

Employment and Social Affairs Platform 2 #ESAP2

PES Bench-learning Report Public Employment Services



Tirana, 2022

Employment and Social Affairs Platform 2

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Executive Summary

This report is based on the results of the 2022 PES Bench-learning cycle in the Western Balkans facilitated by the RCC ESAP 2 project. Its main sources are the self-assessment completed by the PES according to an adapted structure of the EU PES Bench-learning exercise as well as a peer review conducted from 21 to 22 July in Tirana.

The National Agency for Employment and Skills (further in text referred to interchangeably as NAES or PES) is a public institution under the Ministry of Finance and Economy. Its mandate covers the provision of employment services for jobseekers and employers as well as the implementation of Active Labour Market Policies (ALMPs) and the responsibility for the administration of education and professional training providers (VET) which is not typical for most PES. The organisation of the PES consists of a three-tier structure covering both main tasks, employment services and VET. There is one head office located in Tirana, and 12 employment directorates as well as 10 directorates of public vocational training on the regional level. On the local level, there are 40 employment offices and 34 vocational secondary schools (VSS) as well as 10 vocational training centres (VCT) located throughout the country.

The registration with the PES can initially be done online but also requires the jobseeker's presence at the local office. This marks the beginning of the **services for jobseekers**. All jobseekers are automatically assigned to one segment depicting his or her proximity to the labour market based on information on characteristics like education, work experience, qualification and soft skills. This segmentation is also used for the development of Individual Action Plan documenting the rights and obligations of jobseeker and counsellor. This document structures the reintegration process and covers all relevant actions to be taken as well as the potential use of ALMPs. In case of non-compliance with the agreed actions, sanctions can be applied to jobseekers. The **Youth Guarantee** is currently not implemented by the NAES but the preparations for this task are ongoing. For example, as prerequisites, a mapping of youths in Albania has already been conducted and the National Plan has been drafted.

The **services for employers** of the NAES are coordinated by a dedicated unit at the head office which also provides support to large companies while SMEs are supported by staff from the local offices. The focus of the services is on the collection and posting of vacancies from employers as well as matching jobseekers and vacancies across the economy and regionally. The matching is carried out automatically based on information on the requirements of vacancies and the profiles of jobseekers but further refined manually by counsellors. Additionally, there is a mediation specialist supporting the matching process between employer counsellors and jobseeker counsellors. Further support is also offered to employers in the selection of candidates, if requested.

The registration for secondary vocational education is done online through the web portal e-Albania while the registration for vocational training courses for unemployed jobseekers is partly done through the employment offices and partly online through e-Albania.

The **channels** used for providing services by the NAES have been broadened, not least due to the COVID-19 pandemic. Phone and e-mail are now used more frequently and services like posting and browsing of CVs and vacancies are available through an online platform. However, personal contact remains the main channel for counselling.

Another task of the NAES is the **implementation of ALMPs**. In general, a broad range of ALMP is offered, such as recruitment incentives, workplace training, start-up incentives and schemes of direct job creation. At the same time, analyses of data for the recent years highlight the fact that ALMPs specifically addressing vulnerable groups like long-term unemployed and older jobseekers are relatively scarce.

Regarding the **development of the labour market** in Albania, recent data show that the immediate impact of the COVID-19 pandemic was not as strong as initially anticipated. The decrease of employment and GDP on the one hand and the increase of unemployment on the other hand observed for 2020 has been almost reversed in 2021, also thanks to measures implemented by the NAES. However, a relatively high unemployment rate among youths as well as high shares of low-skilled unemployed point to relevant challenges for the Albanian labour market. While NAES has good results in terms of focus on women in its measures and efforts, there is still a considerable gender-specific gap in the Albanian labour market regarding employment and unemployment to the disadvantage of women. PES performance indicators also show that the exits from unemployment to employment focus mainly on persons with a short duration of unemployed while there are only little shares of long-term unemployed exiting to employment.

Throughout the NAES, there have been significant **changes and developments** in recent years. One aspect is the addition of the administration of VET providers as a task of the NAES. Other changes refer to the introduction of the three-tier organisational structure, a stronger standardisation of service provision and the development of a new IT system supporting the everyday work of counsellors as well as the performance management of the NAES.

As mentioned before, the **impact of the COVID-19 pandemic** on the Albanian labour market was comparatively modest. To adapt to this situation, the NAES provided more services through alternative channels like phone and e-mail but also implemented specific benefit programmes and ALMPs, one of them targeted specifically at persons which were informally employed prior to the pandemic. Furthermore, the number of participants in courses conducted by the training centres were reduced from 15 to 7 and learning in professional schools was carried out online. However, during the pandemic, the management of online teaching processes in vocational secondary schools turned out to be a challenge for the NAES. -

Among the **strengths** of the NAES identified during the peer review the change management deserves mentioning since the organisation has successfully undergone considerable changes recently. Other strengths are the new IT infrastructure which centralises applications and databases and provides real-time access to data, combines information on unemployed, VET, ALMPs, benefits and vacancies and contains tools for statistics and reporting. Furthermore, the system supports the automated processes of profiling and matching; valuable achievements in the activation processes. Another strength is a relatively elaborate and standardised approach to risk management based on ISO standards.

To further the development of the NAES there are several **suggestions and recommendations** based on the peer review and the self-assessment. Firstly, an overall lower and more balanced caseload of jobseekers per counsellor is recommended to be achieved to allow for a more intense support of jobseekers. Also, the human resources management might be further developed, e.g. by introducing financial and/or non-financial incentives for staff, a more systematic training for newly-hired staff and gaining more influence on the recruitment process for staff on the level of the head office. Regarding both employers and jobseekers, it is advisable to conduct regular surveys among these groups to collect evidence on their satisfaction and needs and ensure a high quality of service provision. Since the coverage of ALMPs is relatively low among jobseekers, another recommendation refers to a broader use of these instruments, especially for supporting vulnerable groups of jobseekers. Finally, the NAES is encouraged to strengthen its analytical capacities by intensifying internal efforts at monitoring and evaluating services and ALMPs.

Two approaches of the NAES were found to be particularly **inspiring practices**. The first one is the development of a curriculum for trainers in Albanian Sign Language which also resulted in the training and certification of the first instructors this field. The second inspiring practice was one of the ALMPs implemented as a reaction to COVID-19. The measure which directly target persons formerly employed in the informal sector is relevant which addresses an important challenge not only of the Albanian labour market.

1. Introduction

This report outlines the results of the second Bench-learning (BL) exercise carried out by the National Agency for Employment and Skills (NAES) in Albania (further in text interchangeably referred as Public Employment Service (PES) and NAES), in the framework of the WB PES Bench-learning cycle implemented by the Regional Cooperation Council (RCC) Employment and Social Affairs Platform 2 (ESAP 2) Project. This BL exercise includes the PES self-assessment, the 1.5-day peer review hosted by the PES in Albania and held in Tirana on 21-22 July 2022.

The participants of the peer review represented the WB-peers of the PES in Albania, namely the PES in Kosovo*, the two PES from Bosnia and Herzegovina (PES of Federation of Bosnia and Herzegovina (PES F BiH), PES of Republika Srpska (PESRS), Montenegro and North Macedonia, as well as the RCC team, the local expert and the ICON expert.

The WB PES performance self-assessment follows the EU PES BL assessment framework adapted to the needs and circumstances of the WB region, to a large extent it uses the EU PES excellence model as a benchmark. Compared to the 1st WB PES BL cycle, in addition to the core PES performance drivers the PES performance on crisis management and the impact of the COVID-19 pandemic on the overall PES performance were discussed

The time and resources invested by the PES in Albania for conducting their PES self-assessment and preparation for the peer review as well as the PES staff efforts to provide the PES administrative quantitative data in compliance with the methodological requirements were critical to its success.

