



YOUTH MIGRATION REAPING THE BENEFITS AND MITIGATING THE RISKS

SPANISH MDG ACHIEVEMENT FUND FOR YOUTH, EMPLOYMENT AND MIGRATION
A Government of Albania programme implemented by the United Nations and financed by the Government of Spain

- One UN Programme/UNDAF Outcome(s):
- More transparent and accountable government
 - Regional development

<p>Programme Title: <i>Youth migration: Reaping the benefits and mitigating the risks</i></p> <p>Programme/project Duration (Start/end dates): 01/10/2008 – 30/09/2011</p> <p>Fund Management Option(s): Pass Through Lead Agency: ILO Participating Agencies: IOM, UNDP, UNICEF Administrative Agent: UNDP National Lead Partner: Ministry of Labour, Social Affairs and Equal Opportunities. National Partners: Ministry of Tourism, Cultural Affairs, Youth and Sports, Ministry of Foreign Affairs, National Statistical Institute</p>	<p>Total estimated programme budget: \$3,310,000</p> <p>Out of which:</p> <p>1. Planned resources:</p> <ul style="list-style-type: none"> • Government _____ • Regular/Other Resources _____ • NGO or private _____ • UN Org _____ • Donor _____
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List of acronyms

ALMP	Active Labour Market Policies/Programmes
CSR	Corporate Social Responsibility
CTA	Chief Technical Advisor
GDP	Gross Domestic Product
ILO	International Labour Organization/Office
INSTAT	National Institute of Statistics
IOM	International Organization for Migration
JP	Joint Programme
JPD	Joint Programme Document
MDGs	Millennium Development Goals
	Millennium Development Goals Achievement
MDG-F	Fund
	Millennium Development Goals Trust Fund
MDGTF	Office
MFA	Ministry of Foreign Affairs
MoA	Ministry of Agriculture
MoE	Ministry of Economy
	Ministry of Labour, Social Affairs and Equal
MOLSAEO	Opportunities
	Ministry of Tourism, Culture, Youth and
MTCYS	Sports
NES	National Employment Service
NGO	Non-Governmental Organization
NSC	National Steering Committee
	National Strategy for Development and
NSDI	Integration
NTS	National Technical Specialist
ONE UN	One United Nations Programme for Albania
PCT	Programme Coordination Team
PMC	Programme Management Committee
PPP	Public-private Partnership
REO	Regional Employment Office
NSC	National Steering Committee
SIF	Social Investment Fund
SLI	State Labour Inspectorate
SME	Small and Medium-sized Enterprises
	United Nations Development Assistance
UNDAF	Framework
UNDP	United Nations Development Programme
UNRC	United Nations Resident Coordinator
UNICEF	United Nations Children's Fund

1. Executive summary

Partnerships for development are at the cornerstone of the Millennium Development Goals (MDGs). The youth employment commitment embedded in MDG8 calls for partnerships between governments, employers' and workers' representatives, civil society and young people themselves *to develop and implement strategies that give young women and men everywhere a real chance to find decent and productive work.*

Over the past 15 years, Albania has experienced one of the highest emigration rates in the world. The equivalent of 40 per cent of the working-age population is estimated to work abroad. Approximately 60 per cent of migrant workers are aged 18-29 at the time of migration. The absence of decent work opportunities and the hope of a better future are the main factors of motivation for youth to migrate internally or abroad. The recent high GDP-growth rate, also due to the inflow of remittances, has not translated into employment creation. Youth from urban areas are twice more likely to be unemployed than adults. Unemployment, however, is a less-affordable option for people living in rural areas, where most young workers have to accept any job, including under-employment and informal employment. Work with meagre earnings and poor working conditions in the informal economy, especially in agriculture, is just the halfway to migration. Empirical analyses concur that many young workers keep informal employment with the hope of finding a chance to improve their working and living conditions through labour migration.

The National Strategy for Development and Integration (NSDI 2007-2013) assigns high importance to the improvement of youth employment prospects through a series of policy priorities touching upon employment, migration and youth development, with special focus on less-developed regions. This Strategy also highlights a firm commitment of the Government to tackle the informal economy. It acknowledges that lack of decent work prospects is the main push factor for Albanians to migrate.¹

This joint UN Programme aims to support the efforts of the Albanian government to integrate policy priorities on youth employment and migration of the NSDI and the strategies on employment and vocational training, migration and youth development. Its implementation approach is based on a set of coordinated interventions that draw on the mandate, expertise and added value of the national and local partners as well as of the UN participating Agencies and the IOM. It builds on three interlinked outcomes that aim to: i) strengthen the capacity of labour market institutions to integrate and operationalize national policy priorities through a National Action Plan on youth employment, ii) devise strategies that minimize the risks of migration of disadvantaged youth from rural areas, and iii) increase the positive impact of migration through the mobilization of resources for youth employment. Programme interventions will be piloted in

¹ See website of the Council of Ministers of Albania at www.km.gov.al (accessed on 04.04.2008).

two regions of Northern Albania (Kukes and Shkodra) that are highly affected by informal employment and migration of young people. These interventions will be undertaken in the framework of the Strategy on Regional Development that is also supported by the One UN Programme for Albania in the two regions targeted by the Joint Programme.

2. Situation Analysis

The Albanian labour market is currently facing three major and interconnected challenges: a growing problem of access of young women and men to employment, increasing incidence of (self-)employment in the informal economy and continuous migration flows from rural areas. Although economic growth has led to an overall decline in poverty rates (from 25.4 per cent in 2002 to 18.5 per cent in 2005), this has been uneven among population groups. In 2002, the likelihood of being poor did not change much across age groups. However, in 2005 the poverty risk had increased for heads of household aged less than 30. In the same year, the self-employed had the second highest poverty incidence after the unemployed. About 46 per cent of all the poor were self-employed and own-account workers.

The structural changes of the 1990s resulted in large-scale job losses that, in turn, led to a substantial withdrawal of many workers from the labour force, the emergence of high rates of unemployment, an increase of employment in the informal economy and a sharp rise in internal and external migration flows.² After the setbacks caused by the collapse of the pyramid schemes in 1997, the Albanian economy experienced high growth rates, averaging almost 6 per cent annually. Such growth, however, has not reverted into employment creation, especially in the formal economy. Official statistics report a net employment growth of only 21,000 units since 2001 that compares unfavourably with the high number of youth queuing in the labour market and in search of a decent job (approximately 50 per cent of the population is aged less than 25). Box 1 gives an overview of key indicators of the labour market.

Box 1: Overview of key labour market indicators

- In 2005, the unemployment rate (standard) was 6.9%, with women unemployment rate 20 percentage points higher than men; the relaxed unemployment rate was 13.5%.
- Unemployment is predominantly long-term, with 83 percent of the unemployed looking for a job for one year or more. Households headed by an unemployed person face a 32% risk of being poor, compared to a risk of 14 % of households whose head is employed.
- The self-employed have the second highest risk of being poor, with 46% of all poor classified as self-employed (including own account workers).
- Over half of all employment in Albania is in the agricultural sector.
- The data available show that 55% of all non-agriculture employment is in the informal economy. It is estimated that in 2005 about 60% of all informal workers were in agriculture (either as self-employed or unpaid family members). In industry approximately 48% of all employment was estimated to be working informally, while the share

² Since 1990, Albania has experienced a significant structural transformation: the share of industry in gross domestic product (GDP) dropped by 20 percentage points, while the agriculture and services sector expanded by 10 percentage points each. Since 1995, the surge in output of other sectors has narrowed the share of agriculture in GDP to 21 per cent. However, agriculture still remains the main source of income for nearly 40 per cent of the population, see World Bank, *Albania: Sustaining Growth beyond the Transition. A World Bank Country Economic Memorandum*, Washington D.C., 2004

of informality in construction was 83% and 72% in services.

Source: ILO, *Analysis of the youth labour market in Albania* (forthcoming).

Labour market outcomes are particularly unfavourable for women and for youth entering the labour market. Compared to their male counterparts, women experience lower rates of both labour force participation and employment (23 per cent and 20 per cent less, respectively) and higher rates of unemployment (approximately 20 percentage points). Data disaggregated by sex for the youth cohorts is scant or not available. Table 1 below provides a summary of the key youth labour market indicators, disaggregated by sex, that have been constructed on the basis of the most recent data available.

Employment prospects of young Albanians are very different from those of their parents. The young generation is more educated and more willing to work in places different than those of birth. Young people's transition to decent work remains nevertheless difficult for low-educated and other disadvantaged youth, especially those living in rural areas. In 2005, approximately 36.6 per cent of young people aged 15-24 were in the labour force, young men more than young women (41.5 per cent and 32.1 per cent respectively).

Over the past decade, the youth unemployment rate has been consistently higher than that of adults. In 2005, young people experienced a rate of unemployment (standard or ILO unemployment) of 12.8 per cent, compared with a rate of 6.9 per cent of the population in the working age.³ These rates do not include people who – owing to lack of (perceived) success – have stopped seeking work, although they are willing and able to engage in productive activities. If the job-search requirement were waived to include these “discouraged workers”, the (relaxed) rate of unemployment would reach 27 per cent for young people and 13.5 for people in the working age. The rate of long-term unemployment among youth is also quite worrisome, since more than 80 per cent of all unemployed young people have been seeking work for one year or more.

Table 1: Main youth labour market indicators by sex, 2005 (in percentage)

	Total	Men	Women
Labour force participation rate	36.6	41.5	32.1
Employment rate	31.9	33.5	28.6
Unemployment rate (standard)	12.8	14.4	11.0
Unemployment rate (relaxed)	27.0	28.7	25.0
Long term unemployment	80.5	79.9	81.3

Source: ILO elaboration of 2005 LSMS data

³ It is worth noting that Albania's (youth) labour market indicators calculated with data from administrative records differ significantly from those calculated with data from household-based surveys (i.e. Living Standard Measurement Survey).

The rather low youth employment rate (31.9 per cent compared to an overall employment rate of 59.4 per cent) and the high rate of discouragement among youth, confirm that, compared to their adult counterpart, young Albanians face additional barriers in the access to the labour market. A disproportionate number of young people from rural areas find employment in agriculture, not so much because this is a dynamic sector that creates decent jobs, but because it is the only opportunity to earn a living, albeit through under-employment in the informal economy.

Overall, the share of young people employed informally is estimated to total approximately 70 per cent of all young workers. The likelihood of being an informal worker is significantly correlated with being young, male and with low educational attainment.⁴ Furthermore, the mobility between employment statuses is rather low. Only 15 per cent of the unemployed and 10 per cent of the inactive in 2002 had managed to find jobs in the formal economy two years later, while as many as 38 per cent of jobseekers had found jobs in the informal economy, and almost half of all informal workers were still in the informal economy two years later.⁵ These data show that most of informal employment is dead-end, i.e. it traps young workers into a spiral of low paid and poor quality jobs. Employment security is an option not available to many young people. Albania's low demand of labour in the formal economy is the most important factor contributing to higher unemployment and lower employment among youth. According to the 2001 Census, young adults (20-24) are more disadvantaged in the labour market than teenagers (15-19). The reason for lower unemployment and higher employment rates for teenagers could be that they accept jobs with lower wages and poorer working condition, often under informal working arrangements. However, youth labour market indicators and data are still too incomplete to draw firm conclusions. Box 2 below gives some highlights of the youth labour market in Albania.

Box 2: A snapshot of the youth labour market in Albania

- The youth unemployment rate (standard) is 12.8% (14.4% men and 11% women); the relaxed youth unemployment rate is 27% (28.7% men and 25% women).
- The youth employment rate is 32% (28.6% women and 35.5% men) with 28.5 % of it being made of self-employment in agriculture.
- Approximately 72% of young adults living in rural areas are self-employed and 20% are contributing family members.
- The share of young people employed informally is approximately 70 per cent of all young workers. The probability of being an informal worker is significantly correlated with being young, male and with low educational attainment.

Source: ILO, *Analysis of the youth labour market in Albania* (forthcoming) and World Bank, *Albania: Labour market assessment*, Washington D.C. 2006

⁴ International Labour Office, *Analysis of the youth labour market in Albania* (forthcoming).

⁵ World Bank, *Albania: Labour market assessment*, Washington D.C. 2006

The absence of decent work opportunities and the hope of a better future are the main factors pushing youth to migrate internally and abroad. Over the past 15 years, Albania experienced one of the highest emigration rates in the world. The equivalent of 40 per cent of the working-age population (approximately 700,000 Albanians, mostly men) is estimated to work abroad, 60 per cent being aged 18-29 at the time of migration. In 2003, Albanians ranked 9th in terms of newly-arriving migrants in the EU-15. Box 3 provides some insights and information on internal and international migration of Albanians.

Box 3: Key migration data

- In 2001, estimates of Albanians living abroad were in the range of about one fifth of the resident population.
- Both internal and international migrants tend to be young and male, but are being joined in more recent years by older individuals and women.
- 55% of permanent international migrants hail from rural households.
- 34% of households have at least one member currently living abroad, and 50% of these households have more than one.
- Nearly 1 in 3 adults has moved internally, so that about 16% of households nationwide are headed by individuals who have moved since 1990.
- Internal migrants tend to be younger and more likely to be unemployed, reflecting the fact that they might have abandoned a condition of underemployment in agriculture for the prospect of finding a better job at destination.
- 30% of internal migrants come from the Northern part of Albania, even though this area has only 11 per cent of the country's population.
- The most highly educated and individuals in skilled occupations are the least likely to ever return to the home country. Also, the age at time of migration affects the migration spell, with late migrants more likely to return.

Source: World Bank, *Albania: Urban Growth, Migration and Poverty Reduction. A Poverty Assessment*, Washington D.C. 2007.

Both international and internal migration have dramatically changed the distribution of population across the country. Migration flows have also had a significant impact on households. Migration pushes have mostly involved young and more educated individuals, leaving behind women, children and older persons. The loss of young workers, especially young men, deprived many households and communities of their human and productive potential. On the positive side, the large level of remittances has certainly contributed to the decrease of poverty and to the improvement of living conditions of households having one or more migrant workers. These remittances, however, have mostly

been channelled toward household consumption with little productive investment, especially in agriculture.

International migration has recently started to decrease in most regions of Albania. However, this pattern is reversed for the regions of Northern Albania, where it has constantly been on the rise over the past years. A recent analysis suggests that workers from this part of the country follow a two-step migration path. They first move to the wealthier regions of Albania to earn sufficient money to move and find a job abroad.⁶ To date, almost two-thirds of migrant workers are from the Northern regions of Kukës and Shkodër where income is more than 44 percentage points below national average. Almost 30 per cent of internal migrants come from these areas, even though the latter account for only 11 per cent of the country's population. Since 1992, the population of Shkodër region has declined by 33 per cent while Kukës lost 27 per cent of its residents in 2005 alone.⁷ Baseline data on poverty, youth employment and migration in Kukës and Shkodër is provided in Box 4 below. Also, a summary of the rapid assessment conducted for the formulation of the Joint Programme document (JPD) is appended as Annex II.

Box 4: Poverty, youth employment and migration in Kukës and Shkodër

- The human development index for the Shkodër region is 0.741, while for Kukës is 0.719 compared to 0.882 for Tirana. The GDP index is 0.486 for Shkodër and 0.459 for Kukës (for Tirana is 0.713).
- The Northern part of the country accounts for 21 percent of the poor, but has only 11 percent of the total population. In this region the poverty headcount is 25.6 percent compared to the national headcount of 18.5.
- In 2007, the rate of registered unemployment in the prefecture of Kukës was 30.2% and in Shkodër 22.7%. The Kukës prefecture lost in three years over 50% of the jobs in registered enterprises.
- The majority enterprises in the Kukës and Shkodër regions are micro-enterprises (1 to 6 employees) mostly in the trade sector.
- The share of unemployed youth registered as unemployed in Shkodër is 39.8%; 86% of these are long-term unemployed.
- In Kukës the share of youth unemployed on the total unemployed registered is 38.3%.
- The total share of funds for employment promotion programmes allocated in 2008 to Shkodër is 11.1% of the total; while it is nil for Kukës.
- In 2007 the vocational training centre of Shkodër trained 757 individuals, 56% of whom were young people aged 16-24.
- The Northern part of Albania is currently the only region whose

⁶ A. Zezza, G. Carletto, B. Davis. *Moving away from Poverty A Spatial Analysis of Poverty and Migration in Albania*, ESA Working Paper No. 05-02, March 2005.

