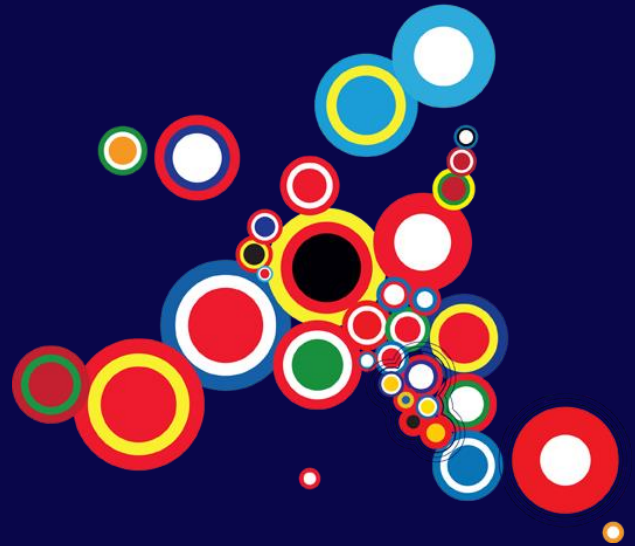




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

Kosovo*

EU Support for Aligning Education and training with labour market



Action summary

The main objective of the action is to reduce poverty through increase labour market participation and improved employability of the population. .

In addition, the present action aims to strengthen the quality and relevance of education and training programmes for the labour market and to support the adaptation of the legislative framework and mechanisms as a precondition for increased employability.

The focus will be on improving the relevance of school programs to labour market needs, the development of the Vocational Education and Training (VET) specific core curriculum aligned to the Kosovo Curriculum Framework, the systematic provision of high quality work experience and professional practice and specific to the Kosovo context ensuring an increased performance of VET schools and Vocational Training Centres (VTCs).

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

Action Identification	
Action Programme Title	Action Programme for Kosovo for the Year 2017 – Part I
Action Title	EU Support for Aligning Education and training with Labour Market
Action ID	IPA 2017 / 040506 / 10 / Kosovo / Education
Sector Information	
IPA II Sector	7. Education, employment and social policies
DAC Sector	11110
Budget	
Total cost	EUR 4.25 million
EU contribution	EUR 3.8 million
Budget line(s)	22.02.01.02
Management and Implementation	
Management mode	Indirect Management
<i>Indirect management:</i> National authority or other entrusted entity	Austrian Development Agency (ADA)
Implementation responsibilities	Austrian Development Agency (ADA)
Location	
Zone benefiting from the action	Kosovo
Specific implementation area(s)	Kosovo
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December N+1
Final date for concluding delegation agreements under indirect management	At the latest by 31 December N+1
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation
Final date for operational implementation	6 years following the conclusion of the Financing Agreement
Final date for	12 years following the conclusion of the Financing Agreement

implementing the Financing Agreement (date by which this programme should be de-committed and closed)			
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

Kosovo has been working for years to strengthen the quality and relevance of education programmes and the link between education and the labour market as a precondition for employability and economic development. The development of a modern society and its economy depends to a large extent on the capacity to produce and absorb new skills and knowledge. This challenge is particularly strong in Kosovo, where the OECD-led PISA tests published¹ in December 2016 highlighted that Kosovo has one of the worst education systems of the world and they generated a public reflection, putting the improvement of the overall quality of education among the issues perceived of utmost priority by the population. Also in December 2016, the Kosovo Education and Strategic Plan 2017-2021 (KESP 2017-2021) was approved. The Strategy foresees the orientation and linking of education system with labour market needs.

Kosovo's top priority is economic development through measures and sectors that require dynamism and short-term results and relying on new programmes and innovation. However, Kosovo faces a number of challenges in achieving this objective. Reforms in the past years have improved the business climate and contributed to robust economic growth, but challenges include persistent unemployment (in particular among youth), limited development of competitiveness and productivity of the private sector, and a reliance on remittances and donor investments as the main source of growth.

Unemployment and inactivity continues to persist as one of the most pressing issues for the macroeconomic consolidation and inclusive growth of Kosovo. The number of registered unemployed in the end of 2016 reached around 145,000². Despite the fact that the employment sector with its institutions provides corrective and active measures to reduce structural mismatches, the labour market is still characterised by high structural unemployment and low employment rates, reflecting low demand and skills gaps (particularly for graduate and vocational secondary education) and insufficiently developed active labour market policies³. With an estimated 32.9% unemployment rate (36.6% for women and 31.8% for men), and with youth unemployment estimated at 57.7%⁴, Kosovo continues to compare poorly with neighbouring countries. Unemployment is higher among young women (67.2%) than young men (54.2%). Also, Kosovo has a high share of young population, and strong labour force inflows will continue in the next years: around 20,000 young people are expected to enter the labour markets every year. Estimations assume that an average yearly Gross Domestic Product (GDP) growth of 4.7% would keep the unemployment rate constant. Labour market in Kosovo is further characterised by informality, with workers neither paying income tax nor social contributions. Little is known about the informal economy, including from a gender perspective. Women unemployment and low participation rates are also worrisome. Labour market participation of women is 18%, while the employment rates for women are around 11.5%.⁵ Another problematic aspect is that over 70% of the unemployed are long-term unemployed.

The problem of linking education to the employability of the workforce is related to issues of quality and the mismatch between the qualifications obtained and those needed in the private sector. The professional standards of the priority sectors for Kosovo are still under development, on the other side the curricula are insufficiently based on labour market needs, as for instance there is inadequate support to promote efforts and improve practical education. Efforts in higher education and vocational education systems reform have

¹ <http://pisadataexplorer.oecd.org/ide/idepisa/>

² Ministry of Labour and Social Welfare, EMIS data December 2016.

