to consist of people with limited experience but generates the risk for the target group. The OP will rely on the experience of the NAY to implement the granting mechanism for youth organisations.

	legally, they have limited experience in project, financial and legal management, and advocacy.			Further capacity development support will be provided to grantees.
2-To planning, processes and systems	Donor cooperation/ coordination in the area of skills development fails to build synergy or avoid duplication	L	M	Regular reporting of the YG implementation will be delivered to the IPMG on Employment and Skills, where all the active donors and development project meet regularly. Technical coordination will be organised with specific projects.
3- to people and the organisation	Dilution in the effort to mainstream sustainability into the programmes, due to its high complexity and the large range of potential sectors embraced	M	M	Create a focused and prioritized sustainability framework that outlines specific sustainability goals, key performance indicators (KPIs), and target sectors or areas where sustainability efforts should be concentrated. This will help prevent the dispersion of resources and efforts across too many sectors. By identifying and emphasizing critical sustainability priorities, you can ensure that the organization's resources are channelled effectively.

External Assumptions

In order to ensure the successful implementation of the OP, several key assumptions are taken into consideration regarding the external context:

- The first assumption is that government priorities and strategic orientations remain stable. The Government of Albania has outlined a new policy cycle through the NESS for the period 2023-2030. This strategy provides a clear direction and serves as a foundation for the OP.
- Secondly, it is assumed that the improvement of the Employment and VET policy is in the public policy interest and aligns with public demand. Additionally, it is expected that duty-bearers, including government officials and relevant stakeholders, recognise their legal obligations, roles, and functions in relation to policy planning, financing, implementation, monitoring, quality control, and development.
- Another crucial assumption is that employers and the private sector in general will maintain their willingness to cooperate and actively participate as partners in delivering the Employment and VET policies. Their engagement and collaboration are seen as essential for the success of the programme.
- Lastly, it is assumed that the ecosystem surrounding youth workers, youth-led non-governmental organisations, and other relevant entities is well established in reaching out to all youth in Albania. This assumption recognises the importance of a comprehensive and inclusive approach that involves a wide range of actors and ensures effective outreach and engagement with the target population.

5 Overview of the consultation process for the preparation of the Operational Programme

The consultation process for the Operational Programme document encompasses multiple steps aimed at ensuring the active participation of relevant partners and civil society. This Operational Programme has been prepared in compliance with the European Code of Conduct of Partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds] based on the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in the Republic of Albania under IPA III. In accordance with the European Code of Conduct on Partnership, the European Commission played an important role in engaging in discussions and technical consultation sessions throughout the **preparation phase**.

The partnership for the Operational Programme comprises representatives from the following:

- Relevant public authorities, including representatives of local authorities.
- Representatives of Development Partners in Albania.
- National public authorities responsible for implementing the horizontal principles

- Economic and social partners
- Organisations representing civil society.

The partnership was established by the SASPAC office, under the Prime Minister's Office, which, as the NIPAC, is coordinating the programming process for IPA III. The list of all the partners and actors consulted is included in an annex (Annex No. 1) to this OP. The drafting of the OP was scheduled to allow for the full participation of the partnership at different stages of drafting, facilitating the co-drafting process.

The first consultation meeting was held on June 6, 2023, and a summary PowerPoint presentation of the Operational Programme was shared with the donors in advance. The meeting aimed to discuss key aspects such as expected results, budget allocation, institutional setup, scope of the areas of support, including objectives and indicators. Valuable feedback and pertinent questions were received from donors such as KfW, EUD, Swiss Cooperation Office, EBRD, WHO, and UN agencies.

The second consultation meeting was held on June 8, 2023, and it included relevant stakeholders such as CSOs, representatives from central government agencies, municipalities, business associations, and academia. The discussion in the meeting primarily focused on the expected results and scope of the areas of support, with particular emphasis on activities and target groups. Sectorial experts assisted during the consultation meetings. During this meeting important questions were raised regarding the implementation and impact of the programme. The role of Civil Society Organisations, transparency in programme implementation, inclusion of educated youth, collaboration with INSTAT for youth identification, and the careful organisation of outreach efforts were among the key topics addressed. The consultation also explored the possibilities of reintegrating young people into education, mapping of organisations and interventions, sharing best practices from similar institutions, and supporting informal community-based groups, educating employers, integrated interventions with local governance units, and the potential for youth mobility programmes.

