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# Independent review of RisiAlbania Phase 1

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## Acronyms

| | |
|---|---|
| AAM | Albanian Association of Marketing |
| AIDA | Albanian Investment Development Agency |
| ALMOOC | Albanian Massive Open Online Courses |
| AOA | Albanian Outsourcing Association |
| BPO | Business Process Outsourcing |
| CBS | Creative Business Solutions |
| DCED | Donor Committee for Enterprise Development |
| EYE | Enhancing Youth Employment |
| FIAA | Foreign Investors' Association of Albania |
| GoA | Government of Albania |
| GIZ | German Federal Enterprise for International Cooperation |
| HSI | Helvetas Swiss Intercooperation |
| INSTAT | National Institute of Statistics |
| AFI | Albanian Food Industry Association |
| AITA | Albanian Information and Communications Technologies Association |
| FDI | Foreign Direct Investment |
| FTE | Full Time Equivalent |
| ICT | Information and Communication Technologies |
| ILO | International Labour Office |
| IT | Information Technology |
| KASH | Albanian Agribusiness Council |
| LMI | Labour Market Information |
| MOOC | Massive Open Online Course |
| MoARDWM | Ministry of Agriculture, Rural Development and Water Management |
| MEDTTE | Ministry of Economic Development, Tourism, Trade and Entrepreneurship |
| MoSWY | Ministry of Social Welfare and Youth |
| MRM | Monitoring and Results Measurement |
| MSD | Market Systems Development |
| NATGA | National Association of Tourist Guides of Albania |
| NES | National Employment Service |
| PA | PartnersAlbania |
| PUT | Polytechnic University of Tirana |
| RA | RisiAlbania |
| SDC | Swiss Agency for Development and Cooperation |
| SECO | Swiss State Secretariat for Economic Affairs |
| UNDP | United Nations Development Program |
| VET | Vocational Education and Training |
| WFTGA | World Federation of Tourist Guide Associations |

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## Executive summary

RisiAlbania (RA) is a project funded by SDC which addresses the high rate of youth unemployment in Albania. Its current Phase 1 runs from November 2013 to October 2017. It is implemented by a consortium of Helvetas Swiss Intercooperation (HSI) and Partners Albania for Change and Development (PA). It applies the Market Systems Development (MSD) approach, which seeks to address underlying causes of market systems underperformance through facilitation.

An independent review was conducted in May 2016, with the aim to assess achievements and provide recommendations for the present and next phase.

**Summary of findings**

Relevance: RA's goal is "Young women and men in Albania, aged 15-29, have increased access to gainful employment opportunities". The target group includes youth nation-wide, regardless of educational background and skills level. To contribute to its goal the project aims at systemic change in the food processing, tourism and ICT sectors, leading to improved performance and job creation (under Outcome 1); and systemic change in the labour market, in particular better access to improved labour market information and intermediation services, leading to more young women and men being placed in existing vacancies.

The relevance of the project remains high. The official unemployment rate for young people aged 15-29 years is around 32 percent, more than the 22 percent at the start of the project. Addressing this is a priority in the Albanian National Strategy for Development and Integration (NSDI) 2015-2020. The National Strategy for Employment and Skills (NSES) 2014-2020 prioritises the project's three sectors as well as improving employment services. RA' interventions link directly to 9 out of the 52 NSES priorities. Partners unanimously praised the project for the relevance of its support.

However, the current context, in terms of the business enabling environment and external markets, does not facilitate economic and employment growth. This is indicated by, amongst others, a low competitiveness ranking (94th out of 140 economies)[1] and sluggish growth in the EU, and evidenced by the increase in youth unemployment. Within this unfavourable framework RA seeks to identify and intervene on untapped potentials in sectors where local resources are available, export potential is relatively good, and job increases are possible in spite of the overall adverse conditions. Apart from directly contributing to job growth, its key role is to create models that can be further disseminated and taken over by private initiatives and government programmes.

Progress on implementation and towards systemic change: Good progress has been made on the research, planning and implementation of interventions. Nearly all interventions have been designed for systemic change, and apply most of the key principles of the MSD approach. A more critical approach to design and reviews, and the more consistent use of business models (developing clear written models that describe the new practice, with expected payment and benefit flows and a cost benefit analysis for all interventions, before potential partners are approached) , could have strengthened this. The project's cost-sharing with partners to introduce innovation has been relatively high, at some 51 percent under Outcome 1 and 43 percent under Outcome 2. This masks a wide variety, ranging between 13 to 100 percent. High levels of cost-sharing were difficult to avoid

[1] http://reports.weforum.org/global-competitiveness-report-2015-2016/economies/#economy=ALB

given the presence of donor projects that do not take the MSD approach and many partners being in the public or NGO sector. Cost-sharing with the for-profit private sector was lower, which indicates stronger incentives and capacity to introduce change. The project's inputs have been largely technical and in capacity building, and were of high quality.

The majority of the interventions are recent, and signs of systemic change are therefore still limited. They are strongest in the labour market, where interventions are also more mature. The work to have media provide labour market information in an attractive manner is showing excellent results and is reaching sustainability through sponsorships, as well as scale, with an average audience of one of one of the TV programmes of 105,000 people. Innovations with duapune.com, a private sector job matching portal and the National Employment Service (NES) are likely to become systemic, though further work is required to increase effectiveness. An intervention in support of a new recruitment agency, Profesionisti, is unlikely to succeed.

The results in the agro-processing sector are mixed, in part due to the project starting on the wrong foot with interventions in the donor distorted market for consultancy and local advisory services. The latter, with the Albanian Association of Marketing (AAM), may still show results. An intervention to improve access to finance by establishing a portal providing up-to-date information on the agro and agro-processing sector shows the best potential to become systemic, though it is too recent to have demonstrated effectiveness. An intervention to improve organic certification, and increase uptake, with Albinspekt, still has to demonstrate scale potential.

In tourism there are good signs of systemic change as a result of introducing a competition, RisiTuristike, to stimulate product diversification. New products have been developed and the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (MEDTTE) is taking over ownership. The results of drafting bylaws on accommodation classification and tourist guides, support to the National Association of Tourist Guides of Albania (NATGA), and upgrading of guiding skills cannot be assessed yet, but the interventions are promising.

In the IT sector interventions to improve skills through Massive Open Online Courses with ALMOOC (in the private sector) and advocacy and market access for Business Process Outsourcing businesses through support to the new Albanian Outsourcing Association (AOA) show good potential, but they are still very recent. An intervention to introduce Microsoft IT Academy courses with the NGO PROTIK and the Polytechnic University of Tirana is unlikely to succeed as demand is very low.

A cross-sectoral intervention to attract Foreign Direct Investment in the three sectors is too recent to assess, but the Foreign Investors Association of Albania (FIAA) becoming active in these sectors and collaborating with the Albanian Investment Development Agency (AIDA) are good achievements at this stage. The intervention to set up Skills Sector Committees, with private sector representation, to improve the relevance of curricula, has been stalled. This is due to unresponsiveness of the Ministry of Social Welfare and Youth (MoSWY), which the Swiss Embassy and RA are making efforts to address. The committees' potential for impact is significant once established and proven effective.

The project not avoiding the challenging areas of legislation and norms is commendable. Its mix of partners, however, includes a high share of public sector bodies and NGOs, which makes results vulnerable to political change and shifting donor priorities.

Progress towards the goal: Impact on jobs created and matched is still limited: 118 new jobs out of a target of 900, 1,147 jobs matched out of a target of 5,000. This relatively modest progress is not uncommon in MSD projects at RA's stage of development. Many interventions are not sufficiently mature to show impact, and for some this still has to be assessed. One concern is that the project attributes all jobs generated and matched 100 percent to itself, which means it assumes no jobs would have been created or matched without its interventions and it does not take into account external influencing factors (e.g. in the case of dupanune.com a general trend to more use of internet-based services). This is not plausible.

Targets are based on (are identical to) projections made by the project. To the extent this can be assessed at this stage, these seem, overall, conservative. They are, however, vulnerable to unforeseen change (or expected change not taking place – e.g. one investment in Business Process Outsourcing would reduce the likelihood of achieving the target). In addition, interventions for job creation take time to show results. Whether the target on job creation will be achieved by October 2017 is therefore difficult to gauge at this stage, but in any case uncertain. We expect that a project's differentiated assessment towards the end of 2016, when more interventions mature, should provide a more solid basis for realistic projections up to October 2017. The job matching target is likely to be achieved in the project period if RA and Duapune address the causes for the current low levels of job placements and if the intervention with NES progresses rapidly.

Inclusion of women: The project's goal is that 50 percent of its beneficiaries (new jobs created and youth finding jobs) are women. All signs are that this will be achieved, which is commendable. This is largely the result of strategic sector selection: young women make up a significant part of the workforce in each. In addition, the project has made good efforts to make some of the interventions contribute to gender equality, though this is not adequately reflected in intervention designs.

Project set-up: The project is overall well set up for the remainder of this phase, with capable management and staff and appropriate procedures. Weaknesses include: highly insufficient allocation of staff and financial resources to the Monitoring and Results Measurement (MRM) system, which has resulted in the system not yet having been completed; heavy workloads and staff being too involved in day-to-day activity management, in part as a result of not using co-facilitators; limited resources for interventions. RA has an excellent reputation for cooperation with other projects.

**Summary of recommendations**[2]

Phase 1

*The approach*

1) Base research more consistently on the MSD analytical framework and identify underlying causes of underperformance.
2) Ensure a clearer design of interventions (a clearer definition of the assumptions made, systemic change objectives, the logical and detailed steps leading to them, partner requirements),

[2] This is an Executive Summary. More detail on and justification of the recommendations are provided in the main report. It is those recommendations the project and SDC should use. Please refer to Chapter 8.

involving an external technical expert in the field (from the private sector), and ensure more critical semi-annual sector and intervention reviews.

3) Design clear <u>business models</u> for all interventions before interventions are started, and redress this where it has not been done.
4) Approach potential partners with a well-defined <u>offer to support</u> introduction of the new business models and then negotiate with them.
5) To the extent possible avoid fully funding an intervention, i.e. without a contribution from the partner.
6) Support development of <u>business plans</u>, where appropriate (i.e. for changes in legislation this is not applicable, though a business model is; for organisations with an insecure financial basis it is).
7) Where appropriate (e.g. in service provision), give priority to the for-profit private sector in intervention design and partner selection.
8) When new opportunities arise, design interventions as thoroughly as those that come out of research. This means doing focussed research, which is not in contradiction with making use of new opportunities but lies at the basis of doing so effectively.
9) Include scaling up strategies in the initial intervention design.

*Interventions*

10) Development of locally-based service providers: Assess the pilot with AAM thoroughly (i.e. in relation to its systemic change objectives) before taking any further steps.
11) Organic certification: Assess the pilot thoroughly (i.e. in relation to its systemic change objectives) before taking further steps. If successful, consider support to promotion of pre-certification services for other certifications and providers (as planned). If not, discontinue.
12) Product diversification in tourism: assess the extent to which RisiTuristike award winners are linked to markets through other market players and address weaknesses if necessary and feasible.
13) Developing a bylaw for tourist guides with NATGA: Provide support in advocacy training and development of an advocacy strategy, and support implementation if required.
14) Introduction of the IT Academy: Discontinue if there is no increase in demand.
15) Labour market information through media: Cease financial support beyond what is already planned, continue monitoring progress, providing guidance, and address issues if they arise.
16) Duapune.com job matching services: continue engagement with Duapune to investigate and address the causes of the lack of an increase in the numbers of jobs posted, firms using the service and job applicants and small numbers of job placements.
17) Çelësi Profesionisti recruitment service: Review support at the end of the year and discontinue if the intervention does not add a new business model (recruitment services for lower and middle-skilled jobs) to the labour market.
18) National Employment Service: Support the roll-out to all NES offices of management and performance assessment tools that were piloted in Durrës (already planned), discuss the need for an internal training function and consider support.
19) Public debates: Discontinue as market players show insufficient interest and results have been limited. The MSD approach to affecting the business enabling environment is indirect, through

support to market players' advocacy efforts, which the project is demonstrating through its work with NATGA and AOA.

*Future interventions*

20) Consider support for (as in the Yearly Plan of Operations) :

- Two proposals of the Albanian IT Association as part of an action plan of a group of IT associations from six countries in the region.
- Support to an IT Innovation centre, with existing private sector partners in the IT sector.
- Marketing services (online marketing, marketing information) for the tourism sector.

21) Reconsider planned efforts to tackle informality. Concerns include the absence of adequate analysis of the root causes of informality and the incentives informal enterprises and farmers could have to become formal; the lack of inclusion, so far, of informal enterprises themselves; the partners for this intervention of which one has already proven to be unreliable, and which are not genuine private sector representatives; and informality being an intractable problem, with little feasibility for the project to affect (as had been its earlier assessment), and best left to the Government itself.
22) Consider an assessment of the market system for certification and interventions to address underlying constraints. The scope for systemic change is likely to be greater than with one partner (Albinspekt) and one type of certification (organic).

*Project set up*

23) Give high priority (SDC, HSI) to the recruitment of a full-time MRM specialist on the team, and allocate more funds to data collection for MRM and development of a system that effectively supports monitoring and results measurement for managing, learning and reporting results.
24) Urgently further develop the MRM system based on the recent recommendations of the MRM consultant, and using high level external expertise to support this.
25) Review the methodology for attributing impact to the project and develop an explicit description and justification of how attribution is calculated for each intervention.
26) Assess indirect impact if funds allow, and in any case include this in Phase 2.
27) Provide more international training on MSD to those who have not benefitted from this yet, including to the Director of PartnersAlbania.
28) Consider reallocations of financial resources for the interventions based on projected needs.
29) Increase effectiveness of HSI HQ backstopping, including by backstops submitting reports to RA and SDC Tirana after each backstopping mission and closer follow up on implementation of recommendations.

<u>Phase 2</u>

*Sectors and intervention areas*

30) Maintain the same three sectors and the labour market system and do not add to them. There is sufficient scope for further facilitation of systemic change to improve performance and create jobs in these sectors, which are highly relevant to the project's goal. Adding more sectors would stretch the project too thin and would mean another round of research. This is not a priority now.

31) Maintain the focus on systemic change at the national level, but consider adding a regional and a value chain (sub-sector) dimension, in tourism, and agro-processing respectively (not in ICT where this is not applicable).
32) Reconsider the formulation of the outputs based on what the project now knows about the selected market systems and strive for a more generic formulation which commits less to specific interventions. This needs to be done by the team that formulates the document for Phase 2.
33) If a business services output is maintained, give priority to improving and adding to services that are provided on a commercial basis already and stay away from donor dependent services.
34) In skills, work with a larger number of providers at all levels.
35) Consider interventions that develop business-to-business linkages for knowledge transfer, investment and market access for all sectors (now done in ICT).
36) Add career guidance and counselling at all levels in the education and training sector as a new intervention area under Outcome 2. This could include further work with media.
37) Include Women's Economic Empowerment in the logical framework.

*Project set up*

38) Consider MEDTTE as an alternative to MoSWY if this proves necessary.
39) Depending on PA being interested, develop a more substantive relationship between the two consortium partners, with PA playing a stronger role in the entire project cycle and aiming at it taking on the MSD approach. This will require revising the consortium agreement, including the way funds are allocated, based on in-depth discussions between HSI, PA and SDC.
40) Allocate more funds to Phase 2 (SDC), but do not establish an Opportunity Fund as the project has demonstrated it can use its resources with sufficient flexibility without such a fund, which would constitute an additional management and administrative burden.
41) Work with co-facilitators for specific interventions to extend reach and have project staff contribute more strategically.
42) Increase staff allocation for the gender focal point function to at least 50 percent, with the remaining 50 percent allocated to external communication.

## 1. Introduction

RisiAlbania (RA) is a four-year project funded by SDC which addresses the high rate of youth unemployment in Albania. The project's current phase 1 runs from November 2013 to October 2017, with a total budget of CHF 4.6 million. It was preceded by an inception phase of 8 months which resulted in the project document and a number of studies which informed it. The project is implemented by a consortium of Helvetas Swiss Intercooperation (HSI) and Partners Albania for Change and Development (PA). It applies the Market Systems Development (MSD) approach, which seeks to address underlying causes of market systems underperformance through facilitation.

The external review of the project, of which this is the report, had three main objectives:

- To assess the achievements of the current project phase and highlight lessons learnt hitherto;
- To support the implementing consortium, consisting of Helvetas Swiss Intercooperation and Partners Albania, with recommendations allowing the project to consolidate and sustain its major achievements for the remainder of the current phase;
- To support the implementing consortium and SDC/Embassy of Switzerland in Albania with recommendations for the design of the next second project phase, covering the period 2017-2021.

The full set of review questions from the TOR is attached in Annex 1. Fieldwork took place between 9 and 20 May 2016. It was preceded by review of documents and planning in consultation with the project and the Swiss Embassy. The fieldwork, in Tirana, Berat and Shkodër, comprised:

- Briefing and debriefing at the Embassy of Switzerland in Tirana.
- Meetings with project management and team members, including detailed reviews of the interventions and interviews on the use and understanding of the MSD approach, management procedures and the project set up and resources, and other key review questions.
- Interviews with key partners in the private and the public sector, covering all intervention areas.
- Interviews with final beneficiaries.
- Interviews with projects that have collaborated with RA, or could do so in future (including SDC and SECO funded).
- Further review of documents.
- Discussion with management and the project team on first findings and recommendations.

