National Employment and Skills Strategy 2023-2030

Progress Report 2023

Quality Jobs and Life-Long Skills for All

Tirana, June 2024

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Executive Summary

Overview
The 2023 progress report highlights the first year of implementation of Albania's National Employment and Skills Strategy 2023-2030 (NESS). The report monitors the implementation of interventions under two key policy goals, while providing recommendations to mitigate challenges and improve future outcomes, within a comprehensive monitoring and evaluation of this Strategy.

Policy Goal 1: Skills Development and Better Labour Market Matching of Supply and Demand The first policy goal focuses on reducing the skills mismatch, improving upskilling opportunities, and ensuring better functioning of the labour market. Key achievements include:

Vocational Education and Training (VET) System Improvements: The VET system has undergone several improvements to become more relevant and flexible, with the development of new occupational standards, qualifications, and the introduction of new programmes. The revision of the National Catalogue of Vocational Qualifications National Vocational Qualification Catalogue, infrastructure modernization in VET, consolidation of quality assurance and development practices through self-assessment and accreditation, schools were significant accomplishments.

Private Sector Engagement: The strategy strengthened the systemic involvement of private sector stakeholders in VET governance. Two sectoral committees (ICT, Hospitality & Tourism) were established, and collaborations between VET providers and businesses were enhanced through various joint activities.

Digital Transformation of Employment Services: The expansion of digital services, such as the employment portal (puna.gov.al) and digital learning platforms (MësoVET), increased access to services for jobseekers and learners. The Labour Market Information Observatory was established to enhance skills intelligence and support data-driven decision-making in the labour market.

Policy Goal 2: Inclusive Employment Opportunities The second policy goal emphasizes the promotion of decent employment for all through inclusive labour market policies. Major developments include:

Support for Vulnerable Groups: The Ministry of Economy introduced targeted measures to increase employment among vulnerable groups such as long-term unemployed, youth not in education or employment (NEET), women, and persons with disabilities (PWD). These groups were supported through individualized employment plans, specialized training, and social services.

Youth Guarantee Scheme: The pilot of the Youth Guarantee was launched in three regions (Tirana, Shkodër, Vlorë) to help NEET youth secure employment or training within four months of registering with the program. Initial results indicate positive outcomes for participants through individualized assistance and active labour market policies.

Women's Labour Market Inclusion: To increase women's participation, especially from rural areas, specialized employment services and flexible employment policies were introduced. This included mobile work offices, financial incentives, and pilot employment programs in underserved areas.

Lessons Learned

From the first year of implementing the National Employment and Skills Strategy 2023-2030 several lessons learned can support its further implementation:

Strengthening Public-Private Partnerships: Collaboration between the VET system and the private sector has shown significant progress, especially with the establishment of sectoral committees. However, stronger and more systematic involvement of businesses in practical training and governance is needed. More incentives and structured partnerships are essential for businesses to provide professional practice opportunities and align skills training with real labor market needs.

Enhancing Digital Transformation in Employment Services and VET: The digitalization of employment services and the VET system made considerable strides with the introduction of platforms like puna.gov.al and MësoVET. However, challenges persist in scaling these digital services, especially for vulnerable populations and remote regions. A more user-friendly interface, broader outreach efforts, and technical assistance for underserved areas can ensure these platforms serve a larger audience.

Improving Inclusivity in Employment Programs: Targeted measures for vulnerable groups, such as women, youth, and persons with disabilities, have seen initial success, but greater customization is needed to address the specific barriers these groups face. Enhanced efforts should focus on outreach, inclusive service delivery models, and tailored support, particularly in rural areas and regions where employment services are less accessible.

Expanding Lifelong Learning Opportunities: The progress in developing new vocational standards and training programs indicates a growing demand for reskilling and upskilling, particularly in digital and green sectors. Moving forward, it is critical to create sustainable financing mechanisms for both public and private providers, ensuring broader access to lifelong learning opportunities, especially for adults and older workers.

Financial Support and Resource Allocation: Despite considerable progress in improving VET infrastructure and expanding program offerings, the report highlights the need for more sustainable financial mechanisms to support ongoing developments. Future resource allocation must prioritize the scaling of successful programs and ensuring long-term investments in infrastructure, equipment, and training quality.

Chapter 1. Introduction

The year 2023 marks the first year of implementation of the National Employment and Skills Strategy 2023-2030 (NESS). The Annual Progress Report provides an overview of the main developments of the reforms in the employment and skills development sector during 2023. It follows the structure of NESS along its policy goals of 1) Skills development and better matching of supply with demand in the labour market for increased employment, and 2) Fostering decent job opportunities for women and men through the implementation of inclusive labour market policies.

This Annual Progress Report monitors the implementation of planned activities or interventions for 2023 under each policy measure and for each strategic objective (i.e. outcomes), as well as the achievement of specific results and targets. At the same time, it identifies the challenges encountered and recommends mitigating actions for future implementation. More importantly, it contributes to capacity building of the staff of the Ministry of Economy, Culture and Innovation for monitoring and evaluation of employment and skills development policies, as well as it reinforces the role of policy coordination mechanisms. The Annual Progress Report collects inputs from responsible institutions for implementation of the Strategy including the Ministry of Economy, Culture and Innovation (MECI), the National Agency for Employment and Skills (NAES), the National Agency for VET and Qualifications (NAVETQ), the State Labour Inspectorate and Social Services (SILSS) as well as donors, development partners, social partners and civil society which significantly contributed to the preparation of this report.

The report is structured as follows: Following this introductory chapter (Chapter 1), Chapter two presents the intervention logic or theory of change of the NESS 2023-2030, while Chapter three presents in detail the main results as per two policy goals and associated strategic objectives highlighting the progress made as well as the challenges encountered. Chapter four provides an overiew of key developments in the labour market. Chapter five elaborates the main partnerships, the important role of coordination platforms in the sector such as the Integrated Policy Management Group (IPMG), innovations and lessons learned to date. A specific chapter is dedicated to the efforts of the sector to align to the EU framework and support it has received through various EU programmes. Lastly, Chapter seven reviews financial allocations to the sector and levels of delivery.

Chapter 2. Intervention Logic and Theory of Change

Theory of Change (ToC) describes how the interventions and policy measures are expected to result in various outcomes (i.e. strategic objectives), which in sum contribute to a broader impact (i.e. policy goals). It is a neat way to summarise the interventions and expected results. The ToC identifies what the desired development change is and what is needed for the desired development change to happen.

The figure below illustrates the generic ToC of the Strategy broken downs for each pillar or policy goal. In the first pillar, the three initial policy measures contribute to the achievement of the first strategic objective (*i.e. Reducing skills mismatches for all occupations*). Policy measures 4 and 5 contributes to the achievement of the second strategic objective (*Upskilling for both men and women of working age)* and the last four policy measures contribute to the achievement of the third strategic objective (i.e. Better functioning of the labour market for all. Moreover, these three strategic objectives are expected to contribute to the achievement of the first policy goal (i*.e. skills development and better matching of supply with demand in the labour market, for increased employment*) which is measured by EU employment headline indicators, such as the employment to population ratio (age 15-64) and the percentage of adults aged 25-64 participating in lifelong learning processes during the last 12 months, all disaggregated by gender.

Figure 1: Toc for the first Policy Goal

Policy Goal 1: Skills development and better matching of supply with demand in the labour market, for increased employment

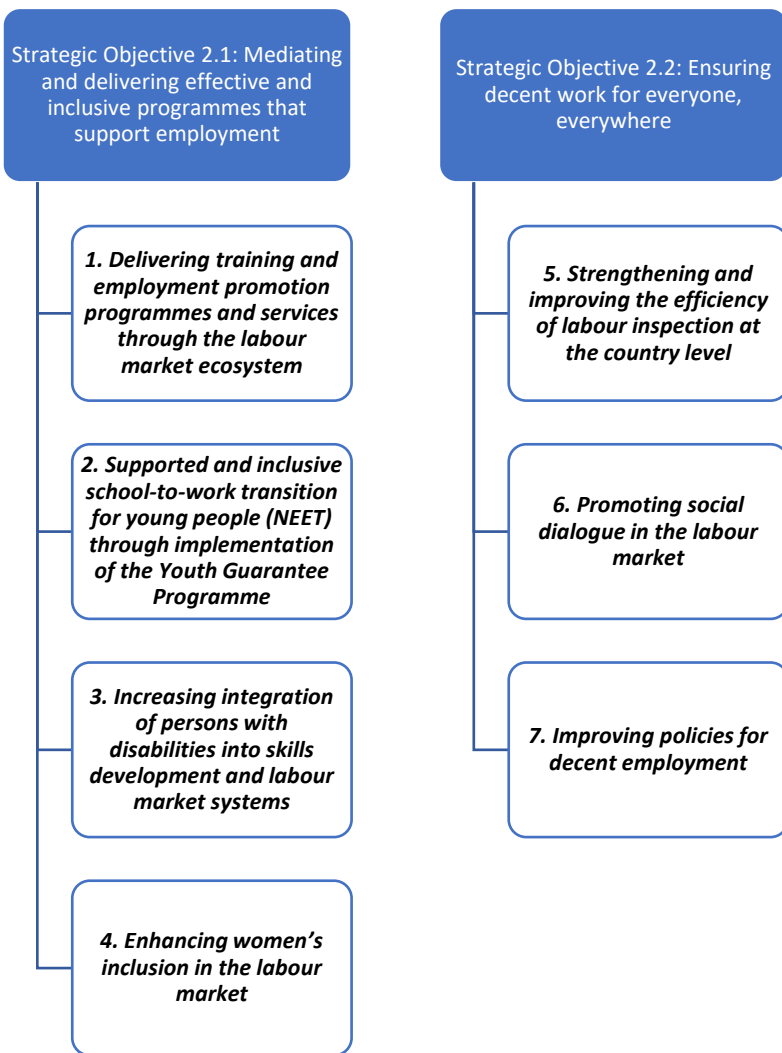| Strategic Objective 1.1: Reducing skills mismatch for all occupations	Strategic Objective 1.2: Upskilling for both men and women of working age	Strategic Objective 1.3: Better functioning of the labour market for all
1. Developing a VET offer that is more relevant, flexible, governed based on evidence, and ensures permeability	*4. Fostering inclusive lifelong learning opportunities*	*6. Digital transformation of employment services and the VET system*
2. Strengthening the quality assurance and development mechanisms in the VET system	*5. Recognising prior non-formal and informal learning*	*7. Establishing a skills intelligence system that generates information on the labour market and VET developments*
3. Involving the private sector systemically and systematically in the content, governance and provision of VET		*8. Expanding and consolidating services for employers and jobseekers and tailoring them continuously based on monitoring and evaluation practices*
		9. Facilitating labour force mobility

In the second pillar, the four initial four policy measures contribute to the achievement of the first strategic objective (*i.e. Mediating and delivering effective and inclusive programmes that support employment*). Policy measures 5 to 7 contributes to the achievement of the second Strategic Objective (*Ensuring decent work for everyone, everywhere*). These two strategic objectives are expected to contribute to the achievement of the second policy goal (*i.e. Fostering decent employment for women and men through implementation of inclusive labour market policies*) which is measured by the EU Social Scorecard headline indicators such as the youth unemployment rate for the 15-24 age group, the gender gap in employment (in percentage) and the percentage of long-term unemployment, all disaggregated by gender.

Figure 2: ToC for the second Policy Goal

Policy Goal 2: Fostering decent employment for women and men through implementation of inclusive labour market policies

Strategic Objective 2.1: Mediating and delivering effective and inclusive programmes that support employment

1. Delivering training and employment promotion programmes and services through the labour market ecosystem

2. Supported and inclusive school-to-work transition for young people (NEET) through implementation of the Youth Guarantee Programme

3. Increasing integration of persons with disabilities into skills development and labour market systems

4. Enhancing women's inclusion in the labour market

Strategic Objective 2.2: Ensuring decent work for everyone, everywhere

5. Strengthening and improving the efficiency of labour inspection at the country level

6. Promoting social dialogue in the labour market

7. Improving policies for decent employment

Chapter 3. Main Results Achieved during 2023

Policy Goal 1: Skills development and better matching of supply with demand in the labour market, for increased employment

STRATEGIC OBJECTIVE 1.1: Reducing skills mismatch for all occupations

Policy Measure 1.1.1: Developing a more relevant, permeable and flexible VET offer, through evidence-based governance.

The strategy aims to develop a more relevant, flexible, and evidence-based vocational education and training (VET) system that ensures continuity and alignment with future skill and occupational requirements. This measure includes updating the National Catalogue of Professional Qualifications, developing high-quality professional qualifications with a focus on level 5 of the National Qualification Framework, and engaging the private sector to ensure the relevance and quality of learning outcomes. Additionally, it focuses on implementing a targeted communication strategy, consolidating coordination mechanisms for VET implementation, and modernizing the infrastructure of public VET providers to align with the principles of the digital economy and transformation.

The policy aligns with the European Qualifications Framework (EQF) by updating the National Catalogue of Professional Qualifications to ensure it meets future skills and occupation requirements, supporting the recognition and transferability of qualifications across EU countries. It also aligns with the Council Recommendation on VET for Sustainable Competitiveness, Social Fairness, and Resilience by promoting lifelong learning, improving the quality and inclusiveness of VET, and ensuring better alignment between VET systems and labour market needs. Furthermore, the measure supports the implementation of the National Implementation Plan of the Osnabrück Declaration on VET, such as enhancing the attractiveness of VET, promoting digital and green transitions, and involving social partners in the governance of VET systems.

Vocational Matura and Bridge Courses. Various consultations were held to identify the policy options for introducing the vocational matura in the VET system in Albania. As a result, key amendments to the Law no. 17/2017 "On Vocational Education and Training in the Republic of Albania were proposed with the aim to modify the duration of upper secondary education by offering two options. Firstly, upper secondary vocational education with a duration of 3 years following basic education, granting level 3 of the NQF, and concluding with a vocational certification. This option allows for progression to higher levels or entry into the labour market. Secondly, vocational secondary education with a duration of 1 year following basic vocational education, granting level 4 of the NQF, and also concluding with a professional certificate. This option similarly facilitates progression to higher levels or entry into the labour market. These changes aim to provide more flexible pathways for students in vocational education, enhancing their opportunities for further education or immediate employment.

Consolidation of the legal framework. During 2023, a new guideline No. 23, "On the Method of Generating and Using Income Secured by Public Providers of Vocational Education and

Training," was approved. This guideline aims to regulate the generation and expenditure of income from the activities of public VET providers. Through this new guideline, providers can operate as economic units to generate revenue from teaching practices. Within their activities, the generation, management, and use of income are administered in their economic income accounts, with a comprehensive fund management system in place at treasury branches. This initiative ensures that public VET providers have a structured approach to managing and utilizing their generated income, enhancing their financial sustainability and operational efficiency.