³ Participation in active labour market measures remains extremely low and the outreach of jobseekers, including vulnerable groups, is limited by insufficient investments in ALMPs and limited staff available for providing employment services.

⁴ Agency of Statistics of Kosovo, LFS 2015.

⁵ Agency of Statistics of Kosovo, LFS 2015.

so far been insufficient to provide a matching workforce to the market in Kosovo. Related key problems are inefficient and supply-driven institutions which do not match labour market needs, low spending and planning per student, and inadequate human resources.

In particular, there are relatively high skill gaps in interactive skills such as planning and organisational skills, decision-making skills, analytical skills and adaptability. All types of skill gaps are expected to increase in the future in the absence of reforms and interventions, but the general pattern is that current interactive skill gaps are greater than current cognitive skill gaps. This occurs in context where, as elsewhere in Europe, interactive skills are becoming increasingly important for graduate employability.

The funding for employment services and training and re-training remains insufficient and fragmented across several entities. Ensured funding and stronger political commitment would facilitate the implementation of the announced plan to merge services in the new employment agency.⁶

Vocational Education in Kosovo comprises of 64 VET schools (out of which six are Centres of Competence) which are part of the formal education system, and 14 Vocational Training Centres (8 regional VTCs and 6 Mobile Centres), which provide short-term modular trainings for active job-seekers. As of 2015, Agency for Vocational Education and Training and Adults Education – AVETAE has been established within the auspices of MEST. The first two years of Agency’s functioning have only focused on the Centres of Competence. The Public Employment Service (PES), which is part of the Ministry of Labour and Social Welfare structures, in 2016, has assisted over 7,000⁷ job-seekers find employment through vacant positions advertised by PES. The number of people trained by Vocational Training Centres (VTCs) in 2016 which are part of PES was around 6,500. Public expenditure for PES in Kosovo totals at around 0.2% of the GDP, but there is an extensive donor support for active labour market measures, which is estimated to be up to 0.30% of GDP in 2016. Allocations per student in VET schools, amounting to 23 EUR per year, are not sufficient to cover even the basic needs. This, among other aspects, restrains investment in school infrastructure, equipment and workshops for specific skills. Reluctance of private companies to cooperate with VET schools is also quite challenging issue that needs to be addressed in terms of professional practice for VET students. The demand for labour in Kosovo is low when compared to the supply.

Additionally, improved governance of the Vocational Education and Training (VET) system is of utmost importance in order to ensure stronger links between education and labour market. In Kosovo, there is a need to enhance further the cooperation between MLSW and MEST especially in issues of qualifications. Most of the existing cooperation occurs when donor-funded actions are implemented. However, once the actions are completed, the sustainability of the actions results is not fully ensured. A system, linked to the National Qualifications Authority (NQA) needs to be put in place ensuring that labour market needs are regularly assessed by Ministry of Labour and that occupational standards are developed. Subsequently, the qualifications based on these standards can be accredited and then implemented in the relevant training institutions.

OUTLINE OF IPA II ASSISTANCE

⁶EU 2015 Report,p.44

⁷MLSW, EMIS December 2016.

The Action “Aligning education with Labour Market Needs” is focusing on strengthening the quality and relevance of education programmes and the link between education and the labour market as a precondition for employability and economic development. So far, the Action has contributed to:

- development of sustainable system for evidence based planning of education,
- reaching eight vocational schools and equipped them with relevant equipment for practical training,
- development of teaching materials based on the labour market relevant curricula’s.

Priority areas to be addressed by the proposed Action are unemployment in general, women and youth unemployment in particular; improved cooperation and linkage of education and training with the private sector.

The implementation of the proposed Action will produce immediate and tangible results, as well as, long-term intended impact on the target audiences and final beneficiaries.

This action will support further Ministry of Education, Science and Technology (MEST) and Ministry of Labour and Social Welfare (MLSW) in reforming the education system to link education with labour market needs, and to reflect the European Framework of Key Competences. The three areas to be covered by the action are **Higher Education (HE)**, **Qualification Framework (NQF)** and **Vocational Education and Training (VET)**.

This action will:

- a) strengthen the link between Higher Education and Labour Market Needs by the development and modernisation of HE programmes according to labour market needs,
- b) improve the teacher training programmes in order for them to conform with the requirements of New Curriculum of Kosovo and the priorities of MEST,
- c) enhance the quality of practical and applied teaching and learning in Vocational Education Training (VET) schools in core occupational sectors relevant to market needs, including career guidance and counselling,
- d) enable a better understanding of beneficiary and international qualifications and further develop and modernise Kosovo’s Qualification System for Qualification Framework professional qualifications⁸.

The action prioritises the alignment of MEST interventions in parallel with the Ministry of Labour and Social Welfare (MLSW) that is responsible for planning, designing and implementing the active labour market policies, aimed to increase the level of employment, vocational training and self-employment in Kosovo. The final aim is to reduce poverty in Kosovo and to increase the welfare of all citizens taking into consideration that throughout the activities the need to ensure higher participation of women and disadvantaged groups should be streamlined throughout all the activities. Through this action, the Department of Labour and Employment (DLE) - and the Regional Employment Centres (REC), Municipal Employment Offices (MEO) and Regional Vocational Training Centres (RVTC) - will improve their capacities to respond to the changing needs of the labour market through the use of a wider range of active employment measures.