The full programme is attached in Annex 2. A Skype interview with RA's technical backstop at HSI HQ was conducted after the fieldwork.

Following a chapter on relevance, the subsequent two chapters in this report follow the project's impact logic or theory of change. Findings on the project's interventions, what the signs of systemic change (sustainable change at scale) are, and to what extent such change can be expected are reviewed in Chapter 3. What the effects have been at the outcome and goal level (impact on youth being placed in jobs) is considered in Chapter 4. Chapter 5 considers gender mainstreaming and 6 assesses to what extent the interventions demonstrate appropriate use of the MSD approach. Chapter 7 reviews the project's set up and related questions, including resources. The recommendations can be found in Chapter 8, after a brief overall conclusion.

We should note here that most of the project interventions are quite recent (dating from 2015) and that it is therefore early to expect definite results at the level of systemic change, and even more so on employment.

## 2. Relevance

### 2.1 Alignment with policies and strategies

RisiAlbania' goal is "Young women and men in Albania, aged 15-29, have increased access to gainful employment opportunities". The target group includes youth nation-wide, regardless of educational background and skills level.

The following outcomes serve the goal:

> **Outcome 1**: Businesses in the supported sectors of food processing, tourism and information and communications technology, improve their performance and grow.
>
> **Outcome 2**: Young women and men and businesses make use of more and improved labour market information and intermediation services

The relevance of the project is high. According to official data, registered unemployment in Albania in Quarter 3 of 2015 was at 17.5 percent. Considering the relatively high informality, real unemployment figures should be significantly higher.

Albania has experienced economic growth, hovering between 2.5 and around 3 percent annual GDP growth since 2011, with a forecast of 3.6 percent for 2016[3]. This has not been reflected in a significant decrease of unemployment which has remained above 17 percent since the 2008 crisis. The official unemployment rate for young people aged 15-29 years was at 32.3 percent in Quarter 3 of 2015. This is significantly more than the 21.5 percent at the start of the project. In addition, youth are often employed in unpaid jobs or informally. Women are reported to suffer more from unemployment, with an employment rate of 15.3 percentage points lower than men. Youth make up some 25 percent of the country's population (more than 700,000).

Among the root causes of the labour market situation for youth, confirmed by research done in the project's inception phase[4], RA addresses the following:

- Labour demand: a low number of available jobs due to limited private sector growth, especially in labour-intensive sectors;

[3] http://www.worldbank.org/en/country/albania/overview

[4] Juna Miluka, Labour Market Study, 2013, Annex 8 to the project document; ESA Consulting, "Youth employment barriers", August 2015

- Job intermediation: insufficiency of labour market services and leverage mechanisms;
- Labour supply: an inadequately skilled labour force.

This and the goal are well-aligned with priorities of the current Government. It has set a target to create 300,000 jobs in the 2014-2017 period. The Albanian National Strategy for Development and Integration (NSDI 2015-2020) includes a chapter dedicated to youth. This emphasizes the key challenge regarding youth empowerment through improved youth-focused employment policies, and sets objectives aimed at facilitating labour market access for youth both as workforce and entrepreneurs.

The National Strategy for Employment and Skills (NSES 2014-2020) indicates agro-business and processing, tourism and information technology, which the project selected under Outcome 1, among the key drivers of economic and job growth. The agro sector is valued for the highest number of jobs it offers in particular for young people. Tourism is also listed as a relatively underdeveloped sector and demonstrating great potential for economic growth and creation of new and better jobs. ICT is considered to have untapped potential to provide more opportunities for youth to work and develop entrepreneurship. According to NSES, modernization of employment services and strengthening the involvement of the business community in VET provision should contribute to job growth in numbers and quality. RA addresses this under Outcome 2. Overall, the project directly links to 9 out of the 52 priorities of the NSES, as summarised in the table below.

| **Addressed priorities (as formulated in the NSES)** | **Brief description of respective interventions by RA** |
|---|---|
| A.1.1. Reorganisation of National Employment Service (NES) offices according to a New Service Model. | Improvement of intermediation and performance management for regional labour offices according to the new service model. |
| A.1.3. Modernisation of IT infrastructure and systems in NES. | IT modules to improve the electronic job matching system at NES. |
| A.1.4. Establishing new cooperation modalities with third parties. | Increasing the employment of young people through improvement of quality of marketing services in the Agro sector in the regions of Korça, Fier and Skrapar. |
| A.3.1. Assessment and design of adequate, gender-responsive labour market policies. | Review of Employment Promotion Programmes and preparation of the Roadmap and its Action Plan for improvement. |
| | Identification of legal barriers and practices for decent youth employment, relevant recommendations and public debates with young people and other interested stakeholders. |
| B.3.1. Running publicity/ awareness-raising campaigns about importance of and opportunities in VET and life-long learning for girls, boys, women and men in urban and rural areas. | Informing youth on most required professions in the labour market via media channels. |
| B.4.3. Organisation of elements of a dual system approach, including internships of VET students as part of the VET curriculum. | Involving youth and private sector voice regarding internships and apprenticeships. |
| C.1.2. Expansion of the employment services to rural areas. | Provision of services for young people with low and middle skills education/qualification. Support in establishing the private recruitment company |

| | |
|---|---|
| | "Profesionisti". |
| D.2.2. Establishment and operationalization of sector committees. | Support in designing the Sectorial Committees model and establishment of them in three sectors of the project scope: Tourism, ICT and Agro. |
| D.5.2. Closing of skills gaps in the local labour market by active employment of specialists. | Support in establishment of standards for tourist guides, training and recognition of tourist guiding as a profession in Albania (Formalisation of tourist guides). |
| | Support to ICT sector in improving skills of young people toward employment. Introduction of ALMOOC platforms for young people during their studies (VET and universities) and after graduation. |

The increase in youth unemployment in spite of Government priorities and policies may indicate a lack of effective implementation. We are not in a position to assess this. It is clear, though, that the current context, in terms of the business enabling environment and external markets does not facilitate economic and employment growth. Early July 2016, the IMF publicly drew the attention of the government to the needs for serious efforts to improve the business climate in Albania[5]. The World Bank summarises the key challenges for Albania to as "….fiscal consolidation and strengthened public expenditure management, regulatory and institutional reform, reduction of infrastructure deficits, and improvement in the effectiveness of social protection systems and key health services"[6]. The World Economic Forum competitiveness index ranks Albania 93 out of 140 economies, with little change over the past several years, and with Macedonia and Montenegro doing significantly better[7]. The 2016 World Bank Ease of Doing Business index ranks Albania 97 out of 189 economies, compared to 62 in 2015[8]. Growth in the EU and the Eurozone more specifically continues to be sluggish, reducing export demand. These are conditions under which even well-implemented employment policies are likely to show limited results.

Within this unfavourable framework RA seeks to identify and intervene on untapped potentials in sectors where local resources are available, export potential is relatively good, and job increases are possible in spite of the overall adverse conditions. Apart from directly contributing to job growth, its key role is to create models that can be further disseminated and taken over by private initiatives and government programmes.

### 2.2 Sectors and their selection

The approach under Outcome 1 is sectoral, to be able to address specific constraints on growth, with an emphasis on addressing such constraints at the national level. Sectors were selected in the inception phase. The selection process included use of a panel of experts, background research and scoring against criteria. Criteria included relevance, with four sub-criteria:

- Number of youth employed;

[5] July 2106 media reports; see also IMF, "Albania; selected issues", June 2016 http://www.imf.org/external/pubs/ft/scr/2016/cr16143.pdf
[6] http://www.worldbank.org/en/country/albania/overview
[7] http://reports.weforum.org/global-competitiveness-report-2015-2016/economies/#economy=ALB
[8] http://www.doingbusiness.org/data/exploreeconomies/albania/

- Income level (of the sector);
- Attractiveness for young people;
- Multiplier effect (through indirect employment).

Growth potential, intervention potential (need, feasibility, presence of potential partners) and cross-cutting issues (opportunities for women, geographic and rural outreach and alignment with Government and other stakeholders priorities) were the other criteria, most of which indirectly relate to relevance as well.

The approach was thorough and has resulted in selection of sectors (agro-processing, tourism and ICT) relevant to the project's goal. They offer a good mix of production/processing and services, urban and rural outreach, and different skill levels of the labour force. All offer potential for employment of youth and women. Garments and footwear was selected as a possible alternative to ICT, but ICT was eventually selected later in the project due to its greater job growth and intervention potential. This was appropriate.

We will consider the challenges within the sectors the project actually seeks to address in the next chapter. In the project document, they were grouped under four main intervention areas, or outputs: business services, financial services, provision of skills, and advocacy (for regulatory change), each with detailed indicators. This was based mainly on the analysis of the agro-processing sector. This could have resulted in a mismatch with the other sectors, and therefore a loss of relevance. The project has in practice avoided this by interpreting especially business services broadly (e.g. considering a competition for product development in tourism as one). Detailed logical frameworks (an understandable requirement of donors) and projects having to "fit" actual interventions in them are a common feature of MSD projects, especially in their first phase when knowledge of the selected market systems is still limited. In RA's next phase this could be avoided by building on the experience the project has gained and striving for more generic formulation of the outputs.

### 2.3 Partners' perception of relevance

All project partners interviewed commented positively on the relevance of the project's interventions and support. None expressed concerns about the project's objective to improve market systems or providing "facilitation" rather than direct support. This includes officials we met of the Ministries the project works with. It may be in part due to partners obtaining significant cost-sharing, so that from their point of view there may have been little difference with other projects. However, even when the project financial contribution was relatively small, partners' views were positive.

We should note that at the MoSWY we only met with the National Employment Service. We understand that under its new Minister the particular relevance to MoSWY of the project's focus on private sector development (which is the mandate of other Ministries) has not yet been well understood. The Ministry has been unresponsive to some of the project's initiatives. The Swiss Embassy and RA are making efforts to address this.

### 2.4 Relevance of Swiss involvement

Apart from SDC providing the funds without which the project would not have existed and its support for the use of the MSD approach, the key Swiss contribution is the expertise of HSI. The organisation has wide-ranging experience in MSD, including in the region, and for youth employment. This has been important.

An instance of the project drawing on specifically Swiss expertise is an intervention in tourism under Outcome 1. It includes support for the implementation of a recently adopted law on tourism. RA has engaged in assisting the preparation of the bylaw on classification of accommodation structures. Swiss expertise is planned to be engaged in the first exercises to implement the bylaw. Relations between one of the project partners (the Foreign Investors Association of Albania, FIAA) and Swiss businesses could bring further added value of the Swiss involvement.

In conclusion, the project remains highly relevant to Albania.

## 3. Progress on implementation and systemic change (outputs)

This chapter deals with key questions related to the systemic changes the project is pursuing. The two main characteristics of systemic change are scale and sustainability. When an innovation introduced by the project has proven to be successful and is continued or improved by the project's partner the first step to systemic change has been made. A further important indicator of systemic change is when market players the project did not originally work with, take up the innovations that project partners have piloted (with, or better without project support). Outreach in terms of beneficiaries is the key characteristic of scale. We make a distinction between scale of outreach (e.g. youth using job matching services) and scale of impact (e.g. jobs matched). Scale in terms of market players (e.g. service providers, companies) taking up innovations can also be important, especially where their individual outreach is limited.

We will consider:

- Progress the project has made in providing support and what this has comprised (the interventions). This is also relevant to consideration of the project's use of the MSD approach.
- The extent to which systemic change has already been achieved or whether there are signs it is likely to result from current interventions (i.e. potential).
- What concerns need to be addressed.

### 3.1 Outputs under Outcome 1: Businesses in the supported sectors of food processing, tourism and Information and Communications Technology, improve their performance and grow

This outcome deals with the growth in the private sector that should lead to creation of more jobs. The outputs under this outcome, in business and financial services, skills training and education, and advocacy, define the areas where systemic change is expected to take place, so that enterprises can improve their performance and create jobs. We will consider progress towards outcome and goal indicators in the next chapter.

**Output 1.1: Service providers deliver quality and demand-based services to businesses in selected sectors**

As for the other outputs, improvement or development of demand-based business services was included in the project design on the basis of research on the agro-processing sector done in the inception phase[9]. Most interventions in business services have been confined to this sector, with two exceptions: attracting FDI in the three sectors and product diversification in tourism.

**Developing the marketing consultancy market**

The agro-processing study found that weak supply of and demand for marketing services was a major constraint on the sector. A subsequent study confirmed this and proposed interventions to develop the marketing consultancy market[10].

The project partnered with BiznesAlbania (second quarter of 2014), with the aim of developing supply and demand for high-level marketing consultancy services. The main support provided was training of consultants and awareness raising of the importance of marketing services among processing firms. Consultants were linked to interested firms, completed a diagnostic exercise and offered a tailor-made package of services that was cost-shared by RA. The intention was that this would result in these and other firms buying more services at full-cost.

Fourteen firms used the services, but the intended increase in demand did not happen. The immediate cause was the partner losing interest in an assignment that was beyond its capability and required more effort than it had anticipated, especially compared to other donor contracts. While BiznesAlbania markets itself as a business association it is in fact a donor dependent business that is registered as an NGO to attract funds. More importantly, the business consultancy market in Albania (as in most other countries in the region and elsewhere) is itself heavily donor dependent. Consultants' real clients are the donor projects that subsidise their fees. Low quality services, and low trust and effective demand are the result. This was already pointed out in the study referred to, and following the pilot the project rightly decided that systemic change was not feasible. The intervention was discontinued. It has contributed to additional income and jobs at the enterprises served, but as direct assistance, not through systemic change. It has also contributed to learning, as reflected in a blog on working in donor dependent or distorted markets co-authored by the project.[11]

[9] Annex 11 to the project document, Sibora Dhima, Elida Motro Iljazi, Ariola Shehaj, Gregoire Poisson , "First Subsector Analysis – Agro-processing", 2013

[10] Blendi Gerdoci , Engjell Skreli, "Gender sensitive research on marketing needs in agro processing", March 2014

[11] https://beamexchange.org/community/blogs/2015/12/10/donor-heavy-environment/ Our own take on this is included in the lessons learned section of this report.

**Development of locally-based service providers**

Taking firms' unwillingness to pay the high fees of donor-driven Tirana-based consultants as a starting point, the project changed strategy to develop locally-based providers of marketing and other services. The expected change in the market system is that such providers, self-employed or employed offer lower-level, less costly services to local agro-businesses, and link up to higher level consultants when necessary.

The project developed an intervention with the Albanian Association of Marketing (AAM), another donor dependent NGO, and the National Employment Service (NES), for a pilot intervention in three regions (started September 2015). NES and AAM held awareness sessions for the young unemployed to be trained and for their potential clients. A curriculum was developed on the basis of needs expressed by the firms, with 56 youth selected by NES and AAM completing training and gaining in-company experience and 86 completing the theoretical part.

This was concluded in April 2016. It is therefore too early to assess the intervention's effectiveness. Twenty-two youth have been employed by companies in various positions, which had been foreseen as a possible outcome. None have set up as independent service providers and our discussion with a group of trainees indicated that it is unlikely any will. However, AAM is in discussion with ten for possible employment as its field agents, thus extending its local outreach. These could therefore become service providers, as intended.

Concerns about this intervention include:

- Ambiguity about the expected outcome: sustainable service providers or employment of the trainees in agro-processing firms?
- The selection of the trainees: there were few applicants, which resulted in young women and men being selected who had no intention to make use of the training in (self)-employment. Inconsistent use of selection criteria contributed to this.
- The credibility of the trainees as service providers: inexperienced youth with limited relevant training may not gain the trust of the usually older and experienced enterprise owners who are meant to be their clients.
- The absence of business models for AAM's use of field agents or for independent service providers – it is unclear whether and how their services could be profitable. Donor support may be expected by AAM.

The extent to which these doubts are justified will become clear if and when AAM engages trainees as field agents and is able to make this commercially sustainable, or at least generate income, over the ensuing 6 months to a year.

Meanwhile the scope for scale depends on AAM replicating the intervention without project support, and possibly other service providers in the same market following its example. AAM is not likely to do so without donor funds, but these may be available: GIZ is expected to support a similar undertaking in the Shkodra region[12]. In the longer-run scale as well as sustainability (and possibly

[12] This also demonstrates that there are no incentives for organisations such as AAM (or FIAA) to become commercial businesses driven by their clients in the private sector. Possible profits from services for such

more donor funds) will depend on whether enterprises are willing to pay for the services offered and AAM or similar firms will find it profitable to make use of the youth trained. This will become clear over 2017. At present it is therefore too early to assess the potential for systemic change.

NES has expressed interest in using the training model, including in other sectors, but would also be dependent on external funding. Its focus is on getting people employed rather than developing business services. The extent to which its future involvement would be relevant to service development is limited.