Upgrading the National Vocational Qualification Catalogue. One of the key accomplishments was the development of 22 new occupational standards, and the validation of 24 existing standards, ensuring that they align with current industry requirements and enhance the quality of vocational education. In addition to occupational standards, significant progress was made in advancing qualification standards. A total of 20 new qualification standards for levels 2-5 of the National Qualifications Framework (NQF) were developed. This effort has strengthened the framework for vocational education, making it more robust and comprehensive.

The enhancement of qualification programmes was another major focus. Throughout the year, 27 orientation programs for vocational qualifications at levels 2-5 of the NQF and 6 orientation programs for the State Vocational Matura were developed and reviewed. These programmes provide crucial guidance to learners, helping them navigate their educational and professional pathways more effectively. Moreover, National Agency for Vocational Education and Training and Qualifications (NAVETQ) developed and reviewed 114 certificate supplements for vocational qualifications. These supplements offer detailed information that supports the recognition of qualifications, thereby facilitating mobility and employability for graduates.

A significant milestone was the revision of the National Catalogue of Vocational Qualifications. This catalogue includes 33 qualifications, among which 2 are new qualifications and 4 are from accredited private providers. The necessary procedures for approval by the Ministry Economy, Culture and Innovation (MECI) was followed. To ensure accessibility and transparency, the catalogue was published on the NAVETQ website, making it readily available to the public.

In 2023, NAVETQ developed two vocational qualifications at level 5 of the NQF, namely the "Quality Management in Agricultural Production" and the "Diagnostic and Management in Auto-Service' with the participation of over 10 representatives of the private sector.

Diversification of the VET offer. In parallel, NAES has organised a series of regional meetings in the context of mid-term planning of the VET offer with the participation of VET providers (directors and coordinators of Development Units), Employment offices, employers' representatives and board members of the VET providers. The primary goal was to facilitate discussions and reach agreements on regional VET offer, aligning it with local labour market needs. Key focus areas included hospitality and tourism, agriculture/forestry, technical fields, and ICT. Based on these regional meetings, VET providers have taken appropriate measures

to revise their educational offer for the 2023-2024 academic year. To ensure ongoing relevance and adaptability, these regional consultation meetings will be organized annually by the stakeholders themselves as a regular yearly activity. Additionally, a guide is being developed by NAES to standardize the procedure.

Several new VET programmes have been activated in the VET providers, as a response to the needs articulated during these meetings, as outlined in table 1 below.

Table 1: New VET programmes in offer by the VET providers	
Post-secondary "Diagnostic and management in Auto Service"	1. Technical Vocational School in Korçë. 2. "Beqir Çela" Vocational High School in Durrës.
Post-secondary "Fashion Design	1. Service Vocational School in Korçë. 2. Hysen Çela Vocational School in Durrës.
Post-secondary "Real Estate Brokerage"	"Kolin Gjoka" Vocational High School in Lezhë.
Information and Communication Technology	Agricultural Vocational High School in Kamëz.

Several new short-term courses were added to VTC, namely: "Digital marketing", "installation of photovoltaic solar panels" in the VTC Elbasan; "Graphic design" and "Pizaiol" in VTC Shkoder; "Graphic Design" in the VTC 1 in Tirana and "Typography" and "Sales Services" in the VTC 4 in Tiranë; and "Meat Processing," "Fruit and Vegetable Processing," and "Sales Services" at VTC Durrës.

Reorganisation of the VET provision. Among the priority measures of the strategy is the optimization of public VET providers at both the individual and network levels to ensure a high-quality and diverse offer. In implementing the optimization plan developed by the MECI, the reorganization of 10 vocational schools in the regions of Durrës, Elbasan, and Korçë has been realized, with further reorganization planned for other regions in 2024. Specifically:

- **Durrës:** In accordance with Ministerial Order No. 155, dated 30.6.2023, "On the reorganization of the '26 Marsi' Vocational High School in Kavajë and the 'Beqir Çela' Vocational High School in Durrës," these two institutions have been merged under a single management, now operating as the 'Beqir Çela' Vocational High School in Durrës.

- **Elbasan:** Following Ministerial Order No. 50, dated 6.3.2023, "On the reorganization of educational institutions 'Sali Ceka' Vocational High School and 'Ali Myftiu' Vocational High School in Elbasan," these institutions have been merged under a single management, now known as the Elbasan Vocational High School.

- **Korçë:** In compliance with Ministerial Order No. 155/2, dated 30.06.2023, "On the reorganization of educational institutions 'Irakli Terova' Vocational High School, 'Isuf Gjata' Vocational High School, and 'Enver Qiraxhi' Vocational High School (Agriculture Direction)," these institutions and the agriculture direction of 'Enver Qiraxhi' in Pogradec have been merged under a single management, now operating as the Korçë Vocational Services School.

- **Korçë:** According to Ministerial Order No. 15976/1, dated 08.09.2023, "On the reorganization of educational institutions 'Fan Noli' Vocational High School, 'Construction Vocational High School,' and 'Demir Progri' Vocational High School in Korçë," these institutions have been merged under a single management, now operating as the Korçë Technical Vocational High School.

Infrastructure Modernisation in VET. During the 2022-2023 period, the "Hospitality and Tourism" School in Tirana, the "Nazmi Rushiti" School in Dibër, and the workshops of the "Beqir Çela" Vocational High School in Durrës were significantly upgraded. These reconstructions were completed to allow for a smooth start of the 2023-2024 school year. The 2024 MECI budget includes further infrastructure improvements for 14 additional vocational schools.

Under the Regional Challenge Fund (RCF) in 2023, several schools were awarded for projects to enhance competitiveness through investments in equipment and infrastructure. The awarded schools included Korçë Technical Vocational School, Korçë Vocational Services School, "Hamdi Bushati" Vocational School, "Beqir Çela" Vocational School, "Karl Gega" Vocational School, "Tregtare" Vocational School in Vlorë, VTC Elbasan, and "Hermann Gmeiner" Vocational School. Additionally, the winners from the 2022 applications included "Kolin Gjoka" Vocational High School and the Technical Economic School in Tirana.

In 2023, VET providers received support for workshops and educational equipment from the state budget and donor projects. State budget investments included a kitchen lab at "Kolin Gjoka" School in Lezhë, a mechanics and welding department at "Karl Gega" School in Tirana, an automation technology/Innovation Academy at "Gjergj Canco" School in Tirana, a hydraulics department at "Beqir Çela" School in Durrës, mechanics, welding, and IT labs at Elbasan Vocational School, departments for Transportation vehicle services, Electrotechnics, and Thermohydraulic at "Hasan Gina" School in Lushnje, and an automotive department at Korçë Technical Vocational School. OEAD is also expected to invest in some school laboratories during 2024.

Donor projects also played a significant role. The GIZ Project provided 204 computers for VET institutions offering programmes in ICT. The "Save the Children" Project set up an IT lab for "Nazmi Rushiti" School in Dibër and a kitchen and photovoltaic lab in the VTC of Elbasan. The Dev-Aid Association donated two kitchen labs, one to "Nazmi Rushiti" School in Dibër and another for VTC Gjirokastër. Deloitte contributed an IT lab for "Thoma Papapano" School in Gjirokastër. Albania Marketing Service sh.p.k. donated an IT lab for "Pavarësia" School in Vlorë. Assist Digital provided an IT lab for "Petro Soto" School in Fier. The S4J Project invested in partner schools with 60 digital devices.

Blended Learning in VET. Under the ERASMUS-EDU-2021-AL-AGENDA-IBA project, coordinated by the National Coordinator for the Implementation of the EU Agenda for Adult Learning, NAVETQ developed a programme to train instructors on how to design blended teaching strategies. This initiative was followed by organizing a three-day training session for trainers in Tirana, which included two days of face-to-face training and one day of online practical work. A total of 20 trainers were equipped with the skills necessary to implement

blended teaching strategies. Additionally, NAVETQ organized two-day training sessions across eight regions, focusing on enhancing the digital skills of 25 vocational education instructors per region. This effort was aimed at instructors with low digital proficiency, ensuring they are better prepared to integrate digital tools into their teaching practices.

To further support these initiatives, NAVETQ developed a methodological guide for incorporating blended learning into adult education. This guide provides a comprehensive framework for educators to effectively combine traditional and digital teaching methods, thereby enhancing the overall learning experience for adults.

In addition, the digital platform MësoVET has been utilized to integrate interactive methods into vocational education. MësoVET is an open and free platform in Albanian, dedicated to vocational education institutions. The digitization of the learning process, influenced by the COVID-19 pandemic, ensured the continuity of online learning through this platform. MësoVET offers remote learning capabilities, both synchronous and asynchronous, and includes Big Blue Button functionality for interactive sessions. Supporting a blended teaching approach, MësoVET provides activities that activate existing knowledge and transfer new information. Currently, the platform has 4,540 users, 107 digitized courses across 9 directions, including both general and professional subjects. The platform's content is continually improved by teachers and enriched with practical materials from industry experts, following a rigorous didactic methodology protocol.

Mobility and international exchange of teachers and learners. A study was developed to assess the readiness of vocational schools to implement student and teacher mobility practices. A set of competencies have been identified as a basis for the development of a training programme for mobility managers in professional schools offering qualifications in the field of hospitality and tourism.

VET Promotion and incentivising participation of girls. Promotional activities for vocational education have been conducted through various initiatives such as open days at schools, visits to nine-year schools, social media, fairs, and Olympiads. These events highlight the availability of scholarships, free clothing, and books to motivate participation in vocational education.

For the 2023-2024 school year, the objectives of the vocational schools' promotion campaign prioritized enrolling 4,500 students in the 10th grade with a focus on increasing girls' enrolment, promoting vocational education to parents, supporting priority fields like ICT, hospitality and tourism, and agriculture, enhancing financial support for students, and improving the online registration application process.

In January and February, a national plan "Year of Skills" was developed, outlining objectives and indicators for vocational education promotion. This plan was implemented starting March 1, 2023, and continued until the beginning of the 2023-2024 school year, September 2023. An intensive campaign was conducted at both national and school levels to achieve these objectives. This effort was supported by two government decisions which provided new incentives for registration in VET programmes, namely: Decision No. 666, dated October 10, 2019, as amended, on financial quotas for food in cafeterias and dormitories, and criteria for scholarship payments for pre-university students in public educational institutions and

Decision No. 119, dated March 1, 2023, on the use of public funds for the transportation of educational staff working and students studying outside their residence area.

Policy Measure 1.1.2. Strengthening quality assurance and development mechanisms in the VET system

The strategy aims to strengthen the mechanisms for quality assurance and development within the VET system. This measure includes implementing self-assessment as a complementary and effective tool for quality assurance, identifying areas for improvement, and considering institutional readiness for digitalization. It also involves fully implementing the accreditation process for all public and private VET providers offering qualifications at levels 2-5 of the National Qualifications Framework, based on quality standards and accreditation criteria. Furthermore, the measure focuses on consolidating the licensing and monitoring processes for private VET providers in accordance with the quality assurance and development framework and developing an inspection approach and model for VET harmonized with the quality assurance and development framework.

The alignment with EU policies can be seen through adherence to the European Quality Assurance in Vocational Education and Training (EQAVET) framework. This involves implementing systematic quality assurance mechanisms to ensure continuous improvement and transparency within the VET system. The policy also aligns with the Council Recommendation on VET for Sustainable Competitiveness, Social Fairness, and Resilience by promoting high-quality VET provision and governance that meets labour market needs, enhances lifelong learning, and supports the digital and green transitions. Additionally, it supports the delivery of the National Implementation Plan of Osnabrück Declaration, which emphasizes the importance of quality assurance in VET, fostering innovation, and involving stakeholders in the quality development process .

Self-Assessment. The entire self-assessment process of VET providers was conducted in accordance with the timeline approved by NAVETQ. Additional support was provided to the VET providers in the use of the electronic self-assessment platform. 44 public VET providers and 1 non-public provider completed the process and submitted the final self-assessment reports, including the assessment of "readiness for accreditation." The implementation of the self-assessment process, now in its fifth year, demonstrated increased awareness among VET providers about the role of self-assessment in internal quality assurance. For the period during which the self-assessment process was conducted, the academic year 2021 - 2022, the national score was 1.52, in a scoring scale from 1 to 4, where 1 is considered very good and 4 is weak.

Accreditation. NAVETQ has supported the implementation of the Order of Minister No.128, 06.07.2021, which regulates the standards, criteria and procedures for the accreditation of the VET providers by the Ministry. NAVETQ revised the internal procedures which support the accreditation process. Additionally, questionnaires were developed and adapted for students, teachers, businesses, and parents, and a matrix was created to implement the monitoring

procedure for accredited institutions. The national register of accreditation certificates and the information on the NAVETQ website was updated.

During 2023, based on the readiness of providers, the accreditation process included three public and one private provider. External evaluation groups, supported by process coordinators, finalized and submitted the accreditation reports to the MECI for approval. Three new VET providers were accredited during 2023.

Licensing of private VET providers. NAES has proposed some key amendments to the legal and regulatory framework in order to make the licensing criteria more specific, measurable and aligned with the latest developments in the VET system. A new guideline for reviewing professional training license applications was drafted but has not yet been approved.

Licensed vocational training providers must report their activity to NAES and the responsible ministry at least twice a year. Currently, this information is collected via email exchanges or data collected in excel sheets. To ensure a unified, facilitated, and secure monitoring process, NAES has developed the Vocational Training Module within the Employment Services System. This module will enable private entities to report on the courses provided and trainee data online through the portal Puna.gov.al. The service is currently being improved to enhance its functionality.

Inspection. Following the approval of the decision no.755, on 09.01.2021, "on defining the documentation, procedures and criteria for conducing state inspections of the VET system', the VET inspection sector has been established within the Directorate of Vocational Skills Policies and Social Security within the MECI and recruitment efforts are on-going.

Initial qualification and continuous professional development of teachers. In 2023, NAVETQ coordinated and implemented a 30-day training course, "Basics of Didactics in VET," for all newly appointed vocational education teachers (with temporary contracts) for the 2022-2023 school year. Procedures were established, and an electronic database was created to manage the entire training process. The training was conducted primarily in person at the Technical Economic School in Tirana, with some sessions held online. Fifteen experienced trainers, selected by the Commission for Selection of External Collaborators through an online application process, facilitated the course. A total of 42 new teachers participated, and 36 were successfully certified from public VET providers in Tirana, Elbasan, Durrës, Shkodër, Lushnje, Vlorë, Berat, Lezhë, Kavajë, and Korçë.

