

**EUROPEAN UNION
CONTRIBUTION AGREEMENT**

IPAI/2024/453-620
(the "Agreement")

The European Union, represented by the European Commission (the "**Contracting Authority**"),
first counterparty,
and

United Nations Development Programme (UNDP)
International Organisation
One UN Plaza
10017- New York, USA
hereinafter the "**Organisation**"

and
United Nations Children's Fund (UNICEF)
International Organisation
3 UN Plaza
10017- New York, USA

second counterparty, (individually a "Party" and collectively the "Parties") have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 The purpose of this Agreement is to provide a financial contribution to finance the implementation of the action EU4Youth as described in Annex I (the "Action"). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution and defines the relations between the Organisation and the Contracting Authority.
- 1.2 The Action is a Multi-Donor Action and the EU Contribution is not earmarked.
- 1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:

- Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment and
- Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment.

1.3b This Agreement is a Multi-Partner Contribution Agreement.

UNICEF is a pillar-assessed Partners for the purposes of this Agreement.

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In the performance of the activities, UNICEF shall:

- a) Apply its own accounting, internal control and audit system which have been positively assessed in the ex-ante assessment.
- b) Apply its own procurement procedures and rules for the award of grants, as assessed in the ex-ante pillar assessment.
- c) Apply its own rules and procedures for protection of personal data, as assessed in the ex-ante pillar assessment.
- d) For publication of the information on recipients and exclusion from access to funding, the Organisation, as an interim arrangement, and pending notification of the positive assessment of the Organisation's rules for the related pillar assessment, undertakes to apply the supplementary conditions laid down in Article 7.1.2 and 7.1.3 of these Special Conditions. The European Commission recognises that such supplementary conditions are without prejudice to the Organisation's status under international law, its privileges and immunities and its regulatory framework, and that funds will continue to be administered in accordance with the Organisation's regulatory framework. Article 7.1.2 and 7.1.3 shall cease to apply as from the date on which the European Commission notifies the Organisation of the positive assessment of the Organisation's rules for the related pillars.

The pillar-assessed Partner declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment

- 1.4 The Action is financed under Pre-Accession 2022 programming IPA III.
- 1.5 The Organisation shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report.

UNICEF shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report.

- 1.6 This Agreement is subject to the provisions of the Financial and Administrative Framework Agreement between the European Union and the United Nations signed on 29 April 2003 and as amended on 31 Dec 2018.

Article 2 - Entry into Force and Implementation Period

Entry into Force

- 2.1 The Agreement shall enter into force on the date when the last Party signs.

Implementation Period

- 2.2 The implementation period of the Agreement (the "Implementation Period") shall commence on:

- the indicative date of 1 February 2024. The effective starting date will be set in agreement between the Organisation and the Contracting Authority and notified by the latter, to the Organisation, after the entry into force of the Agreement.



2.3 The Implementation Period of the Agreement is 36 months.

Article 3 - Financing the Action

3.1 The total cost of the Action¹ is estimated at USD ("Currency of the Agreement") 2,445,080, as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of EUR 2,000,000 which is estimated at USD 2,222,800 (the "EU Contribution").

The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: USD 683,543

Further pre-financing instalment(s): USD 1,539,257 following the end of the 1st and 2nd reporting period, corresponding to the Contracting Authority's part of the forecast budget for the subsequent 24 months.

Forecast balance: USD 0

These amounts are indicative and subject to modification in accordance with the provisions of Article 17 of Annex II.

The sum of the payments in the accounting currency of the Organisation shall not exceed the total EU Contribution in EUR.

4.3 The Organisation acknowledges that the European Commission intends to progressively introduce an Electronic Exchange System pursuant to the EU Financial Regulation, accessible via the Single Electronic Data Interchange Area (SEDIA) portal, the "EU Funding & Tender Opportunities" portal (the "System"), for the electronic management of this Agreement.

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including reports, electronic payment requests and communications) are to be processed via the System.

¹ This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU Contribution.



Notwithstanding the above the Organisation shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement.