⁷ The term "region" is used throughout this document to indicate the territory covered by prefectures.

outflow of new permanent migrants continues to grow.

- In the period 1989-2001, the Districts of Tropoja (Kukes prefecture) and Puke (Shkodra prefecture) lost nearly half of their residents. Between 2004 and 2005 the Kukes prefecture lost 11,000 residents (approximately 11% of its 2004 population).
- 75% of international migrants from Shkodra left the country to find a job.
- 51% of migrants from Shkodra left between the age of 20 and 30.

Source: ILO, Assessment of socio-economic situation in Northern Albania, draft March 2008

3. Strategies including lessons learned and the proposed Joint Programme

3.1 Background/context

The Joint Programme aims to support the integration of various policy objectives through coordinated action on youth employment and migration at both central and local levels. It promotes decent employment of youth as a national priority and proposes to address disadvantaged youth from rural areas with targeted labour market measures aiming to minimize the risks of engaging in irregular migration through improved productivity, upgraded informal enterprises and better conditions of work.

In October 2007, the government of Albania launched the National Strategy for Development and Integration (NSDI). The NSDI provides a long-term integrated planning system that sets a number of national goals to be achieved by 2013. These goals are mainly related to economic and social development as well as to the promotion of Albania's regional and international integration. The Strategy is the resultant of 33 sectoral and crosscutting strategies that have been developed by a wide array of central and local institutions. It is also the basis for the mid-term budgetary process that links human and financial resources with the implementation of policy objectives.

With the adoption of the NSDI, the government of Albania has committed itself to achieve a number of policy objectives that contribute to the attainment of the following four main development goals: i) achieve rapid, balanced and sustainable economic, social and human development, ii) develop and consolidate a democratic state, iii) establish the rule of law and fight corruption, and iv) integrate Albania in the European Union and NATO. It assigns high priority to policies giving a stronger role to young people in the economy.⁸ This priority is spelt out by the crosscutting strategy on youth development and unfolded by the employment strategy, approved in 2007, and the strategy on migration, approved in 2004.

The National Youth Strategy (2007-2013) is centred on five pillars: participation and representation, youth employment, health and social protection, recreation and free time, and civic education and democracy. The youth employment pillar provides general guidance on how to make youth employment central to national policy-making by recommending that employment-related sectoral and other crosscutting strategies assign priority to youth employment.

The Employment Strategy (2007-2013) is centred on the promotion of an active policy on employment through the establishment of a modern system of employment services, the development of employment promotion programmes, the enhancement of the vocational education and training system, the reduction

⁸ The average age of the Albanian population is 31.7 years. See ILO, *Analysis of the youth labour market in Albania* (forthcoming).

of informal employment, the improvement of conditions of work and the support of social dialogue.⁹ This active policy on employment is also advocated by the Strategy on Gender Equality and Domestic Violence (2007-2010), while the Social Inclusion Strategy (2007-2013) pays special attention to measures for reducing the vulnerability of informal workers. Young people, workers from rural areas, potential emigrants and workers from the Roma population are the groups identified as priority by these strategies.

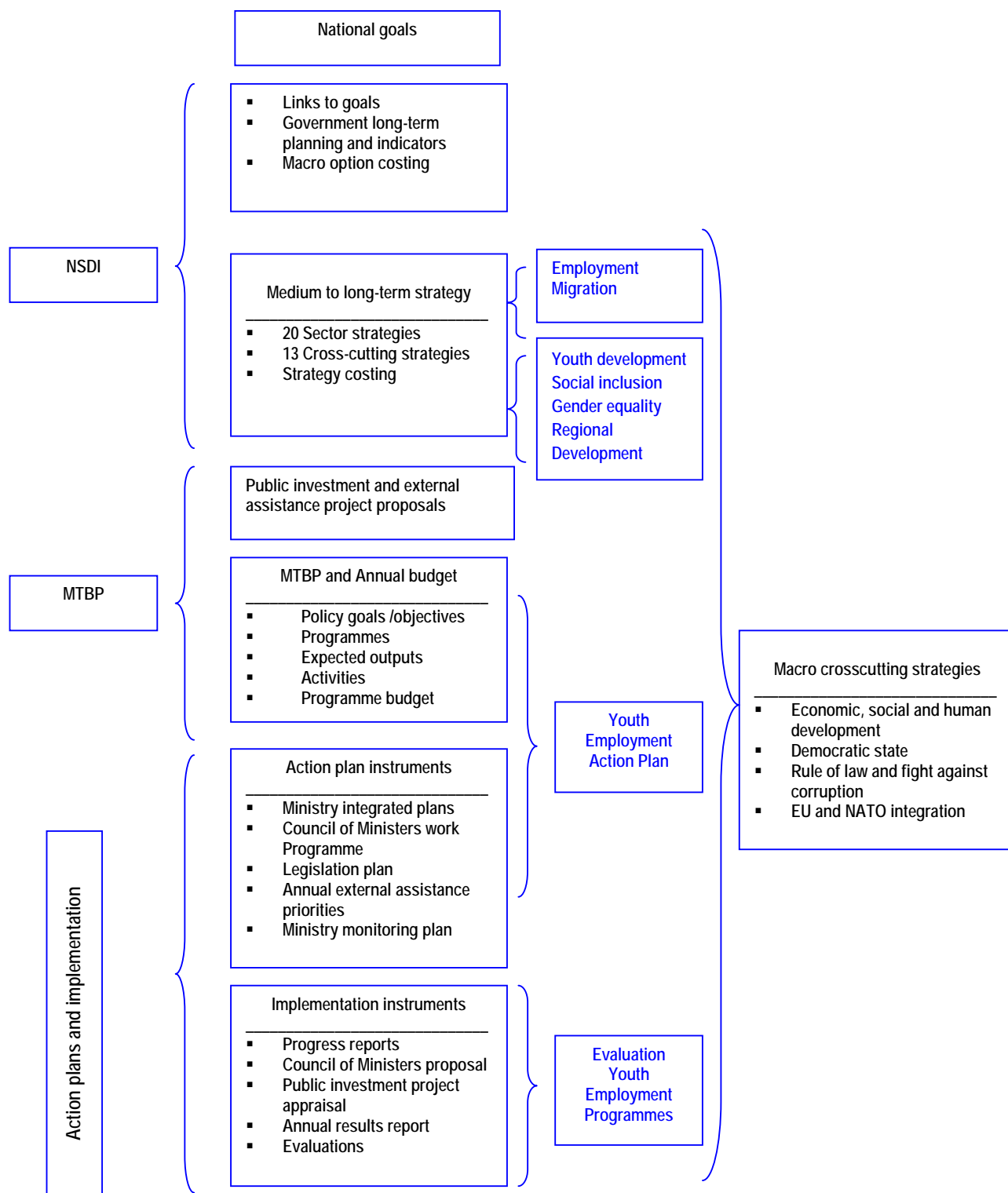
The National Strategy on Migration provides policy guidance on areas that are key for the management of migration. It pays particular attention to addressing the root causes of emigration and to linking emigration to economic development. For the first, it proposes that migration issues cut across line ministries and strategies, including rural development, employment and vocational training. It suggests the promotion of public investments leading to the establishment of enterprise and the creation of jobs in areas more affected by migration. For the second, it highlights a number of measures to improve the image of Albanian migrants and to mobilize Albanian communities abroad so they can participate in the development of Albania, including through the more productive use of their remittances.

The Regional Development Strategy is focused on the achievement of a balanced and sustainable socio-economic growth across the regions of Albania. The Strategy is centred on the reduction of regional disparities and the promotion of socio-economic development in the most depressed areas.

Figure 1 below describes the elements that compose, at various levels, the integrated planning framework. It also highlights the links between the latter framework and the initiative proposed by this Joint Programme Document (JPD) on youth employment and migration.

⁹ See Ministry of Labour, Social Affairs and Equal Opportunities, *Sectoral Strategy on Employment and Vocational Training (2007-2013)*, Tirana, 2007.

Figure 1: Albania Integrated planning framework and its relation to JPD



3.2. Lessons learned

The experience acquired in the past years points to a number of lessons that can be distilled to inform the implementation of this Joint Programme. These lessons are:

- *Sectoral and crosscutting strategies that contribute to the implementation of the National Strategy for Development and Integration (NSDI) need to be accompanied by operational plans that combine policy objectives of each strategic document with national priorities.* The need of addressing the youth employment challenge is spelt out by a number of sectoral and crosscutting strategies (e.g. youth development, employment and vocational training, migration, gender, social inclusion). However, youth employment priorities cannot be achieved through fragmented and isolated interventions. Rather, they require sustained and concerted action – by several actors – over an array of policy areas.
- *The scant information on the multi-faceted aspects of the informal economy in Albania limits the scope of policy measures that could be used to move workers from the informal to the formal labour market and leads policy-makers to focus mostly on repressive measures.* Understanding the national and local factors of informality that lead to migration is a necessary step for developing appropriate policy initiatives. The informal economy is usually the main source of livelihood for many groups of workers who cumulate multiple layers of disadvantage and have no chance to find a job in the formal economy. For these workers, migration is the only alternative to escape under-employment and poverty. Policies to tackle the informal economy in Albania are still in their infancy and, so far, they have neglected to address the nexus between informal employment and youth migration.
- *Measures aimed at improving employment prospects of young people should have a wider scope than urban unemployment and be targeted to those who are more disadvantaged in the labour market, especially rural young workers in the informal economy who have become more exposed to internal and external migration.* Measures aimed at addressing the youth employment challenge have mostly focused on sporadic programmes to curb unemployment in urban areas. Young people with high levels of education have usually been the prime target of these interventions. Fewer resources have been devoted to redress the disadvantages that cumulate over many young workers in rural areas. For these workers, being unemployed is an option they can hardly afford.
- *Public investments and policies have seldom addressed the main factors pushing people to migrate (e.g. lack of quality jobs, low living standards and poverty).* This is particularly the case for rural areas. The sharp increase of migration flows experienced by Albania in the 1990s has channelled most efforts and resources towards measures aimed at reducing irregular migration

rather than increasing employment opportunities in the country. As a consequence, both internal and international migration from rural areas of Northern Albania has kept on growing in recent years.

- *Migration is both a challenge and an opportunity for the country and for local communities.* The departure of young people from their places of origin put a heavy strain on the development – and in some cases on the survival – of their communities. It causes the loss of skills and of productive capacity at national and local levels and affects the demographic structure of the population. At the same time, Albanian communities abroad can play a key role in promoting both national and local development. For instance, the inflow of remittances in Albania increased household consumption and educational and other types of household-based investments. However, the potential that the productive use of remittances could have on community development in Albania remains largely unexploited.
- *Availability of information helps minimize the risks of irregular migration and match workers with decent employment opportunities abroad.* The lack of information on regular routes of migration for those wishing to leave the country can result in unsafe and irregular migration, including exploitation and human trafficking. At the same time, limited communication between local communities and those abroad constitutes an obstacle for those wishing to return, who may be unaware of employment and investment opportunities in their country of origin.
- *The involvement of private sector in the promotion of youth employment through public-private partnerships (PPPs) and other corporate social responsibility (CSR) initiatives is key to tackle youth employment problems.* As major provider of jobs, the private sector has a critical role to play in the search for effective solutions to youth employment problems. PPPs and other CSR initiatives that involve the private sector, government, international development agencies and the social partners (employers' and workers' organizations) can be a useful complement to governmental and inter-governmental action. If managed in a participatory and transparent manner, they can be instrumental to making the "business case" for investing in youth employment.

3.3. The proposed joint programme

The Joint Programme will enhance youth migration management through better alignment of the national strategies on youth, employment and migration. Its implementation approach is based on a set of coordinated interventions that draw on the mandate, expertise and added value of the national and local partners as well as of the four participating Agencies. It builds on three interlinked outcomes that aim to: i) strengthen the capacity of labour market

institutions to integrate and operationalize national policy priorities through a coherent youth employment action plan, ii) devise strategies that minimize the risks of migration of disadvantaged youth from rural areas, and iii) increase the positive impact of migration through the Brain Gain Programme and the mobilization of Albanian communities abroad for youth employment and community development. Programme interventions will be piloted in two regions of Northern Albania (Kukes and Shkodra) that are highly affected by informal employment and migration of young people. These two regions are also the focus of the regional development initiatives of the One UN Programme for Albania.

The expected results by the end of the Programme include: i) improved capacity of the Albanian government to monitor youth labour market indicators; ii) an inter-institutional mechanism able to design, monitor and evaluate youth employment and migration policies; iii) a permanent partnership mechanism between the public and the private sectors; iv) an improved knowledge and understanding of integrated policies and measures to tackle the informal economy and their impact on migration; v) coordination system for social pacts for youth employment at local levels; and v) a system for mobilizing resources from Albanian communities abroad.

The proposed Programme is aligned with the One UN Programme, endorsed by the government in October 2007, and the UNDAF. It aims to contribute to the achievement of two of the five outcomes of the One UN Programme (i.e. more transparent and accountable governance, and regional development) and to promote *partnerships for decent and productive work for youth* (MDG8) through joint action. More specifically, it will contribute to result 1.1.4 on migration management that focuses on minimizing risks of youth migration through better alignment of employment and migration policies. Also, the Programme will contribute to operationalize result 4.1.4 in two pilot under-developed regions through the promotion of economic development and decent employment of young workers¹⁰.

The Programme will place strong emphasis on capacity development of decision-makers, managers and staff of participating central and local institutions as well as social partners to better design, monitor and evaluate policies, strategies and action-oriented programmes on youth employment. It will be operationalized under the coordination of the Department of Strategy and Donor Coordination of the Council of Ministers. The main partners at central level are the Ministry of Labour, Social Affairs and Equal Opportunities, responsible for the implementation of the strategies on employment, migration, gender equality and social inclusion; the Ministry of Tourism, Culture, Youth and Sports, responsible for the implementation of the Youth Strategy and the Ministry of Foreign Affairs. Other partners will include other line ministries, the Statistical Institute and employers' and workers' organizations. At local level, the Programme will work

¹⁰ Result 4.1.4 of the One UN Programme aims to expand economic development in three pilot regions, including Shkodra and Kukes, through local economic initiatives focusing on employment creation, income generation and farmers' productivity.

through a local coordination mechanism comprising representatives of regional and municipal authorities, labour inspectorate, employment offices, training institutions, and employers' and workers' organizations.

Under the overall guidance of the United Nations Resident Coordinator, four Agencies – namely ILO, IOM, UNDP and UNICEF – will provide technical assistance for the implementation of the Programme. The participation of these Agencies will bring a youth employment focus to the ongoing work of the UN Country Team. Furthermore, it will contribute to the development of national capacity in meeting the obligations envisaged by international human rights treaties and international labour standards, particularly those relevant to young people.

4. Results Framework

The outputs of this Joint Programme contribute to the achievement of two outcomes of the One UN Programme that, in turn, are in line with the UNDAF of Albania. In particular, the initiatives to assign national priority to youth employment and to increase the positive impact of migration contribute to the achievement of the One UN Programme outcome *more transparent and accountable governance*, while the action-oriented programmes on youth employment in two pilot regions contribute to the achievement of the outcome *regional development to reduce disparities*. These outputs together with indicators, baselines, implementing partners, indicative activities and resources are detailed in Table 2 of this document.