**Development/improvement of pre-inspection services for organic certification**

Various food quality and safety certifications are a pre-condition for export to major markets in the US and EU. Companies make insufficient use of certification services, which is a constraint on the agro-processing sector realising its potential. In the last quarter of 2015, RA partnered with Albinspekt, an accredited certification body (NGO) to address this for certification for organic products, for which there is a growing export market.

Albinspekt developed new detailed guidelines for pre-inspection (to prepare for the certification inspection), which companies can use on their own or with the help of Albinspekt staff, and RA supported promotion of the service and a discount for the first 20 firms to apply.

Twenty firms did apply, of which 3 were new clients. Subsequently 17[13] additional new clients took the service without the promotional discount, in Albania and Kosovo. Two firms interviewed commented positively on its usefulness and reduced cost, though both had already gone through annual certification procedures for many years. As Albinspekt has only recently opened an office in Kosovo new clients there are more plausibly attributed to this fact than to introducing pre-inspection.

The extent to which this intervention can be considered effective depends on its intention. The intervention plan states firms find it difficult to obtain certification due to the costly and lengthy procedure. The expected result of pre-inspection is reduced cost and time, presumably leading (this is not clear) to more companies maintaining certification or taking it on for the first time. We cannot assess whether firms would have discontinued certification without pre-inspection. Albinspekt reported that many had gone through the certification process unsuccessfully due to not meeting many of the criteria, and were now better prepared, which is positive[14]. However the number of new clients attributable to pre-inspection is limited at this stage. In our view the intervention would have been more effective if it had clearly focussed on catching new clients in the certification net.

Albinspekt plans to continue to offer the service, and eventually hire new staff to deal with pre-certification, so sustainability is likely to be good. There is some potential for scale, by showcasing the results of pre-inspection (planned) to attract more clients, and introducing similar innovations for other certification (not yet planned). This still needs to be demonstrated. While there is no

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clients do not compare with the relatively easy donor money. The business model of these organisations is based on access to donor funds.

[13] Data provided by the project. At the time of the fieldwork this was 2.

[14] Clarification provided by Albinspekt to the project after fieldwork.

strategy yet for drawing in other certification bodies, this could also increase scale. The approach to draw in more growers and processors may need to be revisited following an assessment of the pilot.

**Product diversification in tourism**

The limited range of tourism products was found to be a key constraint on attracting more tourists. The market system change the project aims at is a sustainable annual competition for new tourism products, with cost-sharing of the investment as the tangible award. This would create jobs at the winners, and, by attracting more tourists, in the sector more broadly.

The competition, branded as RisiTuristike, was run twice, in four regions, providing awards to 11 proposals. It was well-publicised especially in the second round and the format for the proposals was simple, to avoid the discouraging hurdles some other sources of grants present. Juries were made up of a range of market players, also from the private sector. Award winners included a business network in collaboration with a municipality (information centre) and NGOs (businesses in all but name). The winning proposals have been or are being implemented, with RA contributing between 50 and 80 percent of the investment in the first round. What we have seen ourselves was attractive, and feedback on the others was positive.

While the award winners are making good individual efforts to market their new products, developing relations between them and other players in the tourism market abroad and in Albania is an area that may need additional attention (e.g. by including this in the award).

The first round was run and financed by RA itself, with the intention that the competition would be "taken over" by the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (MEDTTE), which was the official partner from the start. This is an unusual approach in MSD, as the experience of conventional projects is that innovations are seldom "taken over", especially if the partner is in the public sector. In this case, however, the success of the competition and it being in line with the Tourism Law, led to MEDTTE taking a greater role in the second round and the Albanian Investment Development Agency (AIDA) providing funds for 5 awards (the project for 2). The MEDTTE is expected to take the lead in the third round and AIDA has budgeted funds. There are some indications that private sector sponsorships could be secured. The project plans to provide assistance to this, in addition to capacity building on running the competition. It will no longer provide awards. The Ministry's Director of Tourism expressed a strong sense of ownership over the competition.

These are good indications of sustainability. Scale of outreach and impact will take time to be realised, but the latter can be expected to be good especially if indirect job creation is taken into account[15], and more tourists will be attracted and stay longer. One of the award winners may expand its model to other regions of the country with USAID support.

Separately (and independently), the project has provided direct support to one of the award winners to develop a business plan for an Albanian Adventure Resort. Investment funds still have to be

[15] The World Travel and Tourism Council uses a multiplier of on average 2.5 for Albania. See "Economic impact of tourism 2015, Albania", https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/albania2015.pdf

secured[16]. Though this contributes to product diversification and direct impact on employment is expected to be good, this will not contribute to the systemic change the project aims at.

**Attracting Foreign Direct Investment in agro-processing, tourism and ICT**

Services to attract more FDI in the three sectors were not indicated as a priority in research done, but RA correctly identified this as a possible avenue to growth, through investment and knowledge transfer. The project partnered with the Foreign Investors Association in Albania (FIAA), which has traditionally focussed on the energy and extractive industries sectors. The intended change in the market system is FIAA providing services to attract investors in the agro-processing, tourism and ICT sectors, including through an expanded network with embassies, trade missions, companies, chambers of commerce and industry and public sector market players. Support included development of information material, roundtables with relevant organisations and businesses, meetings with embassies, participation in events abroad, development of a portal for business-to-business networking and of a one-stop-shop for investors (both ongoing).

Roundtables and the portal are in collaboration with the Albanian Investment Development Agency (AIDA). The portal will be a section under the website of AIDA, which will maintain the website content and companies' database. Establishing this collaboration in this area is an important achievement. AIDA and FIAA have also signed an agreement with the Albanian Outsourcing Association (AOA, see below) to collaborate on attracting investors into Business Process Outsourcing.

The intervention started mid-2015 and it may be early to expect significant investments to have been realised. There have been some concrete expressions of interest. The main achievements so far are that FIAA appears to have become committed to working in these sectors, and to have significantly extended its network, which is unlikely to have happened without the project. The linkages between FIAA, AIDA and AOA are another positive change.

FIAA intends to continue its activities once project support runs out and believes it has the capacity to develop towards paid services. It does not, however, have a business model for this, which is still planned. We expect sustainability will depend on success in attracting investors. These could have a large scale of impact on employment, but it is too early to judge their likelihood. Perceptions of the Albanian business environment will influence this. FIAA's member survey indicates that only 18 percent of investors saw the business environment as favourable in the first half of 2015[17].

**In conclusion**, the results and prospects for systemic change in business services in the agro-processing sector are mixed or still uncertain. The main reasons are:

- The choice of the intervention area itself – business services in the conventional development sense are a highly distorted market as the result of donors' unsuccessful attempts to develop supply and demand.

[16] This was confirmed by the potential donor, the Albanian American Development Fund, at the time of our fieldwork. The project subsequently reported that 312,500 Euro had already been secured. We contacted the AADF again which informed us the investment is still being considered. We assume these conflicting reports are based on some misunderstanding.

[17] FIAA, "Business environment; 2015 survey", 2015.

- Linked to this, the nature of the partners available for the interventions, which are largely businesses disguised as NGOs to be able to attract donor funds.
- The short time that has passed since the start of interventions – for most it is too early to assess effectiveness or potential sustainability and scale, though there are signs that sustainability is likely for the results of the Albinspekt intervention.

The main benefit for clients of the FIAA and RisiTuristike interventions is investment capital rather than business services (though coaching and networking are also included). This is an easier “sell”. RisiTuristike is well on its way to become part of the market system, the first still has to demonstrate effectiveness.

Project data (see table below) show good progress towards targets, but include the results of the intervention with BiznesAlbania which did not result in systemic change. It also includes 170 businesses that are estimated to have benefitted from an advocacy initiative of the Albanian Outsourcing Association (AOA), which we will consider later. An advocacy initiative may not be a business service proper, but this is the only place in the logical framework where it could be reported (demonstrating our point in Chapter 2 that RA on occasion had to force-fit interventions and their results into the framework) .

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of business that make use of new or improved services | 221 | 230 |
| Number of business providers that deliver new or improved services | 19 | 23 |
| Percentage of businesses satisfied with services received | n.a. | 70% |

**Output 1.2: Financial institutions and service providers offer adequate financial services to businesses in targeted sectors.**

The analysis of the agro-food processing sector indicated that firms were unable to access credit, while banks were interested in lending to the sector but considered it high-risk and did not have adequate loan products. Analysis of the other two market systems did not identify credit as a key constraint, though the interventions with FIAA and RisiTuristike indicate that lack of capital is in fact an underlying cause of underperformance in tourism and ICT as well. With financial institutions the intervention has been limited to agro-processing or agro-business more broadly.

**Providing information to enable banks to lend to food processing and agricultural enterprises**

Research commissioned by the project indicated a range of failures on the demand and supply side of the financial services market[18]. While the study was weak on tracing underlying causes, the project correctly identified banks’ lack of information and understanding of the sector to be a key

[18] Creative Business Solutions, “Financial needs of agro-processing industry and potential solutions”, March 2014

constraint on the supply side. This was an area where systemic change seemed feasible and within its capacity (unlike e.g. setting up another guarantee fund).

The project first conducted a study on the seasonality of agricultural products to test whether banks would find such information useful. When feedback was positive it partnered with Creative Business Solutions (CBS), a business/NGO with financial intermediation and agricultural expertise, to develop a portal to provide a comprehensive range of agricultural information, to be updated on an annual basis. This was done in close consultation with four banks, the Ministry of Agriculture, Rural Development and Water Management and INSTAT which provided the raw data. The portal (branded AGIS, for Agricultural Information and Intelligence System) is now being tested by the four banks. Initial feedback is positive.

CBS owns the portal and is independently adding more information and modules. Given its own core business is has strong incentives to maintain it. CBS believes demand is strong as, influenced by CBS itself, banks have become strongly interested in the sector and have set up dedicated departments. While a full business plan is still to be developed, the portal is therefore likely to be sustainable if it proves to be effective. If lending indeed increases, which can be assessed towards the end of the year, the scale of impact on employment is likely to be large. As business service providers are among the potential users, there is scope for indirect impact too. The only weak link in the system is that the MOU under which the Ministry provides information is with the project. This will need to be addressed.

In conclusion, this is a strong intervention which shows good potential for systemic change.

Reported progress towards targets is good with respect to financial institutions using AGIS, though at this stage they are just piloting it rather than delivering “new or improved services”. It cannot yet be assessed for businesses benefiting from loans.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of business that make use of new or improved services | To be measured in 2017 | 250 |
| Number of financial institutions that deliver new or improved services | 4 | 6 |

**Output 1.3: Training and education providers provide hard and soft skills based on market demand**

The lack of relevant skills was found to be a constraint on performance in each of the three sectors, and the project has developed interventions in each.

**Sector skills committees**

This intervention cuts across the three sectors. The systemic change it aims at is functioning public-private sector skills committees as a forum for dialogue that results in more relevant, market-driven training and education. RA has supported the MoSWY (with an international expert) to develop a model for these committees, which the Ministry and other relevant stakeholders (both public and private) endorsed. The project had planned to support piloting the committees in its three sectors, but under the new Minister the Ministry has been unresponsive to its proposals. Further progress is on hold for now. The Swiss Embassy and RA are making efforts to resolve this.

The committees are in accordance with the Ministry's own Strategy for Employment and Skills and EU directives and have already been included in the Albanian Qualification Framework (AQF) law and will be included in the new VET law (expected to be approved in September 2016). The likelihood that the committees will eventually be set up is therefore high, though if RA's relationship with the Ministry does not improve it may happen without project support. This is in principle immaterial, though it may increase the risk that the committees prove ineffective. If they do prove effective, the potential for sustainability is good (as they are embedded in official policy) and scale of impact on skills provision (and therefore employment) large, including in other sectors. However, at this stage and in the current situation the likelihood of this being realised cannot be assessed.

**Training tourist guides**

Based on the analysis of the tourism sector, the systemic change aimed at is the sustainable training and certification of tourist guides, in line with international standards, which would contribute to more guides being employed and a better guiding service which would contribute to development of the sector more broadly. It is closely linked with another intervention, the development of a bylaw on tourism guides.

The partner for this intervention is the National Albanian Tourist Guides Association (NATGA), a 14-member association registered in 2008, which resulted from a USAID project. RA part-funded a pilot training and certification of 17 guides, by the World Federation of Tourist Guide Associations (WFTGA), a high-profile national conference and development by NATGA of three curricula for three different categories of certification foreseen in the Tourism Law. Feedback on the training from tourist guides we met was very positive.

Potential demand for the training is estimated at 500 guides. NATGA has the capacity (certified trainers) to deliver the training, but fees are likely to be an obstacle. Discussion with other potential providers are ongoing but are still at an early stage.

We will consider other work with NATGA under the advocacy output. This will include development of a business plan (in July), which should clarify the sustainability and outreach of training. This also depends on the approval and contents of the bylaw on tourist guides. At this early stage systemic change is still uncertain, though achievements in terms of the activities are positive.

**Development of Mass Open Online Courses (MOOCs)**

Albania's IT sector (software and applications development, as distinct from Business Process Outsourcing) is small and underdeveloped compared to neighbouring countries. The project's analysis of the market system indicated that the lack of skilled professionals is a main constraint, which is rooted in out-dated curricula in the education system and the general lack of market-oriented training[19]. The intended systemic change of this intervention is the availability of free on-line training opportunities.

Real Visualz Foundation, established by a firm in the US looking to outsource to Albania, had already set up ALMOOC, to provide free on-line programming and related training in the Albanian language. RA supported the development of 10 additional courses, which were available by the end of last year. ALMOOC reported the support was important to accelerate course development, and it is continuing further development independently. RA also supported promotion of a programming career in schools. Nearly 8,000 students have enrolled on ALMOOC, of which some 1,400 are actively turning in assignments.

ALMOOC is incorporated in an existing business with a strong incentive (outsourcing assignments) to increase the number of Albanian IT professionals. Sustainability is therefore likely. ALMOOC informed us that the free courses themselves do not qualify trainees as programmers, but act as a filter whereby promising students are offered paid-for courses that lead to qualifications accredited in the US. These provide good prospects for employment (see Chapter 4 on how many got employed so far). The intervention is very recent, but the large numbers taking the courses indicate a promise of scale of outreach and impact. This intervention is likely to lead to systemic change.

**Introduction of the Microsoft IT Academy**

The systemic change foreseen is the sustainable delivery of Microsoft IT courses. PROTIK, an NGO, established by the Government of Albania, development agencies and private sector representatives, serving as an IT innovation and resource centre, is the main partner. With project support, PROTIK developed 4 courses drawing on the Microsoft IT Academy platform, which it is promoting and planning to deliver on a fee-paying basis. The platform is also available to students at the IT department of the Polytechnic University of Tirana (RA paid for the annual licenses for both institutions), with the intention to add a practical dimension to the largely theoretical curriculum. PROTIK provided staff training. The project's intervention design also included VET schools but MoSWY has been unresponsive.

The intervention is recent: PROTIK completed course development in March 2016, promotion of the Academy to University students commenced mid-2015. So far the intervention shows little promise. In spite of intensive promotion, there has been no enrolment in the PROTIK courses. At the University, taking courses from the platform does not earn students academic credit (and is unlikely to do so in future). Students do not know which of the many skills offered enhance their employment prospects, and teachers only use the Academy as a resource for existing courses.

Providing students with information on demand from IT businesses could increase uptake, but as long as courses do not earn credit it is unlikely to make much difference. The University (and PROTIK) would also have to pay for the renewal of the license, which does not seem a worthwhile investment so far. Neither sustainability nor scale can be expected.

[19] Center for Business Technology and Leadership, "Gender-Sensitive Research on ICT Sector in Albania" January 2015

In conclusion, most of the interventions to address skills gaps show promise[20]. With the exception of the work with ALMOOC, they are too recent to assess in terms of likelihood of systemic change. Introduction of the Microsoft IT Academy is unlikely to succeed. This is an intervention which has not been well-thought through, in particular with regard to assessing demand for Microsoft IT skills in the private sector and communicating this (assuming there is a demand) to prospective students.