Activities implemented through this action will result in better alignment of higher education and training with labour market needs. This will be done by supporting industry-oriented and demand-focused practical training, skills development, and placement support. It will focus on population segments that are affected

⁸ Professional qualifications include qualifications obtained in VET schools and Vocational Training Centres.

by un- and underemployment in Kosovo (e.g. young people, women, and disadvantaged groups). The action will seek to produce graduates that are prepared for active workforce participation and will support modernisation of teacher training in Higher Education for VET schools and Vocational Training Centres.

The implementation of National Qualifications Framework (NQF) will be enhanced by ensuring that selected professional qualifications and occupational standards meet the criteria set by the National Qualifications Agency (NQA) for validation and by influencing the policy level and link to progression pathways between Higher Education (HE) and VET.

Under the responsibility of MEST and MLSW vocational education and training will be improved for students, unemployed and jobseekers at Public and Employment Service (PES). This will be achieved by equipping VET schools and VTCs, developing the capacities of relevant staff to deliver higher quality teaching and training based on modernised curricula offered by vocational schools and VTCs.

Several legal and institutional reforms for supporting the alignment of education and training with labour market needs will be supported. The action will review, adapt and develop necessary secondary legislation in line with reform process of: financial planning, implementation of priority programmes, income generation activities of schools and training centres, recognition of prior learning, register of qualifications. The activities will entail among other, support to the review of sub-legal acts, support to institutional reform of aligning the education and training with labour market needs.

Lastly, this action will contribute to strengthening the link between VET and business sector. This will be achieved through improving the collection process of relevant labour market data and its institutionalisation, strengthening the links between schools/training centres and local businesses and where possible arranging on the job trainings.

To sum up, as a direct consequence of the implementation of the Action, the following results will be achieved:

- *Result 1.* Study programmes serve as a competence hub for the industry and VET: curricula, diploma supplement and faculty management are enhanced, labour market-relevant and lead to increased employability;
- *Result 2.* Professional qualifications and occupational standards meet NQF criteria for validation, Quality Assurance (QA) arrangements are further improved and are elaborated at the policy level and the link to progression pathways between HE and VET is defined;
- *Result 3.* Vocational Education Training (VET) schools and Vocational Training Centres (VTCs) offer qualitative programmes based on the Labour Market Needs; including Training of Trainers (ToTs), sustainable quality assurance mechanisms and provision of relevant equipment.
- *Result 4.* Education and training system related governance procedures are enhanced and create mechanisms that support the alignment of education and training with labour market needs;
- *Result 5.* The link between the Vocational Education and Training (VET) and the business sector is more structured; certain planning tools for VET are sustainably in place; and incentives identified and piloted.

Direct and indirect beneficiaries:

Main beneficiaries of the action are: MEST and MLSW. Direct beneficiaries are public universities, Municipal Education Departments – MED's, VET schools, VTCs, KAA, NQA, staff members of MEST and MLSW. Indirect beneficiaries are HE and VET students, job seekers, private sector, adult learners, including diverse women and men.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

This proposed Action is also fully aligned with the **Economic Reform Programme** Recommendation 7, which calls to: "Improve the quality of education by continuing to roll out teacher licensing and training as well as improving quality assurance and strengthening related incentives; improve access to pre-primary and primary school education; accelerate modernisation of vocational education, continue improve quality of higher education and improve focus on aligning the education system so as to make it more responsive to the labour market. Assure the timely operationalisation of the recently established Public Employment Service and its effectiveness in lowering the high unemployment rate". Moreover, it is also linked to the Enlargement Strategy which recognises the need for Kosovo to further improve the service delivery by strengthening the civil service, since its professionalism and the presence of a certain degree of political interference need still to be address. In addition it also refers to the **European Reform Agenda** measures agreed in 2016, more specifically continuation of measures by the ERP 2016 which relates to RM number 19 "Better linkage between education and labour market" and Reform Measure – RM 22 „expanding training opportunities to increase the employability through active labour market measures“.

The Action is aligned with the **Indicative Strategy Paper** also in terms of activities foreseen in support to implementing the Employment and Social Welfare Strategy 2014-2020 and in improving the institutional capacities to design and implement effective policies. The paper envisages that specific support to targeted policies aimed to raise the employability and social inclusion among particularly vulnerable groups such as long-term unemployed, marginalised communities, youth and women, with a view to promoting active inclusion will also be provided.

The **Kosovo Education and Strategic plan for 2017-2021**, the purpose of this Plan is to define the development directions of the Education System in the period of 2017-2021, with the purpose of making education serve Kosovo's economic and social development. As regards the Vocational Education and Training field, the Strategy identifies among others the lack of clear links between the existing vocational education and schools and enterprises as well as the absence of effective system and open system for adult education as some of the major challenges that Kosovo faces in the field of Vocational Education and Training.

The **Employment and Social Welfare Strategy 2014-2020** aims at development, implementation and coordination of policies, laws and other instruments to ensure social protection and inclusion, skills and employment opportunities for each citizen. Regarding employment and vocational training, the strategy aims to reform and modernise the public employment services (PES) responding to labour market needs, expansion of active labour market measures focusing on women and men with difficulties in the labour market, and provision of quality vocational training services in accordance with labour market needs.

The action is also in line with the **Vision of Skills for Kosovo 2020**, which states that: "By 2020, Kosovo is a globally competitive knowledge society with skills that adapt to the needs of the economy, foster innovation and entrepreneurship, and attract investment for sustainable development and social inclusion. Moreover, the project reflects some of the key recommendations of the Torino process report 2016 especially in regard to i) Facilitate the development of schools into centres of learning, excellence and new technologies, ii) Qualification system in Kosovo, and iii) Improve networking and linkages with businesses and social partners for stronger and more adequate provision of employable skills for VET graduates.