The section below illustrates the links among outcomes that cut across main activities and outputs leading to the results that are expected by the end of the Joint Programme. The participating Agencies indicated in brackets next to each of the three main components are responsible for the outputs of each outcome.

1) Youth employment is a priority of the NSDI (ILO and UNDP)

The outputs and activities envisaged under this outcome aim to bring coherence on employment, migration and youth development policy objectives of the NSDI and to operationalize youth employment priorities through the development of a National Action Plan (NAP) on youth employment. The policy responses included in the NAP will be based on an in-depth gender-sensitive analysis of the youth labour market. This work will also support the strengthening of national capacity to develop key youth labour market indicators and to produce reliable labour market data for policy-making purposes. The Action Plan will be crafted under the aegis of the Council of Ministers and through consensus spanning a wide number of government institutions and the social partners. It will also identify policy packages to counter the causality chain of informal employment and migration of young people. The latter work will be undertaken in the context of the broader government programme on reducing informality and extra-legality and the policy priority of the Ministry of Labour, Social Affairs and Equal Opportunities on informal employment that are supported by the UNDP and the ILO. A specific output will develop a framework for the promotion of public-private partnerships and other corporate social responsibility (CSR) initiatives to channel both human and financial resources toward action on youth employment. These resources will contribute to the implementation of the measures of the NAP.

2) Risks of migration are reduced through innovative employment programmes targeting disadvantaged youth in two pilot regions (ILO, UNDP and UNICEF)

The employment programmes will build local capacity to implement youth employment measures in two pilot regions, as well as to demonstrate that employment programmes that are well targeted to the needs of disadvantaged workers can be effective in reducing the informal economy and in preventing youth from resorting to irregular migration. This work will be steered by a multi-stakeholder coordination mechanism composed of local authorities (municipalities, employment services and labour inspectorate) as well as the social partners, the private sector and civil society organizations. Based on the evaluation results, the lessons learnt from the work of the coordination mechanism in the two regions will be used to strengthen local governance on youth employment in other regions. The active labour market programmes will target both labour supply and demand with the aim of: i) easing the transition into decent work of under-employed youth and informal young workers at risk of migration; and ii) supporting informal enterprises and young workers to move to the formal economy. They will focus on gender-sensitive measures to improve productivity, production processes and marketing approaches; overcome the red tape; facilitate access to credit and advisory services; enhance workers' skills; and promote joint endeavours in the form of micro-enterprises and other cooperative businesses. These programmes will aim to tackle the main issues that led workers and enterprises to operate in the informal economy. Although their main features will depend on the issues and needs identified by the local coordination mechanisms, it is anticipated that the main measures supporting the move of workers and enterprises to the formal economy will include career counselling and guidance, livelihood and skills training, labour market training for emerging occupations – e.g. eco-tourism and ICT – and micro-enterprise development. These measures will be accompanied by services such as technical assistance to workers and enterprises to register and to fulfil the mandatory requirements established by the labour legislation. The promotion of young workers' rights will be part of the integrated package of labour market services and of the awareness-raising activities. The latter will consist of preventative action carried out through outreach in schools and in the two targeted communities to raise the awareness of young people on educational choices, decent employment opportunities, regular means of migration and the risk related to irregular migration. The information packages will be included in the websites of government institutions and of the participating Agencies responsible for this work. The broad dissemination of this information will allow reaching out to young people living in other areas of Albania. The combination of preventative and curative measures will help reduce the risk factors that lead young people in the two pilot regions to resort to informal employment or work opportunities abroad, including through irregular migration.

The capacity-building activities will focus on the management of an employment fund that will be key to channel the resources made available by the Joint Programme, public funding for active labour market programmes and regional development initiatives, as well as those raised through private sector contributions. The piloting of this fund will, among other things, provide insights for the establishment of employment and social funds – similar to the financial mechanisms of the European Union’s structural funds. The evaluation of the employment impact of the pilot programmes financed by the fund will distil lessons for the development of a long-term approach for financing and implementing active labour market policies (ALMPs) at national level. It is anticipated that the employment fund will become an important pillar of the active policy on employment, which is being forged by the MOLSAEO with the technical assistance of the ILO.

3) The positive impact of migration is increased through enhanced linkages between home communities and Albanian communities abroad (IOM and UNDP).

The outputs and activities foreseen under this outcome will support the return of young qualified Albanians and the mobilization of resources from Albanian communities abroad for local development initiatives. A combination of outreach and information activities with incentive packages to facilitate the return of qualified nationals will contribute to increase the positive impact of migration through stronger links between in-country opportunities and communities on the one hand, and Albanian communities abroad, on the other.

The return of qualified Albanians will be facilitated through assistance to the government’s “Brain Gain” initiative. The activities of this component will be geared to help match competence profiles of young Albanians abroad with in-country employment opportunities and provide incentive packages to get qualified nationals to return home, including in the two regions targeted by the Joint Programme. The Programme will also implement a combination of awareness-raising and capacity-building activities aimed to mobilize resources for local development and youth employment initiatives in the target regions. These activities, to be implemented in the four destination countries with high number of Albanian migrants, will build capacity of staff of the Consular Service of Albanian embassies to reach out to communities abroad and connect them to local development opportunities that have an impact on youth employment. The products and information material developed under this outcome will be also disseminated through the websites of the Ministry of Foreign Affairs, (e.g. websites of central Ministry, Embassies and Consulates) and the Ministry of Labour, Social Affairs and Equal Opportunities, as well as other public institutions involved in the dissemination of information to Albanian citizens. Together with the capacity-building activities foreseen under this outcome, these products will include information on registration at the consular service and will link with the

ongoing national programme that aims to improve the functioning of the Civil Registry.

Annual reviews

The annual review of the joint programme will be done by national partners and participating Agencies. The ILO's Chief Technical Advisor will produce an annual progress report based on the inputs from the different Agencies. S/he will liaise with the assigned focal points of each participating Agency to prepare quarterly and annual progress reports on the basis of the common reporting format and the results-based annual programme targets, as specified in the implementation guidelines (see the management arrangements section of this document). The Administrative Agent (UNDP) will produce the consolidated narrative and financial report. Upon receipt of the consolidated report, the Resident Coordinator will convene a steering committee meeting to review progress, monitor performance and plan the activities envisaged in the results framework. Based on the lessons learnt from the implementation, the Programme Management Committee will prepare a detailed work plan and revise the budget, which will be submitted to the Steering Committee for approval.

Table 2: Summary of Results Framework

ONE UN Outcomes: 1. More transparent and accountable governance								
Outcome of Joint Programme: 1. Youth employment is a priority of the National Strategy for Development and Integration (NSDI)								
JP Outputs	SMART Outputs and Responsible UN Organization	Reference to Agency priority/Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
<p>1.1. The capacity of policy makers to address the nexus between informal employment and migration of young people enhanced.</p> <p><i>Indicators:</i></p> <ul style="list-style-type: none"> – Number of key indicators of the youth labour market, including informal employment and migration, regularly collected and analyzed <p>Baseline</p> <ul style="list-style-type: none"> – No LFS conducted in Albania. Data on the youth labour market is collected through the LSMS and administrative data of the employment services. 	- 15 Statistical indicators on youth employment, informal employment and migration developed and used by the second year of Programme implementation	ILO	Statistical Institute (INSTAT)	1.1.1 Adapt the ILO school-to-work survey methodology to collect data on informal employment and migration of young people	40,000			40,000
	- Data on youth employment, informal employment and migration collected by the first year of the programme	IOM	INSTAT	1.1.2 Run survey on informal employment and migration of young people	30,000			30,000
	- Policy implication and recommendations formulated by the end of the first year of programme	ILO	MOLSAEO	1.1.3 Analyze the links between informal employment and migration of youth	40,000			40,000

<ul style="list-style-type: none"> - The youth unemployment rate (standard) is 12.8% (14.4% men and 11% women); the relaxed youth unemployment rate is 27% (28.7% men and 25% women) (LSMS 2005); - The share of young people employed informally is estimated at 70% of all young workers (LSMS 2005); - 60% of all informal employment is in agriculture (estimate); - 30% of all internal migrants come from the Northern part of Albania, even though it has only 11% of the country's population; - 55% of all permanent international migrants are from rural households 	<ul style="list-style-type: none"> - At least 20 staff of line ministries, INSTAT and the NES produce and/or use data on youth employment, informal employment and migration by the end of the second year. 	ILO	MOLSAEO	1.1.4 Conduct staff development programme for 20 participants on the use and production of statistical indicators on youth employment, informal employment and migration	50,000	20,000		70,000
	<ul style="list-style-type: none"> - The Government of Albania adopts a plan to tackle the informal economy by the end of the first year 	UNDP	Council of Ministers	1.1.5.a Conduct workshop with national stakeholders on the recommendations of the analysis of the informal economy 1.1.5b Develop a plan of action for required reforms to tackle the informal economy, including informal employment of youth	42,300			42,300
1.2. Migration, employment creation and youth policies of the NSDI aligned with labour market strategies and operationalized through Youth Employment National Action Plan (NAP)	<ul style="list-style-type: none"> - An inter-institutional committee operational by the end of the first year of implementation 	ILO	MOLSAEO	1.2.1a Establish inter-institutional committee 1.2.1b Provide technical assistance to the committee to define its role, tasks and responsibilities	85,000			85,000

<p>Indicators: – Number of measurable targets of the NAP included in the NSDI</p> <p>Baseline: No measurable target on youth employment, the informal economy and migration included in the NSDI</p>	<p>- Employment, youth development and migration policies aligned and youth employment objectives set and prioritized by the end of the first year of programme</p>	ILO	MOLSAEO	<p>1.2.2.a Conduct staff development programme for the inter-institutional committee to review policies on employment, youth development and migration</p> <p>1.2.2.b Provide technical assistance to the inter-institutional committee to identify youth employment objectives</p>	90,000	20,000		110,000
	<p>- A NAP on youth employment with specific priorities and outcomes, designed and targets included in NSDI by the end of the programme</p>	ILO	MOLSAEO	<p>1.2.3a Provide technical assistance to the inter-institutional committee to design the NAP on youth employment</p> <p>1.2.3.b Conduct staff development programme for members of the inter-institutional committee on monitoring techniques</p>	85,000	50,000		135,000

<p>1.3 Public-private partnerships (PPPs) for youth employment established and contributing to the implementation of the priorities of the NAP</p> <p><i>Indicators:</i></p> <p>– Number of local projects on youth employment financed through PPPs.</p> <p><i>Baseline:</i></p> <p>None</p>	<p>- A framework for PPPs through Corporate Social Responsibility (CSR) for youth employment developed and used by end of the first year to mobilize resources for youth employment</p>	ILO	MOLSAEO	<p>1.3.1 a Build the capacity of labour market institutions on PPPs; 1.3.1b Provide technical assistance to design a framework for the development and management of PPPs</p>	50,000			50,000
	<p>- One third of the signatories of the Global Compact are contributing to the implementation of the NAP through selected youth employment initiatives</p>	UNDP	Employers' organizations	<p>1.3.2.a Contact signatories of the Global Compact and other enterprises to advocate the business case for investing in youth employment ; 1.3.2b Identify private sector's HRD needs and standards to develop youth employment projects 1.3.2c Build a portfolio of youth employment projects to mobilize private sector's human and financial resources; 1.3.2. d Ensure visibility of PPPs, including through events and the media</p>	70,000	40,000	30,000	140,000
Outcome 1 Subtotal					582,300	130,000	30,000	742,300

ONE UN Outcomes: 2. Regional Development to reduce disparities

Outcome of Joint Programme: 2. Risks of migration are reduced through innovative employment programmes targeting disadvantaged youth in two pilot regions

JP Outputs	SMART Outputs and Responsible UN Organization	Reference to Agency priority/Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
<p>2.1. Youth employment coordination mechanism established in the regions of Kukes and Shkodra and responsible for managing the Employment Fund (EF)</p> <p><i>Indicators</i> – Number of labour market programmes identified and monitored by coordination mechanism in each region</p> <p><i>Baseline</i> None</p>	<p>- By the end of year one, each regional coordination mechanism prioritized youth employment interventions to be financed by the EF</p>	UNICEF	MCTYS	<p>2.1.1 a Conduct an assessment of the capacity of local stakeholders of target regions (municipalities, employment offices, the social partners, labour inspectorate, youth organizations and the private sector) to address youth employment challenges at local level;</p> <p>2.1.1.b Conduct training workshops for 15 local stakeholders to prioritize youth employment challenges for intervention</p>	20,000	10,000		30,000

	- An Employment Fund autonomously managed by the regional coordination mechanism and financing youth employment interventions by the end of the Programme	ILO	NES	2.1.2a Provide technical assistance to local stakeholders to establish regional coordination mechanism; 2.1.2 b Conduct training programme to design eligibility criteria and procedures for the management, the disbursement of funds, as well as monitoring and evaluation system of the EF; 2.1.2 c Develop a training package on the design, monitoring and evaluation of employment programmes; 2.1.2.d Establish the employment fund; 2.1.2.e Provide technical assistance to regional coordination mechanisms to implement youth employment interventions through the EF	75,000	136,247	18,237	229,484
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<p>2.2. Labour market programmes targeting youth at risk of migration implemented through the EF in the regions of Kukes and Shkodra</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> - Number of young participants employed in the formal economy at the end of labour market programmes <p><i>Baseline</i></p> <ul style="list-style-type: none"> - The share of young people working informally is estimated at 70% of all workers (LSMS 2005) - No data is available on young people working in the informal economy in the two target regions; - The share of youth registered as unemployed in the region of Shkodra is 39.8% of the total (NES data); - The share of youth registered as unemployed in the region of Kukes is 38.3% of the total (NES 	<p>- Skills requirements in the two target regions identified and used to design labour market training</p>	IOM	Regional coordination mechanism	<p>2.2.1a Together with the regional coordination mechanism, conduct a skills survey to identify emerging occupations in the two regions</p> <p>2.2.1b Discuss and share findings with managers and staff of vocational schools, NES and public vocational training centres</p>	20,000			20,000
	<p>- 60 Counsellors of the NES offices in Kukes and Shkodra provided tailored career counselling and guidance to 3,600 young workers in the informal economy</p>	UNICEF	NES local branches	<p>2.2.2 a Conduct staff development programme for 60 NES counsellors of the Kukes and Shkodra regional offices on career counselling and guidance</p> <p>2.2..2b Provide technical assistance to NES counsellors to tailor career guidance services for 3,600 young workers in the informal economy</p>	90,000			90,000
	<p>- 600 informal workers at risk of migration are trained in livelihood and employability skills (ABCS model) and 60% are employed at the end of the programme</p>	UNICEF	NES local branches	2.2.3 Conduct livelihood and employability skills training (ABCS model) for 575 young informal workers	68,141	155,571	140,571	364,283

<p>data);</p> <ul style="list-style-type: none"> - 75% of Shkodra migrants left to find employment opportunities abroad - In 2007, 20 people and 2 enterprises participated to employment promotion programmes in the Region of Kukës - In 2007, 126 people and 6 enterprises participated to employment promotion programmes in the Region of Shkodra 	<p>- 300 disadvantaged youth (unemployed, underemployed and informally employed) have enhanced their employability through participation in demand-driven competency-based training and 60% of them are in decent employment by the end of year 3.</p>	<p>UNDP</p>	<p>NES local branches</p>	<p>2.2.4a Based on the results of the skills survey, identify and develop competency based training; 2.2.4b Conduct employment-oriented training programmes in emerging occupations (e.g. ICT and eco-tourism) that are linked to work experience; 2.2.4c Provide (self-) employment assistance through NES and the employment fund.</p>	<p>190,000</p>	<p>96,555</p>		<p>286,555</p>
	<p>- 600 informal young workers moved to the informal economy by the end of the programme through a line of targeted services and incentives to both enterprises and workers</p>	<p>ILO</p>	<p>Social partners</p>	<p>2.2.5a Support local authorities to identify the needs of informal enterprises in agriculture 2.2.5b Develop a line of services to assist enterprises to improve productivity and move to the formal economy. 2.2.5c Provide short-term incentives to move enterprises and workers to the formal economy</p>	<p>45,000</p>	<p>245,930</p>	<p>58,000</p>	<p>348,930</p>