Article 5 – Communication language and contacts

- 5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.
- 5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority's contract number and the title of the Action, and shall be dispatched to the addresses below.
- 5.3 Subject to Article 4.3, any communication relating to the Agreement, including payment requests, and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

Delegation of the European Union to the Republic of Albania
For the attention of the Head of the Finance, Contracts and Audit,
ABA Business Center, Kati 17,
Rr Papa Gjon Pali I II, Njesia Bashkiake Nr 2,
Tirana, Albania
DELEGATION-ALBANIA-REQUEST-FOR-PAYMENTS@eeas.europa.eu

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

Delegation of the European Union to the Republic of Albania
For the attention of the Head of Operations 2,
ABA Business Center, Kati 17,
Rr Papa Gjon Pali I II, Njesia Bashkiake Nr 2,
Tirana, Albania

For the Organisation

Ms. Monica Merino
UNDP Albania Resident Representative
United Nations Development Programme
"Skenderbej" Street, Gurten Building, 2nd floor
Tirana, Albania

- 5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.
- 5.5 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) to facilitate the latter's operational activities shall be: Office of Audit and Investigations, Head of Investigations Section, United Nations Development Programme, One United Nations Plaza, DCI Building 4th Floor, New York, NY 10017, USA

Handwritten marks: a blue star and the letters "HC A" in blue ink.



5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:

Ms. Monica Merino
UNDP Albania Resident Representative
United Nations Development Programme
"Skenderbej" Street, Gurten Building, 2nd floor
Tirana, Albania

Article 6 - Annexes

6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action (including the Logical Framework of the Action)
- Annex II: General Conditions for Contribution Agreements
- Annex II.a: Provisions applicable only to Multi-Partner Contribution Agreements
- Annex III: Budget for the Action
- Annex IV: Financial Identification Form
- Annex V: Standard Request for Payment
- Annex VI: Management Declaration template

6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and Annex II.a) and those of the other Annexes, the provisions of Annex II including Annex II.a) shall take precedence.

Article 7 – Additional specific conditions applying to the Action

7.1 The following shall supplement Annex II:

7.1.1 Pursuant to Article 2 of Annex II UNICEF shall apply the following ad hoc measures:

On a regular basis, at least once a year, UNICEF will publish on its website information on all Grants financed by an EU Contribution. Such information for publication includes the title of the agreement/project, nature and purpose of the agreement/project, name and locality of the Implementing Partner and amount of the agreement. The term "locality" shall mean the address for legal persons and the Region on NUTS² 2 level, or equivalent, for natural persons. Decisions for publication of such information will be made in full respect of the requirements of UNICEF for confidentiality, safety and security and in particular the protection of personal data. The requirement to publish information of Grants does not apply to:

- cases where publication would threaten the rights and freedom of individuals or harm the recipient's commercial interests or would jeopardize UNICEF's privileges and immunities.

UNICEF shall provide to the European Commission the address of the internet site where this information can be found and shall authorise the publication of such address on the European Commission's internet site.

² Nomenclature of Territorial Units for Statistics, available at: <http://ec.europa.eu/eurostat/ramon>

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The undertakings in this Article 7.1.1 to publish the above Grant details will be implemented by UNICEF by no later than 30 March 2023 for all Grants financed by the EU Contribution signed after 1 January 2022.

Where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, the publication of information on Contractors and Grant Beneficiaries shall follow the rules of UNICEF.

7.1.2 For the implementation of Article 20 of the General Conditions, UNICEF will take steps to update its processes to require that recipients of funds originating from contributions from the EU under this Agreement provide UNICEF with a declaration confirming that neither they, nor any person having powers of representation, decision-making or control over them, nor any member of their administrative, management or supervisory body have been in one of the exclusion situations referred to in point 2.1 a) of Annex 2a of the Terms of Reference for the pillar assessment, namely:

- a) bankruptcy, insolvency or winding-up procedures;
- b) breach of obligations relating to the payment of taxes or social security contributions;
- c) grave professional misconduct, including mis-representation;
- d) fraud;
- e) corruption;
- f) conduct related to a criminal organisation;
- g) money laundering or terrorist financing;
- h) terrorist offences or offences linked to terrorist activities;
- i) child labour and other trafficking in human beings;
- j) irregularity;
- k) creating a shell company;
- l) being a shell company.

