Skills Development for Employment

Albania

Programme Document

28 November 2014

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Abbreviations

ADA	Austrian Development Agency
AWP	Annual Work Plan
CEDEFOP	European Centre for the Development of Vocational Training
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
INSTAT	Albanian Institute of Statistics
ILO	International Labour Organisation
LLRYEC	Local Level Responses to the Youth Employment Challenge
MoE	Ministry of Education
MoF	Ministry of Finance
MoSWY	Ministry of Social Welfare and Youth
NAVETA	National Agency for Vocational Education and Training
NAVETAQ	National Agency for Vocational Education, Training and Qualifications
NEET	Not in Employment, Education or Training
NES	National Employment Service
NESS	National Employment and Skills Strategy
OECD	Organisation for Economic Cooperation and Development
ProDoc	Programme Document
SDC	Swiss Agency for Development and Cooperation
SIVET	Social Inclusion through Vocational Education and Training
UNDP	United Nations Development Programme

Programme Abstract

Programme title	**Skill Development for Employment**
Country	Albania
SDC domain	Economic Development Domain
Project description	Albania's vocational education and training (VET) and vocational skills development (VSD) system all too often fails to equip students with the requisite knowledge, competences and skills for a successful transition into the labour market. This results in an unsuitably qualified labour force, skills shortages and soaring youth unemployment.
	Recognising the need to systematically address employment by re-orienting the vocational education and training and vocational skills development system towards labour market needs, and modernising and extending outreach of employment services, the Albanian government adopted the National Employment and Skills Strategy 2014-2014.
	The ambition of this four year programme is to make a systemic contribution to the modernisation of Albania's VET/VSD system by addressing several key challenges: skills mismatch and unequal access to employment and training services; labour market challenges in rural areas; insufficient governance of funding for employment and training; lack of coordination / collaboration in the system; inadequate labour market information; and insufficient quality and relevance of VET and VSD providers and their programmes.
Approach	The approach combines a variety of elements, yet it is driven by the following key notions: a) build up on existing practices, b) activate existing resources and capacitate stakeholder groups to drive the reform process forward, c) provide evidence for decision making and d) closely engage the private sector in order to increase the labour market orientation of VET/VSD provisioning.
Outcomes	The overall goal of the project is that *"more young women and men in urban and rural areas in Albania are employed or self-employed."*
	In order to achieve this goal the programme focuses on four

	outcomes:
	1. Improving and diversifying employment promotion measures, and advancing their governance
	2. Improved environment and regulatory framework for up-scaling work-based learning schemes (elements of dual system)
	3. Quality assurance and accreditation of VET/VSD providers
	4. Anticipating skills needs in the short and medium term
	The selected interventions (outcomes) feature outputs that will bring about changes at system level and they improve the governance of VSD and VET in Albania.
Outputs	1.1: Management of funds dedicated to employment promotion measures and VET/VSD is improved to enhance effectiveness, transparency and accountability of fund utilisation.
	1.2: Operational plan is adopted to enhance effectiveness, transparency and accountability of the implementation of employment promotion measures.
	1.3: Impact measurement system is established enabling to assess effectiveness, efficiency and impact of employment promotion measures.
	1.4: New employment promotion measures are piloted and tested.
	2.1: Feasibility study on work-based learning schemes in Albania is completed identifying best practices examples.
	2.2: Models of work-based learning most relevant for system change are operationalised (for priority occupations).
	2.3: Regulatory framework that allows for implementation of the models is elaborated and adopted.
	3.1: Policy and institutional environment for quality assurance and accreditation is developed.
	3.2: Quality assurance and accreditation criteria, standards, mechanisms and tools (at providers' level) are developed and adopted.
	3.3: Quality assurance systems and accreditation procedures

	are applied in selected VET and VSD providers.
	3.4: Information on the quality assurance and accreditation framework is provided to stakeholders and interested groups.
	4.1: Inter-departmental LMI working group is established with a clear mandate and is fully operational.
	4.2: Current LMI system is analysed, information demand and gaps are identified to enhance quality and relevance of LMI.
	4.3: Methods and tools allow for skills needs anticipation and LMI are improved and institutionalised.
	4.4: Stakeholders are capacitated to utilise improved LMI for their decision making.
Duration	December 2014 – December 2018
Overall Budget	CHF 3'171'000
SDC Contribution	CHF 3'000'000
UNDP Contribution	CHF 171'000 (USD 180,000)
Implementing agency	United Nations Development Programme Albania
Other partner institutions	Specialised agencies, consultancies, civil society organisations
Direct beneficiaries	Ministry of Social Welfare and Youth
	National Employment Service
	National VET Agency
	Albanian Institute of Statistics
	Private sector (businesses, associations, professional representations)
Indirect beneficiaries	Youth
	Decentralised services of direct beneficiaries

1. Introduction

1.1. Context

The Albanian government is committed to transform the country's low-productivity, import dependent and informal economy to a modern, innovative and highly productive one. At the same time the government sets the ambitious objective of sustainably generating 300'000 jobs until 2017 in the areas of agriculture and agro-processing, manufacturing, maritime industries, social assistance, tourism and information and communication technology.[1] Implementing these plans will also necessitate supplying a work force that is capable of delivering the quality and innovation that the market demands.

At present, however, Albania's vocational education and training (VET) and vocational skills development (VSD) system all too often fails to equip students with the requisite knowledge, competences and skills for a successful transition into the labour market. This results in an unsuitably qualified labour force, skills shortages and soaring youth unemployment that hamper the growth and modernisation potential of Albania's economy. Skills mismatch in the labour market and the associated inefficiencies of Albania's education model have thus emerged as a priority topic of the Albanian government and its development partners.[2]

Against this background the government recognises the need to systematically address employment by re-orienting the vocational education and training and vocational skills development system towards labour market needs, and modernising and extending outreach of employment services.[3] The planned reforms intend to intertwine theoretical training with work-based learning, mirroring elements of the dual system known in northern European countries, e.g. Switzerland.

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[1] Alliance for European Albania: Government Programme 2013-2017, Government of Albania, Tirana, 2013 (GoA 2013a); Aligning Interventions for Employment and Skills Development: A Strategic Course of Action, Ministry of Social Welfare and Youth, Presentation, undated.

[2] On the occasion of an ETF-sponsored conference on 6 October 2014 Albania's prime minister, Edi Rama, described the situation as follows: *"We experienced the exhaustion of a jobless model of growth, a model focused on exploitation of resources in an unsustainable way […] struggle to find new sources of growth in a model based on sustainability […] and in particular on manufacturing. And here our education model becomes crucial. […] We have been teaching generations that life will be fine if you have a diploma,"* [but they] *"are not giving you the life you were expecting, if you don't have skills. And young people are getting it."* Source: http://www.kryeministria.al/en/newsroom/speeches/a-new-model-based-on-vocational-education, last visited on 21 October 2014.

[3] In its programme 2013-2017, for instance, the government pledges to work *"towards steering the vocational education in an entirely new direction that would meet the real demands of the market and turn the State into the main supporter of vocational training."* GoA (2013a)

1.2. Challenges

The problems and challenges related to employment and skills development in Albania are comprehensively described in the *National Employment and Skills Development Strategy (NESS) 2014-2020*. They are the result of a thorough consultation process of the Ministry of Social Welfare and Youth (MoSWY)[4] and enjoy widespread agreement. In the following some of the most pressing problems and challenges, which guided the design of this programme, are summarised:

- **Skills mismatch and unequal access to employment and training services**: Skills obtained through the VET and VSD system do not match those required by the labour market, resulting in skills shortage in certain areas and skills surplus in others.

- **Labour market challenges in rural areas**: Rural labour markets have remained peripheral to policy discussions on growth and employment in Albania in the past – despite higher incidences of hidden unemployment and poverty in rural areas and other phenomena such as a higher prevalence of women in unpaid family labour. The lack of data that credible captures labour market realities in rural areas, the limited provision of employment measures and of education and training provisioning exacerbate the situation. The outreach of training services has an urban bias, with those residing in rural areas having little to no access to training. Women and other disadvantaged groups also face barriers.

- **Insufficient funding for employment and training**: Funding overall for the sector is insufficient; with 3% of GDP Albania spends less on education than other countries in the region (4.4%) or the EU countries (5.4%); out of these resources some 6% are earmarked for vocational education.[5] Also, public funds for employment promotion measures in 2001 were four times as high as the current budget (though more funds are committed to be spent on such measures in the future). As a result less than 3% of unemployed job-seekers "in need" participate in such programmes.[6] Furthermore, mechanisms that pool different funding sources at all levels – public and private in particular – are missing.

- **Lack of coordination / collaboration in the system**: A large number of actors (ministries, agencies, local governments, social partners) and providers (public and private, NGOs, etc.) are involved in skills development; however, coordina-

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[4] UNDP participated actively in this process and contributed with its own relevant observations and experiences gained in project implementation over the past decade.

[5] GoA (2013a).

[6] Evaluation of the Active Labour Market Measures implemented in 2010 and 2011, National Employment Service, Tirana, November 2012 (NES 2012).

tion among the stakeholders remains weak. A particular challenge in this context is to systematically develop cooperation with the private sector and to engage the private sector to take a more active role in the VET / VSD system (see also the discussion of restrainers below).

- **Inadequate labour market information**: The availability of relevant, reliable, regionally differentiated and current labour market information is not ensured at present. This contributes to the skills mismatch that is observed in Albania.

- **Insufficient quality and relevance of VET and VSD providers and their programmes**: VET and VSD provisioning is unable to respond to changing labour market needs and caters mainly to low skills acquisition to the detriment of medium and high vocational skills. This leads, *inter alia*, to the low esteem of vocational education in Albania and makes vocational education overall unattractive for youth.

1.3. Drivers and Restrainers

Distortions in the labour market have emerged as a priority topic of the Albanian government and its development partners. The proposed programme is implemented in an environment that is characterised by the following selected drivers and restrainers of change.

Important drivers that can contribute to a successful, sustained and scaled-up programme:

Albanian government priorities: The National Employment and Skills Strategy 2014-2020 was adopted in February 2014. The strategy aims at strengthening the governance related to employment, education and training; improving vocational education and training; overhauling and expanding outreach of employment promotion programmes; and reforming social safety nets. Youth, the specific target group of this programme, has been identified as one the government's priorities in its four year programme, highlighting the added challenges youth (and in particular rural youth) face in entering the labour market. The government programme supports the reform of vocational education and training and promotes self-employment as two main interventions areas. These and complementary intervention areas will be further elaborated in the forthcoming youth strategy. The government's target is to reduce youth unemployment by half to 20% and decrease the proportion of young Albanians not participating in employment, education or training (NEET rate) from currently 31% to 20% by 2020.

Albania's EU integration process: The programme further benefits from Albania's EU integration agenda, which encompasses its strategic aims and measures such as the European Union's ten-year growth and job strategy *Europe 2020*.

SDC and UNDP experience: Both organisations have been active in the fields of vocational education and skills development. In fact, a recent study on the results, traces and footprints of 20 years Swiss VET support in Albania identified 24 so-called assets[7] that have the potential for replication and up-scaling. When implementing the programme, UNDP can leverage its experience in Albania[8] as well as good practice from UNDP programmes in Bulgaria, Macedonia or Serbia.

