



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



Review of Albania's Vocational Education and Training System

including a comparative analysis with
selected countries from Central and
Western Europe and the Balkan Region



May 2020

Review of Albania's Vocational Education and Training System

including a comparative analysis with
selected countries from Central and
Western Europe and the Balkan Region

Author: **Ms. Annett Hilpert**,
International VET Expert

Edited in English by: **Iain Wilson**

Albanian translator: **Ledia Abazi**

Design by: **Iliada Ndoci**

The views expressed in this report are those of the author and do not necessarily represent those of the United Nations Development Programme or the Government of Switzerland.



This report is published with the generous assistance of the Swiss Development Cooperation, through the Skills Development for Employment – Consolidation Phase – Programme, implemented by UNDP Albania.

Table of Contents

Acknowledgments	7
Executive Summary	8
Introduction	16
0.1 Albania’s Vocational Education and Training System during Transition	16
0.2 Albania’s Way into the EU and its Implication for the VET reform	18
0.3 Objectives and Relevance of this Review	20
0.4 Review Methodology	21
1. External Factors Influencing VET	26
1.1 General Demographics	26
1.2 Key Economic Indicators	27
1.3 Employment Patterns and Job Dynamics	28
1.4 Education Attainment and Life-Long Learning Patterns	29
1.5 National Policies Influencing VET	30
2. VET Provision in Albania—a System Description	34
2.1 VET as Part of the Overall Education System	34
2.2 Permeability of the System and Possibilities for Lifelong Learning	35
2.3 VET Governance	36
2.4 VET Finance	42
2.5 VET Providers Landscape	43
2.6 Work-based and Dual Forms of Learning	45
2.7 Human Resources Development in VET	50
2.8 Image and Marketing of VET	52
3. Albanian Qualification Framework	56
3.1 Description of AQF	56
3.2 Occupational Standards, Qualifications, Assessment and Certification	57
3.3 Quality Assurance	59
4. Main Outcomes and Challenges of the VET Reform	64
4.1 Strategy, Vision and Main Expected Outcomes	64
4.2 International Assistance and its Systemic Impact on the VET Reform	65
4.3 Labour Market Relevance of VET Provision	69
4.4 Conclusions and Recommendations	72
5. Comparative Benchmarking of Albania’s VET System with those of Selected Countries in Central and Western Europe and the Balkan Region	80
5.1 Coherent Regulatory Framework (Q1)	86
5.2 VET Governance with Clear Roles and Responsibilities Based on Social Dialogue (Q2)	90
5.3 Equitable Funding Arrangements (Q3)	94
5.4 Strong Labour Market Relevance (Q4)	99
5.5 Assessment and Certification Based on Learning Outcomes (Q5)	108
5.6 Quality Mechanism for VET Provision and Delivery (Q6)	112
6. Concluding Remarks and Recommendations for a Systemic Collaboration with the Private Sector in VET	120
6.1 Recommendations for Government and Public Administration	121
6.2 Recommendations for VET Providers	122
6.3 Recommendations for the Business Community (Private Sector Companies and Associations)	123
6.4 Recommendations for VET Students and their Parents	124

List of Annexes

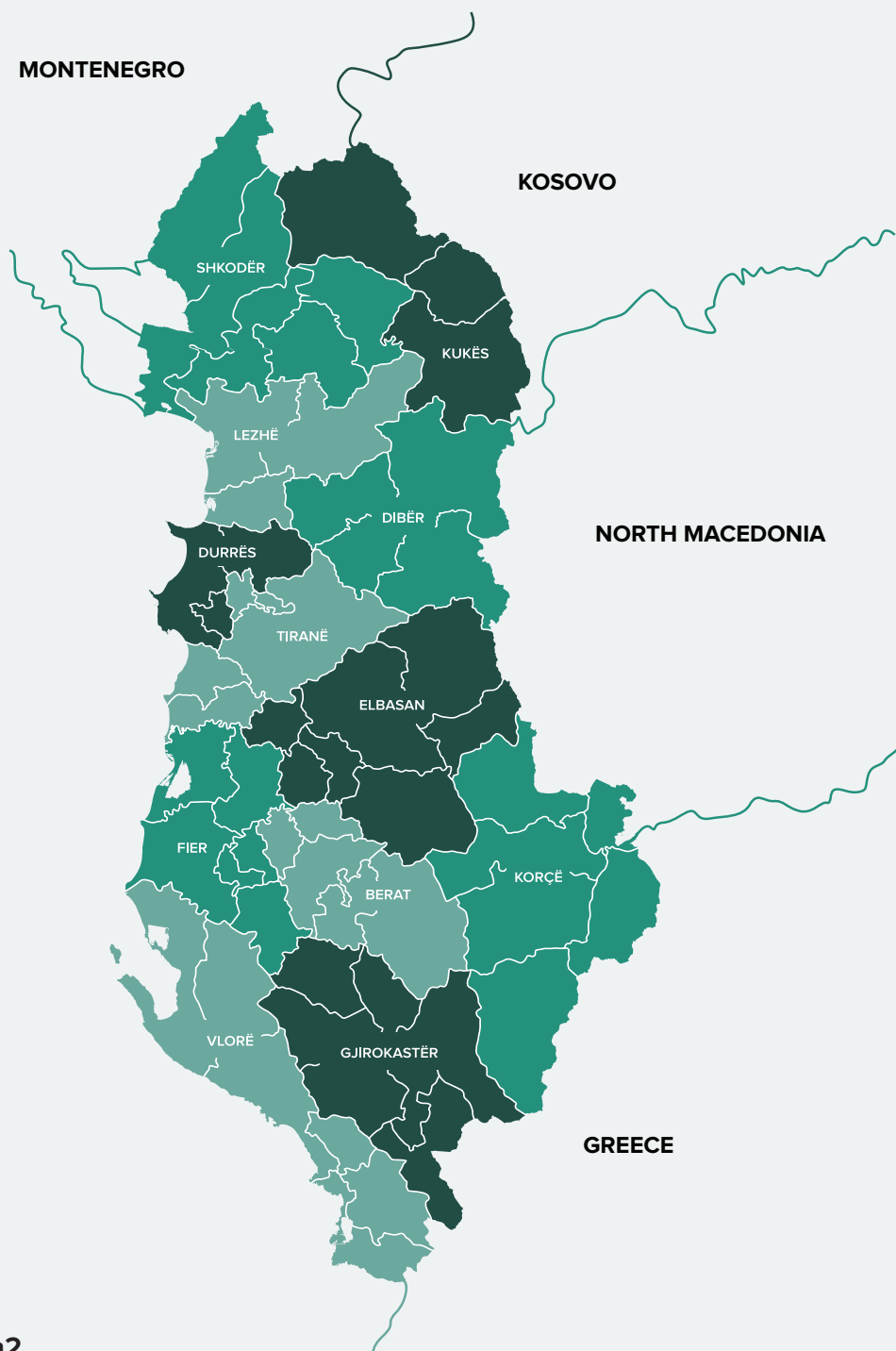
- Annex 1** List of consulted institutions and persons
- Annex 2** Legislative framework for VET in Albania
- Annex 3** Governance of VET in Albania
- Annex 4** Enrolment in AQF Qualifications levels 2 to 5
- Annex 5** List of public VET schools and their training offer
- Annex 6** Enrolment in VTCs
- Annex 7** Case study on VET challenges in dynamic sectors: tourism, agribusiness, ICT
- Annex 8** Country brief: VET in Germany
- Annex 9** Country brief: VET in Switzerland
- Annex 10** Country brief: VET in Austria
- Annex 11** Country brief: VET in the Netherlands
- Annex 12** Country brief: VET in Serbia
- Annex 13** Inventory of good practices in VET in Albania and benchmarking countries

List of **Acronyms**

ABP	Albanian Business Partners
ADA	Austrian Development Agency
AEHT	European Association of Hotel and Tourism
AFI	Albanian Food Industry Association
AITA	Albanian Association of ICT Businesses
AQF	Albanian Qualifications Framework
AY	Academic Year
BIBB	Federal Institute for Vocational Education and Training (Germany)
BMBF	Federal Ministry of Education and Research
BMDW	Federal Ministry of Digitalisation and Economics
BSPSH	Union of Independent Trade Unions of Albania
CARDS	Community Assistance for Reconstruction, Development and Stabilisation (EU fund)
CCIS	Chamber of Commerce and Industry of Serbia
CEDEFOP	European Centre for the Development of Vocational Training
CEFTA	Central European Free Trade Agreement
CoM	Council of Ministers
CPD	Continuing Professional Development
C-VET	Continuous VET
DACUM	Developing a Curriculum
DCM	Decision of the Council of Ministers
DEQA	Reference Point for Quality Assurance (Germany)
DIHA	German Industry and Trade Association Albania
EAMIS	External Assistance Management Information System
EC	European Commission
ECTS	European Credit Transfer System
ENQA	European Network of Quality Assurance
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualification Framework
ETF	European Training Foundation
EU	European Union
FQEHEA	Framework for Qualifications of the European Higher Education Area
GDP	Gross Domestic Product
GE	General Education
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoA	Government of Albania
GPA	Grade Point Average
GVA	Gross Value Added
HDPC	Human Development Promotion Center
ICT	Information and Communication Technology
IED	Institute of Educational Development
ILO	International Labour Organisation
IMF	International Monetary Fund
INSTAT	Albanian National Institute for Statistics
IPA	Instrument for Pre-Accession Assistance
ISCED	International Standard Classification of Education

ISCO	International Standard Classification of Occupations (-08, 2008)
I-VET	Initial VET
KfW	Kreditanstalt für Wiederaufbau
KSSH	Confederation of Trade Unions of Albania
LFS	Labour Force Survey
LLL	Lifelong Learning
LMIS	Labour Market Information System
MBO	Middelbaar Beroepsonderwijs (middle-level education applied in the Netherlands)
MFC	Multi-functional Centre
MFE	Ministry of Finance and Economy
MoES	Ministry of Education, Sports and Youth
MoSWY	Ministry of Social Welfare and Youth
MTD	Medium-Term Deliverables
MTR	Mid-Term Review
NAES	National Agency for Employment and Skills (former NES)
NAVETQ	National Agency for VET and Qualifications
NEET	Not in Education, Employment or Training
NES	National Employment Service
NESDF	National Employment and Skills Development Fund
NESS	National Employment and Skills Strategy
NOS	National Occupational Standards
NQF	National Qualifications Framework
NSDI	National Strategy for Development and Integration
OECD	Organisation for Economic Cooperation and Development
PASO	Social Partner (partner social)
p.p.	Percentage Points
PPP	Purchasing Power Parity
PwD	Persons with Disabilities
QI	Quality Indicator
S4J	Skills for Jobs
SD4E	Skills Development for Employment
SDC	Swiss Development Cooperation
SERI	State Secretariat for Education, Research and Innovation
SFIVET	Swiss Federal Institute for Vocational Education and Training
SME	Small or Medium Enterprise
SNA	Skills Needs Analysis
SSC	Sector Skills Committee
UNDP	United Nations Development Programme
VE	Vocational Education
VET	Vocational Education and Training
VMBO	Vorbereidend Middelbaar Beroepsonderwijs (preparatory middle-level education applied in the Netherlands)
VSD	Vocational Skills Development
VTC	Vocational Training Centre
WBL	Work-based Learning

Albania



Area: **28,748 km²**

Capital: **Tirana**

System of Government: **Unitary Parliamentary Constitutional Republic**

Population: **2.8 million (2019)**

GDP per capita (PPP): **USD 14,143 (2019)**

Acknowledgments

The consultant would like to express a special gratitude to the UNDP SD4E team for their continuous support during the course of the present study, especially for arranging interviews and consultative sessions with policymakers and key actors of the Albanian Vocational Education and Training (VET) system during the consultant's on-site missions.

In addition, the consultant would like to thank all parties from the Ministry of Finance and Economy (MFE), the National Agency for Employment and Skills (NAES) and National Agency for VET and Qualification (NAVETQ), the VET providers' management and staff, teachers, mentors and students, as well as representatives from the private sector for their time, openness and valuable comments on the VET reform achievements, challenges and future priorities.

It is impossible to mention all the contributors by name. Nevertheless, the consultant would like to express special thanks to the following people: Sonila Limaj, Outcome Coordinator, SD4E Programme, for her tremendous efforts to complement the mapping exercise of the Albanian VET system with well-founded information, data and statistics; Dr Matthias Risler for sharing his expertise in the design of the review method and in the analytical part of the present study, especially for the contribution of first-hand experiences from benchmarking countries in Central and Western Europe; and Aleksandra Lakićević Dobrić for her professional input and sharing of experiences from the Serbian VET reform to bring the national VET system closer to the EU standards of quality education and training.

Last but not least, special thanks go to Dajna Sorensen, Deputy Minister of Finance and Economy, for her forward-looking and enriching comments that helped the consultant to put focus on crucial elements and consolidate the vast amount of information into a readable document.

The present complex review could not have been completed without the support and valuable contributions of all those people.

Executive Summary

Within a short time span of only 25 years, Albania has achieved a remarkable transformation, from being the poorest country in Europe to becoming an upper-middle income country. However, the production base is narrow and the competitiveness of the, mainly small, enterprises is still weak, thus limiting the capacity for job creation and increased productivity. The Government of Albania has recognised the need to address the employment issue. Vocational Education and Training (VET) generates the workforce of tomorrow, and, thus, plays a key role in economic growth, employment generation and social stability. In 2014, the National Employment and Skills Strategy (NESS) 2014–2020 was adopted, considered an important milestone since this was the first time that a national strategy paper had addressed employment promotion and Vocational Skills Development as one entity. Two out of four policy priorities defined in the NESS are dedicated to setting up a quality VET system to meet the demands of the labour market. This strategy introduced a new dynamic into the complex VET reform, and calls for coordinated action among all stakeholders, including the private sector, to meet the ambitious targets.

Systemic private sector engagement is a key feature of every quality VET system and probably the biggest challenge for transition countries such as Albania, where VET has always been considered a state responsibility: initiated and designed at central government level with a focus on educational attainment rather than responding to the labour market needs. Albania's VET system is still driven more by general education than understood as demand-based professional training aiming at employability of the graduates. The Vocational State Matura is the central element for teaching and learning and the ultimate goal of secondary VET since it is still the only way to get access to higher education. A key question to be answered by Albanian decision makers and stakeholders in this regard is How dual should the system be? It asks whether VET should remain just another vehicle to higher education or become an own, self-standing career path that generates a workforce that is skilled and agile, to boost productivity and economic growth. The reasoning behind this is that the economic actors—employers—will hesitate to support a VET system that is VET only in name, but in reality rather a disguised general education programme. Businesses need to see the value and benefits of being engaged in training, i.e. the availability of a qualified workforce. VET needs to be understood as a collaborative task of the state and the private sector to deploy its full potential. This can only be realised if the private sector and the representative bodies become equal, responsible and informed collaborators in the governance and implementation of VET.

The present report presents the findings of a study undertaken by UNDP Skills Development for Employment (SD4E) programme conducted between May 2019 and May 2020. The study took a detailed look into the system of VET governance and provision in Albania and aimed to identify the challenges that hamper the system from responding effectively to the skill demand of the labour market. As part of this VET review, the key features of the Albanian VET system and the results from the outcome analysis were benchmarked with selected VET systems in Central and Western Europe (Austria, Germany, Switzerland and the Netherlands) for successful good practices that could provide fresh impetus for Albanian decision makers to fine-tune and improve the national VET model. Throughout the review the focus was put on how to establish a collaborative partnership between the key actors in VET, namely the state (ministries, agencies), private sector (training, and prospective training, companies), VET providers (VET schools, and Vocational Training Centres, VTCs) and social partners (employer associations and trades unions).

— Main findings

Despite all the reform efforts that have been made, there is still a significant skills shortage and skills gap in the Albanian labour market, mainly due to insufficient collaboration between the world of education and the world of work. The major achievements of the last six years of the VET reform—since adoption of NESS—concern the establishment of a comprehensive legislative framework that defines the guiding principles and structure of the VET system, the roles and responsibilities of the key actors and overall standards for VET provision, assessment and certification that includes the following: the amended Labour code (2015), the Law on Craftsmanship (2016), a new VET Law (2017), amended Albanian Qualifications Framework (AQF) Law (2018), amended Law on Pre-university Education (2018) and the Employment Promotion Law (2019). The challenge is to make this legal framework operational.

One reason for the delay is that more than half of the sub-legal acts are either not yet drafted or still pending approval. This delay hampers operationalisation and generates uncertainty, especially at the implementation level (VET schools and companies) on the translation of the legislative framework into day-to-day operations, and leads to an increasing detachment of VET reality from the regulatory framework. The lack of guidelines and standard procedures for organising, implementing and assessing the work-based learning component has generated a patchwork of individual actions of varying scope and quality.

The VET governance system also faces challenges. The novelties in the legislative framework have resulted in changing roles and responsibilities of the national key actors. The two national agencies that share responsibility for VET (National Agency for Employment and Skills, NAES, and National Agency for VET and Qualification, NAVETQ) are still undergoing restructuring and are not yet fully functional in providing the full spectrum of services assigned by law.

The greatest weakness in the governance framework is that the structural reform has been mainly initiated and developed by the supply side (ministry and state governing bodies). Operating in a system that is traditionally very centralistic, with a strong government influence, Albania's public VET providers had in the past only little room for manoeuvre for individual actions. They are small in size and do not enjoy the same prestige as universities. Their mode of communication with government authorities and private sector entities is based mainly on personal relations. There is no cooperation mechanism (e.g. a VET providers association) that supports VET providers in making their opinions, concerns and efforts more consolidated and visible to national stakeholders. The new VET law entrusts the providers with a broad range of responsibilities, which are outside of the mandate of an educational institution. VET schools are supposed to set up business development units that establish and maintain long-term cooperation patterns with the local and regional business community to ensure quality work-based learning opportunities for their students. They are given a higher autonomy with regard to their VET programme planning and managing of budgets, through own-income generating activities and tendering for projects. All these tasks require entrepreneurial competences from the school management and administrative staff, and need a capacity building concept to ensure effective roll-out. This is not yet in place.

Private sector contribution towards the design of the governance structure has been low compared to the expected contribution in the training programme design and modernisation and delivery (work-based learning) as stipulated in the new VET law (15/2017). One reason is certainly the low level of institutional contribution of the private sector with regard to VET. There are some 30 employee organisations, the majority of which are organised under the umbrella

organisation Business Albania, and about 83 trade unions, with two representing 90 percent of all members: the Confederation of Trade Unions of Albania (KSSH) and the Union of Independent Trade Unions of Albania (BSPSH). However, their role in VET is not defined clearly in the relevant legislation. Although the new legislative framework provides several entry points (committees, councils, boards) where the private sector can represent its interests and bring in professional expertise to optimise the system it still lacks a concept to coordinate actions at the central, meso and implementation level. Key advisory bodies at the national level, which are essential platforms for social partner dialogue, are not functioning (National VET Council), or are still in the establishment phase (Sector Skills Committees). This leads to a position where the private sector cannot systemically take part in VET policy design or in development or revision of occupational standards and vocational training regulations.

Albania is currently piloting a dual VET approach in the crafts sector; established by law in 2016, the National Chamber of Crafts has been given the legal mandate to establish dual forms of learning in crafts occupations. Nevertheless, this attempt is in a very early experimental phase and not coordinated with initial formal VET in secondary schools. Some pilots are run in selected trades with employees of chamber member companies in cooperation with a private training institute. It is now time for discussion between the Chamber of Crafts, the governing VET bodies (MFE, NAVETQ and NAES) and the industry over how far this model can be aligned to the overall reform efforts in initial VET programmes to avoid a situation where both systems drift apart instead of joining forces and utilising synergies.

The closest forms of business cooperation take place at the provider level. Nevertheless, initiatives to establish school–business relations, to e.g. arrange work-based learning activities, originate in most cases from the schools. Although the presence of two business representatives on the school board is a legal requirement (one of which has to be elected as chair), businesses do not pro-actively approach VET providers. This is because business collaboration in VET is not historically rooted in Albania and, thus, remains a new, and for many Albanian companies (especially micro firms) still an unknown phenomenon.

Work-based learning (WBL)—an essential part of any quality VET provision—lacks a uniform national approach. The interviews, focus group discussions and workshops conducted by the consultant during this VET review revealed that businesses have VET on their radar but in a personal and inter-relational way rather than in an institutional one. As there is no tradition and also no institutional framework in place, it is for external observers an astonishing feature to see so many and so strong expressions of good will and genuine openness. Nevertheless, despite the obstacles, case-by-case management of WBL (internships and apprenticeships) has grown to a considerable extent. This speaks also in favour of the potential that business executives and staff will engage in more organised relations characterised by mutual benefit.

The VET system is under-financed with regard to teacher salaries and skill-up needs, infrastructural deficits, funds for extracurricular activities, scholarships and dormitories, and innovative solutions are needed to explore additional sources of funding. Equitable funding¹ of the system is more likely to be achieved if the private sector were willing to invest in skills training. In Albania, the financial contribution of private companies in VET is not addressed explicitly in the current legislation. Article 30 of Law 15/2017, on VET, does not stipulate private sector contribution as a defined source of funding, but rather a voluntary contribution. International experiences have shown that

¹ European Training Foundation (ETF): Torino Process 2018–2020, Albania, National Report, pages 63–70.

² Muriel Dunbar: Engaging the Private Sector in Skills Development. UKFIET International Conference on Education and Development, Oxford, 2015, page 7.

“levy systems are unlikely to work well in countries where industry is not well developed and administrative or organisational capacity is weak,”² as is the case in Albania. Tuition fees are also not a promising solution taking into consideration the poor economic condition of the majority of people. It is also contradictory with the aim of a socially inclusive education and training system (quality education for all). The strategy of the Government of Albania to go for a decentralised approach by assigning a greater management responsibility and financial autonomy (through income generating activities) to the individual VET providers seems to be the most promising approach towards improving the financial situation of the schools.

Donor programmes have been contributing enormously to the improvement of VET planning, design and delivery, to the revision of the legal framework, the enhancement of training infrastructure and capacitating of human resources, especially at the VET provider level, in the Albanian VET schools and VTCs. During the implementation period, they generate impressive results as regards the quality of services provided and the number of beneficiaries reached. Unfortunately, these ambitious donor projects very often remain islands of success, or even vanish shortly after the project expires, instead of becoming sustainable solutions, scaled-up and mainstreamed into a coherent national VET model. A system of coordinated efforts is urgently needed, supported by a computerised management information system allowing for better monitoring and utilisation of the models generated and good practices.

In the comparative benchmarking exercise (Chapter 5), on selected VET systems in Central and Western Europe and the Balkan region, the consultant reviews the Albanian VET system in the light of seven quality indicators (building blocks of effective VET systems). For each of the building blocks the consultant analyses in detail the achievements of the VET reform and the prevailing challenges, before identifying alternative scenarios and solutions from the benchmarking countries. These good practices were considered when drafting a list of recommendations for each area. In short, the key recommendations to improve the VET quality indicators in Albania are as follows:

Quality Indicator 1: Coherent Regulatory Framework

- (1) Establish a national VET information office (one-stop-shop).
- (2) Develop and administer interactive online VET platforms.
- (3) Develop a mechanism of coordinated actions for all key players in the VET reform (Operational Plan and Coordinating Body).
- (4) Finalise and roll out the by-laws for VET in close dialogue with the private sector.

Quality Indicator 2: Clear Roles and Responsibilities

- (1) Consolidate and improve the pool of professional staff in the ministry and national agencies and at the provider level.
- (2) Conceive and implement staff development programmes for key actors in VET; include peer learning, staff placement and exchange with partner institutions in Albania and abroad.
- (3) Consult with chambers and business associations on how VET could become a topic on their agenda and how better to integrate VET with business promotion policies and related governance structures.
- (4) Establish an online registry of internship and apprenticeship vacancies (NAES) enabling companies to register their vacancies and for students to search for internship posts.
- (5) Give social partners weight on the National Advisory Boards (VET Council, and Sector Skills Committees, SSCs) corresponding to their importance for developing the VET sector towards a better matching of offer and demand.
- (6) Create an association of VET providers to generate joint position statements from the implementation level to be heard at the national level.

Quality Indicator 3: Equitable Funding Arrangements

- (1) Revise the budget allocation method: Develop an instrument to assess the programme-specific cost implications in close consultation with VET providers and sector specialists from the companies (to calculate a national standardised unit cost per specialisation).
- (2) Pilot an allocation mechanism that differentiates the per capita funding, based upon the numbers of students and staff, for each specialisation and the training programme requirements.
Discuss with donors supporting the VET sector the appropriateness and feasibility of creating
- (3) a VET support fund, filled with the contributions of the donors and a national contribution, to pool some of the individual support projects.

Quality Indicator 4: Strong Labour Market Relevance

- (1) Consolidate the existing building blocks for the design of occupational qualifications and training programmes into a coherent methodology that combines all elements: skills needs analysis, occupational standards development, qualifications, frame curricula, assessment standards and construction of test items.
- (2) Agree with the private sector on a modus operandi to ensure a systemic engagement of the broader business community (chambers, associations, SSCs) in the process of developing and validating national occupational standards, qualifications and assessment standards, as well as training programmes. Jointly fine-tune roles and responsibilities for the various contributors, including the private sector, as defined in the new legislative framework for VET.
- (3) Build up and extend institutional capacities: develop a capacity building concept and train multipliers from NAES and NAVETQ, the VET providers and the private sector in their roles in the development of standards-based training offers.
- (4) Introduce a computerised Labour Market Information System (LMIS) to supply VET decision makers with usable, relevant and up-to-date information; assign responsibilities for data collection to all actors: INSTAT, provincial administrations, chambers, business associations, trade unions and VET providers.
- (5) Develop a shared concept and quality assurance mechanism for WBL, based on the experiences from successful pilot experiences, that is agreed by all stakeholders: governmental bodies, VET providers and private sector. Agree on the roles and responsibilities of all actors (WBL protocol). Define minimum standards to achieve the learning outcomes but still leave room for adaptation to the particularities of cooperating companies. This quality assurance mechanism shall cover screening and approval of training companies, training and accreditation of in-company mentors, coordinated learning at school and in businesses, and criteria-based assessments to verify and document progress and results of WBL. The draft internship regulation is a first important step towards quality assurance of WBL since it captures most of these elements. It needs now a unified concept—including capacity building measures for VET providers and training companies—to put these elements into practice.
- (6) Develop a unified concept and package of tools for career guidance and soft skills development.
- (7) Develop a capacity building approach for Development Unit staff to prepare them for the new roles and responsibilities as defined in the VET law and in Ministerial Instruction no. 11/2020

Quality Indicator 5: Standard-based Assessment and Certification

- (1) Refine the process of translating Occupational and Qualification Standards into Assessment Standards with the assistance of sector specialists and subject-matter experts from the private sector to ensure that the required level examinations are suitable to verify a candidate's occupational competences as defined by the industry.

- (2) Consult with VET providers and cooperating companies on their current approaches for designing and implementing vocational skills tests in their institutions and consolidate best practices into a national model that will be rolled out in a capacity-building measure to all schools.
- (3) Design an assessor training package to train and up-skill VET teachers and instructors from the providers and qualify a pool of external assessors from the industry.
- (4) Review the current Test Item Base of NAVETQ and verify the validity of existing test items with subject matter experts from the private sector; identify updating and revision needs for the assessment standards (to be developed in close consultation with the industry).
- (5) Revise the current Test Item Development approach and train a pool of Test Item Developers (for written and practical vocational tests) consisting of subject-matter experts from the VET providers and from the industry. Emphasis shall be given to assessment instruments that test the functional understanding (application and comprehension) and problem-solving abilities of students and apprentices.
- (6) Consult with the private sector on an incentive system (financial and non-financial) to ensure the availability of a pool of (trained and certified) external assessors from different sectors.
- (7) Ensure that assessments are reliable, valid and free of bias (basic rule: a candidate shall not be assessed by persons that have been directly involved in his or her training). Design a structure that allows an external or independent assessment of candidate competences (mixed expert panels consisting of teachers from different schools and external assessors).

Quality Indicator 6: Quality Mechanism for VET Provision and Delivery

- (1) Develop a national model for quality assurance in VET based on a deeper analysis of donor-piloted mechanisms and international good practices.
- (2) Develop a quality improvement concept (business plan) with each VET provider, with the participation of (regional) partners from the business community, based on the self-assessment exercise.
- (3) Generalise technical and pedagogical upgrading measures for teacher competences (piloted scheme on basic didactics in VET).
- (4) Continue and up-scale the training for PASO (partner social)–Business Relations Coordinators and in-company mentors (building upon successful pilots, e.g. mentor training in the SDC Skills for Jobs (S4J) project, considering tandem approaches for school teachers and business mentors)
- (5) Define minimum standards for cooperation of the two learning places: school and training companies and internship providers. Document good practices and disseminate them through business associations and other company networks to reach the broader business community.
- (6) Prepare for a gradual transition to final examinations with the participation of external assessors (independent tripartite examination boards).
- (7) Define an accreditation and capacity-building programme for external assessors.

Quality Indicator 7: Systemic Cooperation with Private Sector

Considering the collaborative nature of VET, the consultant provides recommendations for each group of key actors—government and public administration, VET providers, business community (companies and associations), and beneficiaries (students and parents)—to see how they can usefully contribute to a more structured private sector engagement in VET.

— Recommendations for government and public administration

- (1) Develop a national model for VET provision in Albania including a quality assurance mechanism in close consultation with the private sector.
- (2) Consult with the private sector (representative bodies, leading companies) on the operationalisation of the new VET legislation (jointly define pending by-laws, approaches, mechanisms), clarify expectations, roles and responsibilities.
- (3) Activate the statutory tripartite committees and councils (National VET Council and SSCs) to facilitate active contribution of the business community in the full circle of VET: planning and definition of skill profiles and qualifications, development of occupational standards, elaboration of training regulations, training provision, assessment and certification.
- (4) Jointly explore with the private sector the possibilities of introducing two or more pathways in VET: a company-based pathway (apprenticeship) and school-based pathway with extended and well-structured internship periods that lead to the same certificates (as practised in Austria, the Netherlands and Serbia); include the Albanian National Chamber of Crafts in this process to learn from their experiences with introduction of dual apprenticeship in crafts occupations.
- (5) Consult with the private sector on how to make the current concept of Matura more vocational oriented; jointly explore alternative ways for VET graduates to progress into middle and upper management positions or enter tertiary education (e.g. post-secondary training opportunities, crediting of professional work experiences, and dual studies).
- (6) Consult with private sector associations and chambers on how better to integrate VET and economic development policies and how to strengthen their institutional capacities to provide more structured input in VET.

— Recommendations for VET providers

- (1) Produce a more coherent and higher visibility of VET for the private sector (corporate identity) by establishing an association of VET providers.
- (2) Develop and systemise a new management mode in VET schools with the assistance of private-sector board members, with development plans for each VET provider, integrated into the regional development plans.
- (3) Formalise the cooperation structures with the regional and local private sector. Start with establishing voluntary clusters of VET providers (VET schools and VTCs) in each region, to gradually achieve economy of scale through the optimisation of VET offers.
- (4) Identify and articulate the demand for capacity building in the governing bodies.
- (5) Open up recruitment procedures for professional staff to external candidates that have practical professional experience and planning, management and entrepreneurial capacities.
- (6) Acquire systematically local and regional labour market knowledge; consolidate existing tools and instruments from INSTAT, the national agencies and projects on LMIS, and agree upon a set of reliable and pragmatic methods and tools to identify short-term and long-term labour market trends.
- (7) Explore options to group or cluster several public VET providers in a region, pooling competences and resources (e.g. joint administrative head office for several public VET providers in a region).
- (8) Explore possibilities of networking and twinning with other VET providers and businesses in Albania and abroad.
- (9) Consult with the regional business community about possibilities for an induction programme for VET teachers in companies (intensive visits, short internships, dedicated further training courses in specific and advanced technical areas). Government can provide funding through social fund-type subsidies allocated by the European Union.

- (10) Envisage the possibility of teachers gaining a Master-level diploma through part-time studies or on sabbatical. This possibility should also be given to professional technicians and engineers entering the teaching profession (to add a pedagogic–didactic certificate or diploma).

— Recommendations for business community (private sector companies and associations)

- (1) Become an equal partner in VET planning and design by pro-actively becoming engaged in a structured dialogue with the ministry and governing bodies (NAES, NAVETQ).
- (2) In close consultation with VET providers (through the proposed VET provider association) develop a common business strategy for systemic business–VET provider cooperation.
- (3) Explore possibilities to establish dedicated branch-specific training and development centres within the facilities of the VET providers (following the example of the Netherlands).
- (4) Initiate dialogue among existing employer organisations, chambers and trade unions to explore their interest and capabilities in bringing VET onto their agendas and playing a more active role in VET.
- (5) Create synergies between VET–business cooperation and Small or Medium Enterprise (SME) support programmes.

— Recommendations for VET students and their parents

- (1) Encourage young people and equip them with pragmatic tools to take on a more pro-active role in shaping their career pathways (e.g. explore the local and regional labour market and identify internship possibilities).
- (2) Activate participation of students on the VET provider management board. Generate an understanding that the students are not only clients, but also members of an institution, that they have to play a role, assume responsibilities and can contribute to improvement. Introduce innovative methods such as student-to-student counselling where mature or experienced VET students support younger pupils at their point of decision making on a career pathway.
- (3) Involve parents who are willing to contribute with their business experience. They can help with identifying and facilitating opportunities for internships and other forms of cooperation with companies.

During the VET review, the consultant collected some 50 good practices, which are attached in Inventory of good practices in Annex 13 to the present report. They are clustered into thirteen thematic fields and can serve as a source of inspiration for all key actors and decision makers in the Albanian VET system when looking for alternative concepts and innovative solutions for addressing key challenges in their day-to-day work. There is no ‘one-fits all’ approach that can serve as a blueprint for the Albanian VET reform. Even countries considered as the birthplace of dual VET (Austria, Germany and Switzerland) have diversified their systems over time and adapted them to their specific particularities, while the Netherlands is pursuing a different pathway with a modular approach and a high level of VET provider autonomy. Meanwhile, Serbia is experimenting with two systems: a dual apprenticeship model inspired by Western Europe systems and a modernised school-based system. No matter the differences among these country systems, there is one common feature: the private sector is a powerful, organised and competent contributor, very often even the driver, in all elements of VET, starting from defining the legal framework, setting the standards for qualifications and training programmes, providing quality training in work environments and assessing the outcomes of learning. Systemic collaboration of all key actors is a hallmark of effective VET provision and should become the fundamental principle of the Albanian VET reform.

Introduction

0.1 Albania's Vocational Education and Training System during Transition

Before the end of the communist era in 1991, Albania had a well-established Vocational Education and Training (VET) system serving the requirements of a planned economy. Sixty percent of Albanian youth were oriented at that time towards a vocational pathway, either two-year or four-year training cycles. Vocational schools were attached to state-owned industrial enterprises and agricultural cooperatives. In this way, the Albanian VET system featured an element of dual training, by combining theory learning in VET schools with on-the-job training during internships and work periods in the attached state-owned companies. The practical training component was a compulsory and regulated element and companies were enforced by law to participate in the system. Transition of graduate cohorts into long-term employment in the cooperating state enterprises was secured. The communist VET system was structured into seven levels: starting from level 1 at the end of compulsory education, to level 4 upon completion of the two-year VET programme, to level 6 upon graduation from the four-years technician training, and to the highest level (7) for post-secondary qualifications. Professional achievements were recorded in a workers book.

This quite comprehensive and complex system of VET during the Albanian communist era completely lost its orientation and became meaningless with the transition to a market economy and the collapse of its backbone: the state enterprises. Confronted with the shattered remnants from the communist time, the new government had to re-build the Albanian VET system from scratch.