The summary report drawn up by the ICON expert (the RCC contractor) with support from the local expert, engaged by RCC, is based on the information included in the PES self-assessment, presentations made by the official representatives of the Employment Agency in Albania during the peer review and outcomes of the discussion between peer PES representatives, external and local experts and the RCC team. Some additional information provided by the local expert such as the list of the active labour market policy measures (ALMPs) and their characteristics were provided after the event and thus were not discussed with the PES staff. Strengths of the host PES and good practices most of all reflect the opinion of the WB peers while recommendations for certain areas of the PES performance improvement are formulated by the experts and take into account PES experiences and approaches outside the WB region.

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

2. Description of the PES

The employment agency of Albania, National Agency for Employment and Skills (NAES), is a public institution under the Ministry of Finance and Economy.

The **mandate** of the NAES is legally defined by the “Law on Promoting Employment and the Law On Vocational and Educational Training” and the Decision of the Council of Ministers (DCM) 554 from 31 July 2019. It covers the following core tasks:

- provision of employment services
- administration and implementation of ALMPs
- administration and implementation of vocational education and training providers

It has to be noted that, in contrast to many other PES, the NAES is also in charge of providing vocational education and training which is also reflected in its **administrative structure** which consists of three tiers:

- the central level with one General Directorate;
- the regional Level which comprises 12 Regional Employment Directorates and 10 Regional Directorates of Public Vocational Training;
- the local level which comprises 40 Local Employment Offices and 34 Vocational Schools.

As can be seen, the regional level and local level are each made up of two distinct strands with one in charge of providing employment services and the other in charge of providing vocational training.

Registration with the PES requires the provision of proof of identity as well as the completion of a registration form. The initial registration can be done online through the e-government portal e-albania.gov.al, while further steps require the presence of jobseekers in their respective local office. According to the rules of registration, a person is considered unemployed if he or she is of working age, capable of working and is actively looking for a job. The ability to work is determined by the relevant health institutions, while the specification of health problems that may hamper the execution of certain tasks is based on self-declaration by jobseekers.

There are in total four **objectives** of the NAES which are defined in the National Strategy for Employment and Skills 2019-2022:

- promoting opportunities for decent work through active labour market policies
- providing quality professional education and training for young people and adults

- promotion of social inclusion and territorial cohesion
- strengthening the governance of the labour market and the system of professional qualifications.

While the strategic targets for the NAES are set every four years, the objectives and tasks are defined annually for each directorate of the PES by the Directorate of Planning and Performance in cooperation with the Technical Directorates.

There is a number of **KPIs** applied by the NAES to measure its performance and achievement of above-mentioned objectives. The KPIs are collected over the course of working with unemployed persons and persons receiving vocational education and training. The main indicators are:

- indicators related to the enrichment of the register of jobseekers and employers in Employment Services
- level of announcement and completion of job vacancies
- level of mediation of unemployed jobseekers
- level of participation and successful completion of active labour market programs
- employability level, post training and post promotion
- level of registration, certification (success rate), and employment in vocational education and training.

The above-mentioned KPIs are again divided into sub-indicators which are used for the purposes of monitoring and performance evaluation.

Based on these objectives and KPIs, performance cards for measuring indicators are developed and approved by the relevant Ministry and distributed among all local and regional offices of the NAES. The achievement of objectives and indicators is monitored on a regular basis and subject to reporting and discussions between the NAES head office and managers of local offices and public VET providers.

Table 1: **Annual expenditures of the PES**

	2018	2019	2020	2021	2018	2019	2020	2021
Annual expenditure of PES								
Total PES expenditure (EUR)	10,186,052	12,293,515	12,871,965	15,446,357	100	100	100	100
of which (in absolute numbers)					a share of which, %			
Expenditure for benefits	2,789,870	4,201,359	7,388,341	7,896,933	27.4%	34.2%	57.4%	51.1%
Expenditure for ALMPs	4,142,121	5,080,122	2,554,697	5,731,561	40.7%	41.3%	19.8%	37.1%
Expenditure for staff costs (EUR)	2,034,184	2,052,236	2,041,620	2,225,235	20.0%	16.7%	15.9%	14.4%
Other running costs of PES (EUR)	701,638	777,655	597,154	842,545	6.9%	6.3%	4.6%	5.5%
Other expenditures	518,238	182,144	290,153	13,138	5.1%	1.5%	2.3%	0.1%

Source: PES self-assessment report

The planning of expenditures of the NAES is based on the National Employment and Vocational Training Strategy and is limited by ceilings for expenditures set by the DCM. Based on strategic decisions, the planned expenditures are distributed by the PES across its different tasks. The individual budgets are then approved by the relevant Ministry.

An overview of the expenditures of the PES in Table 1 above shows a relevant increase of the budget of almost 50% from 2018 to 2021. One obvious driver of this development are the expenditures for benefits which increased significantly in 2020, most likely due to benefits related to addressing the impact of the COVID-19 pandemic. Furthermore, there is a strong decrease in ALMP-related expenditures in 2020 by about 50%, for specific contextual reasons detailed below. In 2021, these expenditures increase again strongly, even exceeding the expenditures of 2019. This v-shaped development of ALMP-related expenditures is related to ALMPs which could not be implemented during the 3-month lockdown in the beginning of the COVID-19 pandemic in 2020. In addition, the new Employment Promotion Programme (EPP) was still under preparation in 2020. This meant that new regulations for ALMPs had to be developed and new ALMPs only became applicable after September 2020. Thus, this also reduced the spending of funds for ALMPs in 2020 which increased again significantly in 2021.

The number of staff working at the NAES has remained unchanged since the changes in the overall structure of the PES in 2020. It is of importance to notice the relatively high share of persons exclusively servicing employers, which accounts for more than 19% of PES staff. Furthermore, this breakdown of staff composition also includes the share of staff employed in the Training Centres which also accounts for about 19% of all staff members.

Table 2: Human resources of the PES

	2020	2021	2020	2021
	PES staff in absolute numbers		year to year change	
Total NAES staff, excluding vocational schools (31 December of the year in FTE)	485	485	-	0%
Total staff in the General Directorate	90	90	-	0%
Total staff on the regional and local level	300	300	-	0%
Total staff in the Training Centres (QFP)s	95	95	-	0%
Exclusively servicing jobseekers (31. December of the year in FTE)	115	115	-	0%
Exclusively servicing employers (31. December of the year in FTE)	93	93	-	0%

Source: PES self-assessment report

3. Description of services and ALMPs

The NAES provides services to both employers and jobseekers and implements a broad range of ALMPs and also offers vocational education and training. The provision of all services is structured according to guidelines which in turn are based on the Decision of the Council of Ministers. The practical implementation of services in local offices are organised according to a new services delivery model which defines separate processes for jobseekers and employers as the main customers of the PES.

The **service provision for jobseekers** starts with the process of registration which was outlined in the previous section. This service is offered – at least partially – through digital channels. Once a person is registered as a jobseeker with the NAES, he or she is subject to a profiling. To this end, information on the following characteristics of a jobseeker is collected during the course of an interview at the local office:

- educational level
- work experience
- formal and informal qualifications
- skills acquired during work experiences
- obstacles to placement / vulnerability
- soft skills
- motivation to work
- place of residence
- duration of unemployment
- needs of the labour market.