<p>2.3. Youth awareness raised on employment and safe migration</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> - Number of disadvantaged youth (unemployed, underemployed and informally employed) informed on employment opportunities, rights at work and safe migration 	<p>3,500 information packages targeting young informal workers and other disadvantaged youth on regular migration and risks of irregular migration and trafficking developed and disseminated in target region by the end of the second year</p>	<p>IOM</p>	<p>MCTYS</p>	<p>2.3.1a Conduct two workshop for 10 staff of the Regional Employment Offices of Kukes and Shkodra on regular migration and risks of irregular migration and trafficking 2.3.1 b Design and implement an information campaign on regular migration options and risks of irregular migration and trafficking</p>	<p>82,782</p>	<p>40,000</p>		<p>122,782</p>
<p><i>Baseline</i></p> <ul style="list-style-type: none"> - 4,400 youth registered in the Regional Employment Office of Kukes and 8,800 in Shkodra - 3,000 students are enrolled in secondary schools in the region of Kukes and 11,650 in the region of Shkodra - No data on youth employed informally in the two target regions 	<p>- 3,500 information material packages on educational choices, employment opportunities and rights at work disseminated through 36 outreach activities in schools, NES offices and communities by the end of the programme</p>	<p>UNICEF</p>	<p>MCTYS</p>	<p>2.3.2a Design information packages and publish them in the NES and other web-sites; 2.3.2b Print and distribute information packages through outreach activities in schools, NES offices and communities</p>	<p>30,000</p>	<p>37,368</p>	<p>17,369</p>	<p>84,737</p>
<p>Outcome 2 Subtotal</p>					<p>620,923</p>	<p>716,410</p>	<p>234,177</p>	<p>1,571,510</p>

ONE UN Outcomes: 1. More transparent and accountable governance

Outcome of Joint Programme: 3. The positive impact of migration is increased through enhanced linkages between Albanian communities abroad and home communities

JP Outputs	SMART Outputs and Responsible UN Organization	Reference to Agency priority/Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
3.1. Increased number of Albanian young graduates returning home after studies abroad <i>Indicators</i> – Number of Albanian graduates returning to home country through incentive package and regularly employed at the end of the programme	- A portfolio of profiles of young qualified Albanians abroad available for use of public administration, academia and the private sector by the end of year one.	UNDP	MFA	3.1.1.a Conduct a survey to map young Albanians studying abroad; 3.1.1.b Design the portfolio of profiles and disseminate it among public administration, academia and the private sector	20,000	10,000	10,000	40,000
	- 50% of targeted qualified nationals who returned to Albania are employed in the public administration, academia and the private sector by the end of the Programme.	UNDP	MFA	3.1.2.a Provide a package of incentives to qualified Albanians abroad to return and to work in the public administration, academia and the private sector; 3.1.2.b Develop and conduct a social marketing campaign featuring qualified returnees as role model for Albanians abroad.	149,010	40,000	40,000	229,010
<i>Baseline</i> None								
3.2. Albanian communities abroad mobilized towards community	- The staff of the Albanian Consular Service and community leaders	IOM	MFA	3.2.1a Develop and distribute 7,000 information packages on local		214,370	200,000	414,370

<p>development in the home country.</p> <p><i>Indicators</i></p> <ul style="list-style-type: none"> - Number of local development initiatives supported by Albanian communities abroad <p><i>Baseline</i></p> <ul style="list-style-type: none"> - None 	<p>in 4 countries use outreach and resource mobilization tools connecting Albanian communities abroad to home communities</p>			<p>community development and youth employment needs in Skhodra and Kukes , including information on incentive packages for qualified Albanians abroad; 3.2.1b Implement a media information campaign and publish information packages in the websites of MFA; 3.2.1.c Carry out capacity-building workshops for officials of the Albanian Consular Service and community leaders abroad on outreach and resource mobilization modalities in 4 countries</p>				
<p>Outcome 3 Subtotal</p>					<p>169,010</p>	<p>264,370</p>	<p>250,000</p>	<p>683,380</p>

JP Outputs	SMART Outputs and Responsible UN Organization	Reference to Agency priority/Country Programme	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame			
					Y1	Y2	Y3	Total
Joint Programme formulation and evaluation (including of lessons learnt and results)		ILO			10,000	26,299	60,000	96,299
Subtotal					10,000	26,299	60,000	96,299

	YEAR 1	YEAR 2	YEAR 3	TOTAL
Subtotal without management fee	1,382,233	1,137,079	574,177	3,093,489
Management fee for MDG-Fund (7%)	96,756	79,595	40,192	216,544
TOTAL JOINT PROGRAMME	1,478,989	1,216,675	614,369	3,310,033

5. Management and Coordination Arrangements

5.1 Roles and contribution of Participating Agencies

The UN System has been present in Albania since 1991. The total amount of UNCT disbursements in Albania for 2005 and 2006 was US\$26.8 and US\$27.3 million respectively.

The Joint Programme envisages that four participating Agencies work together to achieve the three outcomes that contribute to the implementation of the One UN Programme of Albania. More specifically, the JPD will be implemented by three Agencies of the United Nations System (i.e. ILO, UNDP and UNICEF) and the IOM. These four Agencies are members of the United Nations Country Team of Albania.¹¹

The ILO will lead the Joint Programme and will ensure that youth employment and migration policy objectives are coherently integrated into a national action plan. It will work on the development and analysis of a school-to-work transition survey and on the development of key indicators of the youth labour market. The latter will be instrumental to the development of the NAP, but also to the monitoring of youth employment policy and action programmes. The ILO will also take responsibility for the capacity building of labour market institutions and for the interventions to facilitate the move of informal workers and enterprises to the formal economy. Main partners will include the NSDI Coordination Unit, line ministries, especially the Ministries of Labour, Social Affairs and Equal Opportunities (MOLSAEO); Tourism, Culture, Youth and Sports (MTCYS); Economy (MoE); and Agriculture (MoA); the Institute of Statistics (INSTAT) as well as employers' and workers' organizations at central and local levels; and the network of training providers and employment services.

The UNDP/UNV will take responsibility for the implementation of youth employment action programmes targeting youth at risk of migration, the mobilization of resources through PPPs and the "Brain Gain Programme". For the latter, it will work closely with the Prime Minister's Office and the Ministry of Foreign Affairs (MFA), as well as with regional authorities and local communities for the implementation of the action programmes.

The UNICEF will be responsible for establishing the coordination mechanism on youth employment at local levels; the capacity building of the employment service for the provision of counselling and guidance targeting under-employed and informally employed youth who are at risk of migration. It will also take responsibility for setting up innovative services that combine livelihood and employability skills training to prepare youth gain formal

¹¹ The UN Country Team of Albania is composed of the following agencies: ILO, IMF, UNDP, IOM, UNFPA, UNHCR, UNICEF, UNIFEM, WHO and the World Bank.

employment. Building on its social business programmes that address youth participation and employment, it will work closely with the MCYS and with local employment offices, schools and training institutions, as well as with the private sector.

The work of the IOM will focus on awareness raising activities and on the mobilization of Albanian communities abroad in support of initiatives related to youth employment in Albania. It will work closely with the Migration Policy Department of the MOLSAEO on migration issues and with the Consular Unit of the MFA on the mobilization of Albanian communities abroad, as well as directly with the Albanian embassies and consulates. IOM will also contribute to the analysis of the links between informal employment and youth migration.

5.2. Coordination mechanism

The coordination arrangement has been established according to the Operational Guidance Note for the Participating UN Organizations (MDG-F, 2 October 2007).

A National Steering Committee (NSC) has been established to oversee and coordinate the operations of this Joint Programmes funded by the UNDP-Spain MDG Achievement Fund in accordance with the Terms of Reference of the Fund. The NSC will oversee the overall implementation of Programme activities. It will provide strategic guidance and approve the Joint Programme Document (JPD), including its revisions and annual workplans and budgets. It will be composed of the UN Resident Coordinator (Chairperson), a representative of the Spanish government and the Director of the Department for Strategy and Donor Coordination of the Government of Albania. The Committee will meet twice a year. When possible, the NSC will use coordination mechanisms set up in Albania to plan stakeholder consultations.

A Programme Management Committee (PMC) will be established to coordinate and oversee Programme implementation. It will act as principal coordinating and supervisory body for implementation of the JPD and provide policy guidance and recommendation regarding programme strategy and objectives. It will periodically review and oversee programme achievements and financial disbursements. It will meet on quarterly basis and will be composed of representatives of the participating UN Organizations and the IOM, the Spanish Embassy, the MOLSAEO, the MTCYS, the MFA and the National Institute of Statistics (INSTAT). The MOLSAEO will chair the Committee. Representatives of other line ministries, local authorities, the social partners and non-government organizations promoting the interests of young people may also participate in the PMC meetings on an ad hoc basis.

A **Programme Coordination Team (PCT)** will be set up at the MOLSAEO to provide technical inputs, implementation management and backstopping of the JPD. This team will comprise the following members:

a) **Chief Technical Adviser (CTA)**. The CTA will be selected by the UN Resident Coordinator and the ILO and in consultation with the other participating Agencies. S/he will work under the technical supervision of the ILO and under the overall guidance of the UN Resident Coordinator. The CTA will manage the Programme on a daily basis, coordinate the inputs of the technical specialists and prepare progress and other monitoring reports, as well as organize the mid-term evaluation. S/he will take responsibility for the delivery of the policy-related work and for the capacity-building work with labour market institutions and the social partners, as well as for the design of the financial mechanism on youth employment and for the design, monitoring and evaluation of active labour market programmes. Finally, s/he will coordinate the work on the measures to promote the transition to the formal economy of young informal workers and of enterprises. The CTA will have a solid background on employment and youth employment policy development and implementation, strengthening of institutions deputed to govern the labour market, and on the design, monitoring and evaluation of employment programmes. S/he will ensure that anticipated results, programme guidelines, standards of quality and timely provision of inputs/implementation of activities are aligned to the JPD document and to sound results-based management practice. A Senior Employment Specialist and the International Youth Employment Programme of the ILO will assist the CTA and the PCT on the development and/or adaptation of methodologies and tools for youth employment policy development and implementation. They will also ensure that the JPD is linked with other Programmes sponsored by the Spanish government through the MDG-F in other countries of Eastern Europe as well as in other regions around the world.

b) **National Technical Team (NTT)**. The NTT will be composed of three technical specialists on i) local partnerships for youth employment, ii) youth migration and mobilization of migrant communities abroad, and iii) management of human resources for youth employment. The national specialists will work in a cohesive team under the guidance of the CTA. More specifically, the first specialist will be responsible for the provision of technical inputs and coordination on local partnerships as well as for the component on employment counselling and employability skills. S/he will also work on issues relating to 16-17 youth in worst forms of child labour in hazardous occupations in agriculture. The technical specialist on local partnerships for youth employment will work under the technical guidance of the CTA and of the head of the child protection Programme of the UNICEF. The second specialist will provide technical inputs to the work on the mobilization of Albanian communities abroad, on the surveys and on the development and implementation of the awareness-raising campaigns in the target regions. S/he will work under the technical supervision of the CTA and of the Migration Specialist of the IOM. The third specialist will take responsibility for

the technical inputs relating to the competency-based training and to the component on the return of young qualified Albanians (skills development and brain gain). S/he will also provide inputs to the work on the informal economy and the promotion of public-private partnerships for youth employment. This specialist will work under the technical supervision of the CTA and of the Manager of the Poverty Reduction Cluster of the UNDP. Both the CTA and the technical specialists will coordinate with and provide technical inputs to the focal points and consultants who will be based in the regions of Kukës and Shkodër.

6. Fund Management Arrangements

The funds of the MDG-F for the implementation of the Joint Programme will be transferred through UNDP as the Administrative Agent to the participating UN Organizations and IOM in line with provisions of Annex 4 of the Guidance Note.

Each participating Agency assumes complete programmatic and financial responsibility for the funds disbursed to it by the Administrative Agent and can decide on the execution process with its partners and counterparts following the Agency's own applicable regulations.

Each Agency will establish a separate ledger account for the receipt and administration of the funds disbursed by the Administrative Agent. The participating Agencies will provide certified financial reports according to the budget template provided in the MDG-F Operational Guidance Note issued by the MDTF Office. They will deduct their indirect costs on contributions received not exceeding 7 percent of the Joint Programme budget in accordance with the provisions of the MDG-F Memorandum of Understanding signed between the Administrative Agent and participating Agencies.

Installments will be released in accordance with the annual workplans approved by the NSC. The release of funds is subject to meeting the minimum commitment threshold of 70% of the previous funds released to the participating Agencies combined. If the 70% threshold is not met for the Programme as a whole, funds cannot be released to any Agency, regardless of the individual agency's performance.

The following year advance can be requested at any point after the combined commitment against the current advance has exceeded 70% and the workplan requirements have been met. If the overall commitment of the Programme reaches 70% before the end of the twelve-month period, the participating Agencies may – after endorsement by the NSC – request the MDTF Office through the Resident Coordinator to release the next instalment ahead of schedule.

7. Feasibility, risk management and sustainability of results

Potential risks to achieving Programme objectives relate mainly to external geopolitical factors that may partly divert the attention of policy-makers from youth employment and migration issues. Political changes, staff turnover and slowdown of economic growth may also affect the implementation of the Programme. It is expected that the Albanian government will ensure job tenure of civil servants, particularly those involved in the implementation of the Joint Programme. Table 3 provides the assessment of the main risks and suggests countering strategies.

In order to minimize the risks, it is important to ensure the strong ownership of the Government of Albania to the envisaged outputs and activities as primary means to achieve sustainability. The commitment to advance reforms is central to the overall success of the Programme. In addition, the human resource development strategy of the Joint Programme requires a commitment of central and local government to: a) make human resources available to implement the Programme, and b) take the necessary steps to minimize civil servants turnover in the short and medium term. Finally, it is of the utmost importance that the Programme is implemented in a transparent manner and on the basis of pre-established criteria that are developed through consensus of all parties involved in or affected by the Programme. In this respect, the beneficiaries of the measures envisaged under outcome 2 (i.e. active labour market programmes targeting young workers and enterprises in the informal economy) will be identified on the basis of eligibility criteria that will be established by the local authorities. Similarly, the beneficiaries of the measures of outcome 3 (i.e. young qualified nationals and Albanian communities abroad) will be identified by using objective criteria and means of verification (e.g. official registration lists of Consular offices, universities).

To foster sustainability, the Joint Programme has been formulated on the basis of the following three-pronged approach. First, the Programme is in line with the Government of Albania policy priority to improve youth employment prospects as a means to reduce poverty. Second, the activities implemented will be integrated in policy and programme development, thereby ensuring the long-lasting impact of the resources invested by the Programme, the Government and the private sector. Finally, sustainability will be enhanced by linking the Programme to other initiatives being implemented by the participating Agencies on youth development, employment and migration.