UNDP's vision: "… UNDP globally and regionally pursues a strategic vision that recognises the importance of creating employment opportunities as a means to addressing both poverty reduction and inequalities and exclusion – as expressed, inter alia, in the United Nations Youth System Wide Action Plan focuses on Employment and Entrepreneurship. UNDP Albania's strategic vision is to contribute to building a labour-market focused skills development system that is suited to enhance the employability of the unemployed in urban and rural areas, while simultaneously addressing the skills needs of those employed in the formal and informal sectors and emerging entrepreneurs. …"
UNDP Concept Note: Comprehensive skills development approach for youth employment, UNDP, Albania, September 2013.

Restrainers are factors that can impede the programme's success. These factors are listed in the risk section (see 5.2. below).

It is here beneficial to draw on the ambivalence of the private sector and its role with regard to vocational education, training and skills development. Overall, the private sector is in dire need of a qualified work force in order to operate and innovate competitively in the market. This, however, contrasts with its still insufficient participation in the VET and VSD sectors, which is a key requirement for a successful reform. Reasons that serve as an explanation include, for instance, that Albania's economy is dominated by small enterprises, which are more difficult to engage in VET / VSD provisioning; there is little private sector organisation and representation; competition between companies and the fear of poaching prevails; legal and financial impediments persist. With the focus on bringing about systemic changes in which the private sector is closely involved, this programme seeks to transform the private sector into an important driver of reform.

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[7] "Assets of a project are resources, which can be utilised by institutions, partner organisations or other projects for further developing the system, or more directly can produce value for the target groups." In: KEK-CDC (2014).

[8] Starting in 2009, in the frame of *Youth Employment and Migration Programme*, UNDP has addressed the decent employment of disadvantaged youth through active labour market measures implemented in the context of public-private partnerships. Capitalising on the YEM experience, UNDP has also addressed youth employment challenges at the sub-national level in the frame of the SDC funded *Local Level Responses to the Youth Employment Challenge* (LLRYEC) project, through a combination of innovative active labour market measures, promotion of entrepreneurship and territorial employment pacts. In addition, UNDP, through the *Social Inclusion through VET* (SIVET) project, has facilitated access to vocational education and training by both promoting participation in VET as well as building the institutional capacity to support the inclusion of marginalised and socially excluded groups in the VET system.

2. Results and lessons learned from previous projects

This programme benefits from and builds up on experiences and lessons learned that both SDC as well as UNDP and its partner organisations accumulated over the past years in providing advisory services and technical support in the fields of vocational skills development, vocational education and training and economic development across the country and at all levels of government. Three lessons particularly guide the design of this programme.

Models that mirror the dual approach were successful piloted and tested but fell hitherto short of bringing about system reform: Significant donor support has been provided with the aim of developing a sound vocational skills development and vocational education and training system in Albania. Several proven good practices that combine theory and practice in vocational and professional education resulted from the various interventions leaving a variety of options to choose from. Common to most of the interventions is, however, that while they were merely successful within the project environment, system reform could not be achieved. Rather than adding more options or piloting activities it is now time to scale-up existing good practices and advance them to the next level by integrating their distinguishing elements into the system of VET provisioning. In this context the NESS 2014-2020 Action Plan also calls for "scaling-up". Achieving such system reform warrants a top-down approach with partners that enjoy credibility and sufficient leverage to engage in a meaningful dialogue with the central government.

System reform necessitates inter-departmental collaboration by Albanian stakeholders and the use of country institutions and systems: Reforming professional training is a complex task that calls for the collaboration of various stakeholders across the public and private sector. Reform plans that build up on the technical expertise and knowledge of local stakeholders enjoy credibility and have an increased probability of being firmly integrated into generally accepted policies.

Employment challenges can only be systematically addressed through the development of a market-oriented skills development system: Private sector participation with regard to VSD and VET provisioning is low in Albania. The reasons for this are manifold and range from the structure of Albania's private sector with its prevalence of micro- and small-sized companies and incomplete regulatory environment to the weak representation and association of the private sector and lack of efficient models of cooperation between the public and the private sector. It is therefore paramount to involve the private sector in the design and governance of the system and to create an environment that is conducive of private sector participation.

3. Programme Strategy

Our programme strategy consists of several interdependent and reinforcing features that explain how the programme will produce results and change for the target groups, namely young women and men searching for employment opportunities in urban and rural areas alike.

3.1. Alignment and Relevance

The proposed programme is fully aligned to the strategic priorities of the Government of Albania, the Swiss Agency for Development and Cooperation and the UNDP.

The four proposed outcomes (see Table 1) were selected and are the result of a multi-step consultation process with SDC as well as different national stakeholders.[9] They address some of the main skills related challenges in Albania as identified in various national strategic documents, studies and project interventions of Albania's development partners.

The programme responds to the National Employment and Skills Strategy 2014-2020 and the associated action plan as well as other strategies such as the forthcoming Youth Strategy. In focusing on youth and the rural population and their challenges of accessing the labour market, the programme contributes to the implementation of the strategic goals set out in the cooperation agreement 2012-2016 between the Government of Albania and UNDP. Furthermore, the ambition to integrate elements of the dual approach is aligned to recommendations and actions of the European Commission[10] in order to combating youth unemployment and inactivity. Finally, skills development and youth employment are also firmly integrated into Switzerland's strategic orientation to support Albania's transition efforts.[11] The programme thus complements the existing and planned project portfolio in the economic domain at the system level and provides ample opportunities to realise synergies, most importantly with the RISI Albania project.

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[9] A description of the consultation process is provided in Annex 5.

[10] On the occasion of launching the "European Alliance for Apprenticeships" the Council of the European Commission notes, for instance, that *"… high-quality apprenticeships and other work-based learning schemes are effective instruments to improve sustainable transitions from school to work, notably by fostering skills that are relevant to the labour market and improving skill matches."* Council of the European Commission, Council Declaration, Luxembourg, 15 October 2013

[11] Swiss Cooperation Strategy Albania 2014-2017, Bern, May 2014 (SDC 2014)

Table 1: Alignment of programme outcomes with NESS 2014-2020

Strategic Priority	Outcome 1	Outcome 2	Outcome 3	Outcome 4
	EPM diversification and governance	Work-based learning schemes	Quality assurance and accreditation	Anticipating skills needs
A. Foster decent job opportunities through effective labour market policies	A1.4 (partly) A3.1 A4.1	-	-	A4.1
B. Offer quality vocational education and training for youth and adults	-	B.4.1 B.4.2 B.4.3	B1.2 B2.5	-
C. Promote social inclusion and territorial cohesion	C1.1 C1.2	-	-	C1.1
D. Strengthen the governance of labour market and qualification systems	D1.1 D4.1 in combination with D5.1 (partly)	D4.1 in combination with D5.1 (partly)	D 1.2. (indirect support to NAVETQ)	D3.1 D3.2 D3.3 D4.1 in combination with D5.1 (partly)

Note: The letters/numbers correspond to the strategic priorities of NESS 2014-2020
* Employment promotion measures

3.2. Approach

Implementation at system (macro) level: It is the ambition of this programme to bring about system changes. The outputs and activities are consequently designed at a level that ensures their integration in national approaches, policies or in primary and secondary legislation. Particularly addressed are areas for which there have been no policies designed yet. This includes, for instance, the expansion of employment promotion measures (EPM) to rural areas; the revision of legislation to regulate work-based learning; quality assurance and accreditation and the definition of processes and procedures with regard to the financing of professional education reform.

In addition, results and change will come about at the meso and micro levels:

- Meso level: Expanding employment promotion measures to rural areas, reforming the training offer of VET and VSD, improving quality assurance of individual VET and VSD providers and ensuring involvement of meso level representatives in the project working groups will have beneficial effects and contribute to counter the "urban bias".

- Micro level: Providing education, vocational education or business support to youth will help them to address the multiple challenges they face and enhance

their potential prospects to escape from the unemployment trap. Quality assurance also yields results at the micro level as far as teaching-learning processes are concerned. The project targets to support specifically youth mainly in the age of 15-29 years and to reach out to up to 1'500 direct beneficiaries in total.

The micro level interventions provide practical experiences, which will be fed back to the meso and the macro level.

At the same time it should be acknowledged that system changes that address "soft-factors" – for instance creating awareness, building trust, changing attitudes and cultures (e.g. when it comes to public- and private-sector collaboration) – are equally important.

Collaborative working: The implementation is driven by the notion that existing resources be activated and stakeholder groups capacitated to drive the reform process forward. Involvement of local stakeholders and the use and design of new country systems will enhance the sustainability of the results that will be achieved by this programme. Our approach is thus to institutionalise cooperation between public administration, the education system, private businesses and professional associations in the form of working groups. Such institutionalised cooperation is a key element of countries that pursue the "dual approach" of professional education.

The working groups will be facilitated by UNDP and chaired by the lead national agency for the respective component. The chairperson of the working group will be member of the technical committee (see chapter 6.1.). This collaborative approach will create strong ties between the members and create additional synergies and potentials to leverage. Along the entire process UNDP will develop capacities of collaborative problem solving, process and project management.

Existing practices and experiences: The programme serves to better understand the many existing good practises of VET and VSD reform, to identify the characteristics that allow for system change and to feed them back into the policy process. Such experience exists not only in Albania but also in Albania's neighbouring countries or in the European Union. Building up on experiences also includes insourcing specialist know-how – be it from consultancies or other specialised institutions within or outside the UN system. Our approach is driven by the questions *"what does it take to scale-up existing good practice"* and *"how can we ensure sustainability of the good practices"*. Answering these questions necessitates considering particularly the financial and human resources that are required to implement the reform in the long-run.

Private sector involvement: Integrating elements of the "dual approach" requires voluntary engagement of the private sector (and the understanding that it is beneficial for the private sector) rather than governmental coercion. The programme therefore aims at supporting the government to act as "enabler" for the replication and scaling-up of

best practices. The programme will focus, particularly in outcome 2, on selected sectors/ occupations most relevant for Albania's economic development. In an environment, such as Albania, where professional associations show limitations, raising private sector capacities at all levels is particularly relevant.

Application of a gender lens: Gender aspects will be given special attention in all four components of the programme. This focus encompasses the appropriate design of employment promotion measures, work-based learning schemes and a quality assurance and accreditation systems that address the needs of both genders. In piloting activities, a balanced participation of women and men will be ensured. The new LMI will be gender-disaggregated whenever possible and meaningful, so that the data can be used to better identify gender-specific challenges on the labour market, and to design appropriate measures.

Continuous improvement: The implementation period of four years enables the programme to carefully prepare and design activities, to contribute to testing their practical application and to their monitoring and evaluation. The programme aims for a continuous improvement of the outputs based on critical reviews, evidence and lessons learned.

European standards and good practice: Our approach is governed by the principle of providing advisory services and technical support that corresponds to European standards and good international practice – yet designed for the Albanian context. This way the programme contributes to Albania meeting European requirements, including for instance, those of the *European Employment Strategy* or the *Strategic Framework for European Cooperation in Education and Training*, which should be beneficial for Albania's preparation for European Union accession.

