

**FINAL EVALUATION**

**LOCAL LEVEL RESPONSES FOR YOUTH EMPLOYMENT CHALLENGES**

**FINAL REPORT**

**FEBRUARY 2015**

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## **GLOSSARY OF ACRONYMS**

AIDA	Agency for Investment Development in Albanian
ALMM	Active Labour Market Measures
CSR	Corporate Social Responsibility
CTA	Chief Technical Advisor
DIM	Direct Implementation Modality
ILO	International Labour Office
LLRYEC	Local Level Responses to Youth Employment Challenges
INSTAT	Institute of Statistics in Albania
MoEDTE	Ministry of Economic Development, Trade and Entrepreneurship
MoES	Ministry of Education and Science
MoLSAEO	Ministry of Labour, Social Affairs and Equal Opportunities
MoSWY	Ministry of Social Welfare and Youth
NES	National Employment Service
NSDI	National Strategy for Development and Integration
PM	Project Manager
PPP	Public Private Partnership
RC	Regional Council
REB	Regional Employment Boards
REO	Regional Employment Office
SDC	Swiss Development Cooperation
TA	Territorial Audit
TEP	Territorial Employment Pacts
ToR	Terms of Reference
UNDP	United Nations Development Programme
VET	Vocational Education and Training
YEM	Youth Employment Migration Project

## **PREFACE**

This final evaluation presents an independent judgment on the performance achieved from the implementation of the Government of Switzerland/Swiss Development Cooperation assistance to the Ministry of Labour Social Affairs and Equal Opportunities (MoLSAEO<sup>1</sup>) on behalf of the Republic of Albania, for the *Local Level Responses to Youth Employment Challenges (LLRYEC) Project*. Project supports the Government of Albania's efforts to streamline the delivery of employment services to the most vulnerable groups of Albanian society aiming to promote equal opportunities and enhance social inclusion as the most efficient means to fight poverty and contribute to economic development. Project was implemented by the ONE UN Office and the International Labour Office (ILO) in close cooperation with MSWY (Ministry of Social Welfare and Youth), NES, MoEDE<sup>2</sup>.

This Evaluation Report has been prepared by Sabina Ymeri and Silvana Rusi during the period November 2014 to January 2015. The factual basis was provided by formal project documentation, regular project progress reports, other relevant sectoral and regional documents and materials, and interviews with the main parties, stakeholders and final beneficiaries.

The evaluation strictly adheres to the transparency norms and ethical principles set by the United Nations Evaluation Group

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<sup>1</sup> Changed to Ministry of Social Welfare and Youth (MSWY) since September 2013.

<sup>2</sup> Ministry of Economic Development and Entrepreneurship since September 2013

## 1. EXECUTIVE SUMMARY

The *Local Level Responses to Youth Employment Challenges (LLRYEC) Project* was designed to support the achievement of the objectives of the Government of Albania through the generation of opportunities for the promotion of full and productive employment for young people.

The project was financed by the Government of Austria through the Swiss Development Cooperation (SDC), with a contribution of 1,854 million USD. The project was implemented by the United Nations Development Programme (UNDP) country office in Albania in cooperation with the International Labour Organisation (ILO) under an agreement between SDC and UNDP. Implementation of the project was shared between UNDP and ILO.

UNDP has retained project implementation responsibility, while both UNDP and ILO were accountable for the delivery of outputs and proper management of inputs for the components for which they were responsible. The Ministry of Social Welfare and Youth was the primary implementing partner for activities under the LLRYEC project, as the main institution for the design of active employment policies. Other implementing partners included central and local government bodies such as the National Employment Service (NES) responsible for the implementation of active employment measures, the Ministry of Economic Development, Trade and Entrepreneurship (MoEDTE), regional councils, municipalities, and de-concentrated offices in the regions of Kukes, Lezha and Shkodra where direct implementation of LLRYEC activities took place.

The main purpose of this evaluation was to provide a judgment on the overall performance of the LLRYEC project, and to measure its (potential) impact. The evaluation has looked at relevance, effectiveness, efficiency and sustainability of programme results; as well as it has highlighted the impact, main results, good practices and lessons learned from the experience. The methodology for preparing this evaluation report comprised initial data collection, document research and literature survey, and structured interviews with relevant stakeholders in Tirana and the pilot regions. The evaluation was carried out during the period November 2014 – January 2015.

### **The intervention**

The project was clearly Result Oriented designed, building on the definition of Objectives, Outcomes /Results and translating them to inter-related Actions/Activities aiming to achieve them.

The overall Objective of the project was “to contribute to the achievement of the objectives of Albania’s National Action Plan for Youth Employment, thereby generating additional opportunities for the promotion of full and productive employment for young people” which is focused and well formulated. The Overall Objective was designed to be achieved through four strategic objectives:

1. Youth employment is a priority in the regional development strategies;
  2. Incidence of informal and low-productivity jobs is reduced through innovative programmes targeting disadvantaged youth at risk of labour market exclusion;
  3. The employability and income generating potential enhanced through active labour market measures;
  4. An enabling environment for youth employment, as part of the larger corporate social responsibility agenda, is promoted by relevant stakeholders.
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The strategic objectives are well defined and formulated in terms of being clear and realistic (achievable within the Project timeline). Synergies and complementarities between the projects components are implied but not straightforward in the original concept.

The Outcomes expected to be achieved from the Strategic objectives were defined as (i) creating an enabling environment by building institutional and private sector capacities to address the informal/vulnerable employment of youth at the regional level; (ii) generating new and improved employment opportunities for youth through active labour market measures; (iii) reducing the incidence of informal employment through the operationalization of Territorial Employment Pacts and (iv) private sector skills and competencies on CSR improved, with a particular focus on those related to decent employment.

Achievement of Outcomes per strategic objective was planned through four Components and a number of sub-components under them. Implementation of Project Components was shared amongst ILO (components 1 and 2) and UNDP (Component 3 and 4) based on previous experiences in related component areas. Project has been notably complex in terms of number of Components and sub-components which made difficult UNDP macro management. During implementation, Project passed a number of sub-components /outputs restructuring to better adapt to beneficiary changing /priority needs and absorption capacities.

## **Evaluation Findings**

### **Relevance:**

The project is highly Relevant in terms of adequately responding to the Government of Albanian strategic priorities set at the “National Strategy for Development and Integration 2007 – 2013 (NSDI)” related to “sustainable economic, social and human development”<sup>3</sup> pillar in the areas of *labour market* (improvement of the employment services through introduction of active measures: vocational education and training and employment); *social inclusion and equal opportunities* (involvement of poor individuals, households, men and women, youth and people with disabilities in the economic and social life and prevention of domestic violence through women economic empowerment) as well as supporting the achievement of “Employment Strategy, 2007-2013”, on promotion of an active employment policy “National Youth Strategy (2007-2013)” and Action Plans on “Youth employment and “decent work for young people”. The Project was complex in terms of number of Objectives, Sub Objectives, sub-components and activities considering the given time frame for the Project implementation and local stakeholder's absorption capacities.

The Project adopted a flexible and demand driven approach, developed innovative models such as TEP, ALMM and CSR by tailoring them to specific Albanian regions environment. The choice of parallel intervention logic (three pillars) vs. process intervention logic is very adequate.

At Outcomes/Output level the intervention logic is process driven (development of mechanisms/systems and CB activities to implement them; awareness raising to assure multiplication of Outcomes etc. The needs identification was satisfactorily held in the design of most of components except Component 1 which lacked initial background information and baseline data resulting in additional time, resources (experts) and costs prior implementation.

The initial design seems rather ambitious considering the nature of interventions (policy/regulatory framework, management bodies/mechanisms, building skills/knowledge and implementation), intervention size (14 Activity lines and over 70 sub activities) and expansion in three regions. Nevertheless, during implementation it showed high flexibility by adjusting

(focusing /simplification related to specific subcomponents) to better respond to the Beneficiary changing needs and programme environment and better contributes to achievement of the expected outcomes. There was room for improvement in the definition of Indicators, in order to turn them into Objectively Verifiable Indicators.

### **Efficiency:**

Efficiency was affected by significant delays in starting the Project implementation and several been adjustments over the course of the project duration. Substantial delays in implementation of the original workplan have been taken into account and sequencing of activities has been readjusted in a new workplan.

Even though, the Project delivered the majority of key planned outputs within the extended timeline, the cross-fertilisation of activities and outcomes amongst main components such Y-TEPs (Component 1 and 2) and ALMMs (Component 3) was not achieved due to limited interaction of direct counterparts of each component with each other (regional council and NES/regional offices), as well as limited interaction of the two implementing agencies in charge of each component. The two main pillars of the project have been designed as two different projects within one programme and have operated almost independently of each other, as also evidenced by beneficiary stakeholders who could speak meaningfully of only one component (organisation). All stakeholders concerned have perceived the quality of outputs as very good.

The design of Project outputs/activities made in close cooperation and consultation with Beneficiaries and delivery approaches was highly appreciated by all Beneficiaries and stakeholders by establishing thus a winning model. The project management arrangements have been adequate considering the complex structure of the project and multiple stakeholders at national and regional level. The project team has successfully managed to overcome initial difficulties in project start-up and alignment of project instruments to the needs of beneficiaries without considerable impact on project results.

Despite the good will of the implementing agencies to cooperate effectively, the different sets of procedures, management approaches and reporting patterns set by the respective Organisation regulations have seriously affected the efficiency of cooperation, in particular for UNDP, which retains ultimate responsibility for the project implementation and reporting vis-à-vis the donor. Overall, the assessment did not evidence specific benefits from the cooperation of the two agencies in project implementation.

Project coordination mechanisms such as Project Steering Committee (PSC) were efficient in terms of strategic guidance, flexibility and fast responding decisions taken. They served as a sound platform of coordination amongst national partners at the central and local level. The PSC was co-chaired by the Deputy Minister of Labour and Social Affairs and SDC, with the participation of the NES, METE, as well as representatives from regional/local authorities in the three regions. Project got excellent cooperation and support by the MSWY as the main Beneficiary Government Institution which was the key success factor in achievement the expected results to related Component 3 outcomes. Responsibility and ownership to follow up and replicate the outputs/outcomes achieved which is specifically evident in case of ALMMs is key factor for achievement of impact and long term sustainability.

### **BUDGET**

### **Effectiveness:**

*Outcome 1 and 2.* Project developed Y-TEP instrument as a model aiming to support regional level actors in better identifying challenges and opportunities for youth employment, developing

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coordinated actions to address them and managing autonomously the local-level youth employment interventions as per agreed Y-TEPs; Three Regional Employment Boards (REBs) were established and were functional at the end of the Project respectively the Lezha and Shkodra REBs while Kukes REB were re-activated. To ensure effective REBs establishment and functioning, detailed Terms of Reference were drafted by the LLRYEC Project specifying the REBs composition by key regional level actors such as Regional Employment Offices, Regional Education Offices, private sector, academic institutions (local universities), NGOs and Business Associations under the Qark Council's lead. Operational Guidelines were also drafted and introduced to assure REBs functioning. Implementation of Outcome 1 activities (REBs and territorial audits) suffered considerable delays due to

The evaluation evidenced that the REBs have operated effectively based on Operational Guidelines and played a key role in Y-TEPs formulation, implementation and monitoring the progress /results. Nevertheless there were differences in REBs functioning and results achieved. The REBs of Kukes and Shkodra have operated effectively through planned meetings and specified agenda, good communication and cooperation with REBs members assuring full participation and efficient discussions related to preparation of Y-TEPs interventions, management and monitoring & reporting progress implementation. The Shkodra REB in particular has been institutionalized as a platform beyond the scope of designing and implementing Y-TEPs. The success of Kukes and Shkodra REBs is dedicated to RCs ownership, Chairmen's commitment to play a pro active role and making human resources available to facilitate the implementation of interventions.

Implementation of activities under outcome 1 suffered significant delay, which caused the postponement of the sequencing activities under Outcome 2 (TEP actions). TEP actions were however implemented successfully within a very short time frame but it is not known whether this may have had impact on the adequacy of the TEP actions that were selected as well as sustainability and multiplication of results in the selected areas.

*Outcome 3.* ALMMs introduced as an innovative approach to assure effective employment of low educated youth based on provision work-training for both able and disable people and supporting self-employment. The ALMMs approach was formalized through development of "Operational Guidelines for ALMM" (OGALMM) which defines detailed roles and responsibilities of each implementation partner and the relevant procedures and set the basis for the preparation and signature of a Letter of Agreement (LoA) between UNDP and NES on the implementation of ALMMs. In that sense, the OGALMM is a practical roadmap for the implementation of ALMM Programmes designed to assist the employment of disadvantaged Youth aged between 16-29 years in Albania based on active labour market measures. The ALMMs proved to be an effective mechanism by assuring high interest amongst applicant with 94.9% of applicants completed training; high rate of employment amongst ALMM applicants by 92.2% and high rate of retain of those employed by 91.9%.

Capacities of the regional/local employment staff were significantly enhanced in designing, implementation, monitoring and evaluation of the state funded ALMMs as result of a well designed instrument (ALMM), development and delivery of demand driven training programme and effective awareness raising amongst target groups. The training programme addressed best practices and gaps evidenced from the administrative assessment conducted on NES, Regional employment offices (REO) and Local Employment Offices (LEO) on first ALMMs enrollment. The training programme was composed by series of training on the 5 revised ALMMs including new application templates, procedures and the new scoring system. The trainings were successfully delivered to 36 REOs throughout Albania with participation of 114 staff. Apart from strengthening staff capacities on operations, emphasis was put on better public information on ALMMs to the business community.

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Outputs delivered produced immediate outcomes related to increased effectiveness of the ALMM operations due to clear Guidelines and instructions established; increased capacities of the related institutions (NES and Regional offices in Shkodra, Kukes and Lezha) in designing, implementing and evaluation of ALMMs. The Scoring System is in use by the trained staff in MoSWY, NES and Regional offices; effectiveness and efficiency of ALMM implementation has significantly enhanced by shortening the ALMM process length and enhancing the transparency.

Impressive tangible results was achieved during enrollment of ALMM 2014 such as increased by 5 times the number of SMEs applicants (500) with 4069 unemployed jobseekers (in 361 enterprises) which benefited from the ALMM measures compared to a total of 834 unemployed jobseekers (in 68 enterprises) which benefited from the 2013 ALMM. In macro level, the LLRYEC financial contribution to Employment promotion through ALMM to three regions was at an amount of 350.000 USD or 1/3 of GoA 2013 budget (900. 000 US\$) for the same purpose (Employment promotion fund) which demonstrates the significance of the Project Outcome's to the achievement of Government Objectives.

Outcome 4. Project achieved to promote the CSR concept amongst private sector in Albania as a model that brings companies that apply closer to European standards, support increasing the competitiveness, expand benefits and generate jobs. The CSR Project Outputs such as development of CSR Guidelines, Regulations, establishment for the first time of the CSR Report 2013 and "National Action Plan for CSR promotion (NAPCSR) 2011- 2014" which is a strategic document that formalizes the CSR instrument, defines the stakeholders' roles (private sector, Civil Society and Government) and provides medium term strategic direction for implementation of CSR principles in Albania through 6 concrete dimensions: Awareness Raising, CSR Measurement, Enabling Environment, CSR skills and competences, Publication and Reporting, CSR Awards, are instrumental to assure sustainability of the Project outputs in National level, monitor progress and benchmark it in international level. Capacities of 86 representatives of the private sector were enhanced on CSR through two trainings (one for PSIOs and one for private enterprises) and 3 thematic trainings (on social standards, community engagement, and environmental standards) held with the CSR network support.