Table 3: Risk assessment and countering strategy

Risk	Risk level	Countering strategy
The private sector does not participate in private-public partnerships (PPPs) for youth employment.	Low	To reduce the risk associated with lack of participation of the private sector in forging and implementing the PPPs, the JPD will initially rally support from the signatories of the Global Compact Albania. It will also adopt a participatory approach in the identification of the needs and interests of enterprises in hiring young people. Finally, the JPD will develop a broad portfolio of youth employment projects to be submitted to private enterprises so that they can choose to support projects for which they have more interest.
Albanian communities abroad do not contribute to local development initiatives that increase youth employment opportunities in the two target regions.	High	The capacity building of officials of the Albanian Consular Services will be instrumental to provide more and better services to members of the Albanian communities abroad. Also, awareness-raising activities among Albanian communities abroad on the needs of the regions targeted by the JPD are expected to improve the understanding of and the links with the communities in the home country.
Qualified Albanians abroad are not interested in the employment packages offered by the “Brain Gain Programme” and do not return.	Medium	The employment package will be designed so as to be sufficiently attractive for qualified Albanian abroad. In addition, support to the civil service reform process will ensure that this includes the recognition of competencies, which will open opportunities for the retention of qualified Albanians returning to the home country.
Local institutions fail to participate in the coordination mechanism and to cooperate with the private sector.	Low	To minimize this risk, it is important to ensure the commitment and ownership of the local institutions to the envisaged outputs and activities of the Joint

		<p>Programme and to ensure that Programme stakeholders, partner institutions and other organizations directly associated with the Programme, are constantly involved in the planning and implementation of activities. The establishment of an extensive dialogue with the actors present at central and local level will yield results in terms of visibility, leverage and impact of Programme activities.</p>
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8. Accountability, Monitoring, Evaluation and Reporting

The participating Agencies are committed to achieve the specific and measurable results of the Programme as depicted in Table 4 below. Monitoring and evaluation will be conducted in accordance with the One UN Programme monitoring and evaluation plan and be subject to each Agency's regular internal audits. The MDTF Office is responsible for producing the annual Consolidated Joint Programme Progress Report, which will consist of three parts:

- *Management Brief:* The Management brief consists of analysis of the certified financial report and the narrative report. The management brief will identify key management and administrative issues, if any, to be considered by the NSC.
- *Narrative Joint Programme Progress Report:* This report is produced according to the integrated Joint Programme reporting arrangement. It will be reviewed and endorsed by the PMC before it is submitted to the MDTF Office on 28 February of each year.
- *Financial Progress Report:* Each Participating UN Organization will submit to the MDTF Office a financial report stating expenditures incurred during the reporting period. The deadline for this report is 31 March of each year.

During the first month of the Programme an inception report will be prepared. It will include an updated workplan and guidelines for Programme implementation.

Two main means will be used as the basis for monitoring the progress of programme implementation: 1) detailed annual work plans and 2) field visits. The workplan will give indications of the activities to be implemented by each Agency. It will describe in detail the required inputs and the expected results within a given timeframe. The managers of each Agency will carry out field visits at regular intervals to verify the progress and interact with the target group. This will help assess how the programme is affecting these groups (directly or indirectly, positively or negatively).

The participating Agencies have primary responsibility to develop tools and methodologies to better monitor and evaluate the work of the Programme. Quarterly status reports will be prepared by each Agency together with their government counterparts according to the Implementation Guidelines developed at inception. The ILO will consolidate such reports and submit them to the UN Resident Coordinator. Quarterly updates will be made available to the donor.

The Joint Programme will be subject to a mid-term review and to a final evaluation to assess the relevance and effectiveness of the intervention and to measure the results, on the basis of the indicators of achievement. The mid-term

review will be organized by the MDG-F Secretariat. In addition, activities carried out by the participating Agencies will be subject to internal and external audit in line with their respective financial rules and regulations.

Table 4: Programme Monitoring Framework (PMF)

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<p><i>Outcome 1: Youth employment is a priority of the National Strategy for Development and Integration (NSDI)</i></p> <p>Output 1.1 The capacity of policy makers to address the nexus between informal employment and migration of young people enhanced</p> <p>Output 1.2. Migration, employment creation and youth policies of the NSDI aligned with labour market strategies and operationalized through Youth Employment National Action Plan (NAP)</p> <p>Output 1.3 Public-private partnerships (PPPs) for youth employment established and contributing to the implementation of the priorities of the NAP</p>	<p><i>Indicators:</i></p> <ul style="list-style-type: none"> - Number of key indicators of the youth labour market, including informal employment and migration, regularly collected and analyzed - Number of measurable targets of the NAP included in the NSDI; - Number of local projects on youth employment financed through PPPs <p><i>Baseline:</i></p> <ul style="list-style-type: none"> - No Labour Force Survey conducted in Albania. - The youth unemployment rate (standard) is 12.8% (14.4% men and 11% women); the relaxed youth unemployment rate is 27% (28.7% men and 25% women) - The share of young people employed informally is estimated at 70% of all young workers - 60% of all informal employment is in agriculture (estimate); - 30% of all internal migrants come from the Northern part of Albania, even though it has only 11% of 	<p>NSDI progress reports</p> <p>NSDI and NAP progress reports</p> <p>Memoranda of agreement on youth employment</p>	<p>Official reports of the Government of Albania</p> <p>Annual and quarterly Progress reports</p> <p>Mid term review and final evaluation reports</p>	<p>Participating Agencies and Government partners</p>	<p><i>Risks</i></p> <ul style="list-style-type: none"> - Political and economic shocks shift the attention of policy-makers away from employment and migration issues - The private sector is reluctant to partner with the public administration <p><i>Assumptions</i></p> <ul style="list-style-type: none"> - No major institutional change occurs during the implementation of the project - The commitments taken by the inter-institutional committee at policy level are executed by central and local authorities - There is a reliable and timely flow of information and data among central and local labour market institutions, the Statistical Institute and other labour market information providers

	<p>the country's population;</p> <ul style="list-style-type: none">- 55% of all permanent international migrants are from rural households <p><i>Timeframe:</i> 2008-2010</p>				<ul style="list-style-type: none">- The private sector recognize the value added that PPPs can bring to local economic development
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<p>Outcome 2: Risks of migration are reduced through innovative employment programmes targeting disadvantaged youth in two pilot regions</p> <p>Output 2.1. Youth employment coordination mechanism established in the regions of Kukës and Shkodra and responsible for managing the Employment Fund (EF)</p> <p>Output 2.2. Labour market programmes targeting youth at risk of migration implemented through the EF in the regions of Kukës and Shkodra</p> <p>Output 2.3. Youth awareness raised on employment and safe migration</p>	<p>Indicators</p> <ul style="list-style-type: none"> - Number of labour market programmes identified and monitored by coordination mechanism in each region; - Number of young participants employed in the formal economy at the end of labour market programmes; - Number of disadvantaged youth (unemployed, underemployed and informally employed) informed on employment opportunities, rights at work and safe migration. <p>Baseline</p> <ul style="list-style-type: none"> - The share of youth working informally is estimated at 70% of all workers; - No data is available on youth working informally in the target regions; - The share of youth registered as unemployed in Shkodra is 39.8%; - The share of youth registered as unemployed in Kukës is 38.3%; - 75% of Shkodra migrants left to find a job; - In 2007, 20 people and 2 enterprises participated to employment promotion programmes in Kukës; - In 2007, 126 people and 6 enterprises participated to employment promotion programmes in Shkodra; 	<p>Workshop reports, attendance records</p> <p>Minutes of meetings</p> <p>Local government/treasury reports and records</p> <p>Assessment survey</p> <p>Records central and local NES</p> <p>Attendance sheets and trainers' report</p> <p>Surveys and reports on youth in schools/community covered by outreach efforts.</p>	<p>Annual and quarterly Progress reports</p> <p>Mid term review and final evaluation reports</p> <p>Official Government Reports</p> <p>Collection of data through pre and post visit reports</p> <p>Annual and quarterly Progress reports</p> <p>Pre and post-intervention surveys on outreach services.</p>	<p>Participating Agencies and Government partners</p>	<p>Risks</p> <ul style="list-style-type: none"> - Institutional changes and a negative economic cycle cause a loss of interest in the activities to be undertaken; - Turnover of local policy makers and civil servants slow down Programme activities - Local institutions fail to participate in the coordination mechanism and to cooperate with the private sector - Local government and other participating institutions and organizations fail to honour the commitments taken <p>Assumptions</p> <ul style="list-style-type: none"> - No major institutional change occurs during the implementation of the programme - Local Government commits to participate in and contribute the activities of the programme - The interventions designed attract the interest of private enterprises and of
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	<ul style="list-style-type: none"> - 4,400 youth are registered in the employment offices of Kukes and 8,800 in Shkodra; - 3,000 students are enrolled in secondary schools in Kukes and 11,650 in Shkodra <p><i>Timeframe</i> 2008-2010</p>				<p>young informal workers</p> <ul style="list-style-type: none"> - The economic cycle remains relatively stable throughout the programme - Outreach services are accepted in schools and in the community - Youth are interested in the services and programme provided.
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<p>Outcome 3: The positive impact of migration is increased through enhanced linkages between Albanian communities abroad and home communities</p> <p>Output 3.1. Increased number of Albanian young graduates returning home after studies abroad (UNDP)</p> <p>Output 3.2. Albanian communities abroad mobilized towards community development in the home country</p>	<p>Indicators</p> <ul style="list-style-type: none"> - Number of Albanian graduates returning through incentive package and regularly employed at the end of the programme - Number of local development initiatives supported by Albanian communities abroad <p>Baseline: None</p> <p>Timeframe: 2008-2010</p>	<p>Reports of the Brain Gain Programme</p> <p>Reports on Albanian communities abroad engagement in the outreach activities of the awareness raising campaign.</p> <p>Reports of the MFA (consulates and embassies)</p>	<p>Official reports of the Government of Albania</p> <p>Annual and quarterly Progress reports</p> <p>Mid term and final M&E reports</p>	<p>UN Agencies and Government partners</p>	<p>Risks</p> <ul style="list-style-type: none"> - Lack of involvement of Albanian communities abroad in awareness and mobilisation campaigns and unwillingness to contribute to regional development initiatives. - Qualified Albanians abroad are not interested in the employment packages offered by the "Brain Gain" Programme. <p>Assumptions</p> <ul style="list-style-type: none"> - A sufficient number of young Albanians are interested in participating the programme; - Involvement of Albanian consular staff in the activities carried out abroad to successfully implement the awareness raising activities
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9. Ex-ante Assessment of Crosscutting Issues

9.1. *International labour standards on youth employment*

Protection of youth and employment promotion are two major aspects that are reflected in a number of international labour standards concerning employment of young people. While most international labour Conventions are applicable to young people, some are particularly important as they address fundamental human rights at work or contain provisions specific to youth employment.

The Republic of Albania has ratified the two fundamental Conventions that contain provisions aimed at protecting young persons against hazardous or exploitative activities or conditions of work. The *Minimum Age Convention, 1973 (No. 138)*, requires the setting not only of a general minimum age for admission to work – which cannot be less than 15 years of age – but also of a higher minimum age of 18 years for admission to work likely to jeopardize the health, safety or morals of young persons. The *Worst Forms of Child Labour Convention, 1999 (No. 182)*, aims for its part at putting an end to the involvement of all persons under 18 years of age in the harmful activities it lists. In addition, many ILO instruments call for specific protective measures for young workers – i.e. workers who have not attained 18 years of age – in terms of working conditions and occupational safety and health. Some are especially designed for that purpose, such as Conventions and Recommendations on night work or medical examination of young persons. A number of instruments of general application provide for special measures for young workers. This is the case, for instance, of the instruments on occupational safety and health, which contain provisions to prevent or limit the exposure of young persons to specific occupational hazards.

Despite these principles are part and parcel of the labour law of Albania, their enforcement is still lagging behind. An indicator of lack of enforcement is the persistence of child labour, including work of young people aged 15-17 in hazardous occupations that are considered by international labour standards to be in worst forms of child labour. In this respect, the JPD will promote the enforcement of international principles in the work on policy and institutional strengthening, as well as in the implementation of measures targeting disadvantage youth. For the latter, the participating Agencies will establish synergies and undertake joint work with the initiative of the International Programme on Child Labour that is currently ongoing in Albania.

The *Employment Policy Convention, 1964 (No. 122)*, is the main international instrument for employment promotion. Its accompanying Recommendations call for “special priority” to be given to “measures designed to remedy the serious, and in some countries growing, problem of unemployment among young people”. They also detail special measures that should be taken to

assist young people in finding their first job and to ease the transition from school to work. The latter should be “carefully monitored to ensure that they result in beneficial effect on young people’s employment” and should be consistent with the conditions of employment established under national law and practice. The *Employment Service Convention, 1948 (No. 88)* provides for special arrangements for youth to be initiated and developed within the framework of the employment and vocational guidance services. The *Employment Service Recommendation, 1948 (No. 83)*, adds that special efforts should be made to encourage young people to register for employment and to attend employment interviews.

In early 2007, the Ministry of Labour, Social Affairs and Equal Opportunities has started the process of ratification of both Conventions. This process is still ongoing. In parallel, it has developed an employment strategy and has engaged in the preparation of a modern employment promotion law. The JP will uphold the employment promotion principles of international labour standards and support both policy and institutional reforms. This will promote sustainability of the main measures envisaged under the Programme and will contribute to the shaping of an active policy on employment, including provision addressing the aspirations of young people to get and maintain a decent job.

9.2. Gender equality, rural/urban divide and poverty

The high rate of international migration has generated both opportunities and constraints for Albanian households and in particular for women. Migration has been for years a coping strategy to counter poor quality and low paid jobs, unemployment and poverty. Data on poverty indicate that the categories of the population facing higher risk of poverty are the unemployed, the less educated, members of large households and people living in rural areas and engaging in own account farming. Surprisingly, women-headed household do not show a higher risk of falling into poverty than their male counterparts. This is partly due to the fact that their households include migrant workers who boost income through remittances. The youth employment figures show that most youth living in rural areas are engaged in subsistence farming, either as self-employed or as contributing family members. Overall, the employment rate of young men is higher than that of women. Young women are twice as likely to be inactive and participate less than boys in education. In addition, permanent international migration appears to have a negative impact on school enrolment of girls, especially in rural areas.

Migration and the flow of remittances partly explain the changes in poverty rates, especially in Tirana and the rural mountain regions. However, while temporary and permanent migration have a positive impact on household

consumption, rural poverty is declining at a much slower pace than urban poverty, due to the negative impact on agricultural production caused by the loss of male rural labour. The loss of hours worked by men is partly compensated by an increase in agricultural labour of women and children and by a shift from crops to livestock activities.

The percentage of migrant women is growing and the risks to them of irregular migration are greater than for men. The results of a recent analysis demonstrate that migration remains highly responsive to economic incentives and that the migration of women is decided upon by other members of the household. In addition, the greater elasticity of women's migration to poverty and joblessness reflects the weaker bargaining power that women have within the household.¹²

The Joint Programme will address equal opportunities and gender equality issues by: (i) measuring the different impact of joblessness and un(der)employment in the informal economy on young men and women and how these affect the respective propensity to migrate; (ii) assessing the relative impact of active labour market programme on young men and women with a view to inform policy development; (iii) ensuring equal opportunities to both Albanian men and women in programme activities, and (iv) promoting affirmative action-type measures when the baseline show a clear disadvantage of one of the sexes compared to the other.

9.3. Social dialogue

In recent years youth employment has become a policy priority for employers' organizations and trade unions alike. The policy prescriptions advocated by the social partners differ on a number of counts, but there is a common concern about the socio-economic costs of joblessness and underemployment among young people. As main actors in the labour market, employers' and workers' organizations have a key role to play in the design and implementation of policies and programmes leading to decent work of young people.