Additionally, in 2023, NAVETQ managed the continuous professional qualification procedure for vocational education teachers in public VET providers, building on the experience gained in 2022. Fifty teachers from public VET providers were eligible to take the qualification exam. At the end of the process, 48 teachers were certified according to their respective qualification categories: 34 as "Qualified Teachers" (5-year category), 11 as "Specialist Teachers" (10-year category), and 3 as "Master Teachers" (20-year category). Two teachers did not qualify.

Development units. In 2023, NAVETQ trained and advised the coordinators of Development Units and the leaders of VET providers on fulfilling their roles. Training sessions conducted included a 6-day training for 15 Business Relations Coordinators and another 6-day training

for 40 Quality Assurance Coordinators, both supported by OeAD. Additionally, 3-day training sessions for around 40 coordinators each were held on developing and implementing development projects at the VET provider level, marketing development for VET providers, and tracking at the provider level, all supported by S4J. Several meetings with Business Relations Coordinators and Quality Assurance Coordinators focused on improving quality criteria in school-business relationships and other aspects of their activities, supported by OeAD.

Training directors of VET providers. Regarding organizational structures, 31 vocational high schools have 28 approved director positions, 19 of which have completed the School of Directors' training initiated in 2023. Additionally, there are 45 approved deputy director positions, and only 3 have completed the directors' training. The remaining deputy directors are scheduled for training in 2024. These measures aim to enhance leadership capacity within vocational high schools, ensuring that school directors and deputy directors are well-prepared to manage and improve educational outcomes effectively.

Human resources management in VET. In ongoing efforts to improve VET quality, NAES has proposed changes to the salaries scales of staff in VET providers. The current salary structure for educational staff in the pre-university education system, including vocational school staff, is defined by Decision No. 241, dated April 20, 2023, which amends Decision No. 175, dated March 8, 2017. This structure includes individual salary, group salary, seniority allowance, qualification allowance, and position allowance. NAES's proposals for salary changes target specific positions in vocational schools, such as the director and deputy director of vocational high schools, head of the production base, general culture and professional theory teachers, professional practice teachers, and professional practice instructors. These proposed changes aim to better compensate and motivate vocational school staff, thereby enhancing the overall quality of vocational education and training.

Policy measure 1.1.3. Systemic and systematic engagement of private sector in the VET governance, design and delivery.

The strategy aims to systematically and comprehensively involve the private sector in the governance, design, and provision of VET. This measure includes engaging the private sector in the National Council for VET to facilitate the active contribution of the business community and social partners to the VET reform. It also involves the creation and functioning of Sectoral Committees, the development of management capacities within VET provider boards, and raising awareness about the implementation of professional practices in businesses through successful cooperation clusters. The measure aims to enhance the attractiveness of VET in collaboration with the private sector and encourage private sector engagement to improve their contribution to the VET system.

The alignment with EU policies is evident through the incorporation of recommendations and principles from the Council Recommendation on VET for Sustainable Competitiveness, Social Fairness, and Resilience, and the Osnabrück Declaration. These documents emphasize the importance of involving social partners in VET governance, promoting high-quality and

inclusive VET systems, and supporting the digital and green transitions. The measure ensures that the involvement of the private sector aligns with EU frameworks and practices, facilitating the integration of VET qualifications and skills within the broader European labour market.

Sectorial Committees. To date two sectorial committees have been established, namely the one in ICT and the one in Hospitality and Tourism. During 2023, the ICT sectoral committee prepared and discussed information on the current state of ICT programmes in vocational schools, short-term courses offered at public vocational training centres, and the qualification offer for "Economic Informatics." Standards for the professions "Software Engineering Technician" (Level IV) and "Cybersecurity Specialist" (Level V) were validated during meetings. In addition, the ICT Sectoral Committee, supported by RISI Albania, conducted a study visit to Estonia to expose its members to the working tool and capacities needed.

The Hospitality and Tourism Sectoral Committee, in collaboration with the European Bank for Reconstruction and Development (EBRD), held its first meeting to introduce its functions and elect its chairman. Subsequent meetings focused on discussing new profiles in hospitality and tourism, presenting the Skills Needs Assessment (SNA) methodology, and validating the "Chef" profession and "Kitchen-Pastry" qualification standards (Level III). Four committee meetings were held in 2023.

These initiatives have significantly advanced the development and validation of occupational standards and qualifications in ICT and hospitality and tourism sectors, contributing to the overall improvement of vocational education and training.

Boards of the VET providers. At the beginning of 2023, all boards of VET providers were reviewed to include potential businesses from the regions where the vocational schools operate. This review aimed to support the directions offered by these schools. The boards of nine optimized institutions were revised.

In addition, discussions and negotiations began for a cooperation agreement between NAES and the Association of Regional Councils of Albania. The agreement aims to collaborate on planning and developing joint initiatives and activities to support VET institutions and create links between students, institutions, and businesses at the local level. Additionally, NAES has introduced specific performance indicators for each VET institution in their performance card, focusing on increasing the number of partner businesses and the number of students participating in professional internships. These efforts aim to enhance the collaboration between educational institutions and the business community, thereby improving the practical training and employment prospects of VET students.

Joint activities with private sector. In 2023, NAES in collaboration with the private sector, organized several activities to enhance vocational education and training. The International Food & Drink Expo 2023, held from May 23-25, included the "Gastro Alb 6" competition with participation from 12 vocational schools offering hospitality and tourism courses. NAES also represented the VET system at the forum "Impact of Vocational Education on the Tourism Sector." The Work & Study Fair, organized by NAES and the Chamber of Commerce, involved

employment offices, VET providers, and businesses. The final fair in Tirana took place from April 24-26, featuring six VE schools and three VTCs.

The Future2Tech 2023 fair, held on September 21-22, showcased the use of various teaching and learning technologies by ICT vocational schools. The Automotive Fair Albania, from October 26-29, aimed to introduce youth to the automotive market and included participation from Karl Gega, Beqir Çela, and Kamëz vocational schools. NAES participated in the "Start-Up Solutions and Innovation" forum. The Agrotech 2023 fair, held from October 18-20 at Expocity Albania, included a competition among agricultural vocational schools.

In partnership with UNICEF, the Professional Network AFPro was established, supporting key economic sectors such as ICT, agriculture, and hospitality and tourism. Activities included Hack for Albania, held on June 26-27, and multiple "Ask the Mentors" sessions focusing on vocational education, career advice, and the importance of soft skills. The Food Festival was organized on October 25 at Elbasan Vocational School, involving hospitality and tourism students from 10 cities. Elbasan Vocational School won the challenge. The "Exchange Days" event on November 22 at Kamëz Vocational High School allowed students to explore professional opportunities, network with businesses, and receive career advice. About 20 students from vocational schools in Kamëz, Hospitality-Tourism Tirana, Gjergji Canco, and Hermann Gmeinner participated, with a job fair stand showcasing employment programs, including those under the Youth Guarantee initiative.

These activities have significantly contributed to the engagement and practical training of VET students, enhancing their skills and employability in various sectors.

Indicators for policy measures and strategic objective

Policy measures under this specific objective aim to enhance the relevance, permeability, and flexibility of the VET offer through evidence-based governance. Table 1 below presents key indicators, baselines, achievements for 2023, and sources of verification.

Policy measures under this specific objective appear to contribute positively to higher relevance and quality of VET provision. The employment rate of VET graduates (excluding those who continue higher education) which is one of the proxy indicator that measure relevance and quality of VET provision has significantly increased from 57.5% in 2021 to 59.5% in 2023, according to the NAES Tracer study. The share of students that register in VET (Public and Private) which is another proxy indicator reflecting relevance, quality and attractiveness of VET saw a slight increase from 17.5% in the 2022-23 academic year to 18% in 2023-2024, as reported by INSTAT. Similarly, the percentage of girls registered in VET schools has increased at the level of 15.8% 2022-2023, with the baseline being 14.7% in 2021 (INSTAT).

There has been progress also in other policy measures indicators that aim to measure the relevance, permeability, and flexibility of the VET offer. For example, during 2023, the number of VET programmes that have been updated has reach to 26 initial and 11 continuous VET. Similarly, the number of new vocational qualifications drafted and existing ones updated based on inputs by the private sector has reached 24. To strengthen the quality assurance (policy measure 1.1.2), three additional VET providers have been accredited to offer vocational qualifications at levels 2-5 of the NQF in 2023, joining 6 VET providers accredited

in 2022 (reaching a level of 29% of providers accredited, exceeding the mid-term target set for 2026 which is 25%).The engagement of the private sector in VET governance, design, and delivery has also seen improvements, though the share of students in VET schools who participate in professional practices in businesses has decreased to 58% in the academic year 2022-2023.

All these positive developments are expected to positively contribute to the achievement of the strategic objective of reducing skills mismatch for all occupations in the mid-term which is measured by the percentage of businesses identifying skills mismatch as a key challenge, with updated figures for 2023 yet to be reported (World Bank/STEP).

Table 4: Indicators for policy measures and policy objectives 1.1

Policy measure/objective	Indicator	Baseline	Achievement 2023	Source/Means of Verification
Policy Measure 1.1.1: Developing a more relevant, permeable and flexible VET offer, through evidence-based governance.	Employment rate of VET graduates (excluding those who continue higher education, by gender	57.5% (2021)	77.4% (2023)	NAES / Tracer study
	The share of pupils that register in VET (Public and Private) by gender	17,54% (2022-23)	17,88% (2023-2024)	INSTAT
	The percentage of girls registered in VET schools	14,7% (2021-2022)	15.8% (022-2023)	INSTAT
	Number of updated VET programmes (initial and continuous)	0	26 initial VET programmes 11 unified courses	NAVETQ/Administrative data
	Number of new vocational qualifications and revised qualifications based on inputs by the private sector	0	2 new vocational qualifications 22 revised qualifications	NAVETQ/Administrative data
Policy Measure 1.1.2. Strengthening quality assurance and development mechanisms in the VET system	Number of % or VET providers accredited to offer vocational qualifications at the level 2-5 of the NQF	6 (2022)	9 (2023)	NAVETQ/Administrative data
Policy measure 1.1.3. Systemic and systematic engagement of private sector in the VET governance, design and delivery.	Share of students in VET schools who participate in professional practices in businesses, by gender.	65% (2021-2022)	58% (2022-2023)	NAES / Administrative Data

STRATEGIC OBJECTIVE 1.1: Reducing skills mismatch for all occupations	Percentage of businesses that identify skills mismatch of the labour force as key challenge	24.8% (2019)	TBD	World Bank/STEP

STRATEGIC OBJECTIVE 1.2. Upskilling for both men and women of working age

Policy measure 1.2.1. Fostering inclusive opportunities and adopting the offer towards lifelong learning opportunities

The strategy aims to promote inclusive opportunities and adapt lifelong learning offerings. This measure includes assessing the needs of adult individuals for lifelong learning, conducting feasibility studies and creating roadmaps to boost and adapt lifelong learning opportunities, establishing financing mechanisms for private providers to develop skills in priority sectors, and developing skills provision for the twin transition in sectors with added economic value. Additionally, it focuses on creating opportunities for reskilling and upskilling the workforce based on new technological trends, exploring the possibilities of integrating individual learning accounts, and implementing a national plan to promote a culture and participation in lifelong learning.

The alignment with EU policies is evident through adherence to the EU's Council Recommendation on Upskilling Pathways and the European Skills Agenda. These documents emphasize the importance of providing flexible learning opportunities, promoting lifelong learning, and supporting adults in gaining basic skills, digital skills, and other key competences. The measure also aligns with the European Pillar of Social Rights, which advocates for access to education, training, and lifelong learning for all. This ensures alignment with EU's goals of enhancing skills and employability, fostering inclusive education and training systems, and facilitating lifelong learning.

Financing Mechanisms for non-public providers. Following the approval of the Decision of the Council of Ministers no.646, 05.10.2022, on the procedures, criteria and rules for implementing vocational training programmes with financial support, NAES implemented it for the first time in the sector of ICT, with a focus on programming related qualifications. According to Guideline No. 1, dated January 10, 2023, the financial support for the "Programming" field includes subfields such as coding, computer programming, application development, robotics, electronics, data science, cybersecurity, artificial intelligence, software testing, software design, web design, user experience design, user interface design, machine learning, augmented reality, virtual reality, computer algorithms, and related fields. The training program spans 3 to 12 months, conducted by specialized instructors, and offers both theoretical and practical knowledge using the latest technology techniques. Applicants must be over 16 years old and meet the admission criteria for the respective training courses. The financial support spans from 100% coverage of training costs for registered unemployed job seekers, up to a maximum value of 300,000 ALL, to 50% coverage for other registered job seekers, up to a maximum value of 150,000 ALL. For individuals with disabilities, vocational training institutions receive funding for reasonable accommodation elements, up to 200,000 ALL.

In 2023, 1,291 individuals were served by this program, including 156 unemployed job seekers and 1,135 job seekers. The most demanded courses were Java (16% of total applications),

Cyber Security (8%), Python Fullstack (8%), and Python (6%). The majority of applicants (81%) were aged 15-29, followed by 12% aged 30-35, and 7% over 36 years old.

Soft skills and digital skills. During 2023, two programmes were offered to low-skilled jobseekers, namely the Start Smart and Basic Digital Skills programme. The Start Smart program, a short-term initiative focused on soft skills, aims to provide basic knowledge on job searching, workplace behaviour, and employer presentation. In 2023, 686 individuals were trained under this program, of which 609 were unemployed job seekers. The Digital Skills program ensures that participants acquire skills such as online job searching and using the e-Albania portal. The curriculum was implemented through IT labs in these Centres, equipped by the program, and included 2,334 job seekers, of which 1,990 were unemployed, across all Public Vocational Training Centres in the country.

Policy measure 1.2.2. Recognition of prior non-formal and informal learning.
During 2023, no interventions were initiated or carried out under this policy measure.

Indicators for policy measures and strategic objective 1.2
Policy measures under this specific objective aim to foster inclusive opportunities and adopt the offer towards lifelong learning opportunities. The table below presents key indicators, baselines, achievements for 2023, and sources of verification.

Policy measures seems to be contributing to the achievement of certain targets on fostering inclusive lifelong learning opportunities The number of adults who benefit from training programmes financed by the state budget, by gender, for 2023 was at the level of 15,134 in public providers and 1,291 in private providers (NAES/Administrative Data), while the updated figures on the share of businesses offering internal or external training for their staff for 2023 are still pending (World Bank/Skills for Employment Survey).

On the other hand, the policy measure 1.2.2 focuses on the recognition of prior non-formal and informal learning. In 2022 and 2023, no individuals were certified through the recognition of the prior learning process as the mechanism is yet to be established. (NAVETQ/NAES/Administrative Data).

The strategic objective of upskilling for both men and women of working age is measured by the percentage of the population with basic or higher digital skills (age 16-74), by gender. While the aim is to improve this indicator in the medium term, there is no significant change from year-to-year basis. During 2023, a slight increase was observed for men and a slight decrease for women compared to the baseline situation. (EUROSTAT/BE JER).