"Delivering as One": This approach integrates the expertise of different UN agencies in Albania and provides opportunities for synergies.

3.3. Partners

The office of the United Nations Development Programme in Albania is the lead implementing partner for this project. Operating in the ONE UN system UNDP proposes to insource expertise for specific activities and outputs where this is deemed fit.[12]

A separate Cost Sharing Agreement between SDC and UNDP regulates the roles, responsibilities and tasks. The proposed partnership can benefit from previous and current, including in the context of the SIVET and the LLRYEC projects.

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[12] To the extent that third party services are required, namely technical experts, researchers, database and IT developers, graphic and web designers, PR specialists etc., they are procured on the basis of transparent and documented quality- and cost-based selection procedures.

As stated above the programme will collaborate with a wide array of beneficiaries and partners. The following paragraphs briefly present the main partners:

Ministry of Social Welfare and Youth: The MoSWY is the institution responsible for policy and legislation development in the fields of skills development and employment. Until 2013, MoSWY was responsible only for the establishment and operation of vocation training (VT) centres. However, as of September 2014 all providers of vocational education and training fall under the purview of this ministry.

National Employment Service: The National Employment Service (NES) is an autonomous body under MoSWY established by the Employment Promotion Law (1995); its function is regulated by its Charter (approved by Government Decree in 1998). The NES mission is to ensure that all Albanian citizens have access to employment through the provision of employment services and participation in active labour market programs. It has one central office and a network of 38 regional and local employment offices. Apart from job mediation, provision of labour market information and management of active and passive employment policies, NES is also responsible for the monitoring and implementation of VT programmes in public and private VT providers.

National Agency for VET and Qualifications: The National Agency for VET and Qualifications (NAVETA) was established in 2006 with the aim of establishing a unified VET system based on the Albanian Qualifications Framework. Until 2013, NAVETA was a subordinate institution of the Ministry of Education; nonetheless, it was responsible for the preparation of VET programmes for both providers of vocational education and training. Currently, it is subordinate to the MoSWY.

VET Providers: The public providers of VET are composed of 42 providers of vocational education (2+1+1 system) and 11 providers of vocational training. These providers are currently under the management of MoSWY. Details pertaining to, for instance, the management arrangements of vocational education schools, recruitment and training of teachers and inspection, have yet to be determined. The private VET institutions are for-profit entities that offer specialised training courses and VET programmes. The private entities can exercise their training activities after being licensed by the National Licensing Centre, while their activities are to be periodically monitored by NES and MoSWY in terms of compliance with the minimum professional standards.

Institute of Statistics: The Institute of Statistics (INSTAT) is an independent institution under the authority of Council of Ministers. INSTAT is the key data provider in the fields of, for instance, national accounts, enterprise economic indicators, education, labour market, wages and labour costs and sector specific data.

Development partners: International Labour Organisation (ILO), European Union, GIZ and Austrian Development Agency (ADA) are some of the international partners who

have supported the intervention areas of skills development and employment in the past.

More specifically, the ILO is currently implementing the EU financed *Project on Human Resource Development* (scheduled to end in December 2014). The project has aimed to improve the labour market functioning and employability of the Albanian labour force. One of the most significant contributions pertains to provision of technical support to MoSWY in the design of the NESS 2014-2020.

Apart from this project the EU is also financing a stand-alone project that aims to improve the internal efficiency of the VET system through improved soft infrastructure, better qualified staff as well as new and improved curricula for short-term and practical courses. Five "Multifunctional VET Centres" shall make the existing VET system accessible and attractive to all targeted groups and more flexible and adjustable to labour market changes. Technical assistance and capacity building for efficient and effective management, monitoring and evaluation is an integral part of the project, which involves labour market institutions and VET providers.

Since 2010, the GIZ in Albania has been implementing the *Vocational Education and Training Programme*, which is currently at the end of its second phase (to be completed by the end of December 2014). Its main objective is to sustainably empower young people and adults to position themselves in the national and international labour market. The focus of its interventions has largely been in improving the quality of initial and continuing vocational education and training and career guidance.

ADA has continuously supported the VET sector during the past two decades, but is currently not funding any projects in the field.

4. Objectives

This chapter informs about the overall goal of the project, the four intended outcomes and associated outputs to achieve the outcomes.

4.1. Overall Goal (Impact)

The overall goal of the project is that "**more young women and men in urban and rural areas in Albania are employed or self-employed**." In order to achieve this goal the programme focuses on four interventions:

1. Improving and diversifying employment promotion measures, and advancing their governance

2. Improving environment and frame conditions for up-scaling work-based learning schemes (elements of dual system)

3. Quality assurance and accreditation of VET/VSD providers

4. Forecasting skills needs in the short and medium term

The selected interventions (outcomes) feature outputs that will bring about changes at system level and they improve the governance of VSD and VET in Albania. Outputs that are designed to feed directly into policy development include, for instance, the operational plan for employment promotion measures and the operational procedures for VSD and VET financing schemes; the legislative changes that mirror the dual system by better intertwining theoretical training with work-based training; or by instituting intra-departmental working mechanisms to improve policy development. Other outputs improve existing process, methods and operations or create such for the first time. Examples are the improved impact measurement methods of employment promotion measures and improved methods and tools to forecast skills needs and to disseminate labour market information. Table 2 categorises the respective outputs in system- and operational-level outputs. It visualises that governance changes are aimed at in each of the four outcomes.

Table 2: System-level and operational-level outputs

EPM diversification and governance	Work-based learning schemes	Quality assurance and accreditation	Anticipating skills needs
Output 1	*Output 1*	*Output 1*	*Output 1*
Output 2	*Output 2*	*Output 2*	*Output 2*
Output 3	*Output 3*	*Output 3*	*Output 3*
Output 4		*Output 4*	*Output 4*
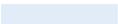
Achieved output implies changes at system level
Achieved output results in improved processes, methods, operations
blank spaces: outputs that contribute to outcome achievement with analytical or preparatory work

4.2. Target Group

The target group of this programme are young women and men across Albania who will primarily, yet not exclusively, benefit from the planned system changes in multiple ways – more opportunities for work-based learning will be created, employment promotion programmes will better address the needs of youth.[13] Among this target group specific attention will be given to the following:

Young women: As explained in Chapter 1 women fare comparatively worse with regard to labour force participation and inactivity rates. In the project, there will be special focus to include a gender-focus whenever possible and meaningful. As part of the revision of employment promotion measures it could be considered to include more of such measures focussing on young women (if such an extension of gender-specific employment promotion measures is beneficial in the Albanian context will have to be assessed when preparing the operational plan; taking into account experiences with the employment promotion measures based on DCM 27). For women to benefit from new work-based learning schemes, it will be most pertinent to select some priority sectors / occupations where women are commonly recruited. Improved LMI measures will try to identify opportunities for women as well as existing discrimination in and impediments of access to the labour market.

Youth in rural areas: This group will benefit in the short- and medium-term from the extension of employment and skills development service that partly have not been accessible hitherto. Improved labour market information that capture the specificities of the rural labour markets policy making will improve knowledge and form the basis to design specific reform measures. Support to young entrepreneurs could prove particularly important in rural areas where vacancies are few and funding for business ideas scarce.

4.3. Beneficiaries

The direct beneficiaries are the different institutions that will benefit from the facilitation, research, advisory and technical assistance services of the project, including the MoSWY and the MoE, the NES and NAVETA and INSTAT as well as the social partners, the private and public sector; indirect beneficiaries are the above described target groups and ultimately Albania's society.

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[13] Offering specific services to support young people to bring their business ideas to life were discussed during the consultations, specifically in terms of the diversified employment promotion programmes. An analysis of the feasibility of such services and their actual content shall be done in the context of the Operational Plan.

4.4. Programme Implementation Areas

During the consultation process several regions in Albania have been preliminary identified as having significant potential for programme implementation, namely the regions of Shkodra, Tirana, Fier, Vlora and Gjirokastra. For this preliminary identification the following selection criteria were considered:

- Sufficient number of actual and/or potential economically viable activities (both urban and rural)
- At least one implementation area with above average concentration of rural economic activity
- Regions were VET services and facilities exist, and are considered to at least have an average performance
- Areas where UNDP has very good operational access and influence through either existing or past projects
- Areas that are not too a-typical and that do not face significant barriers to VET and employment services provisioning (e.g. very low performers of the VET systems, lack of VET and VSD facilities / providers, limited economic activity, etc.)
- Equitable regional distribution of interventions (north, central and south Albania)

The implementation areas will be discussed in a first stage during the programme operationalisation phase, particularly on the occasion of the planning workshop (see chapter 6.5.). They will then be validated and confirmed in light of the results of the different feasibility studies planned in each of the outcomes. Any decision on the implementation areas will be made in a consensual manner and based on sound selection criteria.

4.5. Outcomes

This chapter describes the rationale as well as the respective outputs of each of the four programme outcomes. Furthermore it provides information about implementation related issues such as prior UNDP experience, interconnectedness between the outcomes and synergies that can be achieved with other development programmes.

A particular issue relates to the *working groups* that will be instituted for each outcome (see also chapter 0). These working groups shall steer the activities, ensure that Albanian expertise is utilised to full extent and contribute to institutionalise cooperation between public administration, the education system, private businesses and professional associations. The working groups will be facilitated by UNDP and chaired by the lead agency for the respective component.

Outcome 1: Improved and diversified employment promotion measures are provided to young Albanian women and men in urban and rural areas enhancing their skills and employability; required resources for employment promotion measures and VET/VSD are managed appropriately.

Rationale

Experience in other countries shows that employment promotion measures can play an important role in increasing employability, if prepared and implemented in a way maximising their benefits (providing qualification, work experience and "activation", or lowering training costs and recruitment risks of employers) and minimise their detrimental or inefficient aspects such as lock-in effects, negative signalling, deadweight or substitution.[14] In Albania, the spectrum of employment promotion measures on offer is still narrow. There are only six programmes focussed on subsidised employment and on-the-job training[15] and not targeted sufficiently to the varying needs of participating jobseekers and employers.[16] Most importantly, rural areas are not covered at all and as a result potential beneficiaries are neglected. Furthermore, none of the current programmes seeks to capacitate youth for self-employment and for developing and pursuing their own business ideas (e.g. through training, business support or start-up financing). To unfold the potential of employment promotion measures, the current offering needs to be assessed, existing services need to be improved and complemented by new ones. Furthermore, funding[17], management and quality assurance of employment promotion measures implementation have to be upgraded.

Improving the governance of funds for the envisaged vocational education and labour market reforms in Albania is a key objective of this outcome. Funding, which had decreased in previous years, saw an increase in 2014 and it is indeed anticipated to see an upward trend in the years to come in light of the government's commitment.[18] Such

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[14] The occurrence of these deadweight and substitution effects has also been observed in an evaluation of work training and work subsidy measures in Albania. See Huibregtse (2011).

[15] The six employment promotion measures that the NES implements provide a) subsidised employment for disadvantaged women, marginalised groups, youth and persons with a disability respectively, b) on-the-job training schemes for unemployed with only limited or no formal training, persons with disabilities and c) internship schemes for recent university graduates.