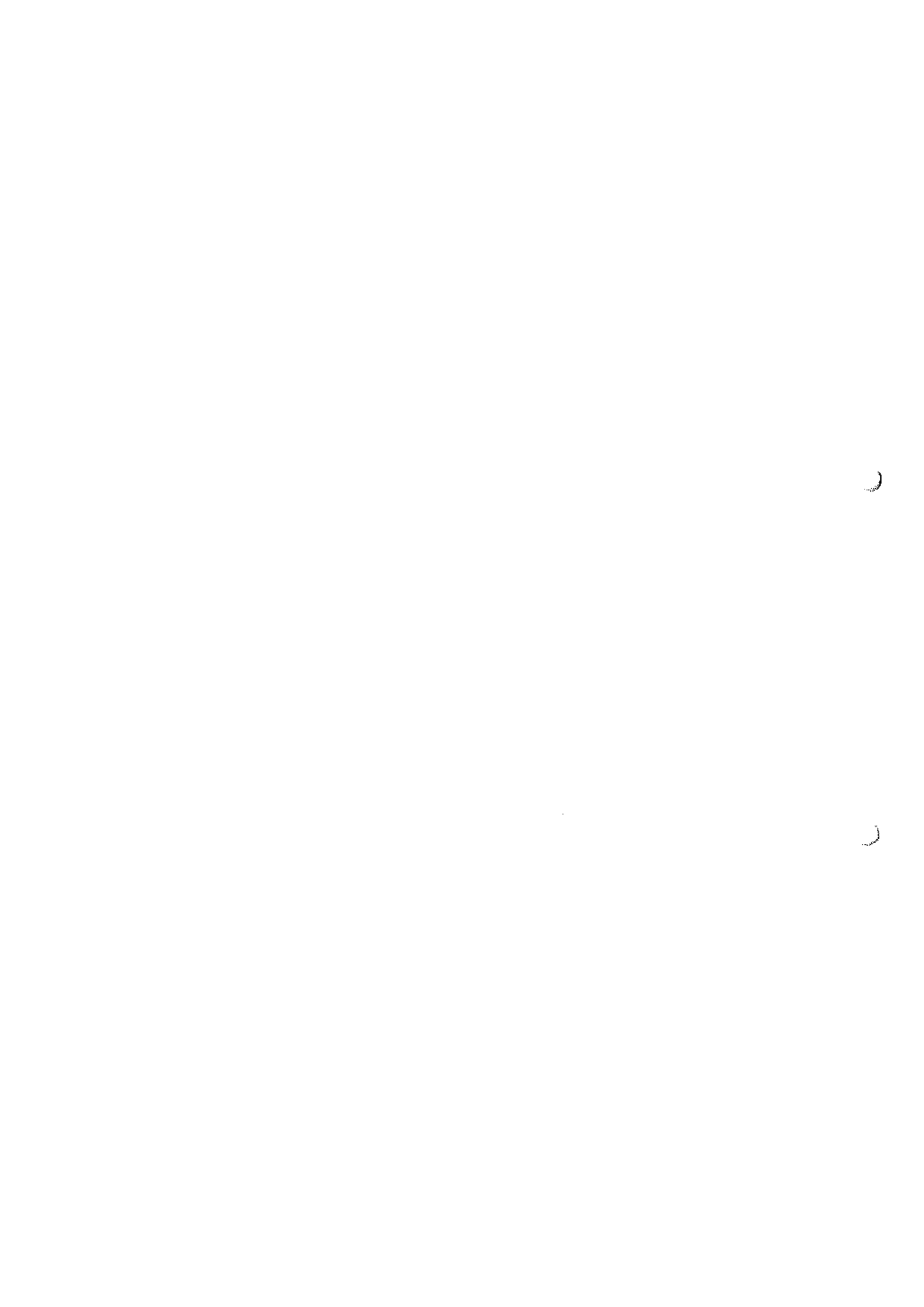
This obligation shall not apply to natural persons [in need]³ who ultimately benefit from the assistance to be financed under this Agreement.

The undertakings in this Article 7.1.2 to update its processes will be implemented by no later than 30 March 2023 for all procurement actions and Grants financed by the EU Contribution signed after 1 January 2022.