In terms of output indicators (see table below) progress is good, especially with regard to numbers improving their skills. It should be noted though that most of these are accounted for by the ALMOOC courses, which do increase skills, but not up to a level where trainees will be employed (they need additional paid-for training to become qualified). Moreover, as we noted RA's support was important in accelerating course development, which means the courses are likely to have been developed without the project, but later. Full attribution of the results to the project is therefore not plausible[21]. As for the numbers of training providers, these include PROTIK and the University, which are unlikely to continue. At VET schools interventions are stalled due to the MoSWY's apparent lack of interest. The target may therefore not be reached.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of young men and women who improve their skills in the targeted sectors | 1,529, 53% women | 1,000 |
| Number of public and private training providers, VET schools and educational institutions that improve or add to their programs based on market demand. | 5 | 10 |

[20] This refers to skills gaps in Albania. We assume the goal of the project is not to have skilled youth, e.g. in IT, migrate to Western Europe to meet market demand there. Such migration is a constraint on the development of the IT and other sectors in Albania, as indicated by our interviews. See also IMF, "Albania; selected issues", June 2016, http://www.imf.org/external/pubs/ft/scr/2016/cr16143.pdf

[21] We should note here that attribution is a complex and controversial issue. A review of M4P evaluation methods states that "Most interventions can …. be seen as a 'contributory' cause – i.e. the intervention is a vital part of a 'package' of causal factors that are together sufficient to produce the intended effect" ( Tim Ruffer & Elise Wach, "Review of M4P evaluation methods and approaches", 2013, for ITAD and DFID). Some donors (e.g. USAID) and practitioners have come to the conclusion that it is impossible and not useful to try to isolate the impact of an intervention in the complex context in which an MSD project operates. Others, including those responsible for the Donor Committee for Enterprise Development Monitoring and Results Measurement Standard (which RA is making efforts to apply) consider it essential. In our view, if attribution is attempted, it is most important to develop an explicit methodology and justification, so that the project and its donor (and other stakeholders) understand how numbers were arrived at. We should further add that the available guidelines (including from the DCED and practitioners) require considerable expertise to apply to specific interventions, and that there is a risk of "self-importance bias" when attribution is estimated by a project itself. Using external expertise, at least to review the methodologies, is therefore recommendable. Finally: the project has used the same attribution when doing its projections, which are identical to its targets. In principle more realistic attribution should therefore affect targets and achievements alike, and would not affect the extent to which targets are achieved.

**Output 1.4: Private sector advocates proactively with the government for policy and regulatory changes that are beneficial for enterprise development in the supported sectors**

The need for improvements in the regulatory, policy and Government support framework was indicated in each of the project's sector studies, with different degrees of emphasis. The project correctly identified the absence or weakness of business associations that could meet this need as the underlying cause, and most of its interventions address this.

It has also provided direct support where no advocacy partner was identified. Following enactment of the Tourism Law in October 2015 it was requested by MEDTTE to support, with a legal expert, the development of a bylaw on classification of accommodation structures. A draft, developed with participation of the private sector has been completed but still needs to be approved. RA plan to make use of "Hotellerie Suisse" to carry out the first stages of the star rating. This will have a direct impact on job creation (a certain number of stars requires a certain number of positions), formalization of existing jobs and improve the tourism offer more broadly. If successful, this direct support will have a lasting impact, at significant scale.

The project's first intervention to strengthen advocacy was with the Albanian Food Industry Association (AFI). It was unsuccessful, and discontinued for a number of reasons external to the intervention design, mainly because AFI became non-operational and no other viable partners in this sector could be identified.

**Developing a bylaw for tourist guides with NATGA**

In this case too, the project provided a legal expert to support development of a tourist guide bylaw, at the request of MEDTTE. We consider this an advocacy intervention due to the close involvement of NATGA, which provided major inputs into the process based on the Tourism Law and international standards and good practice. The bylaw has been drafted but new leadership at the Ministry has substantially revised it (excluding e.g. sections on standards, though this is part of the Tourism Law) before submitting it for further comments to NATGA and other market players. The outcome is uncertain. If the next draft is closer to the original (which will require lobbying by NATGA) and of it is actually implemented, it will underpin the tourist guide training intervention and mark a significant systemic change.

RA's plans to support development of a business plan, a portal including a database which will match demand for and supply of guides (underway) and a reference guide for guides, which are likely to strengthen the association's effectiveness. NATGA plans a campaign to attract more members and is independently lobbying for repealing the guides' classification as a "liberal profession" which would see them taxed like medical doctors. This is a level of activity unknown before the project's support, which has, in the words of the Executive Director, "jump-started" NATGA. While it remains to be seen if this can be maintained after completion of project support, the business plan should contribute to this. The intervention is promising in terms of potential systemic change. It could be strengthened by support to NATGA on advocacy skills and strategies.

**Support to the establishment of the Albanian Outsourcing Association (AOA)**

This is a recent intervention (mid-2015) in which RA supports the establishment of AOA, which aims at advocacy for the fast-growing Business Process Outsourcing (BPO) sector (with an estimated 30,000 employees), expansion beyond the traditional Italian market, skills training (through an Academy) and provision of other services to members. Project support included development of an advocacy plan and advocacy training, a workshop on global positioning, and promotion including through a website and fair participation. More assistance, in developing a network of agents in potential markets is being considered.

AOA was the initiative of 7 firms rather than of RA, which is positive. Its leadership is committed and appears to look for independent viability rather than dependence on donors. AOA has developed its own business plan. It has undertaken several advocacy initiatives one of which has already been successful (exemption from a requirement to have a cash register in this cashless sector) and shared information on delinquent clients which has saved members money. Membership has already grown to more than 20, which represents approximately 4,500 jobs. These are strong signs of potential sustainability. Potential scale of outreach is good (the target for 2016 is 35 members, while the overall target is to have 150 members) and of impact as well (this is a labour intensive sector). The prospects for systemic change are very good.

In conclusion, both ongoing interventions in advocacy are promising in terms of systemic change.

With regard to the output indicators, progress is good, as indicated in the table below. FIAA is included here as one of the associations with increased advocacy capacity. Given the dearth of viable associations in the agro-processing sector, the target for the second indicator may be too optimistic. The project's planned support to two proposals of the Albanian IT Association as part of an action plan of a group of IT associations from six countries in the region (see the recommendations section) could be the starting point for building advocacy capacity there. The need and feasibility would have to be assessed. Undertaking this or another advocacy capacity strengthening intervention just to reach the target misses the point of course.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of advocacy initiatives undertaken by the private sector that aim to improve the business environment (targeting policies, regulatory framework, etc.) | 4 | 7 |
| Number of associations with increased advocacy capacity | 3 | 4 |

## 3.2 Outputs under Outcome 2: Young men and women and businesses make use of more and improved Labour Market Information and Intermediation services

This outcome deals with placing young women and men in jobs rather than creating new jobs. It was included on the basis of an analysis of the labour market system conducted in the inception phase[22]. This found weaknesses in access to labour market information and in job matching to be among the main causes of job seekers and employers not finding each other in the labour market. The outputs address both of these, as well as (output 2.3) the need for better youth employment policies and programmes.

**Output 2.1: Mainstream media regularly provides relevant, updated, attractive and gender-balanced labour market information to young men and women and their parents.**

**Labour market information through the media**

Lack of information on the labour market (more simply, on professions for which there is demand) was found to be a major cause of young women and men being educated for jobs that do not exist. Attitudes of youth and their parents in favour of conventional careers (e.g. in law or economics), and in the public sector, contributes to this.

Mass media and the internet are powerful channels through which these constraints could be addressed, with large outreach. On the basis of its audience and media research and a competitive tender, the project has worked with two TV channels, a radio station and newspaper (both online and printed) to develop attractive and innovative formats to reach different audience segments. The project cost-shared development, while airtime was paid by sponsors (or covered by the stations themselves initially). RA has also contributed ideas (and still does) for programme content, which the partners reported to have been important, and provided staff training.

The programmes/products are in their second season (a national TV channel with increased airtime), with a reduction in project cost-sharing, are increasing their income from sponsorships, and are planning continuation for a third season, independent from the project. One TV station is already continuing without support. Audience feedback (through focus group discussions) has been positive, audience members have linked up to the programmes with their stories and audience shares are reported to be high (see the table on this output). A survey just completed estimates the average audience for the main TV programme at around 105,000 people on average (others are lower). A second call for proposals resulted in support to two further initiatives. At the same time, the programmes have influenced products of 4 other providers (TV, portals) independent of project support, indicating rapid market uptake.

The project has worked with the Department of Journalism and Communication of the University of Tirana to include labour market reporting in its curriculum. This has been approved by the University and is running. The positive experience is expected to be replicated with two other universities (one public and one private). It presents an additional significant change in the media market system, which should ensure better labour market reporting in the longer term.

<u>In conclusion</u>, this is a strong and successful intervention with good signs of systemic change, including independent initiatives by partners and other market players. It will have become systemic

[22] Juna Miluka, Labour Market Study, 2013, Annex 8 to the project document; ESA Consulting, "Youth employment barriers", August 2015.

if programmes continue when RA withdraws its support, which seems likely, and independent initiatives continue.

Progress towards targets is very good: all have already been reached or surpassed (see the lessons learned section for our view on what can be learned from this success).

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of media that regularly publish LMI | 7 | 3 |
| Number of relevant labour market media products aired/published | 307 | 200 |
| Increased audience shares of the relevant programs/distribution[23]. | Averages: TV: 23%, and 5% (for different channels), radio no independent data available, newspaper/website third largest paper in the country; Ti mundesh on Top TV reaching on average 105,000 | 25% |

**Output 2.2: Public and private job matching services offer improved services and increase their outreach**

Failures in job matching were found to be a key constraint on young women and men being placed in existing job openings in the labour market study conducted in the inception phase as well as follow-up research [24]. The project has developed interventions in private and public matching to address this.

**Development of job portal duapune.com**

In the private sector, duapune.com, set up in 2009, is the project's key partner. The expected change in the market system is a portal that is commercially viable providing a wider range of services to larger numbers of enterprises and job seekers. This is one of the older interventions (started in late 2014).

RA has supported development of a business model and growth plan, an upgraded portal that offers new services (including career counselling blogs, standard CV formats, online payment for job advertisements, and an application tracking system – development ongoing), a mobile application,

[23] These are based on recent independent assessments rather than the medias' own which were reported in the 2015 annual report.

[24] Juna Miluka, Labour Market Study, 2013, Annex 8 to the project document; ESA Consulting, "Youth employment barriers", August 2015.

and promotion. The portal is now earning an income and is expected to be profitable by the end of 2017. It has undertaken independent initiatives, such as developing a podcast on career counselling. Duapune also participates, independently, in a number of international networks.

Sustainability is therefore likely and outreach is large, with nearly 4,900 paid job advertisements in 2015 and a social media page of Duapune numbering over 155,000 followers. The table below compares results for 2014 and 2015. Though payment for advertisements was introduced in the last quarter of 2014 this is as close as we can get to comparison with a baseline. Figures show that in spite of the requirement to pay, the number of advertisements has increased somewhat. The number of companies advertising has remained stable. These are good achievements but Duapune (with project advice) will have to address the causes of these numbers not increasing more.

The number of applicants has not risen in spite of this being a free service, and the number of placements is still small. The causes should be investigated and addressed together with Duapune. We also note that the jobs posted are mostly in Tirana (91 percent), which could be due to a lack of vacancies elsewhere or to weak promotion beyond Tirana.

| Indicator | Baseline (2014) | 2015 |
|---|---|---|
| Job placements | Not available | 487 (estimated) [25] |
| Job applications | Not available | 55,885 |
| Job applicants | 4,666 | 4,646 |
| Number of companies advertising jobs | 453 | 452 |
| Number of jobs advertised | 4,330 | 4,873 |
| Income generated (Euro) | 0 | 31,403 |

The MoSWY and NES are aware of Duapune and the intervention, and view it positively. The project plans to develop cooperation between public and private employment services, which is in line with EU directives and practice. This could exploit potential synergies and contribute to systemic change.

**Çelësi Profesionisti recruitment service**

Existing recruitment services target higher skilled positions and job seekers. This intervention, with the Çelësi group, which owns a successful paper publishing vacancies largely for lower and middle-skilled jobs, aims at establishing a commercial recruitment service (Profesionisti) for these jobs. It started in late 2014.

Project support included staff selection, training and development of a CV management database. A business plan for Profesionisti was developed with RA support. It projected 500 recruitments per year, but 2015 saw only 84 (107 in total from the start of the intervention). A review of the business strategy (supported by RA) resulted in expanding the target market to higher-skilled positions, lowering targets and more intensive marketing. Meanwhile Profesionisti lost nearly half of its staff.

[25] These are Duapune estimates. Actual figures will result from the Application Tracking System.

Main concerns about this intervention include:

- The service package and fees are appropriate to recruitment for higher level positions, not for middle and lower levels.
- Recruitment agencies for high-level positions are already present in the market – the rationale for project support is therefore reduced with a shift away from low-level vacancies.
- Profesionisti is understaffed and investments in training have been partly lost.

This intervention is at risk. It is unlikely to contribute to systemic change in the labour market.

**National Employment Service (NES)**

NES deals mostly with job matching for the lower and middle skilled, and has a large outreach across the country, with 35 offices nation-wide. However, its effectiveness is low (in 2012: 141,000 unemployed were registered but only 5,800 found a job) and perceptions among businesses and job seekers are negative. A number of projects support efforts to change this.

The project's first activity with NES, in early 2014, aimed at improving NES-private sector collaboration in the tourism sector, to contribute to more and better training and more job placements. The main result was that in 2015 NES placed about double the number of candidates in tourism businesses than the year before. The aim to improve the relevance of tourism training was subsumed by the intervention with Skills Committees.

In close consultation with NES, and building on work done by the ILO, RA's current intervention focuses on improving Labour Office management (training and a manual), development of a staff performance measurement and introduction of electronic matching between vacancies and CVs. The latter will be integrated into the Employment Information System and the Government e-Albania portal. Management and performance assessment tools were piloted in Durrës, which resulted in a manual (just completed) that will be used in all offices. RA plans to support roll-out of the manual, including through training. It has also provided support to an exchange of knowledge and experience between NES and Kosovo's Public Employment Service.

The supported innovations are foreseen in the National Employment and Skills Strategy. If they prove to be effective (this will have to be established) they may become sustainable. Our concerns are:

- Resistance to performance appraisal within NES.
- High turnover of staff, resulting in ineffectiveness of training – establishment of an internal training function, which could address this, is not foreseen in the Strategy.
- The MoSWY's current lack of follow-up on the project's activities.

Potential scale of outreach and impact are large but depend on effectiveness.

<u>In conclusion</u>, the duapune.com intervention is likely to result in systemic change, with the right support, and potential at NES is good. Profesionisti is unlikely to be sustainable or bring innovation to the labour market system. This might have been avoided with a more realistic business plan and if the services had been better adapted to the target market.

Progress on the output targets seems reasonable with regard to jobs posted, given that this covers private sector providers only (the NES intervention is too recent to show results). As we noted above more efforts will have to be undertaken to increase these numbers. Achieving the targets also depends on a strong and early impact on NES's effectiveness.

The project should improve the job posted indicator, as it does not refer to an increase in jobs posted compared to a baseline, or, alternatively, the number of *paid* job advertisements (in the private sector), for which the baseline was zero, both of which could in part be the result of project's support. The project has largely applied the second option, apart from the results of the NES tourism activity (announcements are not paid for). Mixing the two is confusing. Further confusion stems from the logframe referring to the number of jobs posted *in* 2017 (rather than cumulative) and a baseline of 22,000 jobs posted *in* 2012 (well before the RA intervention). This seems to imply an expected increase by 8,000, but the figures provided by the project are cumulative. This needs to be clarified. We have assumed that the target is 30,000 jobs posted cumulative.

A further concern is that attribution is fully to the project, i.e. the project assumes that without it there would have been no improvement. While the CEO of Çelësi in our interview described his relationship with RA as "a love story" he said he had been considering commercialisation "for years", knew the potential, and considered RA as "an accelerator". Other private job matching portals in the region have been commercialising too and it is unlikely Duapune would not have followed suit at some point. The project also does not account for external influencing factors, one of which could be a general trend towards more use of internet-based services, especially among young people. Full attribution to the project is therefore not plausible.

Profitability of Profesionisti is unlikely, as we have seen. We expect only duapune.com will become profitable. The last indicator suffers from the same weakness as the first, though on the basis of these figures the target seems certain to be achieved.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of jobs posted through private and public job matching services | 9,033 | 30,000 |
| Number of supported private matching providers profitable by 2017 | None, but expected end 2017 | 2 |
| Number of business that use public and private intermediation services | 3,437 | 4,000 |

**Output 2.3: Public debates on youth employment issues inform and influence public policies and practices.**

The original intention of this intervention was that public debates on youth employment issues, "owned" by youth organisations, would become a sustainable part of the market system and so increase awareness among market players and youth and influence relevant policies. This proved infeasible early on, as youth organisations do not have the capacity and no other potential owners could be identified. This became clear after a first debate was organised, by RA and GIZ, in early 2014. The project changed strategy, considering debates as a temporary function carried by itself and other market players. There has been some follow up on the first debate (the MoSWY reported to the project it supported drafting a document on the Dual System) but no more were held, in part because of lack of interest of the MoSWY. This year's plan of operations includes two more debates, but the limited results so far do not justify this.

The project also includes a review on active labour market Employment Promotion Programmes under this output, though it is better seen as a direct (rather than facilitating) advocacy intervention. This was conducted with the ILO, which confirmed the high quality and reputation of the study and that many of the recommendations made are already being applied. This is likely to have an impact on employment according to those involved.

In conclusion, the debates intervention is ineffective, and will not lead to systemic change.

In terms of progress towards targets, one out of three debates have been held and further debates are not needed. Targets in terms of policy changes have been achieved through the revision of the Employment Promotion Programmes rather than debates.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of positive or favourable policy changes resulting from the debates | 1 | 3 |

### 3.3 The sectoral portfolio

The project's portfolio of interventions is large, and it is useful to consider whether together they are likely to bring transformative change to their market systems.