Based on the results of the profiling, to which soft skills have recently been added, jobseekers are **segmented** according to three levels of service, reflecting the jobseeker's proximity to the labour market. The third segment, which displays the highest distance to the labour market, makes up about 45% of all jobseekers. One factor in this category is the duration of unemployment for more than one year, but there are several other relevant factors for this classification. The profiling is performed automatically by the IT system. The process of profiling is repeated whenever there are relevant changes to a jobseeker's situation which motivate a reassessment.

Furthermore, every segment is connected to guidelines for their support, determining different levels of service as well as specialised counselling for some target groups. At the same time, there is a legal obligation for all jobseekers to be contacted by the PES at least once a month. Jobseekers from the segment furthest from the labour market also have the opportunity to schedule meetings more frequently. Usually, one counsellor remains in charge of servicing one jobseeker throughout the whole process of job search. However, there is no specialisation of counsellors on one specific segment. The caseload is distributed among counsellors based on the overall caseload of the corresponding local office. During the peer review, the average number of jobseekers who are served by one counsellor was estimated by representatives of the NAES to be about 660 which can be considered very high.

The next step in the process of supporting jobseekers is the development of an **Individual Action Plan (IAP)** which is also a prerequisite for maintaining the formal status of a jobseeker. The document defines mutual rights and obligations for jobseekers and counsellors and is implemented in several pre-defined steps:

- initial assessment
- provision of specific services according to the individual level of employability
- referral to other services from the community, if necessary
- coordination of the implementation of the IAP
- assessment of the achievement of the objectives of the IAP
- follow-up.

Typical activities set out in the IAP refer to the referral of vacancies, support in preparing a CV and need for training or other ALMPs to support the placement process. This document structures the whole process of service provision for jobseekers and is updated based on performed activities and achieved targets over the course of the meetings between jobseeker and counsellor. If a jobseeker fails to comply with his or her obligations, e.g., by refusing a job offer or participation in an ALMP, he or she can be removed from the register of the PES and is subsequently excluded from registering again for the next three months.

The provision of services for jobseekers by the NAES also extends to those persons who are not unemployed but seeking to change their workplace. By registering with the NAES they can receive general information on the labour market, gain access to vacancies (online and in person at the local office) and they can also apply for professional training programmes offered by the NAES for upskilling and reskilling.

The **Youth Guarantee** is currently not being implemented by the NAES although the provision of this scheme is already under preparation with support from the Instrument for Pre-accession Assistance (IPA). So far, an analysis has been conducted which provides an initial overview of NEET situation in Albania and an initial framework for the Youth Guarantee. This mapping which is

based on data for the last four years from the Labour Force Survey also facilitates a segmentation of youths in Albania.

The other core services of the NAES are **services for employers**. On a economy-wide level, employers are included in the planning and implementation of services through social dialogue via the National Labour Council, the Employment Consultative Council and the National Council of Vocational Education and Training. Internally, there is the Directorate of Cooperation with Employers at the Head Office of the NAES which is in charge of planning and coordinating services for employers as well as the implementation and monitoring of social funds. A new long-term strategy for supporting employers for the period of 2023-2030 is currently in the process of drafting and will focus on lifelong learning in cooperation with businesses as well as the inclusion of training providers as main partners of the NAES. Furthermore, there are some contacts with employers which are centralised in this Directorate which usually refer to particularly large companies.

On the local level, there are dedicated counsellors exclusively in charge of servicing employers whose focus is on small and medium enterprises (SMEs). On average, there are 1 or 2 specialists in each Local Office dedicated to this task (in total 54) while the additional staff of 39 employees working with employers are managers.

Like the services for jobseekers, also the services for employers are structured according to a manual which sets out standards and processes for all local offices. One main task of the specialists servicing employers are visits to businesses to establish channels of communication with employers, collect information on job vacancies and provide information on relevant ALMPs of potential interest to employers.

The collection of vacancies is also an indispensable prerequisite for the process of **matching**. This service aims at finding the most suitable candidates among the jobseekers registered with the NAES for filling the vacancies acquired from employers. The first step of this process is conducted automatically, based on information on both sides of the match available in the IT system. There is also the option to either limit the search to the respective region or search jobseeker profiles and vacancies across the economy. In a second step, the initial suggestions for potential candidates are refined manually by counsellors. To ensure a timely and suitable choice of candidates, two sides participate in the matching process: (1) employer counsellors and (2) jobseeker counsellors representing the different sides of the match. Finally, employer counsellors also offer further personal support in the process of selecting the most adequate candidate for filling a vacancy, if requested by an employer. All these processes serve to ensure good matches; an indicator which is also integrated into the performance management of the NAES.

Even though employers are important customers for the NAES, there are currently no **surveys** conducted among them. This refers to collecting both information on their needs regarding workforce and skills and feedback on the quality of services provided by the NAES. At the time of the peer review, though, there were plans to launch regular surveys among employers and a working group for developing a corresponding methodology had already been set up.

For the provision of services there are different **channels** available throughout the NAES. While substantial parts of the counselling of jobseekers is still performed in personal meetings, there is also an increased use of phone and e-mail contacts, especially for specialised services. The process of registration can also be done online through the e-government platform although the completion of registration still requires a personal meeting at the local office. Additional services are also offered online by the NAES via the portal puna.gov.al. Here, job seekers can receive real-time information on vacancies registered with the PES, create a personal account and upload their CV which can then be used for direct applications with employers. Also employers can use this platform, search the CVs for potential candidates and also directly contact jobseekers to apply for a registered vacancy. At the time of the peer review there were also plans to launch a mobile app for service provision.

Another core task of the NAES refers to the implementation of **ALMPs**. Table 3 presents the list of services and active labour market policy measures provided by the NAES (in the right column of the table, highlighted with **contrasting colour**) and how they correspond to the classification of the PES services and measures of the Labour Market Policy (LMP) database briefly introduced in the text box (in the left column of the table).

The LMP database

LMP statistics are one of the data sources for monitoring the Employment Guidelines. The guidelines specifically refer to the provision of active labour market policies, which cover LMP measures and LMP services, and adequate social security systems, which include LMP support.

The scope of LMP statistics is limited to public interventions which are explicitly targeted at groups of persons with difficulties in the labour market: the unemployed, persons employed but at risk of involuntary job loss and inactive persons who would like to enter the labour market. Data on public expenditure and participants (stock and flows) are collected annually from administrative sources. According to the LMP methodology, labour market interventions are classified by type of action.

- **LMP services** cover all services and activities of the public employment service (PES) together with any other publicly funded services for jobseekers.
- **LMP measures** cover activation measures for the unemployed and other target groups including the categories of training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation, and start-up incentives.
- **LMP support** covers financial assistance that aims to compensate individuals for loss of wage or salary (out-of-work income maintenance and support, i.e. mostly unemployment benefits) or which facilitates early retirement.

The quantitative data on expenditure and participants are complemented by a set of qualitative reports which describe each intervention, how it works, the main target groups, etc.