7.1.3 Where the implementation of the Action requires the setting up or the use of one or more project offices, the Organisation and/or the Partner(s) may declare as eligible direct costs the capitalised and operating costs of the structure if all the following conditions are fulfilled:

- a) They comply with the cost eligibility criteria referred to in Article 16.1 of Annex II;
- b) They fall within one of the following categories:
 - i) costs of staff, including administration and management staff, directly assigned to the operations of the project office. The tasks listed in the Description of the Action (Annex I), undertaken by staff assigned to the project office will be directly attributable to the implementation of the Action.
 - ii) travel and subsistence costs for staff and other persons directly assigned to the operations of the project office;

³ For humanitarian aid actions only




- iii) depreciation costs, rental costs or lease of equipment and assets composing the project office.
 - iv) costs of maintenance and repair contracts specifically awarded for the operations of the project office;
 - v) costs of consumables and supplies specifically purchased for the operations of the project office;
 - vi) costs of IT and telecommunication services specifically purchased for the operations of the project office;
 - vii) costs of energy and water specifically supplied for the operations of the project office;
 - viii) costs of facility management contracts including security fees and insurance costs specifically awarded for the operations of the project office;
- c) Where costs of the project office are declared as actual costs, the Organisation and/or the Partner(s) may declare as eligible only the portion of the capitalised and operating costs of project office that corresponds to the duration of the Action and the rate of actual use of the project office for the purposes of the Action.
- d) Costs of the project office not declared as actual costs are only eligible if they have been ex ante-assessed by the European Commission.

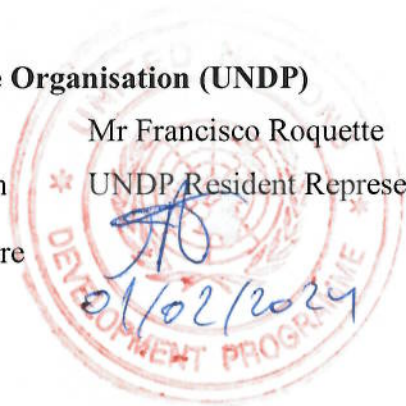
7.1.4 VAT/ taxes, duties and charges are not eligible for the activities as described in Annex I.

The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

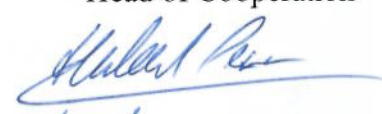
Done in Tirana in four originals in the English language, two for the Contracting Authority, one for the Organisation and one for UNICEF.

For the Organisation (UNDP)

Name Mr Francisco Roquette
 Position UNDP Resident Representative a.i.
 Signature 
 Date 01/02/2024



For the Contracting Authority

Name Mr Hubert Perr
 Position Head of Cooperation
 Signature 
 Date 01/02/2024

For the United Nations Children's Fund (UNICEF)

Name Mr Murat Sahin
 Position UNICEF Representative
 Signature 
 Date 01/26/2024





ANNEX I – Description of the Action

EU 4 YOUTH

V3: 26 January 2024



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List of abbreviations

ALMP	Active Labour Market Programmes
AQF	Albanian Qualifications Framework
ASCAP	National Agency for Quality Assurance in pre-university Education
EC	European Commission
EIP	Economic Investment plan
EMIS	Education Management information System
EPP	Employment Promotion Programmes
ERP	Economic Reform Programme
ETF	European Training Foundation
EU	European Union
EU4SI	EU for Social Inclusion
EUD	European Union Delegation in Albania
EWS	Early Warning Systems
HRA	Human Rights Approach
ILO	International Labour Organisation
INSTAT	Institute of Statistics
IPMG	Integrated Policy Management Group
LFS	Labour Force Survey
LGBT	Lesbians, Gays, Bisexual and Transgender
LNB	Leave No one Behind project
LYC	Local Youth Councils
MFE	Ministry of Finance and Economy
MoES	Ministry of Education and Sports
MoFE	Ministry of Finance and Economy
MoHSP	Ministry of Health and Social Protection
MoSYCh	Minister of State for Youth and Children
NAES	National Agency for Employment and Skills
NAVETQ	National Agency for Vocational Education and Training, and Qualifications
NEET	Not in Employment, Education or Training
NESS	National Employment and Skills Strategy
NGO	Non-governmental organizations
NSDEI	National Strategy for Development and European Integration
NYA	National Youth Agency
NYC	National Youth Council
NYS	National Youth Strategy
PES	Public Employment Services
SDC	Swiss Development Cooperation
SDG	Sustainable Development Goals
SI	Social Inclusion
SILC	Statistics on income and living conditions