[16] For instance, by providing bulk slots for the employment programmes, the needs of larger companies are better addressed than the ones of SME. The annual bidding process does not consider seasonal or production cycles of businesses that warrant offering employment promotion measures more than once a year as has been the practice hitherto. The programmes are also at high risk of deadweight effects which should be carefully assessed during the programme (output 1.1).

[17] In 2012 the allocation for active labour market programmes amounted to 13% of the total NES funds, whereas in 2008/2009 the amount was more than 20% of total spending, equivalent to 0.016 % of GDP. The government's commitment is to increase funding for employment promotion measures to 0.032% of GDP. (Source: GoA 2013b).

[18] In fact, whereas in 2013 funding reached 0.9 million USD allowing for a nationwide coverage of about 750 participants the budget tripled in 2014 to 2.7m USD, which allowed to include more than 3.300 partici-

increased funding also warrants ensuring the NES' ability to manage the funds adequately in terms of e.g. relevance, quality, efficiency or financial transparency. One of the main vehicles is the planned Employment and Skills Development Fund that could provide a sustainable financing solution, yet the respective law has to yet to be passed and procedures elaborated.[19] A long term objective is that this fund would prepare Albania for the absorption of future European Social Fund support.

The envisaged outputs under this component are welcomed by MoSWY in light of its plans to increase research and to and improve the current employment promotion measures' offering. In supporting MoSWY, UNDP can resort to previous projects in the field in various countries including regarding employment funds in countries in the region.

Implementation

The activities to achieve the four outputs will primarily be facilitated and implemented by UNDP. Close collaboration with the social partners and the Ministry of Finance as well as the social partners is foreseen in the working group. The outputs described below are closely intertwined; this is best exemplified with the operational plan, which will be upgraded at specific intervals with the results and findings of outputs 2-3.

Output 1: Management of funds dedicated to employment promotion measures and VET/VSD is improved to enhance effectiveness, transparency and accountability of fund utilisation.

There is an on-going discussion regarding the concrete modalities of financing and operating the employment and skills development fund and the respective budget implications between primarily the MoSWY and the Ministry of Finance. However, whatever the modalities, the fund will require management that ensures its effectiveness, transparency and accountability. UNDP's organisational and technical support will encompass carrying out comparative research on good-practice-procedures, consulting the stakeholders on the research findings and facilitating a working group to define the fund's operating procedures. Capacity development will be provided at national (possibly regional and local) level on how to apply the procedures and manage the fund. Study visits are also foreseen under this output.

Output 2: Operational plan is adopted to enhance effectiveness, transparency and accountability of the implementation of employment promotion measures.

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pants. Despite this considerable increase employment promotion measures reach only 2.4 % of the approximately 140'000 registered unemployed youth.

[19] Concept Document: Establishment of National Employment and Skills Development Fund (NESDF), ILO, IPA 2010 Project on Human Resources Development in Albania, Tirana, undated.

Achieving this output will necessitate carrying out research on the current six employment promotion measures in terms of their effectiveness, efficiency, equality, equity as well as distortive effects and other unintended outcomes. Starting point of the research will be an ILO rapid assessment planned to be conducted in late 2014. Based on the research findings a diversified set of employment promotion measures will be defined that cater for the needs of participants and employers. In order to ensure transparent proceedings and effective performance and to achieve better awareness and coordination among the relevant stakeholders an operational plan will be elaborated. The plan will, *inter alia*, describe the measures with regard to their goals, target groups, application and selection procedures and requisite resources. To the extent that legislative revisions are necessary the programme will facilitate the provision of respective expertise. Training will ensure that the responsible staff understand and apply the operational plan. UNDP's experience in advising the NES under the LLRYEC in designing a scoring system for evaluating and selecting applicant enterprises as well as best practice models from Former Yugoslav Republic of Macedonia (FYROM) and Turkey will be utilised and adapted to the needs and realities in Albania.

Output 3: Impact measurement system is established enabling to assess effectiveness, efficiency and impact of employment promotion measures.

To achieve this output UNDP will first analyse the strengths and weaknesses of the current system of impact measurement. Currently, it largely rests on the provision of descriptive statistics and occasional evaluations that apply different methodologies. With the use of external expertise UNDP will help to improve existing methods and elaborate complementary systems that provide valid, robust and informative results and that can be applied recurrently. Providing training for and coaching during the application and the subsequent evaluation of the new system will not only further improve analytical capacities but also inform any revisions warranted for the employment promotion measures' offering.

Output 4: New employment promotion measures are piloted and tested.

One of the most important deficiencies of the current employment promotion offering is that they are not offered in rural areas. UNDP will provide support to the NES in designing employment promotion measures tailored to the needs of varying end beneficiaries, including those for rural youth. Without pre-empting the actual work such new measures could also involve self-employment training for selected youth.[20] It may also be warranted to define the priority areas or regions in which the new measures will be

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[20] Reference is here made to the Macedonian Operational Plan on Active Programs and Measures for Employment for 2014, adopted by the Ministry of Labour and Social Policy in Skopje in December 2013. The National Employment Services has expressed its interest in eventually building up on this document that, *inter alia*, features youth entrepreneurship.

implemented. Provision of new employment promotion measures (including possible submissions to training providers and employers) will operate on the basis of newly established procedures and processes according to the operational plan. The final activity to achieve this output is to assess the piloted measures by applying the improved impact measurement system and to feed the findings back into the operational plan.

Outcome 2: Improved environment and regulatory framework for up-scaling of work-based learning schemes in urban and rural areas (for priority occupations).

Rationale

Pre-employment professional education is largely school-based in Albania, with little exchange between the private sector and educational suppliers (VET schools, VT centres and universities). This detachment is one of the main sources of the mismatch between skill supply and demand. Integrated work-based learning schemes are one way to reduce such a mismatch as they create feedback cycle between the two sides. Much has been written about the advantages of work-based learning.[21] For instance, they increase the employability of new graduates because less (re-)training is required by the companies that employ them, and participants benefit from the relations they can build with prospective employers. The Albanian government recognises the importance of work-based training during professional education and has the vision to implement elements of the dual VET system[22] similar to the ones practiced in Switzerland and other Northern European countries. Several donors, including SDC, have supported schemes piloting professional training with work-based elements. At this stage, it seems therefore beneficial to reviewing these experiences and identifying the models with best results and best fit to the Albanian context and government strategy (together with social partners, which are still underrepresented and do not provide the key role they should in a successful VET system). These models can then be scaled-up. In facilitating this process, UNDP can build on its accumulated experience in the current LLRYEC and YEM projects.

Implementation

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[21] See, for instance: *Benefits of Apprenticeship Training and Future Challenges – Empirical Results and Lessons from Switzerland and Germany*, Leading House Working Paper No. 97, Uschi Backes-Gellner, University of Zurich, February 2014; *The benefits of vocational education and training: Research Paper*, European Centre for the Development of Vocational Training (cedefop), 2011; *Learning for jobs: OECD Reviews of Vocational Education and Training: Switzerland*, Hoeckel/Simon/Grubb, OECD, April 2009; *Germany's dual vocational training system: a model for other countries?*, Dieter Euler, Bertelsmann Foundation, 2013.

[22] The term "dual" refers to school and work-based vocational education and training, i.e. a combination of theory and practice.

Although not elaborated to sufficient extent at the time of writing this Programme Document, the activities under this outcome may also address the MoSWY intention to set-up a work-based training scheme in the public sector in different parts of the country, primarily for graduates of tertiary education.[23]

Output 1: Feasibility study on work-based learning schemes in Albania is completed identifying best practices models.

The main activity under this output is to carry out a study that will identify existing best practices of work-based learning schemes in Albania, describe their main characteristics, advantages and disadvantages, their feasibility for replication and up-scaling in order to determine the schemes that fit best into Albania's context. The study will also include a cost-benefit analysis as well as an analysis of required legislative changes. Starting point of the study is the work undertaken by SDC in its VET capitalisation exercise; additional sources are models introduced by bilateral donors such as ADA and GIZ as well as UNDP's own experiences, particularly the ones stemming from the SIVET and LLRYEC projects. The study shall provide the working group instituted for this outcome (with a strong participation from the private sector), and subsequently policy makers, with information and choices that are needed to formulate system changes.

Output 2: Models of work-based learning most relevant for system change are operationalised (for priority occupations).

This output primarily deals with the facilitation of the deliberations, progress and decision making of the sector working groups, again characterised by strong private sector participation. The purpose of the working groups is to operationalise the model selected for the respective industries so that they can be integrated and reflected in the regulatory framework in terms of labour relations, their financing and incentive schemes for private sector buy-in. The sector working groups mirror the vision of creating so-called sector councils at national level. Training, particularly to members of the private sector in the selected occupations, as well as study visits are also foreseen under this output.

Note: It is important to curb the uncontrolled growth of different models being implemented as "island solutions" and to rather bring out systemic changes mirroring the dual system. At the same time it would be unrealistic to assume that this programme can achieve complete VSD and VET system reform for each and any occupation in Albania. This output therefore suggests a phased approach of focusing on priority occupations.

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[23] Reference is made to the vision in the forthcoming youth strategy that a National Youth Service will require support for building up the structure for a so-called "youth corps". Source: Meeting with the Youth Advisor to the Minister of Social Welfare and Youth, Mr. Leart Kola, in Tirana on 26 August 2014.

Output 3: Regulatory framework that allows for implementation of the models is elaborated and adopted.

UNDP will provide advisory assistance in order to adapt the regulatory framework by carrying out legal research and by supporting the drafting of proposals for regulatory changes. UNDP will also accompany the legislative process to facilitate that the respective regulatory changes be adopted. The term regulatory framework is interpreted broadly and also includes e.g. standards for in-company training and revisions to framework curricula in VET schools and VT centres.

Outcome 3: Quality assurance and accreditation systems and their mechanisms are in place and contribute to ensuring quality of VET and VSD institutions and programmes.

Rationale

The quality of Albanian VET and VSD providers and the standard of courses they offer is a stumbling block on the road to higher effectiveness of the VET and VSD system. An important policy instrument to both ensure and promote quality is the introduction of quality assurance and accreditation. Such systems usually cover both (public and private) providers and the courses supplied. By providing a clear definition of minimum acceptable standards, a quality assurance and accreditation system is a tool to modernise the education landscape and to ensure that courses are relevant to market demand. Inadequate providers are forced out of the market, and standardisation is promoted, which in turn ensures that employers recognise the worth of a diploma no matter where it was attained. This trust leads to better employability, an improved permeability of educational levels as well as higher inter-sectoral and inter-regional mobility.

The government of Albania recognises the need for such a quality assurance and accreditation system for VET and VSD providers, including, for instance, in the NESS 2014. Indeed, the MoSWY is in the process of drafting a law which would allow the introduction of such a system. NAVETA commenced its work on a draft model for the accreditation of VET providers.[24] While being acknowledged as a central topic to the development of the VET and VSD system in Albania, this is an area where donor support has been insufficient so far (being limited to a prior intervention by the British Council).