Source: <https://ec.europa.eu/social/main.jsp?catId=1143&intPagelId=3227&langId=en>

Table 3. **ALMPs and services provided by the Albanian PES by LMP DB categories¹**

1.	Labour market services are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.	
1.1.	Client services	<ul style="list-style-type: none"> - Counselling of jobseekers and employers - Individual Action Plans
1.2.	Other activities of the PES	<ul style="list-style-type: none"> - Administration of LMP measures - Provision of vocational training
2.	Training covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.	
2.1.	Institutional training	<ul style="list-style-type: none"> - Training provided by public VET providers free of charge for unemployed jobseekers
2.2.	Workplace training	<ul style="list-style-type: none"> - On-the-job training programme
2.3.	Alternate training	
2.4.	Special support for apprenticeship	
4.	Employment incentives covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.	
4.1	Recruitment incentives	<ul style="list-style-type: none"> - Wage subsidy programme - Internship Programme - Anti-COVID ALMP for the reintegration of workers - Anti-COVID ALMP for the reintegration of informal workers
4.2	Employment maintenance incentives	
4.3	Job rotation and job sharing	
5.	Sheltered and supported employment and rehabilitation covers measures that aim to promote the labour market integration of persons with reduced working capacity through sheltered or supported employment or through rehabilitation.	
5.1	Sheltered and supported employment	<ul style="list-style-type: none"> - Workplace adaptation bonus
5.2	Rehabilitation	
6.	Direct job creation covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.	
		<ul style="list-style-type: none"> - Community Works

¹ The following category "3. Job rotation and job sharing", is not used anymore in the Classification, thus it is excluded in this Table –this category is included in category 4, per the EC Labour market policy Statistics - Methodology 2018, downloadable at ([Publications catalogue - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#))

7.	Start-up incentives covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.
	- Self-Employment Programme

A first ALMP, **On-the-job Training**, can be classified as a **workplace training** although it also contains elements of **recruitment incentives**. This programme targets jobseekers without any formal qualifications and provides training at the workplace for them. Additionally, a subsidy is paid for 4 months at the level of 100% of the minimum wage as well as social security contributions and a training support of about 18€ per month and participant. The training itself is based on an approved training plan and is supervised by a trainer of the employer.

The **Wage-subsidy programme** is a typical **recruitment incentive** which can be found in most PES. In this case, a wage subsidy covering 100% of the minimum wage is paid for the employment of unemployed jobseekers based on an employment contract for at least one year. The duration of the subsidy payment varies according to the vulnerability of the jobseeker.

A more specific group of jobseekers is targeted with another **recruitment incentive**, the **Internship programme**. This subsidy is meant to support the swift transition of graduates who completed their education during the last 24 months into the labour market. For the employment of this group a wage subsidy of 50% of the statutory minimum wage is paid for the duration of six months.

Two more programmes which fall under the category of **recruitment incentive** are the **Anti-COVID ALMP for the reintegration of workers** and the **Anti-COVID ALMP for the integration of informal workers** which are both targeted at softening the impact of the COVID-19 pandemic. The former programme covers the payment of social security contributions for 4-8 months as well as a wage subsidy covering 100% of the statutory minimum wage for 2-4 months. Any jobseeker who has been laid off due to the COVID-19 pandemic is eligible for this ALMP. The latter programme directly addresses those workers who had been informally employed prior to the pandemic but lost their job during the crisis. In these cases, the subsidy covers 12 months of social security payments. This is an interesting ALMP. Not only does it support the reintegration into the labour market but at the same time it addresses the relevant problem of informal work. Since Albania is not the only economy among the Western Balkans dealing with this problem, this can be considered an inspiring practice (see Annex II) which is worth looking into.

The **Self-Employment Programme** offers support to jobseekers who are planning to start a business and can thus be classified as a **start-up incentive**. This ALMP covers three forms of support. Firstly, jobseekers receive training on the topics of entrepreneurship and the development of a business plan. Secondly, financial support is offered via a grant of up to 4,200 € for a business plan which has been successfully developed and approved. Finally, there is a cost of 25 € for the evaluation of a business plan.

Jobseekers displaying a larger distance to the labour market are addressed by the **Community**

Works. This is a programme of **direct job creation** since it offers employment for persons over 25 who have been unemployed for more than 12 months and have already received intensive support. The employment is limited to non-profit organisations, civil society organisations or social business and public institutions. Thus, there is a clear focus on socially useful tasks as well as the provision of training and work experience to bring jobseekers closer to the labour market. During their participation, employees receive 50% of the statutory minimum wage, are covered by social security payments and have access to training support via coupons for training which is not offered by public VET providers. These coupons have a value of up to 180 €.

For the group of persons with disabilities, also the **Workplace adaptation bonus** is worth mentioning which is a measure of **sheltered and supported employment**. This ALMP grants a bonus of up to 1,600 € to allow for the adaptation of a workplace to the requirements of a person with disabilities.

As has been highlighted already, the NAES is also responsible for the provision of VET which is reflected in the category of **institutional trainings** since the NAES also provides training free of charge for jobseekers through the VET providers. These services are classified as one type of ALMP (per broad categorization) considering that they are offered free of charge to unemployed jobseekers. NAES also reports these services as ALMP related to budget support indicators.

Overall, the NAES, with its current set of ALMPs, covers many of the instruments typically implemented by PES. However, support to vulnerable groups in the fields of sheltered and supported employment and rehabilitation is relatively limited. A closer look at the structure of ALMP participants of the last years, shown in Table 4 below, sheds additional light on the use of these services in Albania.

Table 4. **Structure of participants in ALMPs**

	2018	2019	2020	2021
Education of ALMP participants (shares in %)				
Less than Primary Education	2.5	1.6	1.3	1.6
Primary Education	38.4	30.1	31.5	34.0
Secondary Education	42.3	37.3	33.1	35.4
Tertiary Education	16.7	31.0	34.1	29.0
Age of ALMP participants (shares in %)				
> 19	6.7	8.4	3.7	3.4
20-24	24.2	33.3	30.5	23.8
25-59	17.1	18.3	17.8	17.8
30-34	12.1	10.9	9.7	12.9
35-39	10.5	8.3	8.8	10.8
40-49	15.0	11.6	15.6	16.5
>50	14.4	9.1	13.9	14.9
Duration of unemployment of ALMP participants (shares in %)				
Short-term unemployed (< 6 months)	44.1	69.2	52.0	33.4
Long-term unemployed (> 6 months)	55.9	30.8	48.0	66.6
Coverage of ALMPs (shares in %)				
Coverage of ALMPs of all unemployed	6.4	7.5	5.0	5.5
Total number of participants				
Total	4,808	5,338	4,146	4,834

Source: NAES, 2021

First of all, it is of interest to note that the use of ALMPs is mostly focused on the groups of Primary and Secondary Education although there has been a significant increase for unemployed with Tertiary Education since 2019. This latter group mostly consists of female participants as additional analyses, which are not covered here in detail, have pointed out. These developments point to a stronger support for well-educated women. Regarding the different age groups, there is a strong emphasis on support for younger people under 25 while there is relatively little support for older

persons above 50. Since older workers are usually particularly difficult to reintegrate, these shares highlight a potential need for more support among this age group. A breakdown of participants in ALMPs by duration of unemployment further shows that short-term unemployed persons benefit significantly from ALMPs although usually long-term unemployed persons are more in-need of support. Finally, the total number of ALMPs and the overall coverage of ALMPs reveal an average share of 6.1% of all unemployed over the last years and a maximum number of participants of 5,338 in 2019.