SREPVET	Technical Assistance to Support the Reform on Employment Policies and Vocational Education and Training
SSS	State Social Services
TA	Technical Assistance
TAF	EU funded, ILO/ETF Technical Assistance Facility
TWG	Technical Working Group
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
VET	Vocational Education and Training
WP	Work Package
YG	Youth Guarantee
YGIP	Youth Guarantee Implementation Plan 2023-2024

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1. Description of the action

1.1. Description

1.1.1. Introduction

In alignment with the commitments of Western Balkan countries to ensure sustainable labour market inclusion of young individuals aged 15-29, Albania has prepared and approved the **Youth Guarantee Implementation Plan (YGIP) 2023-2024**. YGIP aims to harmonize Albania's youth employment policy framework to the principles of the Youth Guarantee, as envisioned in the European Council Recommendation on A Bridge to Jobs – Reinforcing the Youth Guarantee (2020). This includes *ensuring universal accessibility for all young individuals not in education, employment, or training (NEETs) under 30; policy coherence and coordination – built on diverse partnerships - to “guarantee” a quality offer within four months, on-going monitoring, and effective utilization of both domestic and other financial resources.*

The approved YGIP is the **result of collaborative efforts from multiple stakeholders**, aiming to enact robust and sustainable partnerships throughout the Youth Guarantee's implementation process. Anticipated large-scale reforms for **improved efficiency and effectiveness span a range of policy areas**. These areas include data collection and analysis, policy framework adjustments, educational and vocational training opportunities, service delivery systems, outreach strategies that are inclusive of all youth, and the provision of quality offers for **skill development and labour market inclusion for NEET individuals aged 15-29**.

The proposed “**EU for Youth**” (EU4Youth) action has been prepared as a response to the “EU for Youth” Action Document - Area of Support 2: Vulnerable youth education and employment; output 2.1, 2.2, and 2.3 under outcome 2. It is a 36 months intervention and focuses on providing **Technical Assistance to support the piloting of the implementation of the Youth Guarantee in Albania**.

EU4Youth action is designed jointly by **UNDP and UNICEF in Albania** in full compliance with the approved national YGIP 2023-2024, and in consultation with main stakeholders at the national, regional, and local level, as well as, with youth in Shkoder and Vlore.

1.1.2. Relevance of the proposed action

The proposed action is designed to respond to **all the outputs under Outcome 2 of the EU for Youth Annual Action Plan**, namely: (1) Institutional capacities for the implementation of the Youth Guarantee (YG) Implementation Plan in place; (2) Pilot action for vulnerable Youth NEET for a good quality offer of employment or further education / training within 4 months of leaving formal education and/or registering as unemployed implemented; (3) Dedicated and systemic support to apprenticeship and traineeship in green economy sectors having high potential in Albania is established and implemented and (4) Mechanisms and systems for the Youth Guarantee (YG) Implementation Plan established /enhanced.

EU4Youth action is cognizant of the current implementation phase of the Youth Guarantee in Albania. The **Economic and Investment Plan (EIP) for the Western Balkans** initiated by the European Commission in October 2020 supports the deployment of the EU flagship YG in Albania through four phases. Having successfully navigated through Phase 1 with the approval of the YGIP, supported by the Technical Assistance program financed under IPA 2015, Albania is preparing for a small-scale pilot (200 beneficiaries) in three selected municipalities of Tirana, Vlora and Shkodra. Crucial challenges, notably the preparation of the Public Employment Services (PES) structures to pilot the YG scheme, have been identified and are actively being addressed through the support of the Technical Assistance programme financed under IPA 2019 EU for Social Inclusion. As Albania advances into **Phase 2 – Preparatory Work, and Phase 3 – Pilot Phase**, EU4Youth will support to kickstart a scaled-up pilot scheme by 2024 within the specified territories, activating all the needed partnerships, with an ambitious vision of transitioning into full deployment beyond 2025, **Phase 4: Deployment**, which is expected to be supported by the Youth Guarantee Operational Programme.