Implementation

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[24] While there is a draft model available at this stage, the National VET Agency, whose statute foresees a role in accrediting VET providers, stated that previous attempts of piloting quality assurance systems have been limited to self-assessment of VET providers (Interview with Ms Limaj, NAVETA, 3 October 2014).

The introduction of a quality assurance and accreditation system for VET and VSD providers is highly complex; technical support is required. UNDP is in an excellent position to deliver pertinent support through its network in countries that have already introduced such systems. The reform efforts will orient themselves on the 2009 European Quality Assurance Reference Framework for VET with its four stages of the quality cycle (planning, implementation, evaluation, review). In May 2014 Albania launched a new accreditation process for all public and private universities, including accreditation of particular courses. The experiences of this reform process can be beneficial orientation for the implementation of the activities under this outcome.

Another important element relates to the involvement of the private sector. First, in relation to outcome 2, the private sector offers work-based training as a means of improving that vocational education responds to companies' demands. Against this background the possibility of extending quality assurance to the work-based training needs to be considered too. Second, the closer the private sector is involved in the quality assurance and accreditation process the more will employers be inclined to recognise the skills of those holding a vocational education qualification.

Output 1: Policy and institutional environment for quality assurance and accreditation is developed.

The main activity under this output is to carry out comparative studies that will provide NAVETA and other stakeholders with the requisite analysis (options, cost-benefit, legal gaps etc.) to select and adopt a quality assurance and accreditation framework that fits best the Albanian context, whereas the focus is placed on external quality assurance. The programme will test the feasibility of introducing a quality label for VET providers (formal and non-formal, on different levels). The programme will also offer pertinent training to NAVETA on the content and application of the framework. Finally, based on the experience of testing the framework with selected VET and VSD providers, the programme will update the framework accordingly.

Output 2: Quality assurance and accreditation criteria, standards, mechanisms and tools (at providers' level) are developed and adopted.

Based on the findings of the preceding one, this output is concerned with supporting NAVETA and the working group instituted for this outcome in defining the set of policies, procedures, rules, criteria, tools and verification instruments and mechanisms that together ensure and improve the quality provided by a VET and VSD provider. Financing of quality assurance and accreditation might need to be considered too. UNDP will facilitate the deliberations and decision making of the working group and provide relevant expertise.

Output 3: Quality assurance systems and accreditation procedures are applied in selected VET and VSD providers.

The activities foreseen for this output will directly involve selected VET and VSD providers with a view of piloting relevant quality assurance solutions and concrete tools, for instance in the field of self-evaluation. Furthermore, the selected providers will test and undergo the entire accreditation process established by the programme with the purpose of obtaining the respective accreditation. VET and VSD providers as well as private sector representatives (e.g. entrepreneurs, business and/or professional association) will be offered training and advice to enhance capacities at different levels (individual, institutional, systemic). Another key activity is the revision of the framework and instruments (following implementation of output 3) and their integration at policy level.

Output 4: Information on the quality assurance and accreditation framework is provided to stakeholders and interested groups.

This output aims to intensify communication and dissemination on the importance and value of quality assurance and accreditation, particularly for employers, students and the general public but also VET and VSD providers. Activities include the identification of information needs and of appropriate mechanisms (e.g. through a website and/or an online manual) and the launch of a targeted awareness campaign.

Outcome 4: Improved information about the current and future state of the labour market enables relevant stakeholders to make evidence based decisions related to employment and skills development, and therefore reduces the skills mismatch.

Rationale

Sound decision-making by the stakeholders – government agencies, social partners, companies, students, job-seekers – requires availability of relevant, reliable and current information. Such information is generated through regular dialogue between all stakeholders, but also through appropriate statistics and forecasting tools. In Albania, both are currently unsatisfactory, thus contributing to the skills mismatch found in the country. The existing labour market information fails, *inter alia*, from technical issues such as limited comparability of different data sources (due to lacking coordination among institutions involved), insufficient disaggregation (only very few regional, industrial, occupational groups are distinguished), low sample sizes and an urban bias of surveys. Furthermore, the information is not analysed and presented to stakeholders so that they are easy accessible and readily understood. Lastly, the current LMI does not allow for forecasting future trends on the labour market. Such an element is highly sought

after by Albanian stakeholders, but is hampered by lack of data and expertise.[25] There-fore, to strengthen the LMI system and enable forecasting of skills in the short and me-dium term, coordination and technical capacity should be strengthened, and communi-cation needs of Albanian stakeholders better understood and addressed. In this com-ponent, UNDP can bring its experience with statistical and technical projects to the table (e.g. the SDC funded LLRYEC project).

Implementation

This outcome will build up on current donor interventions and ongoing reforms, among them ILO's work to reform the skills needs analysis and the policy work of GIZ. There is also strong complementarity and potentials for synergies of output 4 with SDC's RISI project: Whereas RISI works towards enhancing the capabilities of media to report on labour market information, this programme focuses on improving the relevance and quality of labour market information *per se* (which media will report on) with the aim of enabling skills forecasting, as well as on supporting data producers in communication and disseminating labour market information.

Output 1: Inter-departmental LMI working group is established with a clear mandate and is fully operational.

The activities foreseen for this output shall put in place a coordination mechanism among various providers and users of labour market information. This mechanism is not meant to end with the programme but rather become an institutionalised platform. This will include the definition of the mandate of the LMI working group, identifying the relevant institutions and interest groups as well as formalising their operations on the basis of memoranda of understanding, statutes and procedures. UNDP will furthermore facilitate the deliberations, progress and decision making of the LMI working group.

Output 2: Current LMI system is analysed, information demand and gaps are identified to enhance quality and relevance of LMI, and to enable skills forecasting.

The programme will first identify the LMI requirements with regard to content, format and periodicity through consulting the various users of labour market information. Sec-ond, the gaps of the current LMI offering are assessed, covering the identified infor-mation needs but also technical issues such as harmonisation of concepts, variables, and codification fields. The question how forecasting elements can be included in the

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[25] Forecasting future trends on the labour market is a demanding task, and such predictions contain by definition a high level of uncertainty. It is for this reason that even some countries with sophisticated statis-tical systems (among them Switzerland) do not systematically produce skill forecasts. In the light of the high desire of Albanian stakeholders to include a forecasting element in the revised LMI, potential ap-proaches should be assessed. If the challenges prove too big to establish a forecasting system within the programs duration, the current revision of LMI should make sure that the building blocks are provided to set up a forecasting system at a later stage.

revised LMI will be assessed.. Third, the programme will elaborate recommendations and, following approval by the working group, elaborate standards of data collection and analysis.

Output 3: Methods and tools that allow for skills forecasting and LMI are improved and institutionalised.

Based on the findings of output 2 the programme will on the one hand facilitate changes to existing surveys and develop new surveys (for instance, rural skills needs assessments) and LMI tools on the other hand. Training will ensure that the capacities of staff of respective units are enhanced. Finally, the programme will improve IT applications and systems that are necessary to implement the new LMI system. A key purpose of this output is to enlarge the scope of LMI to specifically capture the labour market dynamics in rural areas.

Output 4: Stakeholders are capacitated to utilise improved LMI for their decision making.

This output will strive to intensify communication and dissemination of LMI to different stakeholders (e.g. government departments, social partners, general public). The corresponding activities include preparing and disseminating targeted LMI content to different stakeholders, to train stakeholders how to analyse, understand and interpret LMI, and to advise stakeholders how to utilise LMI data to improve decision making related to employment and skills development. The output also includes activities that relate to the evaluation of the new LMI.

5. Risk Analysis

5.1. Assumptions

In order to achieve the intended outcomes several assumptions need to hold true. These prerequisites of change are discussed in the following table.

Table 3: Assumptions

Assumption	Probability	Impact	Comment
Government priorities and strategic orientations are stable during programme implementation and enhance the probability of systemic changes. This also includes the assumption that sufficient financial means will be at the disposal to finance respective reforms and new instruments (e.g. employment promotion measures, LMI surveys).	M	M	Albania gained EU candidate status in June 2014 which brings the country firmly on a path of reform. Addressing high youth unemployment and modernising vocational education and training are core reforms that the current Government wishes to pursue. The programme is aligned and contributes to the realisation of strategic priorities contained in the NESS. The programme outcomes reflect good practices that are unlikely to be out of favour in the event of, for instance, a government change.
Beneficiaries and relevant stakeholders are willing to play a vital role in the programme, e.g. support the programme activities through high level of ownership. They will take part in a process that relies on facilitation, engagement, technical discussions and consensus finding.	H	H	This programme is the result of a comprehensive consultation process that concluded with a planning workshop and subsequent meetings during which the programme was discussed, validated and attuned with the inputs of the participants. The programme will work with and through the MoSWY and other governmental institutions such as the NES, NAVETA and INSTAT but also representatives of the private sector to provide tangible evidence of the benefits of system reform that can be readily appreciated by government and social partners alike. Project management will ensure that stakeholders will be able to assume their normal daily duties and at the same time take a lead role in the programme.
Sufficient stability in the political spheres facilitates implementation of the programme.	H	M	While elections that are planned to take place in 2015 (local) and 2017 (parliamentary elections) will likely deviate attention of senior officials to pre-election campaigning they

			are unlikely to cause disrupt.

5.2. Risks

During the preparation of this Programme Document several risks were identified that could have detrimental effects on the programme's success. These risks warrant sound mitigation strategies. We differentiate between external risks (i.e. potential events or occurrences beyond the control of the programme) and internal risks (i.e. risks that are related to the design, management or approach of the programme).

Table 4: Risks

External Risks	Probability	Impact	Mitigation
Conflicting initiatives, donor interests and strategies impede systemic change in the domain of skills development, vocational education and employment. The programme unnecessarily duplicates or overlaps with other ongoing activities. *(Particularly relevant for Outcome 2).*	M	M	The four outcomes are fully aligned with the NESS 2014-2020 and were selected as a result of a consultative process; these are key foundations that ensure that the programme is not "off track" but firmly aligned to the current reform programme. The programme will inform the sector working group, chaired by SDC, to ensure that key donors are kept abreast about pertinent developments and plans of the programme. Wherever possible synergies will be explored with ongoing and future initiatives, particularly the ongoing RISI Albania project and the SDC and SECO projects in the pipeline for 2015.
A worsening macroeconomic environment inhibits economic growth that results in a contraction of the labour market in Albania. *(Particularly relevant for achieving the overall objective).*	M	M	GDP growth has deaccelerated during the past years and reached its lowest peak in the last decade of 0.6% in 2012. However, recent projections of the World Bank suggest that Albania's economy will grow by real 2.1% y/y in 2014. Furthermore, Albania's EU accession candidate status as well as the government's renewed private sector development focus should enhance economic growth potential. The programme will not be able to mitigate this exogenous risk that can indeed impact on the overall impact of the programme. Yet despite the risk the programme's objective is to bring about systemic improvements in the VET and VSD