Table 2: Indicators for policy measures and policy objectives 1.2.

Policy measure/objective	Indicator	Baseline	Achievement 2023	Source/Means of Verification
Policy measure 1.2.1. Fostering inclusive opportunities and adopting the offer towards lifelong	Number of adults who benefit from training programmes financed by state budget, by gender.	14,917 (2022)	16,428 (2023)	NAES / Administrative Data
	Share of businesses that offer internal or external training for their staff	15% internal training	TBD	World bank/Skills for Employment Survey

		5% external training (2018)		
Policy measure 1.2.2. Recognition of prior non-formal and informal learning.	Number of people certified through the recognition of prior learning process, by gender	0 (2022)	0 (2023)	NAVETQ/NAES/Administrative Data
STRATEGIC OBJECTIVE 1.2. Upskilling for both men and women of working age	Percentage of population with basic or higher digital skills (age 16-74), by gender	23.8% (2021) Men: 24.15% Women:23.45%	23.2% (2023) Men: 25.08% Women: 21.61%	EUROSTAT/BE JER

STRATEGIC OBJECTIVE 1.3. Better functioning of the labour market for all

Policy measure 1.3.1. Digital transformation of employment services and VET system.
The strategy aims to digitalize employment and skills development services. This measure includes increasing the number of job seekers using digital employment services, enhancing online learning for students and adults provided by VET providers, and expanding blended and online learning. The goal is to make employment and skills development services more accessible and efficient through digital means.

The alignment with EU policies can be seen through adherence to the European Commission's Digital Education Action Plan, which emphasizes the integration of digital technologies in education and training systems. It also aligns with the Council Recommendation on VET for Sustainable Competitiveness, Social Fairness, and Resilience by promoting digital skills and the use of digital tools in VET. Furthermore, the measure supports the principles outlined in the European Pillar of Social Rights, which advocates for access to quality and inclusive education, training, and lifelong learning. This alignment ensures that the digitalization efforts are in harmony with broader European objectives, facilitating improved access to and quality of education and employment services within the European labor market.

Puna.gov.al. NAES has placed significant emphasis on the development and further improvement of the digital portal puna.gov.al to offer digital and online services to all clients. Enhancements to the portal aimed at ensuring direct access to employment and training services and programmes have been implemented. With the support of Expertise France, a comprehensive analysis was conducted to propose new features of this portal, focusing on user friendly online services. These improvements have expanded the range of information and functionalities available, transforming the website into a user-friendly space. By the end of 2023, the number of people accessing puna.gov.al reached approximately 14,000 per month. These efforts reflect NAES's commitment to leveraging digital solutions to enhance service accessibility and user experience.

New online services were developed or improved in 2023, including the "Request for financial compensation of social and health insurance contributions" service, the "Application for Youth Guarantee (Employment, Education, and Vocational Training)" service, the "Application for vocational training course with financial support" service, the "Application for unemployment benefit" service, and the "Reimbursement of Employment Promotion Programs" service. NAES ensured online access to all employment services through e-Albania, enhancing service delivery and accessibility for clients.

In addition, three partnership agreements were signed with private employment portals, namely, "Dua punë", "Çelsi Media Group" dhe Njoftime.com, to integrate vacancies published in those portals with the public portal puna.gov.al. In 2023, approximately 3,500 job vacancies from private agencies were posted and these vacancies were standardized according to the national format for publication.

Employment Services System. In 2023, the NAES prioritized the improvement of the Employment Services System (ESS). The developments included enhancing the interaction of the VET system with the Employment Services Systems, finalizing improvements in the job mediation module, advancing the monitoring process of web applications, drafting the Youth Guarantee module and the Employment Promotion module, and designing and improving Individual Employment Plan.

Updates were made to the "Application for Vocational Training Course" service and the related system records, ensuring the entire process from application to certification is conducted online. The revised system modules include Program, Employees, Calendar, Courses, Applications, Registry, Business, and Trainee.

Policy measure 1.3.2. Developing skills intelligence system which produces regular labour market and skills signals.

The Strategy aims to create a skills intelligence system that provides regular signals about labour market and VET developments. This involves developing and implementing the Labour Market Information Observatory, creating a long-term skill forecasting tool, conducting sectoral analyses as requested by Sectoral Committees, and performing national and regional skill demand analyses every two years.

The alignment with EU policies is evident through adherence to the European Commission's Digital Education Action Plan and the European Skills Agenda, which emphasize the importance of using data and forecasting to inform education and training systems. This ensures that the skills intelligence system is in line with EU standards, facilitating better alignment of education and training with labour market needs.

Labour Market Information Observatory. Established with the support of UNDP, the Labour Market Information Observatory (LMIO) is in the process of being consolidated. It is designed to collect, process, and analyse administrative data generated by the General Directorate of Taxation, the NAES, and other institutions. LMIO processes and displays data according to profession, gender, and region. This tool is still under development.

Skills forecasting. NAES is working on developing a skill forecasting system alongside traditional labour market documents such as the Statistical Bulletin and Graduate Tracer Studies. For medium-term skills needs planning, NAES aims to build an instrument with the support of the RECONOMY project. This instrument aims to forecast skills needs by collecting, processing, and analysing data provided by businesses through structured questionnaires. In 2023, NAES has been exposed to such instruments currently used by national employment services in Lithuania and Sweden.

Regional labour market needs analysis. During 2023, four regional labour market analyses were prepared: Northern Region Analysis, Southeastern Region Analysis, Southwestern Region Analysis, and Central Region Analysis. These analyses considered the number of job vacancies announced in the employment service system by occupation for each of the nine occupational categories. Additionally, the number of students and trainees in VET was broken down by occupation for each of the nine occupational categories. The results matching labour demand (job vacancies) and VET supply by profession, as well as employment rates of courses/schools/employment promotion programs derived from tracer studies, were analysed to identify mismatches and make recommendations for employment offices, vocational training centres, and vocational schools.

Policy Measure 1.3.3. Consolidating and expanding employer and jobseeker services and adopting them based on monitoring and evaluation practices.

The Strategy aims to consolidate and expand services for employers and job seekers, continuously adapting them based on monitoring and evaluation practices. This measure includes optimizing face-to-face employment services for clients, expanding and strengthening monitoring and evaluation systems, consolidating performance management systems for employment services, enhancing online communication channels for job vacancy collection, and developing mechanisms and capacities for human resources and training for technical and digital skills.

This measure aligns with EU policies, particularly the European Pillar of Social Rights, which emphasizes access to quality and inclusive employment services, and the European Employment Strategy, which advocates for effective labour market services and support for both job seekers and employers.

Services to jobseekers. In the context of optimizing services for job seekers, two key improvements have been made. The Individual Employment Plan (IEP) and the Counselling module have both undergone a redesign and adaptation process to be integrated into NAES's internal employment service system. The IEP is designed to measure the progress of each job seeker, serving as a personalized guide that outlines goals, steps, and strategies for those seeking employment. This dynamic tool tracks and reflects the services provided to job seekers, offering a means to measure their progress over time. The digital integration of the IEP into the internal system has been completed, including a set of guiding questions to direct the interview between employment specialists and unemployed job seekers. This instrument will be tested during 2024 to enable technical improvements where needed. The completion

of the testing phase and the calibration of the IEP and its supplementary tools will be followed by the integration of the counselling module and the improvement of the counselling manual. In addition, NAES, with the support of Expertise France, has developed Guidelines for making evidence-based decisions for the distribution of Labour Offices and other Service Points in Albania by taking into account French and other International models. Based on this, an internal guidelines for opening, closing and reorganising labour offices was developed and approved.

Monitoring and evaluation. NAES conducts regular tracing studies of employment services and programmes to measure effectiveness. To ensure quality in service delivery by employment offices, several central-level monitoring mechanisms have been established, such as monitoring the access time to the Employment Services System by all Labour office employees, monitoring through cameras in service offices, and monitoring the achievement of objectives at the institutional, office, and employee levels through dedicated instruments.

Performance management. NAES uses Performance Cards, which include key annual performance indicators and targets at the national, regional and local level, measuring both services to jobseekers and employers. Targets are set based on strategic documents, performance in the past, available budgets and the labour market context. The monitoring indicators are tracked monthly for each institution and discussed with the regional directors. Additionally, a mechanism for daily monitoring of key performance indicators such as the number of job seeker registrations, job vacancies, and completed mediations has been established.

Policy Measure 1.3.4. Facilitating labour force mobility

The Strategy aims to facilitate labour mobility. This measure includes creating a connection with the EURES platform, increasing the percentage of job seekers mediated in different regions from their residence, approving coordination protocols, and providing information to returned Albanian citizens.

The alignment with EU policies can be seen through adherence to the European Employment Strategy and the European Pillar of Social Rights, which emphasize the importance of labour mobility and fair recruitment practices. This alignment ensures that the mobility facilitation efforts are in line with EU framework, promoting better integration and opportunities for workers within the European labour market.

EURES and ESCO. The development of the Employment Services system will facilitate connection with EURES. The ESCO classification has been incorporated into the new system, meaning that the national list of occupational codes used in Albania has been mapped to the ESCO codes. Out of the three ESCO pillars, Occupations and Skills have been integrated into the system. From the national list of occupation (totaling 5,400 codes), 2,900 codes have been mapped to the ESCO list of occupations. Additionally, ESCO codes are currently used during the registration process of jobseekers, vacancies and during job mediation process.

Indicators for policy measures and strategic objective 1.3.

Policy measures under this specific objective focus on the digital transformation of employment services and the VET system, developing skills intelligence systems, consolidating employer and jobseeker services, and facilitating labour force mobility. The table below presents key indicators, baselines, achievements for 2023, and sources of verification.

A positive trend is observed in indicators of policy measures related to the digital transformation of employment services and the VET system, developing skills intelligence systems during 2023. For example, under policy measure 1.3.1, the number of jobseekers utilizing digital employment services increased from 0 in 2021 to 14,000 in 2023. Similarly, policy measure 1.3.2 highlights the development of a skills intelligence system, with the number of regular products produced by the LMIO increasing from 0 in 2022 to 2 in 2023. These products include a Statistical Bulletin and a Regional Labour Market Analysis (NAES/Administrative data). Starting from 2024, NAES will publish statistics on the county level.

The number of VET providers offering blended and online learning remained constant at 9 from 2021 to 2023 (NAES/Administrative data).

At the same time, there has been improvements in the indicators that measure the delivery of employment services. For example, the number of vacancies published in NAES (policy measure 1.3.3) rose significantly from 25,000 in 2021 to 61,173 in 2023 (NAES/Administrative data). The number of job placements facilitated by employment offices by gender for 2023 has doubled, reaching the level of 12,088. The percentage of people employed six months after completing Employment Promotion Programmes stood at 61% in 2023. (NAES/Administrative Data/Tracer Studies). This will be used as the baseline for this indicator, while NAES is currently conducting a new tracer study for the EPP beneficiaries of 2022-2023, which will be reported in the NESS progress report of 2024.

Policy measure 1.3.4 aims to facilitate labour force mobility. The connection with the EURES platform remained unestablished from 2021 to 2023 (NAES/Administrative data). This is expected to be facilitated once Albania joins the EU, however considerable progress has been made to improve the IT system which will in turn facilitate the integration. In 2023, 2.4% of mediations were facilitated in municipalities other than the municipality of residence (NAES/Administrative data). The number of returned migrants who received labour market information slightly increased from 377 to 389 (NAES/Administrative data).

Significant improvements in the use of digital services and the publication of job vacancies are expected to ease asymmetric information and coordination failures between employers in need of labour and employees that search for work which is expected to contribute to better functioning of the labour market for all (i.e. the strategic objective). This strategic objective is measured by the percentage of employers from the private sector utilizing public and private employment services for recruitment processes, with the baseline at 24.8% in 2019, but the updated figure for 2023 is yet to be reported (World Bank/STEP). Nevertheless,

the percentage of unemployed jobseekers who register at NAES slightly decreased from 54% in 2021 to 48.2% in 2023 (INSTAT, LFS; NAES, Administrative data).

Table 3: Indicators for policy measures and policy objectives 1.3.

Policy measure/objective	Indicator	Baseline	Achievement 2023	Source/Means of Verification
Policy measure 1.3.1. Digital transformation of employment services and VET system.	Number of jobseekers who utilize digital employment services	0 (2021)	14,000 (2023)	NAES / Administrative data
	Number of VET providers that offer blended learning and online learning	9 (2021)	9 (2023)	NAES / Administrative data
Policy measure 1.3.2. Developing skills intelligence system which produces regular labour market and skills signals.	Number of regular products produced by the LMIO	0 (2022)	2 (2023) 1. Statistical Bulletin 2. Regional Labour market analysis	NAES / Administrative data
Policy Measure 1.3.3. Consolidating and expanding employer and jobseeker services and adopting them based on monitoring and evaluation practices.	Number of vacancies published in NAES	25,000 (2021)	61,173 (2023)	NAES / Administrative Data
	Number of job mediations facilitated by employment offices, by gender	7,624 (2021)	12,088 (2023)	NAES / Administrative Data
	Percentage of people employed upon completing Employment Promotion Programmes	61.8% (2021)	Tracer study on-going	NAES / Administrative Data / Tracer Studies
Policy Measure 1.3.4. Facilitating labour force mobility	Connection with EURES platform facilitated	NO (2021)	NO (2023)	NAES/ Administrative data
	Percentage of mediations facilitate in municipalities other than the municipality of residence.	TBD	2.4% (2023)	NAES/ Administrative data
	Number of coordination protocols approved	TBD	One draft protocol on information exchange on returned youth of 15-29 yearsn in preparation.	NAES/ Administrative data
	Number of returned migrants who have received labour market information	377	389	NAES/ Administrative data

STRATEGIC OBJECTIVE 1.3. Better functioning of the labour market for all	Percentage of employers from private sector who utilize public and private employment services for recruitment processes.	24.8% (2019)	TBD	World Bank/STEP
	Percentage of unemployed jobseekers who register at NAES, by gender	54% (2021)	48,2% (2023)	INSTAT, LFS NAES, Administrative data

Policy Goal 2: Fostering decent employment for women and men through implementation of inclusive labour market policies

STRATEGIC OBJECTIVE 2.1: Mediating and delivering effective and inclusive programmes that support employment

Policy Measure 2.1.1. Providing services using the labour market ecosystem for sustainable transition and exit from social protection schemes.