Despite some progress, social dialogue in Albania remains weak. Tripartite bodies have been set up, but they are mainly limited to consultative functions and negotiations take place very rarely. The Joint Programme will promote social dialogue by strengthening the capacity of employers' and workers' organisations to shape the youth employment agenda and to bring issue of equality of access and of opportunities in the labour market at the forefront of policy making.

¹² World Bank, *Albania: Urban Growth, Migration and Poverty Reduction. A Poverty Assessment*, Washington D.C., 2007.

10. Legal Context or Basis of Relationship

Albania is a pilot country of the One UN initiative. The One UN Programme in Albania includes resident and non-resident UN agencies, funds and programmes which strategically contribute to Albania's development priorities as outlined in the National Strategy for Development and Integration (NSDI). The following UN agencies and funds are participating in the One UN programme in Albania: the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Volunteers (UNV), the United Nations Development Fund for Women (UNIFEM), the World Health Organization (WHO), the UN High Commissioner for Refugees (UNHCR), the International Labour Organization (ILO) and non-resident agencies such as the UN Environment Programme (UNEP), the UN Educational, Scientific and Cultural Organization (UNESCO) and the Food and Agriculture Organization (FAO). The World Bank and IOM are also active members of the UNCT in Albania. While they are not an integral part of the One UN programme, ongoing collaboration will be enhanced under the One UN programme in capacity development on migration policies and remittances.

The legal agreement between the government of Albania and each of the participating Agencies is summarized in the table 5 below:

Participating Agency	Agreement
ILO	The assistance envisaged in this JPD is part of the Programme of Cooperation between the Government of Albania and the ILO for the period 2008-2010. The Memorandum of Understanding between the Government of Albania and the ILO Subregional Office for Central and Eastern Europe, based in Budapest – Hungary, was signed on 04 April 2008.
IOM	The assistance included in this JPD will be regulated in accordance with the Agreement between the Government of Albania and the IOM that was signed in 1992.
UNDP	The Government and UNDP entered into the Standard Basic Assistance Agreement (SBAA), signed on 17 June 1991. The latter will govern UNDP's assistance that is part of this JPD.
UNICEF	The assistance envisaged in the JPD is regulated by the Basic Cooperation

	Agreement (BCA) concluded between the Government and UNICEF on 23 July 1993, which provides the basis of the relationship between the Government and UNICEF.
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The ILO, IOM and UNICEF have signed, as participating Agencies, the Memorandum of Understanding regarding the Operational Aspects of the UNDP-Spain Millennium Development Goals Achievement Fund (MDG-F) and, therefore, have agreed that the United Nations Development Programme (UNDP) serves as the Administrative Agent responsible for the administration of the MDG-F. Each Agency will carry out the Joint Programme activities in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall be engaged and administered, equipment, supplies and services purchased, and contracts undertaken, in accordance with the provisions of such regulations, rules, directives and procedures. On the termination or expiration of this Agreement, the matter of ownership shall be determined in accordance with the regulations, rules, directives and procedures applicable to the participating Agencies, including, where applicable, its basic agreement with the Government concerned.

Annex 1 – Work plan and budget (first year)

ANNUAL TARGETS	ACTIVITIES	TIME FRAME				UN AGENCY	RESPONSIBLE PARTY	PLANNED BUDGET		
		Q 1	Q 2	Q 3	Q 4			Source of Funds	Budget Description	Amount
<p>Output 1.1 The capacity of policy makers to address the nexus between informal employment and migration of young people enhanced</p> <p>Target :</p> <ul style="list-style-type: none"> ▪ 15 statistical indicators developed and used ▪ 1 analysis of the links between informal employment and migration conducted ▪ 20 staff of line ministries, INSTAT, NES and NSDI Coordination Unit produce and/or use data on youth employment, informal employment and migration ▪ 1 plan of action to tackle the informal 	1.1.1 Adapt the ILO school-to-work survey methodology to collect data on informal employment and migration of young people					ILO	INSTAT	MDG-F	Chief technical adviser Focal point (regions) Local consultants (30d*250) Translation (25d*200)	20,000 7,500 7,500 5,000 40,000
	1.1.2 Run survey on informal employment and migration of young people					IOM	INSTAT	MDG-F	Administration of questionnaire Data tabulation	15,000 15,000 30,000
	1.1.3 Analyze the links between informal employment and migration of youth					ILO	MOLSAEO	MDG-F	Chief technical adviser Focal point (regions) Local consultants (30d*250) Translation (25d*200)	20,000 7,500 7,500 5,000 40,000
	1.1.4 Conduct staff development programme for 20 participants on the use and production of statistical indicators on youth employment, informal employment and migration					ILO	MOLSAEO	MDG-F	Chief technical adviser Local consultants (10d*250) Focal point regions Translation (10d*200) Training	20,000 2,500 7,500 2,000 18,000 50,000

economy developed	1.1.3 Provision of policy advice on necessary reforms to tackle the informal economy				UNDP	Council of Ministers	MDG-F	International consultants National consultants	32,300 10,000 42,300
1.2. Migration, employment creation and youth policies of the NSDI aligned with labour market strategies and operationalized through Youth Employment National Action Plan (NAP) – Target ▪ 1 inter-institutional committee established ▪ 1 NAP on youth employment with specific priorities and outcomes, designed and targets included in NSDI	1.2.1 Establish inter-institutional group to review strategies on employment, youth and migration and conduct capacity building programme				ILO	MOLSAEO	MDG-F	Chief technical adviser International fellowship Training workshop(2w*15p)	20,000 35,000 30,000 85,000
	1.2.2. Align national employment, youth development and migration policies with youth employment objectives				ILO	MOLSAEO	MDG-F	Chief technical adviser International consultant (30d*500) Local consultants (30d*250) Translation (30d*200) Mission ILO expert (10d) Training workshops (2w*15p) Focal point region Miscellaneous	20,000 15,000 7,500 6,000 7,000 30,000 4,000 500 90,000
	1.2.3 Develop and implement NAP with specific priorities, outcomes, results, and human and financial resources				ILO	MOLSAEO	MDG-F	International consultant (10d*500) Focal point region Mission ILO expert (10d) Translation (25d*200) Training workshops (4w*15p) Miscellaneous	5,000 7,500 7,000 5,000 60,000 500 85,000
							Total		

<p>1.3 Public-private partnerships (PPPs) for youth employment established and contributing to the implementation of the priorities of the NAP</p> <p>Target</p> <ul style="list-style-type: none"> 1 framework for PPPs developed and used One third of the signatories of the GC are contributing to the implementation of the NAP priorities 	<p>1.3.1 Build capacity of labour market institutions to design a framework for the development and management of PPPs on youth employment</p>				ILO	MOLSAEO	MDG-F	<p>Chief Technical adviser 20,000</p> <p>International consultant (6d*500) 5,000</p> <p>Local consultants (20d*250) 7,000</p> <p>Translation (15d*200) 3,000</p> <p>Training workshops (1w*15p) 15,000</p> <p>50,000</p> <p>Total</p>
	<p>1.3.2 Build a portfolio of youth employment project to mobilize private sector's human and financial resources</p>				UNDP	Employers' Organization	MDG-F	<p>Advocacy GC members 10,000</p> <p>Identification HRD needs 30,000</p> <p>Portfolio of YE projects 20,000</p> <p>Visibility of PPPs 10,000</p> <p>70,000</p> <p>Total</p>
<p>2.1. Youth employment coordination mechanism established in the regions of Kukes and Shkodra and responsible for managing the Employment Fund (EF)</p> <p>Target</p> <ul style="list-style-type: none"> 2 regional coordination mechanisms established 1 Employment Fund established 	<p>2.1.1 Assess capacity of local stakeholders (municipalities, employment offices, the social partners, labour inspectorate, youth organizations and the private sector) to address youth employment and manage the EF</p>				UNICEF	MCTYS	MDG-F	<p>Local staff (2*2,500) 5,000</p> <p>Local consultants (20*150) 3,000</p> <p>Assessment 12,000</p> <p>20,000</p> <p>Total</p>
	<p>2.1.2 Establish Employment Fund to be managed by the regional coordination mechanism and financing youth employment interventions</p>				ILO	NES	MDG-F	<p>International consultant (10d*500) 5,000</p> <p>Local consultant (20d*250) 7,500</p> <p>Focal point region 7,000</p> <p>Mission ILO expert 5,000</p> <p>(10d) 45,000</p> <p>Translation (25d*200) 500</p> <p>Training workshops (3w*15p) 75,000</p> <p>Miscellaneous</p> <p>75,000</p> <p>Total</p>

<p>2.2. Labour market programmes targeting youth at risk of migration implemented through the EF in the regions of Kukës and Shkodra</p> <p>Target</p> <ul style="list-style-type: none"> ▪ 1 skills survey conducted in the two regions ▪ 60 Counsellors of the NES trained on tailored counselling and guidance ▪ 1,200 young workers in the informal economy counselled ▪ 150 disadvantaged youth trained in demand-driven competency-based training ▪ 15 informal young workers moved to the informal economy 	2.2.1 Skills survey to identify emerging occupations in the two regions				IOM	Regional coordination mechanism	MDG-F	Administration of skills survey questionnaire Analysis of data	15,000 5,000
								Total	20,000
	2.2.2 Strengthen the capacity of NES to provide career guidance				UNICEF	NES local branches	MDG-F	Local staff (4*2,500) Local consultants (40*150) Standards for career counselling and guidance Training staff NES	10,000 6,000 24,000 50,000
								Total	90,000
	2.2.3 Conduct livelihood and employability skills training (ABCS model) for young informal workers				UNICEF	NES local branches	MDG-F	Livelihood and employability skills training (ABCS model)	68,141
							Total	68,141	
2.2.4 Conduct employment-oriented training programmes in emerging occupations (e.g. ICT and eco-tourism) that are linked to work experience.				UNDP	NES local branches	MDG-F	Development of employment-oriented training programmes	190,000	
							Total	190,000	
2.2.5 Develop a line of services to assist enterprises to improve productivity and move to the formal economy				ILO	Social partners	MDG-F	Chief technical adviser ALMPs targeting informal workers/enterprises	20,000 25,000	
							Total	45,000	

<p>2.3. Youth awareness raised on employment and safe migration</p> <p>Target</p> <ul style="list-style-type: none"> ▪ 3,500 information packages on regular migration and risks of irregular migration and trafficking published ▪ 10 counsellors of the NES trained on provision of information on regular migration and risks of irregular migration and trafficking ▪ -3,500 information material packages on educational choices, employment opportunities and rights at work published ▪ 12 outreach activities in schools, NES offices and communities conducted 	<p>2.3.1 Develop and disseminate information packages targeting youth on regular migration and risks of irregular migration and trafficking</p>				IOM	MCTYS	MDG-F	<p>Staff local (6m*2500) 15,000</p> <p>Int. Consultants (2p*8m*1000) 16,000</p> <p>4,000</p> <p>Training packages for NES 40,000</p> <p>Info materials for awareness raising 2,000</p> <p>Interpretation services 4,000</p> <p>1,400</p> <p>Capacity building of REOs 382</p> <p>Equipment 82,782</p> <p>Miscellaneous</p> <p>Total</p>	
	<p>2.3.2 Develop information material on educational choices, employment opportunities and rights at work to be disseminated through outreach activities (in schools, NES offices and communities)</p>				UNICEF	MCTYS	MDG-F	<p>Development of information packages 30,000</p> <p>Total 30,000</p>	
<p>3.1. Increased number of Albanian young graduates returning home after studies abroad</p>	<p>3.1.1. Design a portfolio of profiles of Albanian students abroad and disseminate it among public administration, academia and the private sector</p>				UNDP	MFA	MDG-F	<p>Map of Albanian students abroad 10,000</p> <p>Development of a profile portfolio 10,000</p> <p>Total 20,000</p>	

Target <ul style="list-style-type: none"> ▪ 1 survey mapping young Albanians studying abroad conducted ▪ 3 incentive packages provided to qualified Albanians abroad for their return 	3.1.2. Provide a package of incentives to qualified Albanians abroad to return and to work in the public administration, academia and the private sector.					UNDP	MFA	MDG-F	Local coordinators (2*7*995)	13,930
									Regional support staff (2*400*2)	1,600
									Package of incentives to attract qualified Albanians abroad	109,417
									Equipment	22,463
									Travel regions (4*400)	1,600
									Total	149,010
Joint Programme formulation, monitoring (mid-term evaluation) and evaluation (including of lessons learnt and results)						ILO		MDG-F	Rapid assessment of Kukes and Shkodra	6,500
									Mission ILO experts (5d)	3,500
									Total	10,000

YEAR 1	
Subtotal without management fee	1,382,233
Management fee for MDG-Fund (7%)	96,756
TOTAL JOINT PROGRAMME	1,478,989

Annex 2

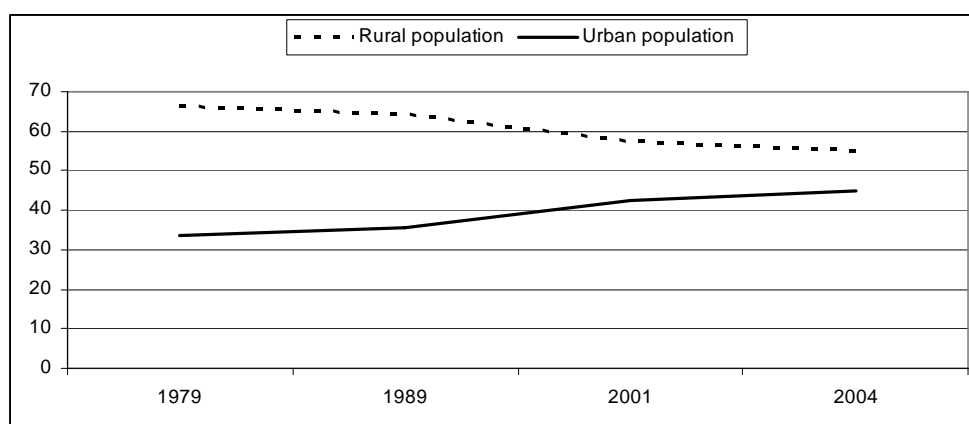
Assessment of the economic and social context of Shkodra and Kukes (March 2008)¹³

1. Socio-economic trends in the regions of Kukes and Shkodra

The drastic transformation of the economy and massive demographic changes due to internal and international migration are two of the most striking phenomena of Albania. High growth and low inflation rates have, so far, not reverted into the creation of jobs in the formal economy. Another characteristic of the Albanian economy is the strong inflow of remittance, which accounted in 2004 for almost 14 per cent of Gross Domestic Product (GDP).¹⁴

After more than 15 years from the beginning of transition, Albania remains predominantly rural with 55 percent of the population still residing in rural areas (figure 1). This is especially the case in the Kukes and Shkodra regions, where 76 and 61 percent of the population respectively lives in rural zones.¹⁵

Figure 1: Changes in urban and rural population 1979-2004



Source: INSTAT, Albania in figures, 2005

¹³ This assessment was conducted by the ILO in March 2008. It consisted of a review of available literature and data on the regions of Kukes and Shkodra, as well as of a number of on-the-spot interviews to staff of local authorities (e.g. municipalities, employment offices, labour inspection service). Baseline data was also collected through interviews to key informants (e.g. employers, workers). The field work of Ms. Marjeta Cela and Mr. Sokol Elshani is gratefully acknowledged.

¹⁴ Albania is administratively divided into two levels: counties (regions) and communes/municipalities. Commune, municipality and county councils are the representative organs of the local governments. The representatives of communes and municipalities are directly elected, whilst the county council members are elected from the commune/municipal councils within the county's jurisdiction. The mayors of the municipalities and the chairpersons of commune councils are *ex officio* members of the county councils. The latter have the responsibility to plan and coordinate actions of regional interest.

¹⁵ INSTAT, Albania in figures, Tirana 2005.