			and employment sector that can be realised notwithstanding the country's economic performance.
Lack of capacity to initiate and implement the required policy reforms and legislative changes lead to the programme's underperformance.	M	H	The approach of facilitating collaborative work of Albanian stakeholders and experts, of utilising and scaling-up proven good practice and providing evidence based policy advice coupled with UNDP's excellent relations with the Albanian government will contribute to developing solutions that are considered to be technically sound and financially feasible.
			Equipped with these qualities the relevant stakeholders should feel convinced to pass systemic changes that fit into the Albanian context.
Staff rotation leads to loss of knowledge, impedes progress, and undermines consensus reached and results in overall slow-down. This risk is associated with the forthcoming elections (2015, 2017) that usually result in changes of staff both at senior and operational levels as well as the possible creation of a National Employment Agency, such as through a merger of existing institutions.	M	M	The risk can be minimised or avoided with the programme's approach of facilitating technical working groups that pool the resources, knowledge and experience of several stakeholders (which allows for substation of working group members), stringent facilitation and project management. The programme will make a constant claim and provide evidence of the relevance and benefits of the suggested reforms.
As part of the ongoing discussion on territorial reform competency changes between central, regional and local levels of government and related shifts of responsibility could impede or slow-down programme implementation.	H	L	As a result of long-standing collaboration UNDP has access to first-hand experience in terms of decentralisation and devolution in Albania. The programme will need to show flexibility to eventually adapt to a changing environment.
The Law on Employment Promotion (planned revision in late 2014/early 2015) codifies the employment promotion measures and hence prevents recurrent revisions following M&E results. *(Particularly relevant for Outcome 1).*	L	M	Benefitting from good reputation and technical expertise UNDP has repeatedly been invited to partake in consultation processes by consecutive governments. UNDP will argue in favour of a flexible regulatory solution that allows improving employment promotion measures and take remedial action flexibly.
The involvement of the private sector is hampered by: a. The prevalence of micro- and	M	M	A variety of projects piloted and tested successfully interventions that coped with the current busi-

small-sized companies and of informal businesses, poorly organised private sector representation, inexperience of public partners to deal with private sector leads to insufficient of private sector representation. b. The private sector representatives that may participate lack acceptance or legitimacy to represent the private sector in its entirety. *(Particularly relevant for Outcome 2).*			ness structures in Albania. The programme will carefully select the business representatives and private sector "champions" for the working groups. A key element of the approach is to institutionalise the public and private sector collaboration in the field of vocational education and skills development with a view to achieve more demand orientation.
Internal Risks	**Probability**	**Impact**	**Mitigation**
The programme cements or introduces false incentive such as rent seeking or crowding out of private investment, particularly in the context of employment promotion programmes.	L	L	The very essence of Outcome 1 is to establish more transparent and accountable procedures and processes for employment promotion measures and to further increase their efficiency with appropriate monitoring and evaluation mechanisms that contribute to identifying false incentives.
Forecasting future trends on the labour market is a demanding task, and such predictions contain by definition a high level of uncertainty. It is for this reason that even some countries with sophisticated statistical systems (among them Switzerland) do not systematically produce skill forecasts. In the light of the high desire of Albanian stakeholders to include a forecasting element in the revised LMI, potential approaches should be assessed.	H	L	If the challenges prove too big to establish a forecasting system within the programs duration, the current revision of LMI should make sure that the building blocks are provided to set up a forecasting system at a later stage.

5.3. Risk monitoring and management

The project organisation (see chapter 6), the monitoring and evaluation system (see chapter 8) and the project organisation foresee structures and processes that allow for risk monitoring and mitigation. The Programme Steering Committee will play an instrumental role in determining potential risks and in developing strategies to mitigate their adverse effects.

6. Organisation, Management and Administration

6.1. Project organisation

The **implementing agency** of the programme is UNDP Albania. As the implementing agency, UNDP assumes full responsibility for result oriented project management on the basis of this Project Document and the subsequent Yearly Plans of Operations and in accordance with the Cost-sharing Agreement signed with SDC. This includes the tasks of implementing the programme activities, monitoring programme progress, reporting, planning of annual operations, administrative and secretarial support to the Programme Steering Committee and Technical Committees (see below) as well as accurate financial administration (including separate accounting of all project related expenditure).

In addition, UNDP will ensure that the programme's outputs are reflected in the joint annual work plans signed between the UN agencies and the line ministries, reflecting an agreement between the UN and its implementing partners on the use of resources.

Please see Annex for details of the project organisation.

6.2. Project governance

A seamless flow of information is crucial for the successful implementation of this programme. To facilitate cooperation and coordination between all partners involved to the greatest extent possible a **Programme Steering Committee** will be established to oversee the strategic management of this programme. It discusses and approves the progress reports of the programme. The committee also finds solutions to problems that risk imperilling the successful unfolding of the project. It consists of at least three representatives of central and local government institutions, two members of SDC and UNDP and *ad hoc* members who are invited to participate. SDC and the Government of Albania co-chair the Programme Steering Committee.

The **Technical Committee** is the second highest governing structure. It consist of the chairpersons of the four working groups instituted in each of the outcomes and its main mandate is to provide regular direction to guide implementation of the programme so as to ensure that results are delivered efficiently and effectively at good value-for-money. To do so, it will scrutinise all progress reports before they reach the Programme Steering Committee. The Technical Committee will meet at least 4 times per year.

Outcome Working Groups will be established within each of the four outcomes. Their main mandate is to provide a forum for detailed technical discussions between implementing component managers of UNDP. Each of the working groups will have mixed representation of public and private sector representatives to ensure that the voices of

the business sector are duly reflected in the programme implementation. The working groups will meet according to agreed schedules (statutes) based on needs and issues arising during implementation.

6.3. Programme team

The programme team will be managed by a Programme Manager, who will be also the primary interlocutor with SDC, the beneficiaries and other stakeholder of the programme. For each outcome an Outcome Manager will be responsible for the coordination, facilitation and implementation of the respective outcome's work plan. The roles and responsibilities of leading programme team members are explained in Annex .

The recruitment process considers the following requirements for programme staff:

- Relevant professional and/or academic background.
- Minimum three years of relevant experience in areas such as vocational education and training, vocational skills development, employment and labour market (depending on role and function).
- Desirable: experience with qualitative and quantitative research methods (in light of the research elements in each of the outcomes).
- Experience in project and team management as well as in monitoring and evaluation.
- Familiarity with the challenges and potentials of the employment, vocational education and skills development sectors in Albania.
- Maturity and confidence in dealing with senior and high ranking members of national and international institutions, government and non-government.
- Integrity by modelling the UN's and SDC's values and ethical standards (cultural, gender, religion, race, nationality and age sensitivity and adaptability).

UNDP is an equal opportunities employer, which will transpire in any internal or external recruitment that will occur in the context of this programme.

UNDP has significant in-house expertise that can be utilised for the implementation of the programme. National and international short-term consultants will complement the team with specific expertise and experience on the basis of identified needs and assignment terms of reference.

6.4. Time frame

This programme is designed for a period of four years, including a three-month programme operationalisation phase at the beginning (see 6.5. While the timetable will be updated in the yearly plan of operations, Table 5 provides an overview of the general planning with most of the outputs being implemented in a sequenced approach. The

programme management tasks (steering, monitoring and evaluation, reporting) follow the schedule as described in Chapter 8).

Table 5: Programme timetable (tentative)

Outcome		Year 1				Year 2				Year 3				Years 4			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 1																	
Output 1.1	operationalisation phase		▓	▓	▓	▓					▓	▓					
Output 1.2			▓	▓	▓	▓								▓	▓		
Output 1.3					▓	▓	▓				▓		▓				▓
Output 1.4									▓	▓							
Outcome 2																	
Output 2.1	operationalisation phase		▓	▓													
Output 2.2				▓	▓												
Output 2.3					▓	▓	▓	▓	▓	▓							
Outcome 3																	
Output 3.1	operationalisation phase		▓	▓	▓												
Output 3.2					▓	▓	▓	▓	▓								
Output 3.3						▓	▓	▓	▓	▓	▓	▓	▓	▓			
Output 3.4														▓	▓	▓	
Outcome 4																	
Output 4.1	operationalisation phase		▓	▓													
Output 4.2				▓	▓	▓											
Output 4.3						▓	▓	▓	▓						▓		
Output 4.4						▓	▓	▓	▓					▓	▓	▓	▓
Programme Management																	
5.1	operationalisation phase		▓			▓				▓				▓			▓
5.2			▓	▓	▓	▓				▓				▓			▓
5.3						▓				▓				▓			

6.5. Programme operationalisation phase

Effective organisational structures, planning of the programme and sound communication are crucial for the performance of the entire programme. For the programme to be set up carefully the first three months of the programme implementation will be considered as an operationalisation phase, during which the following tasks will, *inter alia*, be accomplished:

- Establish the programme unit (integration of the programme in the Atlas system; recruit programme staff, develop job descriptions, train programme staff etc.)

- Design programme administration, reporting, monitoring and evaluation as well as communication systems, tools and templates

- Identify members of programme governance structures (Programme Steering Committee, Technical Committee and Outcome Working Groups) and design processes and procedures for their operations

- Establish contact with programme partners and beneficiaries as well as relevant donor agencies, projects and programmes

- Organise a kick-off / planning workshop to inform about programme objectives and contents, collect inputs for the drafting of the first yearly plan of operations, and validate baselines

- Draft yearly plan of operations (work plan) in cooperation with SDC and programme partners and beneficiaries

- Draft inception brief that supplements the Programme Document and distribute the latter following approval

6.6. Administrative and financial arrangements

Audit reports: The SDC Contribution to this programme will be subject to the internal and external auditing procedures provided for in the financial regulation, rules and procedures of UNDP. Should the biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the Contribution, such information shall be made available to SDC.

Third party services (in-sourcing of expertise): To the extent that third party services are required, namely technical experts, researchers, database and IT developers, graphic and web designers, PR specialists etc., they are procured on the basis of transparent and documented quality- and cost-based selection procedures.

7. Resources

7.1. Overall budget

UNDP submits a programme budget request to the Swiss Agency for Development and Cooperation that amounts to CHF 3'000'000 for the entire four-year programme duration.

The allocation of the funds between the outcomes – shown in Table 6 – reflects the ambition of the programme, namely to bring about systemic changes particularly with regard to employment programmes and the governance of VET/VSD financing and the sustainable integration of dual elements into Albania's VET/VSD system. Accordingly, the resources earmarked for the first outcome amount to over 40% of the entire budget – including the direct implementation costs of employment promotion. Up to 1'500 youth will *directly* benefit from these measures by gaining direct exposure to the labour market and by gaining more relevant skills. Overall, indirectly, systemic changes will have beneficial spill-over effects for all (potential) VET/VSD participants.

While Outcomes 2, 3 and 4, each of which amounts to approximately 14%, 13% and 10% of the budget respectively, have no direct effects for the programme's youth target group, they will yield effects that enable making better informed decisions and ensure quality in VET/VSD provisioning, which in turn will indirectly benefit the (potential) VET/VSD participants.

The programme's approach of building up on existing good and proven practices, making use of present knowledge and expertise, of facilitating the work of the beneficiaries and of making decisions based on evidence and sound criteria should bode well for the overall efficiency of the resource utilisation.