The strategy aims to improve the effectiveness of the service delivery model and the outreach of its services especially for those who are vulnerable and hard to employ (category three jobseekers who are long-term unemployed or at risk of becoming long-term unemployed, beneficiaries of Economic Aid, etc.). According to the **EU Council Recommendation on the integration of the long-term unemployed (LTU)** into the labour market, institutions are expected to encourage the registration of LTU in an employment service, develop and/or expand case management and referral mechanisms, as well as provide individualised services to jobseekers including in partnership with other labour market actors[1] and employers to effectively support this group.

Individualized Support. The service delivery model of Labour Offices (LO), has been advanced by introducing Individual Employment Plans (IEP) which are expected to enhance individualized support and the quality of service delivery, especially for those who are less employable (registered unemployed in category 3). Since vulnerable groups and the long-term unemployed face multiple barriers to labour market integration, they require support tailored to their needs. Once they are registered and after in-depth assessment of the individual barriers has been conducted, the employment specialist together with jobseekers prepares the IEP. The IEP outlines the jobseeker's overall roadmap for returning to employment, the progression phases or milestones, and all planned services and activities that need to be undertaken by both parties. The IEP also serves to monitor the progress of the agreed steps. The current IEP is designed as a living document that is regularly updated according to the actual needs and development stages of the jobseeker. The IEP, as per best practices, includes various types of counselling support, referral to other social services and subsequent proposals for training and other types of Active Labour Market Policies (ALMPs) based on their needs.

Based on this service delivery model, NAES has reorganised and refurbished two LO in Tirana, while one of them (LO No. 2), among other things, also offers easy access to persons with disabilities (PWD) through adapted technological devices. In addition, during 2023, NEAS reconstructed and opened a new service office in Laprakë and Dibër, and reconstructed the

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[1] This partnership will enable the activation of the experiences and capacities of various actors at the central and local level such as non-governmental organizations, public and private training providers, vocational schools, employers' organizations, private employment agencies etc.

offices in Pukë and Lezhë. They opened the employment services branch in Rrogozhinë as part of efforts to increase its outreach.

In order to adapt employment promotion programmes according to the needs of LTU and other vulnerable groups, the Ministry has initiated the revision of Government Council Decision No. 535,[2] as well as the Government Council Decision No.17[3]. These proposed revisions adjust the benefits to encourage participation of vulnerable groups from remote locations and/or those who are engaged in the care of children or the elderly.

Figure 1: Service delivery model of Labour Offices
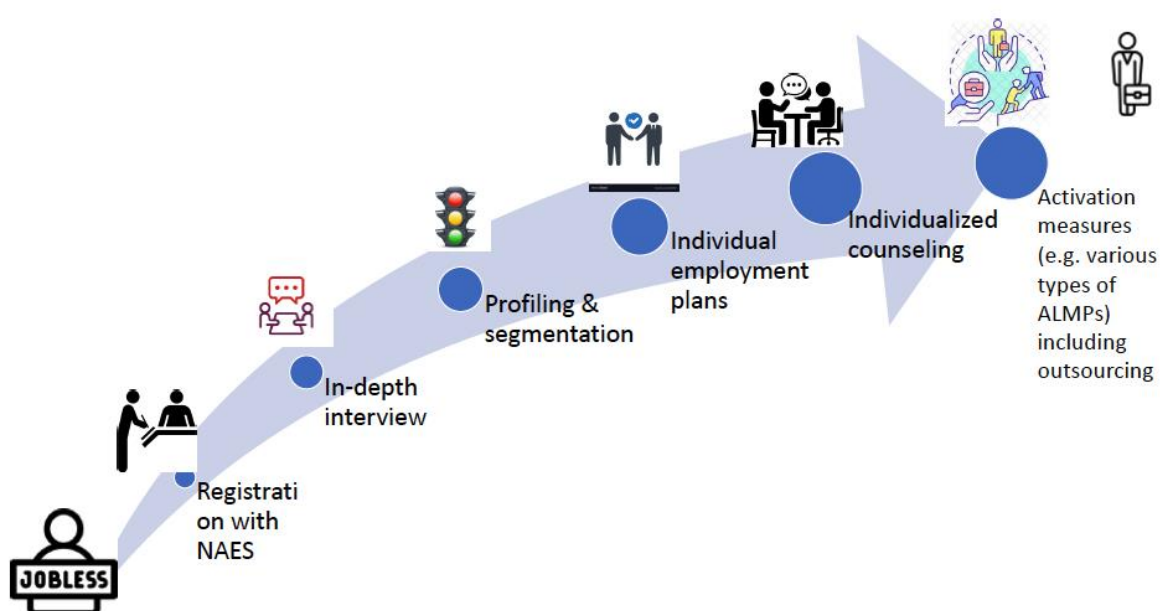
Integrated case management (ICM) and engagement in partnership with other labour market actors. The Ministry of Economy, Culture and Innovation and the Ministry of Health and Social Protection have jointly drafted the Ordinance for the establishment of the integrated case management and referral system for the employment of able-to-work beneficiaries of Economic Aid and PWD. On the basis of this Ordinance, 12 regional commissions have been set up and are functioning in all regions, which assess the able-to-work beneficiaries of Economic Aid and PWD and refer them to employment and relevant social services. These commissions consist of representatives from the State Social Service, the Regional Directorates of Employment and the Social Services Directorates of the Municipalities and work in close cooperation with all units in each municipality for serving

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[2] Dated 8.7.2020 "On the procedures, criteria and rules for the implementation of the public works program in the community",

[3] Dated 15.01.2020 "On the procedures, criteria and rules for the implementation of employment promotion programs through employment, on-the-job training and professional practices"

these groups. While able-to-work beneficiaries of Economic aid are initially referred by the Regional Directorates of the State Social Service, the LOs can also identify individuals who have multiple barriers or needs such as health, psycho-social, etc., that must be treated in parallel with employment support and refer them to the relevant institutions. During 2023, about 10,000 people were referred through ICM, while about 50% of them visited LOs after being contacted. Around 2,300 were employed after job placement services and involvement in various employment promotion programs, and more than 800 were enrolled in various vocational training courses.[4] During this reporting period, the Manual for Integrated Case Management and referral system was also drafted.

After extensive considerations of certain models, for the first time, a new Decision of the Council of Ministers[5] has been prepared during this reporting period which allows NAES to engage in partnership with non-profit organizations (through competitive procurement procedures) to support labour market integration of certain categories of disadvantaged groups (i.e. beneficiaries of the Economic Aid and women who live in administrative or local units, where there are no local employment structures) through the provision of specialized counselling for employment, self-employment and vocational training, coordination and referral to relevant social services. The programme is adapted and tailored to the needs of these groups and includes additional incentives for their participation by covering transportation expenses (in case the distance of the residence from the place of implementation of the program is greater than two km) and additional benefits for those who provide care for children or the elderly. The decision is approved in 2024 and the programme will be implemented with 600 beneficiaries in the initial phase in 19 municipalities, with a support of EU and UNDP, while the specific target of the Strategy is to establish such a model for serving category three jobseekers in 6 municipalities by the end of 2026.

With the aim to expand further partnerships with wider labour market actors, NAES has also initiated a partnership through competitive procurement procedures with Private Professional Training Institutions in the field of Coding/Programming according to the Decision of the Council of Ministers No. 646[6], approved at the end of 2022. In 2023 around 1300 jobseekers benefited from this partnership opportunity. Likewise, the Ministry has initiated a review of Decision of the Council of Ministers No. 535,[7] to increase involvement and participation of other labour market actors, especially NGOs into public works programmes in the community.

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[4] While about 3,700 refused to receive services from LO for many reasons, the most important was lack of transportation.

[5] On procedures, criteria and rules for the implementation of the employment promotion programme through social reintegration. The respective Decision was adopted as of 19th June 2024.

[6] On the Procedures, Criteria and Rules for the Implementation of Vocational Training Programs through the Financial Support Offered, according to the Competition Procedures, for Vocational Training Courses Organized by Public or Private Vocational Training Institutions

[7] Dated 8.7.2020 "On the procedures, criteria and rules for the implementation of the public works program in the community",

Services to employers. Already reported as part of policy measure 1.3.3.

Outreach: During 2023, NEAS has increased outreach measures to inform the public about employment services and to enhance the image of the vocational schools and vocational training centres. In addition to implementing a dedicated promotional activity for secondary vocational schools, NAES released 59 promotional videos about success stories from job placement services provided by LOs and from various employment promotion programmes. Furthermore, NAES prepared an additional 62 infographics/videos for the promotion of employment services and employment promotion programmes provided by LOs and the network of Vocational Education and Training (VET) providers, of which 17 were dedicated to the coding course, one of the most attractive programmes recently undertaken by NAES. Last but not least, about 25 media appearances were made to provide information on labour market trends and policies/programmes implemented.

Policy measure 2.1.2. Support inclusive school-to-work transition for young people Not in Education, Employment or Training (NEET)through the implementation of the Youth Guarantee scheme

The Strategy aims to ensure that every young person under the age of 29 (NEET) has a decent offer of employment, training or education within a certain period of time from the moment of registration in LO, in line with the recommendations of the European Council on Youth Guarantees (YG).[8] For this purpose, in 2022, in cooperation with the relevant line ministries, a national plan for the implementation of the YG was prepared, which includes implementation of several reforms divided into four phases: prevention and mapping, communication and outreach, preparation and offer. While a separate report will be prepared on the implementation of the National Plan for YG, which will include contributions from other line ministries that are part of the plan, this part of the report will cover only those actions carried out by employment and VET institutions.

Prevention and Mapping. The NEET journey begins with prevention of early school leaving (ESL), since the risk of becoming a NEET already starts during education and continues after the completion of formal education as many young people may still face difficulties in finding jobs for various reasons. Consequently, empowering and prevention initiatives must begin at the school level. This includes engaging in proactive work with schools and adopting various forms of drop-out prevention and outreach programmes. For this purpose, during 2023, NAES, in cooperation with UNICEF and other partners have set up the early warning system (EWS) and established many local and national networks for identifying young people at risk

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[8] EU Council Recommendation on establishing a Youth Guarantee (2013) and EU Council Recommendation on Reinforcing the Youth Guarantee (2020).

of dropping out from schools. For the first time, in 14 vocational secondary schools in Albania, the EWS is being implemented as a dropout prevention measure. During this period, more than 200 education personnel in 14 pilot schools were trained and mentored by national and international experts on the implementation of the EWS,[9] and more than 150 vocational school students were advised and mentored through direct assistance, sharing ideas for dropout prevention projects and peer activities. These pilot schools were further supported by provision of grants for the implementation of school projects proposed by vocational school students, which involves cooperation with teachers, parents, the local community, local businesses and municipal institutions. Participation and access to vocational education have also been encouraged with the revision of the Government Decision No. 666,[10] which enabled the provision of half-scholarship to all girls attending vocational education and the provision of scholarships for those students who undertake VET programmes that are not in high demand. Similarly, the Government Decision No. 119[11] was approved to cover transportation costs for students studying outside their residence to avoid any possible dropouts due to transportation reasons.

Communication and Outreach: To bring services or information to all young people, particularly those who are "hard to reach" (e.g. those who are not registered with public or non-public support services), during 2023, the NAES began to design the National Youth Guarantee Digital Portal to clearly convey the message of the YG scheme and its service offer. The portal aims to serve as a unique gateway where all young people can access a wide range of information and services, including job offers, training and professional development opportunities, career counselling, and information on available support programs for young people. In addition, the portal will have features to provide guidance on creating CVs and advice on job interviews. The platform will feature questions and answers section and feedback area for continuous service improvement. In the framework of designing and implementing information and awareness raising campaigns to attract young people to the services and measures available within the YG, the NAES carried out information campaigns for the launch of the YG in three pilot regions targeting and inviting both NEETs and employers to apply for YG.

Preparation. On 27 October 2023, MECI and NAES launched the pilot phase of the Youth Guarantee (YG) programme in three regions: Tirana, Shkodër, and Vlorë. The launch event was attended by senior representatives from the EU Delegation in Albania, the Ministry of Finance and Economy, the Ministry of Health and Social Welfare, the Ministry of Education and Science, the Ministry of State for Youth and Children, and other partners such as the

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[9] Including teachers of general and vocational subjects, representatives from the Development Unit, psychologists and social workers),
[10] Dated 10.10.2019 "On financial quotas for food in canteens and dormitories and determining the criteria for benefiting from payment scholarships for students of pre-university education in public educational institutions"
[11] Dated 1.3.2023 "On the use of public funds for the transportation of educational personnel and students who work/study outside the residence"

International Labour Organization (ILO), United Nations Development Programme (UNDP), EU4SI, and UNICEF. For the implementation of the pilot phase of the YG, NAES prepared a pilot plan, designed the implementation procedure for Albania,[12] and redesigned and refurbished offices to serve NEETs. In addition, more than 50 employees of LOs, Public Vocational Training Centres and vocational schools operating in the three pilot municipalities were trained to provide more specialized services for NEETs. In parallel, NAES has started developing the YG module within the IT system for delivery of services as well as to track the journey of NEET young people before, during and after involvement in the YG scheme according to monitoring framework requirements of the EU. During the period 21 November - 31 December 2023, 72 young people received the preparatory assistance (47 in Tirana, 22 in Shkodër and 3 in Vlora). They were supported with individualised approach which started by assessment of individual needs to identify individual barriers and continued with drafting of the individual action plan and delivery of widespread services that match individual needs, such as job counselling, career guidance, soft skills development, including digital skills.

Offer. To adapt its offer of ALMPs to the needs of youth NEET, NAES, reviewed existing programmes during 2023 as well as added new ones. To this end, two Government Council Decisions regulating current employment promotion programmes were revised[13], and a new Decision on traineeships was drafted and approved by the Government.[14] The traineeship programme will be implemented for the first time in YG's three pilot regions, which will cover three to six months of on-the-job training followed by six months of employment. During 2023, in total 72 young people received an offer of ALMPs and return to education after receiving the preparatory assistance.

Policy measure 2.1.3. Increasing the inclusion of inactive women in the labour market
This priority measure aims to increase women's participation in the labour market, with a focus on integrating inactive women through activation policies, flexible employment, and self-employment policies, particularly in the care and rural economy.

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[12] NAES is also collaborating with the Swedish Employment Service, which has carried out an assessment of employment services that can be sub-contracted, among others for vulnerable groups and youth NEET.

[13] Government Decision No. 17- "On the procedures, criteria and rules for the implementation of employment promotion programs through employment, job training and professional practices" and No. 535- "On the procedures, criteria and rules for the implementation of the public works program in the community" to make youth NEET as part of priority vulnerable groups, make them eligible to have access to benefits during their participation, and reducing the age criterion in the "Public Work in the Community" program from 25 to 21 years old in order to include more young people who are Economic Aid beneficiaries.

[14] Government Decision No. 264, (dated 27.04.2023) "On the approval of the Procedures, Criteria and Rules for the Implementation of the Employment Promotion Program, according to the Youth Guarantee scheme through Learning at the Workplace.