The action is guided by the **National Strategy for Development and European Integration 2022-2030 (NSDEI 2022-2030)**. Employment and social protection are addressed in the third pillar of National Strategy for Development and European Integration (NSDEI) 2022-2030, Social Cohesion,

aiming at providing basic public services for all, fighting poverty and promoting employment, strengthening the social protection system and supporting the individuals in need.

The action's goal and outcomes align closely with the sectorial strategy, **the National Employment and Skills Strategy 2023-2030 (NESS 2030)**, which aims at quality jobs and lifelong learning for all, which was developed with technical support from UNDP. It aims to reduce youth unemployment rate by 3.5 percentage points (p.p) and reduce the NEET rate by 4 p.p by 2026. Youth Guarantee scheme is integrated in the NESS through policy measure 2.3, "*supported and inclusive transition to work for young people (NEET) through the implementation of the Youth Guarantee scheme*". In addition, the action aligns to the **National Implementation Plan for the Declaration of Osnabrück (2022-2025)**, especially supporting efforts to establish and pilot apprenticeship schemes. To ensure effective monitoring and evaluation, the log frame indicators are fully aligned with these strategies.

The action also establishes links with the **National Youth Strategy (NYS) 2022-2029**, which aims to ensure equal rights and opportunities, support and engagement for vulnerable, marginalised youth and youth most affected by poverty, violence, abuse, disability, and social exclusion, developed with the technical support of UNDP and UNICEF. NYS aligns to the YGIP, supporting youth friendly policy reforms and aims to increase the % of state budget that is dedicated to youth programmes from 0.05% to 2.4% of the GDP by 2029. In addition, it also aligns closely with the **National Strategy of Social Protection 2020-2023** recognizing the importance of providing a comprehensive support system for individuals at risk, aiming to enhance their prospects for sustainable social integration and contributes to the new **National Social Protection Strategy 2024 – 2030**, which is currently being developed with the technical support from UNICEF. Both strategies recognize the importance of a comprehensive support system for at-risk individuals, aimed at improving their prospects for long-term social integration.

This action also contributes to the **National Education Strategy 2021-2026**, especially in the efforts on establishing a smooth school-to-work transition for pupils enrolled in pre-university education and advancing government efforts in improved permeability in the education system supported through UNICEF technical assistance.

Other important policy documents consulted during the design of this action are the Social Inclusion Policy Document 2023-2030, the National Action Plan for People with Disabilities 2021-2025, the National Plan of Action for Integration of Roma and Egyptian communities in Albania 2020-2030; National Agenda for Children's Rights 2021 - 2026, National Plan for Deinstitutionalization 2022-2030, Plan of Action for Lesbian, Gay Bisexual, Transgender (LGBT) 2021 – 2027 and the National Strategy for Gender Equality 2021 – 2030.

The objectives and expected outcomes of this Action are designed to respond to the EU integration requirements for the country, in particular **chapters 19 and 26**. They are also based on sector recommendations and consider the implementation progress, in line with **Policy Guidance 5** issued by the European Commission within the framework of the **Economic Reform Programme (ERP 2023-2025)** linked to **Reform Measure 2**, which aims at improving the employability of the most vulnerable unemployed jobseekers. This action will enable further alignment with the EU social acquis and policies as part of the ongoing European integration process including the Pillar of Social Rights. It includes a commitment to provide decent jobs and quality education for youth, in line with the UN Sustainable Development Goals **SDG8** (Decent Work and Economic Growth) and **SDG 4** (Quality Education), as well as to the **UN Convention on the Rights of the Child (CRC)**.

1.1.3. Needs and constraints of the country

In Albania, youth face pressing employment challenges, including **high unemployment rates, inactivity, and long-term unemployment**. The unemployment rate for those aged 15-29 was 22.5% in 2022, which is double the rate of the general working age population, with a substantial gender employment gap of 16%. Informality in employment remains a stern challenge, with an estimated official rate of 30% of workers engaged in informal employment sectors. Three out of four unemployed young people are classified as long-term unemployed, with risks of skills erosion and labour market exclusion. In addition, limited economic opportunities are driving out-migration that can lead to skills shortages (INSTAT, LFS 2022).