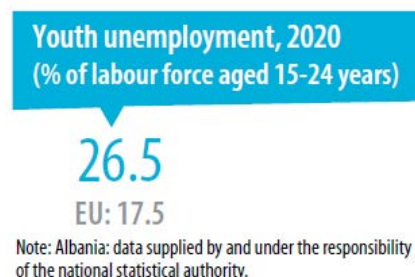
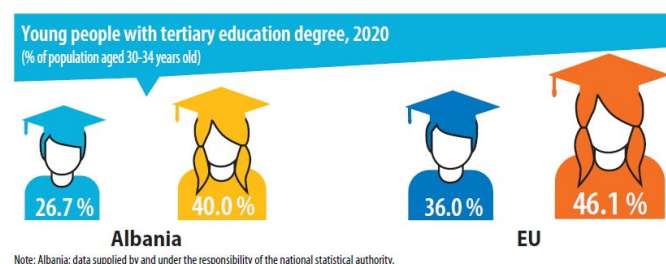
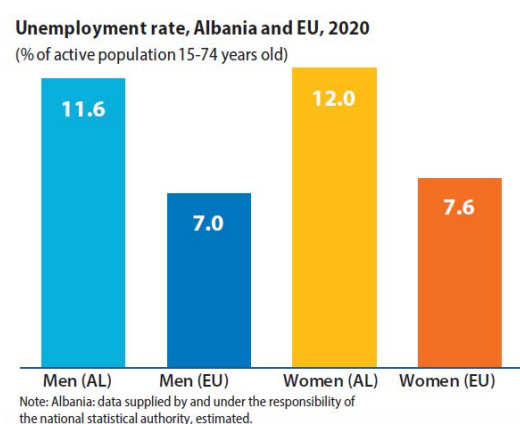
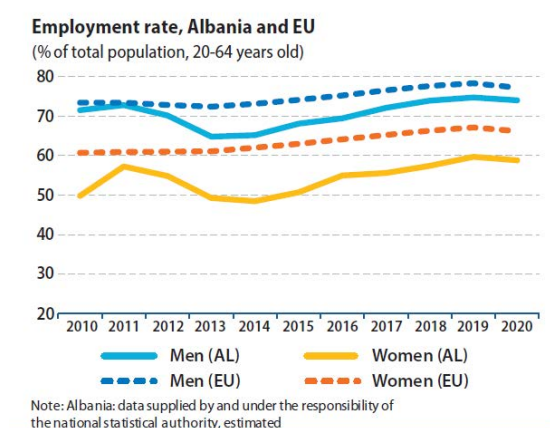
Reflecting this structure of participants in ALMPs it could be considered to intensify support to those groups who are usually particularly difficult to re-integrate into the labour market: older persons and long-term unemployed.

4. The labour market development 2019-2021

The economic development of Albania of the recent years was significantly affected by the COVID-19 pandemic, as is the case for practically all economies of the region and the EU Member States. While there was a constant increase of the gross domestic product (GDP) from 2010 to 2019 – ranging from 2 to 4% per year – 2020 saw a decrease of about 3.5%. However, the economy recovered relatively quickly with a strong increase of the GDP of 8.5% in 2021.

At the same time, the labour market proved relatively robust during the COVID-19 epidemic as can be seen in the statistics provided in Figure 1 below. The employment rate experienced a slight decrease from 2019 to 2020, but it still remained at about 73% for men and slightly below 60% for women. Thus, the employment rate for men in Albania is quite similar to the EU Members average while there is a significant discrepancy regarding the employment rate for women which amounts to about 8 percentage points when compared to the EU Members average. There is also a relevant difference between EU Member States and Albania regarding the unemployment rate. In 2020, the unemployment rate for men in Albania was 11.6% as compared to 7.0% for the EU MS and the unemployment rate for women was 12.0% in Albania as compared to 7.6% for the EU MS.

Fig. 1 Basic figures for Albania and EU-27



Source: Eurostat, Basic figures on the Western Balkans and Turkey².

Regarding youth unemployment, more than 1 out of 4 youths between 15 and 24 years (26.5%) is currently unemployed in Albania³. This can be considered a very high share which is also 9 percentage points higher than the EU-27 average and thus points to a significant challenge for the Albanian labour market. Also, the educational attainment among persons between 30 and 34 years displays relatively low shares of persons with tertiary education degree in Albania. About 1 out of 4 men in Albania holds a tertiary education degree (26.7%) while this share for women is significantly higher and amounts to 40%. However, this is more than 9 and 6 percentage points below the EU-27 average respectively.

The activity rate in Albania, displayed in Table 5 below, has been quite stable in 2019 and 2020. It is interesting to note that the activity rate for younger people is significantly higher for Albania when compared to the EU-27 average. This is probably due to the fact that young people in Albania tend to enter into employment earlier while among the EU-27 larger shares of young people participate in education for a longer period of time before entering the labour market.

Table 5. **Activity rate, %**

Age group	Albania, 2019			Albania, 2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-29	60.2	45.0	52.7	60.2	46.6	53.4	40.5	34.8	38.1
30-64	86.7	68.9	77.6	86.8	69.6	78.0	69.9	56.2	62.9
15-64	77.2	60.8	69.0	77.6	61.9	69.6	78.2	67.3	72.7

A similar pattern can be found for the employment rate displayed in Table 6 below. Among younger people from 15 to 29 years, the employment rate is relatively high in Albania, but overall, it remains below the EU-27 average.

Table 6. **Employment rate, %**

Age group	2019			2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-29	46.7	35.1	41.0	48.3	37.2	42.7	33.8	29.0	31.4
30-64	78.8	62.6	70.6	79.5	62.8	70.9	65.6	53.1	59.2
15-64	67.4	53.3	60.3	68.7	54.2	61.4	72.1	53.0	67.0

Finally, a breakdown of the unemployment rate (Table 7) again highlights the current challenge of high unemployment among younger people in Albania since the unemployment rate of persons between 15 and 29 years is more than double compared to the age group of 30 to 64 years. In addition, the overall unemployment for Albania is significantly higher than the EU-27 average, as already pointed out above.

³ This data is for age group 15-24, for consistency of reporting with WB economies.

Table 7. **Unemployment rate, %**

Age group	2019			2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-29	22.4	21.9	22.2	19.9	20.2	20.0	16.9	16.7	16.8
30-64	9.1	9.1	9.1	8.4	9.8	9.1	5.2	5.1	5.2
15-64	12.8	12.3	12.6	11.5	12.4	11.9	7.0	7.5	7.2

Table 8. **PES performance indicators**

Indicator	unit	Category	2019	2020	2021
Number of registered unemployed	Average monthly stock	Male	33,702	39,274	42,294
		Female	37,228	43,647	45,125
		Age 15-24	8,444	10,368	11,347
		Age 25+	62,486	72,553	76,072
		Low-skilled	39,582	46,420	48,753
		Skilled	26,062	29,803	30,833
		High-skilled	5,286	6,698	7,833
		Total	70,930	82,921	87,419
Transition from unemployment to employment	Average monthly outflow	Male	1,296	803	1,040
		Female	1,237	1,128	973
		Total	2,533	1,931	2,013
Fast transitions from unemployment to employment (< 6 months)	Average monthly outflow	Male	980	552	640
		Female	969	883	648
		Total	1,950	1,435	1,288
Medium transitions from unemployment to employment (0-12 months)	Average monthly outflow	Male	1,153	688	906
		Female	1,109	1,023	860
		Total	2,262	1,711	1,765
Number of vacancies registered with PES	Average monthly inflow	Total	4,232	2,095	2,080

More detailed information on the PES performance indicators for the last three years can be found in Table 8 above. The numbers of unemployed display a relevant discrepancy between genders with almost 3,000 more female than male unemployed equalling a difference of about 7%. Furthermore, it becomes clear that the majority of all unemployed persons in Albania (55%) is low-skilled. Although this is quite a common pattern for most economies, this also stresses the need for training and upskilling to tackle this challenge of the labour market.

At the same time, the Albanian labour market is relatively dynamic as can be seen in the high average monthly outflow from unemployment to employment. Although this share has decreased over the last years, there is still a high share of all unemployed exiting to employment each month. As can be seen in the breakdown on the speed of transition, these exists focus mostly on the early months of unemployment since the fast exits from unemployment to employment account for the majority of all exits. Conversely, this also means that there are relatively few exits from long-term unemployment which highlights another risk for the Albanian labour market.