Moreover, the Action can contribute to achieving one of the thematic objectives of Kosovo's EU Gender Action Plan, Objective 13: "Equal access for girls and women to all levels of quality education and vocational education and training (VET) free from discrimination".

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

There have been several actions, including surveys and studies that have been funded by the EU as well as by other donors. These include: "Kosovo Vocational Education and Training I-VI (KOSVET)", "Workforce Readiness assessment for Kosovo" by USAID, the evaluation "Market Assessment for the VET Skills Market System, Employment for Youth", conducted by Helvetas Swiss, the study "Vocational Training in Kosovo: Features, Relationships and Problems" by Institute for Development (INDEP), "Labour Market Needs Assessment" study (ALLED) completed in the initial phase of the action "Aligning Education with Labour Market Needs - ALLED". All of them provide a very good overview of the needs in the field of VET in Kosovo and the gaps between the current education system and the modern labour market requirements. The relevant recommendations included in the evaluation of EU-funded Projects in Education Employment and Social policy under IPA I, among others, identify discontinuity in the coordination between relevant authorities and the bottlenecks that this challenge is creating. Overall, the major challenges that all the above papers acknowledge, could be summarised as follows:

- Effective coordination is needed among donors contributing to the education and employment sectors;
- Donor assistance needs to be aligned with Kosovo's education and employment strategic plans and matched by realistic aims and objectives; steering of the donor activities is of crucial need.
- Activities and initiatives should build on former successes, which have added value and to which Kosovo and relevant line Ministries are fully engaged;
- The importance of inter-Ministerial communication and collaboration: cooperation between MEST and MLSW is essential at all levels, particularly in the fields of adult education, vocational education and higher education measures to promote employability;
- Effective communication and transparent decision-making between all concerned actors and stakeholders should be ensured;
- Empowerment, capacity development and ownership of the project and its initiatives by the local beneficiaries are essential to ensure sustainability of the actions;
- Co-financing by Kosovo is an important means to demonstrate commitment and engagement in the project initiatives;
- Adequate financial and human resources provided by Kosovo are necessary to ensure basic operability of the education and employment services at local level as well as at central level;
- In order to ensure successful projects at all levels, the direct involvement of local minority communities and engagement of local experts of and from the local minority is crucial.
- The experiences of the new Member States of the EU or candidate countries from the Balkans region show that the long-term unemployed and groups threatened by social exclusion are particularly unmotivated to participate in measures of the active employment policy and their readiness for mobility is usually very low. Peer learning within the region should be taken into account.
- Active labour market measures must therefore focus on employability of the target groups and they must be tailored to the needs of the target groups;
- The new draft Law on Social Assistance Scheme requires an increased labour market conditionality of category II beneficiaries. Therefore, additional efforts and instruments are required by the Department of Labour and Employment to address the needs of this specific target group and the undertaking of pilot measures (through the project Grant Scheme) to improve the practical experience of the Department of Labour and Employment in the functioning active employment measures.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
To reduce poverty through increased labour market participation and improved employability of the population.	Increase of GDP and improved quality of the Vocational Education and Training that leads to higher labour market participation of population.	Employment Management Information System (EMIS) Kosovo Statistics Agency (KAS) Ministry of Labour and Social Welfare (MLSW) Ministry of Education, Science and Technology (MEST)	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
To strengthen the quality and relevance of education and training programmes for the labour market and to support the adaptation of the legislative framework and mechanisms as a precondition for increased employability.	Number of developed professional standards. Number of curricula harmonised with labour market needs	Labour market surveys Kosovo Accreditation Agency (KAA) National Qualification Agency (NQA) Self-assessment reports of VET schools and VTCs.	Readiness of relevant authorities (MEST and MLSW) to coordinate and cooperate. Willingness of beneficiaries (MEST and MLSW) to commit necessary budget and resources in order to

			support the present activities.
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Result 1: Study programmes in public HEI serve as a competence hub for the industry and VET.</p> <p>Result 2: Professional qualifications and occupational standards meet NQA criteria for validation.</p> <p>Result 3: VET schools and VTCs offer qualitative programmes based on the Labour Market Needs.</p>	<p>Number of HEI programmes that are labour market relevant.</p> <p>Number of cooperation between the selected faculties and enterprises.</p> <p>Number of transferable and recognised professional qualifications produced by VET schools and VTCs.</p> <p>Number of labour market relevant programmes/profiles harmonised with labour market needs.</p> <p>Number of cooperation agreements between the selected VET schools/VTCs and enterprises.</p> <p>Career guidance support is facilitating school to work transition process.</p>	<p>MEST</p> <p>MLSW</p> <p>Kosovo Accreditation Agency (KAA)</p> <p>National Qualification Agency (NQA)</p> <p>Labour market surveys</p> <p>Monitoring reports prepared by education providers on School to Work Transition</p>	<p>Commitment of the respective authorities to enforce the legislative framework.</p> <p>Willingness of businesses to offer training opportunities</p>

<p>Result 4: Education and training system related governance procedures support the alignment of education and training with labour market needs.</p> <p>Result 5: The link between the VET and the business sector is more structured.</p>	<p>Number of enhanced draft Laws and/or Administrative Instructions (AIs) and/or secondary legislation supporting the alignment of VET with labour-market needs.</p> <p>Number of agreements /MOUs on internships between education and training institutions and the business sector</p> <p>Number of incentives for businesses identified and piloted.</p>		
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(*) Relevant activities have to be included only in the following sub-section.