In parallel with the transformation of the economy, Albania experienced very high migration, particularly from the North to the capital and to the coastal areas. Between 1989 and 2001, the Districts of Tropoje (Kukes region) and Puke (Shkodra region) lost nearly half of their residents, while between 2004 and 2005 the region of Kukes lost more than 11,000 residents (approximately 11 percent of the 2004 population).

There are three main patterns of migration that emerge distinctively from the analysis of the census data. The first one comprises internal migration that mostly affects the poor and remote North-East districts (Tropoje, Kukes, Mirdite, Puke and Diber). Internal migrants are usually young unemployed or underemployed workers in agriculture. The second is made of both internal and international migration. This pattern affects districts that have both substantial internal migration and, at the same time, face high rates of international migration (Tirana, Durres, Vlore, Fier, Shkodra and Korça). Finally, international migration and negligible internal migration is the pattern in the districts of Southern Albania (Saranda, Delvine and Devoll). Recent analyses depicted a possible two-step scenario with migrants from Northern Albania moving first to the richer coastal area or to Tirana to accumulate enough money allowing them undertake international migration.¹⁶

GDP per capita, life expectancy, education and human development indexes vary across regions. The highest human development index (HDI) is found in the county of Tirana and the lowest in Kukes. Similarly, the counties of Tirana, Fier and Durres have the highest gender development index (GDI), measured as inequality between women and men in terms of basic skills and living conditions, and the counties of Shkoder, Diber and Kukes have the lowest. Table 1 below displays the main indexes by county. The poverty headcount of Kukes is over twice that of Vlora and the dropout rate from compulsory education is ten times higher.

¹⁶ A. Zezza, G. Carletto, B. Davis. Moving away from Poverty A Spatial Analysis of Poverty and Migration in Albania, ESA Working Paper No. 05-02, March 2005

Table 1: Human development, gender development and empowerment indexes (2002)

County and HDI ranking	Index of life expectancy	Index of education	Index of GDP per capita (PPP US\$)	Human Development Index ¹	Gender Development Index ²	Gender Empowerment Index ³
High HDI						
1. Tirana	0.825	0.928	0.713	0.822	0.816	0.507
2. Fier	0.825	0.914	0.626	0.788	0.783	0.438
Medium HDI						
3. Durres	0.813	0.942	0.600	0.785	0.779	0.424
4. Vlora	0.835	0.915	0.543	0.764	0.751	0.350
5. Gjirokastra	0.816	0.924	0.544	0.761	0.751	0.371
6. Elbasan	0.795	0.910	0.575	0.760	0.754	0.415
7. Berat	0.825	0.895	0.558	0.759	0.752	0.410
8. Korca	0.802	0.918	0.551	0.757	0.747	0.399
Low HDI						
9. Lezha	0.806	0.921	0.530	0.752	0.747	0.385
10. Shkodra	0.815	0.922	0.486	0.741	0.732	0.362
11. Dibra	0.798	0.907	0.497	0.734	0.727	0.351
12. Kukes	0.788	0.908	0.459	0.719	0.703	0.337

Source: UNDP, *Human Development Report of Albania 2002*. ¹ The *Human Development Index* (HDI) measures human development on the basis of three main components: life expectancy, education (combination of the numbers of literate adults and the norm of elementary, secondary and tertiary education attendance) and standard of living (expressed by per capita GDP). ² The *Gender Development Index* measures equality between men and women based on life expectancy, education and income. ³ The *Gender Empowerment Index* is calculated on parameters such as women's participation in political decision-making and their access to employment, based on their professional skills.

The spatial mapping of poverty confirms that the main motivation for people to migrate is directly related to their working and living conditions, with both level and severity of poverty being the main determinants.¹⁷ Although regional difference in poverty rates have narrowed substantially in the period 2002-2005, the North-East part of the country remains the one with the highest incidence of poverty with a headcount of 25.6 percent compared to 21.2 percent of the central and 16.2 per cent of the coastal regions. About 21 per cent of the Albanian poor are concentrated in the North-East part of the country although the latter accounts only for 11 percent of the country's population. Table 2 below displays the main poverty indicators. The data for the North-East region is highlighted in bold.

Table 2: Trends in absolute poverty 2002 2005

Stratum	Poverty measure	2002			2005		
		Urban	Rural	Total	Urban	Rural	Total
Coast	Headcount	20.2	20.9	20.6	11.6	19.7	16.2
	Depth	5.4	3.6	4.4	2.0	4.1	3.2
	Severity	2.1	1.0	1.5	0.6	1.3	1.0
Central	Headcount	19.3	28.5	26.6	12.5	25.9	21.2
	Depth	3.8	6.5	5.7	3.0	6.0	5.0
	Severity	1.2	2.1	1.8	1.2	2.1	1.8
Mountain	Headcount	24.7	49.5	44.5	17.1	27.7	25.6
	Depth	6.5	12.3	11.1	3.6	5.5	5.1
	Severity	2.6	4.4	4.2	2.2	2.7	2.5
Tirana	Headcount	17.8	-	17.8	8.1	-	8.1
	Depth	3.8	-	3.8	1.6	-	1.6
	Severity	1.3	-	1.3	0.5	-	0.5
Total	Headcount	19.5	29.6	25.4	11.2	24.2	18.5
	Depth	4.5	6.6	5.7	2.3	5.3	4.0
	Severity	1.6	2.1	1.9	0.8	1.8	1.3

Source: INSTAT, Albania: Trends in poverty and Inequality 2002-2005, Tirana, 2006

It is worth noting not only the direct relation between migration and poverty but also the positive impact that migration has had on poverty. Table 2 displays a decline of poverty rates during the period 2002-2005. This positive trend has been greatly affected by migrant remittances. Tirana and the mountain

¹⁷ World Bank, *Albania: Urban Growth, Migration and Poverty Reduction. A Poverty Assessment*, Washington D.C. 2007. See also International Organization for Migration (IOM), *The Republic of Albania migration profile*, Ljubljana, September 2007; J. Vullnetari, *Albanian migration and development: state of the art review*, IMISCOE Working Paper No 18, September 2007.

rural regions are the areas with the largest increases in the share of households receiving remittances. Third, the Northern area of the country experienced the strongest pace of poverty reduction in part because it is the only region whose outflow of new permanent migrants continues to increase. Furthermore, the flow of remittances to Tirana and the North-East of Albania increased substantially in recent years. The flows to Tirana more than doubled, while those to the North-East increased by 50 percent.¹⁸

Compared to the positive impact of migrant remittances on living conditions, their effect on productive investments has been rather negligible. This holds particularly true for the agriculture sector. The fact that rural households invest in agriculture only a negligible share of the remittances sent by international migrants, is indicative of the fact that agriculture continues to provide little prospects for growth and better earning opportunities for rural Albanians.

Labour market status is a significant determinant of economic welfare. Being unemployed or having a poor-quality job are strongly correlated with poverty. The incidence of poverty on households is more than double when the head is unemployed (i.e. 32 per cent compared to 14 per cent with the head being employed). For many people work is not enough to lift them out of poverty. The working poor (self-employed including own account workers) make up 46 per cent of all poor.

The agriculture sector still accounts for the majority of jobs in Albania.¹⁹ Employment in the public sector accounts for 18.7 per cent of total employment, while private non-agricultural employment is about 23 per cent (see Table 3).

Table 3: Distribution of employment in Kukes and Shkodra by economic activity

	2004		2005	
	Kukes	Shkodra	Kukes	Shkodra
Public sector	26,9	19,4	26,5	18,3
Private non-agricultural sector	6,4	11,5	6,6	12,6
Private agricultural sector	66,7	69,1	66,9	69,1

Source: INSTAT, Albania in figures, 2005

¹⁸ World Bank, Albania: Urban Growth, Migration and Poverty Reduction. A Poverty Assessment, Washington D.C. 2007.

¹⁹ According to the National Institute of Statistics, about 58 per cent of total employment is in agriculture, while the Living Standards Measurement Survey puts the figure at around half of overall employment.

It is estimated that 55 per cent of all non-agriculture employment is in the informal economy. Table 3 above shows that compared to national average, Kukes and Shkodra have a lower share of private non-agricultural employment (6.6. percent and 12.6 per cent respectively) and a higher share of employment in agriculture (69.1 percent and 66.9 percent respectively).

Most employment is either self-employment in the informal economy or in subsistence agriculture and unpaid family work. Data on informal employment disaggregated by region are not available. Box 1 below sheds some light on the main challenges facing the labour inspectorate in Albania with regard to the enforcement of labour law and the fight of the informal economy.

Box 1: The State Labour Inspectorate in Albania: Issues and challenges

The State Labour Inspectorate (SLI) is mandated to enforce labour law and to ensure workers' protection. The SLI has 130 inspectors who work in thirty-two district offices. There are a number of issues and challenges relating to labour protection in Albania and the institutions deputed to address them. These include:

- *Lack of procedures and policies to guide inspectors in daily work.* There is no enforcement policy outlining the mission for the inspection services, principles of inspection, the balance between a preventive/advisory role and an enforcement role, special procedures for SMEs, hazardous sectors, categories of workers, and sanction procedures.
- *Insufficient coverage of inspection services.* Because of financial constraints and lack of resources, only 65 per cent of the country is actually covered by the SLI, with rural areas particularly underserved. It is estimated that inspections cover less than 10 per cent of total employment, and only in the private sector. Inspection services do not have the capacity to inspect for compliance with occupational safety and health (OSH) requirements.
- *The challenge of employment in the informal economy.* The SLI is responsible for registration of enterprises. In 2003 the SLI had approximately 40,000 registered enterprises with approximately 110,000 declared employees, while the number of people employed was estimated at 750,000. In 2007 during the 396 labour inspections carried out in Albania, more than 1,100 workers were found to be unregistered.
- *Inconsistency and lack of data and information.* Data is fragmented across several different agencies with little or no information sharing. The SLI, the tax office and the social security services carry out registration of enterprises and employees. However, data vary

considerably according to the institution that collects them. For instance, in 2003 enterprises registered with the SLI numbered 40,384, while 60,000 were registered with the tax office.²⁰

Source: ILO, *Strengthening the Labour Inspection in Albania*. Technical cooperation project proposal, unpublished, 2007

Over 60 percent of economic activities in Albania are concentrated in the triangle Tirana-Durres-Fier, while Kukes has a share of only 0.5 percent and Shkodra 3 percent (2,269 companies). During the period 2002-05, the number of non-agriculture enterprises in Kukes decreased from 1,197 to 343. Over 50 per cent of the jobs available in 2002 were lost three years later. During the same period, Shkodra reported a negligible growth in the number of enterprises (+0.6 per cent) and negative job creation (-0.7 per cent). In both regions trade takes the lion's share of non-agriculture activities (43.4 percent in Kukes and 44.6 percent in Shkodra); followed by construction in Kukes (23.6 percent) and services in Shkodra (21.7 per cent). More than 90 percent of enterprises in Shkodra have between 1 and 5 employees (micro-enterprises) and 6.4 per cent have between 6 and 20 employees (small enterprises). In Kukes, the situation is different as micro enterprises account for over 79 percent and small companies for 16.6 per cent (see Table 4).

Table 4: Active non-agricultural enterprises by economic activity

	2005		
	Albania	Kukes	Shkodra
Agriculture	0.8	2.9	1.3
Industry	10.9	8.1	15.3
Construction	4.7	23.6	7.9
Transport	10.0	4.6	9.2
Trade	49.1	43.4	44.6
Services	24.5	17.2	21.7
Total	100.0	100.0	100.0

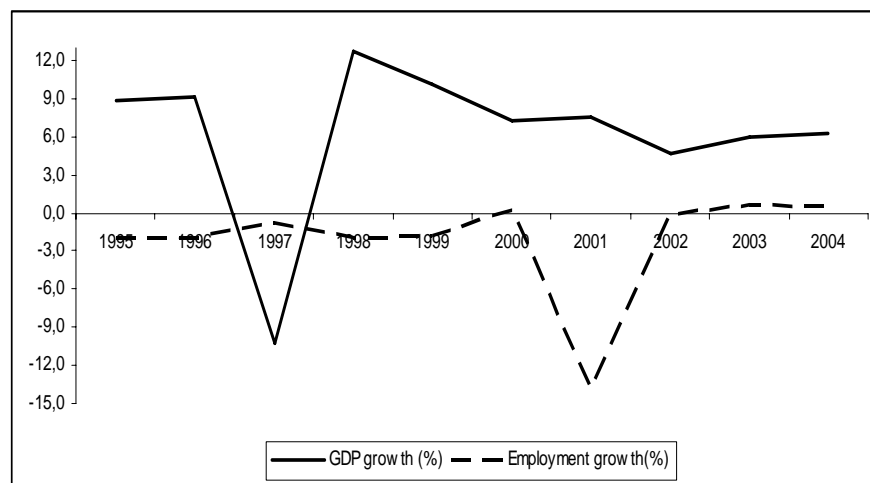
Source: INSTAT, *Albania in figures*, 2005

The youth employment rate in Albania is 32 percent (28.6 percent women and 35.5 percent men). Compared to other countries in the region, youth self-employment has a higher incidence on total youth employment (28.5 percent). Approximately 72 percent of young adults living in rural areas are self-employed and another 20 per cent are contributing family members.

Albania is the only country of Central and Eastern Europe that has not yet produced employment data on the basis of a Labour Force Survey. For this reason, labour market data are still riddled with uncertainty and should be read with a certain degree of caution. Official data on unemployment is based on the administrative records of the employment service. These data diverge substantially if compared to those of household surveys (i.e. Living Standard Measurement Survey - LSMS), which, in turn, is run with a very limited sample. According to official estimates, only 68.6 per cent of the working age population was employed in 2005 (63.8 according to the LSMS). In the same year, the rate of registered unemployment was 14 percent (6.9 calculated with LSMS data), with two-thirds of the unemployed being without a job for one year or more.

Similarly to nearly all countries of the Western Balkans, Albania has experienced a jobless growth path over the past years. Figure 2 compares GDP and employment trends in Albania during the decade 1995-2004.

Figure 2: GDP and employment growth 1995-2004



Source: World Bank, *Albania: Labour market assessment*, Washington D.C., 2006 page 6

The data of the 2005 LSMS put ILO youth unemployment at 12.8 per cent (14.4 percent for men and 11 percent women), while the relaxed youth unemployment rate was 27 percent (28.7 percent men and 25 percent women). Unfortunately, unemployment data from the LSMS are not disaggregated by region. For the purpose of this analysis (i.e. to compare national with regional trends), it is worth looking into the data from administrative records that display unemployment trends by region (see Table 3 below).

Compared to other areas of Albania, the regions of Kukes, Lezha and Shkodra display the highest rates of registered unemployment. The share of long-term unemployed in Shkodra is 71 percent, while in Kukes is only 34 percent. This may be explained by the fact that many people in Kukes cannot simply afford

to be unemployed and resort to own account work in agriculture, to informal activities or to migration to survive.

Table 3 Registered unemployment rate by county (2004-2007)

County	2004	2005	2006	2007
Total	14.4	14.1	13.8	13.2
Berat	15.6	14.2	13.6	11.7
Diber	16.7	16.5	17.0	15.7
Durres	12.4	12.0	11.4	11.2
Elbasan	12.9	12.8	12.6	12.5
Fier	10.8	10.6	10.6	11.2
Gjrokaster	11.8	11.9	12.2	12.4
Korca	11.4	11.2	12.2	10.8
Kukes	32.2	33.2	31.2	30.2
Shkodra	22.8	23.2	23.0	22.7
Lezha	27.4	27.0	25.7	25.1
Tirana	8.9	8.4	7.9	7.1
Vlora	17.0	15.8	14.5	12.6

Source: National Employment Service, Registered unemployment (2001-2007)

The administrative data on registered unemployment provides also some indication of the relative disadvantaged of youth compared to adults. The share of youth 16-24 registered as unemployed in Shkodra and Kukes is approximately 40 per cent of the total registered unemployed (Table 4).