The first years of the transition process were marked by dramatic changes in the political and socio-economic constellation of the country, and vocational training was not a priority concern. Moreover, the first achievements of the systemic reforms were blighted by riots and civil disturbances triggered by the collapse of the pyramid saving system in 1997. In retrospect, it can be stated that the transition process of the country's VET system restarted in 1998 almost afresh.³

The legislative process of the VET reform in the post-transition era features the following milestones:

2002

Adoption of the Law on Vocational Education and Training (VET Law no. 8872) as a first attempt to establish a uniform legal framework.

2008

Introduction of the new structure and duration of VET programmes (2+1+1, 2+2 or 4 years).

2010

Adoption of the Law on the Albanian Qualifications Framework (AQF).

2011

Institutionalisation of the National VET Agency (NAVETQ). Opening of new programme options for

³ Matthias Jäger: Meandering through Policy Development: Observations on Vocational Education and Training in Albania, 2013.

VET in the post-secondary area. At the time, the revised VET law reinforced the strict demarcations between the Ministry of Education and the Ministry of Labour. The former was responsible for initial secondary VET in the VET schools while the latter was in charge of continuous vocational training at the Vocational Training Centres (VTCs). The structure for formal vocational education in the 2+1+1 programmes was further defined by introducing exit points (levels) to the labour market after years 2 and 3 of study, and with year 4 leading to State Matura.

2013–2014

The responsibility for VET came under one roof, under the Ministry of Social Welfare and Youth (MoSWY). Together with the adoption of an integrated National Employment and Skills Strategy (NESS 2014–2020), this marked a very important milestone in boosting the VET reform, to bring VET closer to the labour market and make it a powerful instrument to fight youth unemployment. In 2014, Albania received the status of EU candidate country and was invited to participate in forums at the EU level. Following the Riga Conclusions, Albania put the VET Mid-term Deliverables on its priority policy agenda. A process for an overhauling revision of the legal framework was initiated with the support of European Training Foundation (ETF) and other partner countries and donor projects.

2015

The European Commission (EC) changed the mechanism from technical assistance to budget support. In line with NESS, the priority areas selected for support in the field of Employment and Social development were VET, public administration and public finances. The respective sector reform contract (VET budget support) was signed in October 2016, since when, progress of measures is strictly monitored by indicators and yearly targets, jointly defined by the EU and the Government of Albania.

2016

Adoption of the Law on Craftsmanship, which entitles a Chamber of Crafts to develop and introduce dual VET. Today, this endeavour is still in its piloting stage and not integrated into the initial VET.

2017

New VET Law 15/2017 was adopted by repeal of the Law of 2002 and all its subsequent amendments. The new law aims to complete the legal framework and create a system responsive to the labour market needs. It contains novelties regarding the governance framework and an increased autonomy of VET providers.

2018

Mid-term Review of the National Strategy on Employment and Skills (NESS). Law on the Albanian Qualifications Framework was revised (AQF Law 10247/2010, rev. 2018).

2019

NESS 2014–2020 was reviewed, resulting in an extension of the strategy and a new Action Plan (NESS 2022), based on the same strategic priorities (four pillars) but with necessary adjustments according to progress made: 1) macroeconomic and fiscal stability, 2) increased competitiveness and innovation, 3) social cohesion, and 4) connectivity and the sustainable use of resources and territorial development. Law on Employment Promotion (Law 15/2019) was adopted, supporting the further reorganisation of the National Employment Service (NES) into NAES.

0.2 Albania's Way into the EU and its Implication for the VET reform

Being a candidate country for EU accession since 2014, Albania has made tremendous efforts to implement reform processes crucial to meeting the so-called Copenhagen Criteria⁴, the first step towards EU membership:

- (1) Stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities
- (2) A functioning market economy and the capacity to cope with competition and market forces in the EU
- (3) The ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union.

In the case of the countries of the Western Balkans additional conditions for membership were set out in the so-called Stabilisation and Association process, mostly relating to regional cooperation and good neighbourly relations.⁵

Besides compliance with the Copenhagen Criteria, prospective EU member countries are required to align their legislation to the body of European law, known as *acquis communautaire* (EU Acquis). This set of binding rules and conditions is defined in 35 different policy fields (chapters), which are negotiated separately. From the view of the Albanian VET reform, two chapters are of particular importance: Chapter 19, Social Policy and Employment, and Chapter 26, Education and Culture.⁶

In the Albania Country Report of the 2019 EC Communication on EU Enlargement Policy,⁷ the following bottlenecks were identified in the field of employment promotion and VET:

Chapter 19: Social Policy and Employment

- Weak social dialogue
- Slow administrative reform negatively affects employment policies and measures
- Insufficient alignment of education (including adult education) to labour market needs
- High under-employment; job creation remains a cross-sectoral priority
- Secondary legislation for the new VET Law (15/2017) yet to be adopted
- Employment and VET services need to be extended to rural areas
- Revised Albanian Qualification Framework Law (2018) needs to be operationalised
- Complex transformation process of NES into NAES
- Linking reform of social assistance to employment and skills development programmes.

Chapter 26, Education and Culture

- VET teacher training and non-formal training need to be operationalised as new responsibilities of NAVETQ
- Lack of targeted measures to make VET inclusive for disadvantaged groups
- Adult (25–64 years) participation in formal or non-formal education and training extremely low
- Strategy on education (including higher education) still to be prepared by the authorities
- VET providers lack the teaching skills and infrastructure to comply with modernised qualification standards and framework curricula of the revised AQF.

⁴ Copenhagen Criteria were defined by the European Council in 1993 in Copenhagen.

⁵ https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership_en

⁶ https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership/chapters-of-the-acquis_en

⁷ <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-albania-report.pdf>

For the year 2020, the EC recommended to put special focus on the following:

- Implementation of the pre-university education strategy and the higher education reform to ensure inclusive and quality education at all levels in both urban and rural areas
- Adoption of necessary secondary legislation of the VET law and restructuring of employment and VET governance upon adoption of the employment promotion law (2019).

Albania is closely following up on the latest developments of the Copenhagen process. The Copenhagen Declaration stipulates the promotion of transparency and recognition of qualifications and quality assurance in VET as the EU's main areas of action. One of its core instruments is the European Qualification Framework (EQF)—a meta framework for National Qualification Frameworks (NQFs)—to enable comparison of qualifications across Europe and, thus, enhance labour mobility. Albania is a member of EQF and European Quality Assurance in Vocational Education and Training (EQAVET) advisory groups,⁸ and has made much progress in standardising the national qualifications. Important milestones are the adoption of the law on the Albanian Qualifications Framework (AQF; 2010; last amendment 2018), establishment of the AQF and the outcome-based revision of the VET qualifications.

Under the Copenhagen Process, Albania committed itself to modernising its VET system in line with the five Medium-Term Deliverables (MTD) defined by the EU member states, EU candidate countries and European Economic Area countries in the Riga conclusion (2015–2020), as follows:⁹

- (1) Promote Work-based Learning (WBL), with special focus on apprenticeship by involving social partners, companies, chambers and VET providers.
- (2) Further develop quality assurance mechanism in initial (I-VET) and continuous VET (C-VET) based on learning outcomes.
- (3) Improve access to qualifications for everyone through flexible and open systems (including validation of non-formal and informal learning).
- (4) Introduce key competences for Lifelong Learning (LLL) in VET curricula.
- (5) Introduce continuous professional development of VET teachers and instructors in school- and work-based settings.

The Albanian policy makers identified WBL as the number one priority for the VET reform in the country. In 2016, with the support of the European Training Foundation (ETF), Albania conducted an ex ante impact assessment as a first step towards a policy formulation to reach the 2020 targets¹⁰. Within the scope of the Torino Process, which is part of the EU's enlargement and neighbourhood policies, the ETF partner countries are encouraged to introduce an evidence-based periodical assessment (every two years) to present progress of the national VET reforms and define priorities for the future¹¹. In its first National Report on the Torino Process for 2018–2020¹² the Albanian government identified three key issues to be further addressed in the VET reform:

Key Issue 1: Low participation in education and training in a life-long learning perspective

Key Issue 2: Low quality of education and training

Key Issue 3: Weak alignment of education and training to the labour market.

⁸ ETF: Policies for Human Capital Development, Albania, 2019, page 8.

⁹ <https://www.refernet.de/dokumente/pdf/EU%20brochure%20on%20Riga%20conclusions.pdf>

¹⁰ Linda Rama: Riga Medium-Term Deliverables (MTDs) – Identification of Priorities Ex-ante evaluation. Albania, June 2016.

¹¹ <https://www.torinoprocess.eu/df>

¹² ETF: Torino Process 2018–2020 Albania, National Report, 2020.

These key issues are, again, reflected in the specific objectives defined in NESS 2014–2020¹³:

- (i) To increase labour market participation and provide job opportunities for all.
- (ii) To increase the quality and coverage of VET.
- (iii) To improve the quality and effectiveness of labour market institutions and services.

Due to its candidate status, Albania is considered a high priority country for EU financial and technical assistance. One of the mechanisms is the Instrument for Pre-Accession Assistance (IPA). Under the Sector Reform Contract for Employment and Skills, more than EUR 50 million were allocated between 2007 and 2020 in budget support and technical assistance (IPA I and II)¹⁴ to support the Albanian government in the reform of the education, training and employment promotion systems.

0.3 Objectives and Relevance of this Review

The present study was commissioned by the United Nations Development Programme (UNDP) Skills Development for Employment (SD4E) project, with the following objectives:

- (a) To map out the current model of Vocational Education and Training in Albania and generate a common understanding among all stakeholders of how the system is set up and governed.
- (b) To assess the outcomes of major VET reform efforts of recent years and identify prevailing challenges that prevent VET from better responding to the labour market needs.
- (c) To provide recommendations for improving the efficiency and effectiveness of the Albanian VET system based on the outcome findings.
- (d) To draft recommendations to establish a systemic collaboration with the private sector in the Albanian VET system based on lessons learnt from the national reform efforts and good practices from selected countries in Central Europe and the Western Balkans.

Systemic private sector engagement is a key feature of every quality VET system. The present review, therefore, put special focus on this issue. It contains a benchmarking exercise with successful practice experiences from selected VET systems in Central and Western Europe and the Balkan region, to provide new impetus for Albanian decision makers on fine-tuning their national model and make VET planning, design and provision a collaborative task of the state, private sector and social partners.

Five countries were selected to provide inspiration from a broad range of VET models. Austria, Germany and Switzerland were chosen, as the birthplaces of a traditional dual VET, and the Netherlands because of its modular approach and high level of VET providers' autonomy and flexibility in business cooperation. For the Balkan region, a choice was made of Serbia because it is on a parallel path towards EU accession and is facing similar challenges to Albania in its VET reform agenda. The study presents approaches of good practices from the benchmarking countries and brings fresh ways of thinking on how to respond to prevailing challenges in the Albanian VET reform.

VET review is considered by Albanian stakeholders to be of significant importance for the progress of the reform process since it coincides with the reorganisation of the two national agencies: the National Agency for Employment and Skills (NAES) and the National Agency for VET and

¹³ IPA II, Sector Reform Contract for Employment and Skills.

¹⁴ IPA, Indicative Strategy Paper for Albania (2014–2020), https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-csp-albania.pdf

Qualifications (NAVETQ). NAES (the former National Employment Service, NES) is a new player in the governance of the Albanian VET system. This agency has been entrusted by the new VET law with key functions related to the management of VET providers to optimise their resources for service provision and monitor their performance. At the present, NAES has only limited experience and institutional memory to carry out all the new functions foreseen in the VET law.

The other national agency, NAVETQ, is responsible for the development of national VET standards (AQF) and related quality assurance processes (national and with view to EU accession). Since its establishment in 2006, NAVETQ has undergone a number of institutional reform processes, mainly related to changing directives. The new VET law and secondary legislation introduces new areas of responsibilities for NAVETQ (e.g. introduction of national occupational standards, management of the Sector Skills Committees, SSCs), which require new institutional capacities.

The present VET review provides the two national agencies with a comprehensive package of consolidated information on the Albanian VET system and experiences and lessons learned from the national reform processes, as well as best practices from selected EU countries and the Western Balkans. It is hoped that the package enables the agencies to adapt more easily to their newly mandated tasks.

0.4 Review Methodology

A classic VET system review is rather static, and presents a VET system's structures, main stakeholders and players in a country report. The present study complements that static part with a dynamic element (outcome evaluation) by collecting the views of key actors and beneficiaries with regard to the achieved outcomes of the VET reform efforts, their needs and expectations. This was done in a participatory way and through a methodological triangulation of desk research, questionnaires, qualitative interviews, focus groups and thematic seminars, not only for the evaluation stage, but also for the projection stage, in which the strategic lines towards a roadmap for systemic private sector engagement in VET were developed. Given the requirement for a comparative nature of the VET review, the consultant also reviewed the VET systems in four countries in Central and Western Europe—Austria, Germany, the Netherlands and Switzerland) and one in the Balkans (Serbia) to benchmark the outcomes achieved in Albania's VET reform.

For selection of the five benchmarking countries, the following criteria were applied:

- (1) High level of involvement of social partners in the country's VET system on all levels
- (2) Flexibility of the system (permeability of pathways)
- (3) Clear, defined roles of all actors (government, employers, VET providers, beneficiaries)
- (4) Policy issues are decided in dialogue with social partners
- (5) Existence of a bottom-up mechanism to ensure active collaboration of regional and local actors
- (6) VET funding is considered a collaborative responsibility of government, the private sector and civil society (learners themselves and their families)
- (7) Well-developed system of supportive measures such as career guidance and placement support.

Based upon the research of international organisations such as Organisation for Economic Co-operation and Development (OECD), International Labour Organisation (ILO) and European Centre for the Development of Vocational Training (Cedefop) into the building blocks and key elements

of effective skills training schemes, the consultant decided upon a set of seven quality indicators (QI) for assessment of the effectiveness of the Albanian VET system (with the level of systemic collaboration with the private sector considered a transversal topic), as follows:

- QI 1: Coherent Regulatory Framework**
- QI 2: Clear Roles and Responsibilities**
- QI 3: Equitable Funding Arrangements**
- QI 4: Strong Labour Market Relevance**
- QI 5: Standard-based Assessment and Certification**
- QI 6: Quality Mechanism for VET provision and Delivery**
- QI 7: Systemic Cooperation with the Private Sector.**

The review started with a thorough desk analysis of statistics, laws, policies and regulations, national and EU strategies, on-going and past cooperation projects of various donors, project documents, studies and relevant publications on the subject matter. A pre-mission questionnaire was distributed to collect the opinions of key stakeholders on the level of implementation of the reform progress nationally, the achievements, bottlenecks and challenges faced. The findings from the responses to the questionnaire were used to align the consultations held during two on-site missions (8–21 September and 18–26 November 2019) with representatives from the line ministry, the national agencies, business chambers and associations, VET providers, companies and beneficiaries.

In accordance with the Terms of Reference, special focus was put on how to improve the collaboration of the government bodies and VET providers with the private sector. The findings of the on-site consultations with more than 100 stakeholders, key actors and subject-matter experts were presented and further discussed in a workshop ‘Towards Systemic Private Sector Engagement in VET’ on 25 November 2019 in Tirana. This workshop was an excellent platform to jointly elaborate ideas with the private sector representatives (chambers, business associations, trade unions and private companies) on how to improve key elements of VET, such as skills forecasting, training offer design and related standards, work-based learning and competence-based assessment. The results from these four working groups were analysed and integrated with the findings from the bilateral consultations into recommendations to improve VET in Albania.

— Limitations of the review

The assignment was multi-faceted, comprising a system review of three dimensions: a review of VET, mapping the features, actors and responsibilities, an outcome analysis of the VET reform, and a benchmarking exercise with other VET systems. The complexity of the assignment required the consultant to make a decision on which elements to focus upon and how to consolidate the findings and results of the analysis into a readable document. In line with the ToR, private sector engagement in VET was selected as the guiding question and pivotal point throughout the study. The present report does not claim scientific rigor but rather is to be understood as a working paper bringing into perspective the different views of the key actors in VET. By identifying breaking points and action areas, and providing new impetus from European best practices, Albanian decision makers shall be motivated and supported to fine-tune their national model according to the quality standards of effective VET provision and align it to the labour market needs.

Chapter

1

External Factors Influencing VET

External Factors Influencing VET

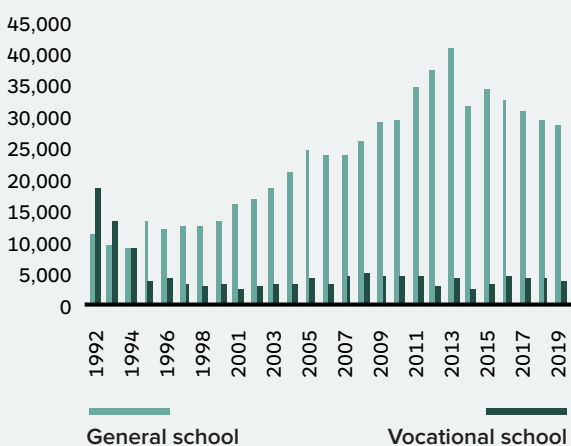
1.1 General Demographics

Albania is a relatively small country (28,748 km²) in the western Balkans in South-East Europe. The country has a two-tier administrative structure comprising twelve counties (qark) and 61 municipalities (bashki). According to the National Institute of Statistics (INSTAT 2019), Albania has a population of 2,862,427 million people of whom almost 30 percent (834,151) live in the capital city, Tirana. Other major cities are, in decreasing order of population size, Fier (308,014), Elbasan (290,666), Durrës (277,989), Korçë (220,196), Shkodër (213,148) and Vlorë (188,399)¹⁵.

The number of births per year in the country is shrinking (from more than 82,000 in 1990, 40,000 in 2004, to fewer than 29,000 in 2018), with decreases confirmed in each municipality. Although the number of Albanian emigrants has been declining since 2011 the figures are still concerning. In 2018, the number of people leaving the country was 38,703 and, with 23,673 immigrants, net emigration remains high, at 15,030. Declining birth rates and ongoing emigration of young Albanians to work abroad has led to a noticeable decrease (7%) in the population size over the last two decades (INSTAT census 2001: 3,069,275 inhabitants)¹⁶, translating into lower enrolment rates in both primary and secondary education.

Figure 1 shows that since 2103, enrolment in general education (GE) has dropped more sharply than in VET, which in contrast shows some stability over the past two decades (in 2013, there were 13,000 students in VET, with a similar number currently) and even a promising trend in the number of graduates over the last five years. It is worth noting that in the previous economic and institutional set up of the country (up until 1992) vocational education was largely preferred over general education.

a. Graduates in upper secondary education



b. Students enrolled in upper secondary education

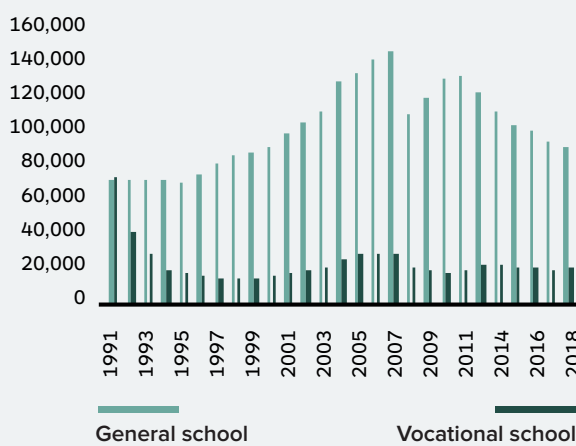


Figure 1.

- a. Graduates from upper secondary education in GE and VET in 2018;
- b. Students enrolled in GE and VET upper secondary education in 2017–2018; Source, INSTAT

¹⁵ <http://www.instat.gov.al>

¹⁶ <http://www.instat.gov.al/en/about-us/census-of-population-and-housing-2020-in-albania/activities-for-population-and-housing-census-2020/activities-for-population-and-housing-census-2020/census-of-population-and-housing-2011-and-the-innovations-of-census-2020/>

In the school year 2018–2019, the total enrolment in Albania’s upper secondary education system was 116,646 students, of whom 95,359 (81.7%) were enrolled in general education (school gymnasium and oriented programmes) and 21,289 (18.3%) in vocational education.¹⁷ A total of 3,272 students graduated from public VET schools (4-year programmes) in 2017–2018, and 13,330 trainees graduated from short-term training courses offered at the public VTCs. Among VET graduates, some 30 percent continued to pursue vocational or higher education.¹⁸ Data published by the Ministry of Education record that the majority of students in tertiary education are enrolled in health, agriculture, veterinary or engineering subjects, though there is a surplus of graduates from humanities registered in the labour market.¹⁹

1.2 Key Economic Indicators

In 1991, when Albania started its process of transformation into a democratic country with an open market economy, agriculture was the most important sector of the economy. It accounted for more than 50 percent of GDP and provided employment for half of the country’s labour force, with 65 percent of the population living in rural areas. There followed a radical process of privatisation of collective farmlands along with spontaneous economic reforms. The industrial sector collapsed resulting in the closure of numerous state-owned companies.²⁰ The entire economy was broken and hundreds of thousands of Albanians lost their jobs, causing a wave of emigration with consequences that still have an impact on the economy. It is estimated that since 1991, about 50 percent of the Albanian population has migration experience, with the majority tertiary educated. More than one in five highly skilled people emigrate, giving the country one of the highest levels of brain drain worldwide.²¹ Regular remittances from the 1.2 million Albanians working and living abroad secure the survival of countless families in the country and are often the basis for prosperity and economic investment.²²

Despite the overall positive economic trend, Albania is today still a low-income country by Western standards (GDP per capita nominal EU average USD 34,843²³). According to the World Bank statistics of 2019, Albania has a per capita GDP of USD 5,353 (nominal) and, thus, ranks 38th among the 40 sovereign states of Europe. Only Moldova (USD 4,499) and Ukraine (USD 3,659) rank lower.

By economic sector (figures for 2017), services comprise the main share of the Albanian economy, generating about 48 percent of GDP (6% increase from 2016). Industry (1.8% increase) and construction (7% increase) constitute 20 percent of GDP, while Agriculture, hunting, fishing and forestry account for 19 percent (0.8% increase).²⁴

The economy is mainly import oriented. In 2018, the foreign trade balance showed a deficit of about USD 3.1 billion.²⁵ The main imported goods are Textiles and footwear (25%), Machinery, equipment and spare parts (19%), Construction materials and metals (12%), and Chemicals and plastic products (10%). The main export goods are Textiles and footwear (64%), Construction materials and metals

¹⁷ INSTAT: Albania in Figures, 2018, page 15 http://www.instat.gov.al/media/5670/albania-in-figures-2018-_.pdf last retrieved January 8, 2020.

¹⁸ NES: Tracing survey for graduates from vocational secondary schools in Albania in 2017–2018, National Employment Services, 2019.

¹⁹ European Commission: From University to Employment: Higher Education Provision and Labour Market Needs in Albania, 2016.

²⁰ Azeta Cungu and Johan F. M. Swinnen: Albania’s radical agrarian reform”, April 1998.

²¹ Mid-Term Review of National Employment and Skills Strategy (NESS) 2014–2020, page 15.

²² Daniel Göler, Dhimiter Doka in ‘Albania on the Move’, German Academic Exchange Service, 2016.

²³ Statistics, World Bank 2019

²⁴ <http://www.instat.gov.al/media/5405/gross-domestic-products-semi-final-2017-final.pdf>

(13%) and Machinery, equipment and spare parts (7%).²⁶ Main trade partners are Italy (absorbing more than 50% of exported goods), Greece and the Central European Free Trade Agreement (CEFTA) countries.

The Albanian economy suffers from a non-diversified structure, with products mainly in the lower levels of the value chain, which is, among other factors, also a result of the prevailing mismatch of skills demand and supply in the labour market. The current Economic Reform Programme (2018–2020) outlines 17 reform priorities towards a well-structured market economy. Reform Priority no. 15 focuses on improvement of the quality and coverage of VET through ensuring linkages with the labour market.²⁶

1.3 Employment Patterns and Job Dynamics

INSTAT's Labour Force Survey (LFS) reports a positive trend in employment patterns since 2015, though figures are still far below the EU average. The total unemployment rate has declined by 5.7 percent since then, from 17.2 percent in the second quarter, to 11.5 percent in the second quarter of 2019 (for comparison, the unemployment rate in the EU in 2018 was 7%; Eurostat).²⁷

The youth (age 15–29 years) unemployment rate in Albania averaged 27.7 percent from 2012 until 2019, reaching an all-time high of 34.2 percent in the second quarter of 2015, and a record low of 20.9 percent in the second quarter of 2019.²⁸ For comparison, the unemployment rate for the population of age 15–24 years in the EU decreased from 23.7 percent in 2013 to 15.2 percent in 2018. The high unemployment rate among young people mirrors a low labour force participation rate, standing at 53 percent for 15–29 year-olds compared to 78.7 percent among people of age 30–64 years (INSTAT Q2 2019).

According to the World Bank (2015), the share of Albanian youth (15–24 years) not in education, employment or training (NEET) was 32.8 percent, the highest in the Western Balkan countries (figures for 2018): Kosovo (30.1%), North Macedonia (24.1%), Bosnia and Herzegovina (22.1%), Serbia (17%) and Montenegro (16.2%).²⁹ In comparison, the NEET share for EU-28 level was 16.5 percent in 2018 (Eurostat).

The 2018 World Bank study on the Job Dynamics in Albania³⁰ summarises the employment situation in Albania as follows:

- Access to employment has increased (highest labour participation rate in the Western Balkans) but mostly as self-employed persons (excluded from benefits from the social security system).
- Most excluded from jobs are women, youth and low educated people.
- Labour productivity is the lowest in the region and negatively influenced by an ageing population and emigration.
- Newly created jobs are mainly for low-skilled workers in low productive jobs. Youth and higher educated people find fewer employment opportunities in the labour market.

Over the last 20 years, Albania has transformed itself from an agricultural into a service-oriented economy, though agriculture still provides employment for almost 40 percent of the population

²⁵ <https://de.statista.com/statistik/daten/studie/796158/umfrage/handelsbilanz-von-albanien/>

²⁶ INSTAT: Foreign Trade in Goods, June 2019.

²⁷ Government of Albania: Economic Reform Programme 2018–2020.

²⁸ <https://tradingeconomics.com/albania/youth-unemployment-rate> (based on INSTAT statistics).

²⁹ <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS>

³⁰ Maddalena Honorati and Sara Jahansson de Silva: Job Dynamics in Albania. World Bank, May 2018.

(most of whom are engaged in subsistence farming), a figure that is double those for other Western Balkan countries.³¹ The sectoral labour market trends over the last ten years show an increase in employment in the services sector, of 5.09 percentage points (p.p.) and a decrease in employment in agriculture by 6.66 p.p., while employment in industry is more or less stable (plus 1.56 p.p.).

According to the INSTAT Business Register 2018, there were 162,835 active enterprises registered in Albania, of which 25 percent (40,935) were farmers. Of all registered companies, 98.8 percent (160,868) had fewer than 50 employees and only 1.2 percent (1,967 companies) employed more than 50 persons. Moreover, the Albanian economy is characterised by micro firms, employing between one and four employees,³² representing 90 percent of the total number of registered companies. Firms with fewer than 50 employees provide employment for about 52 percent of the population. The majority of companies (105,919; 65%) operate in the services sector, mainly in trade businesses, accommodation and food services. Agricultural enterprises rank second (56,916; 25.85%), while businesses in the manufacturing industries (10,215; 6.27%), construction (4,602; 2.83%), transport and storage (5,765; 3.54%) and ICT (2,974; 1.83%) are still under-represented in the Albanian economy.

There is a strong disparity in the geographical distribution of companies in Albania. Employment in the formal sector is concentrated in the main cities, above all in and around Tirana. According to LFS 2015, Tirana hosts 35 percent of all registered firms and accounts for more than one-half (52%) of all formal employment. Most of the larger companies are based here. The other large cities of Durrës and Fier each host about ten percent of registered companies, providing twelve percent and seven percent of jobs, respectively.

1.4 Education Attainment and Life-Long Learning Patterns

Improvement in the quality of education for all ranks high on Albania's political agenda. Well-educated people form the backbone of economic development and prosperity. The country maintains a high level of access to basic education, with a net enrolment rate of 96 percent. Basic education is compulsory at age six and lasts nine years, comprising primary education from grades 1–5 and lower secondary education from grades 6–9. The gross graduation rate from upper secondary education—gymnasium and professional education (equivalent to International Standard Classification of Education, ISCED, Level 3)—was 78.3 percent (INSTAT 2018).

Among Albanian young adults of age 20–24 years, 73.8 percent (last available figures, for 2012) have completed both upper secondary and tertiary education. Progress was fast between 2007 and 2012, growing from 55 percent to 73.8 percent, and probably as fast or even faster in the decade since the last detailed population census conducted countrywide in 2011. A new detailed population census is under preparation for the current year, 2020. The average educational attainment for the same age group among the 28 EU member states was 78.3 percent in 2007 and 80.3 percent in 2012. The figure for 2017, not available for Albania, was 83.3 percent.³³

The proportion of NEETs among youth of age 15–24 years exceeds slightly one-quarter of this subgroup, with a slightly lower rate among girls and young women than among boys and young men

³¹ Radmilo Nikolic, Aleksandra Fedajev, Vidoje Stefanovic, Silana Ilic: The agricultural sector in the Western Balkans, January 2017 (Researchgate).

³² It is important to note that Albania uses a different definition of SME from the EU criteria used there and in the Western Balkans: micro, 1–5 employees (EU, 1–9 employees); small, 6–20 (EU, 10–49); medium, 21–80 (EU, 40–249); large, >81 (EU, >250); Gentrit Berisha and Justina Shiroka Pula: Defining SMEs—a critical review, Academic Journal of Business, Administration, Law and Social Sciences, Vol. 1, no. 1, Tirana, March 2015.

(27.6% among all youth; 26.5% for males, and 25.4% for females)³⁴. For the same year, the average among the EU member states was 14.3 percent.³⁵ A high proportion (65%; 125,675) of all Albanian NEETs in 2017 were inactive non-students not looking for a job.

External observers point to the high level of skills mismatches and the structural unemployment, with two-thirds of unemployed being long-term unemployed. Inactivity among 15–64 year-olds is high for low-skilled (36.4% in 2018), followed by people with secondary education (31.4%) .³⁶ The lack of early childhood education and care and social care services puts an additional obstacle to the employment of women whose employment rate is fourteen percent lower than that of men.

Regarding Lifelong Learning, the participation of adults is still marginal. The Adult Education Survey 2017 shows that only 9.2 percent of the population of age 25–64 years have participated in formal and non-formal education and training (9.5% of females; 8.8% of males).³⁷ It is important to note that only seven percent of individuals with secondary education have participated in formal and non-formal education and training, while in the population group with higher education, 32.3 percent of individuals have participated in adult education programmes. Inclusion of minorities and disadvantaged groups (Roma, disabled, etc.) remains a challenge throughout all cycles of education.³⁸

1.5 National Policies Influencing VET

The central law regulating the VET system is a new law (15/2017), supplemented by a number of legislative acts such as the Employment Promotion Law (15/2019), and the laws on the AQF (10247/2010, amended 23/2018), on Craftsmanship (70/2016), on Pre-University Education (69/2012, amended 48/2018), and the Labour Code (2015).

These laws are embedded in two national strategies defining the country's vision and reform priorities: one is the National Strategy for Development and Integration (NSDI II), which is an integral part of the country's Integrated Planning System to ensure coherent and effective policy planning and implementation towards EU accession. The second national strategy is the National Employment and Skills Strategy (NESS 2014–2020, extended by Prime Minister request to 2022), which serves as a meta framework providing guidance for policymakers and key actors on strategic priorities towards achievement of long-term policy objectives in the field of employment promotion and skills development. This was the first attempt by Albania to incorporate economic, educational and social goals into a single strategy. The overall goal of NESS 2019–2022 is to promote jobs quality and skills opportunities for all Albanian women and men throughout their lifecycle. VET was recognised as a driver for the economic reform process and became one (Priority B) of the four strategic priorities of the NESS, as follows:

³³ Eurostat: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Upper_secondary_and_tertiary_education_attainment_among_people_aged_20-24_years,_2007,_2012_and_2017_\(%25_of_20-24_year_olds\)_CPC19.png&oldid=425088](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Upper_secondary_and_tertiary_education_attainment_among_people_aged_20-24_years,_2007,_2012_and_2017_(%25_of_20-24_year_olds)_CPC19.png&oldid=425088)

³⁴ INSTAT: <http://www.instat.gov.al/media/6685/sdg-web.pdf> Goal 8 Economic Growth and Decent Work; Sustainable Development Goals Report 2018, Tirana 2020.

³⁵ Eurostat, 2018 <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180615-1>

³⁶ European Commission Staff Working Document: Economic Reform Programme of Albania (2019–2021), Commission Assessment, Brussels, 11.4.2019.

³⁷ INSTAT: Adult Education Survey 2017, Tirana, 10 May 2018.

³⁸ <https://www.unicef.org/albania/education>

Strategic Priority A.

Foster decent job opportunities through effective labour market policies.

- Modernisation of Public Employment Services
- Extension of outreach and diversification of Active Labour Market Programmes
- Strengthening Labour Inspection to guarantee for decent work
- Improving the Monitoring System of Active Labour Market Programmes

Strategic Priority B.

Offer quality vocational education and training to youth and adults.

- Optimisation of the VET providers' network & diversification of the VET offer
- Implementation and improvement of the VET MIS Quality Assurance Framework in VET
- Improving Work-Based Learning & Education to Work Transition
- Professional Development of Human Resources in VET Improving VET Image and Information and Career Guidance

Strategic Priority C.

Promote social inclusion and territorial cohesion.

- Improving Outreach and Coverage with Employment Services and VET programmes
- Labour market re-integration of persons from groups at risk

Strategic Priority D.

Strengthen the governance of the labour market and qualification systems.

- Performance of labour market and VET system
- Strengthening social dialogue in the governance of the Labour Market and Qualifications System
- Development and Implementation of the Albanian Qualifications Framework
- Approximation to the EU Acquis of the Labour Market legislation

Chapter

2

VET Provision in Albania a System Description

VET Provision in Albania – a System Description

2.1 VET as Part of the Overall Education System

The Albanian education system (Figure 2) is structured into nine years of compulsory basic education for all children starting at the age of six years, with elementary education from grades 1–6, followed by three years of primary education (also called lower secondary education) from grades 7–9 (general school leaving certificate). Upper secondary education starts at grade 10 and offers various pathways to State Matura. Upper secondary education starts at grade 10 and offers various pathways to State Matura.