Establishment of efficient coordination body such as CSR Network managed by committed local staff and demonstrated MOEDS ownership are premises that the effort will provide impact and be sustainable in long run.

### **Sustainability:**

The project has put a great emphasis on follow up and sustainability through the adoption of an inclusive and participatory approach already at design stage as well as throughout the implementation stage. National ownership and leadership has been good. However, the short time frame for the implementation of the project may have undermined the prospects for sustainability and replicability of actions at the regional level. It is unknown whether the multiplication factor of employment generation activities supported at the regional level will materialize.

National ownership on the project has been relatively strong and a key factor in the achievement of the project results. There is good evidence on the leadership and commitment to the project demonstrated by the MSWY and NES. Ownership by the regional councils has varied. Implementation of TEP actions has been more timely and targeted in the regions of Shkoder and particular Kukes, where ownership of the Regional Council and REB has been high, indicating the importance of government leadership in the achievement of results.

***Sustainability of activities and interventions at the regional/local level is uncertain.*** The project adopted a constructive approach in designing and developing the TEP instruments in close consultation with the regional level authorities, in order to ensure their ownership and

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participation. In general, the concept for the TEPs and support actions within each region including REBs as possible institutions that would own and follow-up on the TEPs has been very interesting and feasible in concept. However, sustainability of the REBs itself is questionable as these are ad-hoc bodies without any budgets or organisational structure.

The delay in implementation of project activities and the very short time frame that was dedicated to the project cycle for TEP actions advertisement, selection and implementation however may have significantly reduced the project's choices in selection of the most appropriate activities with higher employment generation potential. It may also have had a bearing on the emphasis of the project to build capacities of direct beneficiaries for their businesses as well as in ensuring that the actions were fully owned by all project beneficiaries.

Prospects for sustainability of results at the national level are good, and the government made several policy and procedural improvements also based on specific experience from LLRYEC. Longer term impact of the ALMMs remains to be demonstrated. The project's activities in support of active labour market measures (Component 3) have been designed through a process of consultations with the beneficiaries and were instrumental in supporting the government's efforts in the field through increased budget. Implementation of the ALMMs component has relied largely on the project's internal resources and transfer of know-how to regional labour offices, thus strengthening the operational's staff capacities for future replication. The ALMM component has also piloted new measures for inclusion of people with disabilities, in line with the government's objectives for empowerment of the disadvantaged. The government later took on such new approaches with the adoption new labour market measures (DCM 248/2014). The NES also adopted the new ALMM evaluation procedures developed with LLRYEC support based on a scoring methodology that ensures more transparency and accountability, thus improving credibility of the system and lowering companies' transaction costs.

## **Lessons Learned**

### ***Over-ambitious project design may stretch resources and undermine sustainability of results***

– Project design was overly ambitious, with many activities at the national and regional level. The time frame for implementation of activities was not realistic at 24 months. The hasty implementation of activities towards the end of the project in Outcome 2 in order to comply with contractual deadlines may have led to reduced sustainability and replicability of results due to the limited time available to select and evaluate the most appropriate actions.

***National ownership key to project success*** – National ownership and commitment to the project is a key precondition for the quality of products and eventually sustainability of results. The project was designed through careful consultations with the main beneficiaries to fully reflect their needs, which later ensured active commitment to the activities. The project agenda was aligned with the policymaking agenda of the beneficiaries. The fact that this agenda was not changed following the change in Government indicates that the desired outcomes of the project were highly relevant and timely for the country.

***More focused projects may yield better results*** – The projects was extremely broad with activities involving national and local government stakeholders, aiming at similar objectives but employing rather different approaches. Project stakeholders at the regional council level worked almost exclusively with ILO and project stakeholders at the national level (including labour offices) worked almost exclusively with UNDP, despite membership in the REBs. The CSR component was also detached from activities in the other fields. The project has in fact operated as three separate entities, occasionally sharing project management staff across components. In the future, SDC should consider supporting more focused programmes, which would allow better

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oversight; reduce administrative burden on project management staff as well as increase visibility and communication messages with stakeholders.

***People make the difference*** – The success of the project interventions was due to a large extent to the ability and flexibility of project staff, who have paid maximum efforts in order to mitigate the objective difficulties in managing such a broad and challenging project. Some of the most appreciated outputs including the ALMM scoring methodology evaluation (which were produced upon request of the government without having been included in the initial project design) were delivered through internal project resources. Stakeholders at the regional and national level as well as the donor speak very highly of the capabilities of the individuals and point them out as key factors for the quality of outputs.

***First tier local governments are the future for local economic development*** – The REB and TEP concept is extremely interesting and has the potential to work well provided the public actors have a stake and commit time and financial resources to employment generation activities. The full potential of the TEPs would have been achieved more efficiently if the project worked with first tier local government instead of regional councils. Municipalities (unlike regional councils) have a mandate in local economic development and raise their own revenues. At the time of project design municipalities and communes were too small to make a difference, however with the new administrative layout municipalities after the June 2015 local elections are larger and will be in a better position to exercise regulatory and economic development functions.

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## 2. Introduction

### Background

The *Local Level Responses to Youth Employment Challenges (LLRYEC)* project was designed to facilitate access of youth in Shkoder, Lezhe and Kukes to full and productive employment opportunities. At the time of design, the project aimed at supporting the achievement of objectives set out in the National Action Plan on Youth Employment, which were also reflected as an emerging priority in the National Strategy for Development and Integration (NSDI) 2007 – 2013. Interventions of the project included the support towards active employment policies; as well as an innovative approach in stimulating the role of local actors in facilitation of employment and local economic development through enhanced institutional cooperation (Territorial Employment Pacts). The project has also included interventions to promote Corporate Social Responsibility (CSR), with a special focus on decent work conditions.

The project is financed by the Swiss Agency for Development and Cooperation (SDC), with a contribution of 1,71 million Swiss francs. National project partners such as the Ministry of Labour, Social Affairs and Equal Opportunities and regional council have committed in-kind contributions through dedicated staff time. The total budget for the project was 1,854 million USD. The project was implemented by the United Nations Development Programme (UNDP) country office in Albania in cooperation with the International Labour Organisation (ILO) under an agreement between SDC and UNDP. Implementation of the project was shared between UNDP and ILO.

UNDP has retained project implementation responsibility, while both UNDP and ILO were accountable for the delivery of outputs and proper management of inputs for the components for which they were responsible. The Project Steering Committee (PSC) was the principal body that coordinated and oversaw the implementation of the project, with the responsibility to provide policy guidance on objectives and outcomes; as well as ensure effective and efficient use of funds. The project was managed by a National Project Manager hired by UNDP, with overall technical and management responsibility. An ILO project coordinator was in charge of overseeing ILO components and a UNDP project officer was hired to manage the CSR component primarily. Technical and coordination facilities were provided by local focal points in the three pilot regions.

The MoLSAEO was the primary project partner for activities under LLRYEC, as the lead agency in charge of labour market issues in Albania. The main implementing partners included the National Employment Service (NES) for the active labour market measures component, the METE for CSR, and the regional councils of the three pilot regions of Shkoder, Kukes and Lezhe where direct implementation of the TEP component activities took place. Other partners were also involved in project activities contributing to its outcomes, such as civil society organisations, and private sector representatives.

### Purpose of the evaluation

The main purpose of the evaluation was to provide a judgment on the overall performance of the LLRYEC project, and measuring its (potential) impact. The evaluation looked at relevance, effectiveness, efficiency and sustainability of programme results.

In particular, this evaluation was expected to provide an assessment of the achievement of the expected outputs in accordance with the Work Plans and Programme Logframe, as well as highlight the impact, main results, good practices and lessons learned. The final evaluation is intended to provide recommendations for any future interventions directed to the main users and partner programmes.

## Methodology used in the evaluation

This final evaluation focuses on the actual performance of the project, assessing effectiveness and sustainability of outputs as well as the relevance and efficiency of the intervention taking into account relevant national strategies as well as UN Country programme in Albania.

This final evaluation has the following specific objectives:

- assess the relevance of the overall project and the extent to which the development intervention's objectives were achieved;
- assess the efficiency and effectiveness of the project;
- look at the project as a whole, identifying good practices and lessons learned to be used as a knowledge base for developing future technical assistance packages;
- analyze strategies and implementation modalities so as to provide recommendations to be integrated in the planning process in Albania;
- review the project sustainability and potential life-long impact on Albania's social and economic conditions.

The Project Evaluation will be based on the Evaluation criteria specified in the TOR as following:

*Relevance*, assess the degree to which the project takes into account the local context and development problems. The evaluation will review the extent to which the objectives of the project are consistent with beneficiary requirements and needs, and assess whether the approach was coherent with the Country's policies and Poverty Reduction Strategy objectives. The evaluation will also review the extent to which the project design was logical and coherent, and it will assess the link between activities and expected results, and between results and objectives to be achieved.

*Effectiveness*, assess the extent to which the Project's Outcomes have been achieved, compared to the overall project purpose. In evaluating effectiveness it is useful to consider: 1) if the planning activities were coherent with the overall objectives and project purpose; 2) the analysis of principal factors influencing the achievement or non-achievement of the objectives.

*Impact*, assess the extent to which the outcomes achieved has affected achievement of LLRYEC Project Overall Goal.

*Sustainability*, assess the project capacity to produce and to reproduce benefits over time by considering the extent to which the intervention benefits will continue after the project is concluded and the principal factors influencing the achievement or non-achievement of the project sustainability.

In order to address adequately the Terms of Reference (ToR) requirements, experts developed an evaluation matrix composed of evaluation questions for each of evaluation criteria by sources of information (Annex 1).

The methodology for preparing this evaluation report comprised 5 phases, respectively: desk phase, field phase, synthetic phase, draft report phase and final report. During desk phase experts collected the necessary information and data from Project documents such as Project Mid Term Reports, draft Final Report, Steering Committee MEMOs and various Output Reports (see Annex 4). During the field phase, the experts carried out multiple interview visits (see Annex 5). List of Interviews) to the relevant stakeholders in Tirana and three pilot regions of Kukes, Lezhe and Shkoder. The field visit to the regions enabled direct contact with implementing bodies, programme partners, stakeholders, beneficiaries and end-users and constitutes an important source of information. Through the mean of structured interviews evaluators got a lot of quantitative data and qualitative information which was highly beneficial to support their

judgment on five performance evaluation criteria. The synthesis phase aimed to consolidate the data and information from desk phase and field phase and start preparation the draft report.

### 3. Description of Intervention

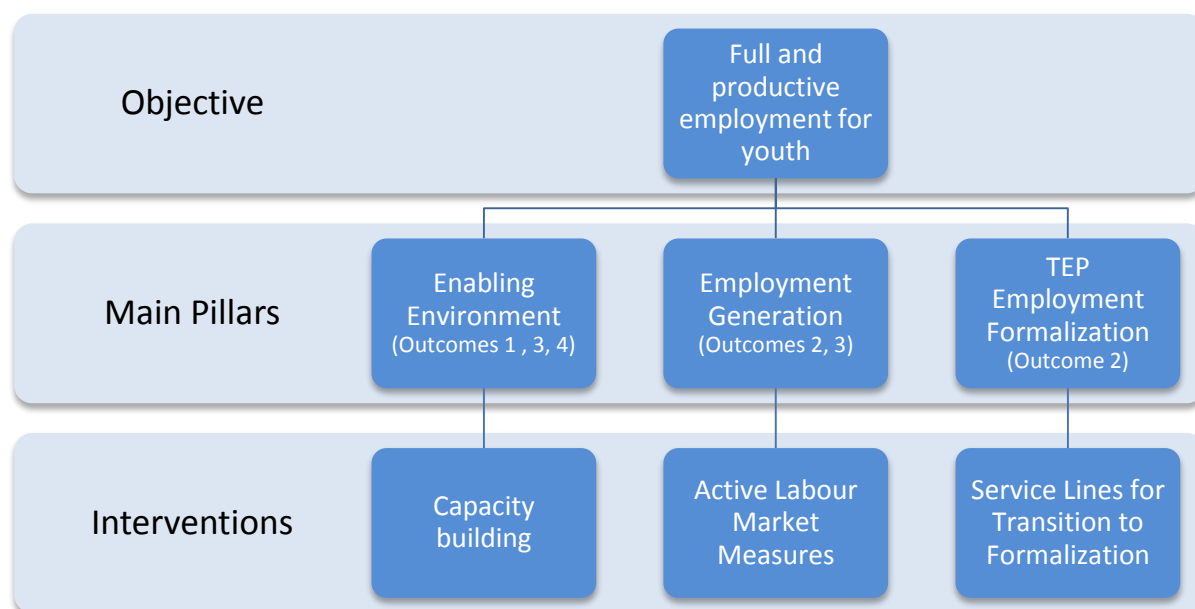
#### Overview of project concept

The LLRYEC project was designed to complement the efforts of the Government of Albania for the implementation of youth employment priorities in the NSDI. The main goal of the intervention is working towards the achievement of the objectives of Albania's National Action Plan for Youth Employment, thereby generating additional opportunities for the promotion of full and productive employment for young people. Youth unemployment, under-employment and informality impose heavy costs on Albania. Long unemployment spells early in life and extended periods in the informal economy affect the prospects of young people to secure a career job, a decent wage, their future and that of their families. High percentages of unemployed youth mean that investments in education and training are wasted, that there is a reduced taxation base and higher welfare costs. Investments in youth employment today have important implications for the future development of Albania.

The project built on the best practices identified in the frame of the UN Joint Programme on Youth Employment and Migration (YEM) and aimed to support Albania's development priorities in terms of generation of work opportunities, facilitating access to the labour market and formalization of labour relations for youth in three disadvantaged regions, facing significant challenges in terms of local economic development and labour market structures. LLRYEC was built on the following pillars of action:

- (i) creating an enabling environment by building institutional and private sector capacities to address the informal/vulnerable employment of youth at the regional level,
- (ii) (generating new and improved employment opportunities for youth through active labour market measures implemented in a public private partnership (PPP) framework, and
- (iii) reducing the incidence of informal employment through the operationalization of Territorial Employment Pacts (Fig. 1).