DESCRIPTION OF ACTIVITIES

Expected Result 1 - Study programmes serve as a competence hub for the industry and VET: curricula, diploma supplement and faculty management are enhanced, labour market relevant and lead to increased employability.

- 1.1 A labour market survey including gender analysis specifies the needs for skills of the chosen sectors (in ALLED I) and suggests an additional sector, also valid for Component 3 and 5 (VET).
- 1.2 Support of a cluster system (faculties) to serve industry and VET. Enhance the cooperation with enterprises for possible on-the-job training and possible employment.
- 1.3 Link the targeted faculties (Mechanical Engineering and Agriculture) with relevant faculties of applied sciences from Austria and/or other EU countries to enhance joint learning for practical learning and teaching approaches (for example. e-learning programmes).
- 1.4 Review existing equipment and define the needs for relevant equipment and training materials, if needed. Preparation of procurement, instalment and trainings for the use of relevant equipment and training materials.
- 1.5 Support of university procedures in the automatization of diploma supplements that orient qualifications towards labour market needs. (I.e. UP as a role model)
- 1.6 Link the one year Master programme for the in- service teachers offered by Faculty of Education with the targeted faculties (Mechatronics and Agriculture) to ensure the practical placement for the VET teachers. (i.e. short courses in the sense of Life Log Learning (LLL))
- 1.7 Support vocational training centres with at least 10 additional skilled and licenced women and men trainers.
- 1.8 Information system to be integrated from Employment Management Information System – EMIS to Education Management Information System -EMIS

Expected Result 2 - Professional qualifications and occupational standards meet NQA criteria for validation, QA arrangements are further improved and are elaborated at the policy level and the link to progression pathways between HE and VET is defined.

- 2.1 The capacities of VET institutions and stakeholders are further developed to implement high quality qualifications meeting the NQA's criteria for validation;
- 2.2 Qualifications awarded from secondary vocational education programmes of MEST and vocational training programmes of MLSW are further developed to meet the NQA's criteria for validation, including qualifications at different NQF levels to meet the requirements of different occupations in the selected sectors;
- 2.3 Quality assurance mechanisms developed and maintained through the work of quality coordinators in schools and training centres and an efficient school performance assessment system is established (linked to European Reform Agenda- ERA) based on Quality assurance strategy and KESP
- 2.4 Further support and follow up to the implementation of post-monitoring accreditation for sustaining the accreditation process.

Expected Result 3 - VET schools and VTCs offer qualitative programmes based on the Labour Market Needs; including ToTs, sustainable quality assurance mechanisms and provision of relevant equipment

- 3.1 VET teachers' and trainers' knowledge, competency and skills are further developed and teachers and trainers are provided advanced training in use of essential materials and equipment required for VET teaching by utilising internal human resources (already trained teachers – multipliers; i.e. training of trainers).
- 3.2 The developed training and learning materials of the ALLED phase I. are used as a basis for the development of additional VET profiles within the targeted sectors.
- 3.3 Review VET curricula and adapt it in the integrated (modular) format based on OS meeting the NQF and EQF criteria
- 3.4 A number of VET schools and VTCs are supplied with modern equipment required for practical learning to deliver VET training programmes based on occupational standards and qualifications which meet the needs of the Kosovo labour market and industry (new schools are selected based on the sectors defined in the inception phase).
- 3.5 Career guidance support is included in the adapted VET curricula and supports students school to work transition.
- 3.6 Increase capacities of education providers (VET schools and VTCs) to provide specific career guidance and counselling for the selected sectors in order to support smother school to work transition.

Expected Result 4 - Education and training system related governance procedures support the alignment of education and training with labour market needs

- 4.1 Support the improvement of financial planning (funding formula) for VET schools and per profile (ERA) including creating a financing formula for training cost per profile or candidate.
- 4.2 Implement and/or develop priority programmes (professional standards, occupational standards, curricula, materials) and supporting equipment for practical work.
- 4.3 Support schools and training centres in planning and preparing for income generating activities including the relevant preparation for the adaption of the legal infrastructure.
- 4.4 Support the development and elaboration of Level 5 qualifications (policy level) and linking of progressions pathways between Vocational Education and Training and Higher Education.
- 4.5 Support the implementation of Recognised Prior Learning –RPL in cooperation with other actors (e.g. European Training Foundation)
- 4.6 Developing and working on the register of qualifications (integrated for all register of qualifications – general education, VET and HE).

- 4.7 Increase capacities of education providers for regular monitoring of graduates and transition from school to employment.
- 4.8 Assess the impact of the MOU's between education and training institutions with the business sector and include the lessons learned in the new MOU's for supporting practical work and internships.

Expected Result 5 The link between the VET and the business sector is more structured; certain planning tools for VET are sustainably in place; and incentives identified and piloted.

- 5.1 Support MEST in cooperation with MLSW in taking the lead for conducting regular Labour Market Analysis as a tool for planning of VET and determine priority sectors in targeted regions. Further support of Labour Market Information System-LMIS for development of data collection system that includes information from VET and VTCs.
- 5.2 Strengthen and create sustainable links between schools, training centres and local businesses in order to improve work transitions. Support arranging on-the-job trainings for women and men where appropriate.
- 5.3 Organise the exchange of experiences with enterprises from EU that work with VET schools and VTCs in order to encourage Kosovar businesses to increase cooperation with VET schools and training centres
- 5.4 Support MEST and MLSW in regulating professional practice procedures such as: training contracts, trainee guidance and supervision and health insurance.
- 5.5 Support Ministry of Education Science and Technology, Ministry of Finance and Ministry of Labour and Social Welfare to identify set of incentives (fiscal, financial and non-financial) for host enterprises and pilot such incentives in a trial period within one respective sector.
- 5.6 Improve education outcomes and support school-to-work transition by ensuring internships with employers (European Reform Agenda)
- 5.7 Strengthen the capacities of CVETAE⁹ for validation of occupational standards and other vocational qualifications standards.