The interventions under outcome 2 have a clear strategic focus on matching and information. Better informed youth are more likely to make market-driven education and career choices, and will more easily find jobs. Better matching will help them do this. In both areas the interventions show promising signs of systemic change, including large outreach. Relations between the different market players have been developed (e.g. Duapune with media channels), or will be (private and public matching). Together, the interventions have good potential to contribute to a transformation of the labour market system.

In the agro-processing sector, both certification and marketing management services could contribute to greater access to export markets, but scale in terms of companies reached is small and so far neither intervention looks promising in this respect. The access to finance intervention is promising in terms of systemic change but its effectiveness is still to be demonstrated. The skills committee on the sector could have a broad impact but will take long to show results if it is actually set up, and attracting FDI still has to demonstrate results. The project has done well at developing relationships between market players: AAM works together with NES, access to finance involves CBS, banks, the Ministry of Agriculture and INSTAT. Overall, though, the interventions still show few signs of transforming the sector, partly due to the choice of interventions, most being recent, the broad and diverse nature and needs of the agro-processing sector, and lack of scale. More focus, e.g.

on a sub-sector or on fewer functions of the market system but with larger scale ambitions (e.g. all certification and certification bodies), could be one way to address this.

In tourism, the interventions on tourist guides, in training, strengthening NATGA, and regulation are a good example of potential transformative change in the tourist guide market, though this is relatively small. The accommodation classification bylaw is likely to have a larger scale effect, but still has to show results. Product development is innovative and likely to become sustainable, but the scale is small. The skills committee is stalled and attracting FDI still needs to demonstrate effectiveness. The way to transformative change of the tourism market system is still relatively long, but most interventions show good potential to contribute to this.

In ICT, RA really works in two market systems: BPO and IT. The rapid progress with AOA and its focus on a few key areas, coupled with possible results of the FDI intervention and collaboration between AOA, FIAA and AIDA, could bring transformative change to this market system. Given its employment potential, addressing further causes of underperformance could pay off in terms of the project goal. In IT there is a clear focus on skills, which is a key constraint, but here too, broadening the intervention areas would increase the likelihood of transformative change (see our recommendations for suggestions to be considered). ALMOOC or the skills committees are not going to bring this on their own.

## 4. Progress on outcomes and goal

In this chapter we consider the next two levels in the project's impact logic or theory of change, i.e. the impact on enterprise level (outcome 1) and young women and men's use of labour market information and matching services (outcome 2), followed by impact on the goal, the numbers of young women and men placed in new jobs or matched to existing positions.

As most of the interventions are quite recent, effects on both these levels should be expected to be modest. In addition, while we have seen in the previous chapter there are good signs of and potential for systemic change, this has not yet been fully realised. The outcome and goal effects therefore cannot yet be counted as having resulted from systemic change. This is common in MSD projects at this stage of project implementation.

The targets are those in the latest revised logical framework, and are based on the project's projections. Again due to interventions being recent, their basis is not always very strong. The targets are therefore vulnerable to unforeseen factors, positive or negative. Our review of the projections with the project does indicate that they are overall conservative if the project's assumptions about the success of the interventions prove correct. In addition, for the most recent interventions no projections have been made as the basis for doing so is insufficient. This also leads us to conclude that the overall targets are conservative. The project not yet including indirect effects, for instance due to market players who are not partners taking up innovations, further confirms this.

## 4.1 Outcome 1: Businesses in the supported sectors of food processing, tourism and Information and Communications Technology, improve their performance and grow

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of businesses that realised additional income through project facilitated support (direct & indirect) | 79 | 180 |
| Net additional income incurred by target business (direct & indirect) | 273,773 Euro | 1.2 M Euro |
| Total (additional) private sector investment in targeted sectors (direct and indirect) | 1,998,450 Euro | 7.4 M Euro |

On the first indicator the achievement is close to half of what is expected by project completion. Most of the businesses that have improved their income (55) are in the agro-processing sector, largely farmers in supply chains. This is as expected since the project started with this sector. As it is the result of the intervention on marketing management consultancies with BiznesAlbania no link with systemic change can be expected. Projections indicate agro-processing and the tourism sector will account for 80 businesses each, with 20 in ICT.

In terms of net additional income of the enterprises as well as investment, less progress has been made. Here most was achieved in ICT (income) and agro-processing (investment, again due to the consultancy intervention). Agro-processing and ICT make up for the bulk of the expected investments.

Progress has been made at this level. The success of ongoing interventions will be critical to achieving the targets. This is doubtful for one which was included in the projections (local service providers with AAM) but lack of results there is likely to be offset by other interventions. Targets will therefore probably be achieved.

## 4.2 Outcome 2: Young men and women and businesses make use of more and improved Labour Market Information and Intermediation services

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Number of men and women who use public and private job matching services | 74,679 (private sector only; 56% women) | 80,000 (50% women) |
| Number of young women and men that have access to relevant and updated labour market information via the media | Preliminary findings of survey: more than 105,000 for one media channel | 100,000 (50% women) |
| Percentage of young women and men satisfied by labour market services and | Surveys ongoing, planned | 70% |

information

In line with the good progress of the interventions, progress on this outcome is strong. The target on access to information through media is confirmed to have been surpassed. Given the signs of systemic change, this is likely to be sustainable. A satisfaction survey is ongoing. Given positive audience feedback we expect the results for information provided by media to be positive. It is being assessed to what extent the audience is young. As parents strongly affect career choices their inclusion in the audience would actually be positive and is part of the intervention's objective. The extent to which women have been reached is being assessed.

The achievement on the first indicator, accounted for largely by duapune.com, is also impressive. The nearly 75,000 represent job seekers registered on duapune.com and at Çelësi. The majority of these are young, and the target for women has been surpassed. However, the indicator does not ask for the *additional number* of women and men and calculations do not make use of a baseline for Duapune. This should be reconsidered. Results for NES are not yet available (the intervention has not sufficiently progressed to assess them). As the number of users is large (141,000) an improvement in effectiveness could contribute significantly to the target.

Attribution for both the media and matching indicators is 100 percent to the project. This needs to be reconsidered, especially in matching. In media it is more plausible that the products would not have been developed without the project but this needs to be established and possible external influencing factors investigated.

Overall, the outcome targets are likely to be achieved, depending on the effects of comparison with a baseline, more realistic attribution, and successful implementation of the interventions.

### 4.3 Goal: Young women and men in Albania, aged 15-29, have improved access to gainful employment opportunities

The impact indicator and target for the goal were originally:

> Number of young women and men who find a job (per sector and gender), with a target of 11'000 young people employed by 2017, of whom at least 50% are women, including 4'000 in agro-processing and its supply chain, 4'500 in tourism and 2'500 in Information and Communications Technology (ICT).

A footnote explained that "these figures reflect overall job creation in the three subsectors between 2013 and 2017, and represent a 15% increase in the employment growth as projected without project intervention (i.e. if the agro-processing, tourism and ICT subsectors grow respectively by 3, 3 and 5% annually)". Not surprisingly this led to misunderstandings (expectations of an increase in 11,000 employed due to the project) and problems of attribution (as other factors have a strong effect on overall growth).

A revision of the logical framework corrected this by adding a new indicator, i.e. the number of new full time equivalent jobs that can be directly attributed to the project. This is in line with common MSD practice and the Donor Committee for Enterprise Development (DCED) Standard for

Monitoring and Results Measurement (MRM). It means the project actually counts the jobs that directly result from its interventions.

The current indicators, achievements and targets are provided in the table below. The first indicates that employment growth in the three sectors is on track (the total over two years is nearly 10,000), but it is not possible to say how much of this is attributable to the project. Jobs created as a direct result of RA's interventions are at about 10 percent of the target while for jobs matched this is 23 percent. The difference is as expected, as facilitation of systemic change in job matching is likely to have a more immediate effect and interventions in job matching have progressed more.

Nearly all jobs created in IT and BPO can be expected to be for youth, while this is likely to be more mixed in tourism and agro-processing. For Duapune this will be known once an applicant tracking system, developed with RA support, becomes operational. Targets for women are being achieved.

| Indicator | Achieved up to May 2016 (cumulative) | Project target (cumulative) |
|---|---|---|
| Additional jobs created in FTE (gender disaggregated, direct and indirect) | Overall job creation in the sectors (based on INSTAT data): 3,230 in 2014; 4,114 in tourism, 1,473 in ICT and – 2,357 in agro (December 2015) | 11,000 young people employed by 2017, of whom at least 50% are women, including 4,000 in agro-processing and its supply chain, 4,500 in tourism and 2,500 in ICT. |
| Additional jobs created in FTE (gender disaggregated, direct and indirect) | 92.2 outcome 1 (50% women)<br>26 people outcome 2 (FTE and gender not yet known) | 900 (50% women) |
| Net additional number of men and women that find a job through supported public and private matching services | 1,147 (at least 55% women) | 5,000 (50% women) |

The table below shows what has been achieved on FTE jobs created by intervention, to the extent data have been collected. It is too early for a valid effectiveness comparison, also because many interventions still have to be assessed. We note, though, that the attracting FDI intervention has already shown some results and that here there are at least prospects for sustainable change so that further impact is likely. A large share of the projected jobs depends on this intervention, though in another sector (BPO). The intervention with ALMOOC has also already created jobs. This is also positive as we concluded that it has good potential to result in systemic change, and therefore further impact. The same is true for the RisiTuristike intervention.

| Sector | Intervention | FTE jobs created |
|---|---|---|
| ICT | Development of Mass Open Online Courses | 24.7 |
| Agro processing | Developing marketing consultancy market | 20 |
| | Developing locally based service providers | 9 |
| | Attracting FDI | 25 |
| Tourism | Product diversification (RisiTuristike) | 13.5 |
| | Total | 92.2 |

Jobs matched were largely through Duapune and NES (in tourism). This also includes 52 jobs matched or created as a result of the media intervention. Anecdotal evidence confirmed by the project shows that young women and men have started businesses or found jobs inspired by the media products. A case study on the intervention is currently investigating this in a systematic manner.

Attribution to the project of impact is 100 percent, as it is for outputs and outcomes. This needs to be reconsidered and plausible attribution methodologies need to be devised for each intervention, at all levels of the results chains. A further issue is that training generally cannot be said to create jobs but to enable graduates to take a job. This may not always be the case, and in Albania's IT sector the increasing availability of IT professionals probably enables firms to take on more contracts, and so create jobs. The project reports that this has been the case. However, counting such positions as new jobs created requires an explicit attribution methodology and justification and research.

There may also be a case for considering a small percentage of the jobs matched as jobs created, on the plausible assumption that some of the vacancies would not be filled without matching services. This would bring the project in line with the practice of Enhancing Youth Employment (EYE) project in Kosovo. Again, this would require an explicit attribution methodology and justification.

A further consideration is that the project has not yet assessed indirect impact. Such impact could result from market uptake by market players who are not RA partners. E.g. media houses have been influenced by the interventions to cover labour market information, and this can be expected to have affected employment decisions. Indirect impact could also result from the broader effects in or even beyond a sector of specific interventions. E.g. while employment generated by funding a cycling tour operator in Shkoder is positive, the impact along the routes (where cyclists eat, overnight, may buy local crafts) and due to attracting more tourists or longer stays to the region is likely to be more significant. While we understand from SDC/the Swiss Embassy that their understanding of the targets is that they present "direct impact" of the project, assessing and reporting indirect effects is important and common practice in MSD projects. It could be reported separately to avoid confusion.

To the extent we can judge at this stage, projections (for direct impact) overall are conservative but vulnerable. E.g. one additional investment in BPO could add 500 jobs (as projected). One more could double this and one less would show no results and make the target unachievable. As in addition interventions for job creation take time to show results at this level, plausibility of the target is difficult to assess at this stage and in any case uncertain. We expect that the project's differentiated assessment towards the end of 2016, when more interventions mature, should provide a more solid basis for realistic projections up to October 2017. The job matching target is likely to be achieved in the project period if RA and Duapune address the causes of the current low levels of job placements and the intervention with NES progresses rapidly.

### 4.4 Cost-benefit

We consider results so far, the diversity of progress made, and the data available, to be insufficient to compare the interventions' cost effectiveness in placing young women and men in jobs. E.g. it would not be useful to compare the cost effectiveness of the ALMOOC and RisiTuristike interventions given their implementation stage.

A cost calculation per job or job placement for the project overall, based on the projections, is somewhat more plausible, as targets not being achieved under one intervention may be offset by others. Assuming that overall targets will be achieved and disregarding issues of attribution, by the end of the project it could be expected that 5,900 more women and men, mostly young, will be "in employment", in newly created jobs or due to better job matching. The cost to the Swiss tax payer would be CHF 780 per person employed. This is higher than the CHF 477 recently estimated for Phase 1 of the EYE project in Kosovo, which, however, uses different attribution methods (which were further amended by the reviewer in his calculations) and where actual costs and achievements were used rather than projections. The difference is largely due to:

- Greater maturity of the interventions (RA's review came 30 months after project start, EYE's 37 months).
- The greater success in actual jobs matched of EYE's private sector partners, and the PES interventions similar to those underway at NES being more advanced.
- More job creation as a result of EYE's consultancy assistance to lead firms, which, like RA's work in marketing consultancies, did, however, not result in systemic change.
- EYE counting a small percentage (5 in the first year, 2.5 in the second) of jobs matched as jobs created.

While we have made this comparison at the request of SDC, it should again be emphasized that the cost per person employed could well be very different by the end of the project, and that a valid comparison with EYE (or other SDC projects in the region) would require harmonisation of the attribution methods. At present these methods are more plausible at EYE than at RA.

## 5. Inclusion of women

The project's goal is that 50 percent of its beneficiaries (new jobs created and youth finding jobs) are women. As we have seen in the previous chapter, all signs are that this will be achieved. This is very positive.

The main reason for this success is the strategic choice of sectors. Young women make up a significant part of the workforce in each: in agro-processing 70 percent of youth employed are women, in tourism 50 percent, in ICT 50 percent. While the relatively small IT sub-sector includes fewer women (30 percent) the project also works in the BPO sector where young women predominate (70 percent). Current employment of women and potential to increase this was one of the criteria in sector selection[26].

This meant that "gender blind" interventions to facilitate growth in these sectors were actually sufficient to achieve the targets.

The project document does commit to more than including the potential impact on women in sector selection and targets, most importantly:

- Applying a gender lens to the analysis of the market systems.
- Intervention strategies that take into account specific measures to support gender equality (a gender position paper included in the document makes some specific suggestions, like tackling gender stereotypes through media).
- Disaggregation by sex of indicators and inclusion of relevant indicators in the results chains.

The first has been done consistently though with different degrees of thoroughness, some studies going deeper into the causes of gender inequality than others. A study on barriers to employment of youth considered gender inequalities in good depth[27].

The studies have not had much effect on the interventions as designed or the indicators in the Intervention Plans, apart from generic references to "gender sensitivity". E.g., the media intervention's key systemic change is meant to be "media provides attractive, informative and gender sensitive LMI programmes", but how the gender sensitivity is to be achieved is not reflected in the design, and there is no indicator to measure it. This needs to be addressed. Disaggregation by sex of results is, on the other hand, practiced where possible.

The project has not designed "gender overt" or women targeted interventions, i.e. interventions specifically aimed at addressing causes of gender inequality. This can be mainly ascribed, again, to the nature of the selected sectors, where in terms of impact on employment there seemed to be little justification for such interventions. At the enterprise or service provider level this is different. E.g. the study on financial services for agro-processing found that women lack information on the services and programmes available, adding that "often the access to information is limited given that business associations are typically a "men's club" offering favours to each other. Networking among women entrepreneurs almost doesn't exist".[28] This could have been the starting point for in intervention to increase access to information. The analysis of the tourism sector found greater

[26] Gregoire Poisson, Ariola Shehaj, Eida Motro-Iljazi, Sibora Dhima, "Sector selection report", 2013, Annex 10 to the project document

[27] ESA Consulting, "Youth employment barriers", August 2015

[28] Creative Business Solutions, "Financial needs of agro-processing industry and potential solutions", March 2014

vulnerability of women but this also did not contribute to an intervention[29]. The project not doing so is in line with the logical framework: it has not been tasked to contribute to the greater success of women entrepreneurs or Women's Economic Empowerment more generally. Targets for women's employment could be achieved without this.

In spite of the above, the project has taken measures to mainstream gender equality in the actual implementation of interventions, which is commendable. For instance, AAM was encouraged to include women in the training of local service providers (and did so), and criteria used by the RisiTuristike competition included giving priority to ideas that empower women through tourism (which was successful). Identifying gender discrimination in management structures and employment opportunities of BPO companies and providing recommendations to address them was included in the agreement with AOA. Agreements with the media partners specified the requirement to be gender-balanced (include women and men) and to counter gender stereotypes. This was also successful and our interviews indicated this had been internalised among the partners. This is an important achievement. What the impact has been is being assessed.

RA does not include gender quotas in partner contracts. We agree this could be counterproductive and persuasion is more likely to result in sustainable results.

In conclusion, the project's target for impact on women employment is likely to be achieved (in terms of percentage), largely as the result of a strategic choice of sectors. Given the absence or Women's Economic Empowerment indicators in the logical framework, this is all that should be expected. However, in addition the project has made good efforts to make some of the interventions contribute to gender equality, though this is not adequately reflected in intervention designs.