To ensure that the consultation meetings meet the required standards of timeliness, significance, and transparency, draft copies of relevant documents were shared with stakeholders in advance. Following the consultation meetings, all invited stakeholders are given the opportunity to submit their comments and feedback in written form to the SASPAC office.

In addition, the YGIP 2023-2024 was developed with support of a broad consultation and participation process during 2021-2022 within the formal groups established (inter-institutional and technical groups) but also in several meetings with relevant stakeholders promoted along the process. Consequently, the plan is strongly articulated with the national strategic plans in the fields on employment, education, and youth. It is foreseen that these support groups will play a central role in supporting the first stage of implementation of the Plan, monitoring the pilot phase, and proposing changes to improve the design of the YGIP and the implementation procedures.

Considering the comments from the European Commission, a final round of consultation with the partners is planned, along with a public consultation. This consultation will be conducted in accordance with the guidelines outlined in Law No. 146/2014, Order No. 3/January 2021, and the European Code of Conduct on Partnership. The purpose is to facilitate the adoption of the Operation Programme-related financing agreement in the Council of Ministers.

6 Implementation arrangements

6.1 Financing Agreement

In order to implement this programme, it is envisaged to conclude a financing agreement between the Commission and the Republic of Albania.

6.2 Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the programme with EU restrictive measures⁶⁴.

Indirect Management with an IPA III beneficiary

⁶⁴ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

This Programme will be implemented under indirect management by the Republic of Albania.

The Managing Authority responsible for the execution of the programme is the Ministry of Economy, Culture and Innovation. The managing authority shall be responsible for legality and regularity of expenditure, sound financial management, programming, implementation, monitoring, evaluation, information, visibility, and reporting of IPA III activities.

The Managing Authority shall rely on sectoral expertise and technical competence of the following intermediate body for policy management: The National Agency for Employment and Skills. It shall ensure sound financial management of the programme.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments, and revenue operations, shall be entrusted to the following intermediate body for financial management: the Central Finance and Contracting Unit (CFCU). It shall ensure legality and regularity of expenditure.

6.3 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this programme impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

7 Financial tables by areas of support and by year (including co-financing rates if applicable)

Currency EUR	2024			2025			2026			2027			TOTAL		
EU for Youth Employment															
	EU contribution	National co-financing	Total expenditure	EU Contr.	National co-financing	Total expenditure	EU Contr.	National co-financing	Total expenditure	EU Contr.	National co-financing	Total expenditure	EU Contr.	National co-financing ³	Total expenditure
Area of Support 1	1 000 000	1 250 000	2 250 000	9 500 000	2 000 000	11 500 000	6 000 000	2 480 000	8 480 000	7 500 000	500 000	8 000 000	24 000 000	6 230 000	30 230 000
Area of Support 2	0	0	0	7 000 000	2 500 000	9 500 000	8 000 000	2 000 000	10 000 000	5 500 000	540 247	6 040 247	20 500 000	5 040 247	25 540 247
Other Support	1 500 000	1 500 000	3 000 000	0	130 000	130 000		97 000	97 000	4 000 000	482 753	4 482 753	5 500 000	2 209 753	7 709 753
TOTAL	<u>2 500 000</u>	<u>2 750 000</u>	<u>5 250 000</u>	<u>16 500 000</u>	<u>4 630 000</u>	<u>21 130 000</u>	<u>14 000 000</u>	<u>4 577 000</u>	<u>18 577 000</u>	<u>17 000 000</u>	<u>1 523 000</u>	<u>18 523 000</u>	<u>50 000 000</u>	<u>13 480 000</u>	<u>63 480 000</u>

Note: The IPA co-financing rate is maximum 85% at the level of each individual Area of Support
Add relevant columns for adding additional budget years or split in single tables for each budget year, if needed.

A separate decision will cover the expenditures related to Strategic Communication, Public Diplomacy, Audit and Evaluation.