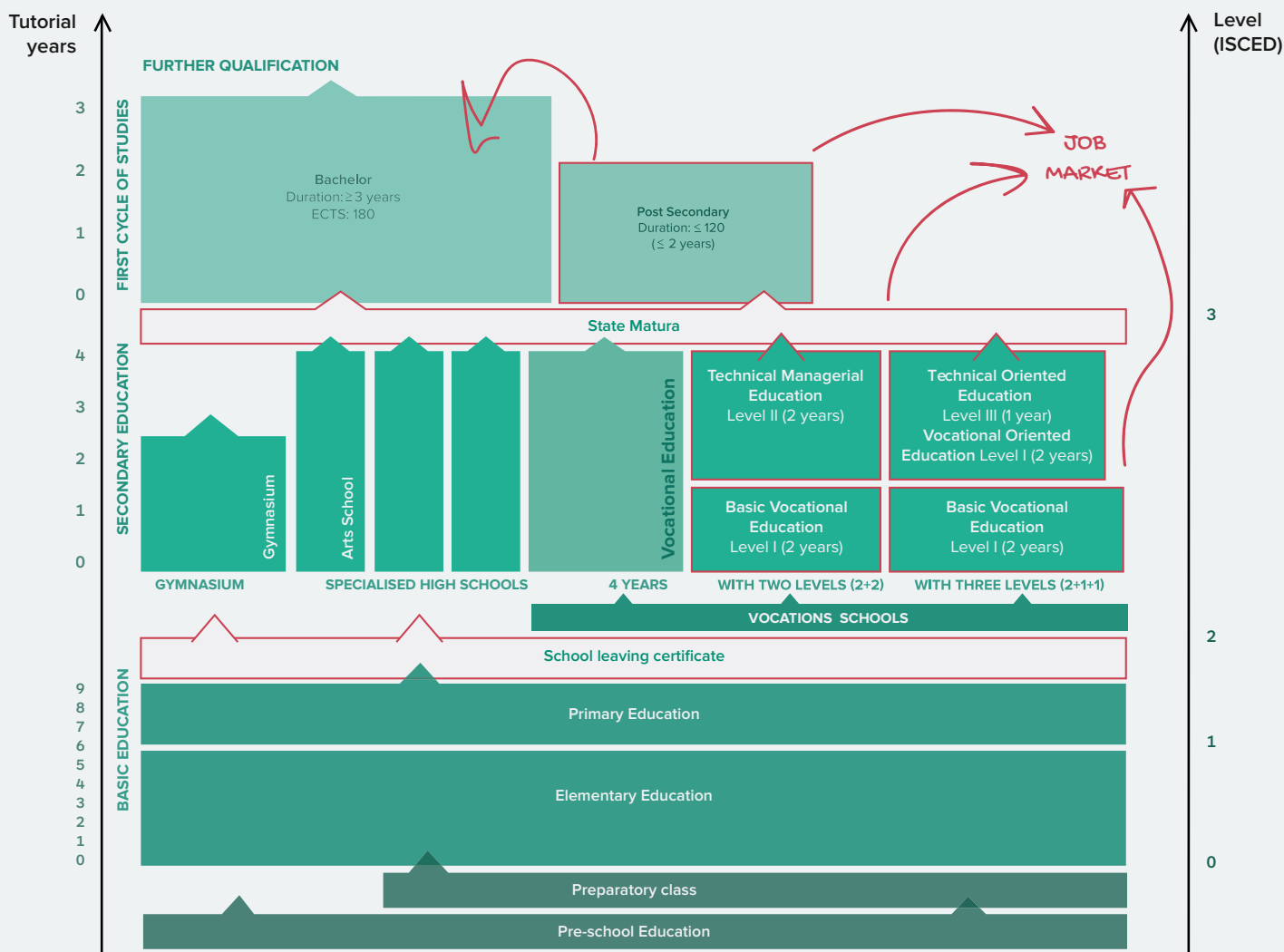


Figure 2. Education system of Albania (www.vet.al; ECTS, European Credit Transfer System)

The general education pathway through gymnasium comprises three years (Grades 10–12), the oriented secondary education pathway (art, sports, foreign languages) needs four years to achieve State Matura, while there is a variety of secondary vocational programmes with a duration of four years leading to both a vocational certificate and the State Matura. Tertiary education leads to Bachelor, Master and PhD degrees. Additional post-secondary courses are foreseen but not yet an integrated part of the system.

The Albanian VET system consists of two important pillars: Initial VET and Vocational Training,

Continuing VET. Initial programmes in the public VET schools have a duration of four years. The majority of the training programmes follow a 2+1+1 structure, consisting of a two-year basic vocational training, one year of specialisation and one-year consolidation. Upon completion of the final examination, students are awarded both a certificate as a Technician or Middle Manager, corresponding to level 4 of the AQF, and a Vocational State Matura Diploma, allowing access to tertiary education. In addition to these certificates, students receive a Semi-Qualified Worker Vocational Certificate (corresponding to AQF level 2) upon completion and examination of basic vocational education (year 2) and a Qualified Worker Certificate (AQF level 3) after successfully completing the specialisation phase (year 3). These certificates are a pre-requisite to proceeding to the next level of training but also allowing direct access to the labour market.

Some of the VET programmes (mainly business administration, ICT and forestry) apply the 2+2 structure. Similar to the 2+1+1 structure, they start with a basic two-year training to equip students with fundamental vocational skills in their occupational area, leading to the AQF level 2 Semi-Skilled Worker Certificate. This is followed by a two-year specialisation phase leading to Technician or Middle Manager Certificate (AQF level 4) and, upon successful completion of the Vocational State Matura, students are equipped with the Vocational State Matura Diploma.

The third option is the 4-year structure, only available in three occupational areas—geodesy, veterinary and elderly care services—as well as in some ICT programmes (e.g. Hermann-Gmeiner-School). Whereas in the other two types of programmes students have to undergo level examinations after year 2 and year 3 (2+1+1 structure), this type of programme foresees only final examinations upon completion of the four-year training cycle. The type of final examinations and related certificates are the same as for the 2+1+1 and 2+2 structured programmes: the vocational examination that ends with awarding of a VET Certificate for Technicians or Middle Managers (AQF level 4) and the Matura examination leading to the Vocational State Matura Diploma.

Continuing Vocational Training (C-VET) is less structured, by far, than I-VET. It consists of short-term training courses (3–9 months) offered by public VTCs or private training entities. The basic requirement to enter vocational training is completion of basic education (9-year compulsory general education). Vocational training is offered as initial preparation for an occupation or as re-qualification (trainees are mainly referred to the VTCs by NAES).

2.2 Permeability of the System and Possibilities for Lifelong Learning

Permeability is one of the core principles of the Albanian legislation. The VET Law 15/2017 stipulates inclusiveness as one of its seven fundamental principles besides autonomy, quality, cooperation, participation, mobility, and diversity.³⁹ The same principles are anchored in the legislation on the AQF (Law of 2010; last amendment 2018). One of the objectives of the AQF in this regard is to improve progress and permeability within and among systems of formal, non-formal and informal learning. The AQF Law also stipulates that LLL qualifications acquired through vocational training programmes (C-VET) can be included in the Framework and thus gain official recognition. However, as the respective secondary legislation is still not adopted, certificates issued by public or private VTCs are not yet aligned to the AQF. Concerning access to higher education, this is only possible for graduates from I-VET who had enrolled in secondary school programmes and successfully passed Vocational State Matura examinations. In the opinion of the national stakeholders, **the public VTC system cannot be clearly labelled as ‘continuing training’, as young adults as the**

³⁹ Article 5 of Law no. 15/2017, 16.02.2017: ‘On Vocational Education and Training in the Republic of Albania’.

main users enrol in such courses either as a shorter alternative to attending formal secondary general or vocational education programmes, or to complement their initial education and training (e.g. through IT and foreign language courses).⁴⁰

Another law influencing the delivery and permeability of VET is Law no. 69/2012 'On Pre-University Education', which stipulates an age limit of 18 years for students to enter, and of 22 years to finish, upper secondary education.⁴¹ This is a limiting factor for LLL since the possibilities to acquire State Matura outside the initial secondary school system at a later stage of life are very rare and not really feasible since such educational offers take very long (4 years) and are difficult to realise for persons in employment. For example, according to the Law on Pre-University Education and its related secondary legislation, students who have reached the age of 21 years and have not completed high school are allowed to attend part-time general education (gymnasium) in an institution designated to offer this type of upper secondary education. The same opportunity is given to a student who has reached the age of 18 years and holds a compulsory education leaving certificate, who is eligible to attend part-time gymnasium. A VET student that has completed grade 10 can register in grade 11 of the part-time gymnasium if they pass examinations in subjects that are additional to those studied in vocational school. The number of subjects to be tested is decided by the management of the part-time gymnasium, with courses lasting four years and requiring attendance of three days a week. Part-time gymnasiums operate in the centre of a county (qark) and can function as a separate educational institution when the number of students exceeds 300.⁴²

Another hurdle to tertiary education is the Grade Point Average (GPA) system. The results achieved by the student in the State Matura examination, in combination with the results from the course of the upper secondary programme (general or VET), determine access or refusal to higher education. Admission of students to study programmes in higher education institutions is only possible for graduates from secondary education that meet the GPA criteria, provided annually by a Decree of the Council of Ministers.⁴³

Notwithstanding the potential for a permeable education and training system, which is also reflected in other laws, institutional relationships between VET and higher education, institutional structures and education and training profiles significantly influence permeability. Theoretically, permeability within the different types of education is possible, but the way each education sub-sector is structured does not provide enough opportunities for mobility and permeability. Recognition of competences acquired outside the formal education and training system (through non-formal and informal learning) is foreseen in the legislation but operationalisation lags behind. For example, the validation of prior non-formal and informal learning is currently limited to vocational qualifications of AQF levels 2–5 and, even for this, the institutional set up has not been established. In conclusion, it can be said that, there is discrepancy between the expectations defined in the laws and the reality of implementation with regard to permeability of the VET system.

⁴⁰ ETF: Torino Process 2018–2020 Albania, National Report, page 8.

⁴¹ Article 23 of Law no. 69/2012 'On Pre-University Education in the Republic of Albania', as amended.

⁴² Article 24, paragraph 2 of Law No. 69/2012 'On the Pre-University Education System in Albania'; Instruction no. 21, dated 18.08.2016 of the Minister of Education and Sport 'On the Organisation and Functioning of Part-Time Gymnasiums' and Instruction no. 23, dated 21.09.2016, of the Minister of Education 'One Amendment in Instruction no. 21, dated 18.08.2016, 'On the Organisation and Functioning of the Part-Time Gymnasiums''

⁴³ Overview of the Higher Education System in Albania, 2017, European Commission, Erasmus+, page 8.

2.3 VET Governance

The governance of VET, i.e. the responsibility of the key stakeholders is defined in the Law on Vocational Education and Training (15/2017) and its sub-legal acts. According to the legislative framework, VET governance rests mainly in the hands of government, the national agencies and the public VET providers. The ministry in charge of VET is the Ministry of Finance and Economy (MFE), which is responsible for national policy formulation, development of the legislative framework and supervision of its implementation. In addition, MFE is in charge of adoption of national VET qualifications, the opening and closure of VET providers and the provision of VET provider infrastructure and human resources. The ministry closely cooperates with other central-level institutions such as the Ministry of Education, Sports and Youth (MoESY) and its subordinated institutions (Agency of Quality Assurance in Pre-University Education and the Centre of Education Services) in VET-related issues such as recruitment and continuous professional development of teachers of general subjects or the organisation of the Matura Exams for secondary VET students.

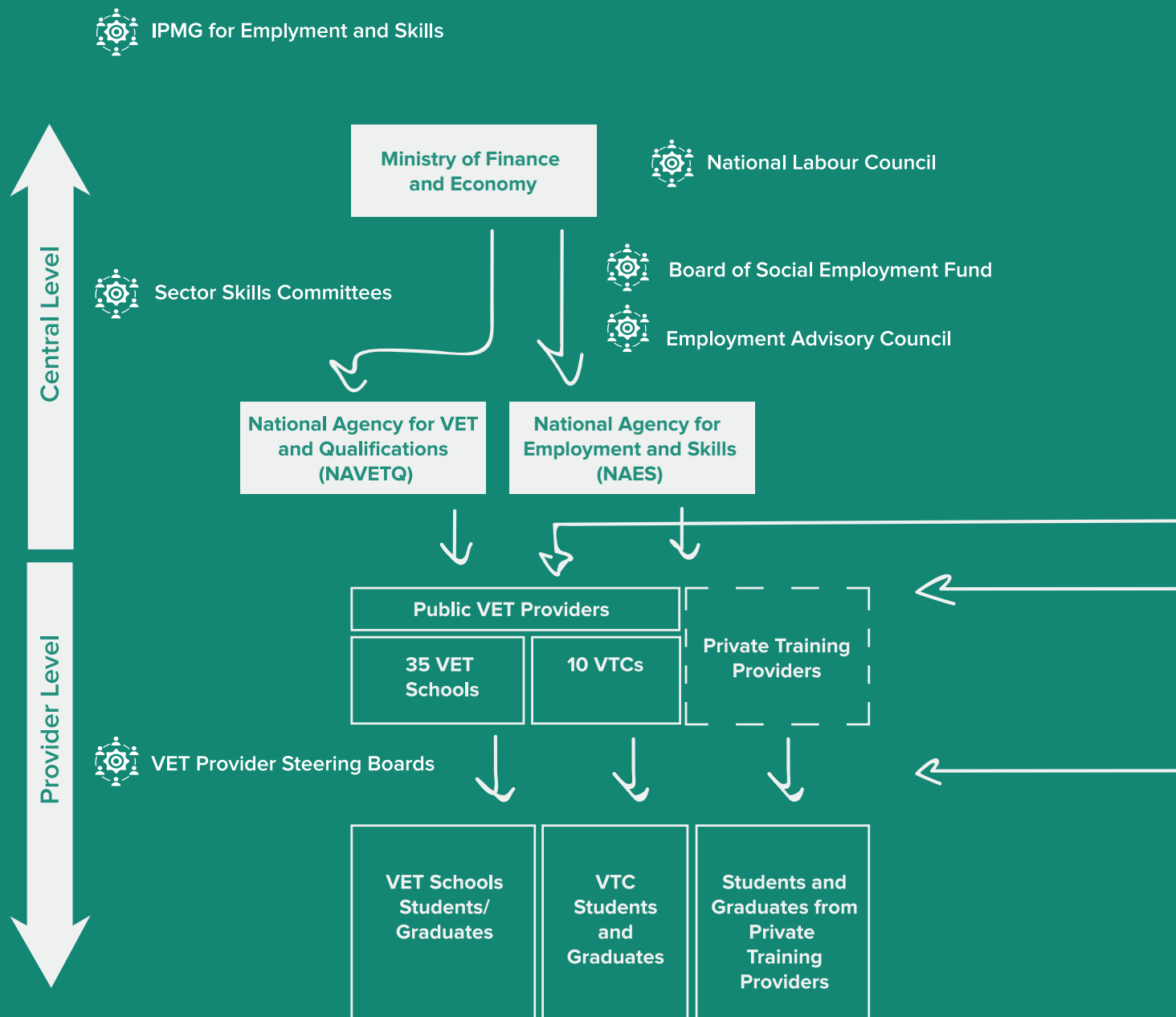
There are two national agencies subordinated to MFE that play a key role in the development, management, monitoring and quality assurance of VET. The first is the National Agency for Vocational Education, Training and Qualifications (NAVETQ), which was established in 2006. Its mission is to create a unified national system of vocational qualifications based on AQF that supports alignment of training programmes to the needs of the labour market. In order to do so, NAVETQ is responsible for the development and revision of the National Classification of Occupations (based on International Standard Classification of Occupations, ISCO-08), occupational standards, assessment standards and national frame curricula for AQF levels 2–5, accreditation of VET providers and organisation of continuous professional development measures for VET teachers and instructors. NAVETQ shall also provide a Technical Secretariat for the future SSCs (see below). The second agency is NAES, the former NES, given a new or extended responsibility under the new VET Law (15/2017) to support the management of all public VET providers (VET schools and VTCs) to improve their service provision through regular monitoring and management by results. This comprises also the administration of the VET certificates and the tracing of VET graduates. The former NES has already contributed to the VET system through the management of the ten public VTCs that provide occupational and other short-term trainings. In addition, NES has been responsible for conducting the Skills Needs Analysis since 2010 on a two-yearly basis.

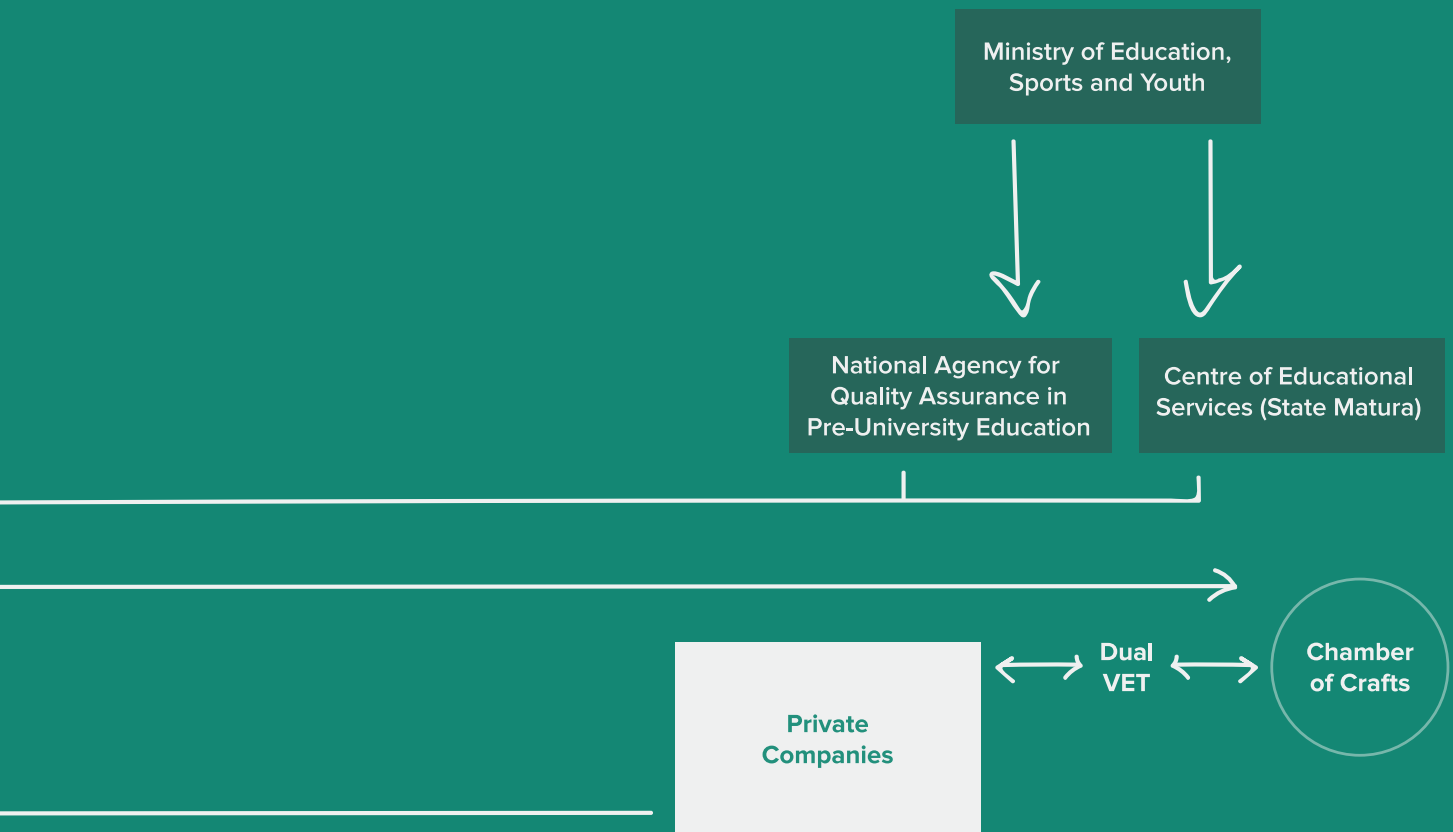
Provision of training takes place mainly at public VET providers (VET schools and VTCs) for which the new VET law foresees a higher share of autonomy with regard to programme offer, cooperation with companies and income generation activities.

Meso level institutions that represent the private sector and the social partners (e.g. chambers, business associations and trade unions) are not entrusted by law with a specific role in the Albanian VET system. Their input is mainly voluntary, advisory and foreseen in a number of committees and boards such as the National VET Council, the SSCs and the VET Providers' Steering Boards. Subject matter experts from the business community are expected to advise on sector-specific issues, propose and review VET qualifications, develop and validate occupational standards, support WBL and participate in assessment of vocational competences. Figure 3 presents the governance structure of the Albanian VET system based on the regulatory framework. The functions of the key actors are given in more detail in Annex 3.

⁴⁴ <https://epale.ec.europa.eu/en/nss/national-support-services-albania>

Figure 3. Governance of the VET system in Albania





Mandate, Roles and Responsibilities of Key Actors in VET (as per new VET Law 15/2017 and Sub-legal Acts)



National VET Council

- Development of the social dialogue on the VET system at central, regional and local level
- Recommendations for VET policies in Albania
- Promoting review and development of the VET system
- Proposals for improving VET curricula in line with LM needs
- Proposals for development of occupational and qualifications standards
- Endorsement of the VET Annual and submission to the CoM



Ministry of Finance and Economy (MFE)

- Legislative framework and monitoring of policy implementation
- Provision of VET providers infrastructure, human resources
- Inspection of VET providers
- Opening and closure of public VET providers
- Adoption of national VET qualifications
- Decide on offer and closure of VET programmes
- Cooperation with social partners
- Cooperation with National Business Centre in licensing of private VET providers
- Monitoring of international cooperation in VET



National Agency for VET and Qualifications (NAVETQ)

- **Development and revision of:**
 - National Classification of Occupations (ISCO-08)
 - National Catalogue of Professional Qualifications (AQF 2–5)
 - Occupational standards (AQF 2–5)
 - Qualification standards (based on learning outcomes, for AQF 2–5)
 - Assessment standards (AQF 2–5)
 - Unified national frame curricula for public VET and supporting learning materials
 - Orientation programmes for state examination (vocational and State Matura)
- Monitor compliance of public VET providers with national standards
- Act as Technical Secretariat for Sector Skills Committees (SSCs)
- Organisation of continuous professional development for VET teachers and instructors and national examinations for career progression
- Accreditation of public and private VET providers
- Methodological support for Development Units
- Accreditation of Assessment Centres for the Recognition of Prior Learning
- Develop and implement national and international VET projects
- Administrative support to tripartite VET bodies



Public VET Providers

- Develop school-based curricula based on national frame curricula (NAVETQ)
- Implement VET programmes for youth (I-VET in VET schools) and adults (C-VET in VETCs)
- Develop and carry out level examinations (professional diplomas and Vocational State Matura)
- Recognition of Prior Learning
- **Development Unit / Business Relation Officer**
- Establish network with companies, arrange, coordinate and monitor internships for VET students
- Continuous staff development (with NAVETQ)
- Career guidance
- Provider's marketing concept, income-generating activities, developmental projects
- Collect tracer data (with NAES)

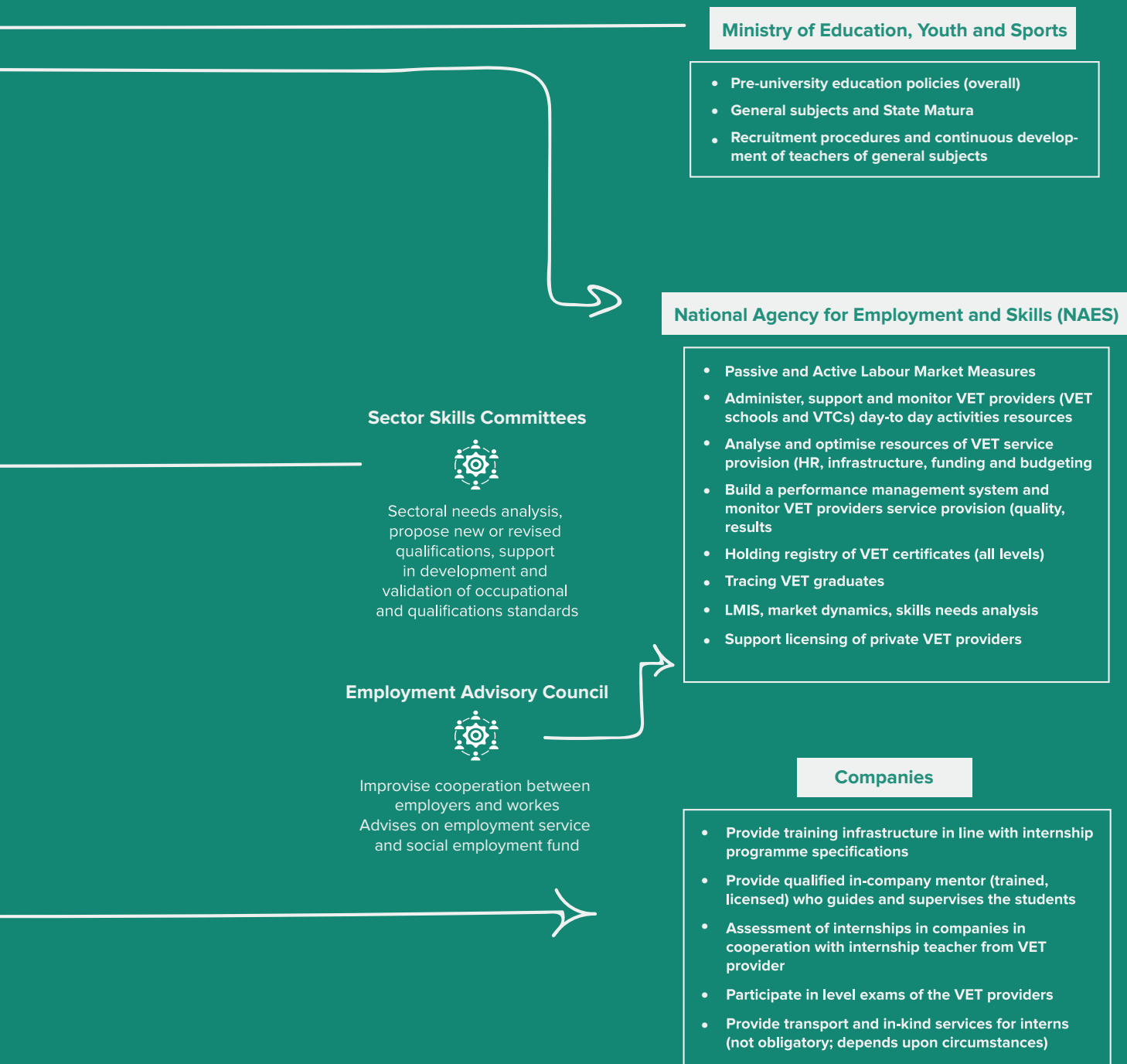


VET Provider Steering Boards



Review and approve VET providers' operational and financial planning





2.4 VET Finance

Financing of public VET is regulated in the VET law No 15/2017, Chapter VI, Articles 30, 31 and 32. The law stipulates four sources of funding:

- a) **State budget**
- b) **Income generated by public VET providers**
- c) **Donor contributions**
- d) **Sponsorship.**

The state budget is the main source of funding of public VET. It is dedicated to funding secondary VET schools and the VTCs, with the difference that the latter receive some additional small tuition fees when the participant is not a registered unemployed jobseeker. Local governments are responsible for dormitory maintenance. Donor funding is indispensable for the functioning of the system and exceeds national funding resources for VET. There is no financial contribution required by law from employers to contribute to the financing of initial VET, though it is very common for cooperating companies offering internships to contribute in-kind by providing mentors, food or transport for the intern.⁴⁵ The total public expenditures on VET and labour market policies in 2017 amounted to EUR 37.8 million (an increase of 24% compared to 2016), of which 58 percent was allocated to VET. The initial budget allocation for 2018 amounted to EUR 43.6 million, reflecting again a considerable increase (15%) over 2017.⁴⁶ The total public expenditures on education as a percentage of GDP represent a slight decrease from 2016 to 2017 (from 3.12% to 3.09%). The earlier target of the Albanian government of five percent⁴⁷ has not yet been reached. Public expenditures on education for 2017 were distributed as follows: 61 percent allocated to primary education, 13.3 percent to secondary, 16.1 percent to university and 5.9 percent to vocational education.⁴⁸

The system of funding from the state budget is defined following legal procedures based on a joint instruction of the ministry in charge of VET and MFE, which, since 2017, are merged under the same roof: MFE).

Allocation of the state budget for public VET providers is based on periodical predictions for the following expenditures:

- Personnel, including salaries, social and health insurance
- Bonuses for good performance and continuous professional development
- Operative expenses, including consumption goods and repairs
- Costs related to the development of vocational practice and theory
- Extra-curricula activities
- Investments to ensure functioning of the institutions, e.g. construction and maintenance of buildings, infrastructure, equipment.⁴⁹

Expenditure planning takes place at the central level (MFE) and is based upon historical data. It takes into consideration the number of staff employed and students enrolled but not the actual costs for specific VET programmes.⁵⁰

⁴⁵ ETF: Torino Process 2018–2020, Albania, National Report, page 63.

⁴⁶ Ibid, page 9.

⁴⁷ Ibid, page 73.

⁴⁸ Ibid, page 8.

⁴⁹ Article 32, VET Law (15/2017).

⁵⁰ ETF: Torino Process 2018–2020, Albania, National Report, page 62–63.

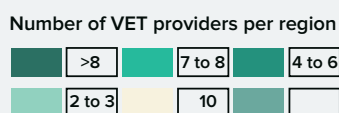
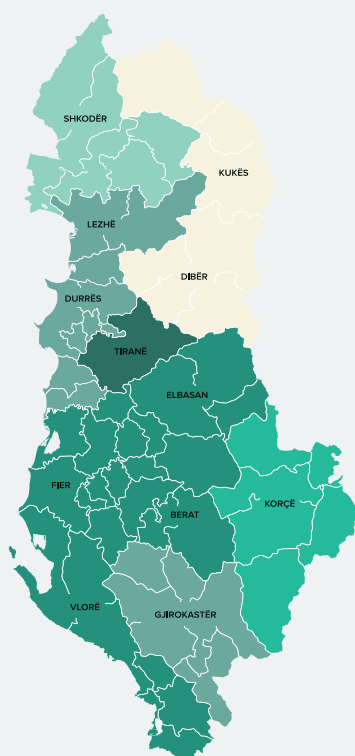
2.5 VET Providers Landscape

— Vocational education and training in Albania is offered by:

- (a) 35 public upper secondary VET schools offering I-VET at three levels, corresponding to levels 2, 3 and 4 of AQF
- (b) 10 public VTCs offering unified vocational training programmes and other short-term training (C-VET) to adults. The precondition for enrolment in a vocational training course is completion of basic education (school leaving certificate, 16 + years old) ⁵¹
- (c) 9 private Vocational Schools offering initial secondary VET and providing access to the labour market and higher education
- (d) 112 private Training Centres⁵² offering mainly short-term vocational training for adults.

The new VET law foresees establishment of Multi-functional Centres (MFC) to optimise the VET offer by the merger of the two separate public VET systems, offering initial VET and continuing VET for youth and adults under one roof. By 2020, a total of nine MFCs were planned ^{of}⁵³ which by the time of this report only one (MFC Kamza) was operational.

— Public Upper Secondary VET schools



Out of the estimated 300 vocational schools at the time of transition,⁵⁴ only 35 have survived up until the present. The geographical distribution of the schools is not homogeneous across the territory of the country (see figure), with a high concentration in central Albania: thirteen of the 35 are located in the Durrës–Tirana–Elbasan corridor (MFE). Traditionally, vocational education fell under the responsibility of the Ministry of Education until 2014, when the VET schools were transferred to the Ministry of Social Welfare and Youth (MoSWY) and later, in 2017, to MFE. In 2015, MoSWY initiated several measures to optimise the network of public VET schools, one of which was initiation of a Baseline Survey of Public VET Providers (ETF–Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ 2014)⁵⁵, a criterion-based assessment resulted in a rating of VET provider performance (high, medium, low, or poor) and a detailed list of recommendations for organisational and regional restructuring of the providers’ landscape. Following the finding of this survey, the ministry began to re-organise, merge and phase out schools with poor performance and a very low number of students in selected regions (e.g. Çorovode, Librazhd, Korca and Shkodra). At the same time, the ministry took the initiative to launch innovative VET schools, such as the Hermann Gmeiner ICT school in Tirana, which is based on a twinning concept with an Austrian partner school. In addition to the institutional reorganisation, the number of broader qualification areas offered in the VET providers’

⁵¹ Basic education is composed of primary education grade 1–5 and lower secondary.

⁵² Administrative data of NAES, figures of 2018.

⁵³ Cedefop, ETF: Albania European Inventory of NQF 2018, page 2.

⁵⁴ Matthias Jäger: Meandering through Policy Development: Observations on Vocational Education and Training in Albania, 23.3.2013, page 2.

⁵⁵ ETF–GIZ: Baseline Survey of Public VET Providers in Albania, Final Report, 17 June 2014.

programmes was reduced from 44 in the academic year 2013–2014,⁵⁶ to 23 in the academic year 2018–2019.⁵⁷ The number of profiles (specialisations or narrower qualifications under the broader areas) totalled 87 with slight changes from one year to the next. In the academic year 2018–2019, 19,296 students were enrolled in upper secondary VET. With 17 percent, female enrolment remains quite low at this educational level. (For details on the VET offer and enrolment refer to Annexes 5 and 4, respectively.) With the shift of responsibilities for VET from the MoSWY to MFE in 2017, optimisation of the VET providers' offer came back as a priority on the agenda and with this question about the regional scaling up of the MFC model, which shall provide initial and continuous training under one roof. The experiences with the only piloted centre of this type, Kamza MFC (supported by GIZ and KfW)⁵⁸ are currently being evaluated to explore its potential for a sectoral or regional upscaling, or both. At the time of writing, no details on the upscaling concept were available.

— Public Vocational Training Centres (VTCs)

The ten public VTCs that are today under the supervision of NES are located in eight counties: Durrës, Elbasan, Fier, Gjirokaster, Korçë, Shkodër, Tirana and Vlorë. They were established between 1993 and 2006 under the Ministry of Labour⁵⁹ to offer vocational skills training to people who are unemployed or looking for retraining to quickly enter the labour market. The offer of training programmes at the VTCs has been scattered and not organised in terms of structure, content and diversity since the government's reform interventions, which were mainly focused on improving the secondary VET schools. Only in 2018 did MFE adopt an instruction on the templates and duration of nationally unified training courses. The programmes of these courses (national frame curricula) are developed by NAVETQ and adopted by the minister responsible for VET (MFE). In addition, VTCs can provide short-term trainings based on requests from various local actors. For these courses, they do not need formal approval of a national body. In 2018, 14,794 persons were enrolled in the ten public VTCs. Enrolment figures are to be found in Annex 6 of the present report. The majority of training courses are technical short-term ones with a duration of 3–6 months. In 2018, an additional training component on soft skills for unemployed job seekers with the title Start SMART was integrated into the programme offer of the VTCs (for more information refer to the collection of good practices in Annex 13).

— Private VET Schools

The training offer in private VET schools is very limited, mainly concentrated in Tirana (5 out of 9 providers) and insignificant in terms of student enrolment. The total enrolment for the Academic year 2019–2020 was 992, an average of 110 students per school, with an average graduation number of 27 students per school per year. There are only three private VET schools with a significant enrolment and reputation with the public. These are Harry Fultz School in Tirana, offering training in electronics, auto mechanics and business, Shën Jozefi Punëtor in Lezha, offering various technical courses (mechanics, electronics, plumbing) and ICT, and the Peter Mahringer school in Shkodër, a partner school of the Hermann Gmeiner ICT public VET school in Tirana and running ICT courses based on a cooperation agreement with an Austrian partner school.

⁵⁶ Compendium VSD: The VET Puzzle page 11.

⁵⁷ Data from MFE and the NAVETQ homepage, last retrieved 27 October, 2019.

⁵⁸ <https://www.kfw-entwicklungsbank.de/ipfz/Projektdatenbank%20/Ausbildungsfonds-fuer-Berufsbildung-und-Beschaeftigung-MFC-Kamza-36170.htm>, last retrieved 14 January 2020.

⁵⁹ Matthias Jäger: Meandering through Policy Development: Observations on Vocational Education and Training in Albania, 2013

— Private Training Providers

Private training providers play a role in the provision of LLL opportunities, with skills upgrading and retraining. According to NES, there are 112 licensed private providers in Albania that trained 5,928 adults in 2018 in professional short-term courses such as hairdressing, construction and maintenance, cookery, accounting, administration, ICT and foreign languages.