## 6. Use of the market systems development approach

We have seen what the results of the project are so far. Here we will consider whether they are the consequence of appropriate use of the MSD approach. This approach is characterised by using facilitation to address underlying causes of market system underperformance, rather than direct support to enterprises or other market players. In terms of process, it comprises a cycle of research, intervention design, partner selection, implementation (usually starting with a pilot), and scaling up if the intervention shows good results, or redesign if appropriate. Monitoring and Results Measurement (MRM) is a continuous process that feeds into the entire cycle.

RA has conducted extensive research and analysis on the sectors, and follow up research into the intervention areas it decided on (e.g. marketing management and financial services). Some was conducted by the project team, some outsourced to consultants. The quality of the market systems research is variable, with the agro-processing, tourism and labour market research (done by the project team) making good use of the MSD analysis framework and identifying root causes of underperformance, while this is weaker for ICT or some of the follow-up research (e.g. marketing

[29] RisiAlbania, "Market System Analysis: Tourism sector in Albania and business constraints to growth", no date

management services). Without doing the analysis ourselves it is difficult to judge how this has affected the project's effectiveness. It does seem clear that a thorough analysis of the business consultancy market would have concluded systemic change was not feasible and that better investigation of the IT market could have shown that introducing the Microsoft IT Academy was not a priority.

In its choice and design of interventions, the project has largely based itself on the research and mainly considered where it could add value (given the large number of donor projects), whether and how, with its limited resources, systemic change was likely to be achieved, and the potential impact on employment. This was appropriate. It has (with some exceptions) led to a mix of interventions that could affect employment relatively soon (e.g. in job matching), and others (most) that will take more time to show results. It is positive that they include interventions to improve regulation (e.g. bylaws in tourism, support to AOA) and informal norms (media), which many MSD projects find too difficult to tackle. Some interventions were the result of official requests (e.g. work on the bylaws, the Employment Promotion Programmes review), which were difficult to avoid.

Partners contributed to intervention design, which contributed to ownership and realism. In most cases, partners had already had contact and discussions with RA before an intervention was actively considered. This is in line with good practice. However, several of the interventions and partnerships (e.g. attracting FDI with FIAA, AOA, AAM, AGIS with CBS) were not based on an explicit, well-defined business model, that described the new practice and relations among market players the project wanted to introduce, with expected payment and benefit flows and a cost benefit analysis showing an innovation could earn an income and become sustainable. For some, development of a business plan (which is a tome-bound, more detailed plan based on the model) is still planned (e.g. NATGA and AOA). This is positive, but MSD projects' usual practice it to develop a business model prior to an intervention, to ensure that the innovation is viable and the partner understands what the benefits (and costs) are. As we have seen, not doing so has in some cases created uncertainties about the potential for sustainability.

Partner selection was through calls for proposals (e.g. media), "hand-picked" (e.g. Albinspekt) or because there was no alternative (NES). This is common practice. As we have seen in Chapter 3, the result has been that the project works with a relatively large number of public partners and donor-dependent NGOs. The first were appropriate to the interventions (e.g. NES) but are vulnerable to political or personnel changes (e.g. the sectoral skills committees). The latter appear to be difficult to avoid in Albania. We can conclude, though, that the most successful interventions are with private sector partners proper, such as the media groups, duapune.com, ALMOOC, and AOA. We believe this presents a lesson learned, though it may be not be easy to always apply it.

As indicated by our findings in Chapter 3, in its choice of partners and intervention designs the project has made good use of the potential to develop relations between market players. While it is early to assess which of these relationships will prove to be sustainable, some are underpinned by MoUs and most are in the mutual interest of the market players concerned. This is positive.

MSD projects are meant to be flexible enough to design interventions and select partners in response to a changing context and as opportunities for innovation arise. We encountered different views on whether the project has been done so sufficiently or has been wary of going forward without further research. Indeed, much research has been done, but in our view this is appropriate in the start-up phase. With the growth in experience in the selected sectors the project has become more opportunity driven, for instance in the interventions with Albinspekt or AOA. This is positive, but the experience with the first demonstrates that being opportunity-driven is not sufficient, while the experience with BiznesAlbania shows doing research is not sufficient either. Research and critically thinking through the intervention design, based on in-depth knowledge of the relevant market systems, contributes to avoiding such experiences. Discussions with the team and others, and a review of the intervention plans, indicate that this could be further improved.

The main change in the overall context is the current lack of responsiveness at the MoSWY in spite of the project's efforts to address this. At least one intervention is on hold, and there is little the project could do. Combating informality has become a major Government priority in 2015. The project has responded by considering interventions in this area.  This will require a better understanding of the underlying causes of informality and what the incentives would be to formalise. Informality is an intractable, complex and politically sensitive issue and the risks involved are significant.

Partnerships were defined in contracts or MoUs that clearly defined the roles of both sides. We have seen in Chapter 3 that the support the project offered was largely of a technical assistance and capacity building nature, which is appropriate. These inputs were of high quality.

Testing of an innovation usually includes a certain amount of financial risk sharing with the partner, i.e. a project contributing to the cost of developing and testing an innovation. With public partners this is not always feasible due to their budget constraints, and RA has consequently fully funded interventions such as the development of bylaws. In the private sector most projects use a rule of thumb that the partner should bear the greater risk (more than 50 percent), but RA has often been unable to apply this, with nearly half of the contributions going over this share, sometimes quite significantly. Overall, for public and private partners the average cost sharing was some 51 percent under Outcome 1 and 43 percent under Outcome 2. This masks a wide variety, ranging between 13 to 100 percent. Not surprisingly, high cost-sharing in the private sector applies most to the NGOs, which survive on project contracts in a market crowded with donors. Limited risk-sharing by the partner may indicate weak incentives and capacity to make the innovation work and be sustainable (unless another donor can be found).

Apart from this drawback, partners have overall contributed significantly in terms of expertise, with BiznesAlbania as the one obvious exception.

Most of the interventions are still in a pilot stage and scaling up has not yet started. Intervention plans should nevertheless include a clear scale strategy from the start, since innovations that cannot be scaled up do not lead to systemic change. This is not always the case in RA's plans, which should be addressed where interventions have no built-in scale. The latter include for instance duapune.com and the support to changes in the regulatory environment.

The project has made progress in establishing an MRM system compliant with the standard of the Donor Committee for Enterprise Development (DCED). It is not yet fully developed, however, and interviews with the project team indicate that designing results chains has only recently started to play its important role in planning interventions. While semi-annual intervention reviews (which include review of results chains) are being conducted, the extent to which they are informed by up-to-date MRM data is also limited.

The system was recently reviewed with the help of an external consultant. Weaknesses to be addressed included the broad scope of some of the results chains and some steps in the logic being missing, absence of timelines, measurement of systemic change, and inadequate attribution methods. We confirmed this. The project is in the process of addressing these. The consultant also indicated the causes of the system not yet being in place, which we will consider in the next chapter.

In conclusion, overall the project does well at applying the MSD approach, but some weaknesses need to be addressed, the most important being research using the MSD analytical framework, more critical design of interventions, use of business models and completion and better use of the MRM system.

## 7. Project set up

### 7.1 Structure and capacity

Professional staff in the project team comprise a manager and her deputy, four intervention managers, a part-time (30 percent) gender focal point, and a part-time project officer in charge of communication and support to the MRM.

Having different staff members in charge of the intervention areas is a usual structure for an MSD project. This has worked well also for RA. The current intervention managers are specialists in their field, and can draw on a wide network of contacts. However, their workloads have become heavy with the increase in the number of interventions. This is partly due to the project not making use of co-facilitators, which could take charge of day-to-day implementation of specific interventions. The advantage of not using co-facilitators is that staff are in close contact with the partners, and market players in general. The disadvantage is that they are relatively deeply involved in implementation, at the expense of more critical and strategic thinking and oversight, and more interaction between team members on that level. This has affected internal learning, though this is taking place to some extent. It also affects the design quality of the interventions, where more critical thinking within the team could lead to more progress towards systemic change.

The MRM function has been badly understaffed, as also pointed out by the consultant who reviewed the system. MRM is one of the responsibilities of the deputy. She is also a technical advisor, deputy manager, and provides support on MRM to the other HSI MSD projects in the region. This is an impossible combination, with the first three tasks each being a full-time job in their own right. This is the main reason of the MRM system not being fully in place.

The gender focal point role, which is combined with administrative responsibilities, suffers from under-allocation of time as well. While outreach to women has been good in terms of targets, in our view the project could have made a greater contribution to gender equality. If the next phase would put greater emphasis on Women's Economic Empowerment (as we recommend) more time and expertise would be required.

The communication function is also fulfilled on a part-time basis. RA publishes and disseminates a newsletter, has a website, and also supports organisation of conferences or other events where it shares information on its activities and lessons learnt with a wide range of market players. This is positive. More work needs to be done, though, to convincingly inform high-level stakeholders (in the ministries) about the project's approach and results. This is a continuous process given rapid turnover and political changes and is the responsibility of project management supported by a communication officer. It should be based on a compelling narrative.

The team and management are capable and committed. Our interviews indicate their understanding of the MSD approach and facilitation is good, due to the investments made in training and the support and coaching by the deputy manager. The overall appropriate use of the MSD approach confirms this. Relatively few staff had significant exposure to the global MSD experience (only management participated in the Springfield M4P training). Our experience is that this is important for knowledge transfer, building confidence in using the approach and fostering more critical and creative thinking.

### 7.2 Management procedures

All the usual management tools are in place and functional: work and financial planning, regular team and one-to-one meetings, staff appraisals and capacity development planning, and an independent annual audit. RA submits two progress reports per year. These are of good quality, but could benefit from some more self-criticism and reporting on problems encountered.

The team conducts semi-annual sector/intervention reviews which are useful. In our view, based on the reports, they could be more thorough, by more ruthless (rather than polite) questioning of all aspects of the interventions. This could have helped weeding out the more doubtful ones and contributed to more internal learning. We also note that some of the conclusions of the reviews, which pertain so some of our own concerns (e.g. the need for business models) seem not to have been followed up sufficiently.

The Yearly Plan of Operations is clear and seems realistic. It is a flexible document and does not limit the project's scope to take new initiatives. This is appropriate in an MSD project.

As indicated above, the MRM and its use is still a weakness in the management of the project.

### 7.3 Technical backstopping

HSI HQ supports the project through monthly management meetings (by Skype), participation in some of the intervention reviews and planning, other short-term missions, advice on request, and training. HSI has played a key role in fostering relations between the three MSD projects in the region, which has resulted in extensive mutual learning and exchanges. This has also enabled RA to transfer lessons learnt to its partners (e.g. ICT partners visiting the IT Hub in Sarajevo).

This support has been useful and contributed to the project's effectiveness. It has been much appreciated by the project.

However, we find that HSI misjudged the importance and urgency of developing a fully operational MRM system, and the amount of work and expertise this required. It should have addressed this early on, by allocating more staff time and investing in high-level consultancy support. In addition, while we have seen that overall the project has done well at applying the MSD approach, we noted several shortcomings. In our view these could have been addressed more effectively by the backstops.

The backstops do not submit reports to the project after each of their missions, with clear assessments of and recommendations on overall strategy, interventions, MRM, project management, and reflections on discussions held. This, in our view, reduces the effectiveness of backstopping and can contribute to a lack of project follow-up.

### 7.4 Consortium partner – Partners Albania

Partners Albania's main contribution is the employment of the four intervention managers. The CEO also contributes to intervention reviews and networking. Support to implementation was limited to training on advocacy and development of an advocacy plan with AOA.

The limited technical inputs reflect the arrangements between the consortium partners, which clearly put HSI in the lead role and allocate few resources to Partners Albania. In addition, PA implements a wide range of donor-funded projects and its capacity is limited.

Commitment to the MSD approach seems to be lukewarm, mainly as a result of the time facilitation takes to show concrete results and RA being the only project in the country using it. PA has not adopted aspects of MSD in its other activities.

PA's Director has participated in regional MSD training, but based on experience elsewhere (e.g. Kosovo) we expect that more international exposure could have addressed some of the doubts about the approach.

Overall, PA has been effective within the limited scope allotted to it, but more use could be made of its considerable expertise. This presumes that PA is interested and develops a commitment to the MSD approach.

### 7.5 Financial resources

Spending was largely on track in 2015 (at 92 percent of the allocated budget) and so is spent for the phase (49 percent by the end of 2015 over 54 percent of the phase duration). Expenditure is least (in terms of percent spent against funds allocated) in agro-processing and on the Skills Sector Committees (currently stalled). Some reallocations could be considered depending on how the interventions proceed.

While on this basis the project may seem to be adequately resourced, this is rather the result of careful planning. Our review indicates the project would have been more ambitious, and would have achieved more, if it had more resources for interventions and for more staff to guide their implementation, or for co-facilitators to be the project's extended arm. As it is, for instance the expenditure of some CHF 100,000 on a contract to expand the BPO international market seems a massive commitment. It should not have to be, though we agree the intervention needs to be carefully thought through in terms of the systemic change and impact it is meant to achieve.

Resources for MRM are highly insufficient, as also indicated by the consultant who recently reviewed the system. This has not only affected its development, but will also affect data collection, e.g. research on indirect impact. If the project (and SDC) are to benefit from MRM, more will need to be allocated.

### 7.6 SDC and steering

Comments on the role SDC/the Swiss Embassy play in steering and supporting the project were consistently very positive, including with regard to understanding the MSD approach. SDC reviews reports and annual plans (which it needs to approve), has played a role in some of the interventions (e.g. FIAA meeting Swiss businesses, participation in high-profile events), has established (through the Embassy) a coordination platform among the projects in the Swiss economic development domain (see below) and is currently supporting the project to establish relations with the new leadership of the MoSWY. This, and the advice of the Western Balkans Regional Advisor e+I based in Pristina, have been constructive and are appreciated by the project.

The project has an Advisory Board including representatives of the public and private sector and youth associations, which meets annually. This was functioning well until this year, and contributed to good relations with stakeholders and an extended network. The change of leadership at the MoSWY meant the chairperson had to be replaced this year, which the Ministry had not yet acted on at the time of our review. The Board had therefore not met.

### 7.7 Coordination, collaboration with other projects

One of the Embassy's initiatives has been the establishment of a coordination platform, last year, for the Swiss projects in the economic development domain (Skills for Jobs, Entrepreneurship Development Programme, Skills Development for Employment, and RisiAlbania). This is important given the potential synergies and conversely overlaps between the project, for instance in the skills area. The results have so far been limited to information exchange, as the first two projects are quite recent. However, exploratory discussions are already ongoing with the Entrepreneurship programme. RA could possibly learn from its approach to mentoring. If RA's next phase includes career guidance as a new intervention area (as we recommend), close coordination and mutual learning will be required between RA and Skills for Jobs.

The signs that this could be successful are good at least from RA's side, which has an excellent reputation for cooperation and collaboration with other projects. This is evidenced by comments from mutual partners. A common comment was that RA does not push for its own models and interventions but contributes where there are support gaps and builds on prior work done by other projects. The collaboration with the ILO/IPA project, was, as already mentioned, very positive. This is an excellent achievement.

# 8. Conclusion and recommendations

## 8.1 Overall conclusion

The project has made good progress on the research, planning and implementation of interventions. Nearly all interventions have been designed for systemic change, and apply most of the key principles of the MSD approach. More consistent application of the MSD analytical framework, a more critical approach to design and reviews, and the more consistent use of business models, could have strengthened this. While the cost-sharing with which the project takes on part of partners' risk of introducing innovations has been relatively high, this was difficult to avoid given the presence of donor projects that do not take the MSD approach. It has been reduced over time. Assistance to Government partners was usually fully funded, which was probably unavoidable given these partners' budgets. Cost sharing has with minor exceptions been for technical inputs, which have been of high quality.

Partners unanimously praised the project for the relevance and efficiency of its support, and its collaborative approach, including to intervention design and in relation to other projects. This is a key accomplishment.

The majority of the interventions are recent, and signs of systemic change are therefore still limited. They are strongest in the labour market, where interventions are also more mature. The work to have media provide labour market information in an attractive manner is showing excellent results and is reaching sustainability as well as scale. Innovations with a job matching portal and NES are likely to become systemic, though further work is required, with Duapune as well as NES. The results in the agro-processing sector are mixed, in part due to the project starting on the wrong foot with interventions in the donor distorted market for consultancy and advisory services, of which the latter may still show results. The intervention to improve access to finance shows the best potential to become systemic.

In tourism there are good signs of systemic change as a result of the RisiTuristike competition. The results of drafting bylaws, support to the tourist guide association and upgrading of guiding skills cannot be assessed yet, though the interventions are promising. In the IT sector interventions to improve IT skills through MOOCs and advocacy and market access for Business Process Outsourcing businesses show good potential too, though they are still very recent.

A cross-sectoral intervention to attract FDI in the sectors is too recent to assess. The intervention to set up Skills Sector Committees has been stalled, though its potential impact could be very significant.