The impact of the COVID-19 pandemic is reflected in the strong decrease of vacancies registered with the NAES. While on average more than 4,200 vacancies were registered each month with the NAES in 2019, this number was cut in half for the two following years.

5. Most important developments since ESAP 1

The NAES has undergone a significant restructuring over recent years. One of the crucial developments has been the inclusion of the responsibility for organising and providing VET. Thus, the training centres and vocational schools are now an integral part of the NAES' organisational structure. These are tasks not typical for a PES in the strict sense but a similar structure can be found among the EU members for example in Portugal.

Furthermore, the current 3-tier structure has been introduced to the NAES, consisting of head office, regional office and local office. On the level of the head office this change also entailed the introduction of technical directorates, each in charge of a specific field of action they are responsible for. This is meant to allow for a clearer assignment of tasks and responsibilities at this level. Furthermore, a new strategy for human resources management was developed to account for the change in the institutional structure and the additional tasks related to the VET implementation. This strategy still needs to be implemented.

This process of restructuring also affected the service provision in various ways.

- A distinction between front office and back office has been applied to the structure of service provision with a distribution of tasks among the specialists by groups of clients.
- Services for employers and jobseekers have been separated by assigning dedicated staff members to each task.
- A stronger standardisation of services has been undertaken and implemented.
- The management of support structures has been assigned as a task to the regional offices.

Also, the support structure has been overhauled with the introduction of a new IT system in spring/summer 2021. This required, among other things, the transfer of all existing jobseeker profiles from the old to the new system. Furthermore, soft skills have now been included as an integral part of the profiles of jobseekers. Based on this new system, all jobseekers have been classified according to the pre-defined segments describe in Chapter 3 and IAPs are also available for all registered jobseekers. Finally, the new IT system now also supports the performance management of the NAES.

Regrading the services for employers, a new service has been introduced recently, a market analysis based on the needs of the individual employer.

The restructuring of the service provision on the local level, accounting for the new VET-related tasks is currently subject to a revision to increase the efficiency of the reform. An evaluation of this restructuring is also still ongoing and is expected to provide valuable insights into the results of this reform process and potential further needs for readjustment.

This brief overview highlights the wide-ranging changes the NAES has undergone over the recent years; a process which is not yet complete.

6. Impact of COVID-19 on the labour market and the PES services

As for all PES, the outbreak of the COVID-19 pandemic also posed a considerable challenge for the NAES in maintaining and adapting its services to these difficult circumstances. To address newly-arising situations and developments, meetings were held on a daily basis in the NAES.

One element to tackle the crisis which has already been discussed in Chapter 3 of this report refers to the implementation of a DCM which included three Anti-COVID programmes, one of which was targeted at the reintegration of informal workers. Since the initial implementation of these ALMPs pointed to some difficulties in the definition of eligibility criteria, these programmes had to be revised and also extended as the crisis turned out to last longer than initially expected. Both these adjustments led to an increased use of these ALMPs. Another immediate response to the COVID-19 pandemic was the implementation of a benefit package covering three months.

The actual service provision in local offices was handled flexibly to provide access to services for customers also under these circumstances. This meant that jobseekers and employers were served both in person in the local offices but also via online services which were described in Chapter 3 of this report. Thus, the NAES was among the few institutions in Albania which remained open to the public even during periods of wide-ranging closure of businesses and institutions.

The challenges posed by the pandemic also extended to the implementation of VET by the NAES, especially regarding the management of the online teaching process in vocational secondary schools during the pandemic. To address this situation, on the one hand online platform “Meso VET” was made available for all vocational secondary schools. On the other hand, the size of the classes in VET Centres was halved from 15 to 7 participants to reduce health risks for participants.

The switch to an increased use of online channels during the pandemic also revealed that digital literacy remains an issue among the customers of the NAES. To facilitate the use of digital services, the PES offered free training in digital skills for all jobseekers through the VET Centres.

Overall, the NAES significantly contributed to tackling the impact of the COVID-19 pandemic on the labour market through the measures outlined above. At the same time, the changes implemented during the crisis also proved to be a boost for the implementation and use of digital services; a path to be followed in the coming years.

7. Strengths of the PES and development opportunities of the PES

There are several strengths of the NAES worth highlighting but also several areas which were identified during the peer review which display room for enhancement. Both aspects are discussed in this section.

A very general strength of the NAES which can be observed relates to the **management of change**. Over the last years, there have been several wide-ranging changes to the structure and processes of the NAES, among them the inclusion of the responsibility for VET as an additional task. But also, processes have undergone standardisation and a new three-tier organisational structure has been established. This points to a strong willingness to adapt to a changing environment and implement significant changes. This will be an important trait also regarding the further development of the NAES.

One of the major projects related to the changes of the last years for the NAES was the modernisation of the IT infrastructure which refers to the **design of operational processes** in general and the **implementation of the support structure** more specifically. The new IT system centralises applications and databases, providing real-time access to data and combining information on unemployed, VET, ALMPs, benefits and vacancies as well as tools for statistics and reporting among other things. Furthermore, the IT system supports the profiling as well as the process of matching vacancies and jobseekers and the performance management of the NAES. Thus, this revised support structure is an important backbone for the whole organisation. At the same time, this area also displays room for enhancement. This refers, for example, to an intensified and automated exchange of data with other registers as well as a more comprehensive automated approach to reporting and data analysis. This could serve to further improve the quality and availability of relevant data.

As has already been mentioned, profiling and matching are to a large extent performed on an automated basis which points to another strength in the field of **sustainable activation and management of transitions**. An automated **holistic profiling** reduces the workload of counsellors regarding routine work as it provides an initial assessment of the case at hand. Furthermore, the inclusion of soft skills which have been added to the profile of jobseekers represents another achievement since this enhances the quality of the profiling and provides valuable information to support the matching process. This in turn leads us to another strength in the area of **relations with employers**, the automated **matching of vacancies and jobseekers**. Based on information on both the profile of jobseekers and the requirements of vacancies, matching is initially performed automatically and also includes regional information for limiting or extending the search. This

selection is the further refined manually by counsellors. Such a two-step approach combines the strengths of data-driven processes and the experience of counsellors and can thus be considered a strength.

Another strength to be highlighted refers to the **organisational resilience** of the NAES in the area of **crisis management**. The process of identifying and addressing potential risks is based on ISO 1010 2009 standards and risk assessment for every process is integrated into the 3-year plan in the National Employment and Skills Strategy. Furthermore, potential risks are continuously monitored and there is a dynamic work plan defining objectives and tasks in addressing risks at both the institutional and the individual level. This plan is disseminated to the Central Level NAES Directorates where actions are broken down to tasks for each employee. The development and reporting on the register is done by a dedicated Department at the head office and the frequency of reporting can be increased, if needed. These measures are solid evidence of a clear risk awareness and a dedicated strategy for analysing and tackling potential risks at the NAES.

Finally, the **services for employers** should be mentioned in the context of strengths. The NAES invests considerable resources of its staff in servicing employers and provides relevant services covering the areas of VET as well as mediation and information services. However, to make adequate use of these resources there is also room for improvement. This would refer to a clear overall strategy regarding employers as important partners to structure the use of these resources. But also, a systematic collection of information on the needs of employers via regular surveys is currently lacking although there are plans to implement a corresponding survey. Thus, this area displays significant potential but still lacks a certain structure and refinement to make full use of this potential.