2.6 Work-based and Dual Forms of Learning

Upper secondary VET programmes in Albania have predominantly school-based implementation following a national framework curriculum with a high proportion of theory training supplemented with WBL elements of various forms and quality that can take place on the VET provider's premises or on-the-job in companies. Orientation to the labour market is weak and linkages of training to the world of work is not yet systemically mainstreamed in all VET programmes. However, reforms have been initiated with the new VET law and the related by-law on the regulation of internship implementation, which was, by the time of writing, in its approval stage. One milestone of this new legislation is a unified definition of the term Work-based Learning, which refers to "learning processes and outcomes that occur when someone performs a (productive) job in a real working environment."⁶⁰ VET schools are encouraged to outsource parts of practical learning from school workshops to the premises of a company (internships). Students are to be engaged in genuine work, i.e. in the production of goods and services of their host companies, based on a contract agreement between the VET provider, the business and the student (or their legal representative). Internships shall be an integrated part of the curriculum (during the school year and in exceptional cases even in the school holidays), jointly planned, implemented and monitored by the VET providers, through a business relations coordinator, and the cooperating companies, through in-company instructors. The performance of the students is to be assessed by the use of standardised assessment criteria. The individual VET providers, through their development units, which are still being established, have been nominated as the regulatory body to initiate, settle and maintain school–business cooperation. Chambers or business associations are not legally obliged under the legislation to take on responsibilities in organising or supervising company-based training elements. These fall under the commitment and capacities of individual VET providers.

The basis for the organisation of practical learning at the school and work-based learning in the company are the descriptors for the practical modules stipulated in the respective framework curriculum. They allow for some 30–35 percent of practical learning during the first two years, 50 percent in the third year and 20 percent in the final year of secondary VET programmes to be implemented in real-work settings. The decision of the percentage and content of practical learning that is to take place in the school and in a company remains with the schools. The decision is influenced by the capacities of the school to provide practical learning on its own premises and by its capacity to attract and cooperate with local companies. Some of the schools have decided to start some form of WBL during the first year of training (grade 10). On the other hand, other schools prefer to first provide the basics of vocational practice in the school workshops and equip the students with some fundamental skills before placing them in a WBL situation (internships in companies). This is usually the case once students have completed the first-level examinations (first two years of training).

WBL in a company is based upon an internship programme (training plan) that is supposed to be

⁶⁰ MFE: Order on the Approval of the Regulation 'On the Implementation of Internships In Business while attending VET programmes in Public VET Institutions', Article 2.

developed jointly by the instructor from the school and a staff member from the company where the student is placed for internship.

Although schools make efforts to accommodate the capacities and needs of the companies, the internship programmes are, in reality, very often more oriented towards learning what happens in a training setting and less on a work situation. Assessment of a student's learning progress in the company is undertaken by the school instructor based on feedback provided by the in-company mentor. In conclusion, the qualification of students and their preparation for the occupation and further training is a responsibility of the training institution with only limited participation of the company.

Meanwhile, excellent examples exist of quality WBL with systematic collaboration with the private sector initiated and piloted with international donor support. With the United Nations Development Programme (UNDP) SD4E Study on Work-based-Learning (2017) an important step was taken towards a common understanding and unification of the rules of WBL in Albania. The study provides a mapping and analysis of the efficiency of various WBL models in the country, and the key findings and recommendations are still valid today.

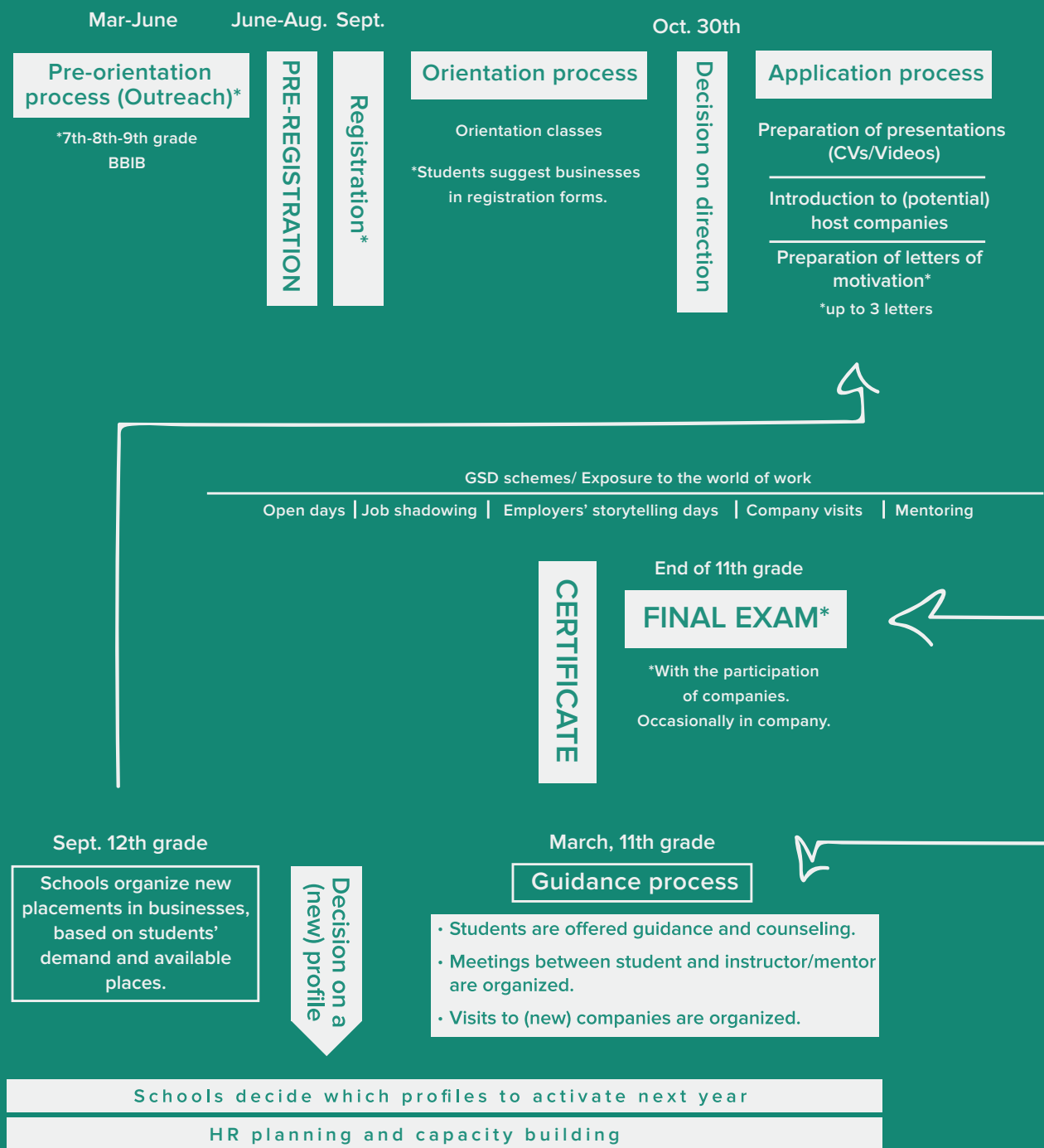
These are summarised as follows:

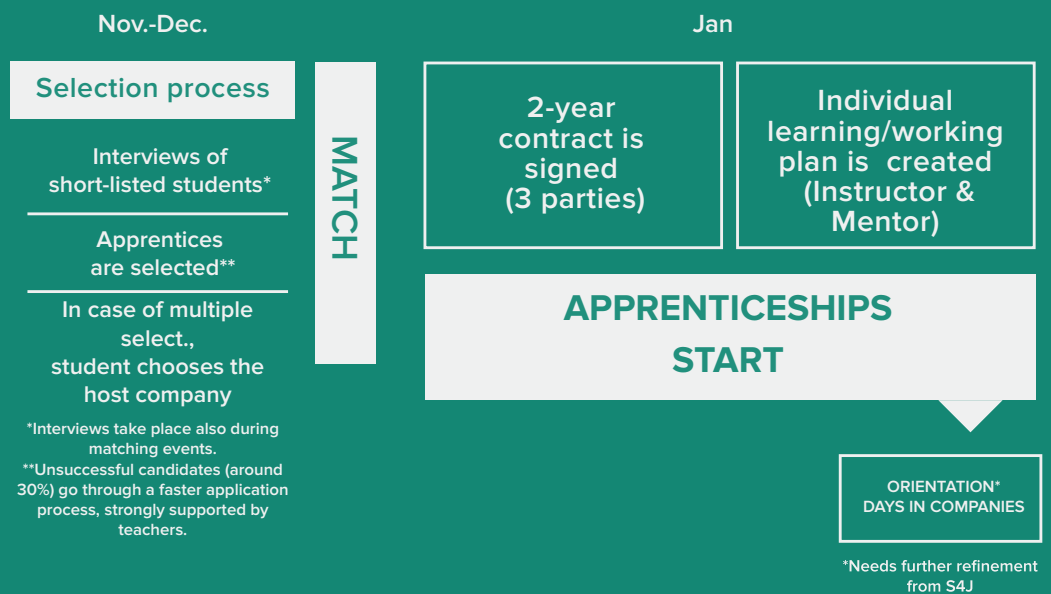
The 2017 UNDP study on WBL Schemes in Albania⁶¹ reviewed the practice-learning schemes of 18 public and private VET providers. The study identified six different WBL models in the country and assessed their up-scaling potential based on a set of criteria such as theory to practice ratio, VET provider's readiness, business engagement, curriculum alignment to labour market needs and employability of graduates. The study concluded that cooperation with the private sector in WBL takes place mainly informally, in a non-structured way. The interest of businesses in cooperation with VET providers is not pronounced because they often lack information on the possibilities of how to get systematically engaged to make WBL operational and beneficial. The study, therefore, recommends completing the VET legislative frame with a clear regulatory framework and guidelines to increase business activism in WBL and to formalise school–business relationships. Expectations of business engagement must be well defined in a consultative process and connected to a system of incentives for businesses to become actively involved in curricula design and training provision. On the provider side, teaching staff and the management body shall be enabled to execute the greater autonomy status provided by the new VET law through specific capacity-building measures. Special emphasis shall be put on strengthening of the development units at the VET providers, but also on formalisation of WBL procedures and simplification of formalities. The study also calls for clear regulations on income-generation activities and related financial autonomy of VET providers, as well as for an introduction of performance measurement instruments (such as a graduate tracing system) to improve the quality of training provision. Regarding the up-scaling potential, the study concludes that all of the evaluated WBL models carry individual success features that could be combined into a hybrid model (with at least 50% time allocation to practice learning on enterprise premises) for national roll-out. While most of the models applied temporary internships and work placements, one model, the Gradual Skills Development Scheme of the SDC Skills for Jobs (S4J) project, went a step further towards the introduction of an apprenticeship model, where the students have a long-term and year-around agreement with a company and a strong inter-linkage with the school curriculum. In the academic year 2018–2019, the apprenticeship model was rolled out in ten VET schools with 1,422 secondary VET students (44% of their student population), who had concluded apprenticeships in cooperating companies.

⁶¹ UNDP: Feasibility Study Work-based Learning Schemes in Albania, 2017.

The scheme, presented in Figure 4, and still in the experimental stage, also contains a training programme for in-company mentors that is presented in the next section: **Human Resources Development in VET.**

Figure 4. Apprenticeship model—An innovative WBL approach of the S4J project in Albania





Activities taking place during the apprenticeship

- Visits in company, every 2-3 weeks from assigned school instructor
- Monthly student-instructor meetings to assess student's progress
- Students' rotation in different positions
- Peer exchange (in class and/or in company)
- GSD activities (if applicable/when needed)
- Self reporting of students (through a diary)
- Guidance and counseling (based on individual needs)
- Support re-placement of students who drop.

Involvement of stakeholders

Providers collect demand from businesses for defining no. of enrollments.	Parents' active and constant involvement	Stakeholders' platform at regional level
---	--	--

Business relationships management

Pledges	Partners' risk assessment	Mentor's training	MoU (Provider- Company)	Continuous dialogue between providers and companies
---------	---------------------------	-------------------	-------------------------	---

2.7 Human Resources Development in VET

In the Albanian VET system, teaching staff are differentiated into four groups:

- a) **teachers of general subjects**
- b) **teachers of vocational theory (vocational subjects)**
- c) **instructors of practice (modules)**
- d) **instructors of theory and practice in the VTCs.**

Law no. 10171 of 22.10.2009, 'On Regulated Professions in the Republic of Albania' with amendments, regulates the criteria and conditions for practising a range of professions that are related to the protection of public interest, public safety and health. The law contains education and qualification requirements and procedures for obtaining the right to exercise the profession, and defines the responsibilities of the responsible authorities.

The law on regulated professions only applies to teachers of general subjects and stipulates in Article 75, paragraph 3, that teachers of lower secondary (grades 5–9) and upper secondary (10–12 or 13) education must have obtained a Bachelor diploma (diploma of first cycle) in lower secondary and upper secondary subjects and a Master degree with 120 ECTS (diploma of second cycle) in the same area of the studies of the first cycle.

For teachers of vocational theory and instructors of vocational practice the regulation differs. Teachers of professional theory in upper secondary schools must have obtained at least a diploma of the second cycle of studies (professional Master degree, or equivalent) with a profile (area) that relates to the occupational profiles provided by the institution.

To qualify for a teaching position of practical learning in a vocational school, a person needs a degree from a higher education institution in the same or similar occupational area that is offered by the school. In addition, a minimum of three years practical work experience is necessary. In cases where, after two rounds of applications, no applicants have a higher education degree, the school can hire a teacher (instructor) with a diploma from a secondary VET school in the relevant occupational area.

Teaching staff of combined theory and practice in VTCs must have obtained a higher education qualification in the same occupational area as that of the course instruction and have at least two years of practical work experience.

The fact that teaching staff of occupational theory and practice are not subject to any regulation stipulated by the Law on Regulated Professions poses a great challenge to policymakers to develop a consistent model for teacher pre-service qualification and continuous professional development. The differences between the teacher of general and of professional subjects deepen when it comes to continuous professional development of teaching staff. Within the schools, general subject and vocational theory teachers follow the so-called teachers' qualification, which refers to a system of career progress of three levels (teacher categories). The categories are part of the career progress and the salary scale. Teachers can apply for the lowest (3rd) category, after five years of teaching experience, for the middle (2nd) category after 10 years and for the higher (1st) category after 20 years. Experience duration is only one pre-condition for career

⁶² Joint Instruction no. 6, dated 24.02.2015, 'On General Criteria and Procedures for the Recruitment of Theory and Practice Teaching Staff in Public Providers of Vocational Education and Training'.

⁶³ Ibid.

⁶⁴ Ibid.

advancement. To achieve a certain qualification category, a teacher must also complete a portfolio and present it to the respective Regional Education Directory (of MoESY) and pass a qualification test. The individual portfolio records all previous Continuing Professional Development (CPD) events and is considered completed only if the teacher has recorded at least one credit of training per year, evidenced with the respective certificate. One credit is considered to comprise three training days (18 hours) provided by one of the registered accredited agencies. The teacher can select the accredited trainings from the list of providers published on the Institute of Educational Development (IED) website. Usually, teachers must pay a training fee to attend the course. After fulfilling the three conditions (experience duration, portfolio and qualification test), IED issues the respective qualification certificate, enabling career progression and salary increase.⁶⁵

24-day Training Programme for in-service Teachers: Basic on Didactics of VET

To address the urgent need for up-skilling the VET teaching force in modern didactics and competence-based VET, NAVETQ, with the support of the international donor community (Austrian Development Agency, ADA; GIZ, SDC) developed, piloted and finally adopted a 24-day training package for in-service teachers. This obligatory training package is structured into six modules held at weekends to allow implementation alongside the professional commitments of the teaching staff, as follows: 1) Introduction to the profession of VET teacher or instructor, 2) Introduction to the psychology of learning, 3) Fundamental elements of didactics in VET, 4) Management of teaching and learning environment, tools and materials in VET, 5) Assessment of VET students and trainees, and 6) Planning and conducting teaching and learning sessions in VET. The approach is action-oriented, with up to 70 percent practical exercises depending on the module. Currently, more than 50 percent of the total teaching force in VET (700 staff) have been trained and certified in this programme. The results of an interim evaluation confirm a very positive response and benefit for professional application by the teaching staff. More details on this training course can be found in the annex 13 – Inventory of Good Practices in VET, to the present report.

– Teaching Force in the VTCs

The profile of instructors and teachers in the VTCs differs from that of school teachers. Usually, they are older and have longer teaching experience, though holding a lower level of formal education. They have mainly short-term employment contracts and work fewer hours. Teachers and instructors in VTCs make use of classical and modern teaching methods. Links to the workplace and to employers are quite good, in many cases better than in VET schools. VTC teaching staff rate their own efficiency as high, show a high level of satisfaction with their work and feel socially valued.

– Qualification of In-company Mentors

While much emphasis is placed upon the improvement of continuous teacher training in the public VET providers, less attention is paid on the other side of the coin, namely practical learning in the business environments (WBL). There is no unified national model in place for qualifying company staff in their new role as in-company mentors to provide professional guidance for students during their internship or apprenticeship. The donor community addresses this gap by running some interesting pilot projects, as the following good practice from the S4J project shows.

⁶⁵ Linda Rama: Continuing Professional Development for VET Teachers and Trainers in Albania, 2018.nt of Theory

In-company Mentor Training Programme

The SDC-supported S4J with its Gradual Skills Development Scheme (see above) brings WBL closer to the concept of apprenticeship. One key element of quality assurance in this scheme is structured on-job guidance through trained in-company mentors. The Mentor Training Programme of S4J is implemented in close cooperation with the Swiss Federal Institute for Vocational Education and Training (SFIVET) and cooperating companies from the project's partner schools. It is organised around three modules, each half a day in length, allowing the companies to second their staff for training participation: **Module 1: Business and School Cooperation**, **Module 2: Work Pedagogy** to structure and align complete work and learning processes, **Module 3: Workplace Training and Assessment**, to set criteria and indicators for assessing learning in the workplace. More detailed information on the Mentor Training programme can be found in the Good Practice Annex 13 of the present report.

Involving businesses in a structured way in the planning and delivery of practical training will generate mutual benefits for all sides: the school (bridging theory and practice), the student (learning through professional guidance of experienced job-practitioners and assuming own responsibility in a real work setting), and the company (benefiting from the student's valuable contribution to a company project).

2.8 Image and Marketing of VET

One of the key pillars of the reform has been to increase the attractiveness of the Albanian VET system, as traditionally it has been considered as a side door into higher education for low achievers coming from basic education. With the transfer of the responsibility to MoSWY and with adoption of NESS 2014–2020, public campaigns on awareness and image of VET were included in the priorities of the government's programme and the NESS Action Plan.

To better describe measures taken by the government of Albania to improve the image of VET, in this report we will refer to the following definition: The image of VET should be understood as the sum of attitudes, associations and feelings about non-academic vocational education and training which people in a cultural group implicitly or explicitly communicate among each other and which influence the willingness of individuals involved to invest in VET. A good image of VET could have the effect that young people dedicate their time and their parents invest in VET. It could also influence future teachers to choose VET, political stakeholders to provide resources and private companies to hire VET graduates. The scope of VET image campaigns in Albania have focused primarily on attracting young people and their parents to choose VET as a pathway, as well as to convince private companies that engaging and supporting the VET system is beneficial to them, as they can contribute to the preparation of their (future) employees. These image campaigns emphasise not only the external benefits of VET, such as titles and certificates, but also address the personal and internal concepts of professional identity, such as individual talent and inclination and the social image of non-academic professions. The international donor community supports the Albanian government in identifying innovative means to attract young people into VET professions. The most successful approaches of VET image campaigns are TV shows and series with well-known actors that experience VET professions in the work environment, radio programmes, print and online media for career guidance, working with industry leaders and

⁶⁶ Ute Clement: Improving the Image of Technical Vocation Education and Training, 2014, page 11, https://www.dcdualvet.org/wp-content/uploads/2014_GIZ_Improving-the-Image-of-Technical-and-Vocational-Education-and-Training_A-synthesis.pdf, last retrieved January 3, 2020.

influencers, competitions for business start-ups, open days of VET providers and regional and national skills fairs. Good practice examples of VET promotional activities are presented in more detail in Annex 13.

Chapter

3

Albanian Qualification Framework

Albanian Qualification Framework

3.1 Description of AQF

The Albanian Qualifications Framework is a national classification framework that structures qualifications into eight hierarchical levels⁶⁷ (Table 1) similar to the European Qualifications Framework (EQF) to improve transparency and labour market-relevance of qualifications, enhance training quality, mobility and progression within different pathways, and facilitate life-long learning and personal development. AQF has its legal anchor in Law no. 10247 ‘On the Albanian Qualifications Framework’, which was adopted by Parliament on 4 March 2010 and revised in 2018.

Table 1. Levels of Albanian Qualification Framework⁶⁸

AQF	General (Tradition) Qualification, 1	Vocational Education, 2	LLL Qualification, 3	Permeability	EQF	FQEHEA ⁶⁹
8	Doctorate Post University Studies In-depth studies		Study programmes for continuous training		8	3
7	MSc / MA Master of Fine Arts Programme of second level study Integrated study programme of second cycle Study of 4-year programme (prior to entry into force of Bologna system)	Professional Master First Level Master	Study programmes for continuous training	Parts of qualifications of levels 7-1 lead to levels 8-1, 8-2 or 8-3 Part of the credits for level 7-2 can be recognised at level 7-1	7	2
6	Bachelor Programme of first level study			Qualification type 6-1 gives access to levels 7-1, 7-2 or 7-3	6	1
5		Qualification programmes of post-secondary education of vocational character Non-university study programme Post-secondary vocational education Professional certificate	Bridging course (certificate) Specialisation courses based on professional requirements	Parts of the credits for level 5-2 might be recognised at level 6-1	5	
4	State Matura Diploma, issued at the end of the programme of general high school	1. State Matura Diploma, issued at end of programme for Vocational Education 2. Professional certificate issued at end of 4-year study programme for middle-level technician or manager 3. Professional certificate issued at end of 1-year study programme for middle-level technician or manager 4. Professional certificate issued at end of 2-year study programme for middle-level technician or manager 5. Professional certificate issued at end of craft programme	Bridging course Vocational Training Course Specialisation courses based on professional requirements	Qualifications level 4-1 and 4-2 that end with State Matura Diploma give access to levels 5-2, 5-3 and 6-1	4	
3		1. Professional certificate issued at end of 1-year programme for skilled workers 2. Professional certificate issued at end of 3-year programme for skilled workers 3. Professional certificate issued at end of craft programme		Qualifications types at level 3-2 give access to qualifications type at level 4	3	
2		Professional certificate issued at end of 2-year programme for semi-skilled workers		Types of qualifications of level 2-2 give access to qualification types at level 3	2	
1	Certificate or diploma following compulsory 9-year education		Minimum qualifications to enter world of work	Qualifications at level 1-1 give access to level 2	1	

⁶⁷ The AQF is anchored in Law no. 10247, dated 4.03.2010 ‘On the Albanian Qualifications Framework’ as amended (Law 23/2018).

⁶⁸ Annex 1, Law no. 23/2018 ‘On some changes and additions to Law no. 10/247, dated 4.3.2010, ‘On the Albanian Qualification Framework’.

Management of AQF is shared by MoESY, which is responsible for pre-university general education (elementary, lower and higher secondary) and higher education qualifications, and MFE, responsible for VET. The sub-sectoral division also applies for the management of LLL qualifications. As for the VET subsector, MFE has entrusted NAVETQ with the development, revision and quality assurance of VET qualifications and related frame curricula for the AQF qualification levels 2–5, which are included in the National Catalogue of Vocational Qualifications.⁷⁰ At the time of the present report, some 100 vocational qualifications that can be obtained through secondary VET programmes have been referenced to the AQF, based on learning outcomes. The List of VET qualifications and professional profiles for AQF levels 2–5 can be found in Annex 4.

To ensure close linkage of AQF qualifications with labour market needs, the amended AQF law, foresees the establishment of sector committees, also known as SSCs. The respective by-law was adopted on 26.6.2019 with Decision of the Council of Ministers (DCM) no. 426.⁷¹ According to this DCM, an SSC shall comprise up to ten members, representing the public and private sectors through its representatives: line ministries responsible for education, VET and related economic sector, employer associations, trade unions, VET institutions, business representatives and subject-matter experts. The law foresees the establishment of a maximum of ten SSCs that shall function as advisory bodies to NAVETQ, for the following purposes:

- Identify the future sectoral needs for required qualifications.
- Propose new qualifications and revise existing ones to maintain the catalogue of qualifications.
- Support NAVETQ in drafting and validating occupational and qualification standards.

Two sectors that are in urgent demand for skilled labour have been selected to establish the first SSC: Tourism and ICT. RisiAlbania, which has been supporting the ministry and NAVETQ since 2015 in this regard, has developed a model for the Tourism SSC, which is currently in its establishing phase. The experiences from this pilot will be analysed for scaling up the model to the other sectors.

The Albanian Qualifications Framework is to be an enabler and roadmap for Lifelong Learning. To meet this objective, all types of qualifications available in the country are to be progressively included in the AQF where they meet certain quality criteria. One such criterion is that a qualification must be expressed in learning outcomes, i.e. knowledge, skills and broader competences that a qualification holder must have acquired. These learning outcomes allow allocation of a qualification in the respective AQF level through the eight-level descriptors, which are a copy of the EQF level descriptors.⁷² When designing the AQF, the Albanian decision makers decided to include first formal qualifications, which can be acquired in initial education programmes, i.e. general or pre-university education, vocational education and higher education. These qualifications are regulated in the laws on higher education, general education and vocational education and training. At a later stage, provisions will be made for inclusion of qualifications for LLL, such as short courses for adults, and special courses for continuous professional development. At the time of writing, the respective DCM to regulate a system of prior non-formal and informal learning (VET Law 15/2017, Article 21, point 4) was pending approval.

⁷⁰ ETF: Albania NQF Inventory, last update December 18, 2018.

⁷¹ By-law 'On the establishment, functioning and funding of the Sector Skills Councils (SSCs)'; AQF Law, Article 10, point 5, was adopted with DCM no. 426 (26.6.2019).

⁷² Cedefop, ETF: Albania European Inventory on NQF, 2018, page 4.

3.2 Occupational Standards, Qualifications, Assessment and Certification

The AQF law and related secondary legislation entrusts NAVETQ with the development, revision and quality assurance of the national vocational qualifications and the design of related framework curricula and assessment instruments for VET profiles at AQF levels 2 (assistant), 3 (skilled worker), 4 (technician) and 5 (higher technician). Since 2009, NAVETQ has applied a standard procedure to develop labour market-related vocational qualifications (Figure 5). This begins with labour market research and occupational analysis to define an occupational standard that will be the basis for the design of vocational qualifications, frame curricula and examination standards.

– Labour market research and literature review

NAVETQ specialists conduct preliminary research into the situation of the labour market and economic development trends, focusing on the respective sector to identify the needs for skills and qualifications. In the future, this information can be delivered by the SSCs. The second step at this stage is analysis of the existing National Catalogue of Vocational Qualifications and of existing qualifications. In some cases, the analysis includes a cross-check against the National List of Occupations, especially if the National Catalogue of Vocational Qualifications does not include qualifications in the envisaged occupation or sector.

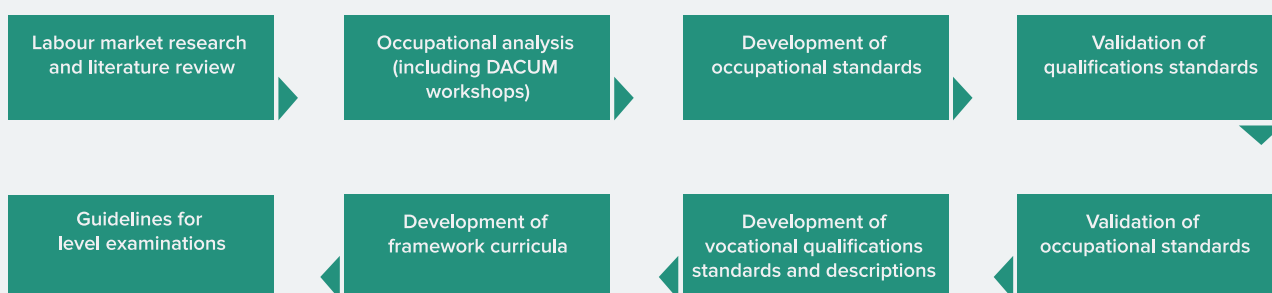


Figure 5. Flow chart followed for development of labour market-related vocational qualifications

– Occupational analysis and Development of the occupational standards

The development of occupational standards is not yet an obligatory part of the design process for vocational qualifications because NAVETQ has for along time been lacking an official mandate. Only in October 2019, was a DCM on the organisation and activities of NAVETQ (related to Article 10, point 2, VET Law) adopted, assigning responsibility for the development of occupational standards (AQF levels 2–5) to NAVETQ. This was a crucial prerequisite for development of national expertise in this field. So far, the development of occupational standards has been limited to some pilots NAVETQ conducted with the support of donor projects, mainly using the Developing a Curriculum (DACUM) process⁷³ (a 2-day workshop with a panel of experienced job practitioners) for which NAVETQ has a small pool of trained in-house expertise (facilitators). The result of the DACUM workshop is an occupational profile (DACUM matrix) listing the duties and tasks that a skilled person is expected to perform in the workplace. The occupational profile is further developed into an occupational standard by adding standards of performance (performance criteria) a person

⁷³ A description of the DACUM approach is attached in the good practice inventory in Annex 13.

must achieve when carrying out the tasks in the workplace, together with the underpinning knowledge, skills and attitudes.

— Development of vocational qualifications standards

Albania does not use the term Qualification Standards. Instead, NAVETQ develops so-called Qualification Descriptions, which contain information on: 1) qualification title and code; 2) programme duration (hours of learning to obtain the qualification); 3) level of qualification; 4) scope of qualification; 5) admission criteria; 6) further qualification and employment possibilities; 7) approval date; 8) information on previous versions; and 9) learning outcomes expressed in knowledge, vocational skills and broader competencies.⁷⁴ NAVETQ develops the Qualification Descriptions in close consultation with an expert group comprising subject-matter experts from the world of work and VET teachers and instructors. As a rule, the qualification standards have to be validated and then formally signed by the responsible minister. Due to missing procedures, NAVETQ has not conducted any validation procedure in recent years and the qualification standards have been applied without formal approval by the minister.

— Development of framework curricula

Framework curricula are developed based on the structure of the National Catalogue of Vocational Qualifications. NAVETQ establishes working groups with experienced teachers from the respective occupational area to compile the curriculum for the specific vocational qualification consisting of the following information: (1) Objectives of the vocational education programme, (2) Entry requirements and student's profile upon completing the VET programme, (3) Schedule of the VET programme (table of subjects and modules and hours per week or year), (4) Instructions on the teaching plan, (5) Instructions on the teaching process, (6) Instructions on assessment and exams, (7) Information on certification at the end of the programme, (7) General information of theory subjects, (8) Descriptors of mandatory modules, and (9) Descriptors of optional modules. The frame curriculum is subject to approval by the ministry.

— Guidelines for level examination (orientation programme)

NAVETQ develops assessment guidelines for the so-called orientation programmes, which prepare students for their final exams at the end of each level. The orientation programme assists teachers to focus their teaching on the core theoretical concepts that are the subjects of the theory test and provide guidance for setting up a practical test arrangement covering the professional competences stipulated in the framework curriculum for the respective level. The orientation programmes are developed based on the information provided by the curricula (subject based) and do not have specific reference to the learning outcomes as expressed in the qualification description. The application of the examination guidelines in the final exams leaves considerable flexibility to the examination boards with regard to the test composition. It is up to the examination boards of the individual school to design written tests and set up a practical test environment following the rules, principles and templates (duration, procedure, format, scoring system) provided in the examination guidelines. NAVETQ is responsible for supervising how the exams are organised and implemented by the VET providers.⁷⁵

⁷⁴ ETF: Albania NQF Inventory, last update 18 December 2018, § 3.6.

⁷⁵ Minister Instruction no. 15, dated 26.4.2019 'On the organisation and implementation of examinations in vocational education and training', <http://www.akafp.gov.al/wp-content/uploads/2014/09/udhezimi-15-date-26.04.2019-per-organizimin-dhe-zhvillimin-e-provimeve-ne-AFP.pdf> last retrieved 20 October, 2019.

3.3 Quality Assurance

Quality assurance plays a major role in modernising VET systems to improve their performance and attractiveness. As a candidate country for EU accession, Albania has to follow the recommendation of the European Parliament and the Council of Europe to establish a European Quality Assurance Reference Framework for VET, **which gives strong emphasis to monitoring and improving quality by combining internal and external evaluation.**⁷⁶ This includes processes of quality assurance such as licensing, self-assessment (internal evaluation), accreditation and inspection (external evaluation) of VET providers.

The VET law contains a dedicated chapter (IV, Articles 24–27) on Quality Assurance and allows for links to other relevant legislation, such as the laws on AQF and on Craftsmanship. The Law on VET refers broadly to the principles of quality assurance of the Recommendation of the European Parliament and of the Council, of 18 June 2009, on the establishment of a European Quality Assurance Reference Framework for VET and lessons learned through exchanging with member states and other candidate countries. The VET law stipulates main features of the quality assurance framework, while other laws define certain procedures concerning the quality assurance, especially the licensing of private VET providers, which is part of their business registration.

The following procedures of quality assurance apply to the Albanian VET:

- (1) Opening and closing of public VET providers** is a responsibility of the ministry in charge of VET based on criteria and procedures set by the Council of Ministers. A DCM is being developed by the VET department at MFE.
- (2) Licensing of private VET providers** is a joint responsibility of the National Business Centre, based on Article 20, paragraph 3 of Law no. 10081, ‘On Licences, Authorisations and Permits.’ Private institutions or physical persons can apply to offer vocational education and training. The licensing of these institutions by the National Business Centre is executed only after a first review of the documents submitted and an on-site inspection by the ministry responsible for VET. Licensing process of private training providers is facilitated by a small unit at NAES, while the licensing of private VET schools is carried out by an official working group established by MFE with the participation of the VET department at MoFE, NAVETQ and NAES personnel.
- (3) Regular self-assessment** is a requirement of public VET providers for the purpose of complying with procedures of external evaluation, such as accreditation or inspection and, in the meantime, to establish a culture of quality and development within the institution. The respective regulatory framework for the assessment includes Minister Instruction no. 16, of 08.05.2018, Minister Instruction no. 16/1, of 16.10.2018, and the self-assessment instrument, covering five areas of quality: **1) management and organisation, 2) relations and cooperation, 3) implemented curriculum, 4) teaching and learning, and 5) student or learner assessment.** Some 44 public VET providers undertook comprehensive efforts to implement the self-assessment in all five areas. Based on the results of the process, VET providers are developing or improving their mid-term and annual plans. The self-assessment process and documents must be combined with any other external assessment, such as the inspection

⁷⁶ Official Journal of the European Union: Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training, C155/2, § (11).

and the accreditation process. Yet, the procedures for accreditation have to be developed first. The self-assessment instrument is being revised by NAVETQ and the SD4E Programme to reflect feedback and issues raised during the implementation, but also to include new aspects of the regulatory framework for the operation of public VET providers.

- (4) Inspection** is a function defined by the Law on VET, as well as the legislation on Pre-University Education. MoESY, through its specialised agencies, is responsible for inspection of the teaching of general education subjects and of teaching within the VET schools. The inspection of aspects related to the provider's organisation, aspects of VET teaching and learning are a responsibility of MFE. Inspection is defined in the Albanian legislation as an instrument of VET quality control.

In general and higher education, the inspection function was carried out by the ministry and its territorial authorities, the Regional Education Departments. In 2010, the National Inspectorate of Pre-University Education was established, as a separate institution under the Ministry of Education. With this new institution, which has the responsibility also to inspect secondary VET schools, a milestone is set in the quality assurance of the education system in the country. In 2013, the Inspectorate took over the function of inspecting Higher Education institutions as well (thereafter the State Inspectorate of Education). This institution developed procedures and regulations for inspecting various types of education institutions. The Inspectorate was merged with the Institute for Education Development and the new Agency for Quality Assurance in Pre-University Education was established.

With the transfer of the responsibility for VET to the Ministry of Social Welfare and Youth and further to MFE, one of the key functions that was not performed was the one of inspection. This was due partially to a conflict of interest between the management and the inspection function at the ministry level and partially to lack of know-how and resources.