Figure 1: Main pillars and interventions



The LLRYEC Project was built upon the following outcomes, and based on national and regional priorities for youth employment:

**Outcome 1:** *Youth employment is a priority in the regional development strategies*

**Outcome 2:** *Incidence of informal and low-productivity jobs is reduced through innovative programmes targeting disadvantaged youth at risk of labour market exclusion*

**Outcome 3:** *The employability and income generating potential of youth enhanced through active labor market measures implemented under a public private partnership (PPP) framework in three selected regions.*

**Outcome 4:** *An enabling environment for youth employment as part of the larger CSR agenda is promoted by relevant stakeholders*

In line with the ONE UN programme approved by the Albanian Government in October 2007, the key development outcomes of LLRYEC were closely aligned with the One UN Programme in Albania 2008 – 2013, as endorsed by the Government of Albania:

*Outcome 4.4: All people better realize fundamental rights at work, have greater and inclusive employment opportunities, and can engage in a comprehensive social dialogue (under the leadership of MoLSAEO)*

*Outcome 2.1 Government, trade organizations and the private sector support inclusive and sustainable economic growth through enhanced regulatory frameworks, trade facilitation and investment promotion (under the leadership of METE<sup>4</sup>).*

<sup>4</sup> Changed to Ministry of Economic Development and Entrepreneurship (MoEDE) after September 2013



## Detailed description of the project:

Based on the documentation provided, the main activities and outputs produced so far by the LLRYEC are briefly summarised below. The structure of presentation follows the desired programme objectives and outcomes.

### **Outcome 1: Youth employment is a priority in the regional development strategies**

Activities under this outcome aimed to address the regulatory framework and necessary system changes to enable policy makers, and particularly local administration to engage in the formulation, implementation and replication of Youth Territorial Employment Pacts. Support to the establishment of Regional Employment Boards, as the institutional bodies responsible for developing and managing TEPs was the main activity intended to reach this outcome. REBs, led by the regional council and composed of representatives from regional employment offices, other state agencies as well as private sector were already constituted in the regions of Shkoder and Kukes with the previous YEM project; while the initiative was replicated for the Lezha region. The project provided information on training on strengthening of national and regional capacities to develop key youth labour market indicators and to produce labour market data for policy-making purposes, through information and training of regional staff, NES and INSTAT on the measurement of informal employment. Furthermore, territorial audits of the three pilot regions were carried out to inform the analysis and decisions of the REBs with regard to the regional TEPs.

### **Outcome 2: Incidence of informal and low productivity jobs is reduced through innovative programmes targeting disadvantaged youth at risk of labour market exclusion**

Activities under this outcome related to the direct interventions that the project carried out in support of the implementation of the three Territorial Employment Pacts for youth in Albania. Hand in hand with the Territorial Audit, the project aimed at addressing the identification of suitable areas, sectors and beneficiaries in emerging agro-businesses in the three regions. A series of employment sensitive value chain analyses were conducted to identify suitable areas for project interventions with most likely impact on sustainable youth employment.

### **Outcome 3: The employability and youth income generating potential enhanced through active labour market measures implemented under a public private partnership framework in three selected areas**

Components 3 and 4 are interlinked since the involvement of the private sector is at their core. Recognizing that the private sector has been the growth engine of the Albanian economy and it holds significant potential as the driving force in development, UNDP's interaction with the private sector in relation to components 3 and 4 has been two-fold. On one hand it has focused on private sector engagement in the implementation of the ALMMs, and on the other hand private sector development through policy, capacity, and institution building interventions in the frame of the CSR agenda.

Improving the skills of youth through the provision of on-the-job training addresses labour supply concerns, while capacity building activities of the private sector address labour demand. A PPP framework to address the labour market mismatches of supply and demand was envisaged for the delivery of ALMMs in the initial stages of the project. However, this modality encountered resistance from the MoLSAEO and NES which were not favorable of introducing external brokers to the mediation processes between ALMM programmes and the private sector.

The third component of the project was designed to improve the employability of young people by simultaneously addressing skill acquisition of youth, the capacities of the public sector providers of employment services, and the level of involvement of the private sector. Strengthening the partnership of key institutions and actors that have the potential to facilitate access to decent employment opportunities for youth was at the core of the PPP framework.

***Outcome 4: An enabling environment for youth employment as part of the larger corporate social responsibility agenda, is promoted by relevant stakeholders***

The fourth component was set in the context of the emerging need for Albanian enterprises to exercise a higher degree of commitment to CSR, as an added factor of competitiveness. The component focused on promotion of CSR through intensive dialogue and consultations among a wide range of stakeholders such as employers, business association, governmental agencies, trade unions, civil society, media, academia and other international organizations, support to the multi-stakeholder CSR forum as well as trainings and awareness activities for small and medium enterprises.

#### **4. EVALUATION CRITERIA AND EVALUATION QUESTIONS**

This chapter examines the performance of the LLRYEC, based on considerations of needs assessment and design, inputs, outputs, ownership, results and sustainability, set against the Evaluation Questions detailed in Annex 1.

##### **3.1 Design level**

***Relevance: Overall, the LLRYEC project was highly relevant and needed. It has been very ambitious in scope relative to the time frame for the implementation and absorption capacities of local stakeholders. The project was highly flexible to respond to the Beneficiary changing needs and programme environment. The project built on a sound intervention logic, but a more careful design of the outcome and output level indicators would have benefitted project stakeholders and ensured more transparency and objectivity in monitoring achievement of project results.***

- *Response to National and Sectoral priorities (Youth Employment, Marginalized groups, Gender)*

The LLRYEC project aimed to contribute to the generation of opportunities for the promotion of full and productive employment for young people in the three regions of Lezha, Kukes and Shkodra. The Project addresses adequately the strategic priorities defined in the Albanian “National Strategy for Development and Integration 2007 – 2013 (NSDI)” related to “sustainable economic, social and human development”<sup>5</sup> pillar in the areas of *labour market* (improvement of the employment services through introduction of active measures: vocational education and training and employment); *social inclusion and equal opportunities* (involvement of poor individuals, households, men and women,

youth and people with disabilities in the economic and social life and prevention of domestic violence through women economic empowerment).

The Project was also responsive to the priorities of the related sector strategies and Action Plans such as: a) the “Employment Strategy, 2007-2013”, on promotion of an active employment policy through establishment of a modern employment services system, development of employment promotion programmes, improvement of the vocational education and training system, reduction of informal employment, improvement of work conditions and support to social dialogue<sup>6</sup>; b) the “National Youth Strategy (2007-2013)”, second pillar “Youth employment”, urging to “make youth employment central to national policy-making”; and c) National Action Plan (NAP) for Youth Employment (2010-2013) tackling decent work for young people in four directions: I) governance of the (youth) labour market; II) young people’s employability; III) involvement of the private sector in providing job opportunities; and, IV) inclusion of disadvantaged youth; c) “Business and Investment Development Strategy (2007-2013) and a medium-term programme for the SME development (SME Development Strategic Programme, 2007-2009) on improvement of the regulatory reform in the field of business registration, licensing, customs, taxation and formalization of the labour market.

- *Coherence and continuity*

The LLRYEC Project design is coherent with the Outcomes/Outputs delivered by the previous similar Donor’s funded Project respectively the LEEDAK Project (Local Employment and Economic Development in Albania and Kosovo, 2003 - 2006), supported by the Italian Government, implemented in the Municipality of Kamenica (Kosovo) and the Lezha Region (Albania), YEM (UN Joint Programme on Youth Migration and Employment, 2008 – 2011”, financed by the Spanish Government (US\$ 3.3 Mln) and implemented at Kukes and Shkodra regions and SIVET Project (Social Inclusion through Vocational Training – SIVET); The LEEDAK and YEM Outcomes and Outputs are predecessors of the LLRYEC Outcomes/outputs respectively YEM Outputs under Outcome 1 - ie. establishment of efficient inter-institutional mechanisms such as (working group on Labour Market Information (LMI); development of the employment and labour market indicators; introduction of the Labour Force Survey (LFS) instrument for policy analyses in national and regional level; Territorial Employment Pact piloted in Kukes (establishment of Regional Employment Board, Territorial Audit in view of employment generation and formalization based on the potential of the regions and ILO Guidelines for the Y-TEPs preparation); introduction of innovative and creative agreements with national and local level partners public-private partnerships (PPP) from government, private sector, and non-profit organizations to address youth employment) etc. In particular, the project built on former efforts by the YEM Work Training/Work Subsidies Active Labor Market Measures (ALMM) Output formed the bases for LLRYEC Outcome 3. Outcome 4 activities (CSR) were based on previous activities by UNDP’s Global Compact Project in support of CSR in Albania and were designed in accordance with METE’s action plan on CSR.

The Project took substantially into consideration the recommendations of the “Mid Term Assessment of work training / wage subsidies ALMM, August 2011” related YEM Outcome 1 - ALMMs (preceding the respective LLRYEC Outcome 3) and recommendations of “YEM Final Evaluation Report, June 2012” related YEM Outcomes 1 and 2 (preceding the LLRYEC Outcome 2). In that respect it is clearly

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<sup>6</sup> Ministry of Labour, Social Affairs and Equal Opportunities; *Sectoral Strategy on Employment and Vocational Training (2007-2013)*, Tirana, 2007.

evident that Project has assured the continuity of the YEM interventions and approaches and is building on the Results achieved.

- *Project synergy with Donors initiatives in the related area*

The project built on and integrated well the expertise and added value of the partners at Central Government (Ministry of Social Wellbeing and Equal Opportunities, Ministry of Economy, NES and Employment Offices in the regions), local/regional Government units (Kukesi, Shkodra and Lezha Qarks), International Partners (ILO, UNDP, SDC) and Private sector actors (self employed, micro and SMEs, Large Corporations, Business Organizations, CSR Network etc).

The project fit with the SDC priority areas of cooperation set in the “Swiss Cooperation Strategy to Albania 2010 – 2013” specifically related to strengthening the skills and competencies of youth with the aim of increasing their employability, supporting the delivery of market relevant vocational education and training; promotion of public private partnerships (PPP); enhancing economic governance through promotion of corporate social responsibility (CSR) amongst Albanian businesses with impact amongst other in employment of people with disabilities.

The project was in line with the Overall Goal of “GoA and UN Cooperation Strategy 2012 – 2016” related to the “promotion of sustainable and equitable development, social inclusion and the adherence to international norms and fulfillment of international obligations” and its Outcomes specifically, Outcome 1.2, “Public administration will be supported to *enhance capacities, practices and systems for effective delivery* of national development priorities and international obligations”; Outcome 2.1, “Government, trade organizations and the private sector support *inclusive and sustainable economic growth through enhanced regulatory frameworks, trade facilitation and investment promotion to achievement of the development of cohesive national youth policies*”; Outcome 3.1, “ *Institutional capacities, frameworks and policies meeting international standards promote equitable and sustainable regional development focusing on land use and livelihoods for women and men, agriculture, tourism and cultural and natural heritage management*; Outcome 4.1, “*The rights of disadvantaged individuals and groups are equally ensured through legislation, inclusive policies, social protection mechanisms and special interventions*” and Outcome 4.4, “*All people better realize fundamental rights at work, have greater and inclusive employment opportunities, and can engage in a comprehensive social dialogue*” etc.

- *Needs identification*

The project design went through a comprehensive needs identification process assuring a bottom up approach and structured participation of related stakeholders in carrying out problem and situation analysis (SWOT) using Regional Development Strategies to track development priorities in sector level and opportunities in both natural and human resources; using human development indicators (particularly poverty indicators - labour force participation indicator and Youth unemployment indicator) which indicated Lezha, Shkodra and Kukesi as top regions related unemployment, job opportunities and informality. Nevertheless, needs assessment at design stage seemed to be not fully efficient related Component 2 - designing the Y-TEPs. Even though the Component 1 and 2 were entirely designed by an ILO Expert based on the successful experience of the Kukes Y-Tep pilot model (YEM project), ILO complained that “UNDP should have consulted them more proactively”.

Territorial Audits (TAs) were carried out for the three regions in the course of the LLRYEC project in order to incorporate region specific context into the design of the new TEPs.

- *Project design and Intervention logic*

The project used an effective intervention logic based on three parallel pillars aiming to: establish an *Enabling environment* to address informal/vulnerable employment of youth at the regional level; *Employment generation* by contributing to creation of innovative employment opportunities for youth through active labour market measures (ALMM) implemented through well designed public private partnerships (PPPs); and, *Employment Formalization* aiming to operationalise the Y Territorial Employment Pacts as sustainable instrument responding to real local needs by focusing in those sectors where the needs for decent work and formalization are significant. Considering the coherence and continuity with previous Project's Outcomes /Outputs, the choice of a parallel intervention logic vs. process intervention logic is very adequate; while at Outcomes/Output level the intervention logic is process driven (development of mechanisms/systems and CB activities to implement them; awareness raising to assure multiplication of Outcomes etc.).

The Project approach was Results oriented (Result – Outcome – Output - Activity) and design was based on Logframe approach. The Project approach anticipates achievement of the Overall Goal (OG) “to contribute to the achievement of the objectives of Albania’s National Action Plan for Youth Employment, thereby *generating additional opportunities for the promotion of full and productive employment for young people*” through four key Outcomes respectively: *Outcome 1*: “Youth employment is a priority in the regional development strategies”; *Outcome 2*: “Incidence of informal and low-productivity jobs is reduced through innovative programmes targeting disadvantaged youth at risk of Labour market exclusion”; *Outcome 3*: “The employability and income generating potential of youth enhanced through active labor market measures implemented under a public private partnership (PPP) framework in three selected regions”; *Outcome 4*: “An enabling environment for youth employment as part of the larger CSR agenda is promoted by relevant stakeholders”.

The Overall Goal (OG) and four Outcomes are accurately defined and formulated. Synergies and complementarities are evident allowing their overall contribution to achievement of the OG. Synergies and complementarities are strong amongst Outcomes 1 and 3 contributing to strengthening the capacities of Central and Local Administration on improving the regulatory framework and policy making for Youth employment by formulation, implementation and replication of Y-TEPs and ALMMs. Synergies and complementarities are also strong amongst Outcomes 2, 3 and 4 aiming to contribute to job creation, promotion of youth employment opportunities and job formalization. Synergies and complementarities are evident amongst Outputs 3 and 4 related to involvement of the private sector in the implementation of the ALMMs under a public private partnership (PPP) framework. Participation in the ALMMs and TEPs address the labour supply side, while the capacity building activities to the private sector under CSR agenda address contributions to the decent work agenda in Albania.

The initial Logframe Matrix was designed in two levels: Outcomes level and Activity/Outputs level. At Outcomes level the Logframe is adequately composed by five parts (Outcome, Outcome Indicator, Sources of Verification, Assumptions and Risks). Outcome level indicators have been generally well defined but sometimes generic and not measurable to allow verification of achievements. For instance, indicator 1.1, formulated as “Regional development strategies (RDS) make reference to youth employment”, does not provide a sound and measurable basis for assessing progress against outcome 1: “Youth employment is a priority in the RDS”. An alternative formulation, linking the outcome achievement to the approval of action plans or budget allocations on youth employment would have facilitated verification of achievement on a factual basis. Another example is Indicator 2.1 referring to Outcome 2 formulated as “Number of jobs created for youth through Y TEPs in three

regions". This formulation is generic as lacks targets to measure achievement. An adequate formulation should have been "Minimum (concrete number) jobs created in each of three regions as result of Y-TEP implementation". This indicator would have allowed measurement of the efficiency (money spent for the Output produced/number jobs) and collective contribution to achievement of the Outcome 2. Similarly, there has been room for improvement in terms of Indicator 3.1 "Number of enterprises selected to participate in the ALMM as per selection criteria"; "Number of beneficiaries identified and selected as per participation criteria"; and Outcome 4 which core is "CSR promotion" there is NO Indicator to measure the outcomes of numerous awareness raising activities. In general, outcome level indicators lack a measurable baseline and target value. This may have been understandable at the design stage of the project due to lack of data in particular at the regional level. However, the project should have addressed this by updating outcome level indicators following completion of TAs and agreement with the NES on ALMMs.