Turning to further development opportunities, one observation from the peer review addresses the field of **sustainable activation and management of transitions**. The workload for counsellors working in the Local Offices is not only very high with an average of about 660 cases per counsellor in 2022 but also displays a huge variation since the number of cases handled by one counsellor varies between 300 and up to 1,000 across the local offices. These limitations hamper the complete process of placement even though there are notable facilitations like the automated profiling and matching which were already mentioned above. More specifically in this area, the use of **the Individual Action Plan and ALMPs** deserves attention. The detailed analysis of the portfolio of ALMPs in Chapter 3 of this report has pointed out the fact that ALMPs targeting the most vulnerable groups of the labour market are relatively sparsely implemented, especially long-term unemployed and older jobseekers.

Another development opportunity refers to the use of surveys among jobseekers and employers, thus addressing both **services for employers** as well as **strategic performance management**. Currently, there are no systematic surveys conducted by the NAES, neither on the needs and satisfaction of employers nor the satisfaction of jobseekers with the services provided by the NAES. However, reliable information on the needs of employers and their satisfaction with the services provided by the NAES would help the NAES target its efforts and develop a strategy to meet the needs for skills among employers more adequately. Similarly, evidence on the satisfaction of jobseekers can provide valuable insights that can support the further development of services for this group of customers. Apart from informing the approaches to working with employers and jobseekers,

information collected through surveys can also be integrated into the performance management since customer satisfaction can be considered a highly relevant KPI for a provider of employment services. Thus, corresponding indicators could mark a relevant addition to the set of KPIs currently applied for measuring the performance of the NAES.

The **evidence-based design of services** could not only be strengthened by the above-mentioned surveys but would also benefit from a more sophisticated approach to **ex-ante and ex-post evaluations**. So far, the activities of the NAES in this area are mainly restricted to the monitoring of ALMPs or evaluations by external providers which are carried out infrequently and cover only a limited number of programmes. Other PES among the Western Balkan economies have recently started strengthening their internal analytical capacities by establishing units exclusively dedicated to the task of evaluation. This seems a relevant next step also for the NAES. This would allow to base decisions and further development on solid evidence. The new IT system in this context is most likely a relevant resource to build on.

A final observation on an area which displays room for enhancement concerns the **human resources management**. The current HR strategy of the NAES does not include any financial or non-financial incentives for staff which could prove a valuable tool for motivation. There is also no initial training foreseen for newly-recruited staff or any certificate for staff working with jobseekers and employers, as can be found for example in the Serbian PES. These are some weaknesses which hamper especially the integration of new staff. Furthermore, difficulties in hiring new staff were pointed out during the peer review as well as a high staff turnover in regional offices due to relatively low wages. Although all of these issues are immediately related to the availability of financial means, they are at the same time shortcomings which negatively impact the everyday work of the NAES.

8. Suggestions and recommendations for enhancement

The suggestions and recommendations mainly mirror the areas for enhancement already highlighted in the previous Chapter.

A first recommendation relates to the area of **sustainable activation and management of transitions**. The high and unevenly distributed caseload of up to 1,000 cases per counsellor is recommended to be addressed to improve the quality of services and allow for individual counselling of jobseekers. First of all, this would require an approach to achieve a more even distribution of caseload, e.g., by reallocating staff. Furthermore, potential options could be considered that would help lower the overall caseload. Again, the redistribution of staff is an option, e.g., by reducing administrative tasks which would free up resources which could be used for counselling. Although the relatively strong resources invested in the work with employers represent a considerable strength of the NAES, it might also be worth considering whether at least parts of these resources would be better allocated for supporting jobseekers. Finally, the recruitment of additional staff would provide the opportunity to reduce the overall caseload. Of course, hiring new staff depends on the availability of additional funds. But an additional investment in human resources is most likely to pay off with an increased quality of services as well as more/speedier reintegration of jobseekers into the labour market.

The previous recommendation already touches upon the area of **human resources management**. But apart from the acquisition of additional funds, there are further measures related to this topic which might support the development of the NAES. Firstly, the development of a dedicated and holistic HR strategy would mark a valuable achievement since this could be used to guide all further steps. This should include a framework to provide initial training for newly-recruited staff. There are several approaches like on-the-job training or online courses which are already implemented in other PES throughout the Western Balkans economies which are worth looking into in this context. A more thorough and systematic preparation of new staff for their tasks will provide orientation and help them to efficiently fulfil their tasks. To further motivate staff already working at the NAES, the introduction of incentives would be another important issue in this area. While financial incentives again depend on the availability of funds, also non-financial incentives are a viable option. For example, praise or awards for particularly well-performing staff (e.g., at official events) has been used in other PES to considerable acclaim. Furthermore, it was highlighted during the peer review that hiring civil servants at the level of the head office is often difficult since this process is not in the hands of the PES itself but carried out centrally. Gaining more influence on the selection procedures is thus desirable to ensure the (timely) hiring of the most suitable staff for the head office level. Finally, the relatively high turnover of staff in regional offices should be mentioned. Although the

above-mentioned restrictions for hiring staff at the head office level do not apply to this group of staff members, the high turnover due to relatively low wages paid for these employees leads to a loss of experience and expertise in the regional offices. A potential measure to counter this development, i.e. a raise in salaries, is mainly a matter of the availability of funds.

Touching upon the two areas of **services for employers** and **performance management**, the systematic use of surveys among employers and jobseekers throughout the NAES is strongly encouraged. There are several approaches to systematically collecting information among these two core groups of customers already in existence among several PES of the Western Balkan economies. These can provide helpful inspiration and methodological guidance when developing approaches tailored to the situation of the NAES. Surveys among employers, on the one hand, provide feedback on the quality of services provided and can thus support the process of improving these services. On the other hand, these surveys can also be used as a source of information on the anticipated need for skills and labour force which in turn can inform the overall strategy of the PES, also in the area of VET. Similarly, surveys among jobseekers can be used to collect evidence on the quality of services provided to this group of customers. Finally, the information on customer satisfaction, of both employers and jobseekers, is a very relevant KPI which should be integrated into the overall performance management of the NAES. Since every local office should strive to provide quality services this should also be reflected by including feedback on the persons and organisations making use of the services of the PES in the evaluation of their performance.

The structure of ALMPs implemented by the NAES has been analysed in detail in Chapter 3 of this report, thus addressing the area of **sustainable activation and management of transitions**. Tailored support to jobseekers depends not only on the quality of counselling as addressed in the first recommendation, but also on the availability of suitable ALMPs, if necessary. On the one hand, digital trainings which require digital skills and resources on both sides can be used to target a broad range of jobseekers. Good examples for this approach can be found in the Serbian PES, for example. However, these trainings are likely to reach mainly those jobseekers closer to the labour market. On the other hand, there is a relative lack of ALMPs targeting the most vulnerable groups of jobseekers like older and low-skilled unemployed. It would be extremely valuable to strengthen the support to these groups by implementing ALMPs focused on their needs. This could be specific, easily accessible counselling, motivation or activation programmes. But also initiating cooperation with other institutions and organisations working with vulnerable groups, e.g., on the level of municipalities, might prove helpful to reach these groups.

A final recommendation aims at the implementation of **ex-ante and ex-post evaluations**. Similar to the surveys among employers and jobseekers mentioned above, evidence also on the effectiveness of services and ALMPs is the key to their further development. Other PES like the PES in Bosnia and Herzegovina have started strengthening their internal analytical capacities which would also be a relevant achievement for the PES of Albania. Although external evaluations can provide relevant insights, a PES should not exclusively rely on this perspective. The new IT system and existing exchange with other central registers have already been pointed out as relevant strengths. This could be further developed by the establishment of a team or a unit dedicated to monitoring and evaluating ALMPs and services. In this context, additional resources for training and support could be acquired through donors like the World Bank, ILO or GiZ, as has been the case in other Western Balkan economies.