8 Performance Measurement

8.1. Monitoring and reporting

Monitoring on implementation of the Operational Programme will aim at collecting and analysing data to inform on progress towards achievement of planned results, to feed decision-making processes and to report on the use of resources.

The day-to-day technical and financial monitoring of the implementation of this Operational Programme will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical, and financial monitoring system for the programme and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the Operational Programme, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators.

The Commission may undertake additional monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis, and monitoring:

As envisaged under the IPA III Results framework, institutions will report values for all relevant indicators as part of the annual data collection exercise. A variety of tools and methods will be used as sources of information for the indicators, as indicated in Section 4.2.2. Where surveys, tracer studies or similar are required they shall be financed through the Operational Programme.

In the Youth Guarantee Implementation Plan Governance Model, the Inter-institutional group has been established to serve the role of the Monitoring Committee. The inter-institutional working group is chaired by the Minister of Economy, Culture and Innovation and its members are the following:

- Deputy Minister of Finance and Economy.
- Representatives from the Prime Minister Office.
- Minister of State for Youth and Children.
- Minister of State for Entrepreneurship Protection.
- Deputy Minister of Education and Sports.
- Deputy Minister of Health and Social Protection.
- General Director of the National Agency for Employment and Skills.
- General Director of the National Agency for Vocational Education and Training and Qualifications.
- General Director of the National Youth Agency.
- General Director of the State Social Service.
- General Director of the Department of Public Administration.
- Chief Inspector of the State Inspectorate of Labour and Social Services.
- General Director of the Institute of Statistics.
- General Director of Budget Programming in the Ministry of Finance.
- President of Business Albania.
- President of the Union of Independent Trade Unions of Albania.
- President of the Confederation of Trade Unions of Albania.
- Representatives of youth umbrella organisations appointed by the Minister of State for Youth and Children.

The collection of data related to achievement of indicators in the area of YG and monitoring of the YG will be supported in the information system of the public employment service which already gathers detailed information about the registered unemployed and allows the follow-up of their participation in the active employment policy programmes addressed to them. The information system will be updated in order to allow the specific registration of young NEETs and to ensure its interconnectivity with the Youth Portal.

Collection of data on indicators related to social inclusion is in the mandate of the Ministry of Health and Social Protection, the State Social Services, and municipalities. Gender equality will be monitored through the collection of disaggregated data as envisaged by the Law on Gender Equality No. 9970.2008, as well by ad-hoc data collection for specific indicators.

At the level of the Operational programme, an internal monitoring system will be established by the Managing Authority which will allow the progress of implementation to be monitored, allow for the systemised and timely collection of data on the indicators and support annual reporting. A Programme implementation dashboard will provide the basis for communicative and results-oriented reporting and allow for implementation progress and achievements to be presented visually.

The Sectoral Monitoring Committee, as foreseen in Article 53 of the Financial Framework Partnership Agreement, plays a key role in monitoring and reporting of the implementation of the Operational Programme.

The Sectoral Monitoring Committee will include representatives from the partners in compliance with the European Code of Conduct of Partnership [Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds] on the basis of the methodology for the application of the partnership principle and the selection of partners developed for the Operational Programmes 2024-2027 in the Republic of Albania under IPA III.

The partnership for the Operational Programme includes representatives from:

- Relevant public authorities including regional and national representatives of municipalities
- National public authorities responsible for the application of the horizontal principles
- Economic and social partners
- Bodies representing civil society.

Where appropriate, umbrella organisations were included in the partnership.

The Managing Authority will act as the Secretariat for the OP Sectoral Monitoring Committee.

The active and meaningful participation of the stakeholders will be ensured through:

- Channels for stakeholder engagement identified by area of support and where applicable formalised.
- Participation of stakeholders in Monitoring Committees.
- Participation of stakeholders in field visits.
- Regular provision of information to stakeholders.
- In case of localised investment, local beneficiaries will be involved.

As regards the **accountability mechanisms**, a Grievance Redress Mechanism shall be established (if not already regularly in place) and provide information on:

- Accessibility of channels to submit grievances.
- Publication of the grievance mechanism.
- How any grievance shall be handled.
- Monitoring cases and grievance redress mechanism effectiveness.
- Supporting the functioning of grievance redress mechanisms.