There has been room for improvement for indicators at the Activity/Output level:

Measurable indicators: Indicators do not always enable measurement of quality results. For instance, indicators for measuring achievement of the Activity Outcomes 3.2, partly 3.4 and 4.3 "new knowledge and skills improved" was mostly formulated as "number of participants attending Trainings or Workshops" which is not sufficient to address skills improved. The achievement of "new knowledge and skills improved" should have been anticipated by using the results of "Self Assessment Survey Questionnaires" used in almost all CB Activities. In this case in addition to number of participants other Indicators should have been formulated as "Nr. of participants in the Training/workshop enhanced knowledge on X subject"; "Nr of training participants use the knowledge gained by X training subject in their everyday work".

Unrealistic/overambitious design of indicators: Under Output 2.2 – "Entrepreneurship and business advisory services provided to around 600 beneficiaries in *each* region by the end of programme; training grants provided 600 beneficiaries in *each* region by the end of the programme; credit opportunities (micro-business grants) provided to 360 beneficiaries; employment subsidies provided to 30 beneficiaries (only in non-agriculture micro-enterprises); capacity support for association building provided to 360 beneficiaries to join producers' organizations" to be achieved with a budget of US\$ 350.000. In the Evaluators opinion the *budget is insufficient to cover even "provision of micro-business grants" activity to 360 beneficiaries*;

Inadequate indicators (insufficient in number and formulation): only one indicator formulated as "Training aligned to competencies required to conduct a job" has been defined to measure achievement of the most expensive Output 3.3 (US\$ 416, 557).

The initial Logframe design anticipates achievement of each of 4 Outcomes through the Outcomes resulting from implemented Activities and delivery of the planned Outputs. Activities have been generally well defined, sequenced and interlinked to each other to assure achievement of the expected Outcomes. The logical framework was revised with the request of Project stakeholders at the project start. The updated Logical framework provided an adjusted design by adding 3 parts to the initial 5 such as Timelines, Institutional responsibilities and Budget forecast for each activity and sub activity which made the Logframe a better programming instrument. The achievement of each of Outcomes was better planned through a number of defined and formulated Activity Outcomes to be achieved through a number of Outputs delivered by a number of implemented sub – activities. In the evaluator's opinion the definition and formulation of some of the Activity Outcomes is rather inadequate which makes achievement analysis difficult. Another issue of concern is lack of Indicators to measure achievement of planned Activity Outcomes and their contribution to Project Outcomes. The Sources of Verification which are necessary to tackle / verify achievement of expected results are missing.

- *Project realistic (duration, budget)*

The planned implementation period of 24 months seems tight for a complex Project such as LLRYEC considering the nature of interventions (policy/regulatory framework, management bodies/mechanisms, building skills/knowledge and implementation), intervention size (14 Activity lines and over 70 sub activities) and expansion in three regions. There is no evidence of an Implementation Schedule at the Project Design level accompanying the Logframe to allow evidencing the implementation progress. The implementation schedule was provided as part of updated Logframe at first SCM and was used as a planning, monitoring and reporting instrument for the duration of Project.

The total Budget allocated for the Project activities is at an amount of 1,824,178.88 USD. Budget was allocated in Output level but no evidence exist at the Logical Framework document on the Inputs/Level of efforts used (Number Working Days for Consultants/ trainers; cost of trainings/awareness raising events: facilities, equipment; cost of subsidies etc.) to calculate each Output budget which would allow drawing assumptions on the efficiency of each of outputs delivered by comparing costs to results achieved.

### 3.2 Efficiency

***Efficiency: Project implementation has been adjusted several times over the course of the project duration. Substantial delays in implementation of the original workplan have been taken into account and sequencing of activities has been readjusted in a new workplan. The majority of outputs have been completed efficiently. The project management arrangements have been adequate considering the complex structure of the project and multiple stakeholders at national and regional level. The project team has successfully managed to overcome initial difficulties in project start-up and alignment of project instruments to the needs of beneficiaries without considerable impact on project results.***

A Third Party Cost-sharing Agreement between UNDP and SDC was signed on December 15, 2011. The initial Project duration was two years therefore expected to complete by December 2013. As a matter of fact, project started significantly beyond the schedule. It became operational only in August 2012 with the recruitment of the UNDP Project Manager and Project Officer while the contractual arrangements with the ILO were finalized in late 2012. The recruitment of the ILO's Project Officer and the implementation of the Component 1 and 2 (ILO) activities started by early 2013. In order to compensate for the delayed start, upon the UNDP request, the SDC agreed to grant the project a no-cost extension until September 30, 2014.

***The Project has succeeded in delivering all of its outputs, but cross-fertilisation of activities and outcomes of its different components has been limited.*** LLRYEC was jointly implemented by UNDP and ILO, although UNDP has borne the principal responsibility in ensuring overall project progress as well as quality assurance. In practice, the project was designed along two main pillars (work with national level partners implemented primarily by UNDP and work with regional level partners implemented mainly by ILO) and synergies between the teams of experts engaged in the different components have not materialised to a significant level. In the original design of the project exchange of know-how and operational instruments for employment generation had been envisaged between the active labour market measures (Component 3) and Territorial Employment Pacts (Component 1

and 2). Although the project team has made efforts to facilitate such exchange through the involvement of central level authorities in the Regional Employment Boards, their involvement has remained passive and the two sets of activities have been perceived as clearly segregated by project stakeholders and beneficiaries alike. The project team has made commendable efforts to improve cooperation and coordination across components and in the territory, however the complexity and pace of implementation of activities in each component have drained significant energy in particular in the last year of project implementation.

***Coordination between the implementing agencies has worked well but remains demanding.*** UNDP and ILO have to respond to different sets of procedures and reporting patterns set by their own Headquarters, and adopt different management approaches with regard to the project. The financial reporting systems used are completely incompatible with each other, with UNDP generating very detailed and comprehensive financial reports, and ILO reporting at a general budget line item level. These challenges in coordination and harmonisation of procedures are particularly cumbersome for UNDP, which retains ultimate responsibility for the project and project reporting vis-à-vis the donor.

The overall ownership and responsibility for this project rested with the Government of Albania, while the responsibilities on the management and delivery of project activities and results rest with the two UN Agencies (UNDP and ILO), coordinated by the UN Resident Coordinator's Office in Albania. The project was led by the National Project Manager (PM) that was hired by UNDP, while a project officer held primary responsibility for activities under Component 4 – CSR. A dedicated ILO project officer, who was provided with support and technical input by an international short-term technical advisor, oversaw day-to-day management of ILO activities. Regional coordinators assigned to each of the pilot regions helped with the coordination of on-site activities across all components. Their engagement was originally envisaged as a part-time assignment, but was later re-evaluated and local focal points were hired full time throughout the duration of the project. The project team received technical and organisational support by the relevant organisations – the local UNDP office in Tirana and the ILO office in Budapest.

Coordination with the project partners has been excellent, both at the central and regional level. The project and both implementing agencies have maintained good contacts and consultations with counterpart agencies as well as civil society organisations, which have been included proactively in the project implementation. Both Donor (SDC) and implementation stakeholders expressed their high gratitude for excellent cooperation and effective approach used by UNDP managing team in implementation of the Project.

In particular, the project has developed a very close working relationship with the Ministry of Social Welfare and Youth and the National Employment Service (NES). NES was closely involved in the implementation of activities related to ALMMs (under Component 3) and follow-up of the outcomes. NES have developed an excellent working relationship with the project staff, based on mutual trust and appreciation of results. The positive results yielded by the project led NES and MSWY to trust the project with primary responsibility for the improvement of policy measures in the area of active labour market measures in late 2013 / early 2014. Coordination with partners at the regional level has also been good, although commitment and ownership of the three regional councils to the project activities has varied.

***Programme steering by the PSC served as a sound platform the strategic guidance of the project and coordination with national partners at the central and local level. The PSC was co-chaired***



**by the Deputy Minister of** Labour and Social Affairs and SDC, with the participation of the NES, METE, as well as representatives from regional/local authorities in the three regions. The PSC has met five times over the project duration, and has performed well as the main coordination body. The MoLSAEO (later MSWY) has demonstrated strong ownership of the project and has brought into the PSC discussion of technical issues that were of relevance to the project. High level representatives of SDC and UNDP have always been present at the SC meeting. ILO has been represented by the National Coordinator in Albania and/or representatives from the Budapest regional office. Regular progress reports that have been submitted to the PSC have been prepared by the PM with some ILO input. The PSC has followed project implementation and has approved amendments to the workplan over the course of the project in order to adjust its activities to the changing context.

***The evidence from the programme does not indicate specific benefits from the cooperation of the two agencies in project implementation.*** As explained above, the components under ILO responsibility (1 and 2) and those under UNDP responsibility (3 and 4) have been rather segregated from each other and there has been limited sharing of work methodologies among agencies. The full potential of synergies between the two agencies was not achieved. Stakeholders at the regional council level could speak meaningfully of only the ILO interventions; while stakeholders at the national level and NES regional offices could speak meaningfully of only UNDP and its interventions.

In particular, the project has benefitted to some extent from ILO-s reputation with the main project counterparts, especially at the regional level. However, the fact that both agencies contracted local consultants to deliver the majority of outputs largely mitigated these effects resulting in generally qualitative outputs.

***Funds are spent efficiently and in line with the budget adopted.*** The lion share of project funds was spent on employment generation activities and some technical expertise associated with it. UNDP has provided direct support to the National Employment Service for supporting the active labour market measures programme in 2013 and 2014. The support to the implementation of active labour market measures was rather substantive, reaching approximately USD 350 thousand and it constituted nearly 50% of the national budget appropriated to NES for ALMMs by the state budget for 2013 for the three target regions. Approximately 70% of the total budget for Component 3 was spent on actual employment measures. 98% of the ALMM budget was spent. The budget for ALMMs was planned and allocated based on the actual costs of employment subsidies employed by the government (National Employment Service), and contained even more restrictive conditionalities than those dictated by the government's subsidies.

In terms of budget efficiency, the ALMM programme provided employment and on-the-job training for 340 beneficiaries at an average cost of 850 USD per beneficiary. In total, Outcome 3 contributed directly to over 500 beneficiaries, including employment subsidies, the business idea competition "Ki Kurajo" as well as training and capacity building for NES regional offices. Technical assistance to NES for the formulation of new ALMMs as well as the new scoring formula evaluation methodology to increase transparency and credibility of the ALMMs programme were delivered by project staff and absorbed into the project management costs.

The TEP components 1 and 2 provided direct employment and self-employment assistance to 444 beneficiaries, at an average cost of 1575 USD per beneficiary. This also includes costs for establishment of REBs, design of territorial audits and TEPs as well as training of beneficiaries.

### 3.3 Effectiveness

The “effectiveness” relates to the capacity of the Outcomes to accomplish the project OG. In that regard the project effectiveness depends on project design (links between Project Outcomes – Activity Outcomes - Outputs) and ability of each of them to deliver what was planned to achieve. Considering the relevance of Project design related adequate linkages between Project Outcomes, Activity Outcomes and Outputs, the effectiveness will be assessed by analyzing whether the planned Activities were implemented and planned Outputs to produce the Activity Outcomes was delivered.

#### *Outcome 1 - Youth employment is a priority in the regional development strategies*

The desk research and interviews with the project stakeholders and final Beneficiaries evidence that activities planned to achieve the Outcome 1 have all been implemented timely except for Activities 1.2.2 (Conduction of TAs) and 1.2.3 (Y-TEPs) which were delivered with significant delays (6 months). This was due to a number of management factors, most importantly delays in start-up activities and inadequate time and resources planning to prepare complex TEPs. Considering that TEP document is central for Y-TEP implementation, the delays affected delivery of successive outputs. Despite the delays, there is some consensus amongst Beneficiaries interviewed on the usefulness of outputs produced (Y-TEP), approaches used to identify them through a bottom up approach and the stakeholders’ participation (REB), innovative approaches used to produce outputs based on best international models and expertise (TA) and effective delivery approaches integrating new methods and tools with knowledge transfer to staff concerned through trainings and on the job trainings.

In conclusion, all activities planned under Component 1 were implemented including Introduction of specific tools to measure the informality and unemployment, and TAs served to identify priorities to grassroots and address them adequately; Establishment of mechanisms such REBs and enhanced capacities of all regional stakeholders and staff to implement the knowledge. In this regard the effectiveness of Component 1 can be assessed as satisfactory.

The detailed analysis of outputs delivered and their contribution to achievement of Activity Outcomes are presented below:

*Activity Result 1.1 - The capacity of policy makers to address informal/vulnerable employment of young people at local level enhanced*

*Activity Result 1.2 - On-the-job assistance to the WG for producing and/or using regionally disaggregated data on youth employment and informal employment*

The LLRYEC Project (ILO) envisaged a capacity building of regional stakeholders on the use of Key Labour Market Indicators (KILM), especially on KILM 8 (informal employment), to enable regional actors explore labour market structures in their territories. Since the KILM indicators needed data which are not available at the local level, it was decided to consult INSTAT to see how the project could be of support to them in the areas of youth employment and informality. The consultation with INSTAT indicated that the training on KILM was not necessary and INSTAT requested support in working towards a nationally accepted definition of informality and how to measure it. The workshop on the latter was held in November 2013 with the participation of 18 staff from INSTAT HQ and regional offices and MoLSAEO to provide insight on definition and measurement of informal employment, mismatch between skill demand and supply, as well as the possibility to include similar measurement modules in the periodic LFS surveys conducted by INSTAT.

A series of scenarios/options were sketched out during the workshop on the introduction of measurement modules on informal employment and informal enterprises. Participants recognized that measurement of such indicators is subject to availability of resources and requires high level management commitment. To date there is no evidence that INSTAT has expanded its quarterly labor force survey.

The results under this activity were partially achieved. While capacity within key INSTAT staff on internationally recognized methodologies for measurement of informal employment and related indicators was developed, the transferred know-how could not be fully exploited for policymaking purposes due to lack of data availability and low commitment to invest time and resources in producing local-level indicators – the latter having been identified as one possible risk for the full achievement of objectives. As a result, follow-on activities (such as activity 1.2) under this component were not carried out.

➤ ***Result Activity 1. 2: Regional Employment Boards (REBs) established in the selected regions and responsible for developing and managing Y-TEPs***

*Creation of new Regional Employment Board in Lezha and revamping of the one in Kukes and Shkodra*

*Territorial Audits will be conducted in the three targeted regions in order to identify employment and youth development opportunities*

*Territorial Employment Pact for Youth designed in each region*

Activities in this component have focused on the establishment and strengthening of institutional structures at the local level for the management and coordination of support for youth employment initiatives in the framework of the regional TEPs. The Regional Employment Boards were designed as comprehensive structures under the leadership of the Regional Council, with broad participation from national de-concentrated offices at the regional level, including the Regional Employment Offices and other sectors such as Agriculture. Private sector and civil society representatives were also member of the REBs. The project worked with stakeholders at the regional level for the mobilization of structures; supported the identification of opportunities and possible interventions through regional “territorial audits” as well as invested in capacity building of local relevant stakeholders for ensuring sustainability of project results and creating an enabling environment for economic and social development.