Table 6: Programme budget per outcome (in CHF)

Outcome	SDC	UNDP	TOTAL	% of total budget
Outcome 1: Improving and diversifying employment promotion measures, and advancing their governance	1'267'931	171'000	1'438'931	45.4%
Outcome 2: Scaling-up work-based learning schemes (elements of dual system)	432'459		432'459	13.6%
Outcome 3: Quality assurance and accreditation of VET/VSD providers	426'406		426'406	13.4%
Outcome 4: Anticipating skills needs in the short and medium term	303'327		303'327	9.6%
Programme Operations and Management (incl. reserve)	569'878		569'878	18.0%
Total	3'000'000	171'000	3'171'000	100.0%

It is opportune to re-state here that the implementation of the reforms that are induced by this programme – diversified employment promotion programmes, work-based learning programmes or procedures for the accreditation of VET/VSD providers – will by default entail costs that eventually need to be covered by the different public and private stakeholders. To be sustainable, the choice of the reforms to be scaled-up will thus largely depend on their financial viability in the long-term; cost-/benefit considerations will therefore be an important element in the preparatory analysis that is foreseen in each of the outcomes.

As shown in Table 7 close to 80% of the resources are reserved for the delivery of advisory services, capacity building, knowledge dissemination and direct implementation (namely with regard to employment programmes). While international advice is foreseen in virtually all of the programme outputs, it is planned that the majority of the advisory services be rendered by local expertise.

Table 7: Programme budget breakdown (in CHF)

Budget line	SDC Contribution	UNDP Contribution	TOTAL	% of total budget
National / international technical assistance, Outcome coordinators	976,030		976,030	30.8%
Trainings, conferences, workshops and seminars	272,650		272,650	8.6%
Study visits	47,500		47,500	1.5%
Direct implementation	570,000	171,000	741,000	23.4%
Contractual services – companies	171,000		171,000	5.4%
IT / applications	23,750		23,750	0.7%
Publications + communications	106,400		106,400	3.4%
Flights and daily subsistence allowances	82,783		82,783	2.6%
Management + operations	481,555		481,555	15.2%
UNDP facilities and administration	222,222		222,222	7.0%
Reserve	46,110		46,110	1.5%
Total	**3,000,000**	**171,000**	**3,171,000**	**100.0%**

A detailed and commented budget, indicating the respective budget items for each programme outputs, is provided in Annex 4 and in a separate budget sheet.

7.2. Complementary resources

The resources that UNDP will be able to contribute to the programme are manifold. They include in-house specialists in the field of VET / VSD, economic development and gender; the network of local resource persons across the country; administrative and operational staff of UNDP primarily in the finance and logistics departments in the offices in Tirana; as well as project management tools and processes such as the Atlas system.

Key resources furthermore include UNDP's implementation experience in Albania, its access to good practices nationally and internationally and the vast knowledge base of UNDP. The programme will benefit from the joint strategic development goals between the Government of Albania and UNDP as stipulated in the Programme of Cooperation 2012-2016.

In addition, after more than five years of experience addressing labour supply interventions, UNDP has forged a strong and fruitful partnership with the Ministry of Labour, Social Welfare and Youth and its specialised agencies such as the National Employment Service and NAVETQ.

It has become evident during these years of experience, that employment challenges in the country can be best addressed through a two pronged approach. The combination of upstream policy work with operational implementation of employment promotion has yielded successful results such as for instance the employment measure for people with disability. Therefore, the application of innovative approaches to employment including social entrepreneurship and client oriented services will be at the core of this programme.

In this respect, UNDP commits to complement the funding from SDC with **USD 180,000** (CHF 171,000) from its core funds to support innovative approaches to youth employment and prototyping at the local level. The objective will be to make available in the country some of the most advanced and relevant models in Europe. In this work UNDP will benefit from the innovation expertise of UNDP's Regional Support Centre in Istanbul as well as ongoing initiatives under the UNDP's Innovation Facility which has been launched recently.

8. Monitoring and Evaluation

Monitoring and evaluation (M&E) allow assessing the progress of the programme, measuring the level of its achievements at different points during programme implementation, identifying issues, risks and challenges and validating the continued logic of the programme. M&E will feed into the reporting as well as the project management and steering mechanisms described above. The M&E system is governed by the principles laid out in UNDP's handbook for development results[26] and supported by the Atlas system, an application to manage programmes, finances and human resources.

8.1. M&E plan

The logical framework and the annual work plans are the main references for monitoring progress and results during the programme's implementation.

These tools will be further operationalised with an M&E plan at the beginning of the programme in collaboration with the Technical Committee. For instance, whereas the logical framework does not contain baselines and target values they will both will be complemented and reviewed at the beginning of the programme in collaboration with the project working groups. Where baselines are missing they will be established on the basis of the findings of various studies planned in the four outcome areas.

The annual project review will be conducted based on the Annual Review Report (see below). It will assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. This review is driven by the Programme Steering Committee and may involve other stakeholders as required. It shall focus on the extent to which progress is being made and that these remain aligned to appropriate outcomes. The annual project reviews may result in changes to the logical framework in order to adapt it to changing environments, priorities or policies.

8.2. Reporting

Programme reporting builds up on the M&E framework described above. The reporting cycle consists of the following reports:

- **Semi-annual progress report**: This report will be prepared by the Programme Manager and shared with SDC to record progress towards the completion of key results and to provide a quality assessment based on quality criteria and methods of UNDP's Atlas system (e.g. issue log, risk log, lesson-learned log, monitoring and events schedule plan).

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[26] UNDP 2009

- **Annual review report**: This report will be prepared by the Programme Manager and shared with the Programme Steering Committee. The report consists of the Atlas standard format covering the whole year and a summary of results achieved against pre-defined annual targets at the output level. The annual review report will also contain detailed information on the utilisation of the programme funds.

- **End-of-mission reports**: These short reports will be submitted by consultants that are contracted for programme implementation along with the respective assignment output (product or service). They will report on achievements against objectives and issues that need to be followed up.

To the extent necessary this reporting cycle will be supplemented to meet the requirements of SDC.

8.3. Evaluation

Apart from the annual review led by the Programme Steering Committee two evaluations carried out: a mid-term review and an end-of-programme evaluation. Both will be carried out by independent external consultants, the respective terms of reference as well as the subsequent reports will be submitted to and endorsed by the Programme Steering Committee. The main purpose of the mid-term review is to critically assess the programme implementation up to that point and particularly to advise about eventual changes warranted to achieve the planned outcomes. The final evaluation will focus on the impact, efficiency, effectiveness and sustainability of the programme; it shall provide pertinent lessons learned and recommendations.

9. Open Issues

The following issues need to be dealt with upon commencement of the programme as they could not be resolved during the planning phase. These issues are briefly described below:

- Indicators, baselines and target values:

  o An ILO commissioned rapid assessment of employment promotion measures is scheduled to be conducted in December 2014 and published in early 2015. The findings of the assessment can likely be used as impact and/or outcome indicators, their values as baselines.

  o For some of the indicators in the logical framework respective baselines do not exist. For instance, the Labour Force Survey as it stands does not provide a baseline on the rural areas. In such cases baselines need to be established through e.g. *ad hoc* surveys, the research elements foreseen in each of the outcomes or other sources of information.

- Consequently, also the logical framework will need to be updated at the start of the programme with appropriate and relevant indicators.

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Annex 1: Logical Framework

Annex 2: Programme Organisation

Figure 1: Organisation chart
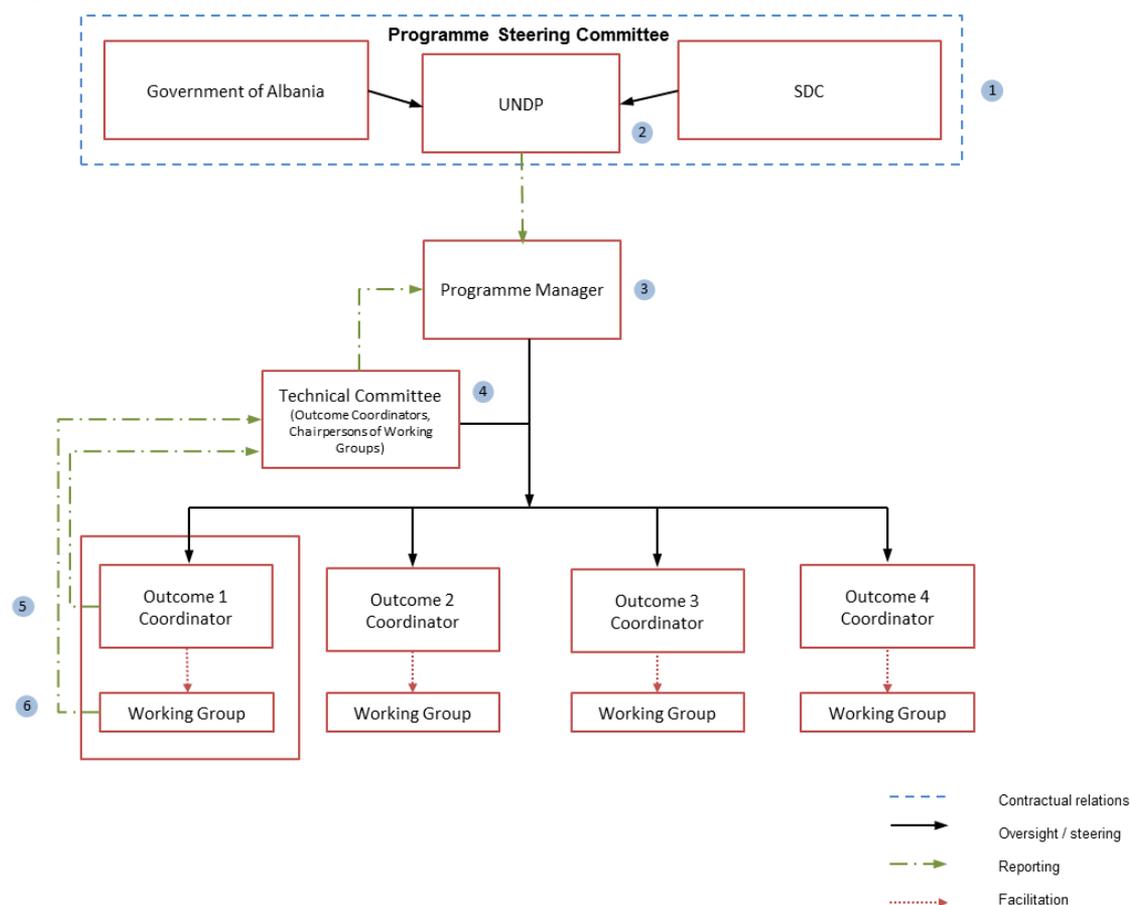
① • Bilateral agreements exist between Government of Albania and SDC and UNDP respectively; SDC and UNDP enter contractual relations for the implementation of the programme; Government of Albania and SDC co-chair the Programme Steering Committee, which is responsible for strategic management of the programme; UNDP acts as secretariat of and reports to the Programme Steering Committee

② • UNDP – represented by the UNDP Country Director – assumes overall responsibility for the entire programme;

③ • Management responsibility of the programme is delegated to the Programme Manage; he/she is the primary interlocutor for the members of the Programme Steering Committee members and supervisor of the Outcome Coordinators; Programme Manager can resort to programme support (administrative and finance assistant, human resources support, logistics, driver)