RISKS

The following risks in relation to this action have been identified. The potential risks that may arise are the following:

Risk: Lack of inter-ministerial cooperation

Mitigation measures:

- Ensure appropriate inter-ministerial coordination on all policy and legislative proposals

⁹ The Council for Vocational Education, Training and Adult Education is responsible for development policies related to professional development and development policies. In addition the CVETAE is responsible for approval of Occupational Standards and for establishment of professional committees for special activities including teachers, social partners and sector professional.

- Provide relevant coordination capacities from the project to ensure increased flow of information which will aim at increasing the awareness on the importance of efficient inter-ministerial cooperation
- Communication strategy and awareness raising campaign on the importance of the activities to be implemented

Risk: Lack of donor coordination in the sector

Mitigation measures:

- Participate at the coordination of the Sector Working Groups on Donor Coordination organised/managed by the Ministry for European Integration
- Share information at the technical level coordination meetings organised by the EU Office in Kosovo
- Regular meetings organised by the technical assistance with other on-going project teams to share information and avoid overlap

Risk: Limited absorption capacity at the relevant institutions and agencies and among private sector

Mitigation measures:

- Capacity building measures targeting the beneficiary institutions to be implemented at an early stage of project implementation and during the entire implementation of the project,
- Consultations, at an early stage of project implementation with highest government officials, sector regulators and representatives of the private sector to identify the needs

The main assumptions identified for this action are:

There is a readiness of main beneficiaries (MEST, MLSW, MEDs and relevant bodies) and stakeholders to coordinate their activities to improve labour market relevance of the training programmes from VET and VTCs.

The reform/upgrade of the VET system also meets most of the assumptions for its commencement. The relevant institutions, though VET Agency at MEST and NQA they have shown commitment to advancement of VET and will be constantly involved in the implementation process through setting up milestones and measuring impact.

The revision of legal and sub-legal acts for PES services is another assumption that needs to be met in order for the proposed action to be implemented successfully. The process should be inclusive and involve all relevant actors.

The law on Public and Private Partnership (PPP) should be regulated and adapted for the VET schools and VTCs.

CONDITIONS FOR IMPLEMENTATION

There are no preconditions for the implementation of this action.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The main beneficiaries of this action are the Ministry of Education, Science and Technology (MEST) and Ministry of Labour and Social Welfare (MLSW). In order to provide initial vocational education and

continuous training to the Kosovar population for enhanced employability the cooperation between MEST and MLSW in this action is essential for the preparation of an employable population.

The duties and responsibilities of the Ministry of Education, Science and Technology (MEST) are;

- coordination of activities with relevant bodies and institutions involved in the process;
- coordination of activities with other donors in the sector to avoid overlapping;
- ensure timely implementation of activities based on the activity plan for this action;
- ensure that all developed activities are in line with the KESP 2017-2020;
- ensure the maintenance and sustainability of the results of the action;
- ensure cooperation and coordination with MLSW.

The duties and responsibilities of Ministry of Labour and Social Welfare (MLSW) are:

- coordination of activities with relevant bodies and institutions involved in the process;
- coordination of activities with other donors in the sector to avoid overlapping;
- ensure timely implementation of activities based on the activity plan of this action;
- ensure that activities developed are in line with MLSW policies and Vision of skills 2020;
- ensure the maintenance and sustainability of the results of this actions;
- ensure cooperation and coordination with MEST.

MEST, MLSW are the main beneficiaries of this programme, and will contribute financially with maximum 5 % each Ministry (10% in total), in addition both Ministries will contribute in kind with human resources in implementation of the planned activities.

The action will provide equipment to schools and Vocational Training Centres (VTCs), the same will be distributed in cooperation with Municipal Departments of Education (MDEs) who will take the responsibility for their maintenance and running costs. The costs related to equipment of VTC will be undertaken by MLSW itself.

The Steering Committee (SC) will be established to ensure support for the action's implementation and overall steering of all activities performed during the implementation of the action. It will include a balance of women and men of diverse ages. The SC will meet on a regular basis twice a year. Members of the SC include the MEST, MLSW, EU Office and Austrian Development Agency (ADA).

At Kosovo level there is a Council for Vocational Education and Training –CVET and its responsibility is to advise and coordinate government on VET policies and approve professional standards among others.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

This Action will be implemented through Indirect Management with the Austrian Development Agency (ADA). ADA has long-lasting experience in both, the higher education (HE) and the vocational education and training (VET) sector in Kosovo since the 1990s. Moreover education sector activities referred strongly to governance procedures and legislative changes for quality assurance measures. ADA will be co-financing the action; as ADA has been the implementing agency of the preceding action, their specific experience is of high value for the implementation. ADA was principal donor partner in the founding of the Kosovo Accreditation Agency and implementing partner of the Ministry of Education Science and Technology (MEST) and Ministry of Labour and Social Welfare (MLSW).

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this Action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement.

“Stakeholder analysis” will provide an important tool in the context of monitoring end evaluation. Precisely the monitoring process will be conducted by the EU Office and the Department of Industry at the Ministry of Trade and Investment (MTI). The main purpose of this method is to make an appropriate selection of the grant beneficiaries and their activities. Results of this action would guide the Ministry in further measures to be applied for support to private sector in Kosovo.