A mechanism is in place to monitor and report on gender targets. Gender disaggregated statistics will be collected under activities where this is possible.

On the basis of the reports provided by the Managing Authority prior to the meetings, it shall in particular:

- review the effectiveness, efficiency, quality, coordination, and compliance of the implementation of the programmes.
- review the progress towards meeting the objectives, achieving the planned outputs and results, and assessing the impact and sustainability of IPA III assistance, while ensuring coherence with the policy dialogue, the related central and regional sector strategies and multi-country or regional activities in the IPA III beneficiary.
- review annual implementation reports, including financial execution of the programmes.

- examine relevant findings and conclusions as well as proposals for remedial follow-up actions stemming from the on-the-spot checks, monitoring, evaluations, and audits if available.
- discuss any relevant aspects of the functioning of the management and control systems.
- discuss any problematic issues and actions.
- if necessary, consider or make proposals to amend programmes and take any other corrective action to ensure the achievement of the objectives and enhance the efficiency, effectiveness, impact, and sustainability of IPA III assistance.
- review information, publicity, transparency, communication, and visibility measures taken.

8.2. Evaluation

Having regard to the importance of the programme, a mid-term and final evaluation will be carried out for the areas of support falling under this Operational Programme contracted by the IPA III beneficiary and should be included in the Area of support “Other support” as indicated in Section 4.2.2.

The evaluation will be carried out by experts or bodies, internal or external, functionally independent from the management and control system.

The mid-term evaluation will be carried out in particular with respect to the Youth Guarantee Delivery model, in view of the EMCO indicators, and in view of providing young NEET with a quality employment, training or education offer within 4 months from identification. It will also review the reach, effectiveness, and quality of outreach activities implemented by youth organisations, including the methods used, target audience engagement, and outcomes achieved.

Final evaluation will be carried out for accountability and learning purposes at various levels, including for policy revision, particularly considering the fact that the OP aims to achieve increased employability and labour market integration of NEET, increasing life-long learning and achieving sustainability and scalability of results

The evaluation report shall be shared with all relevant parties. The IPA III beneficiary and the Commission shall analyse the conclusions and recommendations of the evaluations jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the support.

Indicative timeline for the mid-term and final evaluations:

The mid-term evaluation will be conducted in 2027.

The final evaluation will be conducted in 2030.

8.3. Audit and Verifications

Technical audits for major projects are mandatory during the implementation.

Financial provisions related to audit and verifications, including technical audits if applicable, carried out by the IPA III Beneficiary should be included in the Area of support “Other support” as indicated in Section 4.2.2.

Without prejudice to the obligations applicable to contracts concluded for the implementation of this programme, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

9 Strategic communication and public diplomacy

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [Communicating and raising EU visibility: Guidance for external actions](#) (or any successor document).

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and

- promoting the actions and their results by providing coherent, effective, and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations entrusted entities, contractors, and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

Visibility and communication measures specific to this programme shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

An Operational Programme strategic communication plan will be prepared and agreed with the EU Delegation in line with the Commission Guidance for external actions on Communicating and raising EU visibility. This will set out the responsibilities of the Operational Programme implementing bodies and the NIPAC as regards communication.

The Operational Programme strategic communication plan will identify the key messages, the communication objectives, the communication audiences (including multipliers), the approach, envisaged communication activities, RACER key communication indicators and targets, the risks, and the envisaged budget. Annual Communication Plans will be drawn up and discussed with the EU Delegation in advance to coordinate activities and maximise reach.

The NIPAC and the Managing Authority will be responsible for press engagement and managing press and media contacts.

In line with the Operational Programme strategic communication plan, a dedicated webpage and social media channels will be set up. Standards for social media use and management and the social media plan will be coordinated between implementing bodies and the NIPAC.

10 Sustainability

Programme level sustainability.