***Regional Employment Board Operation and capacity building***

Three Regional Employment Boards (REBs) were established and functional at the end of the Project – one Regional Employment Board established in Lezha and the REBs of Shkodra and Kukes were re-activated. The REBs aimed to support regional level actors in better identifying challenges and opportunities for youth employment, developing coordinated actions to address them and managing autonomously the local-level youth employment interventions as per agreed Y-TEPs. To assure effective REBs establishment and functioning, detailed Terms of Reference were drafted by the LLRYEC Project specifying the REBs composition by key regional level actors such as Regional Employment Offices, Regional Education Offices, private sector, academic institutions (local universities), NGOs and Business Associations under the Regional Council’s lead. Operational Guidelines were also drafted and introduced to assure REBs functioning.

The evaluation evidenced that the REBs have operated effectively based on Operational Guidelines and played a key role in Y-TEPs formulation, implementation and monitoring the progress /results. Nevertheless there were differences in REBs functioning and results achieved. The REBs of Kukes

and Shkodra have operated effectively through planned meetings and specified agenda, good communication and cooperation with REBs members assuring full participation and efficient discussions related to preparation of Y-TEPs interventions, management and monitoring & reporting progress implementation. The Shkodra REB in particular has been institutionalized as a platform beyond the scope of designing and implementing Y-TEPs. The success of Kukesi and Shkodra REBs is dedicated to RCs ownership, Chairmen's commitment to play a pro active role and making human resources available to facilitate the implementation of interventions. It is worth noting that the Kukes and Shkoder REBs had a good background of cooperation and had already been established during the YEM project.

The establishment and operation of the Lezhe REB was a more challenging assignment. First, the project and its instruments and expected outcomes were new to the local stakeholders and relatively more effort was required to mobilize stakeholder commitment. Second, the modalities for the operation of the REB and in particular its responsibilities in the management of employment support through the TEPs were discussed at length between the project and the RC. The RC argued that the REB role would have been more effective if financial support to the final beneficiaries was directly coordinated by the regional council. The project evaluated the approach of direct budget support to the regional council, in replication of the same modality that had been implemented in the YEM project, but a number of factors led the project to decide against this approach. At the time of negotiations discussions of the territorial reform had been initiated by the government and the existence and/or future role of the regional council was uncertain. These discussions however undermined to some degree the level of trust between the RC and the project, which had its implications in the future operations.

The project worked on capacity building of regional and local stakeholders in project management, monitoring and evaluation. A national consultant was hired to assess the capacity of local stakeholders of the target regions (municipalities, employment offices, the social partners, labour inspectorate, youth organizations, financial institutions, and the private sector) to address youth employment challenges at local level in order to identify capacity building needs and provide proposals for future action. Two trainings were conducted in each of the regions in the October – December 2013 period focusing on the context for youth employment and monitoring and evaluation; as well as project cycle management and financing. 43 stakeholders from the three regions were trained representing 8 institutions /organizations (regional offices, local government units, Chambers of Commerce, and NGOs) across 10 attributes under three main categories: Strategic Development, Managing Delivery and Evaluation.

There is no evidence about the outcome of the trainings and training evaluation documents but the general feedback was positive in terms of participants increased knowledge and skills on new concepts.

### ***Territorial audits***

The first meetings of the REBs were held in April 2013, followed by a second round in May 2014, where the first concept for the territorial audits were presented. REBs held around 3 formal meetings during the second half of 2013 as well as again in March 2014.

The REB is a policy-making, rather than an operational body. As such, the major task of REBs was to review documents prepared through project support, provide feedback and eventually formally endorse these documents. The project mobilized a series of consultancies to prepare the background work for REB. The most important outputs reviewed by the REB were:

- Territorial audits for each region: Three TAs were conducted under ILO lead and the assistance of three External Experts. The TAs are needs identification instruments aiming to explore concrete employment generating opportunities to each of the three regions and addressing specific priorities at the grass-roots level. The TAs in the three different regions identified the economic sectors with higher growth and employment perspective, with agriculture and tourism topping the list in all regions. There is no evidence of a predefined methodology in conducting the TAs and the three documents slightly differ in terms of structure and approach. In addition, it is worth noting that the TAs would have benefitted from enhanced focus on the assessment and possible scenarios on the institutional dimension of cooperation for economic and employment growth in the region.
- Analysis in the TAs was complemented by a series of Value Chain Analysis studies in each of the target regions, which were intended to support the TAs supported two employment sensitive value chain analyses. The TAs findings and recommendations were consulted with respective REBs and after getting their approval were endorsed to the Y- TEPs.

***Territorial Employment Pacts for Youth*** designed in each region through a bottom up and participatory approach to address each of the regions priorities at the grass-roots level

Three Y-TEPs were established with the Project support through a participatory and bottom up approach involving Regional stakeholders through REBs under the ILO lead and the assistance of the external experts. The Y-TEPs consist of a formalized agreement for youth employment amongst public institutions (Qarku, Municipalities, Communes, National Employment Service) and private sector (employers association, trade unions, NGOs, banks) to create a joint platform for the stimulation of economic development and employment at regional and local level. The Y- TEPs address TAs findings and recommendations to a set of proposals for actions called partnership initiatives (PAs). The number of actions defined is different to each of regions ie. 7 interventions were defined for Kukesi, 5 interventions were defined for Lezha and 5 interventions were defined for Shkodra as in the Table below:

**Table 1 TEP actions in each of the target regions**

KUKES		
Action	1	Creating opportunities for better employment for young people in the tourism sector
Action	2	Formalization of employment through upgrading rural enterprises (beekeeping)
Action	3	Employment generation through developing cultivation and collection of sage
Action	4	Employment generation through developing chestnut production
Action	5	Generating ideas for sustainable enterprises
Action	6	Employment generation for young unemployed in the handicraft sector
Action	7	Establishment of the Regional Development Agency (RDA)
LEZHA		
Action	1	Creating employment opportunities for youth in the agriculture sector (turkey breeding)
Action	2	Enhance Youth Employment in the Agro-processing Industry (tomato)
Action	3	Support to rural families through sustainable agriculture for income and employment formalization
Action	4	Employment generation through developing cultivation and collection of Medicinal and Aromatic Plants (MAPs)
Action	5	Skills development in the Tourism Sector
SHKODRA		
Action	1	Employment generation through developing cultivation and collection of Medicinal and Aromatic Plants (MAPs)
Action	2	Creating Opportunities for Better Employment for Youth in Tourism Sector
Action	3	Employment generation for young unemployed in the handicraft sector
Action	4	Fostering youth employment in the fishing industry (Cleaning the lake)

***Outcome 2: Incidence of informal and low-productivity jobs is reduced through innovative programmes targeting disadvantaged youth at risk of Labour market exclusion***

The desk research and interviews with the project stakeholders and final Beneficiaries provide sufficient evidence on implementation of activities planned to achieve the Outcome 2. In conclusion, the planned activities of Component 2 succeeded to deliver the planned outputs and achieved of the expected outcomes at activity level such as formalized partners commitment to implementation project activities, establishment of premises for enabling efficient implementation of Project outputs (Y-TEP and ALMM) consisting of amended Legislative framework, establishment of adequate coordination arrangements at the Regional level, development of Six inter-connected service lines formed the basis for effective implementation of Y- TEP interventions in the three target regions with concrete outcomes and results in providing employment opportunities to 251 unemployed youth (85 gained paid employment and **166** were self-employed). Overall, 643 families and 3,215 individuals benefited indirectly by the TEP interventions. Significant outcomes achieved in enhancement of capacities of local authorities to address unemployment and informality; the potential for unemployed youth participation and benefiting from Y-TEPS opportunities was enhanced through establishment of innovative mechanisms such as “sportele” and awareness raising.

- ✓ *Design of TEPs: Bottom-up approaches and local-level concertation for youth employment operationalised through Territorial Employment Pacts for Youth.*

The detailed analysis of outputs delivered and their contribution to achievement of Activity Outcomes are presented as below:

The process for the development of the TEPs proved to be very complex, and beyond the contributions of the local experts, the project team had to work hard to prepare a sound set of proposals for actions to be submitted to the REBs for endorsement. Due to the changes induced by the political elections, the finalization of the documents occurred in November 2013 in Kukes and Shkoder. Challenges regarding the funds disbursement modalities for TEP implementation in Lezha, further delayed TEP endorsement there, with the final approval obtained on December 12, 2013. Implementation of this component was significantly beyond schedule, which brought about postponement of sequencing activities, most notably the effective action implementation stage. The project had to outstretch its resources to finish a large operation composed of multiple mini-projects in the 6 months period remaining until the project closing date.

Despite objective delays caused by the later start of the first two components as well as implications of the elections, arguably the project invested longer than necessary in the preparation stage preceding TEP formulation and endorsement. As a spin-off of YEM project, the TEP component could have arguably taken advantage of the background analysis and data existing in the regions from the previous interventions. One of the shortcomings in the approach for this component was the lack of baseline data on the economic situation analysis of the regions, a view which was strongly put forward by SDC, which was concerned about the measurability of impact of project interventions. The TA and VCAs did not provide uniform and systematic data on the overall situation in the target regions – i.e. although the process of analysis was based on consistent consultations with local stakeholders and multiple visits, it did not provide more in-depth information that could have been used for systemic and sustainable interventions. It is widely recognized however that disaggregated

data at the regional level is hard to assemble and the project had planned for interventions in this regard (i.e. capacity building on KILM), but did not find commitment of concerned actors. The six major “service lines” identified in YEM and transposed to LLRYEC were already known to the main stakeholders at project design level. Hence, an alternative approach at least in Kukes and Shkoder would have been to refresh the analysis on these identified needs and discuss them with REBs for the formulation of TEPs at an earlier stage. This approach would have mitigated the effects of delays. As a matter of fact, actual identification of grants/support within each of the TEP actions only started in early 2014 and it did not draw sufficiently on the TAs nor the value chain analyses. Alternatively, the project would have had more time and resources available to deepen the analysis within each of the TEP actions (i.e. service lines) and work more intensively with the individual project beneficiaries to adjust the scope of activities, identify possible opportunities for multiplication of employment generation opportunities, as well as monitor the results of each project.

- ✓ *Adequate coordination arrangements assured at the Regional level in each of targeted area to enable effective implementation of Y-TEPs*

A number of administrative arrangements had been originally envisaged in the project, including the signing of MoUs between the MSWY and REBs/RCs committing the latter for the effective implementation of the project; as well as establishment of Y-TEP coordination units at local level. The shift in project management approach to the centralized fund management modality made these interventions less strategic. Instead, the focal points recruited in three regions resulted to play an active role in facilitation of numerous activities related to implementation of Y-TEPS in each of regions within tight timelines. The regional focal points facilitated the work of national and international experts hired for various activities within the project and operating in the region, with the local staff of the regional employment offices and Regional Council Development Department. Continuous counseling and support were provided to the focal points to enhance their knowledge on Y-TEPs process to better introduce interventions to the potential beneficiaries in the regions and increase their interest and participation. Their services were very important for ILO management in channeling information among the regional/local stakeholders and project team in Tirana and vice versa. The regional stakeholders and beneficiaries feedback on focal points was very positive as an important factor to successful implementation of Y- TEP interventions and achievement of planned outputs/outcomes.

- ✓ *Six inter-connected service lines activated and made available at the local level in the three target regions*
- ✓ *Information and analysis that support the identification of higher productivity jobs for youth and opportunities for sustainable enterprises at the regional level generated”*

The ILO approach for TEPs envisaged support and advisory services to national and local institutions in view of promoting concertation and transition to formalization; and local economic development; upgrading of small and micro enterprises linked to formalization. In the context of this project and drawing on the results of YEM, the outputs within this project were designed in the form of:

- Six service line interventions, aiming primarily at enterprise/ youth employment formalization and promotion of decent work;
- Identification of new sources for jobs through the promotion of local development (rural economy, industry/craftsmanship and small enterprises)

**Figure 1** *Service Lines for transition to formalization established through the Y-TEP*



The number and composition of the service lines over the course of the project has changed from the initial Log-frame. As demonstrated in the Project Progress Reports, the project gradually moved away from the terminology of “service lines” to focus more on “TEP actions”, which promoted employment through local economic development initiatives in the main sectors of agriculture, tourism and craftsmanship. There seems to be no significant conceptual divide between the two approaches, with efforts continued on job/enterprise formalization but a slight shift is observed towards entrepreneurship advisory services, training incentives and start up support for new enterprises or associations. Project beneficiaries were provided with training on capacity building/transfer of know-how on access to credit and/or regulatory framework, but the latter were not systemic interventions in the course of the Y-TEPs.

17 Y - TEP partnership initiatives were implemented through a competitive process of Calls for Proposals (CfP). The CfP process was effectively managed by the project, with the active cooperation of the regional councils. Participation in applications was open to both genders but preference was assigned to women applicants in several activities. One of the CfP selection criteria was the Beneficiaries willingness and commitment to achieve results.

The project envisaged the involvement of local actors as a key factor for a successful design and implementation of youth employment initiatives in the three targeted regions. In fact, the Territorial Pact approach implies the strong involvement of local communities both in terms of identification of needs, especially for the informal enterprises, but also for the implementation of the measures included in the Territorial Employment Pact. Therefore, the consultation and cooperation mechanisms have to be extended from the regional to the district level, by appointing reference/contact points even within small communes (sportele). This activity was intended to play an important role in view of enhancing the participation of Communes in the concertation phase of TEP action support. Two trainings on TEP operationalisation for those communes that had expressed interest in sportele were carried out in October 2013, following an initial awareness stage in June – September 2013 (9 workshops with participation of 49 staff from regional offices (Social and Economic Aid Units) and communes on Y-TEP interventions). The evidence showed that 23 communes provide information to unemployed youths on Y-TEP opportunities through “sportele”.

An awareness raising campaign was developed aiming to share information in public on the risks of the informal economy and promotion of the Y-TEP interventions to potential beneficiaries. The awareness raising was composed by preparation/distribution of flyers to promote the “sportele” as facilitation points for youth employment information to 26 LGUs; a slogan for the awareness raising



campaign “Tomorrow starts today! Decent work for a decent future!” aiming to promote breaking of the informal employment of those youth employed in informal sector or informal jobs; and three workshops on the risks of the informal work and increase awareness on the importance and short- and long-term benefits of the formal work. 233 participants from 3 project’s beneficiary Regions: Lezha, Kukësi and Shkodra gained knowledge on subject and ability to replicate this knowledge to their work.