For this purpose, during 2023, NAES prepared a specific package of employment services with technical assistance from France to better serve women from rural and underserved areas.[15] NAES personnel at central, regional, and local offices were trained[16] to design and pilot an employment services package for unemployed women in rural and underserved areas in Elbasan, Lushnje and Kamze. To increase coverage in rural and underserved areas that are not covered by the LOs, NAES entered into cooperation with the municipalities to deploy employment counsellors to serve jobseekers from these municipalities. For the first time, two mobile work offices were set up as part of the NAES regional directorate in Tirana and Durrës to further extend services. Moreover, the NAES in cooperation with Expertise France has completed an assessment of the care economy in Albania which will be used further for policy development and refinement of the services.

Policy Measure 2.1.4 Increasing the integration of persons with disabilities (PWD) in labour market systems and skills development

The Strategy aims to increase employment and training opportunities for PWD by raising awareness, enhancing institutional capacities to adapt infrastructure and services, and supporting the preparation of the private sector and employer readiness to hire PWD, along with functionalising the Social Fund. The overall approach is inspired by the Disability Employment Package, which is announced in September 2022 by the European Commission.

Employment services. During 2023, NAES developed guidelines to assess the job readiness of PWD and provide adapted employment services for PWD, enabling them to secure, retain, and advance in employment. This guide defines the procedures and rules to be followed in the provision of employment services for PWD who are registered in the LO, starting from the moment of registration in the relevant LO until their integration into the labour market. To enhance coordination mechanisms and capacities to deliver both employment and social services, NAES, in collaboration with the Albanian Foundation for the Rights of Persons with Disabilities and the Municipality of Tirana, implemented "Social Inclusion of Persons with Disabilities through Employment" project, supported by the European Union in Albania. This initiative was also extended to Shkodër, Elbasan and Durrës with plans to expand it nationwide in the future. As a result of these efforts, NAES was able to register over 9,000 PWDs in their system.

Employment promotion programmes. MECI revised the Government Council Decision on employment promotion programmes to improve access for PWD to various measures and provide additional benefits to employers for reasonable workplace adaptations (up to 200,000 ALL). For the implementation of the Social Fund, NAES conducted a detailed analysis

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[15] Which includes: (i) creation of Work Clubs for women, (ii) use of the new Community Employment and Training program to improve services specifically for this target client group, (iii) develop flexible approaches for the collective use of the Self-Employment Program, (iv) appoint a 'Gender Champion' in each NEAS office.
[16] A study visit was conducted in France to see some of the good institutional practices

of public and private entities affected by the legal provisions of Law No. 15/2019 on employment promotion and the number of PWD employable under this law.

Institutional Infrastructure. This year, LOs in Dibra, Shkodër, Lezhë and Gjirokastër were renovated to remove physical and architectural barriers, enhancing access and mobility for PWDs within their premises. The NAES IT system and online platform (puna.gov.al) were upgraded for easier use by PWD and employers wishing to hire PWD. NEAS is also working on IT system interoperability to facilitate the exchange of information in a standardised form for PWDs registered in social services.

Working with employers. In 2023, five informational meetings were held with firms in the construction, economy, technology, trade sectors to explore how employers can be encouraged to provide training and employment for PWDs, and to make reasonable adaptations to workplaces, job design, tools, machinery and work organisation to facilitate this. Following these discussions, the Government Decision on employment promotion programmes was amended to provide additional benefits to employers for the reasonable adaptation of the workplace for persons with PWDs (up to 200,000 ALL).

Indicators for policy measures and specific objective

Policy measures under this specific objective appear to contribute positively to increased participation of vulnerable groups in job placement services, employment promotion programmes, and vocational training programmes. Table four shows that job placements for economic aid beneficiaries, Roma and Egyptians, PWD, and LTU have increased in both absolute terms and percentage, reflecting greater inclusion. In 2023, about 2,820 (10%) economic aid beneficiaries were employed through job placement services, compared to 1,785 in 2022 (7%) in 2022. Similarly, 266 (1%) PWD were employed in 2023, up from 18 (0%) in 2022. The job placement rate was also increased for women from 49% to 53% of all those that are employed through employment services

The inclusion of vulnerable groups in employment promotion programmes shows a similar trend, although the total number of jobseekers benefiting from these programmes decreased from 4,344 in 2022 to 2,635 in 2023. In 2023, 19% of economic aid beneficiaries and 2% of PWD participated in various employment policy programmes, compared to 16% and 1%, respectively, in 2022. Similarly, the share of women beneficiaries that participated in employment policy programmes increased to 63% in 2023. Conversely, participation in vocational training increased in absolute terms from 14,917 in 2022 to 15,134 in 2023, including these group of jobseekers, though there was no change in relative terms.

Further improvements in how these groups are served, ceteris paribus, should lead to better labour market outcomes, such as lower youth NEET rates and lower inactivity rates, which these policy measures aim to achieve. Since YG started towards the end of 2023, any changes

in the youth NEET rate (for ages 15-29) for 2023 cannot be attributed to the YG policy. According to the Labour Force Survey (LFS), the youth NEET rate (aged 15-29 years) changed from 26% in 2021 to 25% in 2022. Conversely, inactivity rates for all groups are decreasing, especially for women. Overall, inactivity rates declined from 30.7% in 2021 to 25.9% in 2023, with the inactivity rate for women decreasing by about 9 percentage points compared to 2021 (see Table 1 and Figure 1 for more details).

Table 4: Indicators for policy measures and policy objectives 2.1.

Policy measure/objective	Indicator	Baseline	Achievement 2023	Source/Means of Verification
Policy Measure 2.1.1. Services and programs promoting employment and training using the labor market ecosystem	Percentage of municipalities where category three jobseeker are supported in partnership with public, non-public and private employment service providers	0%	TB	NAES / Administrative Data
	The number (or percentage) of participants in employment promotion programs from specific groups, divided based on different categories (from the third level, beneficiaries of economic assistance, ethnic groups, etc.).	Total: 4344 From Eco. Aid: 692 (16%); Roma &Egyptian: 304 (7%) **(2022)**	Total: 2635 From Eco. Aid: 494 (19%); Roma &Egyptian: 194 (7%)	NAES / Administrative Data
	The number (or percentage) of participants in vocational training from specific groups, divided based on different categories (from the third level, beneficiaries of economic assistance, ethnic groups, etc.).	LTU:786 (8%) Eco. Aid: 768 (8%); Roma &Egyptian: 255 (2%) **(2022)**	LTU: TBD Eco. Aid: 842 (8%); Roma &Egyptian: 228 (2%)	NAES / Administrative Data
	The number (or percentage) of job placements realized for vulnerable groups	Total: 26,794 LTU: 4125 (15%) Eco. Aid: 1785 (7%); Roma &Egyptian: 497 (2%) **(2022)**	Total: 27,657 LTU: TBD Eco. Aid: 2820 (10%); Roma &Egyptian: 1032 (4%)	NAES / Administrative Data
Policy measure 2.1.2. Support inclusive school-to-work transition for young people (NEET) through the	Number of young people aged 15 – 29 supported through the Youth Guarantee scheme, divided by gender	0 (2012)	72	NAES / Administrative Data

implementation of the Youth Guarantee scheme				
Policy measure 2.1.3. Increasing the inclusion of inactive women in the labour market	Number (or percentage) of women beneficiaries served by different employment promotion programmes	TBD	1660 (63%)	NAES / Administrative Data
	Percentage of job placement for women jobseekers	49% (2022)	53%	NAES / Administrative Data
Policy Measure 2.1.4 Increasing the integration of persons with disabilities (PWD) in labor market systems and skills development	Number of PWD supported through employment services, education, vocational training and employment promotion programs	From EPP: 48 (1%) From vocational training: 83 (0.8%); Job placement services: 18 (0%);	From EPP: 40 (2%); From vocational training: 119 (1%); Job placement services: 266 (1%)	NAES / Administrative Data
Strategic Objective 2.1 Mediating and delivering effective and inclusive programmes that support employment	Young people neither in employment nor in education or training (NEET rate) (age 15-29)	26.1% (2021)		INSTAT/ Labour Force Survey
	Inactivity rate, by gender	30.7% (2021) 38.6% for women, 22.7% for men	25.9% (2023 Q3) 29.8% for women and 17,8% for men a	INSTAT/ Labour Force Survey

Figure 2: Youth NEET rate (15-29) and inactivity rates in Albania
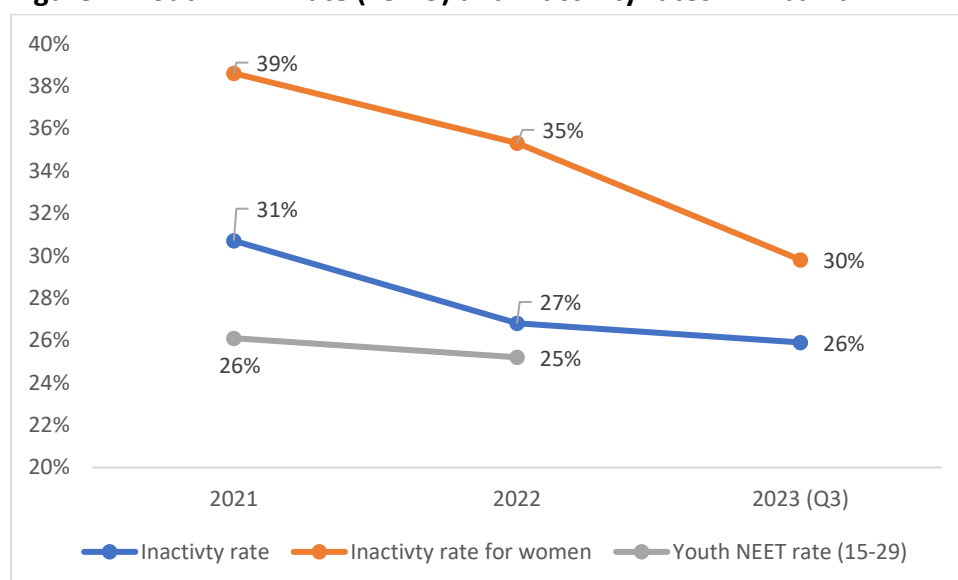
Source: INSTAT, Labour Force Surveys

Policy Measure 2.2.1. Strengthening and improving the efficiency of labour inspection throughout the territory of the country

The Strategy aims to further strengthen the role of labour inspectorate in implementing employment legislation and protection against discrimination, guaranteeing safety at work and improving health conditions through better monitoring and inspection practices at the workplace as well as promoting a preventive and supportive culture.

Improved inspection processes. State Inspectorate of Labour and Social Services (SILSS) prepares the inspection plan based on risk assessment methodologies. On average, 83% of inspections are carried based on this plan (i.e. are planned inspections). In 2023, with the technical support from ILO and financial support from the EU, the risk assessment methodology was enhanced with additional criteria and indicators to better determine the risk level of entities. This methodology now generates automated inspection plans using advanced technologies like data mining and machine learning, from which planned inspections are derived.[17] This advanced system was completed in December 2023 and now it is being piloted. These changes are expected to significantly improve the planning process of inspections by orienting inspections towards sectors or entities with higher risk. This will enable SILSS to channel its human resources towards sector and entities that require a higher level of monitoring and enforcement which is expected eventually to contribute to the improvements of the compliance of legislation and decent work. This year, SILSS revised the checklists (documents outlining the scope of the inspection) and forwarded them to the Central Inspectorate for inclusion in the e-inspection systems.

Following ratification of the ILO Convention on Violence and Harassment (C190), in 2023, SILSS engaged in various activities to facilitate its implementation. Core inspectors were trained on international standards and practices related to discrimination, violence, and harassment in the workplace. check-lists were updated and piloted with accompanying indicators related to these issues. In addition, informative meetings and an annual conference were organised to discuss good practices and challenges in reducing and eliminating workplace discrimination, violence and harassment. SILSS signed cooperation agreements for the exchange of information with various institutions, including the National Business Centre, NAES, the Tax Authority, the Commissioner for Protection from Discrimination, among others. Notably, improved cooperation with institutions such as the Tax Authority and the National Business Centre has enabled SILSS to contact newly established entities more effectively.

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[17] During this process two IT systems (the Penalty Matrix and the Risk Analysis System (RAS)) had to be upgraded. The Penalty Matrix (MPS), is a system processes the information of 3200 legal provisions and on the basis of the subject's history of violations, proposes the amount of punishment provided for by law with the principle of proportionality. The Risk Analysis System (RAS) is now integrated into the MPS system prepares automated monthly inspection plans based on risks, relying on advanced technologies such as "Data mining" and "Machine Learning" which evaluates the history of inspections, the specific risk weights for each sector or other indicators.

Promotion of preventive culture. SILSS organized many local activities, trainings and information campaigns in order to sensitize all interested parties on regulations and best practices in the field of occupational safety and health at work. During the "International Day of Safety and Health at Work", an informative video on safe and decent work rules was prepared, and meetings were organised with representatives from trade unions, employers, and civil society to promote a preventive culture and respect for workers' rights. During various inspection visits and events, SILSS distributed about 4,500 leaflets with informative content on safety and health at work.

Policy measure 2.2.2. Promotion of social dialogue in the labour market
Progress of interventions under this policy measure has been moderate during 2023.
As part of promoting and developing social dialogue, on April 20, 2023, a meeting of the National Labour Council was held, where various issues of interest to social partners were discussed. These included the consultation on the draft law "On some additions and amendments to Law No. 7703, dated 11.05.1993 'On Social Security in the Republic of Albania,' as amended; information on the potential increase in the average wage that would allow for fair remuneration in relation to each person's work and contribution; and policy recommendations for improving access to justice for all workers in Albania through amicable resolution of workplace disputes and an action plan for implementing them, as well as various issues proposed by the social partners.
In 2023, the National Labour Council held only one of the four meetings required annually.

In 2023, permanent tripartite specialized commissions were created in the KKP, such as: Legal Commission; Employment, Education and Vocational Training Commission; Wages, Pensions and Social Support Commission; Commission of Working Conditions, Health and Insurance at Work; Economy and Finance Committee; Equal Opportunities, Disability and Youth Commission.

The Tripartite Regional Consultative Councils (TRCC) are social dialogue bodies at the regional level, intended to consult on regional policies related to employment, professional training, worker protection, hygiene and safety, production, welfare, education, and economic issues. These councils consist of 15 members and 15 candidates, with equal representation from the state party, employees, and employers.

In order to operate the TRCC, the draft decision provides for the composition, the chairmanship of this council, the duties of the chairman and vice-chairmen, the issues that will be consulted in its meetings.

The draft decision for the establishment of the TRCC in twelve districts comes as a joint proposal of the Ministry of Economy, Culture and Innovation with the Ministry of State for Local Government.