- (5) Accreditation** has been a part of several efforts of institutions at the national level of VET. NAVETQ has the mandate to develop procedures, criteria and standards, as well as to issue the status of accreditation to public and private institutions offering vocational qualifications of levels 2–5 of the AQF. The Law on VET entitles the minister responsible for VET to adopt procedures, criteria and standards for the accreditation of VET providers.

Chapter

4

Main Outcomes and Challenges of the VET Reform

Main Outcomes and Challenges of the VET Reform

4.1 Strategy, Vision and Main Expected Outcomes

The government's strategy and vision for the VET reform is defined in NESS 2014–2020 and its extended Action Plan (2019–2022).⁷⁷ This document serves to orient the reforms and policies undertaken in the area of skills development and employment, as well as the technical and financial assistance in these development areas. The Strategy is fully aligned with the Europe 2020 Strategy objectives and targets, which aim at promoting smart, sustainable and inclusive growth, as well as with the South Eastern Europe 2020 Strategy—Jobs and Prosperity in a European Perspective.

The overall goal of NESS is to promote quality jobs and skills opportunities for all Albanian women and men throughout their lifecycle. This shall be achieved through policy actions that simultaneously address labour demand, labour supply and social inclusion gaps. The four strategic priorities for employment and skills development are the following:

- A. Foster decent job opportunities through effective labour market policies.**
- B. Offer quality education and training to youth and adults.**
- C. Promote social inclusion and territorial cohesion.**
- D. Strengthen the governance of the labour market and qualification systems.**

The main expected outcomes related to VET are defined in priority B and priority D, which is a cross-cutting issue. Meanwhile, the 2019–2022 Action Plan defines the following sub-objectives:⁷⁸

- B1:** Optimise public VET providers at individual and network levels to ensure a quality and diversified VET offer
- B2:** Improve the VET management information system
- B3:** Design and implement VET provisioning based on a Quality Assurance Framework
- B4:** Strengthening links between school and world of work and facilitate transition into work (employability)
- B5:** Continuous professional development of teachers and managing and support staff of VET providers
- B6:** Raise the image of VET and provide information on VET providers, qualifications and training offers.

- D1:** Improve performance of labour market and qualifications system governance (NAES, NAVETQ, providers)
- D2:** Strengthening social dialogue in labour market governance (National Labour Council, National VET Council)
- D3:** Develop and improve the labour market and VET information system (qualifications and skills forecasting)
- D4:** Elaborate National Qualification Framework (NQF) based on standards from the labour market, including operationalisation of SSC.

⁷⁷ NESS 2014–2020 was extended, with the related Action Plan 2019–2022, adopted by government in October 2019 by DCM no. 659, dated 10.10.2019.

⁷⁸ Only those listed are of relevance for the VET reform.

NESS defines the following targets⁷⁹ to measure the success of actions related to Strategic Priority B (Quality of VET Provision) by 2020: to increase the share of students attending VET programmes to a minimum of 20 percent; to increase the employment rate of vocational education graduates to 40 percent, of which 25 percent are girls; to increase the share of the adult population participating in LLL by four percent, to increase the employment rate of participants from short vocational training courses to 55 percent, of which 75 percent are women; to increase the annual share of persons with disabilities (PwD) among VET students by 1 p.p. To enable these outcome achievements the investment in VET will be increased by 30 percent.⁸⁰

The main targets under Priority D (VET governance) are to create better mechanisms for monitoring and evaluation of the labour market and VET outcomes; to have a modern legal framework aligned with EU standards, including a further developed AQF; to have strengthened social dialogue; and to have an increased involvement of the private sector in the governance and financing of the sector.

Progress of the NESS target achievements is followed up on a yearly basis, published in an NESS Annual Progress Report, and by a Mid-Term-Review (MTR) in 2018.

The 2018 Annual Report on NESS (published in 2019) states as the major accomplishment of the recent years of the VET reform, completion of the legislative framework for VET and the AQF, while alignment of VET programmes and qualifications to the needs of the labour market is progressing only slowly. One major reason is the lack of a systemic engagement of the private sector in VET, an engagement that is urgently needed when overhauling the existing qualifications and training offer. Social dialogue is still limited to labour-related issues under the domain of the Labour Council. Meanwhile, SSCs that shall act as advisory bodies to NAVETQ are still in the phase of establishment. On the other hand, a positive trend is being observed as VET attracts growing interest among the young, reflected in a 20 percent increase in VET enrolment between 2014 (13,893 students) and 2018 (16,574 students). The tracing system for VET graduates from the academic year 2016–2017 indicates an employment rate of 47 percent six to twelve months after completion of training with a share of employed female graduates of 35 percent (2017; 71% in 2018).⁸² For the academic year 2017–2018, the tracing data indicate an employment rate of 37 percent for graduates from secondary VET schools.⁸³

4.2 International Assistance and its Systemic Impact on the VET Reform

The international assistance towards VET has played a crucial role in the recovery from the crisis in the early 1990s, when the communist system and its education system collapsed, with the ongoing transformation into a market-driven and inclusive VET system that supports the economic and social development of the country. The contribution of the international donor community has been multi-dimensional through technical assistance, direct investments and capacity building, and represents a considerable share of total spending on VET in Albania.⁸⁴ It is especially those EU countries with a strong historical tradition of VET—Austria, Germany and Switzerland—that supported Albania through the means of development cooperation over vocational training

⁷⁹ NESS targets have been adapted over time. The stated indicators conform to the latest annual progress report (2018).

⁸⁰ NESS 2014–2020: page 53.

⁸¹ Ibid page 57.

⁸² NESS 2014–2020, Annual Progress Report 2018: pages 46, 72.

⁸³ GIZ 2019: Tracing Survey for Graduates from Secondary Schools in Albania in 2017–2018, page 14.

⁸⁴ Sidita Dibra, Shyqyri Llaci and Jorida Tabaku: Policy Transfer or Policy Learning: Interactions Between International and National Skills Development Approaches For Policy Making the Case of Albania, 2009.

http://www.norrag.org/fileadmin/Other_publications/Dibra__Llaci__Tabaku.pdf

programmes. In addition, the United Kingdom has had focus on VET, as part of its support to the education system in general. When Albania's rapprochement to the EU started, in the early 2000s, the Union became the main donor in the development of the VET sector in Albania, initially through the CARDS Programme,⁸⁵ and later through IPA funds (IPA I and II), backed up by strategic support from the European Training Foundation (ETF). The United Nations, through ILO and UNDP, have played a significant role in policy formulation and capacity building of national institutions in VET. Other donors, such as Italian Cooperation and USAID, have been engaged with the VET sector, too, but to a lesser degree than the other actors.

Thus, the Austrian, German and Swiss development cooperation agencies are the key actors supporting Albania's VET reform, with a wide range of projects, from which the main interventions are summarised below.

— Swiss Development Cooperation

Swiss Development Cooperation (SDC) support to the development of Albania's VET system goes back to 1994. In the early days, SDC based its interventions upon a Systemic VET Model approach that looks at VET provision and VET outcomes as a link between society's demand for VET and the economy and workforce demand for skilled labour.⁸⁶ This holistic approach was reformulated over time in line with the country's strategic priorities. In 2013 and 2014, when the Albanian VET reform ventured into a new dynamic, SDC decided upon a broad systemic approach by implementing three parallel, but interconnected, sister projects, working at the macro, meso and micro levels, as follows:

- (1) The Skills Development for Employment (SD4E, 2015–2022)** programme implemented with the support of UNDP provides policy support and capacity building for macro and meso level institutions (ministries and the two national agencies: NAVETQ and NAES). The aim is to improve the policy framework and VET governance to enable stakeholders to provide better coordinated and demand-driven services. This will be achieved through a portfolio of policy-level interventions, such as formulation of strategies, policies and road maps to foster a stronger engagement of the private sector in VET, support NAVETQ in development of national models for quality assurance of VET qualifications, for accreditation of VET providers and for continuous human resources development in VET. With its systemic approach, the SD4E programme also supports NAES to improve the Labour Market Information System (LMIS), to design instruments for needs assessment, supportive measures and self-employment initiatives for various categories of job seekers.

- (2) The S4J project (2016–2023)** implemented through SwissContact works at the implementation level and supports ten VET providers in different regions in addressing main challenges in the VET system, such as low quality and status, insufficient financing, weak labour market orientation and poor private sector engagement. In its current phase, which started in April 2019 and will last until June 2023, the project aims to support the management and teaching staff of ten VET schools and up to 10,000 students from secondary VET schools, and 6,000 trainees from VTCs, through the introduction of innovative learning methods, arrangement of company-based training (internships and apprenticeships), and career guidance and mentoring services for a smoother school to work transition.

⁸⁵ Community assistance to the countries of South-Eastern Europe.

⁸⁶ CAPEX: 20 years of Swiss Support in Albania, page 4:

http://ipsed.al/wp-content/uploads/2017/01/CAPEX-VET-Albania_SDC.pdf last retrieved December 29, 2019.

- 3) The RisiAlbania Enhancing Youth Employment project (2013–2021)** is implemented with the support of Helvetas, to foster business growth and expansion in selected sectors (tourism, agro-processing and ICT), including the establishment of SSCs and improvement of the career guidance offer for young people. RisiAlbania supports especially businesses in the hotel and tourism sector, which is in high demand for skilled labour. To make the training more attractive and beneficial for young people, RisiAlbania fosters twinning of Albanian VET institutions with international partner schools, as reported in the good practice inventory in Annex 13. Since the beginning, the project has assisted 946 new job creations and 5,378 placements and matches.

— German Development Cooperation

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been one key actor in the development of the system since the early nineties. GIZ programmes and projects place great attention upon infrastructure improvement and capacity building, especially of VET teachers and instructors. At the national level, GIZ has contributed significantly to the development of the Albanian legal framework for VET, conducted baseline studies and designed quality assurance instruments (e.g. tracer studies for VET graduates) to optimise the VET offer. Through its interventions at the provider level, GIZ has had a strong impact on the development and improvement of VET curricula of various programmes, such as business administration, ICT and health-care services. GIZ invested in the transformation of the former agriculture college in Kamza into a Multi-functional Centre (MFC) that serves its geographic area with a multiple offer of long-term initial VET programmes (transport vehicle services, ICT, hospitality and tourism, agriculture and health-care services) as well as short-term courses for continuous education of adults. The concept of an MFC that was introduced by GIZ has been considered in the VET legislation as one of the types of institutions eligible to offer public VET programmes in the country. Currently, the support of the German government to the Albanian VET system reform is concentrated in two main projects: (1) The ProSEED programme (2017–2021), which focuses on economic and regional development, employment promotion and VET to strengthen practical and labour market oriented vocational learning of young adults between 19–34 years, marginalised groups and returnees. ProSEED aims to train 4,000 participants through public and private VETs and VET schools (40% women) and bring 2,000 trained participants into employment; and (2) the fund for VET and employment MFC Kamza (2019–2023), provided by KfW, that focuses on the expansion and up-scaling of the Centre.

— Austrian Development Cooperation

Austrian Development Cooperation included Albania as a focus country early on, in 1992, and opened its first representative office in Tirana in 1995. Since the outset, ADC, through the Austrian Development Agency Office in Tirana, has continuously funded projects (mainly implemented with the support of Kulturkontakt Austria) to establish and consolidate VET programmes, especially in tourism but also in agriculture and business administration. The support covers teacher training, teaching material development, school marketing, and twinning projects with Austrian partner schools and virtual training firms. One of the previous key interventions of ADC in Albania, which aimed at increasing labour market relevance of the secondary schools' training offer, was the ALBIZ project 'Reform of secondary economic education in Albania 2009–2013'. The project supported twelve schools throughout the country, based on a comprehensive approach with six components: (1) school management and leadership, (2) quality assurance, (3) school-based curricula, (4) teaching and learning didactics, (5) school–business cooperation, and (6) gender

mainstreaming. The most significant current project financed by ADC is the Al-Tour project (2017–2020),⁸⁷ which aims to improve the labour market relevance, quality and social inclusion of vocational education offerings for the tourism and hospitality sector. The immediate beneficiaries of the project include eight tourism schools, two boarding schools, two adult education centres, and NAVETQ. During the project, AL-Tour will reach some 150 school administrators, vocational school teachers, trainers, internship coordinators and boarding school staff, as well as 2,500 students, 50 trainees and some 40 businesses.

— Impact and limitations of donor interventions on VET reform

There is no doubt that donor programmes have been contributing enormously to improvement of VET planning, design and delivery, to revision of the legal framework, enhancement of training infrastructure and capacitating of human resources, especially at the VET provider level in Albanian VET schools and VTCs. Nevertheless, the first Albanian National Report on the Torino Process reveals a sobering picture of the contribution of donor projects on systemic level changes:

Donor funding for VET, employment and social inclusion roughly equals state budget funds available. The massive influx of donor money, and the plethora of reform initiatives suggested or introduced on a pilot level, are too ambitious for the national level to be scaled up and sustained. Thus, it also becomes inefficient for donors when they see some of their investments not being sustained. This suggests a more rigorous review by top decision makers and perhaps scaling down of the number of VET reform initiatives.⁸⁸

The on-site consultation of the consultant with key stakeholders in the ministry and national agencies, as well as with the providers at the implementation level, confirm these findings. There is a high level of appreciation at the implementation level (individual institutions and schools supported by the donors), but at the same time uncertainty at the policy level over whether all the investments and efforts of these numerous pilot activities lead to sustainable improvements at the systemic level. Projects are of temporary nature. During their lifetime, most donor projects generate impressive results with regard to the quality of services provided and the number of people reached. Unfortunately, very often these ambitious donor projects remain ‘islands of success’ in their own microcosms instead of becoming sustainable solutions, scaled up and mainstreamed into a coherent national VET model. Institutional learning (horizontal and vertical) is mainly initiated by international projects rather than by national stakeholders, and happens sporadically rather than frequently and systemically, leading to a situation of peaceful coexistence of donor projects that often overlap. The projects generate specific solutions for similar topics, requiring a coordinated steering and guidance of national decision makers. For example, several models of WBL have been piloted by various projects, and various approaches applied to train school management, teachers and business coordinators, while various entrepreneurship and career guidance models exist, but these have not been scaled up nor transferred into a national model.

A good mechanism to enhance the exchange of experience is the so-called DACH+ forum, of German, Austrian and Swiss cooperation that used to meet biannually. However, such a forum cannot replace the need for a national coordinating body—which currently does not exist—to take the lead and ownership for steering and coordinating the efforts of the international donor

⁸⁷ <https://www.entwicklung.at/en/projects/detail-en/al-tour-foerderung-von-qualitaet-von-und-zugang-zu> last retrieved 9 January 2020.

⁸⁸ ETF: Torino Process 2018–2020, Albania, National Report, page 76.

community. Besides building up the institutional capacity for national coordination at the policy level, it is recommended to introduce a unified tool to undertake an inventory and keep track of all project interventions and results in the field of VET and employment promotion.

The government is currently working to establish an External Assistance Management Information System (ALB EAMIS) to become a key component of the Integrated Planning System. EAMIS will support MFE in managing all aspects of development financing, including a better monitoring of externally funded activities linked to programme objectives and target indicators. EAMIS will be an integrated nationwide system used by MFE, line ministries and donors. This instrument requires data entry and analytical reporting of all stakeholders to monitor implementation progress, results and impact of donor, public, private and local investments in Albania's development and economic growth. The primary beneficiary of the EAMIS system is the Donor Coordination Unit, expected to be established at MFE.⁸⁹

4.3 Labour Market Relevance of VET Provision

The key purpose of VET is to prepare people for the world of work by equipping them with the skills they need to join the workforce, no matter whether for the first time or re-joining it after a break, through skills upgrading or professional re-orientation (moving into a different career). The quality of VET is measured by the relevance of training programmes for the labour market, reflected in the employability of graduates emerging from the scheme.

In 2017, GIZ conducted a tracer study among 320 graduates from public vocational schools in Albania. The results show that the current system of VET provision does not sufficiently contribute to the skills needs of employers in industry, commerce and services: **41% were in a work relationship (mostly in two sectors: wholesale & retail, and hotel & catering; jobs concentrated in Tirana and Durres). 25% continued their education, mostly at higher education level, but not necessarily in the field of their VET studies. 27.6% of the survey participants were NEETs, while roughly one-third of these NEETs had never worked and 59% had already been looking unsuccessfully for a job for more than 12 months. Over half, or 52%, of the VET school graduates said that there is 'no demand for people in their trained fields', while 33% claimed there are no jobs available in their regions or towns. 45% of the VET school graduates claim that they did not use the knowledge gained from school, while 58% consider changing their profession. This suggests a public VET system that is still largely out of tune with both labour market demand and students' aspirations. The survey also showed that in those few branches and institutions, where donors have been active for many years, good results in terms of graduates' employment have been achieved.**⁹⁰

Enhancing the labour market relevance of a country's VET system is a multifaceted and challenging task. It comprises actions in the governance and regulatory framework, to ensure that the private sector has a vote and active share in the design of the system. It also comprises actions on the educational side, to design training programmes that attract students and lead to qualifications that are demanded in the labour market (employability). It needs the right training infrastructure and training methods that foster competence-based learning (technical, personal, interpersonal skills) and inter-linkage between theory and practice. Finally, VET graduates are faced with limited employment opportunities as a result of the predominantly micro-business-based Albanian economy. Reform activities in the VET schools must be accompanied by economic reform programmes, fostering entrepreneurship, business growth and expansion.

⁸⁹ MFE: <http://demo.synisys.com/ddfa-portal/ips/eamis/> last retrieved 10 January 2020

⁹⁰ ETF: Torino Process 2018–2020 Albania, National Report, pages 82–83.

Historically, in Albania, VET has always been considered a state responsibility, initiated and designed at central government level with a strong focus on educational attainment rather than on responding to labour market needs. The transition from a centrally planned economy to a market economy has reshaped the entire political, economic and social structures of the country, and finally the interplay between the world of business and the world of education and training. VET in a free market economy functions at the interplay between economic interests and social responsibility. VET can only be an engine for economic growth if it responds to the demand of the private sector. It needs to be understood as a collaborative task of the state and the private sector to deploy its full potential and generate a workforce that is skilled and agile to boost productivity and economic growth. This can only be realised if the private sector and its representative bodies (chambers, associations) become equal, responsible and informed collaborators in the governance of VET as is the case in well-functioning VET systems. Business engagement in a well-functioning VET system is not enforced by law but driven by the private sector's self-interest to compete for a skilled workforce. In such systems businesses sit in the driving seat, empowered through strong representative bodies that bring in direction and focus in the shaping of vocational qualifications. Private sector engagement in quality training is understood as a voluntary investment based on the firm conviction that it pays off, for those who have been trained and for the companies that invest in training.

The consultant held a series of bilateral consultations, focus group discussions and workshops to identify the opinions of the different stakeholders in VET on the achievements and major challenges encountered in the recent years of the VET reform. The findings of the key actors (governance bodies, VET providers, business representatives) and beneficiaries (students and graduates) are summarised below.

— VET reform from the perspective of the governing bodies

Members of the governing bodies who expressed their views are satisfied with the trend of secondary education students towards VET, but they are also aware of the risk that the VET institutions will be overloaded and unable to improve quality and increase the participation of the private sector. They stress that the legal framework is complete with regard to adoption of the main laws relevant for VET but that secondary legislation is missing and preventing the effectiveness of enforcement at the national implementation level. Communication and information, vertically between national decision makers and implementers, and horizontally between implementers, is an issue. The offer of the VET system is still not adapted to the needs of the labour market and private sector engagement is not systemic. The statement of the deputy minister in charge of VET—that VET has to be an agile and permeable system that allows people to come in and go out according to their wishes and needs—is a trendsetter. This can be interpreted as a far-reaching vision: it places the system in a position of an instrument at the service of the user, and not the other way round where the users are squeezed into rigid boxes and channels. This is a creative and innovative perception of the state as a public service.

— Priority topics for the VET reform, from the viewpoint of governing bodies

VET reform priority topics include the following:

- Capacity building of all key actors, to make the governance structures in the new VET law operational.
- A stronger and more systemic engagement of the private sector in skills needs analysis, occupational standards development, revision of qualifications and training programmes,

structured WBL and standard-based assessment and certification, in order to better match supply and demand.

- Enhancement of the flexibility of the education and VET system, in order to guarantee permeability of the whole system. This means that students at each level (including the State Matura level) have a choice of further studies and training or exiting to the labour market, without losing the chance of re-entering the education and VET system at a later stage.
- The private sector is also asked to collaborate in the process of restructuring the geographical and sectoral distribution of the VET providers across the country and economic sectors, with the result that it is aligned with the demand of businesses (to overcome fragmentation, create and consolidate centres of excellence, and further define financial and managerial autonomy of VET providers).

— VET reform from the perspective of VET providers (managers and teachers)

This group of stakeholders formulates their preoccupation on the difference between VET institutions: those that have benefitted from donor support, those that already have close partnerships with business, and others that are struggling with low numbers of students, have difficulties in finding business partners for internships, and a programme portfolio that does not match the local and sectoral demand. They hope for the input of the private sector in the process of adjusting the theoretical and practical content of the curricula, in developing standards for assessment and certification, and in conducting examinations. They mention positively that in 2019, for the first time, business representatives took part in examinations.

VET provider managers ask for guidance in the process of restructuring of VET institutions, especially the new development units, and how to cooperate with businesses, marketing of VET providers, and income generation. They stress the need for infrastructure investments in order to upgrade the VET institutions to the current level of technology. Furthermore, they propose to establish local and regional cooperation structures with business, in the form of local committees, networks or local sector working groups.

VET provider managers and teachers require a national model and standards for WBL (internships), and for guidance in its application for all implementing partners: VET institutions, companies and students.

The teachers observe that continuing training offers focus on pedagogy while many teachers need to update their technical competences in order to keep pace with the latest technological developments. They are keen to introduce innovative teaching methods that stimulate student interest, motivation and creativity, and to optimise practical teaching in the school workshops. For this to happen, they hope for the advice of professionals (job practitioners) who can coach them.

VET reform from the perspective of cooperating companies (owners, managers, mentors)

The business representatives—all already engaged in various forms of collaboration—appreciate the pro-active approach of the VET schools. They agree to accept students for internships, mainly because they want to do a favour for the VET schools and the students, though less for economic reasons. Some of the interlocutors see internships as a good possibility to select future staff, as they have or will have the need.

Company managers comment that a number of school teachers are unfamiliar with the business reality in the field they teach. There is a need for up-skilling programmes for VET teachers and instructors in their professional field. The majority of businesses are unprepared to host school teachers on their premises for training purposes. Nevertheless, a small number have already

agreed to invite VET school teachers for skills upgrading, and others have approached VET schools to provide tailored courses that respond to their skills needs.

The subject of internship gives rise to heated discussion, showing that there is still a long way to go before they become a full and structural component of every VET programme. There are differences among sectors, with it is easier, for example, in hospitality and tourism than in ICT. Companies are not yet used to planning an organised programme for their interns and how to resolve issues linked with the in-company mentors (certification, training, partial or full exemption from regular production and service work, implying higher cost, among others).

Company owners, managers and mentors have detailed suggestions regarding the VET programmes, to better interlink theory and practice (in school workshops and in companies) and how to organise the coordination between companies and schools. Taught theoretical concepts should be immediately applied in practical work projects in the school or within-company work assignments. They offer also collaboration in jointly developing an internship plan to facilitate a gradual skills development for the students and a valuable contribution to each company's business.

The liaison person from the VET school should be a professional (practitioner), who communicates directly with the company mentor, instead of bringing every issue to the level of the business manager and the VET school's director.

The consultant has further analysed the sector-specific particularities, dynamics and challenges for VET in three economic sectors that are currently facing rapid growth, or technological transformation, or both: hospitality and tourism, agribusiness and ICT. The results of this analysis, including some case studies on good practices, are attached in Annex 7.

— VET reform from the perspective of beneficiaries (VET school students and graduates)

All interviewed students and graduates wanted to enrol in university. They argue that career opportunities for VET graduates are limited, with, for example, no access to senior management positions. Also, there are no opportunities for further specialisation within the VET system. Their decision to enter a VET pathway was motivated by the employment opportunities and suggestions received from the family. All VET students and graduates that were interviewed were happy with their choice. The reputation of the school is more important than the certificate, and opens doors to future employment. Some graduates were retained in the companies where they did their internship, while others refused offers from companies because they had found better opportunities. They also expressed their views of the barriers to employment, considering that the potential of growth sectors (e.g. ICT) and entrepreneurship in Albania is untapped, and that this is also a reason for young people to emigrate.

4.4 Conclusions and Recommendations

Based on the VET review and the results of the stakeholder interviews, the consultant comes to the following conclusions and recommendations for the VET reform:

- 1) **A system reform is a highly complex long-term process.** It can only be mastered step by step, based on an overall plan (masterplan) that defines stages, milestones and activities and helps to monitor simultaneous actions of the key actors in the various fields.
- 2) **Restructuring of institutions is a learning process.** In addition to a coherent legislative framework, appropriate infrastructure and sufficient financial resources, VET needs most of

all qualified and experienced staff to master the newly assigned responsibilities. NAES will play the leading role in the governance of the system as a supporter and back-stopper in the day-to-day operation of the providers' service provision. The agency needs to be prepared for this new task through capacity building measures. In connection with this, a key question needs to be answered: Shall NAES be able to accompany and guide the VET schools, instead of 'managing', as this conflicts with the autonomy status granted to the public VET providers? The agency would have to negotiate with each VET provider for an implementation agreement with quantitative and qualitative objectives and targets, and a corresponding allocation of personnel and budget. This would have to happen within the framework of by-laws and regulations. At the same time, it is essential that the VET providers will retain a large margin of action and are not forced into a straightjacket. This implies the concept of ex-post control instead of ex-ante control.

- 3) **Exposure to models and practices of other countries can increase motivation and insight.** The current practice of study trips is beneficial for participants to gain inspiration and gather food for thought. For institutional learning it is, nevertheless, not always the most effective approach. Therefore, it is recommended to combine such trips with other forms of learning, for instance peer learning. The consultant suggests considering staff secondment as an option for continuous Human Resources Development in the governing bodies. The secondment should be designed in a way that key staff of the agencies (multipliers) are sent to a similar institution (to be carefully selected) in another country for a limited period of time (3–6 months). Secondments should be well defined and have a clear objective and structure, which need to be agreed with the seconded person and the host institutions to ensure they match the training needs of the person and the sending institution. During the period of secondment, the person regularly communicates with the sending institution and keeps track of the latest development in the destination institution. Secondment is a great opportunity to boost professional skills and motivation, and to experience different approaches, processes and team dynamics. It also opens the door to long-term networking structures with partner institutions and keeps alive exchange with professional experts well beyond the secondment period.⁹¹
- 4) **Capitalise on experiences and lessons learned from national best practices and donor-supported pilot initiatives in VET.** A knowledge management system, accessible and regularly connected with all stakeholders in VET, should be established and maintained. A differentiated information basis will enable national stakeholders to take informed decisions and build upon results achieved in previous actions. It will also reduce the costs of trial and error and fully entrust the national decision makers with the statutory decision-making power granted by law.
- 5) **Learn from successful cases of institutionalised school–business cooperation in dynamic sectors** (e.g. hospitality and tourism, ICT, agro-technology and food processing). The recommendation is to generate models built on best practice approaches that fit the sector-specific particularities and have the potential to be scaled up, bearing in mind that business participation in VET needs a clear framework, based on mutual consensus over roles and responsibilities of the different actors. It also requires a methodological concept, dedicated funds and capacity-building measures for private sector participation in the development of occupational standards, programme design and assessment of the students.

⁹¹ Learn more about organising secondments at <https://www.staffnet.manchester.ac.uk/staff-learning-and-development/academicandresearch/personal-skills-and-development/secondment/>

- 6) **Consider that scaling up does not come automatically and free of charge.** This advice is motivated by the observation that many initiatives and projects considered as ‘good practice experiences’ by the stakeholders do not spread out automatically. Scaling up needs strong and sustained efforts (human resources and funding) and can take years. It needs also the right people—professionals with lots of good will who are accepted by the stakeholders—with dedicated funds for both the planning and the implementation stages. Funding can be shared by several partners: e.g. the national budget, regional and local government funds, EU support, donor projects and sector funds, with contributions from the private sector.
- 7) **Consider sector-specific and regional particularities when optimising the VET offer.** For example, businesses in the ICT sector suggest the following optimisation strategy for the VET providers’ offer: explore the business community in the region and adapt the VET training offer accordingly. Many VET schools spread across the country now offer training in ICT. There is no need to offer fully fledged ICT training programmes in remote areas, where tourism is the main source of income and possibilities of practice learning for ICT students are very rare. Albania is a relatively small country, so the VET providers can be clustered and positioned where they find the optimum conditions for training and practical exposure. The Durres–Tirana–Elbasan corridor is the most flourishing and developing part of the country for ICT companies, with most located in this region. Thus, the conditions for local VET schools to establish partnerships and find internship solutions in this field are very promising. The same strategy can be applied to other sectors, especially tourism and agriculture. There is no need for a scattered VET offer covering all specialisations (directions) throughout Albania. Existing VET schools with a solid reputation and the greatest potential and environment to develop ‘from good to excellent’ could be selected to become Centres of Excellence, located in the most suitable business communities, offering high quality training programmes in one or more selected fields of study. This will boost the quality of training provision and allow a cost-effective generation of a skilled labour force. Another option is that several VET schools operating in the same sector could be connected to Networks of Excellence and jointly set up an optimisation strategy for their sectoral training offers, including cooperation structures with local and regional businesses. This strategy will help government and the donor community to focus and channel their efforts, resources and capacity-building measures (upgrading infrastructure and equipment, HR development) in the most effective way. In any case, the issue of student access from remote areas into this clustered type of training offer needs to be resolved. Travel distances are shortening and the transport infrastructure has improved considerably in recent years, with dual carriageways connecting the major cities. VET schools can be equipped with suitable boarding facilities to allow students from other areas to have access to quality training programmes. Regarding the VET school dormitories, not all are appreciated by students and parents. Infrastructure is often in poor condition and needs to be refurbished and modernised. Instead of waiting years for a budget allocation, tendering, etc., it is worthwhile considering that at the initiative of parents associations, school communities and local administrations, construction departments of VET schools undertake the necessary improvements, planning and working under professional guidance. This is also an excellent opportunity for practice learning, especially when WBL opportunities in companies are limited. Crowd-funding can help to collect the necessary amounts of money. As an alternative and complementary structure to the dormitories, students could be hosted in the local community. This will require smaller costs and facilitate better integration into the local community.
- 8) **Fine-tuning of the overall framework for VET–business relations should be a collective exercise** to make it operational by clearly defining in which areas and on which levels private sector representatives and professional experts shall play a productive role for the system, through the following initiatives:

- National VET Council as a body taking part in policy formulation
- Advisory boards of NAES and NAVETQ
- Sector councils defining occupational profiles, core contents of training programmes, examination requirements and subjects
- Business associations engaging in the promotion of VET and WBL
- Companies hosting interns and apprentices
- In-company trainers and mentors guiding students during internships and apprenticeships
- Company experts becoming involved in examinations and certification
- Participation in VET provider boards
- Company staff as part-time teachers and instructors in VET institutions.

This exercise should take place as a consultative process, headed by MFE as the technical ministry in charge of the VET sector, with individuals from the private sector, assuming these tasks need to be prepared in the course of a dedicated information and training programme, and—over time—certified, if their activity forms part of a process regulated by law. At least the cost incurred by the individual needs to be covered by the public budget.

9) Parallel thinking. Reciprocity would be required:

- on the part of the students, parents, administrators and teachers of VET institutions, as well as public agencies in charge of VET (NAES and NAVETQ), and
- on the part of the workers and businesses (employees, contracted workers, autonomous workers and professionals), managers and owners of companies and other work entities (public administration, hospitals), and of their support services (e.g. public and private business support services and human resources agents, entities coaching self-employed people and strengthening entrepreneurship).

With success in each side accepting and learning to think along the lines of reflection of the other, then they are on the way to matching the offer and demand of competences and qualifications and can start to join forces. From this perspective, integration of VET into the body of MFE can constitute a window of opportunity.

10) Equip business development services, chambers, craft guilds and professional associations with a sensibility for VET (initial and continuing) and motivate them for close cooperation.

Countries undergoing rapid transition, as Albania is, often have access to specific funding for dedicated support for SMEs and start-ups from EU budget and international development banks. Only a few countries, such as Austria and Germany, have maintained compulsory membership of companies in chambers that are private organisations granted with a public mandate. In this case, the competence for VET can be included in the public mandate, and the chamber will recruit and train its own professional staff and create a dedicated VET unit, funded with membership fees and some contributions from public budgets and other sources. In countries with voluntary membership of companies to business associations, such as Albania, things are somewhat different. Only if the member companies are aware of the advantage this dedicated VET unit can bring will they be willing to fund it accordingly. This may be the case in the most dynamic sectors with a large share of SMEs, such as ICT, hospitality and tourism, construction and agribusiness. The recommendation, therefore, is to extend the area of VET reform agenda towards the companies and their support services. The rationale behind this is that it will remain difficult to establish meaningful and good quality WBL and dual apprenticeship without a dynamic economy and growing enterprises, able to develop an institutional structure and employ staff members outside of the family environment.

11) Make use of the enlarged degree of autonomy of VET providers in areas that are at hand. VET

providers need to acquire the technical and pedagogical planning skills required to conceive, design and offer relevant post-secondary training programmes, for youth and adults, and for company staff. This will enable them to become real partners for companies, chambers and sector associations, who will then also be more willing to open their doors and convince staff and members that training interns and apprentices bring added value to the company, the chamber and the sector association. The Business Relations Officer (Social Partner, PASO) needs to be a person that is known, recognised and appreciated by the business partners and has the capacity to convince those who are hesitant. Each VET provider needs to have at least one extra post (full-time) in addition to the teachers and administrative staff. The tasks of the PASO can also be split between several persons (allocated into hours of service), but the principle should be that this is a full-time non-teaching post. In this case, a member of the administrative department of the VET provider needs to coordinate the business relations activities.

- 12) **Create an association of VET provider directors.** The main purpose of the association is to exchange information and experiences, to give advice to government and private sector organisations and to participate in the preparation of secondary legislation and regulations concerning the whole VET sector. It can also link up with similar organisations in other countries for information exchange and also for the exchange and transfer of experiences.
- 13) **Develop a Master programme or other Post-graduate programme for younger VET provider staff and middle management.** This programme should focus on management and further development of Vocational Schools and VTCs in the Albanian setting, but integrating references and case studies from other countries. The programme should be conducted by an Albanian university, a Department of Economics and Business, in partnership with a foreign university hosting a similar post-graduate programme on institutional management of VET institutions. Participation in the programme would be voluntary with the study sessions taking place on one or two evenings a week and on Saturdays, in order to ensure that the majority of participants remain in their posts. This initiative will help create a proper capacity of reflection and development outside of the hierarchical relations between national government, the two agencies NAVETQ and NAES, and individual VET providers. To gain some insight into how this idea could be realised, the consultant proposes reference to a good practice example in Cape Verde, found in the good practice inventory in Annex 13.
- 14) **Consider the establishment of a VET support fund.** This will allow for better coordination and stronger involvement of the national decision makers in shaping medium-term planning and short-term interventions. Such a mode of funding may correspond better to the needs of a rapidly advancing country and, thus, be more effective than single donor projects. The fund can be used for up-scaling of pilot operations that are considered as success stories by the principal VET stakeholders, keeping in mind that up-scaling needs always flexible planning and implementation and sustained accompaniment. The fund can also be used for hiring short-term expertise, secondments and other needs arising during the transformation process. It is open to discussion whether the fund should be used for continuous vocational training on request from companies. The advantage would be that it creates additional demand for VET providers, that it is a good means to build partnerships with companies and that it obliges the VET providers to deliver quality training. Refer for further information to the good practice inventory in Annex 13.