✓ TEP interventions

**Table 2 TEP Actions in the Kukës Region: Source: PSC Report May 2014**

N o	Intervention	Indicators of achievement	No of beneficiaries	Service lines	Timeframe	Budget	Implementing partners
1	Creating opportunities for better employment for young people in the tourism sector	*15 youth trained in tourism related services and entrepreneurship; *Up to 3 enterprises established; *1000 information leaflets for the 3 municipalities developed and printed, *Tourist guide issued and printed in both Albanian and English	75 people	Training incentives; Access to credit opportunities	November 2013 – July 2014	\$37,000	*Regional Council of Kukës, Municipality of Shishtavec, *Regional Employment Office of Kukës, *Guest house owners
2	Formalization of employment through upgrading rural enterprises (beekeeping)	*10 families uptake honey production; *At least 10 youth formalized and registered as self-employed; *Kukës region honey brand created and used by members of the Kukës Region Beekeepers’ Association	50 people	Advisory services, Access to credit opportunities; Training Incentives	December 2013 - July 2014	\$24,000	*Regional Council of Kukës,*Kukës Region Beekeepers’ Association, *Participating families
3	Employment generation through developing cultivation and collection of sage	10 young people trained on MAP cultivation, collection, drying, storing, and entrepreneurship; A new economic entity established and functioning; A MAP drier purchased and the ownership transferred to the newly established enterprises	50 people	Training incentives; Access to credit opportunities;	December 2013 - July 2014	\$26,000	*Regional Council of Kukës; *Regional Agriculture Directorate of Kukës; *Local farmers

4	Employment generation through developing chestnut production	*An agreement is in place allowing for the utilization of 10 ha of municipality owned land for the cultivated chestnuts with modern methods; *10 young people trained; *2 new economic entities established and functioning;	50 people	Training incentives; Access to credit opportunities;	December 2013 - May 2014	\$17,000	*Regional Council of Kukës; *Malzi Commune; *National Employment Service of Kukës; *Users' Association of Forests and Pastures; *Regional Agriculture Directorate of Kukës
5	Generating ideas for sustainable enterprises	*2 enterprises established	20 people	Training incentives; Access to credit opportunities;	December 2013-May 14	\$10,000	*Regional Employment Office of Kukës, *University of Tirana, branch of Kukës, *Regional Council of Kukës
6	Employment generation for young unemployed in the handicraft sector	*30 young people from the area of Kukës trained and employed; * A social enterprise established; Authentic Kukës handicrafts design identified and replicated;  *Promotional materials developed	200 people	Advisory services, Training incentives; Access to credit opportunities;	December 2013 – July 2014	\$73,000  Project : \$50,000 NBS sh.a: \$23,000	*Regional Council of Kukës; *“Promoting Social Business” NBS Sh. a.; *Regional Employment Office of Kukës; *Skilled “master” artisans
7	Establishment of the Regional Development Agency	*Establishment of the Regional Development Agency  * Training to RDA staff for project proposal writing, monitoring, evaluation and fund raising  *10 young people trained for project proposals writing	60 people	Advisory services, Training incentives;	December 2013-July 2014	\$8,000	*Regional Council of Kukës;
<b>In/direct beneficiaries: 505</b>			<b>Budget: USD 195,000</b>				

Table 3 TEP Actions Shkoder (PSC Report May 2014)

No	Intervention	Indicators of achievement	No of beneficiaries	Service lines	Timeframe	Budget	Implementing partners
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	Employment generation through developing cultivation and collection of Medicinal and Aromatic Plants (MAPs)	<p>*10 young people trained on MAP cultivation, collection, drying, storing, and entrepreneurship</p> <p>*A new economic entity established and functioning</p> <p>*A MAP drier purchased and the ownership transferred to the newly established enterprise</p>	10 persons	Training programmes; Credit opportunities; Advisory services for entrepreneurship; Organization/Association building;	December 2013 – July 2014	\$37,000	<ul style="list-style-type: none"> <li>•Regional Council of Shkodra</li> <li>•Regional Agriculture Directorate of Shkodra</li> <li>•Local Farmers</li> </ul>
	Creating Opportunities for Better Employment for Youth in Tourism Sector	<p>*15 trained people become self employed</p> <p>*15 youth trained in tourism related services and entrepreneurship</p> <p>*Up to 3 enterprises established and legally registered;</p> <p>*1000 information leaflets developed and printed</p> <p>*Tourist guide issued and printed in both Albanian and English</p>	15 persons	Training programmes; Credit opportunities; Promotion campaign; Advisory services for entrepreneurship;	November 2013 – May 2014	\$37,000	<ul style="list-style-type: none"> <li>• Regional Council of Shkodra</li> <li>• Interested communes</li> <li>•Regional Employment Office</li> <li>•Tourism Faculty, University of Shkodra</li> <li>•Guest Houses owners</li> </ul>
	Employment generation for young unemployed in the handicraft sector	<p>*50 young people from the area of Shkoder trained and at least 50% of them are employed</p> <p>*A social enterprise established</p> <p>*Authentic handicrafts design identified and replicated</p> <p>*250 rural families in particular from Highland areas of rural North Albania supply the social enterprise with raw material</p> <p>*Promotional materials developed</p>	300 persons	Training programmes; Credit opportunities; Promotion campaign; Organization/Association building; Advisory services for entrepreneurship;	Dec 2013 – July 2014 Project: \$ 30,000 NBS sha” 21,000	\$ 52,000	<ul style="list-style-type: none"> <li>• Regional Council of Shkodra,</li> <li>•“Nxitja e Biznesit Social” NBS sha</li> <li>•Regional Employment Office</li> <li>•Handicraft masters</li> </ul>
	Fostering youth employment in the fishing industry	<p>*Training of 60 young people on fishing techniques and business management</p> <p>*Registration of at least 40 young fishermen in the National Registration Center</p>	100 persons	Training programmes; Credit opportunities; Regulatory environment; Promotion campaign; Advisory services for entrepreneurship;	December 2013 – May 2014	\$38,600	<ul style="list-style-type: none"> <li>•Regional Council of Shkodra</li> <li>•Fishing Management Organization</li> </ul>

		*Lake clean-up from lost nets, sticks, and molasses (to minimize risk of accidents in the lake, ghost fishing, epidemics, etc.).					•Regional Employment Office
	Fostering Sustainable Youth Employment in Wool Processing sector	*10 young people from the area of Shkodra trained and employed *250 families of shepherds from 10 villages of the north area of Shkodra, *A social enterprise established have an economic benefit from the wool of the sheep	260 persons	Training programmes; Credit opportunities; Organization/Association building; Promotion campaign; Advisory services for entrepreneurship;	Dec 2013 - July 2014	<b>\$56,000</b>	• Regional Council of Shkodra • Regional Employment Office • “Hapat e Lehte” • “Nxitja e Biznesit Social” NBS,sh.a
<b>In/direct beneficiaries 4,500 persons</b>			<b>Total budget: \$ 209,500</b>				

**Table 4 TEP actions Lezha (PSC Report May 2014)**

<b>No</b>	<b>Intervention</b>	<b>Indicators of achievement</b>	<b>No of beneficiaries</b>	<b>Service lines</b>	<b>Timeframe</b>	<b>Budget</b>	<b>Implementing partners</b>
	Creating employment opportunities for youth in the agriculture sector	*15 young people trained on turkey breeding, hygiene, marketing, trading, and entrepreneurship *A new economic entity established and functioning *A turkey incubator purchased and the ownership transferred to the newly established enterprise	<b>75</b>	Training programmes; Access to Credit opportunities ;	December 2013 – July 2014	<b>\$26,000</b>	*Regional Council of Lezha * Regional Agriculture Directorate, Lezha
	Enhance Youth Employment in the Agro-processing Industry	*At least 10 ha of land is cultivated in line with the market demand *30 families identified and supported in tomato cultivation *30 family members registered as self-employed	<b>150</b>	Advisory services; Training programmes; Access to Credit opportunities ;	December 2013 - July 2014	<b>\$45,000</b>	* Regional Council of Lezha * Regional Agriculture Directorate, Lezha *Amarilto sh.p.k. * Local famers interested in tomato cultivation
	Support to rural families for employment generation	*The pump is installed and functioning *Minimum of 15 ha of land are irrigated *12 families sign a cooperation agreement *12 youth registered as self-employed	<b>60</b>	Training programmes; Access to Credit opportunities ;	January 2014 – May 2014	<b>\$11,000</b>	* Regional Council of Lezha *Dajç Commune * Regional Agriculture Directorate, Lezha

							*Farmers Association
	Employment generation through developing cultivation and collection of Medicinal and Aromatic Plants (MAPs)	*10 young people trained on MAP cultivation, collection, drying, storing, and entrepreneurship *A new economic entity established and functioning	50	Advisory services; Training programmes; Access to Credit opportunities ;	December 2013 - July 2014	\$23,000	* Regional Council of Lezha * Regional Agriculture Directorate, Lezha *Local famers
	Skills development in the Tourism Sector	105 unemployed youth trained and employed in the tourism sector	525	Training programmes; Access to Credit opportunities ;	December 2013 – May 2014	\$44,100	* Regional Council of Lezha * Albanian Tourism Association *World Vision Kurbin *Regional Employment Office of Lezha
In/direct beneficiaries 860 persons			Total budget: \$ 149,100				

The tables above show a detailed breakdown of TEP implementation activities in each of the target regions. Situation is reported as of May 2014.

An ILO Impact assessment report on the TEP results indicate that the TEP actions have been largely effective in job generation and formalization. According to this report, TEP actions have achieved the following results overall:<sup>7</sup>

- 429 young adults, of which 41% women participating in TEP actions (job creation/formalization and training)
- 88 new jobs created/formalized in the sectors of tourism, agriculture and handicraft, of which 27% women
- The percentage of Full Time Equivalent Jobs (FTE) created by the project is at level of 19% of total employment in non-agriculture sectors in 2013 and 2014
- 7 new economic entities created with project support
- 17 training programmes delivered to project beneficiaries for skill development towards business plans, marketing, and self/employment.

The feedback received from both REB, PSIO and CfP Beneficiaries interviewed was very positive related CfP process as very well defined (very good approaches), managed through transparent procedures (announcements published to over 3 media) and efficient due to tangible benefits/results achieved. More detailed information on the process of selection, as well individual actions and assistance to individual beneficiaries was not provided to the evaluators. The evaluators had the opportunity to review documentation on TEP action implementation in the region of Kukes, which has kept excellent records of the application and selection process as well as has closely monitored implementation through its internal structures

<sup>7</sup> See the “Results and Impact Assessment for Local Level Response to Youth Employment – TEP implementation” report, September 2014.

*Outcome 3: The employability and income generating potential of youth enhanced through active labor market measures implemented under a public private partnership (PPP) framework in three selected regions.*

Component 3 was designed to improve the employability of young people by simultaneously addressing skill acquisition of youth, the capacities of the public sector providers of employment services and the level of involvement of the private sector. Two active labour market programmes were designed to assist the employment of 500 disadvantaged youth between 16 - 29 years old. Preference was given to those unemployed youth receiving social assistance that had secondary or lower educational attainment.

All activities planned to achieve the Outcome 3 and additional activities requested by NES were implemented within the planned period of time and very good quality.

The outputs delivered by nature were instrumental for achievement of the expected outcomes in a long run. In this regard development of ALMMs operational guidelines with relevant procedures for the preparation, implementation, monitoring and evaluation form a solid basis for NES to effectively implement and replicate the ALMM approach in the future. ie. Significant increase by 5 folds the number of private sector applicants in ALMMs in 2014 compared to 2013; the number of individual job seekers benefiting from the ALMM measures reached to 3300. , Notable results were evidenced in terms of enhanced effectiveness and increased transparency of the state funded ALMM operations which in turn together with awareness raising and improved operations/services by regional and local stakeholders enhanced the unemployment youth participation and benefits from programs. In concrete terms

- ✓ *ALMMs operational guidelines with relevant procedures for the preparation, implementation, monitoring and evaluation developed;*

The “Operational Guidelines for ALMM” (OGALMM) including detailed roles and responsibilities of each implementation partner and the relevant procedures were developed and consulted with the National Employment Service and the respective REOs. The OGALMM set the basis for the preparation and signature of a Letter of Agreement (LoA) between UNDP and NES on the implementation of ALMMs. The OGALMM is evidenced as a very useful document consisting of a practical roadmap for the implementation of two Programmes designed to assist the employment of disadvantaged Youth aged between 16-29 years in Albania based on active labour market measures consisting on work-training for both able workers and people with disabilities and support for self-employment namely ALMM. Each program addresses one of two active labour market measures to be implemented respectively:

- ***On-the-Job training (OJT)*** aiming to provide individual training opportunity to a jobseeker, which meets the employer’s specifications and the individual’s needs after satisfactorily completing a 3-month period training and become a permanent, unsubsidized employee. The target group eligible for OJT are unemployed youth with a minimum four-month registration, low educational attainment and no work experience; This measures combines on the job-training with wage subsidies and it supports long-term unemployed youth to receive training in skills deficient in the labour market and/or maintain their skills through re-entering in the

labour market. Under this ALMM the following activities are undertaken: a) launching call for applications and submission of applications by interested firms; b) pre-selection of enterprises on the basis of the supporting documents submitted as per the selection criteria; c) matching and mediation process between the firms and the unemployed beneficiaries for which Individual Employment Plans have been compiled; d) endorsement of the proposed matchings by the regional Tri-Partite Councils; e) development of training plans; f) provision and monitoring of on the job-training; g) evaluation of training outcomes.

- ***OJT for People with Disabilities (PWD)*** aiming to provide job incentives to PWD including training allowance for up to 6 months, Social contributions for 6 months, Training costs to employer for 6 months, a mentor to assist the PWD to adjust to the workplaces or special equipment or programmes. Consultations with the Regional Employment Offices yielded the need for addressing the employability of this group by complementing the prior scheme with additional support in the form of mentoring and finances.

The results achieved are visible and clearly evidenced at Table 5 below. Out of 320 beneficiaries (selected ALMMs applicants) that participated in ALMM, 307 or 96% completed the 3 month long on-the-job training phase of the programme. 295 or 92% of trained beneficiaries signed employment contracts with the respective employers, and 294 retained in employment throughout programme duration. Number of dropouts that were not replaced by other participants was 26 or 8.13%. High rate of employment retain and low rate of dropouts are a clear evidence of effectiveness, impact and sustainability of the approach.

**Table 5: ALMM results**

Beneficiaries	Completed training	Employment contracts	Completed the program	Dropouts
320	307	295	294	26
100.00%	95.94%	92.19%	91.87%	8.13%

More detailed information on the Job Training and Employment Subsidy (ALMM) results in the Shkoder and Lezhe regions can be found on Annex...

The results achieved are evidence of a very satisfactory approach used for implementation of the ALMMs by linking employment to priority sectors by region and selection of committed enterprises. The majority of enterprises 33% were in manufacturing (apparel and footwear) sector, 21% in construction sector, 18 % in processing (Food processing, wood processing, medicinal plant processing) and another 18% in services (restaurants and retail trade).

Results related addressing the gender and social inclusion issues (involvement of women and disabled people) were generally satisfactory. Out of 320 selected applicants, 199 or 62.19% were female while only 20 or 6.2% were youth with disabilities. There is no clear evidence on number of disabled applicants in ALMM (selection process) while the Project Final Report highlights that employment of youth with disabilities was not carried out through competitive processes. While we clearly understand that technical requirements of specific jobs impede participation of disabled people, attention should be put drafting the requirements in Call for Proposals which should specify types of trainings and prospective jobs in terms of eligibility (minimum abilities) or even encouraging (in words) participation of people with disabilities. The awareness amongst disabled youth needs to be strengthened in related area in the future.