Table 4: Percentage of men and women 15-24 registered as unemployment overall and in Kukes and Shkodra Regions (2004 and 2007)

	2004			2007		
	Men	Women	15-24	Men	Women	15-24
Overall	52,3	47,7	24,8	52,6	47,4	23,5
Kukes	54,8	45,2	31,3	55,2	44,8	39,7
Shkodra	57,2	42,8	46,9	58,7	41,3	40,4

Source: National Employment Services, Registered unemployment (2004-2007)

2. Employment services and programmes in the target regions

The National Employment Service (NES) of Albania has one central office and 36 employment offices (12 regional and 24 local offices). The higher decision-making body of the NES is the Administrative Tripartite Council, which is chaired by the Minister of Labour and comprises 13 members: one representative each for the Ministry of Finance, Ministry of Industry and Energy, Ministry of Education and Sciences, National Employment Services, Social Security Institute, the General Administration of Social Services and Social Assistance and three representatives each for employers' and workers' organizations. At local level, there are Local Tripartite Councils comprising representatives of the employment services, employers' and workers' organizations.

Currently the NES offers two types of active labour market programmes (ALMPs): employment subsidies for the recruitment of unemployed at risk of labour market exclusion and labour market training (institution-based and on-the-job training as well as apprenticeship).²¹ These ALMPs are administered to unemployed people with little or no qualifications either in an enterprise or in a public training centre. Programmes offered by the public training centres are fee-based; jobseekers get a discount on the full fee or are exempted according to their classification in the NES register. There is only one public training centre that serves the Northern part of Albania. Based in Shkodra, the latter delivered training to 757 persons in 2007 (56 per cent were young people). Approximately 70 per cent of the trainees in the Shkodra training centre were registered as unemployed. Of the total, 29.5 per cent had basic education, 28 per cent had general secondary education, 7.4 per cent had vocational education and as much as 35 per cent had a university degree. Unfortunately data disaggregated by type of training programme, sex and age group are not available.

The geographical focus, total number of participants and financing modalities of the current employment programmes offered by the NES highlight a number of issues. First, only small and medium size enterprises are eligible to partner with the NES in employment promotion programmes.²² Micro-enterprises cannot participate in employment promotion programmes, even though they represent approximately 90 per cent of all Albanian enterprises. Excluding these enterprises means that a number of employment opportunities may be lost, especially in regions where the level of economic development is lower. As a result, in 2007 only 20 people participated in the employment programmes in Kukës with two partner enterprises. In Shkodra, the beneficiaries were 126 and 6

²¹ The types of programmes named "apprenticeship" in Albania refer to practice periods organized in an enterprise to fulfill the requirement of the law for certain occupations. These measures target mostly highly educated unemployed.

²² The definition of small enterprise includes companies with 6 to 20 employees (or with a yearly turnover of maximum USD480,000); Medium-size enterprises have 21-80 employees or an annual turnover higher than USD800,000 per year.

partner enterprises. In 2007 only 2,128 Albanians participated in employment promotion programmes and 7,400 in training activities, e.g. only 1.5 per cent and 5.2 per cent of all registered unemployed, respectively. Among these participants, over 65 per cent were long-term unemployed, about 67 per cent were beneficiaries of social assistance and 6 per cent received unemployment benefits. Finally, the analysis of the 2008 budget allocation of the NES to local indicates that the regions with higher unemployment rate do not necessarily receive more resources for active labour market programmes than those with lower unemployment rates.²³.

Table 5: Unemployment rate and budget allocation for employment promotion programmes for the year 2008 (excluding institution-based training)

County	Registered unemployment rate (per cent)	Allocation for employment promotion programmes 2008 (per cent)
Berat	11,7	26.1
Diber	15,7	0.0
Durres	11,2	9.3
Elbasan	12,5	0.0
Fier	11,2	32.6
Gjirokastra	12,4	1.9
Korca	10,8	6.2
Kukes	30,2	0.0
Lezha	22,7	12.5
Shkodra	25,1	11.1
Tirana	7,1	0.0
Vlora	12,6	0.0

Source: NES, Labour market trends 2007. Staff data provided by the Human Resource Sector

²³ The local office allocation for active labour market programmes represents only 27 per cent of the overall allocation for ALMPs, which is approximately 2.4 million USD for the year 2008. The remaining 73 per cent is allocated to the Central Office.

Table 5 above shows that 11.1 per cent of the total budget available for ALMPs has been allotted to the county of Shkodra, while no funds have been allocated for the county of Kukes.

Annex 3

PROGRAMME MANAGEMENT COMMITTEE MEETING

YOUTH MIGRATION:

REAPING THE BENEFITS AND MITIGATING THE RISKS

TIRANA, Wednesday, 9th April 2008

11:00 hrs. – Building of the United Nations Development Programme

Summary report of the meeting

1. The Programme Management Committee (PMC) of the joint programme *Youth migration: Reaping the benefits and mitigating the risks* was convened on 9th April 2008 at 11:00 hours.
2. Mr. Rosas, Employment Specialist of the ILO, chaired the meeting. He welcomed the representatives of the Albanian government and the colleagues of the participating international organisations. The list of participants is appended to this report as Annex I.
3. He recalled that the main items on the agenda were to: i) give an update on the formulation of the Joint Programme Document (JPD); ii) discuss the feedback received through individual consultations with the representatives of the Ministries of Labour and Youth, as well as with the by the Director of the Department for Strategy and Donor Coordination of the Council of Ministers; iii) agree upon the management arrangements; and iv) discuss the next steps to be taken for the submission of the JPD to the Millennium Development Goals (MDGs) Trust Fund Office.
4. The representatives of the Ministry of Foreign Affairs (MFA) could not attend the meeting. The participants were informed that a separate meeting would have been organized the same afternoon with the Chief of Cabinet and the Director of the National Institute of Diaspora. The notes of the PMC meeting would have included the summary of the discussion with the representatives of the MFA. These notes would have been circulated among the members of the PMC.

Agenda Item 1: Update and comments on the formulation of the JPD

5. It was recalled that in November 2007, the One UN Programme submitted a concept note on youth employment and migration in Albania to the MDG

Trust Fund. This Fund was established at the UNDP through the funding of Euro528 million that was provided by the Spanish government for the implementation of programmes covering eight main themes that were instrumental to progress on the achievement of the Millennium Development Goals. Out of the 52 countries that applied for funding on the youth employment and migration theme, the proposal for Albania was granted funding together with five other concept notes. Under the guidance of the UN Resident Coordinator, the ILO, IOM, UNICEF and UNDP had been working since beginning of March 2008 on the development of the JPD.

6. Mr. Rosas presented briefly the objective of the Programme, its three outcomes and the main expected results. He stated that the joint programme aimed at supporting the Albanian government to integrate youth employment and migration policy objectives of the National Strategy for Development and Integration (NSDI) and of the strategies on employment and vocational training, migration and youth development. He highlighted the relation between the JPD and the integrated planning framework of the NSDI. The Programme was built on three interlinked outcomes geared to: i) strengthen the capacity of labour market institutions to integrate national policy objectives on youth employment and migration and to operationalize them through the development of a National Action Plan on youth employment (ILO and UNDP together with the Ministries of Labour and Youth), ii) devise employment strategies that minimize the risks of migration of disadvantaged youth from rural areas (ILO, UNICEF and UNDP together with the Ministries of Labour and Youth, as well as their representatives at local levels) , and iii) increase the positive impact of migration by mobilizing Albanian communities abroad on the need of investing in youth employment in Albania (IOM and UNDP together with the Ministry of Foreign Affairs). Action-oriented interventions were to be piloted in the two regions of Albania (Kukes and Shkodra) mostly affected by informal employment and migration of youth. The main target group were young workers in the informal economy, especially those engaged in subsistence agriculture. He finally pointed out that the comments of the MDG Fund had been addressed in the JPD (i.e. rationale for choosing the two regions, mainstreaming of gender issues, formalization of firms and workers in the informal economy, sustainability of the Employment Fund and the engagement of the private sector).
7. Mr. Shimomura, UNDP Country Director, pointed out how the support of the JPD to the government's Brain Gain Programme would bring focus to the matching between the competencies of young qualified Albanians abroad and the job requirements of the Public Administration, academia and the private sector in Albania.
8. Ms. Giordano, IOM Country Director, elaborated on the activities relating to the mobilization of Albanian communities abroad. She highlighted the links

between this work and the objectives envisaged by the National Strategy on Migration.

9. Ms Reci, Director of the Youth Department of the Ministry of Tourism, Culture, Youth and Sports, pointed out the leading role that the MTCYS was taking in mainstreaming youth development in government policies and programmes. She distributed an handout that described the mandate of her Department and suggested to review the institutional and management arrangements of the JPD. It was agreed that both the sections on the institutional and management arrangements and the results framework of the JPD would have better highlighted the role and tasks of the MTCYS.
10. Ms Lloshi, of the UN Resident Coordinator Office, acting on behalf of UNICEF, recalled that the joint programme was designed to contribute to the UNDAF outcomes and was aligned to the commitment taken under the One UN Programme.
11. Ms Ifti, Director of the Department of Migration of the Ministry of Labour, noted with interest the focus placed by the joint programme on addressing the push factors leading youth to migrate. Given the main focus of the JPD on both employment and migration of young people, it was discussed that future meetings of the PMC be attended by a representative of both the Labour Market Policy and Migration Directorates of the Ministry of Labour, Social Affairs and Equal Opportunities. The latter Ministry had also responsibility for the implementation of the strategies on gender equality and social inclusion, which were themes cutting across the implementation of the JPD.

Agenda Item 2: Feedback from the consultation process

12. Mr. Rosas reported on the consultation process that underpinned the JPD formulation. Prior to the meeting of the PMC, both concept note and draft JPD were discussed with several representatives of the Ministry of Labour, with the Director of the Department of Youth of the Ministry of Tourism, Culture, Youth and Sports; and the Director of the Department of Strategy and Donor Coordination of the Government of Albania. The Minister of Labour and his staff discussed the JPD with the UN Resident Coordinator, the Ambassador of Spain to Albania and the representative of the ILO for Albania. All government counterparts agreed upon the objective, outcomes and results of the JPD. The main feedback revolved around the following issues: i) definition of roles and tasks of each Ministry, ii) rationale for selection of two pilot regions, iii) need of strengthening institutional capacity of local authorities, iv) link of JPD with the recently approved Regional Development Strategy, v) need of ensuring ownership of Ministries. For the latter, the Director of the Department of Strategy and Donor Coordination suggested that all Ministries involved be the signatories of the JPD. She also suggested that the main Ministry should make

premises available as in-kind contribution to the implementation of the JPD. The latter issue was conveyed to the Ministry of Labour through the Director of its Migration Department. He noted that the comments were being incorporated both in the narrative text and in the tables summarizing the result framework. The rationale for the selection of the regions of Shkodra and Kukes was articulated in an annex to the JPD illustrating the socio-economic situation.

Agenda Item 3: Management arrangement

13. Participants were briefed on the coordination and oversight mechanisms established by the MDG-F for the design and implementation of national programmes. The UN Resident Coordinator was called upon to established committees at two levels: a National Steering Committee (NSC), to provide oversight and strategic guidance to all programmes implemented at country level under the MDG-F windows, and a Programme Management Committee (PMC) for each of the JPs approved for Albania. The NSC of Albania was already established. It is composed of the UN Resident Coordinator (Chairperson), the representative of the Spanish government and the Director of the Department for Strategy and Donor Coordination of the Government of Albania.
14. The PMC's role was to provide operational coordination to the JP. The membership consisted of participating Agencies (the ILO, IOM, UNDP and UNICEF) and the Government counterparts. The main government partners in the programme *Youth migration: Reaping the benefits and mitigating the risks* were the Ministry of Labour, Social Affairs and Equal Opportunities, responsible for the implementation of the strategies on employment, migration, gender equality and social inclusion; the Ministry of Tourism, Culture, Youth and Sports, responsible for the implementation of the Youth Strategy and the Ministry of Foreign Affairs, responsible for the component on the Brain Gain and on the mobilization of Albanian communities abroad.

Agenda Item 4: Next steps for the submission of the joint programme document

15. Mr. Rosas summarized the next steps to be taken for the finalization of the JP. He mentioned that an updated version of the document, embedding the feedback received, would be distributed early the following week to all member of the PMC. The same document was to be discussed by the National Steering Committee in its session of Wednesday 16.04.2008. Once approved by the NSC, the joint programme document could be submitted to the MDTF Office by 17.04.2008.
16. Having verified there were no further comments or issues for discussion, the meeting was closed at 12:00 hours.

Meeting with the representatives of the Ministry of Foreign Affairs (Ministry of Foreign Affairs, 14:00 hours)

17. A side-meeting to the PMC was organized with the Chief of Cabinet of the Ministry of Foreign Affairs, Ms. Elvana Zhezha, the Director of the National Institute of Diaspora, Mr. Flamur Gashi, and his Deputy-Director. Ms. Giordano, Mr. Shimomura and Mr. Rosas participated on behalf of the UN Country Team. The representatives of the MFA were briefed about objective and main outcomes of the JPD and about the discussions that took place in the course of the individual briefings as well as of the first meeting of the PMC. Ms. Giordano and Mr. Shimomura gave a detail of the results and main activities envisaged under outcome 3 of the JPD, which had the MFA as national counterpart.
18. The representatives of the MFA welcomed the initiative and suggested to disseminate the background information on the JPD among the Albanian communities abroad. It was then mentioned that an information package was foreseen under the output on the mobilization of Albanian communities abroad. This work could have commenced upon final approval of the fully-fledged document.
19. The participation of the colleagues of the MFA in the PMC was also discussed in the course of the meeting. Ms. Zhezha said she could have taken part, together with the Director of the Institute of Diaspora, in the future meetings of the PMC. The latter was meant to be convened upon approval of the JPD with the objective to discuss and review the workplan of activities before implementation. The meeting was closed at 14:40 hours.

PROGRAMME MANAGEMENT COMMITTEE MEETING

Wednesday, 9th April 2008, 11:00 hrs

List of invitees

1. Mr. Koço Barka Oljana Prifti, Minister of Labour, Social Affairs and Equal Opportunities.
2. Ms. Edith Harxhi – Deputy Minister of Foreign Affairs, Deputy Minister of Foreign Affairs.
3. Ms. Migena Recì, Director of the Youth Department, Ministry of Tourism, Culture, Youth and Sports.
4. Ms. Nicoletta Giordano, Country Representative, IOM.
5. Mr. Norimasa Shimomura, Country Director, UNDP.
6. Mr. Robert Carr, Deputy Country Director, UNICEF.
7. Mr. Gianni Rosas, Employment Specialist, ILO Subregional Office for Central and Eastern Europe.
8. Ms. Valli Corbanese, Youth Employment Expert, ILO Subregional Office for Central and Eastern Europe.

List of participants

1. Ms. Migena Recì, Director of the Youth Department, Ministry of Tourism, Culture, Youth and Sports.
2. Ms Olijana Ifti, Director of Department of Migration, Ministry of Labour, Social Affairs and Equal Opportunities.
3. Ms. Nicoletta Giordano, Country Representative, IOM.
4. Mr. Norimasa Shimomura, Country Director, UNDP.
5. Mr. Eldisa Lloshi, UN Resident Coordinator Office, (in representation of UNICEF).
6. Mr. Gianni Rosas, Employment Specialist, ILO Subregional Office for Central and Eastern Europe.
7. Ms. Valli Corbanese, Youth Employment Expert, ILO Subregional Office for Central and Eastern Europe.