The project not avoiding the challenging areas of legislation and norms is commendable. Its mix of partners, however, includes a high share of public sector bodies and NGOs, which makes results vulnerable to political change and shifting donor priorities.

Impact on jobs created and matched is still limited, which is not uncommon in MSD projects in RA's stage of development.

### 8.2 Recommendations Phase 1

The approach

1) Additional research should be more consistently based on the MSD analytical framework and identify underlying causes of underperformance. This can best be achieved by project staff heading the team to which research is outsourced and engaging with the consultants throughout. Teams should include gender equality expertise. This does not mean writing voluminous reports (those written by external consultants usually offer much information that is irrelevant), but focussed analytical studies.

2) Most interventions are appropriately designed, but some require a clearer definition of the assumptions made, systemic change objectives, and the logical and detailed steps leading to them. This includes certification with Albinspekt, marketing services with AAM, and introduction of the Microsoft IT Academy. Most others could benefit from a more critical review. We recommend that:

   - At the next semi-annual sectoral review, the team takes a more self-critical approach, "interrogating" each of the steps in the intervention designs more thoroughly, asking tough questions about why the project is implementing the intervention, based on what assumptions, what exactly it will do and why, what it is expected to achieve, how this would be sustainable and reach scale, and how it would affect youth employment. This should include critical questioning of the inclusion of and impact on women[30].
   - New intervention design and re-design of ongoing interventions takes a similarly more critical approach and includes, as a final step, review with an external expert in the technical field, from the private for-profit sector.

3) Several of the interventions are not based on a clearly defined business model (identification and assessment of the target market, who pays for what and how much when the new model is operational, costs, identification of factors that may affect viability, benefits to the partner and to its clients). This weakens the sustainability of intervention results. The project should give priority to redressing this (at CBS, FIAA, AAM) and should in future do so when an intervention is designed.

4) Approach potential partners with a well-defined offer of support to introduction of the new business models and then negotiate with them.

5) To the extent possible avoid fully funding an intervention, without a contribution from the partner. A partner not contributing indicates a lack of ownership, and weak incentives and capacity to adopt change.

[30] It has been suggested the Swiss Embassy and the National Programme Officer should participate in reviews. In our view this could lead to confusion of the steering and implementation roles, of which we have seen negative effects in other (non-SDC) projects. We would not recommend it. If SDC nevertheless goes ahead with this we suggest it should be done in full agreement with the implementing consortium and that SDC's role be clearly defined (e.g. limited to questioning).

6) Support to development of business plans, where this is appropriate (in new organisations or those whose financial sustainability is insecure, e.g. NATGA, AOA) will strengthen the sustainability of the innovations introduced. This is already mostly planned, should be pursued, and should be considered for all new interventions.

7) Where appropriate (e.g. in service provision), intervention designs and partner selection should give priority to collaboration with the for-profit private sector, where incentives are stronger and clients are businesses rather than donors (as is the case in the "NGO" sector), and the vulnerability to political change is less (as is the case in the public sector)[31].

8) There is much to be said for making use of new opportunities, but when these arise, interventions should be as thoroughly designed as those that come out of research, and further focussed research should be done if this is needed. This is not in contradiction with making use of new opportunities but lies at the basis of it: without research and analysis effectiveness will be lower. The rule should be: do not proceed without ensuring you have the research that confirms you are on the right track.

9) Scale is one of the key objectives of the MSD approach and a plausible scaling up strategy should therefore be part of the initial intervention design. It should be reviewed and updated on a continuous basis as results become available (as should the interventions with the initial partners).

Interventions

In addition to the above recommendations on the approach, which affect several interventions, we recommend the following for individual interventions. This is limited to interventions which need strengthening or that are at risk. The others should proceed according to the project's Yearly Plan of Operations.

**Development of locally-based service providers**

10) The systemic change aimed at was unclear: availability of establishment of local providers of services to agro-processing businesses, training for employment of youth in such businesses, or both. Before any further action (e.g. any further training or promotion), the project should:

- Assess the effectiveness and impact of the pilot with AAM in both respects (planned for July and January, but we suggest any decision should be taken only after the second).
- Depending on the results, discontinue the intervention (which could mean discontinuing activities on either or both of the presumed systemic changes aimed at), or redesign to effectively achieve establishment of local service providers, or of skills training for employment, or both (in which case there would be two interventions).
- Reconsider the choice of partners.
- Include an assessment of potential sustainability (business model) and scale – if this is weak, do not proceed.
- Define a clear scale strategy – if this is not possible, do not proceed.

[31] See lesson learned for more on this.

- Increase the inputs of partners significantly.

**Development/improvement of pre-inspection services for organic certification**

11) Results in terms of bringing more companies to buy organic certification, and so access more markets, are still limited. The project should:

    - Critically assess the intervention's effectiveness in increasing the numbers of companies certified, their plans to continue this, and market access. This is expected in the third quarter of 2016, which may be too early.
    - If the results are positive, consider support to promotion of pre-certification services for other certifications and providers (as planned). If not, discontinue.

**Product diversification in tourism**

12) While the RisiTuristike award winners are making good individual efforts to market their new services, the extent to which they are linked to markets through other market players is unclear. The project should:

    - Assess this.
    - Address this if necessary and feasible.

**Developing a bylaw for tourist guides with NATGA**

13) The project has already planned support to NATGA, including development of a business plan which is crucial. In addition it should:

    - Provide support through advocacy training and development of an advocacy strategy, and support implementation of the strategy if necessary. This is particularly important now the draft bylaw for Tourist Guides has been revised by MEDTTE.
    - Support (indirectly) NATGA and other market players involved in the process in advocating for a return to the earlier draft.

**Introduction of the IT Academy**

14) This intervention is at risk as there is little demand for the courses. A possible measure that could still be taken is for Microsoft Albania to provide information on demand for the skills in the private sector, which partners can use in promotion. We expect it will make little difference. The project should assess effectiveness and potential sustainability towards the end of 2016 and discontinue the intervention unless there is a dramatic change compared to the present situation.

**Labour market information through media**

15) This intervention is a success and changes will have become systemic if the remain in place without project support. The project should:

    - Cease financial support beyond what is already planned.

- Continue monitoring progress, providing guidance, and address issues if they arise and if they cannot be dealt with by the media houses themselves. This should include the Department of Journalism and Communication of the University of Tirana.

We do not see the need for facilitation of broader change in the media market if this is not directly related to the project's goal.

**Duapune.com job matching services**

16) While this intervention is well on track with regard to commercialisation of the service, the numbers of job applications, jobs posted and firms using the service have not increased and the number of job placements is still small. The project should, with Duapune:

- Investigate the causes.
- Support Duapune to address them.

**Çelësi Profesionisti recruitment service**

17) Profesionisti is at risk of becoming just another competitor to existing agencies. The project should:

- Assess by the end of the year which market is being served and to what extent financial targets are being achieved.
- If the main focus is on middle and higher level positions, discontinue this intervention. If lower level positions are being served, review support based on financial results.

**NES**

18) Neither other donor support nor the development strategy for NES foresee an internal training function at the organisation. For improvements to performance to be sustainable this would be essential, especially given high staff turnover.

- RA should discuss establishing and internal training function this with NES and other projects and consider support.
- In addition it should support the roll-out to all NES offices of management and performance assessment tools that were piloted in Durrës (already planned).

**Public debates**

19) Market players' ownership of and interest in this intervention area and its limited results do not justify the project investing more time and funds. It should be discontinued. The MSD approach to affecting the business enabling environment is indirect, through support to market players' advocacy efforts, which the project is demonstrating through its work with NATGA and AOA.

**Future interventions**

20) The Yearly Plan of Operations includes a number of possible new interventions, some of which are already under discussion. We support the following, with the proviso that the recommendations on the approach are fully applied.

- Support to two proposals of the Albanian IT Association as part of an action plan of a group of IT associations from six countries in the region. This could contribute to greater international market access. It could also be the starting point for a new advocacy capacity building intervention, depending on need, interest and feasibility.
- Support to an IT Innovation centre, with existing partners in the IT sector – this could present a good opportunity to strengthen collaboration, skills upgrading, marketing and raising the profile of the sector. RA should ensure that it does not get drawn into another donor-driven innovation centre initiative.
- Marketing services (online marketing, marketing information) for the tourism sector – this could contribute to an increase in the number of tourists, but the project will need to stay away from business consultants and similar markets.

21) We have doubts about planned efforts to tackle informality with the Albanian Agribusiness Council (KASH) and BiznesAlbania, which is a response to the new Government strategy to reduce informality. This has already started with the project convening a high-level forum. Our concerns are based on:

    - The absence of adequate analysis of the root causes of informality and the incentives informal enterprises and farmers could have to become formal.
    - The lack of inclusion, so far, of informal enterprises themselves.
    - The partners, of which the second has already proven to be unreliable, and which are not genuine private sector representatives.
    - Informality being an intractable and politically-charged problem, with little feasibility for the project to affect (as had been its earlier assessment), and best left, in our view, to the Government itself.

    We recommend that the project reviews its involvement in order to address these concerns, which may, though, result in it supporting a concrete, well-researched intervention.

22) We have the following suggestion with regard to the certification intervention:

    - Even if the intervention on pre-inspection with Albinspekt proves insufficient in terms of reaching more new clients, the scope for improving market access through better certification services is reported to be good (by partners as well as disinterested interviewees). The project should consider an assessment of the market system for certification and interventions to address underlying constraints, in consultation with the SECO funded Local Organic Certification Bodies project which is also working in this market. This does not have to await (as planned by the project) the results of the current intervention. It can also contribute to the design of Phase 2.

<u>Project set up</u>

23) SDC and HSI should give high priority to the recruitment of a full-time MRM specialist on the team, and allocate more funds to data collection for MRM and development of a system that effectively supports monitoring and results measurement for managing, learning and reporting results.

24) The project should urgently further develop its MRM based on the recent recommendations of the MRM consultant, and using high-level external expertise to support this.

25) Finalisation of the MRM should include review of the methodology for attributing impact to the project and develop an explicit description and justification of how attribution is calculated for each intervention.

26) The indirect impact of the project (through market uptake by non-partners and through broader impact on the sectors) could be significant. The project should assess it to the extent funds allow, and in any case include it in Phase 2.

27) While the staff is capable, more exposure to global MSD experience and discussions would enhance creative and critical thinking about systemic change and interventions. We recommend more international training for those who have not benefitted from this yet, including for the Director of PartnersAlbania.

28) Some intervention areas (e.g. in agro-processing) show relatively low expenditure. The project could consider reallocations of financial resources for the interventions based on projected needs.

29) While backstopping by HIS HQ has contributed to the project's achievements, its effectiveness needs to be increased, in particular with regard to better use of the MSD approach. Backstops should submit reports to the project and SDC Tirana after each of their missions, with clear assessments of and recommendations on overall strategy, interventions, MRM, project management, and reflections on discussions held. Follow-up from the project's side should be monitored closely and supported where required.

### 8.3 Recommendations Phase 2

The following recommendations are for consideration and further assessment, where necessary, by SDC and the implementing consortium.

<u>Sectors and intervention areas</u>

30) Results in the three selected sectors and the labour market system and involvement of other projects are such that there is sufficient scope for further facilitation of systemic change to improve performance and create jobs. As we have seen, the sectors are highly relevant to this goal. Adding more sectors would stretch the project too thin and would mean another round of research. This we think is not a priority now.

31) The project should maintain its focus on systemic change at the national level, which has the potential to affect many, but formulation of the next phase should consider adding a regional and a value chain (sub-sector) dimension, in tourism, and agro-processing respectively (not in ICT, where this is not applicable). This would, in the first place, offer opportunities for addressing more specific causes of underperformance. Secondly, it would contribute to identification of constraints that can be taken up at a higher level, or to business models that could be scaled up

elsewhere. Thirdly, it could contribute to more visible and immediate impact on jobs[32]. Finally, market players with a local presence, in the public as well as the private sector, often demonstrate greater motivation to introduce change.

32) The design of the project under Outcome 1, with outputs for business and financial services, skills and advocacy, as well as under Outcome 2, has to be revised based on what the project now knows about the sectors. A more generic formulation which commits less to specific interventions will provide greater flexibility in intervention design. The revision needs to be done by the team that formulates the document for Phase 2.

33) If a business services output is maintained, the project should give priority to improving and adding to services that are provided on a commercial basis already (e.g. in advertising, design) and stay away from donor dependent services.

34) In the skills intervention area the project should become more ambitious, working with a larger number of providers at all levels (from secondary to University and to upgrading), especially on short courses and in the private sector. This is an intervention area with great scope for impact[33].

35) Interventions that develop business-to-business linkages for knowledge transfer, investment and market access (as now being developed through interventions in IT and BPO) should be considered for the other sectors. This also offers scope for involving the Albanian diaspora and for B2B linkages with the Swiss private sector.

36) Under Outcome 2 we expect that the media intervention in its current form and private job matching services interventions will have largely been concluded in Phase 1. A new intervention area should be career guidance and counselling at all levels in the education and training sector. This should be preceded by an MSD analysis of this market system, including the roles of other donors, be implemented in consultation with the Skills for Jobs project, and draw on the experiences of the EYE project in Kosovo (positive and negative). Further work with the media could contribute to this new intervention area. If other new intervention areas in media are identified that could contribute directly to the project goal these could also be considered.

37) We recommend that Phase 2 includes Women's Economic Empowerment in its logical framework. Reaching targets for inclusion of women among the final beneficiaries has been relatively effortless. There is scope to do more at the enterprise and beneficiary levels, and the project can make an important contribution.

[32] We suggest that the project considers what can be learned from interventions undertaken by the SDC/RDA Zlatibor project which has developed a successful business model for support to young people and women to start raspberry and honey production, including through loans and embedded advisory services. The model is already generating jobs in these two value chains (650 FTE within two years) and is showing signs of being applicable to other products.

[33] As demonstrated by the SDC/HSI/MDA EYE project in Kosovo.

Project set up

38) At the time of writing the cooperation between MoSWY and RA faces difficulties. We hope this will be resolved during Phase 1 and will not affect the design of Phase 2. If this proves not to be the case, the MEDTTE would be a good alternative, given positive relationships and the project's sectors, though relations will all ministries are vulnerable to political and leadership change.

39) The project would benefit from a more substantive relationship between the two consortium partners, with PA playing a stronger role in the entire project cycle and aiming at it taking on the MSD approach. This will require revising the consortium agreement, including the way funds are allocated, based on in-depth discussions between HSI, PA and SDC. Implementation of this recommendation depends on PA being interested.

40) While many of the interventions are still recent, Phase 1 provides a promising basis for a more ambitious Phase 2 along the lines proposed above. The Phase 1 budget has been a limiting factor and has affected decision making more than we consider appropriate. We recommend that SDC allocates more funds to Phase 2. We do not recommend a budget increase takes the form of an Opportunity Fund, as the project has demonstrated it can use its resources with sufficient flexibility without such a fund, which would constitute an additional management and administrative burden.

41) More funds would enable the project to work with co-facilitators for specific interventions (rather than sectors), which we recommend. We have already pointed out possible disadvantages of using co-facilitators, but these can be avoided by not considering them as sub-contractors but as part of the project and a developing pool of national MSD expertise. The main benefit is important: it will allow staff to be less involved in day-to-day implementation and contribute more strategically.

42) The gender focal point function is understaffed and should be increased to 50 percent, with the remaining 50 percent allocated to external communication.

### 8.4 Lessons learned

The main lessons that can or should be learned are already reflected in the recommendations on the application of the MSD approach.

We will expand on one of them here: the project's experience demonstrates that many markets are donor-driven. One possible response is to accept this. Many donors, e.g. the EU, are there to stay, and are likely to be as or more reliable than Government of Albania support programmes. The other is to avoid such markets as distorted and less likely to show potential for systemic change. Which approach to take, can be assessed on a case-by-case basis. Where the donors' primary beneficiaries are service providers to the private sector, the real risk is that the donors rather than the enterprises are the actual clients. This is the case in the business consultancy market, and working in such markets should be avoided. Where the beneficiaries are enterprises, donor funds may be an opportunity to facilitate change. E.g. if the EU would allocate "IPARD-like" funds for investment in agriculture this could open up possibilities to facilitate complementary change in that market system.

The project has invested significantly in research. Its experience shows that good quality, targeted research and analysis is a precondition for interventions that will result in systemic change, even though it may take some time before activities come on stream. The project has also demonstrated that this should go together with making use of new opportunities and creative thinking (e.g. in RisiTuristike, media). The lesson learned can be summarised as "research and analyse, then do".

A fully functioning MRM system is key to all stages of the MSD project cycle, as well as learning and accountability. This needs to be developed early on in a project and requires a significant up-front investment, in staff and technical support.

Where partners' incentives coincide, the project has demonstrated they are willing to work together, including across sectors (public and private). This can be crucial to the effectiveness and sustainability of some interventions (e.g. AGIS in financial services), and could have longer-term positive side effects.