Chapter

5

**Comparative Benchmarking
of Albania's VET System
with those of Selected Countries
in Central and Western Europe
and the Balkan Region**

Comparative Benchmarking of Albania’s VET System with those of Selected Countries in Central and Western Europe and the Balkan Region

The issue of effective vocational skills training has been on the international agenda for many years. There are ongoing expert discussions focusing on the effectiveness of training design and delivery to generate a workforce that possesses the technical knowledge, the professional hands-on skills and the appropriate attitudes and personal characteristics to perform well in the work place.

Multilateral organisations (e.g. OECD, ILO, Cedefop) have initiated large-scale reviews and studies in which they examined and compared national approaches of VET and Vocational Skills Development (VSD) to identify building blocks and key elements of effective VSD schemes. Based on these studies, the consultant decided upon the following set of seven quality indicators (Figure 6) for review of the effectiveness of the Albanian VET system and to benchmark it against selected dual systems from Central and Western Europe (Austria, Germany, Switzerland, and the Netherlands) and one transition system from the Balkan region (Serbia).



Figure 6. Quality indicators for effective provision of VET

Analysis of Quality Indicators Q1 to Q6 follows the same route. After presenting the status quo, major achievements and major milestones in the respective field, the consultant sheds light on the challenges and shortcomings, brings in good practices from the benchmarking countries on how to address these challenges and closes with a list of recommended actions to improve the efficiency of these elements.

Quality Indicator Q7 (Systemic Collaboration with the Private Sector) is the main focus of the present VET review and a transversal topic. It is, therefore, presented in more detail in the concluding Chapter 6 along with a list of recommendations for each of the key actors to improve private sector engagement at policy and implementation levels.

— Overview of Benchmarking Countries ⁹²

Before starting the benchmarking exercise it is important to understand the particularities of the selected benchmarking countries. The following reports the key features of the VET systems of the five countries at a glance followed by a comparative summary (Table 2), supplemented with more detailed VET system descriptions (country briefs) in Annexes 8–12.

Austria

The offer of VET programmes is differentiated into three levels: Pre-vocational, Secondary education, and Tertiary education. There are both dual and school-based programmes. The Federal Ministry of Digitalisation and Economics (BMDW) issues for every occupation (total, 218) a specific training regulation (Ausbildungsordnung), which is compulsory for any training provider, student or apprentice. Governance of apprenticeship is shared by the ministries of Economy (for the companies) and of Education (schools), social partners (employers and trade unions) and the regions (Länder). For dual VET programmes, the Apprenticeship Offices, attached to the regional sites of the Chamber of Economy (Wirtschaftskammer Österreich), organise the final examinations and grant the vocational certificates following the full occupation principle.

Germany

Vocational education and training start normally after the 10th class and lasts 2–3.5 years. Young people can choose from 325 recognised occupations. The major part of VET is provided in the apprenticeship modality (e.g. 3 days at the workplace, 2 days part-time in the school or in block-mode), which coexists with school-based VET training programmes, mainly in commercial and health-related occupations. The concept of full vocation or profession (Berufskonzept) is the basic principle of VET in Germany. The private sector and its representatives (employer associations, trade unions, and chambers as the competent bodies) play a key role, e.g. in VET design, development of training standards, administration of apprenticeship training (including inter-company courses), accreditation of training companies, training and licensing of in-company trainers and organisation of external assessments. Training companies contribute around 70 percent of the total training cost. The state governing bodies are the Federal Ministry of Education and Research (BMBF) and the Federal Institute for Vocational Education and Training (BIBB).

Switzerland

VET begins with a first year of secondary level II and lasts 2–4 years. There are some 230 occupations to choose from. The Government of the Swiss Confederation oversees the VET sector but the Cantons are the authorities responsible for implementation. The State Secretariat

⁹² For the macroeconomic figures to be comparable, the consultant used the same sources for the statistical data: The World Fact Book 2019 <https://www.cia.gov/library/publications/the-world-factbook/geos/al.html>

for Education, Research and Innovation (SERI) issues educational regulations for the field of VET, at request of organisations from the world of work, e.g. professional associations. SERI is also responsible to define the vocational and professional profiles and to design outlines of training programmes, specifying the necessary content areas for in-company training, inter-company training courses, and the VET school education complement. As in Germany, Switzerland applies the full occupation principle.

The Netherlands

VET provides a large choice of programmes for young people from the age of 16 years. The duration of the courses ranges from 0.5–4 years, depending on the level: 1) assistant training, 2) basic vocational training, 3) full professional training, and 4) middle management and specialist training. Students can choose between a school-based learning route with full-time education Beroeps Opleidende Leerweg and a work-based route Beroeps Begeleidende Leerweg in which students combine work and study. In both routes and at every training level, students must spend a considerable part of their time on work experience in order to obtain a diploma, so that all students acquire competency in a work environment. VET at the secondary education level is a full part of the public education system. However, it is provided by specific institutions—the Regional VET Centres and the Agricultural VET Centres—in conjunction with their business partners. In both the case of internship (BOL) and full apprenticeship (BBL), the company or institution hosting the student signs an agreement with the sending VET college and with each individual. State governing bodies are the Ministry of Education and the Organisation for VET–Business Cooperation. At all levels (primary, secondary and tertiary) the choice has been made to regulate to a minimum, allowing the education and training institutions to decide autonomously on the implementation of their roles and responsibilities.

Serbia

Secondary education in Serbia is free of charge and not compulsory, and includes pupils of age 15–19 years. VET is provided for 250 profiles with a duration of 2–4 years, with 4-year programmes offering the possibility of progressing into higher education. Secondary education is provided through general, VET and dual education pathways (based on the Law on Dual Education, adopted in 2017). Governance of secondary VET and dual education is entrusted to the ministry in charge of education, the highest education authority, and the three multi-stakeholder national councils for pre-university education VET and Adult Education and NQF. VET reform started in 2002, has resulted in 90 education profiles and curricula based upon qualification standards and learning outcomes, and developed in a process involving the business and industry sector and education professionals. Almost half of VET students are enrolled in modernised profiles. The modernisation is an ongoing process with the aim that, by 2021, all students will be enrolled in VET profiles based upon qualification standards in accordance with modern, up-to-date educational programmes. The Chamber of Commerce and Industry of Serbia (CCIS) is a strategic partner in implementation of the dual education system and is responsible for accreditation of employers for WBL in dual education, instructor training and licensing, management and keeping registries of companies of training contracts.

Table 2. Comparison of key indicators of Albania and benchmarking countries

Facts and Features	Albania	Germany
Population	2.8m	82.2m
EU membership status	Candidate, 2014	Member country, 1958
GDP composition by sectors of origin	agriculture, 21.7% / industry, 24.2% / service, 54.1% (2017)	agriculture, 0.7% / industry, 30.7% /service, 68.6% (2017)
Labour Force	1.198 m (2017)	45.9 m (2017)
Labour force by economic sector	agriculture, 41.4% / industry, 18.3% / service, 40.3% (2017)	agriculture, 1.4% / industry, 24.2% /service, 74.3% (2016)
Unemployment rate	13.8% (2017) / 11.5% (2019)	3.8% (2017)
Youth Unemployment rate	31.9% (2017) / 20.9% (2019)	6.8% (2017)
Basic principle for VET	School-based VET with elements of WBL, leading to vocational level qualifications Duration: 4 years, with exit levels after 2 and 3 years	Dual VET based on full occupation concept Duration: 2–3.5 years, usually 3
Vocational Matura	Yes, integrative element of VET pathway	No (some pilots only)
No. of registered training occupations	100	327
Total no. enrolled in VET	24,756	1,337,004
Share of school leavers going to VET	21%	56%

Switzerland	Austria	The Netherlands	Serbia
8.3m	8.8m	17.1m	8.7m
Not a member	Member country, 1995	Member country, 1958	Candidate, 2012
agriculture, 0.7% / industry, 25.6% /service, 73.7% (2017)	agriculture, 1.3% / industry, 28.4% /service, 70.3% (2017)	agriculture, 2% / industry, 24.4% / service, 73.6% (2018; www.financen.net)	agriculture, 9.8% / industry, 41.1% /service, 49.1% (2017)
5.159 m (2017)	4.26 m (2017)	7.969 m (2017)	2.92 m (2017)
agriculture, 3.3% / industry, 19.8% /service, 76.9% (2016)	agriculture, 0.7% / industry, 25.2% /service, 74.1% (2017)	agriculture, 1.2% / industry, 17.2% / service, 81.6% (2016)	agriculture, 19.4% / industry, 24.5% /service, 56.1% (2017)
3.2% (2017)	5.5% (2017)	4.9% (2017)	14.1% (2017)
8.1% (2017)	9.8% (2017)	8.9% (2017)	29.7% (2018)
Dual VET based on full occupation concept Duration: 2–4 years	Dual VET and school-based VET based on full occupation concept Duration: 2–4 years, usually 3	School-based and work-based (apprenticeship) VET programmes leading to same qualifications (level-based) Duration: 6 month to 4 years	Integrated system of school-based VET and Dual VET model (for selected profiles since 2019) leading to same qualifications (level-based) Duration: 3 or 4 years
Optional, for high performers only	Optional, for high performers only	Completion of Level 4 VET Qualification provides automatic access to higher education (University of Applied Sciences)	Yes, integrative element of VET pathway
230	218	237	250
215,531 (2018)	204,633	630,000	213,537 (2017)
66%	70%	69%	65%

5.1 Coherent Regulatory Framework (Q1)

— Current status, achievements and major milestones

Having been awarded in 2014 candidate status for European accession, the Government of Albania has put special emphasis over the past five years on transforming the country from an import-dependent, consumption-based and informal economy into a diversified, dynamic and competitive market place with decent employment for all parts of society.

VET was recognised as a driver for the economic reform process. Offering Quality Vocational Education and Training for Youth and Adults became one of the four strategic priorities on the government's agenda reflected in the NESS and the related Action Plan 2014–2020, which was extended by the prime minister's request, and DCM, to 2022. The achievement of the action areas defined in the NESS Action Plan strongly depends upon the framework conditions, which include a coherent policy framework, an effective governance system and stable and sufficient funding.

NESS Strategic Priority D focuses mainly on two aspects:

1. set up, revise and complete the laws and secondary legislation and sub-legal acts on VET
2. define roles and responsibilities, reconfigure the structure and build up the capacities of the responsible ministry and national agencies NAVETQ and NAES to fulfil their mandates.

With regard to the regulatory framework, Albania has succeeded in adopting a comprehensive legislative package that defines the guiding principles and structure of the VET system and the roles and responsibilities of the key actors and standards for VET provision, assessment and certification:

- a. VET Law (2017)
- b. AQF Law (2010, amendment 2018)
- c. Law on Craftsmanship (2016)
- d. Employment Promotion Law (2019)
- e. Law on Pre-university Education (2012, amendments 2015 and 2018)
- f. Labour Code (1995, last amendment 2015).

The new Law on VET especially is considered a milestone in the restructuring of the VET system, since it includes some novelties:

1. Its philosophy and the principles on which it is based: inclusion, autonomy, quality, cooperation, access, mobility and permeability, though not all these principles are clearly elaborated in the articles.
2. Responsibilities for VET governance—policy and regulatory framework development, management of VET providers and the Quality Assurance Framework—are clearly defined.
3. Orientation of VET based upon AQF and the learning outcomes and not upon programme duration.

— Prevailing challenges and bottlenecks

Comparing the legislative packages with the regulatory frameworks in the benchmarking countries, it seems at the first glance the Albanian VET framework is complete and comprehensive. Such was confirmed by key stakeholders at all levels.

However, a number of important sub-legal acts are still missing from the legal framework.⁹³ For instance, the VET law contains 24 sub-legal acts that were expected to be issued within nine months of the date Law 15/2017 became effective. It was adopted on 16 February 2017, and more than 3.5 years later, more than half (13) of these sub-legal acts are still pending approval, either by the Council of Ministers or the ministers in charge, delaying thus the roll-out of the law at implementation level. A compounding reason is the delay over approval of sub-legal acts in the Employment Promotion Law.

The most important pending sub-legal acts hampering operationalisation of the law at the implementation level include the following:

- a ministerial instruction for the organisation and functioning of public VET providers, covering HR management, composition of development units, continuous staff qualification
- a related regulation for income-generating activities of public VET providers
- a regulation on implementation of internship in businesses while attending public VET programmes.

For issues of quality assurance and permeability, the major gaps include:

- a missing accreditation model for VET providers
- the pending DCM for state inspection in the VET system
- delay in approval of the DCM of Recognition of Prior Learning (RPL), the basis for a number of sub-legal acts and related assessment and certification procedures.

Meanwhile, one important sub-legal act that has been drafted but pending approval is the regulation ‘On implementation of Internship in Business while attending VET Programmes in Public VET Institutions’ (pursuant to Articles 12, 15 and 25 of VET Law 15/2017) and AQF Law 10247 (2010). However, the most controversial issue in the by-law is the theory:practice ratio. No agreement has been reached so far over the percentage of practical learning, especially for the introduction of a ceiling stipulated in the respective frame curriculum that allows for up to 30–35 percent of practical learning during the first two years, 50 percent in the third year and 20 percent in the final year of training, no matter whether the practical modules are taught on school premises or in the workplace through internships or apprenticeships. A complete list of the sub-legal acts of the VET Law is reported in Annex 2.

Summarising the review findings, the legislative framework reform for VET faces the following challenges:

1) Adoption and operationalisation of sub-legal acts behind schedule

The legislative package regulating VET is considered by all stakeholders interviewed as complete and comprehensive in terms of the framework laws. The delay in adoption of sub-legal acts, however, hampers operationalisation and generates uncertainty especially at the implementation level (VET schools and companies) on the translation of the legislative framework into day-to-day operations.

2) Increasing level of detachment of VET reality from the regulatory framework

VET has progressed faster than the legal framework or policies regulating it. However, the providers cannot wait until the legal loopholes are closed; they have to manage the daily reality in their institutions and define individual approaches suitable for their own microcosm. The lack of guidelines and standard procedures for organising, implementing and assessing

⁹³ The problem of the delay in the sub-legal acts has been identified and turned into a priority action under Chapter 19 in the 2019 Albanian Progress Report on the country’s EU reform agenda.

the WBL component, for instance, generated a patchwork of individual actions of varying scope and quality. The situation is also a result of the top-down process on how laws, and especially sub-legal acts, are developed. Instead of venturing along a close consultation process with the providers for jointly defining regulations that are in line with the realities and requirements at the implementation level, they have been drafted mainly with the support of external experts and projects.

3) General disorientation over the appropriate point of contact to provide advice on the legislative change processes

VET providers are not clearly informed about who the competent bodies are from whom to receive information and guidance on the legislative changes, or with whom to clarify issues or the appropriate means of communication. This has become even more complicated since the changes in the legislative framework resulted in changing roles and responsibilities of the national key actors. The two national agencies that share responsibility for VET are still in the restructuring phase and are not yet fully functional in providing the whole spectrum of services assigned under the law. Consequently, the ministry in charge of VET (MFE) is overloaded with enquiries over operational issues at the implementation level, which should not be the case.

— Learning from good practices from the benchmarking countries

Legislation is a country specific matter and cannot be compared easily because it is subject to political and socio-economic particularities of each country. Nevertheless, when comparing the framework laws in Albania with those in the benchmarking countries, there is a strong consistency. VET is regulated in all countries of comparison in more or less the same scope of legislative framework: a Law on VET or a Vocational Training Act that regulates the fundamental principles of training provision, governance, funding and management of VET as a national standard. This law is supplemented by several parts of the framework, such as a Law on General Education, Law on Craftsmanship, Labour Code, Higher Vocational Training Act, Law on NQF, and Frameworks on Higher Education.

In the traditional dual system countries (Austria, Germany and Switzerland), the legal frameworks contain an additional element: training ordinances for in-company training, defining the national standard for the practical part of the training in a certain occupation that is carried out in the companies. These are considered a fundamental document since they define the occupational standards from the perspective of the private sector. They provide the basis for the frame curricula for the vocational schools and are reference documents for training implementation in the companies and for assessment procedures for the final professional exams. Together with the educational standards (frame curricula for the VET schools regulating the theory part of training), they are the legal backbone for quality assurance in training delivery. Occupational standards that are defined by the industry are still a missing element in Albania's regulatory framework for VET. The pending by-law, which is supposed to regulate WBL (internships) only defines the cornerstones for practical learning without recognising occupation-specific particularities.

Looking to Serbia, there are many similarities with regard to Albania's reform processes. Serbia's economy is on a long path of transformation and modernisation, characterised by a double legacy. On the one hand there is still the socialist heritage, with its impact on the socio-economic structure and, in comparison with other Central Eastern European states, the ten-year delay in the start of the transformation process which started only in the year 2000 due to the Balkan wars. On the other hand, the economy of Serbia has suffered from the major collapse of economic activities in the decade of war and a long, still ongoing process, of privatisation of the state-owned companies. Serbian industry suffers from out-dated infrastructure and insufficient transportation

and energy systems. In 2017, with adoption of the Law on Dual Education. Serbia decided to diversify the training offer by introducing a dual form of training similar to the Western Europe apprenticeship programmes as an alternative pathway to school-based education for secondary school VET programmes.

In order to manage the complex change process, the Government of Serbia, in consultation with the key stakeholders and external support of a Swiss expert, developed and adopted in 2019 a Master Plan for Implementation of the Dual Education Law. The master plan is a planning instrument that supports and accompanies the change processes initiated through the VET reform. A commission (formed of representatives from the state, social partners, business community and VET providers) is entrusted to coordinate, monitor and supervise the roll-out of the new legislation and to ensure that all stakeholders are equally informed and actively contribute to the reform process according to a jointly defined agenda. The Serbian Masterplan for Dual Education is presented in more detail in Annex 13, on good practices.

Another important aspect is the supportive mechanisms installed in the benchmarking countries to assist effective roll-out of a national VET model and its underlying norms and regulations. Good practice examples include VET portals and internship platforms to inform the public about career options and the VET offer and facilitate access to in-company training opportunities, such as the online VET platform of the cooperation organisation of the Dutch VET organisations SBB, the forum for VET Teachers in Germany (FORAUS), which fosters institutional learning among VET providers or the implementation guides for the VET ordinances that translate legislative norms for better application in the companies. All these instruments are further presented in the good practice boxes in Annex 13.

— Recommendations for Albania

There needs to be a mechanism to coordinate horizontal and vertical actions of the key stakeholders to provide guidance and supervision on the legislative changes to the implementers at the VET provider level. This is especially important given the new VET law expects the providers to transform from traditional educational schools into market-oriented service providers with an increased management role and with regard to the service portfolio and a more self-determined utilisation of budget and use of income generating activities (financial autonomy). Its not enough to impose new roles and responsibilities by law; the system needs empowerment and ownership for the reform processes at the implementation level. The opinion of the key actors at implementation level (VET providers, companies, beneficiaries) need to be heard when drafting and revising legislation documents.

The consultant recommends the following actions to foster a coherent regulatory framework for VET and its effective roll-out in Albania:

- 1) Establish a national VET information office jointly chaired by line ministries and the national agencies to act as a one-stop shop for provision of information and guidance for VET providers on the operationalisation of the legal framework.
- 2) Develop and administer interactive online platforms tailored to the needs of the various stakeholders. For example, a VET platform for interested young people where they can learn about the various training programmes offered by the VET providers, obtain job-related information and career guidance, online career self-assessment tools, matching platform for internships. Another platform might be for teaching staff and in-company mentors to have access to the latest VET relevant information, regulations and application guides, and to exchange best practices.

- 3) Develop a mechanism of coordinated actions of the key players in the VET reform: a) an operational plan with milestones and clear procedures, coordinated activities, roles and responsibilities agreed with a stakeholders at all levels, and b) a coordinating body that is responsible for overall coordination (steering, managing, monitoring) of the change processes.
- 4) Continue drafting, discussing and approving the by-laws for VET that are still outstanding, in close dialogue with the private sector and the future association of VET providers (see next section).

5.2 VET Governance with Clear Roles and Responsibilities Based on Social Dialogue (Q2)

— Current status, achievements and major milestones

In Albania there is a particular situation where, over the last two decades, VET has travelled from one ministry to another (starting with the Ministry of Education to the Ministry of Labour, then to the Ministry of Social Welfare and Youth) until it found its home currently in the Department for VET at MFE. This situation is the result of a continuous reshaping of ministries and national agencies along with changing mandates, roles and responsibilities whenever a new government comes to power. VET was delegated from one institution (without, or with only partial transfer of, VET expertise) to the other, leading to a situation where none of the temporary hosts had a chance to develop sustainable professional in-house expertise on the subject matter. Nevertheless, with the support of the international donor community, Albania managed to establish a functioning mechanism that succeeded to manage the VET reform process throughout these phases of institutional uncertainties. The private sector was traditionally never a key actor nor a driving force in the Albanian training system but the latest developments show a growing interest of companies in cooperating over VET. It becomes obvious that a structured and transparent VET offer with a significant proportion of meaningful WBL enjoys recognition in the business community. In these project-initiated cooperation patterns, companies realise that it is worthwhile sharing responsibilities for the training of young people.

The current VET system is mainly managed by state entities—the ministry and its subordinated agencies—and the public VET providers. Meso-level institutions representing the private sector (sector associations and chambers) do not (yet) play a significant role in the governance.

Nevertheless, the current legal framework for VET can be seen as a major step, since it foresees a more structured and systemic involvement of the private sector in VET through the establishment of tripartite committees and councils, which will facilitate the contribution of the business community to VET planning, design and implementation at national, meso and micro levels: the National VET Council, the Sector Skills Committees and the VET Providers' Steering Boards.

Although meso-level institutions (chambers, business associations, and trade unions) are not entrusted with specific responsibilities in VET, the Albanian Chamber of Crafts is currently experimenting with a dual form of training for selected handicraft occupations. The target group is currently the adult population with work experience in a specific craft area who will be given a chance to obtain a formal qualification through a combination of theory training courses and on-the-job work experience. In many paragraphs, the crafts law is a replication of the German regulation for training in crafts occupations, while the Albanian Chamber of Crafts receives advisory support from the Koblenz Chamber of Skilled Trades and Crafts. It will be interesting to learn from this pilot and to see how far meso-level institutions such as the chambers and associations might be more

actively engaged in initial VET in secondary education, e.g. in labour market research and skills forecasting, in occupational analysis and development of occupational standards.

— Prevailing challenges and bottlenecks

The greatest weakness in the governance framework is that the structural reform has been mainly initiated and developed by the supply side (ministry and state governing bodies). Operating in a system that is traditionally very centralistic, with strong governmental influence, Albanian public VET providers had in the past little room for manoeuvre for individual actions. They are rather small in size and do not enjoy the same prestige that universities have. There, mode of communication with government authorities, as well as private sector entities, is mainly based on personal relations. There is no cooperation mechanism (e.g. a VET providers association) that supports VET providers to present their opinions and concerns and make their efforts more consolidated and visible to national stakeholders. The new VET law entrusts the providers with a broad range of responsibilities that lie outside the mandate of an educational institution: VET schools are supposed to set up business development units that establish and maintain long-term cooperation with the local and regional business community to ensure quality WBL opportunities for the students. They are given greater autonomy with regard to VET programme planning and management of budgets (through own-income generating activities and tendering for projects). All these tasks require entrepreneurial competences from the school management and need a capacity building concept to ensure effective roll-out.

Private sector contribution in the design of the governance structure has been low compared to the expected contribution in training programme design, modernisation and delivery (WBL) as stipulated in Law 15/2017. One reason is certainly the low level of institutional contribution of the private sector into VET. There are some 30 employer organisations (the majority under the umbrella organisation Business Albania) and about 83 trade unions (with 2 umbrella organisations representing 90 percent of members: Confederation of Trade Unions of Albania, KSSH, and the Union of Independent Trade Unions of Albania, BSPSH), but their role in VET is not defined clearly in the legislation. An exception is the Chamber of Crafts, which has been given the mandate to design and implement an apprenticeship model based on the German dual VET system. This new feature is still in the experimental stage and alignment and interaction between the dual and traditional pathways is still to be specified.

Besides the above-mentioned restrictions, there are other impediments hampering effective governance of the VET reform process:

- Frequently changing governance structures and responsibilities in VET.
- Incomplete or delayed secondary legislation.
- Absence of a systemic staff development concept for key actors in the VET governance system to prepare them for their new roles and responsibilities.
- Lack of institutional capacities in the governing bodies at the national level, as well as the provider level, or development units (understaffing, lack of subject-matter experts to fulfil new roles and responsibilities).
- Lack of institutional learning and knowledge management. Knowledge accumulated during the reform processes is very often personalised; good practices often vanish with changes of responsibilities and staff turnover. Model approaches and lessons learned are not systematically documented and communicated. Institutionalised knowledge is very limited and, thus, institutional best practices have very seldom the chance to be scaled up and mainstreamed into the system.
- Lack of vertical and horizontal communication and coordination mechanism between the

actors at national, meso and micro levels. National stakeholders (ministries, national agencies) are overly concerned with their own internal restructuring processes.

- The National VET Council has not yet become operational, even though the DCM for its establishment is already adopted.
- National stakeholders are not informed well enough about what is going on at the implementation level. One reason is that key actors from this level (school management and teaching staff) have only limited opportunities to participate in policy-level discussions of various legislative bodies to provide their opinions on issues affecting their schools.
- Often donor projects are the initiators, implementers and driving forces in national change processes. Empowerment of national key actors is a guiding principle in international cooperation and much capacity building takes place. Despite all these efforts, national key stakeholders very often remain in the role of observer, rather than becoming active leaders. Good governance requires national ownership, initiative and decision making to ensure sustainability of project achievements and structures beyond donor support.
- There is a lack of competent bodies at the meso level: chambers, employers' associations and trade unions do not play an active role in VET. Governance of VET takes place at national and implementation level only. VET providers have to carry a high burden besides their educational function, which is their brokerage role in initiating and maintaining school–business relations, initiating, arranging and monitoring WBL (internships) and carrying out professional examinations. The national agencies take over counselling and monitoring functions to support the VET schools in their day-to-day operations and set the standard to ensure provision of quality training.

– Learning from good practices from the benchmarking countries

The benchmarking countries in Central and Western Europe (Austria, Germany, Switzerland, and the Netherlands) show a common feature: shared responsibility for VET by the state (ministries, national agencies), private sector (training companies), VET providers (VET schools) and social partners (employer associations, trade unions) which is stipulated by law (Vocational Training Act). In those countries VET is considered a collaborative task (stipulated in the Vocational Training Act) jointly managed by the state, the private sector, the VET providers and the social partners. VET falls under the auspices of the Ministry of Education (Germany, Austria, the Netherlands and Serbia). An exception is Switzerland, which does not have a Ministry of Education, and where VET is attached directly to the State Secretariat for Education, Research and Innovation, SERI.

In the traditional dual systems, the chambers (Austria, Germany) or other professional or sector associations (in Switzerland, the cantons) act as competent bodies and play an important role as intermediators, advisors and administrators of VET-related functions, such as: accreditation of training companies and monitoring the provision of in-company training according to national standards. They also organise multi-stakeholders (tri-partite examination boards), train and certify assessors, host and coordinate the vocational examinations for the apprentices enrolled in the dual system. The chamber also issues nationally recognised certificates upon successful completion of the final examinations. They appoint subject-matter experts for multi-stakeholder (tri-partite) examination boards, and are financed through mandatory membership fees from the companies and through state funding, which they receive for carrying out their statutory tasks. Another component that ought not be underestimated is the (in many cases voluntary) commitment of subject-matter experts to actively participate in the examination committees to design test items and conduct vocational examinations.

In the Netherlands, the Adult and Vocational Education Act grants upper secondary schools

ample space for policymaking. The Ministry of Education is responsible for VET policy formulation, funding and inspection. Occupational profiles and standards are still convened nationally with the help of sector-specific professional bodies (sector committees) integrating the social partners, under the roof of the Foundation for VET–Business Cooperation (Samenwerkingsorganisatie Beroepsopleiding-Bedrijfsleven, SBB). The Foundation is also responsible for the accreditation of training companies. As for implementation of the training, the choice has been made to regulate to a minimum, allowing the education and training institutions to decide autonomously over their training programme offer. VET schools have full control over deployment and continuing professional development of teaching staff, programme offer, regional industry-specific training portfolios, organisation of learning, and choice of cooperation partners. School management is also responsible for deciding how to allocate the annual lump sum grant from the ministry to personnel costs, materials, housing and reservations for future investments. VET providers are organised into regional training centres Regionaal Opleidingen Centrum (ROC) to cluster resources and reduce administrative burdens. The centres also carry out regional market research, and develop their staff training programmes autonomously. The gain in autonomy has allowed public VET providers to professionalise their management and staff. They can mix their traditional general and specialisation-specific teaching staff with professionals from the world of work. Several public VET providers have invited sectoral business associations to establish their non-profit training and technology centres within the premises of the VET institute, with the effect that they keep up to date with new technologies and working methods.

In Serbia, which has historically a school-based VET system, the government started adoption of the dual education law in 2017, to set up a parallel dual pathway (apprenticeship) leading to the same qualifications as the school-based track. Private sector involvement is institutionalised in planning, design and implementation of VET programmes. The Chamber of Commerce and Industry of Serbia (CCIS) is a strategic partner in implementation of the dual education system. The Chamber provides opinions on enrolment plans in dual education, and cooperates with the ministry to arrange placements for students in WBL. As in traditional dual systems, the Chamber manages the accreditation of employers for WBL in dual education, organises training and licensing of in-company instructors, manages the registries of companies, and of dual education contracts that are signed between schools and companies. National qualifications standards are developed and revised with the help of Sector Skills Councils.

Governance not only comprises rules, practices and processes defined by the decision makers to run a system (in this case the VET system), but it also, first and foremost, depends on the capacities of the human resources and their commitment to effectively perform their assigned roles and responsibilities towards achieving the overall goal.

The above-mentioned VET governance patterns are further explained in the good practice inventory in Annex 13.

— Recommendations for Albania

Based upon the review findings and the results from the benchmarking exercise, the consultant recommends the following actions to improve VET governance in Albania:

- 1) Consolidate and improve the pool of professional staff for VET in MFE, NAES and NAVETQ, and in the management bodies or business development units at the VET providers. Develop or revise position profiles and job specifications in line with the responsibilities stipulated in the new legislative framework for VET.

- 2) Conceive and implement staff development programmes for key actors in VET: staff from the VET department of MFE, NAES, NAVETQ and the management and business development units to strengthen their capacities to fulfil their new roles and responsibilities. Include peer learning, staff placement and exchange with partner institutions in Western, Central and South-East Europe.
- 3) Consult with chambers and business associations on how VET could become a topic on their agenda and how to better integrate VET and business promotion policies and the related governance structures.
- 4) Establish an online registry of internship and apprenticeship vacancies. Register companies and other entities providing internships and apprenticeships by starting on a voluntary basis (via projects that have cooperation agreements). Companies and other businesses register their open posts voluntarily. Candidates for internships and apprenticeships should have access to the information and be able to apply for such posts. Administration could be done by a dedicated unit of NAES.
- 5) Give the social partners weight on the national advisory boards (VET Council and SSCs) corresponding to their role in developing the VET sector towards a better matching offer and demand.
- 6) Create an Association of VET Providers to generate joint position statements from the implementation level to be heard at the national level. This proposal was made by the business community during the on-site consultations. Directors of VET schools and VET centres set up their clubs, association or any form of network of likeminded persons sharing the same range of interests:
 - o This allows them to formulate their common goals, requests and suggestions to the national government and to local and provincial authorities. The association can also help with formulating and fine-tuning legal acts and secondary legislation, as well as trial-running their implementation.
 - o This facilitates also the formulation of joint positions and active offers towards the private sector in the areas of initial VET cooperation (traineeships, internships, apprenticeships) and the determination of marketable service offers for the private sector (e.g. continuing training of company staff, provision of expertise, etc.).
 - o It helps to better communicate the results of improvements introduced through donor-supported projects, in terms of quality of training provision, but also in terms of management of their institutions, improvement of their relations with private sector companies, facilitating the identification of internship places, etc.
 - o An association will open new ways of dialogue and enhance institutional learning, necessary to cope with the new and challenging responsibilities of the VET legislation.

5.3 Equitable Funding Arrangements (Q3)

— Current status, achievements and major milestones

The state budget and local government budgets (though to a much lesser extent, mainly for maintenance of dormitories) are the central sources of public VET financing in Albania. Budget allocation is undertaken at central ministerial level based on historical data and is input-oriented according to the number of staff employed and students enrolled per school. The actual training

demand, the particularities of the different VET programmes and the performance of an individual school (students' employability) are not considered in budget planning and allocation. This input-oriented funding arrangement does not provide any incentive for quality improvements at the provider level. Some VET providers receive additional project-based donor support or benefit from some contributions from local businesses, putting them in a more favourable situation. A comprehensive picture of these additional funding sources cannot be presented because vocational schools have never been audited.⁹⁴

The new legislative framework for VET foresees a wider financial autonomy for the VET providers in order to address the prevailing problem of underfunding. Until now, the possibilities for VET providers to diversify their income sources through provision of products or services and retain possible revenues from their activities were non-operational. Although the VET law of 2002 (Articles 29 and 30) already allowed VET providers in principle to have various sources of funds (including income generation) the necessary sub-legal acts were missing, making the operationalisation of income diversification impossible. An important step was taken in 2015 when all public VET schools were equipped with a financial officer. Nevertheless, implementation procedures for procurement, as well as income generation activities, are unclear and related capacity building measures insufficient.

The 2017 VET law includes a more extensive chapter on financing (§ 30, 31, 32), explicitly listing the typologies of income generation, and permits VET providers the right to use 100 percent of incomes generated and transfer them to the following year if not fully spent within the current year. This was a major milestone towards decentralisation of VET governance and building up a responsible financial management at the provider level. Nevertheless, by the time of this report, the respective by-law on how this can be implemented was still missing, delaying the operationalisation of income sources diversification.

— Prevailing challenges and bottlenecks

Equitable funding of the VET system is more likely to be achieved if the private sector were willing to invest in skills training. In Albania, financial contribution of private companies in VET is not explicitly addressed in the current legislation. Law 15/2017 Article 30 does not stipulate private sector contribution as a defined source of funding. Financial contributions from companies can be provided in the form of sponsorships and voluntary contributions (financial, in-kind). The exception is the coverage required of on-the-job insurance for trainees or apprentices employed in a company. Employers are expected to contribute in-kind through the provision of internship places and in-company mentors and their participation in the schools management boards but this is not a legal obligation. In reality, there is general resistance to contributing to the co-financing of VET, e.g. through remuneration of apprentices or internship students. If VET is to become demand driven and the private sector more engaged in VET (not only financially, but also by providing expertise in the design and implementation of programmes), a top-down approach to enforce company contributions by law will not be the most promising way. Lessons learned from other countries with well-functioning dual training systems where companies bear the main share of training costs (e.g. Austria, Germany and Switzerland) show that it requires a tripartite consultative mechanism to make it functional. The role of all actors (state, companies, social partners, trainees, schools) must be clearly defined in a process of consensus building.

Consultations with private sector representatives in Albania revealed a large information gap on

⁹⁴ ETF: Torino Process 2018–2020, Albania, National Report, page 66.

that side as well. Businesses are ill informed about the VET system, the regulations and governance structure, and the possibility of benefiting from cooperation with a VET school. There are no clear regulations with regard to their roles and responsibilities, nor a clear contact point (one-stop-shop) to provide sufficient guidance for companies interested in cooperating, making them reluctant to become involved even if they are interested. When approached by a school in a systematic and cooperative way, companies are usually very open to venturing into cooperation. Companies that benefit from internships for students are often willing to contribute further, even financially.