In 2023, a total of 5 collective disputes were addressed, for which mediation and reconciliation were requested. Of these disputes, 2 were successfully resolved at the mediation stage, while for the other 3 cases, mediation and reconciliation were unsuccessful.

During 2023, 6 collective contracts were submitted to the ministry responsible for labour issues, covering sectors such as telecommunications, apparel manufacturing, services, extractive industries, and others.

The registration of collective labour disputes, collective labour contracts, and the registration of unions continues to be done manually.
By an order of the responsible Minister, a technical group has been established to prepare an assessment and develop the necessary labour legislation for defining public procedures for mediation and reconciliation of labour disputes.

Policy measure 2.2.3. Improving policies for decent employment

The Strategy aims to support reforms and policies that enhance decent work through an efficient system of protection against unemployment, better working conditions, and competitive wages driven by functioning market mechanisms. To achieve this, the Ministry has initiated two important policy initiatives for decent employment. The first initiative focuses on occupational safety and health at work. In early September, the Prime Minister established an inter-institutional working group to draft a policy document on occupational safety and health for the period 2023 - 2030, along with the associated action plan. The drafting of this document is currently in progress. The second one is related to ratification of the ILO convention (C190) on violence and harassment in the workplace. This convention came into force in 2023, and the preparatory activities undertaken by Albanian institutions are outlined above under policy measure 2.2.1

Indicators for policy measure and specific objective
In 2023, 9,938 entities, comprising approximately 216,000 employees were inspected (2.1% less than in 2022 due to vacant positions for labour inspectors). These inspections revealed that 18% of the entities fully complied with labour legislation, marking a 3% increase from the previous year.[18] Similarly, the number of employees found without a contract decreased from 2,946 in 2022 to 2,502 in 2023. Conversely, there was an increase in the number of employees under 18 and foreign workers without a work permit, rising from 171 to 215 and from 21 to

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[18] 82% of entities inspected have not followed completed the legal provisions, with an average of 2.5 violations per subject inspected. Informality constitutes 32.4% of the total violations of the legal provisions of the labour legislation, safety and health at work constitutes 30.8%, working conditions account for 24%, regulation of labour relations account for 9.3% and other violated legal provisions account for 3.5%.

27, respectively. Due to improvements and automation in risk-based inspection plans, the percentage of entities inspected for the first time based on risk increased to 22.3% in 2023.

Regarding workplace accidents, there was a slight decrease in the number of workers injured in total and those with fatalities despite growing economic activities. In 2023, there were approximately 168 work accidents, 30 of which resulted in fatalities. Notably, out of 168 work accidents 40 (23.8%) were road accidents classified as work accidents under current legal provisions. This decrease in the number of accidents signals an improvement in workplace safety and health conditions, and the effectiveness of measures to prevent workplace accidents.[19] In addition, the automation of the risk-based planning process and an improved database have helped identify sectors and entities with potential non-compliance, allowing inspectors to increase their effectiveness, which is expected to lead to better enforcement, more decent jobs, and less work-related accidents.

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[19] Including increased commitment to occupational safety and health by entities through preparing "Risk Assessment Document" and by strengthening of the role of the Occupational Safety and Health Coordinator etc.

Figure 3: Number of work accidents and number of work accidents with fatalities
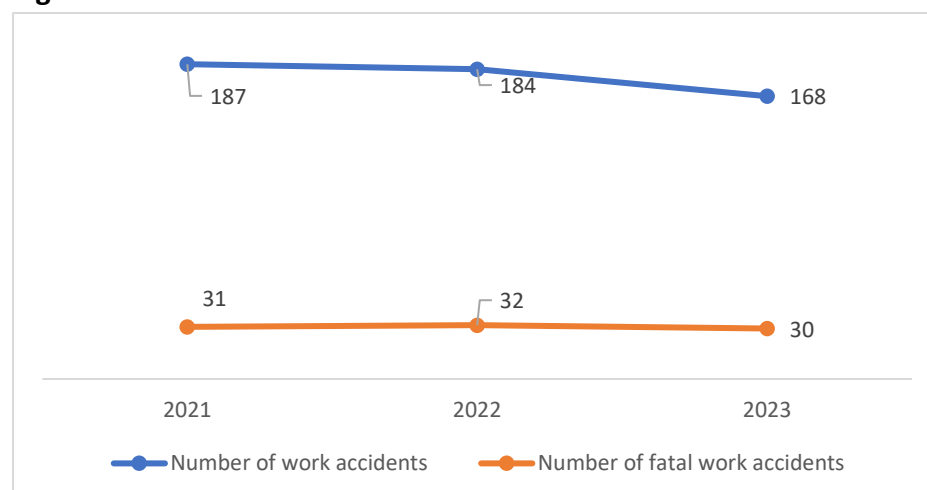

Source: SILSS Yearly Report 2023.

Table5: Indicators for policy measures and policy objective

Policy measure/objective	Indicators	Baseline	Achievement 2023	Sources and means of verification
Policy Measure 2.2.1.: Strengthening and improving the efficiency of labour inspection throughout the territory of the country	Percentage of entities inspected based on dedicated checklists	18%	**18 %**	SILSS/ administrative data
	The percentage of entities inspected for the first time based on risk	20%	22.3%	SILSS/ administrative data
Policy Measure 2.2.2: Promotion of social dialogue in the labour market	Number of regions with a functional local commissions for social dialogue	0	TBD	MECI
Policy Measure 2.2.3: Improving policies for decent employment	Number of amended and implemented policies on decent work	0	2	MECI
Strategic objective 2.2: Ensuring decent work for everyone, everywhere	The rate of informal employment in the non-agricultural sector	29.4%	TBD	INSTAT/ Labour Force Survey

Chapter 4. Key developments in the labour market

Due to strong economic growth and favourable labour market policies, Albania has been experiencing positive developments in the key indicators of the labour market recent years. The employment rate, or employment-to-population ratio, for the 15-64 age group in Albania increased from 61% in 2021 to 68% in Q3 2023.[20] According to the LFS, in Q3 2023, the total number of people aged 15 and older in employment reached 1.32 million, which is 60,000 more than in the same period in 2021. These positive employment developments were accompanied by an increase in the labour force participation rate for ages 15-64. The labour force participation rate increased from 69% to 76%, reaching the average labour force participate rates for EU members states. The labour force participation rate for women aged 15-64 continued its long-term steady upward trend, reaching 70.2% in Q3 2023, gradually narrowing the gap in the participation rates between men and women to 10 percentage points (pp) (compared to 16 pp gap in 5 years ago). Similarly, the youth unemployment rate for ages 15-24 decreased from 27% in 2021 to 22% in Q3 2023. Although Albania has the highest employment rate for women among Western Balkan countries, there remains a gender gap in employment, albeit in declining trend. In 2021, the gender gap in employment was 14.4%. By 2023, it had decreased to 11.2%, which is slightly higher than the average gap of EU members states at 10.3 pp.[21]

Figure 4: Key labour market indicators
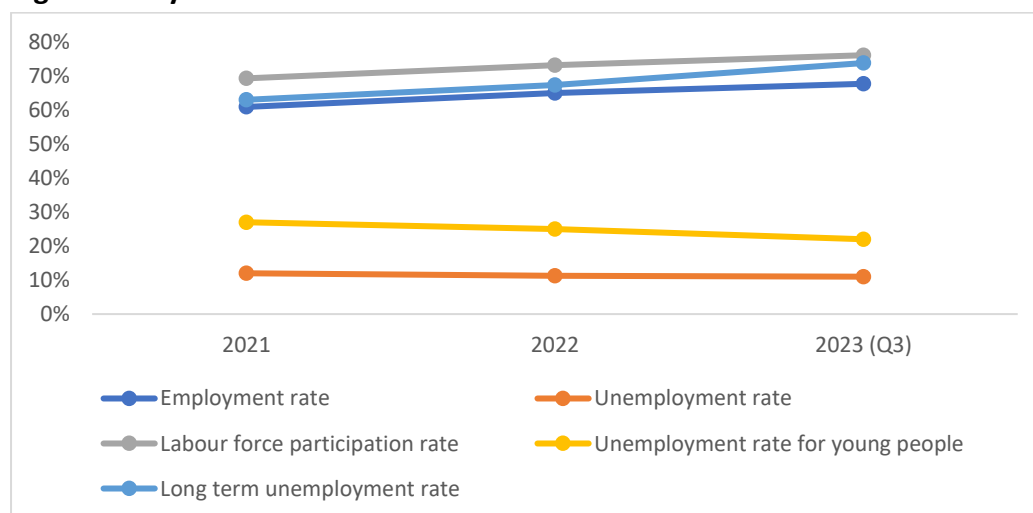
Source: INSTAT, Labour Force Surveys

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[20] Although, there is still 7.5 pp gap on employment rate between Albania and average EU members states and 10 pp gap to EU target rate by 2030.

[21] Similarly, both nominal and real wage growth in Albania was robust in 2023. The nominal compensation per employee increased in Albania by 14%, while in real terms the real compensation per employee increased by 9% due to inflation. On the other hand, between 2022 and 2023, statutory minimum wages rose by more than 18% in nominal terms and 13% in real terms compensating much more than the impact of inflation on the purchasing power of minimum wage earners.

As shown in figure 5, Albania is in a much stronger position compared to other regional countries (i.e. Western Balkan countries) regarding key labour market indicators. Albania has the highest employment rate, labour force participation rate, and employment rate for women, while the unemployment rate and youth unemployment (aged 15-24) are on par with the average rates for the Western Balkan countries.

Figure 5: Key labour market indicators of Western Balkan Countries (2023)

Source: https://ilostat.ilo.org/data/#
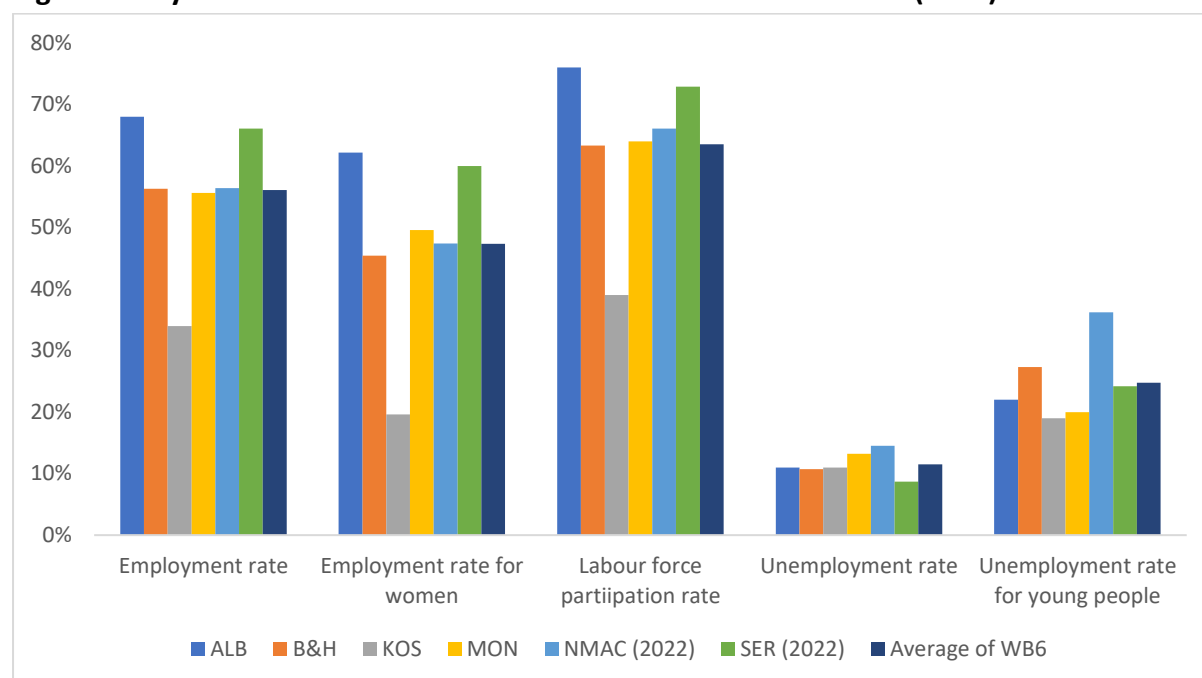
Despite these positive developments, the unemployment rate has remained almost unchanged, fluctuating between 11% and 12%in recent years. The only indicator showing a reversing trend is the share of long-term unemployed, which underscores the importance of this strategy. The share of long-term unemployment increased from 63% in 2021 to 74% in Q3 2023. On the other hand, there is no available data on the participation of adults aged 25-64 in lifelong learning processes over the past 12 months, disaggregated by gender. INSTAT is considering including this data in the LFS, while the latest available data is from the Adult Education Survey (AES) conducted in 2017.

Table 6: Indicators for strategic objectives (impact)

Policy goals / impact	Indicator	Baseline	Achievement 2023	Source/Means of Verification
1) Skills development and better matching between labour	Employment rate (15 - 64 years) disaggregated by gender	60.9% (2021), 53.8% for women, 68.2% for men	64.5% 70.8% for men 58.5% for women (Q3 2023)	INSTAT/ LFS

demand and supply for higher employment	Participation of adults aged 25-64 in lifelong learning processes during the last 12 months, disaggregated by gender	9.2% (2017)		INSTAT / Adult Education Survey
2) Promote decent employment for women and men though implementation of comprehensive labor market policies	Youth unemployment rate for the 15-24 age group, disaggregated by gender	26.5 (2021) 29.2% for young women, 25.5% for young men	22% (Q3 2023)	INSTAT/ LFS
	Gender gap in employment in %	14.4%	11.2% (Q3 2023)	INSTAT/ LFS
	Percentage of long-term unemployment, disaggregated by gender	63% (2021) 65.5% for women, 60.9% for men)	74% (Q3 2023)	INSTAT/ LFS

Chapter 5. Partnerships, coordination and innovation

5.1. Partnerships

During 2023, the implementation of the NESS 2023-2030 has been significantly supported through various partnerships that have contributed to the achievement of its objectives and policy measures. Key partnerships include:

UNDP Albania – Skills Development for Employment. Through longstanding collaboration and support, UNDP Albania has facilitated several activities, including the finalization of the Employment and Skills Strategy 2023-2030 under the guidance of the Ministry of Finance and Economy, the drafting of a new Employment Promotion Program through Social Reintegration, and contributions to the 2023 Employment and Skills Fair and Business Climate Formation.