The Operational Programme has been designed in order to ensure the sustainability of the benefits/results achieved beyond its implementation. Key factors impacting on sustainability are the level of ownership of the end recipients, their institutional and operational capacities and their financial and human resources for the operation and maintenance of the results. The Managing Authority will put in place a system to monitor the sustainability of the assistance under the Operational Programme during the sustainability period defined as the period between the end of the implementation period of an action and the final date for implementation of the corresponding Financing Agreement. The NIPAC and the Managing Authority will monitor sustainability within their respective scope of responsibility through the Sectoral Monitoring Committee (FFPA Article 53(4)(b)) and jointly with the Commission within the IPA Monitoring Committee (FFPA Article 52(3)). The assessment of OP sustainability will be a standard agenda item in Sectoral/OP Monitoring Committee meetings and will be included in OP evaluations.

Sustainability of Operations.

End recipients shall ensure that the contracts are implemented in line with the objectives defined for the projects/contracts and that the results are measured using the indicators applicable to the projects/contracts as defined in the relevant documents. In order to ensure that results generated by projects/contracts financed under the Operational Programme last after the implementation period of projects/contracts has come to an end, the Managing Authority jointly with the Intermediate Body for Policy Management and the Intermediate Body for Financial Management, shall establish the sustainability conditions applicable to tangible and intangible outputs as appropriate.

In the case of directly contracted works and supplies, cooperation mechanisms will be established between the Managing Authority and the end recipients for the planning and implementation of the envisaged actions, and responsibilities of the end recipients to ensure the sustainability of the IPA III assistance. The transfer of ownership shall be established in a formal agreement which shall also provide their commitment to provide the financial and human resources for the operation and maintenance of the results after completion. In the case of public bodies, the sustainability of the financed operations will be assured through inclusion in the medium-term budget

framework. In the case of grant schemes, sustainability will be a guiding principle for the selection of the operations. The grant contract will include specific provisions to ensure sustainability.

The Managing Authority will carry out sustainability checks on completed operations in line with its procedures.

The end recipients are obliged to ensure the sustainable use of the outputs in line with the Operational Programme, the contract or equivalent. The end recipients are obliged to allocate budget for ensuring the functioning and maintenance of the outputs and cover the costs of their operation and maintenance. The end recipients should recover the outputs to their initial condition in case of their damage or replace the outputs with those of minimum equal quality and functionality in case of their destruction.

The breach of the conditions for sustainability may lead to refund of the EU contribution in case the end recipients fail to take the necessary corrective measures for removing the deficiencies occurred.

Annex 1: List of stakeholders who participated in the consultation meeting for the Operational Program on EU for Youth Employment 2024-2027

Date: 8 June 2023

Time: 9:30 a.m.

No.	Name	Surname	Organization
1.	Ana	Mullanji	Organization Across Barriers
2.	Mirsida	Skenderas	Ministry of Finance and Economy
3.	Gerry	Mcweeney	WHO
4.	Elsa	Dervishi	Women's Forum Elbasan
5.	Edisona	Xhani	Cooperation and Development Institute Albania
6.	Mariza	Rama	National Youth Congress of Albania
7.	Ana	Zacharian	Albanian Skills
8.	Entela	Gjyla	Albanian Skills
9.	Alma	Uku	Caritas Albania
10.	Enkeleda	Ndoj	Caritas Albania
11.	Mirela	Arqimandriti	Gender Alliance for Development Centre
12.	Jehona	Varfi	SEKTRA
13.	Juliana	Hoxha	Partners Albania
14.	Besnik	Alku	Albanian Local Capacity Development Foundation
15.	Lindita	Manga	Albanian Local Capacity Development Foundation
16.	Myftar	Doçi	Albanian National Training and Technical Assistance Resource Center
17.	Ariana	Haxhiu	Albanian National Training and Technical Assistance Resource Center
18.	Andi	Allko	NAO SO Ministry of Finance and Economy
19.	Aisela	Beqiraga	UN- FAO
20.	Dritan	Nelaj	Open society foundation for Albania
21.	Juela	Shamku	National Youth Agency
22.	Lira	Spiro	National Youth Agency
23.	Genc	Myftiu	Sustainable Economic Development Agency
24.	Klaudio	Pulaha	Child Rights Centre Albania
25.	Dritan	Ziu	Roma Active Albania
26.	Aldiona	Gjikondi	Local Economic Development Agency
27.	Nikolla	Pulla	Local Economic Development Agency
28.	Uenda	Aruçi	International Association for Solidarity
29.	Roberta	Profka	International Association for Solidarity
30.	Manjola	Stefani	Today for the Future
31.	Migena	Nako	International Association for Solidarity
32.	Lorena	Zajmi	Minister of State for Youth and Children
33.	Eno	Ngjela	UNDP
34.	Mirlinda	Bushati	UNICEF
35.	Anita	Lushi	Albanian Women Empowerment Network
36.	Renis	Meta	Counseling Line for Women and Girls
37.	Enkelejda	Kallçiu	Terre des hommes Albania
38.	Besnik	Kadesha	Save the children
39.	Endri	Teta	World vision
40.	Etleva	Martiri	EUD
41.	Edison	Hoxha	Center for Labor Rights
42.	Ilir	Xhemalaj	National Union of Telephone Operators
43.	Sajmira	Kopani	ILO