The intervention to disseminate labour market information through the media is one of the project's big successes. In our view this is due to RA's thorough research which established demand for the programmes and analysed the Albanian media landscape as well as international good practice; the nature of the partners (commercial private sector); careful selection of partners on the basis of a competitive tender; a clear business model that we found the partners had well-understood and that built on their incentives in a competitive media environment (new products for new and larger audiences, profits as well as social motivations); and the project not making the common mistake of funding airtime. Some of these lessons (thorough research, partners and business models) are applicable to other interventions.

Overall the project's experience shows that interventions with for-profit private sector partners (the media groups, duapune.com, ALMOOC, and AOA) have the greatest likelihood to succeed. This argues for selecting and designing interventions with the question "can this be done with a private sector partner" rather than ending up with a business model that can only be tested with an "NGO". E.g., if the choice is between interventions for providing services through consultants or advisors and for developing services embedded in value chains, the latter is probably the better option.

The ongoing exchange of experience between similar projects in the region contributes to improved knowledge sharing, including with regard to intervention designs (e.g. in media and job matching portals in this case, possibly IT still within Phase 1). This is an important achievement for HSI and the projects concerned which other executing agencies could learn from.

## Annex 1 – Review questions

**The Key Questions related to the specific objective:**

1) **Relevance** of the project's approaches and strategic orientation in the given development/transition context, and the use of MSD analytical frameworks including perception of the implementer by relevant stakeholders (public and private market players)?

    a) To what extent do the project strategies and interventions respond to national and sectorial policies and strategies, identified needs and the regional context?

    b) How are the interventions' strategies supported / facilitated by the project?

    c) How do private and public market players perceive the project strategies and interventions and the results achieved?

    d) What have been the major challenges and potentials of the chosen sectors in terms of market development? How has the project team addressed those challenges? What are the lessons learnt?

    e) Who are the main market players and value chain stakeholders that the project is currently working with? What are the reasons for the selection of partners and the potential value-added?

    f) To what extent have the stakeholders' views (private sector, local institutions and other stakeholders) been taken into consideration and how have they been involved at the design stage of the strategies for intervention?

    g) To what extent have the project implementers taken into consideration the evolving transition and changing context in Albania during project implementation and redefined project objectives and/or approach accordingly?

    h) To what extent has the project reached its target group, directly and indirectly?

    i) What is the relevance of the interventions and project local partners' contribution in terms of youth unemployment reduction?

    j) What has been the added-value Switzerland has brought (including Swiss experience, comparative advantages)?

2) **Effectiveness** of project implementation towards reaching the set objectives and goals?

    a) To which extent has the project contributed to the likelihood of achieving goals as set in the Credit Proposal and Project Document, which have been translated into results and intervention strategies for the inception phase and throughout the implementation phase?

b) To what extent has followed the MSD approach including corresponding Monitoring and Evaluation (M&E) systems?

c) Is the project working in the right sectors and are the strategies and related interventions starting to show its effects and potential to scale-up or is crowding-in and copying already taking place and if to what extent.

d) How is the transversal theme of gender mainstreamed by the project team in the project intervention, particularly its appropriate inclusion in the intervention design and implementation strategies? Have the achievements of the project been inclusive?

e) How have the project set-up and its steering mechanisms contributed to achieving the objective of the project?

f) How has the consortium set-up contributed to achieving the objectives of the project? What has been the contribution of the consortium partners?

g) What are the main results achieved at output, outcome and impact level, lessons learnt and their implications and measures for the next second phase?

h) What is SDC's contribution, vis-a-vis RiSiAlbania, Helvetas Swiss Intercooperation (HSI) and Partners Albania with regards to their organizational development and learning processes?

i) To what extent have lessons learnt been transferred to relevant stakeholders (including civil society, government, interest groups)?

3) **Efficiency** of the project implementation set-up and project steering?

a) Does the project have a proper understanding of the facilitator role?

b) Is the management model/project set-up adequate for achieving the set objectives?

c) Have the financial and human resources been efficiently allocated?

d) Are the project management and steering mechanisms in place and adequate for the efficient implementation of project activities?

e) Is there an established results-oriented monitoring system at outcome level, with necessary timing and responsibilities for results-oriented monitoring and steering?

4) **Impact**, i.e. assessment of the likelihood of significant scale and job of the project interventions?

    a) Are the interventions designed to allowing systemic change and scale? What is the likelihood for achieving scale?

    b) Have interactions, transactions and communication between the private sector, governmental and non-governmental organizations – facilitated by the project – changed in the targeted sectors? If yes, in what way?

5) **Sustainability** of conducted reforms, cooperation with other Swiss supported projects and outlook for the future; assess the scale and sustainability to achieve employment creation?

    a) What is the strategy for improving sustainability and opportunities for up scaling (e.g. government, multilateral organisations, private sector)? To what extent the Market System Development (MSD) approach has become accepted by local stakeholders?

    b) Will the results of the implemented project components last beyond the end of program? What are the indications for this? What are necessary steps in the remaining months to ensure this?

    c) Which results are likely not to be sustainable? Are there options to increase the chance of sustainability within the remaining project period?

    d) How do project components interact with other Swiss supported projects and what are their sustainable impacts taken in a joint analysis?

    e) Are the expected results of the proposed interventions sustainable, allowing the activities to be continued and in place upon the end and beyond of the project? What are the prospects for sustainability in particular with reference to the targeted actors, particularly in the private sector?

    f) What is the cost-benefit of the project's interventions as an evidence of sustainability of the interventions during and beyond the project?

6) **What are the recommendations with regard to findings under main questions 1-5?**

Based on the review of the project, the team shall provide **recommendations** for the:

1) Remainder of the ***current phase***, according to the 5 above mentioned evaluation criteria, allowing the project to consolidate and sustain its major achievements and carry out the necessary adjustments notably in view of the next phase.
2) ***Design of the next second phase*** of the project. These include but are not limited to the following questions:

- Whether to continue with the next second phase of the project with the same leading Ministry of Social Welfare and Youth? Depending on the chosen options, proposals should be made on also in these directions:

A) How to streamline the new mandate so that it ensures crowding-in and replication of the project's interventions by other market players?

B) Whether to continue with three sectors or to sharpen the focus on stronger growth oriented sub-sectors where larger interventions could be designed and implemented by the project?

C) How to best utilize the partners and projects comparative advantage and know-how compared to other Swiss supported projects in Albania?

## Annex 2 – Draft Agenda for RisiAlbania MTR 9th – 21th of May 2016

**May 9th, 2016 – Monday**

| | | | |
|---|---|---|---|
| 07:45 – 08:50 | Meeting with SDC at Swiss Embassy in Tirana | | |
| 09:00 – 12:30 | Meeting with RisiAlbania Management & team | | |
| 12:30 – 13:30 | Lunch with Sokol | | |
| 13:30 – 15:00 | Meeting with sectors Intervention Managers (IM) of Tourism -Understanding the sector strategy and interventions | Tourism | Nevila Popa<br>IM Tourism<br>Risi office |
| 15:30 – 17:00 | Meeting with sectors Intervention Managers (IM) of ICT -Understanding the sector strategy and interventions<br>**Confirmed** | ICT | Andi Stefanllari<br>IM ICT<br>Risi office |

**May 10th, 2016 – Tuesday (Outcome 1 &2)**

| | | | |
|---|---|---|---|
| 9:00 – 10:30 | Meeting with sectors Intervention Managers of Risi Outcome 1 Agro processing. Understanding the sector strategy and interventions | Agro | Sabah Sena<br>iM agro<br>Risi office |
| 10:30 – 12:00 | Meeting with IM Outcome 2 LMIS-Understanding the sector strategy and interventions | LMS | Ermira Shyti<br>IM LMS<br>Risi office |
| 12:00 – 13:30 | Lunch | | |
| 14:00 – 15.00 | Meeting Partners Albania (local partner) | Consortium Partner<br>Juli Hoxha - Director | PA office<br>Tel: 0692051685<br>Rruga Sulejman Delvina, N.18, H.8, Ap. 12, |
| 15:00 – 17:00 | Meeting with Dua Punë job portal (outcome 2) and AITA (IT Association) | Dritan Mezini<br>Owner and Manager of DM Consulting & | Dritan Mezini- Owner and manager of duapune |

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| | | DuaPune<br>President of AITA – Albanian IT association | Tel: 0692077847<br>(ish foto Skenderbeu, hyrja ngjitur me kafe Republika, 2nd floor) |

**May 11th, 2016 – Wednesday (Outcome 2)**

| | | | |
|---|---|---|---|
| 09:00 – 12:30 | Meeting with 2 media partners Outcome 2 (Top Channel, shqiptarja.com ) | 9:00 Shqiptarja.com: Genc Kondi director of Newspaper; Admirina Peci, responsible for the supplement<br><br>11:00 TOP Channel: Nada Kallciu , producer of TiMundesh | Kulla prane keshtjelles Juvenilja<br>Tel Admirina: 0694064356<br><br>Tel Nada: 0682096366<br>Kashar |
| 12:30 – 13:30 | Lunch | | |
| 14:00 – 15:00 | Meeting with "Profesionisti" Recruitment Company | Elda Bajraktari,<br>Acting Manager of Profesionisti + team | Tel: 0686035999<br>Rruga e Kavajes,<br>Qendra Condor, kati III |
| 15:30 – 16:30 | Meeting with National Employment Service (NES) NES office | Brikena Nallbani, Deputy general Manager | Tel: 0684058589<br><br>Ngjitur me Drejtorine e Policise |
| 16:45 – 17:30 | Meeting with MoSWY (Chief of Minister Cabinet or Employment Directory) | | Scheduled but did not take place |

**May 12th, 2016 – Thursday (Outcome1 –ICT and gender)**

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|---|---|---|---|
| 09:00 – 10:30 | Meeting with Real Vizualz (ALMOOC platform) | Denis Zavalani<br>Manager for Albania | Dritan Hoxha Street, Gintash Block. Behind fuel Elda, next to Raiffeisen 0692668667 |
| 11:00 – 12:30 | Meeting with Polytechnic University of Tirana : introduction of Microsoft Imagine Academy | Prof. Assoc. Elinda Kajo<br>Chief of IT Department | PUT, Faculty of Information Technology, Office of IT Department second floor<br>Mob: 0682077708 |
| 12:30 – 13.30 | Lunch | | |
| 13:30 – 15:00 | Meeting with AOA (Albanian Outsourcing Association) | Gentjan Drenova,<br>AOA President | AOA Office, in front of Law Faculty<br>Mob: 0696868383 |

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|---|---|---|---|
| 15:30 – 16:30 | Meeting with PROTIK : introduction of Microsoft Imagine Academy | Erton Graceni<br>PROTIK Director<br>Erika Grabocka<br>Business Development | Papa Gjon Pali Street, Nr 3, First Floor,Tirana. (ex INSTAT offices)<br>Mob: 0695540435 |
| 17:00 | Risi Gender focal point | | |

**May 13th, 2016 – Friday (Outcome 1- Tourism & Agro)**

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|---|---|---|---|
| 08:00 – 10:30 | Travel to Berat | | |
| 10:30 – 11:30 | Meeting with Berat Municipality/Mayor (also winner of Risi Turistike Competition) and visit of the Information Centre in Berat | Kreshnik Kurti – Administrator of BID Berat<br>Marius Qytyku – Specialist at Municipality of Berat | BID Berat, Palace of Culture<br>Cel: 0696676003 (Kreshnik)<br>Cel: 0693771773 (Marius) |
| 11:45 – 12:45 | Meeting with non-winners of Risi Turistike Competition<br>(Women Artisan Group) | Adelina Theodhori – Head of Handicrafts Association in Berat | BID Berat, Palace of Culture<br>Cel: 0695130053 |
| 12:45 – 14:00 | Lunch | | |
| 14:15 – 15:30 | Meetings with Tourist guide of Berat | Marius Qytyku – Specialist at Municipality of Berat (TG are Miklo Pasku, Agim Likaj, Nevila Muka) | BID Berat, Palace of Culture<br>Cel: 0693771773 (Marius) |
| Overnight in Berat<br>Hotel Mangalem | | | |

**May 14th, 2016 – Saturday**

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|---|---|---|---|
| 10:00 – 12:00 | Visit Gjedra Company (agro) in Berat – client of both AAM and Albinspekt | Mr. Gjergji Qose – Gen. Manager<br>Ms. Lindita Strumi – Economist –contact person for the AAM's intervention -<br>Mr. Resmi Talla – Chemist contact peson on the Organic Certification (Albinspekt) | Tek ish Ushqimorja Berat<br>Mr. Gjergji Qose -Tel: 0682056707<br>Ms. Lindita Strumi tel. 0674937400<br>Mr. Resmi Talla –phone 0684070470 |
| 15:00 – 16.30 | Travel to Shkodra. Stop on the way in Fieri to meet trainees (employed and unemployed) for rural | | *Regional NES Office*<br>*Contact person: Ms. Suela Sinani-Head of the NES Regional Office - Fier* |

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| | consultants for agro sector trained by AAM) | | *tel: 0696538538* |
| Overnight in Shkodra<br>Hotel Tradita | | | |
| **May 15th, 2016 – Sunday** | | | |
| 10:00 – 12:30 | Meeting GO2 Risi Turistike Winners in Shkodra (Waiting for the agenda of the tour to be cfm) | Entela Shkreli – Executive Director of GO2 | Rruga 'Marin Barleti', pall. 167, shk.2<br>Cel: 0692853159 (Entela) |
| **May 16th, 2016 – Monday (Outcome 1 ICT and agro)** | | | |
| 09:00 – 10:30 | Visit Global Marketing Services call centre in Shkodra | Edi Ulqinaku<br>Owner and General Manager | Lagjia Zale, pas tregut ushqimor,<br>Mob: 0697998183 |
| 10:30 – 13:30 | Travel back to Tirana and Lunch on the way | | |
| 13:30 – 14:30 | Visit greenhouse grower in Fushë Kruja women manager, client of Albinspekt | Nikël/F. Krujë | Ms. Liri Sila – Entrepreneur 0682048890 |
| 14:30 – 15:30 | Travel back to Tirana | | |
| 16:00-17:00 | Meeting with Risi staff | | |
| **May 17th, 2016 – Tuesday (Outcome 1&2 Tourism and agro)** | | | |
| 09:30 – 11:00 | Meeting NATGA (National Association of Tourist Guide) | Ardiola Alikaj – Executive Director;<br>Adrian Mitrovasili – Coordinator | Rr. " Frosina Plaku" Pallati 7 katesh / Nr. 21, Zyra Nr.2;<br>Cel: 0692164170 (Ardiola)<br>Cel: 0672085011 (Adrian) |
| 11:30 – 12:30 | Meeting with Albinspekt (certification of organic products) | Mr. Sokol Stafa<br>Executive Director | Sheshi "Harry Truman", Nd.1, Hy.25, Ap.10, Tirana<br>Tel: 0682062262 |
| 12:30 – 14:00 | Lunch | | |
| 14:00 – | Meeting with AAM – Albanian Association of | Iris Kazazi, | Bulevardi Zogu i I[rë], Kirschberger bld, no. 2-3, Tirana |

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| 15:30 | Marketing | Bruna Pudja | Ms. Kazazi:– Executive Director,<br>Tel: 0682093054<br>Ms. Pudja: Co-director<br>Tel: 0686076662 |
| 16:00 – 17:00 | Meeting Ministry of Agriculture (Ministry) | Ms. Grezda, Director of the European Integration. | Bulevardi Dëshmorët e Kombit Nr. 2<br>Laura Grezhda Tel:  0692063272 |
| **May 18th, 2016 – Wednesday (Outcome 1 Tourism & open space)** | | | |
| 09:00 – 10:30 | Meeting with FIAA – Foreign Investors Association of Albania | Marinela Jazoj – Executive Director | Rr. Themistokli Germenji, pallati Pegaso No 9<br>Cel: 0692034469 |
| 10:30 – 12:00 | Meeting Ministry of Economy and Tourism | Sonia Popa, Director General of Tourism | Ministry of Economy, Tourism, Trade & Entrepreneurship (METTE)<br>Cel: 0692034406 |
| 12:00 – 13:30 | Lunch | | |
| 13:30 – 17:00 | Meetings with project management, MRM and individual meetings with intervention managers | | |
| **May 19th, 2016 – Thursday (Management and Coordination)** | | | |
| 09:00 – 10:30 | Meeting with CBS (Access to finance initiative) | | Rruga Mustafa Matohiti, No 4, Kati III, Tiranë<br>Mr. Enio Jaco – Executive Director<br>Tel: 0682088110 |
| 10:30 – 11:30 | Meeting with project Management (PM and DPM) | | |
| 11:30 – 12:30 | Meeting ILO | Maria Gomes | Risi office |
| 12:30 – 13:30 | Business lunch with Entrepreneurship project | Jakob Modeer, project manager for Albania and Macedonia | Villa Ferdinand |
| 14.00 – 15.00 | Meeting Skills4Jobs project | Henry Leerentveld | |
| 15:00 – 17:00 | Preparation for debriefing | | |

**May 20th, 2016 – Friday (Debriefing Risi and SDC)**

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|---|---|---|---|
| 09:00 – 12:00 | Debriefing Risi | | |
| 13:30 – 14:30 | Lunch | | |
| 15:00 – 18:00 | Debriefing with SDC at Swiss Embassy in Tirana | | |