A third ALMM was envisaged in the initial project document focusing on self-employment, implemented through start-up grants of up to ALL 420,000 awarded to those job seekers that qualify for Grants after completing 6 months training and presenting a successful business plan (developed during the training course). However, this third measure was dropped from the workplan following closer consultations with NES, which did not have sufficient capacity and/or experience at the time of implementation to perform efficiently.

However, UNDP supported the promotion of entrepreneurship as an activation tool for young people. One of the activities under this component of the project was an awareness raising campaign on entrepreneurship, leading to the launch of a national competition on business ideas by youth (October 1 -30, 2013). The campaign and competition were organized in collaboration with the Albanian Investment and Development Agency (AIDA). The campaign ***“Ki Kurajo: Ndermerr dhe Inovo”*** largely availed social media for the promotion of the competition, as well as posters and city lights advertising. Over the span of 1 month, the Facebook page received substantial interest by youth. 188 applications were <https://www.facebook.com/KiKurajo> received (prior similar initiatives – which did not include training sessions on how to generate business ideas – have had applicants in the range of 15-25). The experience has highlighted that if trained and incentivized Albanian youth are entrepreneurial and able to generate innovative ideas.

Over 350 applicants in 150 groups of 2+ youth received training on developing comprehensive business proposals. 12 finalist groups competed on a final televised event on December 17, 2013. Noteworthy is the fact that the initiative generated significant interest by the private sector, which pledged financial support to the top business plans. DigitAlb was the media partner that supported the recording, publicizing and broadcasting of the competition. Other development cooperation partners that contributed in the initiative were USAID and GIZ.

In addition to the planned outputs, the LLRYEC Project delivered a number of additional outputs required by NES. In this regard, considering the lessons learned from the implementation of the ALMM 2013 Programme, in 2014 the Project in cooperation with NES, revised /simplified the ALMMs by reduction of excessive requirements to SMEs and individual jobseekers aiming to facilitate larger participation in the ALMM 2014 Programme.

The second important output is designing a scoring system (SS) for evaluating and selecting CFP for ALMM. The scoring system is composed by well defined procedures aiming to enhance effectiveness and efficiency of evaluation the ALMM 2014 programme (2.7 million US). The delivery of the above outputs was combined with CB activities conducted to respective NES staff in center and regional offices to assure effective implementation.

The feedback received during the interviews held from both NES and the Ministry of Social Welfare and Youth (MoSWY) was highly satisfactory related ALMM Outputs (Guidelines and Scoring System) as very useful instruments to assure a timely and transparent ALMM implementation. Both NES and the MoSWY highly expressed the gratitutation for the very collaborative approach used by UNDP staff in production of these outputs as demand driven accompanied with knowledge transfer to MoSWY and NES staff in center and regions.

Outputs delivered produced immediate outcomes shown as enhanced effectiveness of the ALMM operational system due to clear Guidelines and instructions established; increased capacities of the related institutions (NES and Regional offices in Shkodra, Kukesi and Lezha) in designing, implementing and evaluation of ALMMs. The Scoring System is in use by the trained staff in MoSWY, NES and Regional offices; effectiveness and efficiency of ALMM implementation has significantly



improved by shortening the ALMM process length and enhancing the transparency. All above including awareness raising efforts contributed to achievement of impressive results by ALMM 2014 such as increased by 5 times the number of SMEs applicants (500) and 4069 unemployed jobseekers in 361 enterprises which benefited from the ALMM measures compared to a total of 834 unemployed jobseekers (in 68 enterprises) which benefited from the 2013 ALMM is a clear evidence of the ALMMs effectiveness. In macro level, the LLRYEC financial contribution to Employment promotion through ALMM to three regions at an amount of 350.000 USD consist of 1/3 of GoA 2013 budget (900.000 US\$) for the same purpose (Employment promotion fund) which demonstrates the significance of the Project Outcome's to the achievement of Government Objectives.

#### *Outcomes sub- activity 3.1.2*

- ✓ *Awareness raising amongst unemployed youth and private sector on ALMM enhanced;*
- ✓ *Innovative ideas for youth employment was generated and adequately addressed to job creation and employment opportunities;*

An effective awareness raising campaign was launched by Project aiming to disseminate information on two ALMM programs and encourage participation of a greater number of SMEs and unemployed youth to the programme opportunities and benefits. In more details, 12 informative sessions were launched to private sector in the 12 regions aiming to increase the business community awareness on the ALMMs approach, application procedures, required documentation etc;

Awareness raising activities were carried out by NES to built entrepreneurial knowledge and skills amongst youth as potential for job creation /self employment was enhanced targeting youth such as students, unemployed youth etc. The awareness raising campaign on the entrepreneurship youth competition "Ki Kurajo" attracted interest of 188 youth which participated with their business proposals. Development of an online promotional platform proved to generate substantial interest among Albanian youth, who once trained showed great entrepreneurial temperament. The training was provided to over 350 applicants divided in 150 groups of 2+ youth on developing comprehensive business proposals. A lesson deriving from competition is that by minimal budgets - innovative ideas can be transformed into employment opportunities. The above activities showed existence of great innovative and entrepreneurial spirit amongst youth which needs to be appropriately addressed and promoted to youth employment opportunities.

#### *Outcomes sub- activity 3.1.3 and 3.1.4*

- ✓ *Youth employment potential increased through participation in the CfPs for ALMM programs*

Two Call for Proposals (CfP) were drafted with the Project support and launched in the media to implement ALMM programs for enterprises and self-employed youth (SEP) by inviting them to participate in the respective programmes by submitting applications. Following the CfP on SEP and ALMMs procedures, 146 youth were identified as programme beneficiaries to receive on-the-job/or classroom training and prepare business plans according the SEP. 140 out 146 applicants to CfP (over 90%) are still employed which demonstrates achievement of the Activity Outcome.

Utilization by Project of private sector intermediaries (PSIOs) to increase awareness and provide advice to SMEs and unemployed youth on preparation of business plans for ALMM programs is a very adequate approach. The PSIOs were recruited through an open and transparent process and their

capacities were built through training activities on ALMM planning, preparation, implementation and monitoring.

*Outcomes sub- activity 3.2.1 and 3.2.2*

- ✓ Activity Result 3.2 “The capacity of the regional/local employment offices to tailor, implement, monitor and evaluate ALMMs enhanced”
- ✓ *Capacities of the regional/local employment staff in designing, implementation, monitoring and evaluation of ALMMs enhanced*

Capacities of MoSWY and NES staff on efficient implementation of the state funded ALMMs were significantly strengthened as result of a well designed and demand driven training programme. The training programme addressed best practices and gaps evidenced from the administrative assessment conducted on NES, Regional employment offices (REO) and Local Employment Offices(LEO) on first round of implemented ALMMs. The training programme was composed by series of training on the 5 revised ALMMs including new application templates, procedures and the new scoring system. The trainings were successfully delivered to 36 REOs throughout Albania with participation of 114 staff (78 NES staff and 36 directors). Apart from strengthening staff capacities on operations, emphasis was put on better public information on ALMMs to the business community.

The smooth and efficient process of allocation of 98% of all available state funds to ALMM in 2014 is a clear evidence of the effectiveness of the ALMM approach and national capacities as result of Project trainings programme.

- ✓ *Activity Result 3.3 “The skills of programme beneficiaries enhanced through the provision of on-the-job and vocational training”*

A Capacity building program composed by a 3-day long TOT training (about 13 hours of training), educational activities, individual and group assignments targeted 10 staff of the Shkodra Vocational Training Center (VTC) aiming to turn it to a sustainable mechanism supporting businesses by delivering trainings . on start up (development of a business plan through generation of business ideas, market analysis, identification of human and financial resources), management (financial management), competitiveness (marketing, export promotion, linkages, , establishment of contacts and networks with third parties) etc.

Even though the short term Outcomes has been in achieved in terms of VTC knowledge increased there is NO evidence of these outcomes turn to results (number of businesses supported) which address the issue of Project support sustainability in longer terms.

*Outcome 4: An enabling environment for youth employment as part of the larger CSR agenda is promoted by relevant stakeholders.*

All activities planned to achieve the Outcome 4 have been implemented. With few exceptions (awareness raising) very good quality of outputs have been produced combining best international practice with international and national expertise; very efficient delivery methods integrating research studies, analysis, development of Guidelines, procedures and tools with the CB events aiming to assure effective implementation. In general Project succeed to establish an enabling

environment for CSR promotion, effective mechanisms and instruments were established to promote CSR knowledge to Albanian private sector aiming to increase the CSR potential and successful CSR pilot models established which replication in larger regional and national level will for sure contribute to decent employment in Albania. Considering the above, we may assume that the Outcome 4 has been achieved therefore the effectiveness of Component 4 is satisfactory.

The detailed analysis of outputs delivered and their contribution to achievement of Outcome 4 are presented as below:

- ✓ Activity Result 4.1 “The capacity of policy-makers to measure and monitor CSR performance in the areas of labour, environment and human rights enhanced”

#### *Outcomes sub- activity 4.1.1*

- ✓ *A medium term planning document on implementation and promotion the SCR principles in Albania was drafted;*

A baseline study of CSR indicators and benchmark of Albania’s performance to other countries in the region was developed with the Project financed expertise and in consultation with representatives from government (METE, INSTAT, AIDA, etc.), the CSR network, representatives of academic institutions (University of Tirana, Faculty of Economics, Tirana Business University, European University of Tirana) and civil society. The baseline study preceded drafting of Albania’s first National CSR report which accurately reflects the CSR developments in the country since the 2008 Baseline Study on Corporate Social Responsibility. The Report indicated achievement of progress by Albania on CSR performance compare to UNDP Baseline Indicators 2008. The most important is progress related Government measures by 55%, Private Sector by 53% and Media by 40%. In line with the multistakeholder approach for CSR promotion, the report recognized the leading role of the private sector, the watchdog role of civil society and the incentivizing role of government.

With the Project support and in cooperation with CSR network and MEDTE the first CSR strategic document “National Action Plan for CSR promotion (NAPCSR) 2011- 2014” was drafted addressing findings of the Albania’s first National CSR report. The NAPCSR formalized the CSR instrument, defined the stakeholders’ roles (private sector, Civil Society and Government) and provides medium term strategic direction for implementation of CSR principles in Albania through 6 concrete dimensions: Awareness Raising, CSR Measurement, Enabling Environment, CSR skills and competences, Publication and Reporting, CSR Awards. The NAPCSR implementation started at the end of 2011 and become an effective and sustainable policy instrument to monitor SCR performance in Albania.

The first NAPCSR is used as a replicated model by the MEDTE and CSR Multi- stakeholders forum for drafting the NAPCSR 2015 – 2020 based on sector approach (focusing on three priority sectors: tourism, fason and mining).

#### *Outcomes sub- activity 4.1.2*

- ✓ *A CRS framework for SMEs in Albania developed and a replication model for CSR implementation established;*

Project contributed to establishment of CRS framework for SMEs in Albania consisting of specific tools and practice for introducing CSR in Albania and piloted CSR action plans in four target SMEs. The project document indicated that the target SMEs should focus on outwear and shoe production and agro-tourism and should be located in Shkodra and Lezha regions. Implementation of the Work Plans combined with improved skills will potentially influence decent employment. At this stage it is not possible to measure the effects of CRS activities related decent employment as the two pilot businesses are at an early stage of CSR implementation (definition of SCR Action Plan).

#### *Outcomes sub- activity 4.1.3 and 4.1.4*

- ✓ *CSR performance monitoring capacities enhanced through establishment of CSR measurement framework;*

*A measurement framework for CSR performance* composed by 29 CSR Indicators at the national level) was elaborated with the LLRYEC support by the end of the first year. Monitoring arrangements and responsibilities were defined and addressed amongst Government Institutions (MEDTE, INSTAT and data collection coordinators) allowing systematic data collection and analysis on annual CSR performance. The results of measurement framework analysis conducted across three stakeholder groups: 1) Government (Business Enabling Environment measures); 2) Private sector and 3) social matters (Media) formed the bases for preparation of the first Annual National CSR Report Albania in 2013.

- Activity Result 4.2 “The multi-stakeholder forum on CSR provides advisory and consultative services on CSR in Albania”

#### *Outcomes sub- activity 4.2.1*

- ✓ *The CSR instrument is effectively promoted through the stakeholders commitment and respective mechanisms in place*

The CSR instrument has assured GoA (MEDTE) political commitment and ownership which is pivotal to CSR sustainability and mainstreaming results achieved at national level. In this regard, establishment of the Interministerial Working Group on CSR by Order of MEDTE Minister, promotion of Multistakeholders Forum on SCR representing business, government, non-profits, media and international development agencies as a common initiative of MEDTE and SCR Network and promotional actives are premises for effective NAPCSR implementation. The Multi-stakeholder Forum on CSR has demonstrated to be an effective CSR mechanism to promote CSR in Albania by acting as a platform for CSR promotion and knowledge sharing by bringing together companies and stakeholders that have potential or already promote the CSR in Albania such as private and public sector representatives, private sector intermediary organizations, government, international and national companies, SME / large companies, media and academia. Since its creation in 2011 the participation in the Multi-stakeholder Forum has increased from 15 to 50 participants in 2014;

Even though numerous activities implemented and outputs delivered the Project did not achieved significant results on increasing the number Albanian companies implementing CSR.

In some extent it is due to lack of well designed Awareness Raising activities which seem limited in number and not well linked to achieve the expected result (CSR promotion) i.e. inviting journalist at the SCR events is a minimal effort to assure awareness raising while efforts should have been put on assuring better CSR coverage in media through specific articles, production of short documentaries on best CRS practices and benefits (CRS Award winners) and production of TV Spots would have also been considered. Limited awareness of CSR instrument and LLRYEC Project results exist amongst

Donors. No evidence of UNDP presentation of SCR experience to members of the respective Donors WG's on Local Governance, Competitiveness Sectors exist (USAID/American Chamber of Commerce intended to initiate a CSR initiative on 2014 without having information on the LLRYEC). Insufficient commitment of AIDA (Albanian Investment Development Agency) to become a proactive partner of the Multi- stakeholders Forum on CSR is a critical deficiency to achievement of results. AIDA has the mandate (investment and export promotion, competitiveness) and instruments (a large SMEs database) and structures (strengthened as result of previous UNDP support) to cooperate with project in achievement of outcomes and results (dissemination of CSR awareness amongst business community and involvement of greater number of businesses in the CSR).

Activity Result 4.3: Private sector skills and competencies on CSR improved, with a particular focus on those related to decent employment

In order to maximize the impact of the CSR skills, the project focused on leading CSR companies in Albania, where the potential to implement CSR practices was higher.

Capacities of 86 representatives of the private sector on CSR were enhanced through two trainings (one for PSIOs and one for private enterprises) and 3 thematic trainings (on social standards, community engagement, and environmental standards) held with the CSR network support.