SwissContact – Skills for Jobs. It contributed through the development of new vocational qualifications and revision of existing ones based on private sector inputs, ensuring market relevance and improving employability. It supported quality assurance mechanisms within the VET system, by preparing the VET provider for the accreditation and self-assessment processes. The project facilitated the integration of blended learning strategies, equipping instructors with necessary skills and utilizing the digital platform MësoVET for remote learning. Promotional activities increased the visibility and enrolment in vocational education, particularly among girls, through campaigns and fairs. Additionally, the project emphasized capacity building and training for VET instructors, providing guides for blended learning in adult education. It also encouraged systemic engagement of private sector partners in VET governance, aligning training programs with industry needs.

Swisscontact – Boost Employment and New Perspectives: A key partner, Swisscontact Albania helped design an improved Individual Employment Plan tool in the Employment Services IT System and trained 60 new employees of Regional Employment Directorates. Another significant project is "New Perspectives," a socio-economic and development project implemented in Kukës County, which aims to develop employment, entrepreneurship, and business opportunities in the region.

Regional Challenge Fund. An instrument of the German Development Bank (KFW), RCF supports projects jointly implemented by vocational training institutes and partner enterprises engaged in cooperative training activities to enhance employability, especially among youth. In 2023, 23 public vocational education and training providers applied to the third call for proposals, with the winners to be announced in early 2024.

Alliance Française for Development: It implement a Technical Assistance Program offered by Expertise France, supporting the Albanian Government's efforts to implement priority actions of the Policy Matrix and increase gender equality and women's participation in the economy. Through their support, specific employment programmes was introduced targeting women living in rural areas or other distant areas.

International Labour Organization (ILO): Supported institutions by integrating Youth Guarantee initiatives and preparing the "Outreach Strategy for NEET Youth in Albania". And was involved in training conflict mediators in Employment Offices and certified 11 NAES employees as Conflict Conciliators under the ILO's social dialogue strengthening efforts.

GIZ Albania: As part of the "Designing the service protocol for returned migrants" project, GIZ Albania has supported the implementation of the strategy in building a dedicated website for returned migrants and conducting a needs analysis for training related to employment services for this target group within the NAES informative system and website. GIZ Albania also supported the 2023 Employment and Skills Fair.

RISI Albania: With RISI Albania's support various promotional activities to strengthen public-private cooperation in the employment sector were conducted, including three regional meetings with employers and a dedicated Decent Work event in December 2023.

RECONOMY: An inclusive and green economic development program initiated by the Swedish International Development Cooperation Agency (Sida) and implemented by Helvetas Swiss Intercooperation, RECONOMY operates in the Eastern Partnership and Western Balkan regions, including Albania. The program focuses on creating economic opportunities for disadvantaged and marginalized women and youth, promoting decent and environmentally friendly employment in a sustainable manner. Through the "Implementation of Labour Market and Employment Policies" (LMPIE) project, RECONOMY supports human resource management improvements and modernization of public services in Albania, Bosnia and Herzegovina, and Kosovo.

OeAD: OeAD has provided significant support through the AL-VET project in Albania, focusing on enhancing vocational education and training (VET). This includes the development of digital teaching and learning materials, equipping VET schools with digital infrastructure, and building the capacity of teachers in digital skills. OeAD has also facilitated partnerships between VET schools and dormitories to improve outreach activities targeting vulnerable groups and girls in rural areas. Furthermore, OeAD has promoted events like "Girls' Day" to increase female participation in VET programs, and supported the implementation of quality development projects and self-evaluation practices in schools

IPA Instrument for Pre-accession Assistance III: It has provided technical support for preparing the programming package and entrustment package of the IPA III Operational Programme "EU for Youth Employment". The Youth Guarantee Operational Plan was officially submitted to the European Commission in June, with further preparations ongoing to complete the process.

These partnerships have played a crucial role in advancing the goals of the NESS by providing technical assistance, funding, and capacity-building initiatives aimed at improving employment and skills development outcomes across Albania.

5.2. Coordination and harmonisation

Based on the Order no. 157 / 2018 of the Prime Minister, the IPMG "Employment and Skills" and the respective thematic group "Employment and Skills" convened regularly during the first half of 2023 to present, discuss and endorse the annual progress report of the National Employment and Skills Strategy 2019-2022, as well as the IPA III Operational Programme.

Upon the initiative of the SASPAC, a review of the Integrated Policy Management Group (IPMG) Mechanism was carried out, with the aim to optimize the function and impact of such mechanism, focusing on enhancing governance, efficiency, and alignment with strategic objectives.

Moreover, the review aims to improve the work and effectiveness of IPMGs and thematic teams by better integrating public policy planning.

The Order No. 90 of 1st August 2023, has introduced the renewed mechanism of integrated policy management and the following structure of the IPMGs:

- Democracy, Rule of Law, and Good Governance
- Economic Development
- Human Capital Development
- Environment and Climate Changes
- Regional and Rural Sustainable Development
- Interconnections

These groups are set to cover broader and more specific areas like justice, public order, competitiveness, social protection, environmental management, and infrastructure.

According to the PM's Order no.90/2023 the IPMGs meet regularly, at least once every six months, while the respective teams are expected to meet quarterly. SAPSAC is the Central Coordination Secretariat will coordinate development partners engagement in the activity of IPMGs and is set to report biannually to the Strategic Planning Committee.

The IPMG on Human Capital Development chaired by the Minister of Economy, Culture and Innovation, covers integrated coordination of public policies in 1) employment and skills; 2) social protection; 3) education; 4) scientific research and innovation; 5) youth, culture and sports; 6) gender equality and 7) marginalized groups.

The IPMG on Human Capital Development includes the following thematic teams: 1) Employment, Skills and Decent Work; 2) Social Protection; 3) Education; 4) Scientific Research and Innovation; 5) Children, Youth, Culture and Sports; 6) Gender Equality; 7) Marginalized Groups.

The IPMG on Human Capital Development convened for the first time in the renewed setup on October 30, 2023.

5.3. Innovation

The automation of risk-based planning for inspections using advance technologies can be regarded as innovation. With technical support from the ILO under the ESAP II project, and financed by the EU, two inspection platforms - (the MPS 'Penalty Matrix' system and the RAS 'Risk-Based Planning System'—were integrated, upgraded, and advanced using new technologies such as 'Data Mining' and 'Machine Learning'. The newly advanced system conducts automated planning for inspections using a risks-based approach. The automation process directs inspections towards sectors or entities with higher risk that require higher level of monitoring and enforcement. Channelling resources towards these sectors and entities is expected to improve the effectiveness of inspection, increase compliance, and ultimately lead to greater decent work.

Chapter 6. EU integration and support

6.1. EU support.

In 2023, the European Union continued to support Albania's integration efforts, particularly in the areas of employment and skills development. This support is part of the broader framework to assist Albania in aligning with EU standards and enhancing its readiness for potential EU membership.

Key aspects of the EU's support in 2023 included:

National Employment and Skills Strategy: The EU backed the development and implementation of Albania's National Employment and Skills Strategy for 2023-2030. This strategy focuses on improving the quality of jobs available in the market, enhancing the relevance of skills training to meet current and future market demands, and ensuring that the workforce is adequately prepared for the evolving economic landscape.

Youth Guarantee Implementation: A significant part of the EU's support was directed towards the implementation of the Youth Guarantee scheme in Albania. This program aims to ensure that all young people under 29 receive a good-quality offer of employment, continued education, apprenticeship, or traineeship within four months of becoming unemployed or leaving formal education. The EU's support helped to pilot this scheme, with plans for scaling it up to full national implementation, focusing particularly on integrating NEETs (those not in education, employment, or training).

Through the "EU for Social Inclusion" Programme, EU support also extended to programs aimed at increasing employment opportunities for marginalized groups, including women, young people, and persons with disabilities. This included efforts to enforce non-discrimination policies and enhance access to the labour market for all citizens.

With the adoption of the EU's New Growth Plan in November 2023, which encompasses a comprehensive economic and investment plan for the region, the EU has introduced a new integration methodology, that aims to spur long-term recovery, boost economic growth, and support closer regional integration and alignment with EU standards.

6.2. Albania Progress Report 2023

Chapter 2 "Freedom of Movement of Workers"

As of 2023, Albania demonstrates a moderate level of preparation in the freedom of movement for workers. Progress has been made in implementing the 2022 report's recommendations, particularly in enhancing the free movement of EU citizens' family members, bolstering bilateral social security agreements, and advancing the IT system to map job vacancies. Notably, the National Agency for Employment and Skills (NAES) has developed an application that provides up-to-date job information, preparing for integration with the European Network of Employment Services (EURES) upon EU accession. Moreover, Albania has successfully developed and adopted 17 bylaws to implement the Law on Foreigners, aligning with the recommendations from the 2022 report.

Key recommendations from the 2023 report include:
- Continued development of the IT system to facilitate connection with EURES.
- Enhanced enforcement of the Law on Foreigners.
- Ongoing negotiations and implementation of new bilateral social security agreements, particularly with EU member states.

Chapter 19 "Social policy and employment"

According to the 2023 EU Progress report, Albania is *moderately prepared on social policy and employment* and made good progress during the reporting period, increasing the quality and effectiveness of labour market institutions and improving access to jobs. In line with last report's recommendations, the new 2023-2030 National Employment and Skills Strategy was adopted. It focuses on the quality of jobs, skills development and better matching of demand with supply in the labour market. The national implementation plan for the Youth Guarantee scheme was also approved, as an annex to the 2023-2030 national strategy. Efforts should continue on strengthening the social protection system, alongside the labour market measures. The 2023 EU's progress report recommendations include the following:
- The adoption of the new 2023-2030 strategy for occupational health and safety, with a focus on strengthening institutional capacity to effectively enforce compliance with the legislation, and adopt the 2024-2030 national social protection strategy;
- Piloting the Youth Guarantee targeting youth unemployment, especially young people who are not in education, employment or training (NEETs), and start to roll it out into full implementation;
- Increase the budget allocation, implementation and monitoring of the social fund, strengthen the capacity of local government, and revise the procurement procedures for social care services.

6.3. IPA programming

Operational Programme EU for Youth Employment 2024-2027. The main objective is to provide unemployed and inactive young people, registered at employment offices, with quality employment, training, or education opportunities within a period of four months from the date of registration. The programme will primarily focus on the NEET population aged 15-29, given their high unemployment and inactivity rates. By addressing the challenges faced by youth in accessing suitable jobs and acquiring relevant skills for the labour market, the Youth Guarantee aims to alleviate the lack of future prospects that often leads to an increased need to emigrate. This operational programme aims to *enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce*, foster innovation, addressing regional labour market disparities, as well as ensuring equal opportunities in two specific sub-sectors.
1. Area of Support 1: Youth Employment
2. Area of Support 2: Youth Vocational Education and Training
3. Other support: Technical assistance

This programme will be implemented under indirect management by the Republic of Albania. The managing authority responsible for the execution of the programme is the Ministry of Economy, Culture and Innovation. The managing authority shall rely on sectoral expertise and technical competence of the following intermediate body for policy management, which is the National Agency for Employment and Skills, while for budget

implementation it will rely on the Intermediate Body for Financial Management, which is the CFCU under the Ministry of Finance. The total budget of this Operational Programme is 63,480,000 EUR.

Chapter 7. Financial allocations and delivery

The total state budget initially allocated to employment and vocational education and training for the year 2023 was approximately 57,7 billion ALL, or approximately 57 million EUR. Details on the budget allocation are provided in the tables below, for comparison, also the budget from the previous years is provided.

Table: Planned budgets vs. Actual Expenditures for the period 208-2023

Programmes	2018		2019		2020		2021		2022		2023	
	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Labour Market	2 118	1 233	1 720	1 480	1 699	1 547	2 737	2 466	2 287	1 992	2 475	2 310
VET	2 997	2 660	3 238	2 695	3 237	2 901	2855	2437	2 868	2 533	3 301	2 561
TOTAL	**5 115**	**3 893**	**4 958**	**4 175**	**4 936**	**4 448**	**5 592**	**4 903**	**5 155**	**4 525**	**5 776**	**4 871**

While the budget allocated to VET in 2023 was 33 billion ALL (approximately mi billion (approximately 32,6 million EUR[22]), actual expenditures were ALL 25,6 billion ALL (approximately 25,3 million Euros), for an overall budget utilization rate of 77,6%. The table below provides additional details on the budget by typology of expenditures. The underutilization of the budget allocation comes primarily from the capital expenditures.

Table: VET: Allocated Budgets vs. Actual Expenditures by Expenditure Type

	2018		2019		2020		2021		2022		2023	
	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual Expenditures	Planned Budget	Actual Expenditures
Current expenditures	449000	367692,9	659959	399513	659959	610355	427 728	337 854	623 100	577 020	658 264	587 998
Wages and salaries	1239500	1204416	1398541	1250209	1398541	1334976	1,625, 724	1.577,982	1 504 500	1 491 120	1 673 716	1 641 904
Capital expenditures	1316200	1088021	1179369	1045553	1179369	956459	801 834	521 240	740 779	465 071	969 279	459 700
TOTAL	**3 004 700**	**2 660 130**	**3 237 869**	**2 695 275**	**3 237 869**	**2 901 790**	**1 229 562**	**859 094**	**2 868 379**	**2 533 211**	**3 301 259**	**2 689 602**

The budget foreseen for employment and labour market programmes in 2023 was approximately ALL 25 billion (approximately 24,7 million Euros). The actual expenditure amounted to ALL 2.3 billion (approximately 22,7 milion million Euros), for an overall utilization rate of 93,3%.

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[22] The exchange rate EUR-ALL applied is 98,845 as per officially published by the European Commission in December 2022 (http://ec.europa.eu/budget/graphs/inforeuro.html).

Table: Labour Market: Allocated Budgets vs. Actual Expenditure by Expenditure Type

	2018		2019		2020		2021		2022		2023	
	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual expenditures	Planned Budget	Actual Expenditures	Planned Budget	Actual Expenditures	Planned Budget	Actual Expenditures
Wages and salaries	361 897	328 299	393 908	288 259	371 957	316 653	520, 369	485 980	522 035	519 368	686 169	652 992
ALMPs	490 000	258 371	490 000	345 955	390 000	71 555	521 700	393 240	550 000	452 222	574 000	525 236
Unemployment benefits	800 000	334 784	500 000	504 163	600 000	886 601	1 452 111	1 413 269	900 000	735 515	868 253	858 040
Revenues from VTCs	8 000	5 261	8 000	4 345	8 000	2 353		-252	8 000	0	0	0
Operational Expenditures	n/a	n/a	n/a	n/a	n/a	n/a	203 256	172 489	239 419	219 383	216 420	193 910
Capital expenditures	141 031	62 187	53 400	21 857	30 000	34 818	40 000	1 577	67 000	65 195	131 000	80 839
TOTAL	**2 057 975**	**1 227 587**	**1 720 000**	**1 479 567**	**1 699 000**	**1 546 989**	**2 737 436**	**2 466 302**	**2 286 454**	**1 991 683**	**2 475 842**	**2 311 017**