Five evaluation criteria will be used to measure the performance in accordance with DAC5 principles of EU assistance with regards to its relevance, efficiency, effectiveness, impact and sustainability.

The Steering Committee will review all the activities during the implementation period of the action in accordance with the terms of reference included in this action. It will review all eventual deviations from these terms of references, mindful of the fact that all actions have to be in accordance with the procurement procedures for EC external actions, at the same time respecting the laws and legal regulations of Kosovo.

INDICATOR MEASUREMENT

Indicator	Baseline 2012 (2)	Target 2019 (3)	Final Target 2020 (4)	Source of information
Number of developed professional standards.	9 professional qualifications	12 professional qualifications	20 professional qualifications	National Qualifications Authority
Number of curricula harmonised with labour market needs	2 HE programmes	3 HE programmes	4 HE programmes	Kosovo Accreditation Agency (KAA)
Number of HEI programmes that are labour market relevant.	2 HE programmes	3 HE programmes	4HE programmes	Kosovo Accreditation Agency (KAA)
Number of cooperation between the selected faculties and enterprises.	2 faculties with around 5-10 businesses	4 faculties with around 15-20 businesses	6 faculties with around 15-20 businesses	
Number of recognised and transferable professional qualifications produced by VET schools and VTCs	9 professional qualifications	12 professional qualifications	20 professional qualifications	National Qualifications Authority (NQA)
Number of labour market relevant programmes.	9 programmes/profiles	12 programmes/profiles	20 programmes/profiles	NQA MEST

Number of cooperation agreements between the selected VET schools/VTCs and enterprises	50 businesses	75 businesses	150 businesses	MLSW
Number of prepared draft Laws and/or Administrative Instructions (AIs) and/or secondary legislation supporting the alignment of VET with labour market needs	One legislative document prepared and revised	At least 2 legislative documents prepared and revised	At least 5 legislative documents prepared and revised	MEST MLSW
Number of agreements /MOUs on internships between education and training institutions and the business sector	At least 30 agreements/MOUs with business sector	At least 50 agreements/MOUs with business sector	At least 70 agreements/MOUs with business sector	MEST MLSW
Number of examples for incentives for businesses identified and piloted.	No evidence	Suggestions prepared for government to adapt legislation for businesses that support practical work and internships (i.e. fiscal and non-fiscal)	government adapted legislation for businesses that support practical work and internships (i.e. fiscal and non-fiscal)	

		MEST and MLSW conduct joint planning and prioritising Number of on the job trainings arranged Evidence of regulated preconditions for professional practice Evidence of efficient incentives mechanisms supporting internships		
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5. SECTOR APPROACH ASSESSMENT

Addressing the key sectors of education and employment is crucial for development of the competitiveness policy in Kosovo. These sectors are closely interrelated and every action that is to be implemented in employment sector should take into account on developments in education and/or competitiveness sector

One of the main policy areas is related to Human Capital and contains initiatives on pre-university education; linking VET and the labour market; implementing active labour market policies and improving R&D capacities. Active labour market actions and establishment of the modern public employment service are highlighted as a priority for action. With regards to the public VET system, both the component managed by MEST (VET Schools) and MLSW (VETCs) are foreseen to be supported with the aim of modernising VET infrastructure and quality of teaching.

Existing active labour market policies and education policies are not sufficient to overcome identified problems in the labour market. There is a clear lack of institutional capacity to tackle the above mentioned structural problems. Participation in active labour market programmes is still insufficient due to the lack of financing (up to 0,30% of GDP, financed mainly through donor funds and 0,16% of GDP for public employment services) and adequate portfolio of Active Labour Market Policies - ALMP and services provided by public institutions and non-governmental institutions is still missing.

6. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

Women's labour force participation is significantly lower than for men in Kosovo, due to the lack of employment opportunities, discrimination during hiring processes, unfavourable maternity leave provisions in the Labour Law and an insufficient number of (affordable) childcare facilities. Additionally, while over 70% of Kosovo's women population has either basic education or no education at all; 38% of men have a similar level of education. The action will address the issue of women's unemployment. At least 30 % of targeted population shall be women. In addition, when developing training programs, professions will seek to ensure women's participation and benefit. In addition, women and particularly young women will also represent a target for all measures taken under this Action (trainings, policy review). Balanced benefit for women and men alike ensures that contribution is made towards reducing the gap between men and women across all aspects.

The action will take a pro-active approach to ensure the participation of women working in institutions, women entrepreneurs and SME managers, through close collaboration with established Kosovo Women Entrepreneurship Organisations and Women Business Associations. In addition, all planned interventions should take into account the specific impact they have on women, as part of the overall gender mainstreaming agenda.

This Action will contribute to the EU GAP objective: "Equal access for girls and women to all levels of quality education and vocational education and training (VET) free from discrimination".

EQUAL OPPORTUNITIES

The promotion of inclusive education, equity, equality of opportunity, is the basis and fundamental objective of the action. Minority inclusion and inclusion of disadvantaged groups is their primary focus. The action's design and implementation will ensure gender equality and the full participation of minority communities; long term unemployed persons in particular women and persons with disabilities.

The government is fully committed to a policy of equal opportunity. The implementation of the action will be transparent. All necessary steps will be considered to ensure the equal participation of youth women, men, and people from disadvantaged groups.

Based on the fundamental principles of promoting equality and combating discrimination, participation in the action will be guaranteed on the basis of equal access regardless of sex, gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Equal access to all benefits of the Action will be promoted. More specifically; training and other capacity building activities in this action (timing and schedule) will be fully adjusted to the needs of women with children; training and meeting premises will be fully adapted to the needs of persons with disabilities; equal opportunities principles and concrete measures will be embedded in all strategic documents that will be produced under this Action (local strategies, portfolio of Active Labour Market Measures (ALMM) etc.) and access to employment for all groups in the society will be actively promoted.