Annex 2: List of Acronyms

AFD	Agence Française de Développement
AI	Artificial Intelligence
ALL	Albania Lekë
ALMM	Active Labour Market Measures
AQF	Albanian Qualifications Framework
BMZ	Federal Ministry for Economic Cooperation and Development of Germany
CFCU	Central Finance and Contracting Unit
CSO	Civil Society Organisation
DCM	Decision of Council of Ministers
DU	Development Unit
ECEC	Early Childhood Education and Care
EIP	Economic and Investment Plan for the Western Balkans and the Green Agenda
EMCO	Employment Committee Indicator Framework
EMIS	Education Management Information System
EO	Employment Office
EPP	Employment Promotion Programmes
EQF	European Qualifications Framework
ERP	Economic Reform Programme
ESCO	European Skills, Competences, Qualifications and Occupations
ESF	European Social Fund
ETF	European Training Foundation
EU	European Union
EURES	European Employment Services
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
GoA	Government of Albania
HEIMS	Higher Education Management Information System
IBPM	Intermediate Body for Policy Management
IBFM	Intermediate Body for Financial Management
ICT	Information and Communication Technology
IEP	Individual Employment Plan
ILO	International Labour Organisation
INSTAT	Institute for Statistics of the Republic of Albania
IPA	Instrument for Pre-accession Assistance
IPMG	Integrated Policy Management Group
IPS	Integrated Planning System
ISCO	International Standard Classification of Occupations
LFS	Labour Force Survey
LGBTIQ	Lesbians, Gays, Bisexual, Transgender, Intersex, Queer
LLL	Life-Long Learning
LMIO	Labour Market Information Observatory
MA	Managing Authority
MECI	Ministry of Economy, Culture and Innovation
MFE	Ministry of Finance and Economy
MHSP	Ministry of Health and Social Protection
MTEF	Medium Term Expenditure Framework
NAES	National Agency for Employment and Skills
NAVETQ	National Agency for Vocational Education and Training
NAY	National Agency for Youth
NEET	Not in Employment, Education or Training
NESS	National Employment and Skills Strategy
NES	National Education Strategy
NGOs	Non-Governmental Organisations
NLC	National Labour Council
NSDEI	National Strategy for Development and European Integration
NSSP	National Strategy for Social Protection
NVETC	National Vocational Education and Training Council

NYS	National Youth Strategy
OECD	Organisation for Co-operation and Development
OP	Operational Programme
PES	Public Employment Services
PISA	Programme for International Student Assessment
PUIMS	Pre-University Information Management System
RCF	Regional Challenge Fund
RPL	Recognition of Prior Learning
SASPAC	State Agency for Strategic Planning and Aid Coordination
SDC	Swiss Development Cooperation
SDGs	Sustainable Development Goals
SES	System of Employment Services
SILC	Survey of Income and Living Condition
SNA	Skills Needs Assessment
SSC	Sectorial Skills Committee
STEM	Science, Technology, Engineer, Mathematics
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
UK	United Kingdom
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VET	Vocational Education and Training
VTC	Vocational Training Centres
WBL	Work-based Learning
YG	Youth Guarantee
YGIP	Youth Guarantee Implementation Plan