According to the Albanian National Report on the Torino Process (2018–2020),⁹⁵ the following challenges, already identified by ETF in a 2015 VET financing study,⁹⁶ are still valid:

- 1) The VET system is underfinanced with regard to teacher salaries and skill-up needs, infrastructural deficits, funds for extracurricular activities, scholarships and dormitories, and innovative solutions are needed to explore additional sources of funding.
- 2) Lack of a national VET planning system based on skills needs and sector specific particularities
- 3) Lack of secondary legislation to operationalize VET-provider financial autonomy and insufficient financial management capacities in the schools
- 4) Informality and scattered information on funding sources and expenses
- 5) Low accountability of local government with regard to their obligation for school maintenance
- 6) Lack of business participation in VET, not only financially but also in offering facilities for student practical learning, providing expertise in VET programme review and for the development of occupational and educational standards, teacher training, student examinations, among others. Good cases of cooperation exist but only at a bilateral level among some individual schools and local businesses. The labour code of 2015 requires businesses to pay students during internships but a respective DCM stipulating the remuneration has not yet been issued. Regulations for VET schools and VTCs differ, complicating the situation even more. Completion of the legal framework in close consultation and with the consensus of the private sector is considered an indispensable step for a more systemic private sector engagement in VET.
- 7) Inefficient capital expenditures, with limited funds, low level of procurement quality, and low level of construction works for school facilities
- 8) Lack of coherent financing system for VET schools and VTCs
- 9) Incomplete, fragmented and partly unclear legal framework.

One solution discussed previously for a more coherent VET financing system (covering vocational education, vocational training, and employment policies) and generating a stronger contribution of the private sector was the introduction of a National Employment and Skills Development Fund (NESDF). This fund is expected to bring together funds from different sources, including the state budget, obligatory contributions by both employers and employees, other contributions from the private sector (who agree to participate in the NESDF with a specific percentage of their profit tax), donors, philanthropic donations and other sources of funds as provided for by the law. The fund was expected to be regulated in the Employment Promotion Law (15/2019) but so far MFE has not approved this mechanism.

— Learning from good practices from the benchmarking countries

In the traditional dual VET systems (Austria, Germany and Switzerland) participation of companies is voluntary. Funding is shared by public and private bodies. Apart from some country-specific

⁹⁵ ETF: Torino Process 2018–2020, Albania, National Report, page 63-70.

⁹⁶ Sidita Dibra: Financing the Public VET System in Albania, Current status, challenges and solutions, ETF 29 May 2015, pages 20–25.

differences, cooperating training companies bear the major part of training costs by covering those of the in-company training, mainly allowances for apprentices comprising some 70 percent of the total training costs. Companies conclude an apprenticeship contract with their trainees and are obliged to pay a monthly training allowance. These allowances are based on collective agreements between trade unions and employer organisations. None of the benchmarking countries has introduced a national training levy. A company can refrain from providing apprenticeship training without any financial implications. There are some sectoral exceptions, such as the branch training fund in Germany,⁹⁷ introduced in 1976 to ensure a sufficient number of construction apprenticeships. Construction companies are obliged to pay a levy that benefits companies that become engaged in training, and contributes to the financing of inter-company training offers. The levy amount is settled in a collective bargaining agreement. Public vocational schools (teaching staff salaries) are financed by state budgets, as are research and development activities and measures for VET improvement and imaging. Local authorities cover equipment, infrastructural investments and maintenance. Inter-company training centres and chambers are operated mainly by public law bodies (municipalities, chambers and guilds) or non-profit private law bodies (trade associations). Financing is based on a mixed approach:

membership fees and governmental subsidies and resources. Apprentices themselves are not required to pay any training costs for enrolling in an apprenticeship but are subject to taxes and social security contributions according to the level of income.

VET funding in the Netherlands features some differences from that of Austria, Germany and Switzerland. In upper secondary VET (MBO), block grant funding is the underlying principle, which is partly based on the number of students per course or learning path and partly on the number of certificates awarded per institution. In 2014, cascade funding was introduced, where schools receive money for each student for a maximum of six years with extra funding for the first year. This is to encourage schools to place students directly in the right track and prevent learners following successive inappropriate tracks. A recently introduced type of performance-based funding rests on quality agreements that reward individual schools for good performance. Upper secondary VET colleges also have other funding sources, such as contracted activities for companies and individuals (and for municipalities in civic integration training or adult education) and course fees paid by students. Finally, there is a subsidy scheme for companies to cover costs of offering learning places in dual tracks (BBL).

In Serbia, through the introduction of dual VET as an alternative pathway to school-based training programmes, the private sector comes in as contributor into the traditionally state-funded VET system. The financial contribution of companies that participate in dual education (apprenticeships) covers health and safety at work equipment, refreshment costs, transportation, insurance for work-related injuries and training allowance and apprenticeship remuneration. The allowance cannot be lower than 70 percent of the national minimum wage. It remains to be seen how companies engage themselves in this newly launched system of apprenticeships by recognising that they benefit from their investment. Participation of businesses in VET is voluntary and the traditional school-based training pathway does not oblige companies to pay students during internship periods. Besides the new sources of co-funding introduced through the dual apprenticeship pathways, VET schools in Serbia can generate their own revenues from the expanded business activities, as well as other revenues in accordance with the law. The main Education Act stipulates that an: **“educational institution (school) may also perform other activities that improve and contribute to a better and more rational performance of education (expanded business), provided that they do not hinder the main education activity.”**

⁹⁷ <https://www.apprenticeship-toolbox.eu/financing/funding-arrangements/47-funding-arrangements-in-germany> last retrieved, 11 January 2020.

The above mentioned country systems for VET financing are presented in more detail in the good practice inventory in Annex 13.

— Recommendations for Albania

The consultant recommends the national stakeholders further explore innovative funding mechanisms to overcome the budgetary shortages and align the funding mechanism to the necessities of a demand-based VET system.

Forschungsinstitut zur Zukunft der Arbeit (IZA) Policy Paper no. 110, ‘Funding Mechanism for Financing Vocational Training—An Analytical Framework’ (Adrian Ziderman, April 2016) is one of the key documents in the field of VET financing. It presents, analyses and compares a broad portfolio of innovative financing mechanisms that have been introduced in national training systems to correct the shortcomings of conventional training finance systems. An innovative funding mechanism provides incentives for greater competition among training providers to strive for quality, thus enhancing the effectiveness and efficiency of training systems, and to obtain commitment from the private sector to contribute to VET.

Table 3. The five funding mechanisms for financing vocational training, their advantages and risks (Ziderman 2016)

MECHANISM	INCOME ACCRUES TO	ADVANTAGES	RISKS
FUNDING AUGMENTATION			
2. Donor support	Public sector / training fund	Provides an opportunity to build up training capabilities	Often will not be sustainable after donor funding ceases May not aid private training sector
COST SHARING			
3. Tuition fees	Training fund	Training becomes more cost-effective as training providers vie to attract trainees Training is more demand-oriented	Imposes hardship on disadvantaged students, depending on scholarship policy Income may not remain with the institution
INCOME GENERATION			
4. Income from production and services	Training fund	May lead to training outcomes more closely geared to market needs	Neglect of training function may lower quality and supply of training Resources diverted from training to production Income may not remain with provider
PRIVATE TRAINING PROVISION			
5. Encouragement of private training provision	No income but public sector budgetary saving	Subsidies may be very cost effective: facilitates training system expansion without major provision of public funds	Concentration on low-cost, high demand courses, leaving public sector providers with more costly, technical courses

International experiences have shown that “levy systems are unlikely to work well in countries where industry is not well developed and administrative or organisational capacity is weak”⁹⁸ as is the case in Albania. Tuition fees are also not a promising solution given the poor economic conditions of the majority of people. It is also contrary to the aim of a socially inclusive education and training system (quality education for all).

The strategy of the Government of Albania to go for a decentralised approach by assigning greater management responsibility and financial autonomy to the individual VET providers seems to be the most promising approach. This provides an opportunity for schools (especially those with insufficient internship possibilities for their students) to improve their capacities for in-house practical training through elements of entrepreneurship and soft skills training embedded in project assignments. To become operational, this needs adoption of two crucial sub-legal acts, as stipulated in the new VET law (15/2017):

- A Ministerial Instruction on the organisation and functioning or activity of public VET providers, including HR management, composition of development units, continuous qualification of staff (Article 12 point 4, and Article 15 point 3).
- A Ministerial Instruction on the rules of investing and re-investing income generated through legal activity of VET providers (Article 31 point 1).

Furthermore, the consultant recommends the following actions to diversify and optimise VET funding:

- 1) Revise the budget allocation method. Develop an instrument to assess the programme-specific cost implications in close consultation with VET providers and sector specialists from the companies, to calculate a national standardised unit cost per specialisation.
- 2) Pilot an allocation mechanism that differentiates the per capita funding, based on the number of students and staff, in accordance with the specialisation and training programme requirements.
- 3) Discuss with the donors supporting the VET sector on the appropriateness and feasibility of creating a VET support fund, filled with the contributions of the donors, as well as a national contribution, to pool some of the individual support projects.

5.4 Strong Labour Market Relevance (Q4)

As discussed in Chapter 4 (Main Outcomes and Challenges of the VET reform), the issue of labour market relevance of vocational training programmes is of key importance to achieving the ultimate goal of skills training: to raise the employability of graduates, and thus their chances of finding quality jobs in the labour market. The VET system offers a number of entry points for bringing the training offer closer to the skills demand of businesses. In this section, we focus on three main elements that play a crucial role in optimising the interplay between the world of education and the world of business and supporting graduates in the transition stage: **1) Occupational Standards, 2) Work-based Learning, and 3) Soft Skills and Career Guidance.**

National Occupational Standards are government endorsed occupational standards aligned to relevant sectors and occupations that set the benchmark for educationalists when developing qualification standards and framework curricula. The method to develop occupational standards and the format in which they are presented vary from country to country but all of them have something in common: they are defined by the industry. Occupational standards provide the basis

⁹⁸ Muriel Dunbar: Engaging the Private Sector in Skills Development, UKFIET International Conference on Education and Development, Oxford, 2015, page 7.

for the education standards that training providers must follow when implementing the training programmes.

Well organised WBL is the key element of an effective vocational training system. It provides students with the opportunity to apply the knowledge and skills that they have acquired at school, or training centre in a real work environment. Work-based learning contains also a social component since it fosters the acquisition of personal and inter-personal skills by sharing responsibilities with the company's staff, coping with failure, sharing the pleasure of joint success, facing the challenge when interacting with clients, withstanding criticism and taking responsibility for one's own actions.

A 2016 study from the assessment company Wonderlic⁹⁹ confirmed the high demand for soft skills in the labour market with 93 percent of employers considering soft skills as essential or very important factors for hiring employees. Standard jobs are being replaced by hybrid jobs¹⁰⁰ calling for a skill set that combines technical skills (technology operations, data analysis and interpretation) with soft skills (communication, services and collaboration). WBL is the best opportunity for a learner to acquire soft skills in the most effective way while working and learning in a company environment. By performing a work assignment in a real business environment, the student needs to be organised and interact with colleagues to come up with ideas and solutions for work-specific problems.

— Current status, achievements and major milestones

Looking at the three selected elements to build a demand-based VET system (occupational standards, work-based learning and career guidance) visible progress has been made, as reported below.

With regard to the introduction of occupational standards, Albania made its initial steps by setting up a mechanism for skills needs analysis and piloting various methods of occupational analysis, as follows:

- Since 2008, NES, in cooperation with a local research institute, Human Development Promotion Center (HDPC), conducts every two years a nationwide Skills Needs Analysis (SNA) to collect information on the present needs for skills in the economy.
- AQF Law (2010; last amended in 2018) and DCM no. 426, 'Establishment, functioning and funding of the SSC', foresee the establishment of SSCs to identify labour market trends and skills needs in ten economic sectors. NAVETQ, in cooperation with RisiAlbania, has developed a model for the tourism SSC.
- Albania has had good experiences with the DACUM approach for occupational analysis and development of occupational profiles, translated further into Occupational Standards. With the support of various donors, NAVETQ has piloted a number of DACUM workshops in recent years and used the results for revision of the qualification standards and framework curricula.
- The institutional mandate for the occupational standard development was unclear for a long time. The DCM on the organisation and activities of NAVETQ (related to Article 10, point 2, VET Law) was adopted in October 2019 and assigns the responsibility for the development for Occupational Standards (AQF levels 2–5) to NAVETQ.

⁹⁹ Wonderlic: Hard Facts About Soft Skills—An actionable review of employer perspectives, expectations and recommendations, 2016, page 19.

¹⁰⁰ Deloitte Insights: Leading the social enterprise: Reinvent with a human focus, 2019. Deloitte Global Human Capital Trends, pages 31, 32.

Concerning the field of WBL, one important step was made through the new VET Law, which foresees closer cooperation between VET providers and companies through the establishment of the so-called Development Units. These units shall initiate and coordinate cooperation patterns (WBL, internships) with local companies to ensure practical skills acquisition for the students in real work environments. According to Article 15 of the VET law, the Development Units have the following functions:

- continuous professional development of the teaching personnel within the institution
- curricula development at the provider level
- establishing links between the provider and business
- student and trainee career guidance
- drafting and implementing developmental projects
- developing the provider's marketing
- collecting tracer data at the provider level.

Despite regulatory uncertainties to operationalize the requirements set in the law, WBL has become more prevalent in the secondary VET schools than it was a few years ago, as shown in the results of an ETF survey on Continuing Professional Development (CPD) for VET Teachers and Trainers in Albania.¹⁰¹ In the survey, 38 percent of teachers declared that most of their students found work placements lasting at least ten percent of the duration of their programme, and 16 percent that most of their students spend less than ten percent in the work place. Nevertheless, 46 percent of teachers declared that only some of their students have work placements, confirming that this is not yet a systemic component in all programmes.

Since the VET reform ventured into a new dynamic in 2014, a number of interesting models for WBL have been launched and tested with various VET providers (see Chapter 2). Many of the models are donor-initiated internships and apprenticeships (e.g. the S4J Apprenticeship Model under the gradual skills development scheme). A UNDP study in 2017 analysed their efficiency and upscaling potential. It is time now to consolidate these efforts into a national model.

The first attempts to establish a training and accreditation system for in-company mentors were initiated by SDC through the S4J Mentor Training Programme. The great response from the business and VET providers encouraged the project to collaborate with NAVETQ on a licensing procedure for trained mentors and trainers, as a pre-requisite for upscaling this kind of training in the future. This would also accommodate the request of trained company mentors to receive an officially recognised certificate from the national agency as appreciation for their qualification and efforts in contributing to a quality WBL.

The last topic to be discussed hereunder, is the issue of career guidance. According to the VET Law of 2017 (Articles 23 and 15), career guidance provision is mandated to the VET providers, more specifically to the Development Units, which the law foresees to be established in every VET school. Career counselling and guidance shall follow the rules defined by the responsible ministry. However, the relevant Ministerial Instruction is still pending. So far, in Albania, career guidance is in its early stages. In 2017, RisiAlbania conducted a review of the current state of career guidance and counselling in the country,¹⁰² taking stock of established career guidance mechanisms (inside and outside the education and training system) and providing recommendations for improvement. The study concludes that although career guidance is foreseen by statutory law

¹⁰¹ Linda Rama: Continuing Professional Development (CPD) for VET Teachers and Trainers in Albania, ETF, 2018.

¹⁰² RisiAlbania: Review of the current state of career guidance and counselling in Albania, February 2017.

the curriculum vocabulary, there is no clear understanding of the concept at the stakeholder and provider level, nor enough coordinated actions to set up a coherent model and capacity building measures for education and training institutions to run effective career guidance measures with their students. International donor projects have designed and piloted innovative approaches that are worthwhile to check for their upscaling potential (e.g. RisiAlbania is currently planning a career counsellor model for Tirana Municipality in cooperation with the University of Tirana's Faculty of Social Sciences).

— Prevailing challenges and bottlenecks

In the field of standard-based VET planning and programme design and revision there are a number of issues to be resolved, as follows:

- Lack of an efficient LMIS that supplies national decision makers and VET actors with information on skills demand in different sectors. The SNA falls under the mandate of NAES but in-house institutional capacities to deal with secondary VET planning and related skills forecasting are limited. The biennial SNA is outsourced to a local research institute (HDPC). There is a need to complement this rather scientific research approach with pragmatic tools to support the translation of the SNA findings into actions for alignment of occupational profiles and curricula to the labour market needs.
- Lack of a concept for systematic involvement of the business side (chambers, associations) in skills forecasting and VET planning.
- SSCs are not yet operationalised. First experiences are currently being made in the tourism and ICT sector through donor projects that support the establishment of basic structures of such councils.
- VET providers are short of trained capacities and standardised tools to become more structurally involved in VET planning and design, e.g. planning tools for regional labour market mapping and skills forecasting and instruments for VET programme optimisation.
- There is no coherent methodology or mechanism in place that consolidates and coordinates all elements of VET planning and continuous revision and updating of the AQF qualifications and related training programmes, starting from SNA to occupational standards, to educational standards and assessment standards, including the following:
 - Responsibilities for SNA and Occupational Standards Development are dispersed among several institutions and lack a coordination mechanism: SNA and Labour Market Observation is under the responsibility of NAES and partly with the Development Units in the VET schools and VTCs (i.e. observation of the local labour market), while Occupational Standards Development and the NQF and the education standards and framework curricula are handled by NAVETQ.
 - Private sector engagement in the design of the VET offer is very limited. It needs a modus operandi jointly agreed with the private sector to ensure a continuous review and revision of existing qualifications (occupational profiles and specialisations) by technical experts from businesses to maintain the labour market relevance of the AQF qualifications.
 - Limited institutional capacity for Occupational Standards Development (only 2 trained facilitators at NAVETQ). Knowledge of occupational standards among educators and in the business community is low.
 - Lack of systematic validation procedures for National Occupational Standards with the business community.
 - Lack of a concept to involve business experts systematically in testing item development for vocational skills tests.

In the field of Work-based Learning the following issues exist:

- WBL is not yet standardised in Albania. As a result, realisation varies from 0 to 100 percent, depending on the agreements that schools have with the companies.¹⁰³ The forms of practical learning range from purely school-based, where practical learning takes place in school workshops (often poorly equipped), through company visits, job-shadowing, up to real work experience in internships and even apprenticeships (as currently piloted by the S4J project).
- Lack of a formal quality assurance mechanism and criteria for WBL. Selection of companies is undertaken by the individual providers at their own discretion, with no unified concept or capacity building, nor accreditation procedure for in-company trainers, no standardised mechanism for cooperation between schools and companies to monitor WBL.
- WBL is handled mainly by the school teachers and less by the employers. There are no standards for assessment of students during or at the end of the WBL period, while mentors can provide feedback and opinions.
- The current means of administering WBL is not standardised: there is an absence of unified reporting and documentation modes, internship certificates and employer references stating the scope of assignment and competences acquired during the WBL period.
- Very limited assistance to internship companies in terms of guidance, handbooks, tools and checklists.
- The role of the Business Relation Coordinator is not clear (respective DCM on the functioning of the Development Unit has not been adopted).

In the field of career guidance, the following apply:

- The Albanian education system faces difficulties in a coordinated career guidance roll-out at all levels of education because there is a lack of a national model on how to address this topic in the curriculum, leaving it up to the individual schools to find their own way to introduce personal and inter-personal skills in the teaching units.
- Due to several curricula reforms in the last two decades, career guidance was introduced as a subject in the 9th grade, but removed again in 2014–2015. This responsibility was given to teachers of various subjects to provide such information to students within their area of teaching. In the secondary VET schools the situation is even less structured. The readiness of providers to offer intermediary services for supporting labour market entrance of their graduates is rather poor. This is a new function that lies outside traditional educational responsibilities. VET providers wait for clarification and support from the governing bodies, i.e. a specification of the rules for provision of career guidance, expected to be provided in a ministerial instruction that is still pending. Additionally, the Development Units wait for a DCM to operationalize their statutory functions (one is career guidance) stipulated in the new VET law.
- The lack of a common understanding of the concept of career guidance and the regulatory uncertainties also impact donor activities when designing and piloting capacity building measures, instruments and tools at the partner schools. The S4J project is, for instance, trying to establish a career guidance model in the form of career centres integrated into the organisational set-up of their partner schools. These centres shall perform broader functions, such as recruitment of trainees, providing career services for students and trainees while they attend programmes at the VET school, tracing graduates and organising an alumni network. Most important in this model is the close cooperation with the businesses (in the S4J apprenticeship programme) and the systematically channelling of feedback from labour market actors into management decision making of the VET provider. This is only one example of many efforts at the individual school level (with and without donor support) needed to fill the gaps in VET provision. It needs a

¹⁰³ Linda Rama: Riga Medium-Term Deliverables (MTDs)—Identification of Priorities Ex-ante Evaluation—Albania, June 2016.

It needs a coordinated mechanism between the schools, the private sector and the governing bodies to define the cornerstones for a national model and to run capacity building measures in an effective and sustainable manner.

— Learning from good practices from the benchmarking countries

Vocational training (apprenticeships) is considered a worthwhile pathway towards decent employment in countries with traditional dual systems. In Austria, Germany and Switzerland more than two-thirds of school leavers decide to learn a vocational qualification. One reason for the attractiveness of VET is the high employment rate of graduates (overall transition rate from VET into the labour market in Germany is 68%). The reason for this smooth transition is the close cooperation with the private sector in the planning, design and implementation of VET to ensure a strong practical relevance of the competences acquired. In traditional dual VET systems, the private sector is the driving force and main contributor when it comes to updating and revising national VET qualifications and related standards (mainly in the form of training ordinances). These determine the minimum standards and expected learning outcomes for the company-based part of the training and serve as input for the educational standards (frame curricula) in the VET schools. Powerful representative bodies (chambers and professional organisations) represent the interests of their economic branches and support the national dialogue through reliable information about technological and labour market related trends.

National qualifications, training and assessment standards are developed following a coordinated and harmonised approach that regulates the interplay among all stakeholders: state, employers and employee representatives. These joint forces ensure an effective roll-out of national standards and regulations at the central, meso and micro levels. All of the benchmarking countries have a coordination body (with tri-partite boards) that steers the development and revision process for national qualification standards (in Austria this is the Federal Committee for VET, in Germany the Federal Institute for Vocational Education and Training, BIBB, in Switzerland, the State Secretariat for Education, Research and Innovation, SERI, and in the Netherlands: the Organisation for VET–Business Cooperation).

A basic principle that all these systems have in common is that the initiative for developing a new training occupation or revising an existing one, which happens usually every five years, comes from the business side, usually from employers' associations. They bring in their request and the coordinating body arranges a consultation process with subject-matter experts from the government, employers, trade unions and the VET research community. The expert committee (nominated by top-level employers' and trade union organisations) drafts the parameters for the new and revised occupation in response to the pace of technological, economic and societal change. Vocational training regulations are outcome-based, technology-neutral and function-oriented. They contain a provision section, a general training plan and the examination requirements, to verify the acquired occupational competence as defined in the learning outcomes.

The VET ordinances undergo a clearly defined examination and verification process before they are adopted as a national standard. In parallel with the development or revision process of the training ordinances that regulate the practical training in the companies, the framework curricula for the part-time VET schools are also developed or revised. The expert groups from the world of work and the training side meet regularly to discuss and align the practical and school-based training standards to have a coherent and interlinked training concept. For a smooth roll-out of new or amended training standards, organisations of the world of work again play a crucial role

since they have direct outreach to their member companies ¹⁰⁴

WBL in the countries of comparison follows these national occupational standards, which are the result of the above-described tripartite dialogue. They are binding for the training companies with regard to expected learning outcomes but leave a considerable amount of freedom for adaptation to the respective business particularities. They shall ensure that every apprentice has the chance to progress to the same level of professional competence if being trained in an accredited company that has trained and licensed in-company mentors. Chambers are mandated as the competent bodies to supervise the work-based part of the training, assess and certify companies, train and license in-company mentors, monitor in-company training, and arrange examinations with the participation of subject-matter experts (job practitioners) from the respective trade.

Small companies often face the challenge of covering the broad spectrum of learning fields defined in the occupational standard. In Germany, for instance, there is a rule that a company shall be able to cover about 60 percent of the occupational profile in its own premises. To ensure that small businesses can participate in apprenticeship training and that their trainees do not have a disadvantage, the chambers support the companies in arranging training for the missing competences in supra-company training centres. The documentation of learning progress is unified (apprentice logbooks) and follows the specifications in the national training regulation, which is closely followed up by the chambers.

To ensure a closer link between theory and practice, implementation guides are issued from central governing bodies with explanatory notes, checklists, tips for structuring learning at the work place, and sample assignments. These guides for improving the day-to-day VET practice are supplemented by information on optional continuing training programmes and post-secondary qualifications.¹⁰⁵

Another interesting tool to better coordinate school-based and practical learning (internships) in the companies is the so-called Work Placement Protocol in the Netherlands that has been agreed between the Dutch Ministry of Education, Culture and Science, employers organisations and the Netherlands Association of VET Colleges. The protocol defines the roles and responsibilities of the key actors (student, VET school, work placement company and SBB as the governing body) in all four phases of work-based training—**1) preparation and matching, 2) work placement period, 3) assessment, and 4) evaluation—and is presented in the inventory of good practices in Annex 13.**

Permeability of the system is key to keeping VET an attractive career option. In contrast to Albania, where VET programmes and Matura studies are compulsory and integrated elements of every secondary VET programme, the dual training systems put the focus of initial VET on the full occupational competences. This does not mean that VET is a deadlock. In Germany, there are several options for VET graduates to enter university without Matura. For example, Master degree holders (post-graduate degree) can enrol directly in any university programme, while VET certificate holders with proof of 2–3 years of professional experiences in the respective job can enrol in university courses in related disciplines. There are trial studies for VET certificate holders that want to study in another discipline, to prove their aptitude, and an academic aptitude test for gifted people. Austria and Switzerland offer possibilities for high achievers to acquire professional Matura during or after initial VET, allowing for access to faculties of applied sciences. In the Netherlands, the Level 4 VET diploma allows for direct access to tertiary education (21 plus rule) in Higher Vocational Education Colleges and Universities of Applied Sciences. Dual or even triple studies, which are gaining attractiveness in Central and Western Europe, allow a

¹⁰⁴ BIBB: Vocational Training Regulations and the Process Behind Them, 2011, pages 28–35.

¹⁰⁵ Ibid., page 38.

participant to achieve a double qualification: a degree and a recognised vocational certificate, or even an additional Master's certificate in the case of triple studies. Such educational offers are very appealing since they broaden the range of employment opportunities upon graduation. On the other hand, these are extremely demanding courses in terms of time and personal effort. The programmes last five years and require a six-day week from the participants due to the heavy workload for simultaneous academic studies and work-based training.

In the Netherlands, the VET providers enjoy a high level of autonomy. They act like business entities. The leaders of public institutions are unafraid of managing large budgets and contracting with private companies for continuing training. Thanks to their closeness to the market actors in their different areas of training, they can prepare their student trainees for internships, apprenticeships and contract work in their partner businesses. VET providers have joined into regional networks (umbrella organisations called ROCs) that allow them to efficiently pool resources. To face the challenge of rapid technological changes, ROCs are responding through inviting business associations to establish their own technology and training centres on the ROC's premises, allowing for combined theoretical and practical training of apprentices and staff members.

In Serbia, the newly established dual VET pathway follows the basic principles of the traditional dual VET systems. The government's focus is now on the establishment of national occupational standards as the binding elements between work and the education system. To respond to the diversity of the business realities in the cooperating training companies, employers are allowed to change up to 30 percent of the prescribed occupational requirements to accommodate the outcomes of education to the needs of employers. Moreover, a maximum of 25 percent of WBL classes foreseen by curricula can be implemented in school in case of limited on-the-job training possibilities. More details of the experiences and lessons learnt from the Serbian VET reform can be found in the country profile and in the good practice cases in the annexes in the present report.

Looking at the third element used to build a demand-based VET system—Career Guidance—the good practices in the countries of comparison display similar features. A national level institution in cooperation with regional career advisory centres (e.g. the BIZ Career Guidance Centres in Germany, which are attached to the regional employment offices, or the Swiss Service Centre for Vocational Training, Study and Career Advice in cooperation with the cantonal Ask!Centers) provide professional guidance for young people in their orientation phase and assume a coordinating and quality control function. They offer online support, information events and apprenticeship fairs, group coaching and individual counselling to guide young people into the most suitable career path, matching their interests and talents with the existing VET offer and career possibilities. They also offer youth psychological and social support services and teacher advice and supervision. Innovative interactive career guidance platforms (e.g. www.myBerufswahl.ch) offer students of grades 7–9 an online tool to accompany their career identification and training placement process in several stages.

Meanwhile, Serbia introduced a national model on career guidance that is implemented across curricula, i.e. not as a separate subject. The model supports students in developing a Professional Orientation Portfolio to discover more about their personality, interests, capacities and talents, and explore which professional career might fit, and the different training programmes and pathways offered by the different providers. The Portfolio will accompany students on their professional orientation pathway. They can always go back and check: What have I achieved by this work? What interested me especially? What do I know better, or more of, than before? What did I find especially easy or difficult? What will I be able to use after graduation? What will I be carefully observing and listening to in the future? There is a full website on the model, with sites dedicated to teachers for workshops, methods, type of work, and duration.

— Recommendations for Albania

Based on a review of the current situation, the achievements and hampering factors, the consultant suggests the following actions to bring the VET offer closer to the labour market needs:

1. Consolidate the existing building blocks for the design of occupational qualifications and training programmes into a coherent methodology that combines all elements: skills needs analysis, occupational standards development, qualifications, framework curricula, assessment standards and construction of test items.
2. Agree with the private sector on a modus operandi to ensure a systemic engagement of the broader business community (chambers, associations, SSCs) in the process of developing and validating National Occupational Standards, Qualifications and Assessment Standards and Training Programmes. Jointly fine-tune roles and responsibilities for the various contributors, including the private sector, as defined in the new legislative framework for VET.
3. Build up and extend where appropriate institutional capacities, develop a capacity-building concept and train multipliers from NAES and NAVETQ, the VET providers and the private sector over their roles in the development of standards-based training offers.
4. Introduce a computerised LMIS to supply VET decision makers with usable, relevant and up-to-date information, through (1) involving provincial administration and INSTAT in systematic data collection of economic activities and labour market trends in the provinces, (2) developing an instrument for overall mapping of occupations and corresponding skills per specialisation and level, and (3) assigning responsibilities for LMIS administration at school and agency level to ensure constant updating of labour market information.
5. Develop a shared concept and quality assurance mechanism for WBL agreed by all stakeholders (governmental bodies, VET providers, private sector) that defines a minimum standard of criteria to ensure achievement of learning outcomes but still leaves room for adaption to the particularities of training providers and cooperating companies. This quality assurance mechanism shall comprise, among others, i) a screening and approval process to verify the companies' readiness for delivering quality WBL, ii) a standardised concept for training and accreditation of in-company mentors to qualify them for their tasks and provide them with some handy tools to guide and monitor students during their work assignments, iii) a concept for a coordinated learning at school and in the business environment, and iv) a criterion-based assessment instrument to verify and document progress and results of WBL. The draft internship regulation is a first important step towards quality assurance of WBL since it captures most of these elements. It needs now a unified concept (including capacity-building measures for VET providers and training companies) to put these elements into practice. In this regard, it is recommended to jointly analyse the existing WBL schemes with the VET schools and VTCs and private sector representatives for their upscaling potential into a consolidated national model.
6. Develop a unified concept and package of tools for career guidance and soft skills development, including mentoring and job placement support for secondary VET students containing elements such as dynamic self-assessment tools (to include learning progress), skills profiles (learned from the Start SMART concept), a personal future development plan, an information platform about internships and work possibilities, and post-secondary education and training offers.
7. Develop a capacity-building approach for Development Unit staff to prepare them for the seven new roles and responsibilities as defined in the VET law and related Ministerial Instruction no. 11/2020 on the organisation and functioning of VET providers: (1) continuous professional

development of teaching personnel within the institution, (2) curricula development at the provider level, (3) establishment of links between the provider and business, (4) student and trainee career guidance, (5) drafting and implementing of developmental projects, (6) development of the provider's marketing strategy, and (7) collecting of tracer data at the provider level.

5.5 Assessment and Certification Based on Learning Outcomes (Q5)

— Current status, achievements and major milestones

In Albania, a recognised vocational qualification can be obtained over a fixed period of study in upper secondary training institutions (VET schools) offering formal learning programmes defined in the AQF. This linear pathway is accompanied by level-based examinations to verify that the student has acquired the professional competences defined in the national standards. Generally, the methodology for assessment applied by NAVETQ is similar to those applied in the international context, with occupational competence verified by written knowledge tests and practical skills tests. The assessment standards (responsibilities, rules and procedures) are defined at the national level governed by the VET law, a ministerial instruction on examination in VET and qualification specific examination guidelines for each level. From this point of view, the framework is comparable to international practices.

In the Albanian traditional VET system, vocational skills assessment was (and still is) the responsibility of the individual VET providers and their teachers under the supervision of the state governing body NAVETQ. Assessment instruments and tests are defined by NAVETQ and teaching staff assigned without, or with only limited participation of, subject-matter experts from the companies.

The new VET law (and related secondary legislation) introduced an important novelty into the field of vocational skills assessment by making the presence of a private sector representative in the examination panel an obligatory element. This regulation could be considered an important step towards an external skills assessment, while in practice this is currently a formality rather than a structured and professional input. It lacks clear rules about the responsibilities of the private sector representatives in the final skills examinations, as well as a capacity building and certification system for external assessors.

A vocational certificate is testimony that the holder is capable of performing quality work and is more credible if assessment is based on performance standards developed and set by the businesses. Occupational Standards serve as benchmarks for assessment and certification of the labour force. Educational programmes shall be designed by translating the occupational standards into qualification standards and framework curricula using the concept of learning outcomes. For all these components private sector involvement is key. In Albania, the first steps are made by the legislation and some donor-initiated pilots. It is now time to build a mechanism and the capacities to make private sector engagement systemic.

— Prevailing challenges and bottlenecks

Despite all the efforts made by the governing bodies to standardise examination in VET (e.g. ministerial instruction on examination, examination guidelines), there is little uniformity in the vocational examinations, especially practical skills testing, at the provider level, with tests designed at the school level by teaching staff. The available infrastructure differs quite significantly from school to school, favouring or limiting the setting up of a test environment for practical skills testing. Industry participation in skills testing is still weak and unstructured, especially in schools, which cannot fall back on a network of cooperating companies. Many schools are not properly equipped, and

lack trained and qualified assessors to conduct practical skills assessment. The most recent MFE regulation requires VET providers to engage experts from the private sector in their assessment panels but there is no mechanism ensuring the participation of private companies to release subject-matter experts, nor compensate them for their efforts, to act as assessors in students' final exams.

From a systemic perspective, the most hampering factors can be summarised as follows:

1. The assessment standards defined by NAVETQ are based mainly on subjects defined in the framework curricula than on learning outcomes. EQF proposes a paradigm shift from traditional input-based systems towards outcome-based learning design (curricula) and outcome-based assessment models. Learning outcomes are statements of what a student should know, understand or be able to do on completion of a learning process. It comprises three elements: knowledge (theories, principles, facts), skills (ability to apply knowledge to complete a specific task) and competence (ability to use knowledge and skills in a complex work situation. It implies a certain degree of autonomy and responsibility). Practical skills assessment needs to focus on the practical skills application and professional competences rather than on memorising facts and figures. Learning outcomes and related assessment standards need to be derived from occupational standards defined by experienced job practitioners from the companies.
2. Subject-matter experts from the industry are not involved in the design of test items. According to the current legislation, it is the responsibility of the teaching staff on the examination board of the schools to compile written and practical tests for the level exams. Test item design is a crucial process and needs capacity building (training and accreditation of test item developers) and quality assurance (criteria to verify the validity of test items). Test items can be of different complexity (remembering, functional understanding and problem solving), which has an influence on the quality and results of tests. The participation of subject-matter experts from the industry is indispensable when designing practical tests. Performance criteria defined in the occupational standards are a key reference for developing practical tests.
3. There is no concept for assessor training and accreditation in place. The new VET law foresees the participation of an external subject-matter expert—a representative from the private sector—in the final exam but does not further define this function. There is no concept in place to institutionalise this external assessment, i.e. assessor profile or criteria to qualify as an assessor, assessor training and accreditation, nor a mechanism to maintain (and finance) a pool of external assessors.
4. There is no accreditation procedure for VET providers to verify their capacities to function as an assessment centre. Schools have different capacities and infrastructure to carry out assessments. It should be assessed how far they can function as an assessment centre or if their capacities could be combined.