Activity Result 4.4 “CSR excellence and progress rewarded”

✓ *Private sector potential for SCR application enhanced*

In order to reward the CSR practices and promote the CSR applicability amongst enterprises, Project designed the mechanism called CSR Award Albania. The basis to assure transparent of award was set at the “Guidelines on Corporate Social Responsibility Award for Albania” document which includes eligibility and selection criteria, CSR categories e.g. environmental performance, social performance and community involvement, evaluation methodology and implementation bodies. The first CSR Awards in Albania included three different categories: Innovation, Best Practices for SMEs and Best Practices for Large Companies.

The CSR Award was launched to public on April 22, 2014 through UNDP web, CRS Network web and Ministry of Economy having a deadline of one month (May 20, 2014) for interested enterprises to submit applications. About 100 companies applied for CSR assessment by introducing their business practices which is a very positive Outcome demonstrating the private sector interest to CSR and enhancing the potential for increasing the number private companies applying CSR principles.

### 3.4 Sustainability

***Sustainability: The project has put a great emphasis on follow up and sustainability through the adoption of an inclusive and participatory approach already at design stage as well as throughout the implementation stage. National ownership and leadership has been good. However, the short time frame for the implementation of the project may have undermined the prospects for sustainability and replicability of actions at the regional level. It is unknown whether the multiplication factor of employment generation activities supported at the regional level will materialize.***

***National ownership on the project has been relatively strong and a key factor in the achievement of the project results.*** There is good evidence on the leadership and commitment to the project demonstrated by the MSWY and NES. Ownership by the regional councils has varied. Implementation of TEP actions has been more timely and targeted in the regions of Shkoder and particular Kukes, where ownership of the Regional Council and REB has been high, indicating the importance of government leadership in the achievement of results.

***Sustainability of activities and interventions at the regional/local level is uncertain.*** The project adopted a constructive approach in designing and developing the TEP instruments in close consultation with the regional level authorities, in order to ensure their ownership and participation. The establishment and support for REBs operation was aimed at creating nationally owned mechanisms that would replicate the interventions in the future. However, the grounds for sustainability of the REBs have not been established yet. Evidence from the field indicates that operation of the REBs was mainly projected driven, which raises concerns with regard to their viability following project completion. Ownership of the project activities and tools of the regional council has been quite good in at least two of the three pilots and capacities have been built within these institutions to implement similar activities in the future. However, regional councils lack budgets and revenue sources to fund similar activities. It is unlikely that this situation will drastically change in the future, as the core mandate of regional councils is not inherently linked with economic development and employment generation policies. The most viable interface between local economic development and national employment policies would be at the first tier local government level (municipalities).

***Sustainability of TEP actions is variable.*** In general, the concept for the TEPs and support actions within each region has been very interesting and feasible. The delay in implementation of project activities and the very short time frame that was dedicated to the project cycle for TEP actions advertisement, selection and implementation however may have significantly reduced the project's choices in selection of the most appropriate activities with higher employment generation potential. It may also have had a bearing on the emphasis of the project to build capacities of direct beneficiaries for their businesses as well as in ensuring that the actions were fully owned by all project beneficiaries. The project also seems to not have had the sufficient time in evaluating each single action, their feasibility and risks. The evaluators express their concern on the lack of monitoring tools and accountability mechanisms to ensure that project financed instruments and tools will serve all the beneficiaries in the near future, i.e. in the case were associations or other collective forms were established and supported. The REB and/or regional councils have no ownership over the project financed infrastructure and were reluctant to take over any responsibility in future handling or oversight of the activities.

***Prospects for sustainability of results at the national level are good, however longer term impact remains to be demonstrated.*** The project's activities in support of active labour market measures (Component 3) have been designed through a process of consultations with the beneficiaries and were instrumental in supporting the government's efforts in the field through increased budget. Implementation of the ALMMs component has relied largely on the project's internal resources and transfer of know-how to regional labour offices, thus strengthening the operational's staff capacities for future replication. The ALMM component has also piloted new measures for inclusion of people with disabilities, in line with the government's objectives for empowerment of the disadvantaged. The government later took on such new approaches with the adoption new labour market measures (DCM 248/2014).

The project has provided highly appreciated input in establishing a more accountable and transparent mechanism for the evaluation of employers' requests to participate in the government's ALMM programme. The new scoring mechanism was developed in close cooperation with NES headquarters and accompanied with information sessions in all 12 regions of Albania, sensitizing the business community on the ALMMs and the application procedures / required documentation. This, combined with transparent selection through the scoring system, led to a 5-fold increase in the number of applications received by the NES offices.

Prospects for sustainability of results in the CSR domain are positive. The project has adopted a cautious approach of working closely with the government and Ministry of Economy in preparing the vision and baseline studies for CSR activities; while at the same time working closely with the private sector to strengthen the CSR network. The project has played a good role in increasing public awareness on CSR through communication activities, such as the CSR award. However, the project has dedicated only limited resources to the CSR area, while demand from the consumers and private sector is still almost non-existent for increased corporate social responsibility of companies.

***The project's participatory approach has been a key aspect that has yielded its results in the field by increasing ownership and sustainability of results at the local level*** A considerable portion of the project's outputs were developed through a process of intense consultations with local stakeholders. The approach of learning-by-doing together with the officials has ensured active participation as well ownership of the outputs.

## 5. CONCLUSIONS AND LESSONS LEARNED

### 5.1 Conclusions

#### ***Relevance:***

*Overall, the LLRYEC project was highly relevant and needed. It has been very ambitious in scope relative to the time frame for the implementation and absorption capacities of local stakeholders. The project was highly flexible to respond to the Beneficiary changing needs and programme environment. The project built on a sound intervention logic, but a more careful design of the outcome and output level indicators would have benefitted project stakeholders and ensured more transparency and objectivity in monitoring achievement of project results.*

The LLRYEC project aimed to contribute to the generation of opportunities for the promotion of full and productive employment for young people in the three regions of Lezha, Kukes and Shkodra. The Project addresses adequately the strategic priorities defined in the Albanian "National Strategy for Development and Integration 2007 – 2013 (NSDI)" related to "sustainable economic, social and human development"<sup>8</sup> pillar in the areas of *labour market* (improvement of the employment services through introduction of active measures: vocational education and training and employment); *social inclusion and equal opportunities* (involvement of poor individuals, households, men and women, youth and people with disabilities in the economic and social life and prevention of domestic violence through women economic empowerment).

In line with the ONE UN programme approved by the Albanian Government in October 2007, the key development outcomes of LLRYEC were closely aligned with the One UN Programme in Albania 2008 – 2013, as endorsed by the Government of Albania:

*Outcome 4.4: All people better realize fundamental rights at work, have greater and inclusive employment opportunities, and can engage in a comprehensive social dialogue (under the leadership of MoLSAEO)*

*Outcome 2.1 Government, trade organizations and the private sector support inclusive and sustainable economic growth through enhanced regulatory frameworks, trade facilitation and investment promotion (under the leadership of METE<sup>9</sup>).*

The planned implementation period of 24 months seems tight for a complex Project such as LLRYEC considering the nature of interventions (policy/regulatory framework, management bodies/mechanisms, building skills/knowledge and implementation), intervention size (14 Activity lines and over 70 sub activities) and expansion in three regions. There is no evidence of an Implementation Schedule at the Project Design level accompanying the Logframe to allow evidencing the implementation progress. The implementation schedule was provided as part of updated Logframe at first SCM and was used as a planning, monitoring and reporting instrument for the duration of Project.

The total Budget allocated for the Project activities is at an amount of 1,824,178.88 USD. Budget was allocated in Output level but no evidence exist at the Logical Framework document on the Inputs/Level of efforts used (Number Working Days for Consultants/ trainers; cost of trainings/awareness raising events: facilities, equipment; cost of subsidies etc.) to calculate each Output budget which would allow drawing assumptions on the efficiency of each of outputs delivered by comparing costs to results achieved.

The project used an effective intervention logic based on three parallel pillars aiming to: establish an *Enabling environment* to address informal/vulnerable employment of youth at the regional level; *Employment generation* by contributing to creation of innovative employment opportunities for youth through active labour market measures (ALMM) implemented through well designed public private partnerships (PPPs); and, *Employment Formalization* aiming to operationalise the Y Territorial Employment Pacts as sustainable instrument responding to real local needs by focusing in those sectors where the needs for decent work and formalization are significant. However, definition of indicators at outcome and output level could have been improved with the formulation of better-linked Objectively Verifiable Indicators. This would have allowed clearer monitoring of achievement of project results.

### ***Effectiveness***

The desk research and interviews with the project stakeholders and final Beneficiaries evidence that the project outputs have been mostly achieved with success and contribute to the achievement of the project goals. The project has directly contributed to the employment and self-employment of almost 1000 individuals and has indirectly contributed to the generation of economic opportunities for many more families and activities.

A series of capacity building activities and consultations forums have been highly appreciated by stakeholders at the national and regional level as an opportunity to share knowledge and build

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<sup>9</sup> Changed to Ministry of Economic Development and Entrepreneurship (MoEDE) after September 2013



networks with partner institutions. The project has largely made use of national expertise, which has a strong understanding of the local conditions and enabling environment.

The project has contributed to the design of a series of policy documents and analysis. Under component 1 and 2 territorial audits of the three pilot regions were carried out and Territorial Employment Pacts were formulated and signed by REB regional stakeholders, laying out the priorities for economic development and employment generation in the relevant regions. Under component 3 contribution was provided for the piloting and subsequent adoption of new labour market measures (specifically the one on people with disabilities) as well as for the institution of a new, more transparent and fair system of evaluation of SME proposals that participate in the ALMM programme. Under component 4, baseline studies were carried out on CSR in Albania and support was provided to the private sector led CSR network. All activities were carried out based on a participatory approach, combining technical assistance with capacity building and transfer of know-how.

### ***Efficiency***

Project implementation has been adjusted several times over the course of the project duration. Substantial delays in implementation of the original workplan have been taken into account and sequencing of activities has been readjusted in a new workplan. The majority of outputs have been completed efficiently. The project management arrangements have been adequate considering the complex structure of the project and multiple stakeholders at national and regional level. The project team has successfully managed to overcome initial difficulties in project start-up and alignment of project instruments to the needs of beneficiaries without considerable impact on project results.

### ***Sustainability***

The Project has succeeded in delivering all of its outputs, but cross-fertilisation of activities and outcomes of its different components has been limited. Coordination between the implementing agencies has worked well but remains demanding. UNDP and ILO have to respond to different sets of procedures and reporting patterns set by their own Headquarters, and adopt different management approaches with regard to the project. The full potential of synergies between the two agencies was not achieved. Stakeholders at the regional council level could speak meaningfully of only the ILO interventions; while stakeholders at the national level and NES regional offices could speak meaningfully of only UNDP and its interventions.

Coordination with the project partners has been excellent, both at the central and regional level. The project and both implementing agencies have maintained good contacts and consultations with counterpart agencies as well as civil society organisations, which have been included proactively in the project implementation. Both Donor (SDC) and implementation stakeholders expressed their high gratitude for excellent cooperation and effective approach used by UNDP managing team in implementation of the Project.

***Funds are spent efficiently and in line with the budget adopted.*** The lion share of project funds was spent on employment generation activities and some technical expertise associated with it. All the budget was spent despite initial delays in project implementation. The budget is not detailed to the level to allow detailed analysis of efficiency of spending under each component.

## ***Sustainability***

The project has put a great emphasis on follow up and sustainability through the adoption of an inclusive and participatory approach already at design stage as well as throughout the implementation stage. National ownership and leadership has been good. However, the short time frame for the implementation of the project may have undermined the prospects for sustainability and replicability of actions at the regional level. It is unknown whether the multiplication factor of employment generation activities supported at the regional level will materialize.

National ownership on the project has been relatively strong and a key factor in the achievement of the project results.

***Sustainability of activities and interventions at the regional/local level is uncertain.*** The project adopted a constructive approach in designing and developing the TEP instruments in close consultation with the regional level authorities, in order to ensure their ownership and participation. The establishment and support for REBs operation was aimed at creating nationally owned mechanisms that would replicate the interventions in the future. Hence, sustainability of TEP actions is variable. In general, the concept for the TEPs and support actions within each region has been very interesting and feasible. The delay in implementation of project activities and the very short time frame that was dedicated to the project cycle for TEP actions advertisement, selection and implementation however may have significantly reduced the project's choices in selection of the most appropriate activities with higher employment generation potential.

Prospects for sustainability of results at the national level are good, however longer term impact remains to be demonstrated. The project's participatory approach has been a key aspect that has yielded its results in the field by increasing ownership and sustainability of results at the local level. A considerable portion of the project's outputs were developed through a process of intense consultations with local stakeholders. The approach of learning-by-doing together with the officials has ensured active participation as well ownership of the outputs.

## **5.2 Lessons learned**

***Over-ambitious project design may stretch resources and undermine sustainability of results –*** Project design was overly ambitious, with many activities at the national and regional level. The time frame for implementation of activities was not realistic at 24 months. The hasty implementation of activities towards the end of the project in Outcome 2 in order to comply with contractual deadlines may have led to reduced sustainability and replicability of results due to the limited time available to select and evaluate the most appropriate actions.

***National ownership key to project success –*** National ownership and commitment to the project is a key precondition for the quality of products and eventually sustainability of results. The project was designed through careful consultations with the main beneficiaries to fully reflect their needs, which later ensured active commitment to the activities. The project agenda was aligned with the policymaking agenda of the beneficiaries. The fact that this agenda was not changed following the change in Government indicates that the desired outcomes of the project were highly relevant and timely for the country.

***More focused projects may yield better results*** – The projects was extremely broad with activities involving national and local government stakeholders, aiming at similar objectives but employing rather different approaches. Project stakeholders at the regional council level worked almost exclusively with ILO and project stakeholders at the national level (including labour offices) worked almost exclusively with UNDP, despite membership in the REBs. The CSR component was also detached from activities in the other fields. The project has in fact operated as three separate entities, occasionally sharing project management staff across components. In the future, SDC should consider supporting more focused programmes, which would allow better oversight; reduce administrative burden on project management staff as well as increase visibility and communication messages with stakeholders.

***People make the difference*** – The success of the project interventions was due to a large extent to the ability and flexibility of project staff, who have paid maximum efforts in order to mitigate the objective difficulties in managing such a broad and challenging project. Some of the most appreciated outputs including the ALMM scoring methodology evaluation (which were produced upon request of the government without having been included in the initial project design) were delivered through internal project resources. Stakeholders at the regional and national level as well as the donor speak very highly of the capabilities of the individuals and point them out as key factors for the quality of outputs.

***First tier local governments are the future for local economic development*** – The REB and TEP concept is extremely interesting and has the potential to work well provided the public actors have a stake and commit time and financial resources to employment generation activities. The full potential of the TEPs would have been achieved more efficiently if the project worked with first tier local government instead of regional councils. Municipalities (unlike regional councils) have a mandate in local economic development and raise their own revenues. At the time of project design municipalities and communes were too small to make a difference, however with the new administrative layout municipalities after the June 2015 local elections are larger and will be in a better position to exercise regulatory and economic development functions.

ANNEX 1	Evaluation Matrix
ANNEX 2	Terms of Reference
ANNEX 4	List of documents consulted
ANNEX 5	List of interviewed persons