④ • Outcome Coordinators and Chairpersons of the four Working Groups comprise the Technical Committee, which is responsible for operational management of the programme; it reports to the Programme Steering Committee; Outcome Coordinators can resort to programme support (administrative and finance assistant, human resources support, logistics, driver)

⑤ • Outcome Coordinators assume a management and facilitation role vis-à-vis the Working Groups, with who they closely interact; a Chairperson is selected by the members of the Working Group; Outcome Coordinators report to the Technical Committee and the Programme

Manager

- Working Groups consist of different interdepartmental and other representatives (private and public sector alike); they are chaired by the outcome lead-agency

Annex 3: Programme Team ToR

The programme team will consist of the positions Programme Manager and Component coordinators. The key responsibilities and tasks of each position are listed below:

Table 8: Programme manager tasks and responsibilities

Programme manager: The programme manager is responsible for overseeing all day-to-day activities of a particular programme and also for keeping a birds-eye view of the programme operations. He/she is the prime interlocutor with SDC and the GoA.		
General tasks: tasks that are relevant for the overall management of the programme	**Specific tasks**: tasks that are relevant primarily for the management of the outcomes	**Time allocation**
- Represent UNDP vis-à-vis the donor agency and cooperate closely with SDC in order to ensure synergies and to amplify the impact of the project - Manage, organise and supervise the planning, implementation and monitoring of all programme components, including the tools: - Yearly Plan of Operation - M&E table - Atlas system - Manage project human resources and define job descriptions, management procedures and reporting - Plan, prepare, facilitate and follow-up on the - Programme Steering Committee meetings - Technical Committee meetings - Monitor the unfolding of day-to-day programme activities, the quality of all deliverables (surveys and documents produced in the project framework) against the programme's objectives - Flag any (potential) risks, bottlenecks, challenges vis-à-vis SDC and/or the programme steering bodies	- Facilitate committees' work and task groups created in the framework of the project planning and implementation *To be determined: assume the role of Component manager for component x*	On the basis of the duties and responsibilities mentioned above, a full time position for the duration of the project (48 months) is estimated.

• Supervise and ensure the narrative and financial reporting for SDC as well as the yearly audit • Ensure transparent communication and outreach with programme stakeholders and interested groups		

Table 9: Outcome manager tasks and responsibilities

Outcome manager: Outcome managers are responsible for the operational management for a specific outcome; they report to the programme manager and contribute to strategic decision making for programme purposes.		
General tasks: tasks that are relevant for the overall management of the programme	**Specific tasks**: tasks that are relevant primarily for the management of the outcomes	**Time allocation**
• Flag any (potential) risks, bottlenecks, challenges vis-à-vis Outcome and/or Technical Committee and/or Programme Manager • Contribute to narrative and financial reporting (as determined by the Programme Manager) • Assume other duties as assigned	• Overlook, coordinate and manage the programme activities in his/her own area of responsibility • Ensure the flawless running of the programme activities, including the proper administration of all resources in his/her own area of responsibility • Coordinate research and needs assessment activities in the area of responsibility • Contribute to the outcome implementation with e.g. research, fact-finding, information sharing etc. • Ensure good collaboration and working relations with the working group members • Offer coaching and support for working group members • Support and closely collaborate with consultants mandated by UNDP for purposes related to the programme • Contribute with ideas the capitalisation of experience, e.g. by contributing to the drafting of documentation • Ensure good collaboration	• On the basis of the duties and responsibilities mentioned above, a full time position for the duration of the project (48 months) is estimated.

	and networking with other national and international institutions concerned issues related to the area of responsibility • Coordinate the work and find synergies whenever possible at with other donor or GoA funded interventions in order to increase the impact generated by the programme	

Annex 4: SDC Programme Budget

Table 10: SDC Programme Budget

No.	Budget item / description	Total SDC Contribution in CHF
Outcome 1	**Improved and diversified employment promotion measures are provided to young Albanian women and men in urban and rural areas enhancing their skills and employability; required resources for employment promotion measures and VET/VSD are managed appropriately.**	
Output 1.1	Management of funds dedicated to employment promotion measures and VET/VSD is improved to enhance effectiveness, transparency and accountability of fund utilisation.	107'114
Output 1.2	Operational plan is adopted to enhance effectiveness, transparency and accountability of the implementation of employment promotion measures.	197'402
Output 1.3	Impact measurement system is established enabling to assess effectiveness, efficiency and impact of employment promotion measures.	193'298
Output 1.4	New employment promotion measures are piloted and tested.	770'116
	Subtotal	**1'267'931**
Outcome 2	**Improved environment and regulatory framework for up-scaling work-based learning schemes in urban and rural areas (for priority occupations).**	
Output 2.1	Feasibility study on work-based learning schemes in Albania is completed identifying best practices examples.	87'620
Output 2.2	Models of work-based learning most relevant for system change are operationalised (for priority occupations).	240'648
Output 2.3	Regulatory framework that allows for implementation of the models is elaborated and adopted.	104'190
	Subtotal	**432'459**
Outcome 3	**Quality assurance and accreditation systems and their mechanisms are in place and contribute to ensuring quality of VET and VSD institutions and programmes.**	
Output 3.1	Policy and institutional environment for quality assurance and accreditation is developed.	68'332
Output 3.2	Quality assurance and accreditation criteria, standards, mechanisms and tools (at providers' level) are developed and adopted.	137'741
Output 3.3	Quality assurance systems and accreditation procedures are applied in selected VET and VSD providers.	116'502
Output 3.4	Information on the quality assurance and accreditation framework is provided to stakeholders and interested groups.	103'831
	Subtotal	**426'406**
Outcome 4	**Improved information about the current and future state of the labour market enables relevant stakeholders to make evidence based decisions related to employment and skills development, and therefore reduces the skills mismatch.**	
Output 4.1	Inter-departmental LMI working group is established with a clear mandate and is fully operational.	37'039
Output 4.2	Current LMI system is analysed, information demand and gaps are identified to enhance quality and relevance of LMI, and to enable skills forecasting.	65'705
Output 4.3	Methods and tools that allow for skills forecasting and LMI are improved and institutionalised.	114'502

Output 4.4	Stakeholders are capacitated to utilise improved LMI for their decision making.	86'081
	Subtotal	**303'327**
5	**Programme Operations and Management**	
	Subtotal	**569'787**
TOTAL SDC PROGRAMME COSTS		**3'000'000**

Annex 5: Consultation Process

This programme was designed following established good practice of programme design and stakeholder engagement as outlined by UNDP's Handbook on Planning, Monitoring and Evaluating for Development Result.[27]

As a result there is a consensus amongst the main partners and beneficiaries about the relevance and validity of the proposed programme. The steps of the consultation process are briefly described in the following paragraphs:

- **Identification of main challenges in skills development**: Sources of information were UNDP's active involvement in the consultation process for the NESS 2014-2020 and its own implementation experience in the field of vocational education and training, skills development and employment.

- **Mapping of UNDP internal experiences and competencies**: This step comprised of contrasting the main challenges with UNDP's capabilities to address the former with either already existing in-house expertise and/or by insourcing UNDP specialist expertise from comparable contexts and/or specialised agencies.

- **Consultation process (formal and informal)**: UNDP then entered into a consultation process of bi-lateral meetings with the direct beneficiaries – in particular the MoSWY, the NES and the NAVETA – to discuss and reflect on the preliminary programme ideas.

- **Formulation of a programme concept note**: The results of the first three steps were analysed and summarised in a programme concept note. The concept note contained background and contextual information, an explanation of the rationale of the programme and the description of five intervention areas[28] and more than twenty intervention ideas.

- **Validation of areas with key stakeholders in a series of interviews**: Following the principal invitation of SDC to submit a funding proposal a consulting team was contracted to organise an in-depth consultation processes and to assist in the formulation of a Programme Document. In the period of 21-22 August and 3-5 September 2014 the consultants carried out 14 semi-structured inter-

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[27] UNDP (2009).

[28] The five intervention areas were: Strengthening the governance of employment programmes; establishment of an adequate skill forecasting system that guides VET provisioning; integrating entrepreneurship training in VET and employment programmes; extension of employment and skills development services to rural areas; and addressing skills needs of existing enterprises.

views. Based on the interview feedback the priority areas were selected out of the five intervention areas of the concept note.

- **Formulation of draft logical framework**: Building up on UNDP's preparatory work and the qualitative interviews an outline of a logical framework was developed as the main reference document for the planning workshop.

- **Validation of draft logical framework**: The validation of the planned intervention took place during a programme planning workshop that was held on 3 September 2014 in Peze, Tirana. The workshop was attended by 18 stakeholders (see below) to discuss and validate the preliminary logical framework. The planning workshop offered the opportunity to increase awareness and to build consensus as well as ownership for the programme. All pertinent inputs of the planning workshop were integrated into the final logical framework.

- **Additional consultation NAVETA**: Subsequent to the planning workshop and upon request of SDC a supplementary consultation was carried regarding the programme's outcome 3, namely on the topic of quality assurance and accreditation.[29] The meeting to discuss the relevance, content and feasibility of a programme component on quality assurance and accreditation was held on 3 October 2014 with the Deputy of the NAVETA, Ms. Sonila Limaj. She was furthermore invited to critically review and comment the draft versions of the outcome 3 descriptions of the logical framework and the Programme Document.

- **Additional consultation Deputy Minister MoSWY:** In a bilateral meeting the Deputy Minister, Ms. Gentiana Sula, expressed her support to and validity of the outcomes and outputs formulated in this Programme Document. She also suggested additional topics (e.g. use of public VET school facilities to establish business incubators; recognition of prior learning, as well assistance with setting certification standards for selected occupations). Whereas these interventions are not within the remit of the outcomes of the suggested programme, they will be considered during the course of implementation through selected activities.

- **Submission of the Programme Document**: The present Programme Document is the result of the entire consultation effort.

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[29] The work on quality assurance and accreditation replaces the earlier plan of pursuing an outcome on youth entrepreneurship.

Planning workshop

The following persons participated in the planning workshop on 3 September 2014 (alphabetical order):

1. Silvana Banushi, General Director, MoSWY

2. Erindi Bejko, Director of Employment Programmes, NES

3. Edi Beqaraj, Tourism Specialist, Ministry of Urban Development and Tourism

4. Pranvera Elezi, INSTAT

5. Maria Gomes, ILO IPA Project Team Leader

6. Mimoza Hasani, Employment Policies Department, MoSWY

7. Jorina Kadare, UNDP

8. Genc Kojdheli, General Director, National Employment Service

9. Sonila Limaj, Director of NVETA

10. Harald Meier, B,S,S. Economic Consultants

11. Silvana Mjeda, SDC

12. Brikena Nallbani, Deputy General Director, National Employment Service

13. Itena Ndroqi, General Secretary, MoSWY

14. Eno Ngjela, UNDP

15. Yesim Oruc, UNDP

16. Agron Pellumbi, Director of VET Directorate, MoSWY

17. Genta Prodani, Director of Employment Policies, MoSWY

18. Dajna Sorensen, UNDP
19. Representative from the Ministry of Education

Annex 6: Literature

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