9. Inspiring (good) practices

Several of the approaches applied and programmes implemented by the NAES were discussed during the peer review and several of these have been highlighted as strengths in this report. However, two inspiring practices were found by the participants to be worth highlighting specifically.

One project is more closely linked to the VET-related responsibilities of the NAES, a **project to develop a curriculum and train the first cohort of Albanian Sign Language instructors** (see Annex I). This project was implemented in cooperation with the Albanian National Association of People who are Hard of Hearing and the Finnish Association of Deaf People and resulted in the certification of the first five instructors of Albanian Sign Language. This marks an important contribution to the support of this specific group of persons with disabilities.

The other measure to be mentioned here is related to tackling the impact of the COVID-19 pandemic on the labour market through **job retention schemes**. While similar measures were implemented by most PES, this ALMP is of specific interest since it was **also aimed at persons who were formerly informally employed**, thus addressing the issue of informal work at the same time. Re-integrating this group of jobseekers into the first labour market addresses a relevant problem of the Albanian economy and might be of interest also for other PES facing similar situations.

Annex I: Inspiring Practice: Anti-COVID ALMP for the integration of informal workers

	National Agency of Employment and Skills
Title of the policy or measure	Project in cooperation with the Albanian National Association of People who are Hard of Hearing and the Finnish Association of Deaf People
Summary of the practice	Addressing the problem of the lack of sign language instructors in Albania, the Albanian Association of People who are Hard of Hearing designed a training curriculum in close cooperation with the NAES and the Finnish Association of Deaf People and also trained the first group of Albanian Sign Language instructors in cooperation with the NAES.
Economy	Albania
Scope of measure (a pilot project or a economy-wide reform)	Design of training curricula for Sign Language instructors and delivery of the respective training for the first instructors of sign language in Albania.
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	One key challenge addressed by this practice refers to a lack of support for people who are hard of hearing since up to now there were no instructors in Albanian Sign Language. The project itself was supported immediately by the NAES and implemented in cooperation with Public VTC no.4, without any challenges.
When was the practice implemented? (including start and end date for pilot projects)	The project duration was 8 months. The implementation was initiated in October 2021 and was concluded on 13 July 2022 with the certification of 5 instructors.
What was the driver for introducing the practice? Was it internal or external?	The driver for this practice was external since the initial impulse came from the Albanian National Association of People who are Hard of Hearing.
Which organisation was involved in its implementation?	The Albanian National Association of People who are Hard of Hearing implemented the project in cooperation with the Ministry of Health and Social Welfare, the NAES, NAVETQ, and Swisscontact Albania.
Which groups were targeted by the practice?	The target group were deaf persons in Albania, caregivers, and all persons interested in learning the Sign Language.
What were the practice's main objectives?	This training aims to train deaf people as teachers of the Albanian sign language, but it is also for all those who are interested in learning the Sign Language.
What activities were carried out?	Activities carried out to implement the intervention were: <ul style="list-style-type: none"> • Establishment of a collaboration with the ANAD organization and coordination of the project implementation with the public VET Center no.4, which is in charge of carrying out the training. • Implementation of the training programme for the first group of five instructors of Albanian Sign Language in the public VET no. 4. • Award of certificates for the first five instructors of Albanian Sign Language.

National Agency of Employment and Skills	
What were the source(s) of funding?	The initiative was supported by the Finnish Deaf Association and UNDP Albania in the Framework of the Joint Program of the United Nations «Leave no one behind»
What are the lessons learnt and success factors?	The project was a story of success, considering that for the first time there are certified instructors of Albanian Sign Language that will train deaf people, as well as their caregivers and all interested to learn this language. This marks a valuable step in the support for this group of persons with disabilities.
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Annex II: Inspiring practice:

	National Agency for Employment and Skills
Title of the policy or measure	Employment Promotion Programme (EPP)
Summary of the practice	This EPP foresees financial support for businesses that employ workers who lost their jobs because of COVID-19 state of emergency, for a period of 4, 8 or 12 months.
Economy	Albania
Scope of measure (a pilot project or a national reform)	<p>The program subsidizes the following costs:</p> <ul style="list-style-type: none"> a) For the four-month employment programme, 2 months of minimum wages, compensated in the first and fourth month of the contract were covered, as well as monthly compensation of the employer's part of compulsory social and health contributions calculated on the basis of the minimum wage for the duration of employment. b) For the eight-month employment programme, 4 months of minimum wages, compensated in the first, second, seventh and eighth month of the contract are covered, as well as monthly compensation of the employer's part of compulsory social and health contributions calculated on the basis of the official minimum wage for the duration of employment. c) For the twelve-month employment programme for formerly undeclared workers, the EPP provides monthly compensation of all social security contributions calculated on the basis of the official minimum wage, for the entire duration of the programme.
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	<p>As a new programme drafted to mitigate the impact of an emergency situation, such as the pandemic caused by the COVID- 19 virus, there were two major challenges faced by the NAES:</p> <ul style="list-style-type: none"> • Extension of the deadline of the DCM's validity. Initially, the DCM was intended to be implemented until the end of 2021. Due to the high number of applications, the deadline for the implementation of the DCM was extended up to 3 years, specifically until July 2023. • Another challenge faced during the implementation of the DCM was the high number of people who remained unemployed due to COVID-19, coming from the informal economy and requesting to benefit from the program. This category required dedicated attention from the employment offices regarding their self-declaration and employment process in the formal labour market.
When was the practice implemented? (including start and end date for pilot projects)	Starting in August 2020 and was extended up to 3 years, until July 2023

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What was the driver for introducing the practice? Was it internal or external?	The onset of the COVID-19 pandemic and the respective lockdown were the external drivers of this measure.
Which organisation was involved in its implementation?	NAES
Which groups were targeted by the practice?	The target group included all unemployed jobseekers who lost their job due to COVID-19 lockdown restrictions, including also those persons formerly employed informally. The only criterion for eligibility was the registration as an unemployed jobseeker at the local office of the NAES.
What were the practice's main objectives?	The objectives of the measure were twofold: On the one hand, job retention was to be achieved, as in many similar programmes, but on the other hand also the reduction of informal labour by integrating formerly informally employed persons into the first labour market was another important target.
What activities were carried out?	Activities carried out to implement the program: <ul style="list-style-type: none"> • Promotion campaign to promote and inform the target group (unemployed jobseekers who lost their jobs due to COVID-19 restrictions and employers), • Communication with employers to inform them about the programme, • Training of the NAES staff to implement the programme, • Follow-up of the programme at all levels (local, regional and central level) and addressing of the issues/problems faced. • Continuous monitoring of the programme.
What were the source(s) of funding?	The government budget allocated to ALMPs.
What are the lessons learnt and success factors?	<p>While implementing the program, main lessons learnt were:</p> <ul style="list-style-type: none"> • The dynamics of the labour market need immediate response and measures. • More targeted and dedicated programmes are needed, especially those, which have an impact on the decrement of the informal economy. <p>As success factors that ensured a smooth and successful implementation of the programme, the following factors can be highlighted:</p> <ul style="list-style-type: none"> • Swift response to mitigate the impact caused by the pandemic, • Facilities and support targeted to the jobseekers who lost their jobs during covid from the Informal Economy. • Training of the NAES staff at all levels to implement the program.
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