— Learning from good practices from the benchmarking countries

Looking at how the benchmarking countries approach the topic of assessment and certification in VET it becomes obvious that the private sector plays a key role in the verification of professional competences, be it by providing expertise in the design of standard-based assessment instruments, the provision of subject-matter experts on the assessment panels, up to the organisation and coordination of vocational examinations as is the case for the competent bodies (chambers) in Germany. In all these systems, VET is considered a collaborative task of government and the private sector. Collaboration can be enforced by law but will never be as effective as it can be

when based on mutual interest. This is reflected in a high proportion of voluntary contribution from companies, and in subject-matter experts providing their input and expertise in defining the performance parameters to measure vocational competence, and in participating in the actual assessment procedures. Vocational examinations and related certification receive higher reputation in the business community if they take place under the scrutiny of highly experienced subject-matter experts from the world of work.

In Germany, the chambers of industry and commerce, and of crafts, function as so-called Competent Bodies to organise and conduct written, practical and oral tests, in line with the training ordinance and regulation for the specific vocation or profession. They appoint the examination committees with an equal number of representatives (at least 3) of employers, employees and VET schools. They work in an honorary capacity to compose test papers and assess the professional competence of the apprentices in intermediate and final exams. There are about 30,000 examination boards formed out of a pool of 170,000 certified assessors, which conduct around 600,000 assessments per year. Graduates from the dual VET system receive three certificates: the most important one of which is the nationally recognised skilled worker's certificate, which is an entry ticket into qualified employment in the world of work. The second certificate is the report card issued by the VET schools: a vocational school-leaving certificate presenting the learning achievements in the school subjects (general and vocational) and an important document for accrediting missing school leaving qualifications. The third certificate is a job reference letter issued by the training company, appreciating the practically acquired competences and personal attributes of the graduate. This supports mobility in the labour market.

In Switzerland, the professional associations and sector organisations (representing the world of work) design the core content of the occupations and the standards of competence to be reached by a candidate for certification. Formative and summative assessment takes place at the three training sites: in the VET school or college, the training company and the inter-company training centre. Professionals in the relevant specialisation sit on the examination committees, and the cantons organise the examinations and grant certifications.

In Austria, in the dual training programmes, the Apprenticeship Offices attached to the regional sites of the Chamber of Economy (Wirtschaftskammer Österreich) organise the final examinations and grant the vocational certificates on behalf of the Federal Ministry of Economy. Examination and certification take place in one of the 200 legally recognised apprenticeship programmes in a wide range of areas, such as construction, electrical engineering, information technology, wholesale and retail. Representatives of the Chamber of Economy and of the Chamber of Labour sit on the examination committees. They assess also the suitability of training companies (i.e. the facilities and the qualification of the trainers).¹⁰⁶

In Serbia, during the Final and Professional Matura examinations as part of the verification of vocational competences, the participation of qualified representatives of the employers is mandatory. The representatives are approved by the Serbian Association of Employers, or CCIS, or other professional associations or chambers.

The various country models are further explained in the inventory of good practices in the Annex 13.

— Recommendations for Albania

To improve the value of VET certificates National Occupational Standards need to be defined

¹⁰⁶ Cedefop, Country Report Austria, ReferNet, 2016.

by subject-matter experts and experienced practitioners from businesses. These specialists define the benchmarks for competence-based assessment. Assessment instruments and test items are clearly linked to occupational standards and show that the candidate is able to handle professionally workplace-relevant issues, in line with the respective level of the qualification.

Considering the shortcomings of the Albanian system shown in the system review and on-site consultations, the consultant suggests the following actions:

1. Refine the process of translating Occupational and Qualification Standards into Assessment Standards with the assistance of sector specialists and subject-matter experts from the private sector to ensure that the level examinations are suitable for verifying a candidate's occupational competences as defined by the industry.
2. Consult with the VET providers on their current approaches and experiences followed when designing and implementing vocational skills tests in their institutions. Consult with companies about options and implications to conduct competence-based skills testing in the different occupational directions. Consolidate best practices into a national model to be rolled out in a capacity-building measure to all schools (including ToT, guidelines, checklists).
3. Design an assessor training package to train and up-skill VET teachers and instructors from the providers and qualify a pool of external assessors—subject matter experts from the industry (in-company mentors, technical experts from businesses)—to ensure a common understanding of assessment procedures, test composition and implementation, and evaluation procedures.
4. Review the current test item base of NAVETQ and verify the validity with subject-matter experts. Identify updating and revision needs in accordance with the assessment standards (to be developed in close consultation with the industry).
5. Review the current test item development approach and train a pool of test item developers (for written and practical vocational tests) consisting of subject-matter experts from the VET providers and the industry. Emphasis will be placed upon assessment instruments that test the functional understanding (application and comprehension) and problem-solving abilities of the candidate rather than his or her memorising and recalling capacities.
6. Decide on a storage and administration system to keep the test item pool securely stored and up to date and that is easy and cost-effective to manage.
7. Consult with the private sector over an incentive system (financial or non-financial, or both) to ensure the availability of a pool of trained and certified assessors from the various sectors for examination of the students.
8. Assessments should be reliable, valid and free of bias. It is therefore important to design a structure that allows an external, independent assessment of competences of a candidate, i.e. a candidate shall not be assessed by persons that have been directly involved in their training. This needs to be considered when composing the assessor panels. The assessment can be achieved through external assessors and through a rotation system that appoints teaching staff from one VET school to act as assessors in another school.

5.6 Quality Mechanism for VET Provision and Delivery (Q6)

— Current status, achievements and major milestones

Quality Assurance in VET is one of the key topics on the political agenda of the Albanian VET reform. As an EU candidate country, Albania's Quality Assurance in VET takes on a new dimension. Initiated by the Copenhagen Process in 2002 and refined by the Riga Medium-Term Deliverables, Albania committed itself to developing a quality assurance mechanism in VET that ensures the provision of skilled labour, raising the efficiency and competitiveness of the Albanian labour market, and to integrating young people into society through enhanced employability and mobility. Quality assurance is a cross-sectional task. It comprises actions at i) a system level (e.g. legislative framework, national qualification standards, vocational guidance and support schemes), ii) an intermediate level (competent bodies, committees), and (c) a provider level (linkage of theory and practical training). It also relates to assessment and certification standards that verify the acquisition of professional competences defined in the learning outcomes of a training programme.

A major milestone was the recent adoption and completion in 2019 of a complex legislative framework for VET that assigns the mandate for quality assurance to the governing bodies and VET providers as follows:

- MoFE monitors the overall policy implementation and inspection function for VET providers.
- NAVETQ defines the occupational standards, qualification standards and unified framework curricula and assessment standards, and is responsible for accreditation of VET providers and assessment centres.
- NAES manages the VET providers (i.e. provides support for day-to-day activities to improve resource allocation) and monitors VET providers' performance management.
- VET providers initiate and maintain cooperation structures with the private sector to establish WBL opportunities that are suitable and effective for professional skills acquisition (technical and inter-personal) of the students.

The international donor community has been supporting Albanian stakeholders with a number of pilot projects to test models and approaches for a quality assurance system for VET. NAVETQ, for instance, received support from EU-funded (e.g. CARDS II) projects and the British Council to develop standards and criteria for accreditation. A model including ten standards in seven performance areas was developed and piloted with several public VET schools throughout the country.

UNDP Albania is currently assisting NAVETQ to develop a model including standards and criteria and guidelines for accreditation of VET providers. As a first step towards a national model on accreditation of VET providers, a standard procedure for self-assessment of VET institutions was developed by SD4E and successfully tested with all VET providers in Albania. The results of the self-assessment exercise are currently being analysed.

The continuous upgrading of teacher competences (in technical and didactical terms) is the engine that drives education and training to higher quality levels. With the new VET Law and the related DCM (adopted in 2019) the official mandate for developing a coherent teacher development scheme was assigned to NAVETQ. This was considered a major milestone because until then no institution was formally in charge of this important building block of quality VET provision. It is now time to develop the necessary institutional capacity. With the support of various donors, NAVETQ developed and launched a pedagogical up-skilling programme for VET teachers (Basic Didactics in VET), which is presented in the inventory of good practices in Annex 13.

At the implementation level, the law foresees the establishment of Development Units integrated

into each VET provider's institutional set-up. These units will play a key role for ensuring quality assurance at the implementation level. One of their responsibilities is to set up a cooperation mechanism with private companies to ensure availability of sufficient practical skills acquisition possibilities for students in work-place environments. The international donor community has developed and piloted a number of instruments to support the capacity building for the Development Units, such as the introduction of a training for PASO Business Relation Coordinators and a training approach for in-company mentors.

— Prevailing challenges and bottlenecks

Despite all the progress made, the VET reality does not yet reflect the ambitious scenarios defined in the legislative framework. Dialogue between policymakers and implementers is still fragmented and detached, while private sector involvement is still limited to pilot projects initiated by donors or based upon the efforts of individual schools, and not yet systemic.

The major shortcomings in Quality Assurance of the Albanian VET system can be summarised as follows:

1. Lack of a coherent national model for quality assurance, including a mechanism for monitoring and guidance to ensure that training provision at the implementation level (VET providers and training companies) follows national standards.
2. Piloted donor initiatives produce bits and pieces of quality assurance instruments within their project environments, while exchange of information and institutional learning is limited to some project initiated events (e.g. the Summer Academy of the S4J project).
3. There are overlaps in the monitoring mandate for VET providers (functions are scattered among different entities), with, e.g., monitoring of day-to-day performances by NAES, and of compliance with the national qualification standards and accreditation of VET providers by NAVETQ, with MFE having an inspection function. Meanwhile, no policy monitoring and evaluation (M&E) unit is in place, nor foreseen in the new legislation to supervise the interplay of all actors.¹⁰⁷
4. Government, with the support of the SD4E Programme, has drafted an M&E framework to coordinate and align the efforts of the national key actors in VET: NAES, the Employment Offices (EOs), NAVETQ, the Vocational Secondary Schools and VTCs. The framework is based upon a defined intervention logic for each of these key actors, and contains assigned responsibilities for data collection and verification, key indicators, collection methods and sources of information. The M&E framework is awaiting approval. In order to be activated it needs a computerised solution (platform) and a host administrator that handles its implementation.
5. The role of the private sector in quality assurance is very limited and not clearly defined. Private companies are considered as hosts for internships and are to participate in the students' final examinations. They are not yet systemically involved in the design of qualification standards and training programmes. The entry point for businesses to provide policy-level input shall be the future SSCs, which are not yet institutionalised.
6. There are no national standards (training regulations) that define the minimum quality criteria for internships and apprenticeship programmes. The National Regulation on Implementation of Internships does not provide enough clarification in this regard. For example, Article 4 states "Internships in businesses are delivered in different forms and time periods." The legislation does not define any criteria for the accreditation of training companies nor for the licensing of in-company mentors.

¹⁰⁷ ETF: Torino Process 2018–2020 Albania, National Report, page 6.

7. The private sector is expected to take part in student assessment (Article 9 of the Internship regulation states: “Conduct assessment during internships, participate in level exams”) but the role is not clearly defined and lacks capacity-building measures and related accreditation procedures for external assessors. As a result, the private sector representatives that are seconded by the companies to take part in the students’ examinations are observers rather than actors in this process. In fact, assessment remains under the domain of the schools and the teachers.
8. The current system for continuous development of management and teaching staff needs to be aligned to the new expectations of schools to become innovative drivers in the reform process with an increased autonomy to respond more directly and faster to the requirements of the local and regional labour markets. VET school management and administrative staff need to take an entrepreneurial attitude to develop a vision, a strategy and a business plan or institutional development plan for their training school or centre.

— Learning from good practices from the benchmarking countries

Quality assurance is an on-going issue for all VET systems in Europe. It became a new dimension when the European Parliament and the Council adopted the European Quality Assurance in VET (EQAVET) recommendations in 2009. Even for advanced economies in Central and Western Europe it remains a big challenge to align their complex national VET systems, resulting from different historical developments, to EQF. An important step before alignment to the supra-national context is the setting up of a coherent national quality assurance framework for VET.

In the case of the Germany, the VET system caters for some 1.5 million apprentices in dual VET, and 500,000 students in full-time vocational school. BIBB, a subordinate of BMBF, has been appointed as the National Reference Point for Quality Assurance in VET (DEQA-VET) as a supplementary body to the European Network of Quality Assurance ENQA-VET.¹⁰⁸ Quality assurance is a multi-level task. It consists of a mesh of interrelated mechanisms at company, intermediate and system levels. The intermediate level is a particular strong feature of the German VET system. Chambers are powerful actors (competent bodies) in VET, taking care of major elements of quality assurance (such as accreditation of training companies, qualification and licensing of in-company mentors, organising of external students’ examinations) and provide an institutional link between the state and the private sector. It is important to understand that the three institutional levels are considered a means of dividing tasks and responsibilities rather than a rigid system. The German system of Quality Assurance in VET is based upon eleven key elements: (1) consensus principle, (2) indicator added planning and reporting (VET-specific LMIS), (3) continuous improvement through learning from innovative pilots, (4) national standards for the company-based training (training ordinances) defined by the industry and a corresponding framework curricula for VET schools, (5) operationalisation of training regulations through implementation guides, (6) vocational and career guidance, (7) trainer aptitude ordinance, (8) verification of suitability of training company infrastructure and capacities, (9) contract-based training relationships, (10) independent examination board outside the school structures (hosted by the chambers as the competent bodies), and (11) alignment of theory and training in the VET schools with the practical training in the companies, with training regulations and frame curricula interconnected through the introduction of learning fields.

Dual education is a new model in the Serbian VET system. It was launched with the adoption of the Dual Education Law in 2017 as an alternative pathway (to the school-based model) for secondary VET students. First piloted profiles have been successful and full implementation under

¹⁰⁸ https://www.bibb.de/en/pressemitteilung_809.php

the law started in the academic year 2019–2020. Dual and school-based pathways lead to the same qualification. The introduction of the dual training approach requires a number of additional measures with regard to quality assurance in the apprenticeship scheme, e.g. accreditation of cooperating companies and training and licensing of in-company instructors (40-hour course with examination), and final student assessments by external examination boards. All these tasks have been mandated to CCIS. Every VET school appoints a WBL coordinator, usually a teacher of practical training. The WBL coordinator plans and monitors the WBL activities in cooperation with the in-company instructors from the cooperating companies in line with the national qualification standards.

Quality assurance is not only about defining and setting up framework conditions. It is also about ensuring the provision of qualified human resources to manage and run the system. Modernised qualifications and outcome-based curricula require improved teaching and learning approaches to become operational at the provider level. Within the national VET reform programme, Serbia has developed the so-called Change Agents Programme to equip school management and teaching staff with the competences needed to master the system reform. The programme consists of general and sector-specific up-skilling modules, such as Teaching Methods and Motivation, Vocational Pedagogy, Inter-personal and Communication Skills, School–Business Coordination, Organisational Development and Strategy for VET Schools Development, Staff Development and Teamwork, and Twinning and Partnerships. The training programme also comprises industry placements of teaching staff. The Serbian Change Agent Programme is certainly an interesting approach for the Albanian stakeholders to gain insight into how to make the Development Units of the VET providers operational.

Considering VET as a collaborative task, it should not be forgotten that the beneficiaries (students) have also a share in quality assurance. The Netherlands and Switzerland implement a strategy that fosters the self-responsibility of the students to make the right career decisions through preparatory VET programmes, advisory services and individual guidance.

The inventory of good practices attached to this report presents a variety of innovative features of the quality assurance systems in the benchmarking countries. They are worthy of further analysis for their transferability into the Albanian context (e.g. standards for WBL, accreditation of training companies, in-company trainers' aptitude test).

— Recommendations for Albania

The consultant recommends the following actions to establish a quality assurance system for VET in Albania:

1. Analyse donor-piloted mechanisms for accreditation of VET providers for their up-scaling potential into a national model (standards and criteria). NAVETQ has been supported by the EU and the British Council to develop standards and criteria for the accreditation of VET providers. A model including ten standards in seven performance areas has been developed and piloted with several public schools throughout the country. This pilot needs to be evaluated and further refined for up-scaling.
2. Develop a quality improvement concept (business plan) with each VET provider, with the participation of (regional) partners from the business community, based on the results from the self-assessment exercise. All 45 VET providers in Albania have gone through a self-assessment process. It is worthwhile using the collective energy for quality improvement measures, which can be stretched over time according to their financial and personnel implications.
3. Continue and generalise technical and pedagogical upgrading measures for teachers'

competences. The pilot scheme Basic Didactics in VET, developed and launched by NAVETQ, can be used for preparation of teachers who are candidates for licensing as regular VET teachers.

4. Continue and up-scale the training for PASO–Business Relations Coordinators and in-company mentors. The introduction of the PASO–Business Relation Coordinators in all VET Schools bears the potential for improving considerably the quality of training and the compliance with the assessment and certification standards. Therefore, the training and coaching of PASOs in their new function has to be extended and generalised. As a parallel action, the introduction of a national training concept for in-company mentors (building upon the experiences from the successfully piloted Mentor Training Programme of the S4J project) should be further pursued. It may be considered whether it is useful and feasible to conduct some modules of the two training programmes jointly, thus familiarising PASOs and mentors with each other’s roles, even up to the level that the two persons form a tandem and jointly take on the responsibility of training coordination and quality assurance.
5. Define minimum standards for cooperation between the two learning places (schools, and training companies and internship providers). Document good practices and disseminate them through business associations and other company networks to reach the broader business community. To date, there are no national standards for the in-company training component of VET programmes (internships). The national Regulation on Implementation of Internships is intentionally vague: “Internships in businesses are delivered in different forms and time periods.” However, if the internship brings in practical experience and routine for the specific occupation, a minimum standard needs to be set and the work and training plan in the company communicated to the partnering VET school, and if a third entity (chamber, business association, inter-company training centre) takes part in the scheme, also to this entity. This will make it easier to compose theoretical and practical test items for the final exams that show a candidate’s mastery of occupational skills, knowledge and competences acquired during the training. The occupational certificate will then reflect and document the dual character of the training process. It can be expected that employers will honour the effort and the quality of training and acquired work experience.
6. Prepare for a gradual transition to final examinations with external assessors. Credibility of VET exams in the private sector depends heavily on the fact that external professionals participate in the assessment. The examination procedure needs to be defined in the national training ordinances. In the German case, the examination boards are independent of the VET institution and the training company. The tripartite character, with assessors representing the VET institution, the employers and the workers, and the neutrality of the examiners, guarantees the validity of the assessment for the whole country and all types of companies. The certificate should also show this fact, mentioning the VET institution, the company and a third entity, if applicable. Define an accreditation procedure for external assessors and develop a training programme for future assessors. In the Central European examples, assessors need to be certified in the same or a similar occupation, to have obtained an instructor’s credential, and they need to have collaborated in developing test items for the corresponding level and specialisation. The requirements in Albania are less stringent. This may be acceptable in a transition phase, but needs to be corroborated in the interest of quality assurance.

Chapter

6

**Concluding Remarks and
Recommendations for
a Systemic Collaboration with
the Private Sector in VET**

Concluding Remarks and Recommendations for a Systemic Collaboration with the Private Sector in VET

Despite all the reform efforts, there is still a significant skills shortage and skills gap in the Albanian labour market that is not systematically communicated between the business community and the world of education. Although the new legislative framework provides several entry points (committees, councils, boards) where the private sector can represent its interests and bring in professional expertise, it still lacks a concept for coordinated actions at central, meso and implementation levels to optimise the VET system. Key advisory bodies at the national level that are essential for social partner dialogue are not functioning (National VET Council) or are still in the establishment phase (SSCs), leading to the fact that the private sector cannot systemically take part in VET policy design and elaboration of occupational standards and training regulations.

Despite the large number of employer organisations operating in Albania (30 trade associations, Chamber of Commerce, Chamber of Crafts), the private sector is not systematically engaged in VET. There is no clear role for employers' representative bodies assigned in the legislative framework leading to the fact that VET is generally not a topic on their agenda. The main objective of the employers' associations is to promote the economic interest of the business community during negotiations with trade unions and government bodies. Members (businesses and employers) pay a membership fee and benefit from the associations' advice on employment and labour regulations, tax law, and occupational health and safety rules. Moreover, many associations provide forums for discussions, skills up-training and other type of exposure to latest technologies. During the VET review, the consultant had the chance to meet representatives from various associations (see also Annex 7: Case study on VET challenges in dynamic sectors. When asked for their opinion and interest on cooperating on VET, they were receptive and interested. Such dialogue should be continued and deepened to identify jointly how the private sector can become an equal partner in the overall governance of VET.

Albania is currently piloting a dual VET approach in the crafts sector. Established by law in 2016, the National Chamber of Crafts has been given the legal mandate to establish dual forms of learning in crafts occupations. Until now, these attempts have remained in a very early experimental stage and not coordinated with initial formal VET in the secondary schools. Some pilots are about to start in selected craft trades in cooperation with a private training institute. The current target group are employees of the chamber's member companies that have work experiences and want to acquire a formal qualification through some form of apprenticeship training. It is time now to discuss between the Chamber of Crafts, the governing VET bodies (MoFE, NAVETQ and NAES) and the industry in how far this model can be aligned to the overall reform efforts in initial VET programmes to avoid both systems drifting apart instead of joining forces and utilising synergies.

The closest forms of business cooperation take place at the provider level. Initiatives to establish school-business relations and arrange WBL opportunities originate in most cases with the schools. Although the presence of two business representatives on the school board is a legal requirement (with one even to be elected as the chair), businesses do not pro-actively approach the VET providers. This is because business collaboration in VET is not historically rooted in Albania and, thus, remains a new, and for many Albanian companies (especially micro firms), still unknown phenomenon.

WBL—an essential part of any quality VET provision—lacks a uniform national approach. The interviews, focus group discussions and workshops conducted by the consultant during this VET

review revealed that businesses have VET on their radar but in a personal and inter-relational way rather than in an institutional one. As there is no tradition and also no institutional framework in place, it is for external observers an astonishing feature to see so many and so strong expressions of good will and real openness. The case-to-case management of WBL (internships and apprenticeships) has grown to a considerable extent, albeit also the obstacles. This speaks also in favour of the potential for business executives and staff to engage in more organised relations to mutual benefit.

VET schools bear a major responsibility for initiating and maintaining cooperation structures with the private sector, and going far beyond their educational tasks. According to the new VET Law, providers are expected to function more autonomously. They are supposed to take on additional responsibilities, such as observing the regional labour markets, revising their training offer to the skills demand in the businesses, initiating, maintaining and administering school–business cooperation networks (for internships and WBL opportunities), and organising final examinations with experts from the businesses, becoming more performance-oriented by tracing their graduates' employability. In addition, VET providers must ensure that they have sufficient financial means through supplementary income-generating activities. The providers are not best placed to provide all these services, but in the absence of a coordinating agency, the matchmaker between the two parties (providers and companies), the providers will have to assume these services, which might (partly) migrate to another institution (perhaps NAES or the chambers) or agent in the future.

In conclusion, from all of the above-mentioned observations and findings, it is clear we have to think about and put in place a support structure consisting of useful services for the companies and their representative organisations to make them more actively being engaged in VET planning, design and delivery. Considering the collaborative nature of VET, the consultant provides in these final pages specific recommendations for each group of key actors—(1) the government and public administration, (2) VET providers, (3) business community (companies and associations), and (4) the beneficiaries (students and their parents)—suggesting how they can contribute usefully to a more structured private sector engagement in VET.

6.1 Recommendations for Government and Public Administration

1. Develop a national model for VET provision in Albania including a quality assurance mechanism (through NAVETQ) in close consultation with the private sector. For this they need to: (1) agree on a coherent and unified methodology for the development of qualifications and training programmes based on occupational standards defined by the industries, (2) develop criteria and mechanisms for accreditation of cooperating companies and other entities willing to provide internship and apprenticeship places, (3) elaborate a WBL protocol that defines roles and responsibilities for the different actors, a cooperation mechanism between the VET providers and the internship companies, and minimum standards for training provision and evaluation of learning progress in the workplace, (4) design standard-based assessment instruments and procedures for final assessment of students, (5) design an assessor training package and introduce the active participation of professionals with business experience in the VET examination committees, (6) review the current test item base and verify their validity with subject-matter experts, (7) design a unified test item development approach and train a pool of test item developers for written and practical vocational tests, (8) consult with the private sector on an incentive system (financial or non-financial, or both) to ensure the availability of a pool of trained and certified assessors from different sectors for VET student examinations.
2. Consult with the private sector (representative bodies, leading companies) on the operationalisation of the new VET legislation. Jointly elaborate pending by-laws, approaches

and mechanisms. Clarify expectations, roles and responsibilities.

3. Activate the statutory tripartite committees and councils (National VET Council and Sector Skills Committees) to facilitate active contribution of the business community in the full circle of VET planning and definition of skill profiles and qualifications, development of occupational standards, elaboration of training regulations, training provision, assessment and certification.
4. Jointly explore with the private sector the possibilities of introducing two or more pathways in VET: apprenticeship and school-based training with extended and well-structured internship periods in companies (as practiced in the Netherlands, Austria and Serbia). The most logical option would be to prepare for the same VET certificates and the same occupational profiles in the school-based and the company-based pathway. Include the Albanian National Chamber of Crafts in this process to learn from the experiences with introducing dual apprenticeship into the crafts occupations.
5. Reconsider and adapt the concept of Matura. Key questions to be answered by Albanian decision makers and stakeholders in this regard are: How dual should the system be? Should VET just remain another vehicle to higher education or become an own, self-standing career path that generates a workforce that is skilled and agile to boost productivity and economic growth? The reasoning behind this is that the economic actors—employers—will hesitate to support a VET system that is only VET in name but that in reality is rather a disguised general education programme. Businesses need to see the value and benefits of being engaged in training: namely, the availability of a qualified workforce. Consult with the private sector on how to make the current concept of Matura more vocation-oriented. Jointly explore alternative ways for VET graduates to progress into middle and upper management positions or enter tertiary education even without Matura (e.g. post-secondary training opportunities, crediting of professional work experiences, and dual studies).
6. Consult with private sector associations and chambers over how to better integrate VET and economic development policies and how to strengthen their institutional capacities to provide more structured inputs into VET.

6.2 Recommendations for VET Providers

1. Produce more coherent and higher visibility of VET towards the private sector (corporate identity) by establishing an association of VET providers. This association will improve institutional learning (horizontally and vertically), provide consolidated opinions and advice (including outlines for secondary legislation) to the government and private sector and boost the promotion of VET in society. Permanent members could be the school directors and board chairperson from the private sector, as well as temporary subject-matter experts. 2.
2. Develop and systemise a new management mode in the VET schools with the assistance of the private-sector board members. Develop for each provider a vision and a three-year development plan, integrated into the regional development plan that also considers the other VET providers in the region.
3. Formalise cooperation structures with the regional and local private sector. Start with establishing voluntary clusters of VET providers (VET schools and VTCs) in each region, to gradually achieve economies of scale through the optimisation of VET offers.

4. Identify and articulate the demand for capacity building in a structured way to the governing bodies. Create and consolidate capacities to develop and revise VET providers programme offer (IVET and CVET courses, within and outside the standard occupations and programme outlines set by NAVETQ).
5. Open up recruitment procedures for professional staff to external candidates that have practical professional experience, as well as planning, management and entrepreneurial capacities. It must be part of the 'autonomy package' that VET providers are allowed to recruit external professionals with strong technical knowledge, skills and pedagogical competences, alongside regular teachers. This also applies for the Development Unit staff (PASO–BR Officer) where it is crucial for being recognised as credible partners for VET provider–business alliances. The financial implications need to be resolved. Part-time engagement of practitioners from industry should be possible to keep track of the latest developments in the professional fields.
6. Acquire systematically local and regional labour market knowledge, through consolidating existing tools and instruments from INSTAT, the national agencies and the projects on LMIS, and agree upon a set of reliable and pragmatic methods and tools to identify short-term and long-term labour market trends.
7. Explore options to group or cluster together several public VET providers in a region to pool competences and resources (e.g. joint administrative head office for several public VET providers in a region).
8. Explore possibilities of networking and twinning with other VET providers and businesses in Albania and abroad.
9. Consult with the regional business community about possibilities for an induction programme for VET teachers in companies (intensive visits, short internships, dedicated further training courses in specific and advanced technical areas). Government can provide funding through social fund-type subsidies allocated by the EU in the framework of Albania's preparation process towards full membership.
10. Envisage the possibility for teachers to gain a Master level diploma through part-time studies or during sabbaticals. Install an experimental programme with a university pedagogical department and a corresponding higher education institution for the specialisation. This possibility should also be given to professionals entering the teaching profession as technicians or engineers. In this case, they have to add a pedagogic and didactic certificate or diploma.

6.3 Recommendations for the Business Community (Private Sector Companies and Associations)

1. Become an equal partner in VET planning and design by pro-actively engaging in dialogue with the ministry and governing bodies (NAES, NAVETQ) to clarify the roles of the private sector in VET (skills needs identification, occupational standards development, defining learning outcomes and assessment standards, participation in student examinations, etc.), and agree upon a mode of communication and cooperation (with business associations and individual companies).
2. In close consultation with VET providers (and proposed VET provider association), develop a

a common business strategy for systemic business–VET provider cooperation. Standardise management and execution of WBL in a company with the support of the business associations.

3. Explore possibilities to establish dedicated branch-specific training and development centres within the facilities of the VET providers (following the example of the technology centres of the regional VET providers in the Netherlands).
4. Initiate dialogue among existing employer organisations, chambers and trade unions to explore their interest and capabilities in bringing VET onto their agendas and playing a more active role in the VET reform.
5. Create synergies between VET–business cooperation and SME support programmes. It is worthwhile checking whether the international cooperation support programmes and projects with a focus on strengthening private sector organisations include services targeted at improving the human resources of member companies. This will create or increase the demand for pre- and in-service training of staff.

6.4 Recommendations for VET Students and their Parents

1. Encourage young people and equip them with pragmatic tools to take on a more pro-active role in shaping their career pathways. Instruments such as the professional orientation profile (see good practice case from Serbia) could help students in their vocational orientation phase to discover more of their personality, interests, capacities and talents, to explore the professional careers they may fit and the training programmes and pathways offered by the different providers. VET students can be activated to explore the local and regional labour market and identify internship possibilities at their own initiative.
2. Activate participation of students in the VET provider management board. Generate an understanding that the students are not only clients, but also members of an institution, that they have a role to play, responsibilities to assume, and can contribute to improvement. Introduce innovative methods such as student-to-student counselling where mature or experienced VET students support younger pupils at their point of making a decision on a career path.
3. Involve parents who are willing to contribute with their business experience. They can help with identifying and facilitating opportunities for internships and other forms of cooperation with companies.

References

Cedefop. 2019. **Albania European Inventory of National Qualification Framework 2018**. Available at:

https://www.cedefop.europa.eu/files/albania_-_european_inventory_on_nqf_2018.pdf

Cedefop. 2016. **Austria: VET in Europe: Country report 2016**.

Available at:

<https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/austria-vet-europe-country-report-2016>

Cungu, Azeta & Swinnen, Johan F.M., 1998. **Albania'S Radical Agrarian Reform**. PRG Working Papers31866, Katholieke Universiteit Leuven, LICOS - Centre for Institutions and Economic Performance.

Daniel Göler, Dhimiter Doka. 2016. **'Albania on the Move'**, German Academic Exchange Service.

Deloitte Insights. 2019. **Leading the social enterprise: Reinvent with a human focus**. Deloitte Global Human Capital Trends.

ETF. 2019. **Torino Process 2018–2020, Albania, National Report**.

Available at:

https://openspace.etf.europa.eu/sites/default/files/2019-10/TRPreport_2019_Albania_EN.pdf

ETF. 2019. **Policies for Human Capital Development, Albania**.

Available at:

https://www.etf.europa.eu/sites/default/files/2019-12/05_trp_etf_assessment_2019_albania_0.pdf

ETF and GIZ. 2014. **Baseline Survey of Public VET Providers in Albania, Final Report**.

ETF. 2018. **Albania NQF Inventory, last update December 18, 2018**.

European Commission. 2016. **From University to Employment: Higher Education Provision and Labour Market Needs in Albania**.

European Commission. Erasmus+. 2017. **Overview of the Higher Education System in Albania**.

Federal Institute for Vocational Education and Training (BIBB). 2011. **Vocational Training Regulations and the Process Behind Them**. BIBB Press and Public Relations Section, 53142 Bonn, Germany.

GIZ. 2019. **Tracing Survey for Graduates from Secondary Schools in Albania in 2017–2018**.

Government of the Republic of Albania, **Economic Reform Programme 2018–2020**. Tirana.

Available at: http://www.financa.gov.al/wp-content/uploads/2018/06/Economic_Reform_Programme_2018-2020-1.pdf

European Commission. 2014. **Sector Reform Contract for Employment and Skills. Sector Information. IPA II Sectors. Education, employment and social policies.**

Available at: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/albania/ipa/2015/ipa-2015-038716-01-al-sector-reform-contract-for-employment-and-skills.pdf>

European Commission. 2014. **IPA, Indicative Strategy Paper for Albania (2014–2020).**

Available at: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-csp-albania.pdf

INSTAT. 2020. **Population and Housing.**

INSTAT. 2018. **Albania in Figures.**

INSTAT. 2019. **Foreign Trade in Goods.**

Law no. 15/2019: 'On Employment Promotion in the Republic of Albania', 2019.

Law no. 15/2017: 'On Vocational Education and Training in the Republic of Albania', 2017.

Law no. 69/2012 'On Pre-University Education in the Republic of Albania', as amended.

Law no. 10247, dated 4.03.2010 'On the Albanian Qualifications Framework' as amended (Law 23/2018).

Linda Rama. 2016. **Riga Medium-Term Deliverables (MTDs) – Identification of Priorities Ex-ante evaluation.** Albania.

Linda Rama. 2018. **Continuing Professional Development for VET Teachers and Trainers in Albania.** ETF.

Maddalena Honorati and Sara Jahansson de Silva. 2018. **Job Dynamics in Albania.** World Bank.

Matthias Jäger. 2013. **Meandering through Policy Development: Observations on Vocational Education and Training in Albania.** SwissContact Albania

Ministry of Finance and Economy. 2018. **Mid-Term Review of National Employment and Skills Strategy (NESS) 2014–2020.**

Muriel Dunbar. 2015. **Engaging the Private Sector in Skills Development.** UKFIET International Conference on Education and Development, Oxford.

National Employment Services. 2019. **Tracing survey for graduates from vocational secondary schools in Albania in 2017–2018.** National Employment Services.

Nikolic, Radmilo & Fedajev, Aleksandra & Stefanovic, Vidoje & Ilić, Silvana. (2017). **The agriculture sector in Western Balkans: Some characteristics of development.** Ekonomika poljoprivrede.

Official Journal of the European Union: Recommendation of the European Parliament and of the Council of 18 June 2009 on the establishment of a European Quality Assurance Reference Framework for Vocational Education and Training, C155/2, § (11).

RisiAlbania. 2017. **Review of the current state of career guidance and counselling in Albania.** Risi Albania Publications.

Sidita Dibra, Shyqyri Llaci and Jorida Tabaku. 2009. **Policy Transfer or Policy Learning: Interactions Between International and National Skills Development Approaches For Policy Making the Case of Albania.**

Sidita Dibra. 2015. **Financing the Public VET System in Albania, Current status, challenges and solutions.** ETF

The World Fact Book 2019

UNDP. 2017. **Feasibility Study Work-based Learning Schemes in Albania.** UNDP Albania Publications

Ute Clement. 2014. **Improving the Image of Technical Vocation Education and Training.** GIZ

Wonderlic, Inc. 2016. **Hard facts about soft skills: An actionable review of employer perspectives, expectations and recommendations.** Vernon. Hills, IL.