MINORITIES AND VULNERABLE GROUPS

Minority inclusion and inclusion of disadvantaged groups is at cross-cutting level the basis for all activities included in this action and their primary focus. The action's design and implementation has taken in due consideration the need to boost participation of minority communities; long term unemployed persons, in particular women and persons with disabilities. Translation and interpretation in minority languages will be provided and efforts will be made to ensure disability access to all trainings.

The government is fully committed to a policy of equal opportunities and inclusiveness of its whole population of the Kosovo municipalities, including municipalities with minorities. The action will cover at least 5% of disadvantaged groups. In minority municipalities focus will be minority groups.

The Action will proactively seek to facilitate the participation of minority entrepreneurs and Small and Medium Enterprises (SMEs) managers in the planning and implementation of activities, through close collaboration with minority owned/managed businesses, and with representatives of Minority-run municipalities. Special efforts will be made to include Roma, Ashkali and Egyptian enterprises in activities, through close communication with local and international organisations already active in the area of entrepreneurship promotion and support among the Roma, Ashkali and Egyptian men and women. Close cooperation with programs aiming at establishing links between minority and majority businesses will strongly be encouraged, thus contributing to the consolidation of the internal market in Kosovo and at the same time, serving the underserved categories amongst our midst.

Vulnerable and social disadvantaged/excluded groups represent the focus of the Action. Therefore, all the activities will try to maximise the benefits ethnic minorities and vulnerable groups (notably those in poverty and social exclusion) such as people with disabilities and their families, victims of domestic violence, children in need of care, and the elderly persons.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER STAKEHOLDERS)

Both MEST and MLSW engage with social partners and involve them directly in vocational education and training programme development and qualifications development.

The Ministry of Labour and Social Welfare (MLSW) is responsible for planning, designing and implementing the active labour market policies, aimed to increase the level of employment, vocational training and self-employment in Kosovo with the final aim to reduce the poverty in Kosovo and to increase the welfare of all citizens. Through this action the Department of Labour and Employment will improve the response capacity to the changing needs of the labour market through the use of a wider range of active employment measures. Social partners will have the opportunity to better understand different types of active employment measures and will ensure their involvement in all the phases, enabling thus also the possibility to control the effectiveness of these measures. Public, private and Civil Society Organisations (CSOs) agents on the labour market will be acquainted and capable to cope with the principles, mechanisms, regulations and procedures concerning IPA. This includes women's organizations in accordance with the EU GAP. In the longer term, they will have the opportunity to learn and practice types of interventions supported by other various EU instruments, for example European Social Fund.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

The action will promote and advance respect for the environment and safeguarding of natural resources. This awareness-raising is targeted towards the education professionals, teachers and students and in the work itself (curricula and implementation activities) and needs to therefore also be incorporated accordingly into the learning materials that are to be developed by the action. The curricula, capacity development, training and any awareness raising activities will mainstream environmental considerations. It is important that the impact to the environment, measures to safeguard the environment and natural resources and the effect of climate change is mainstreamed into the technical curricula.

The risk of climate change and its impact to the activities included in this action, as well as within the technical curricula itself is to be established through the present action (covering the planning, preparatory and implementation phases). The technical curricula need to address the impact of climate change and factor in necessary mitigation and adaptation mechanisms. This may also include disaster risk resilience and risk prevention.

The office, staff and partners in charge of this action will ensure environmental efficiency and sustainability measures are applied where feasible and respected including: the efficient use of resources. This is to be applied to the infrastructure and at any training and awareness raising activities and events included in this action.

Climate action relevant budget allocation: The action will mainstream measures to safeguard the environment and natural resources throughout the action and will determine the relevant budget allocation upon more detailed planning. Some of the main activities will include preparation of awareness raising materials and organisation of awareness raising events.

7. SUSTAINABILITY

Investment in skills and education of the labour force is considered to be one of the most sustainable types of interventions possible to trigger economic development. It is assumed that results of this Action will have positive impact not only on its direct beneficiaries, but have positive impact on the efficiency and productivity of the economy as well.

Adequate planning of resources, allocation of appropriate staff and capacity development to foster smooth change management will ensure that the results are sustainable in the long run. Pooling of donor funding in long-term programs to maximise funding impact on key sectors for development will also

ensure that the results achieved will be sustainable in the long run. Continuous training of staff to increase the absorption capacities of the ministry also represent a key sustainability measure that ensures that proper know-how transfer has taken place and that responsible institutions are able to adapt to the process changes.

An important sustainability issue is also the creation of partnerships for employment and social inclusion among the local stakeholders. This refers to the clear relationships between the central level institutions and local stakeholders, but also the relationship between the stakeholders from different sectors (social partners, civil society organisations, PES, local authorities).

The sustainability of the action depends on the political, financial and operational commitment of the key beneficiary stakeholders, the Ministry of Education, Science and Technology, the Ministry of Labour, the municipal level service providers, the HE institutions, Municipal Directorates for Education, VET schools to continue implementing the respective measures after the end of the period of this action. Policy dialogue with the MEST and relevant authorities would be an additional tool to ensure the sustainability of this action.

8. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action. The implementation of the communication activities shall be funded from the amounts allocated to the Action.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will be followed.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds. Communication and visibility tools will be tailored to reach diverse women, men, boys and girls, considering their often different means and sources of communication.

It is the responsibility of the beneficiary to keep the EU Office and the Commission fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectorial monitoring committee.