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The rate of youth **Not in Education, Employment, or Training (NEET) in Albania** was **25.2%** in 2022 (INSTAT, LFS 2022), more than double the EU-27 average of 11.7%¹. Of these, 41.8% are classified as unemployed, while others are discouraged workers, engaged in domestic responsibilities, or are inactive due to other reasons (INSTAT, LFS 2022). A mere fraction of this population, less than 10%, is registered with the National Agency for Employment and Skills (NAES). (NAES Administrative data 2022). NEETs at greatest risk of exclusion and being left behind include young NEETs with family care responsibilities comprise (17%), Discouraged NEETs (15%), The long-term unemployed NEETs (20%), Active NEETs (15%), NEETs with disabilities representing a minor 4%, and other NEETs².

Educational challenges also persist. The net enrolment in upper secondary education remains a challenge, with net enrolment rate at the level of **76.2%**, significantly lower than the EU levels (Instat, academic year 2021-2022). The share of enrolment in vocational education programmes for the academic year 2022-2023 remain low (17.5% of the cohort), considerably lower than the EU and Western Balkan countries (INSTAT, education statistics). The country is far behind the average performance across OECD countries and a significant share of students still leaves secondary education without mastering the basics in reading, mathematics and science. In 2018, just above half of Albania's 15-year-old students (52,2%) were classified as low achievers in reading on the PISA, a similar proportion as in 2012 (OECD, PISA 2018). Average 2022 results were down compared to 2018 in mathematics, reading and science (OECD, PISA 2023).

The levels of **out-of-school children** (3.1% in 2018) remain above EU average, highlighting the importance of establishing and enhancing mechanisms that support individualized pathways from education to work. Children from poorer households are more likely to never enrol and to drop out. In rural settings, boys are more likely to be out of school than girls. The situation is particularly dire for poor girls from urban settings, who are almost 10 times more likely to drop-out from lower secondary than their male counterparts (DHS, 2018).

The **risk of poverty** is higher among younger people (28.5%) and among households with dependent children (25.9%) (INSTAT, SILC, 2021). The triple adversities of the 2019 earthquake, the COVID-19 pandemic, and the aftermath of the Ukraine conflict have exacerbated conditions for vulnerable populations³.

Policy solutions to **address structural weaknesses** in the economy for more inclusive and resilient economic development are needed. Value added in the economy mainly comes from services (55.2%), followed by agriculture (22.0%); while the industrial sector accounts for 20.5% (INSTAT, 2023). Nevertheless, agriculture retains a significant portion of the workforce, approximately 33.8% in 2021, trapping many in low-wage, low-productivity roles, predominantly women engaged in labour-intensive tasks. It becomes imperative to invest in skill development, targeting both young and adult workers, to equip them with the necessary skills for transitioning into higher-value economic pursuits. Accelerated economic growth and shared prosperity will depend upon measures to raise productivity and competitiveness and to support skills development and employment through inclusive services and effective social protection systems for those who need it.

In the current context, the **EU4Youth is designed to create an enabling policy environment** and build the institutional capacities necessary for the effective and efficient implementation of pilot actions, as well as the broader deployment of the Youth Guarantee in Albania.

1.1.4. Synergies with other development initiatives

UNDP and UNICEF reached out to Ministry of Finance and Economy (MoFE), Ministry of Youth and Children (MoYCh) and other stakeholders at the national and local level and initiated a discussion about

¹ Eurostat, available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training

² Mapping and profiling NEETs in Albania, March 2021, produced by Technical Assistance to Support the Reform on Employment and VET (SREP/VET), EuropeAid/140560/IH/SER/AL

³ UNICEF. 2021. The impact of Covid 19 on access of vulnerable children, families and communities to social protection in Albania, available at: https://www.unicef.org/albania/media/4551/file/The_Impact_Of_Covid_19.pdf

potential implementation approaches of this action. Enabling a concrete approach to establishing synergies in supporting the GoA to achieve the delivery of Phase 2 and Phase 3 of YG, UNDP and UNICEF **conducted a mapping of all the development initiatives** active in the field, against the reforms and initiatives laid out in the approved YGIP 2023-2024 and identified the entry points for this proposed action.

The proposed action will continuously seek to **establish effective collaboration** to avoid duplication and build synergies with the relevant development initiatives listed below.

To gain insights into the current state of the Youth Guarantee pilot, UNDP and UNICEF conducted a series of coordination meetings with various actors including coordination meeting with the **EU for Social Inclusion (EU4SI) technical assistance project, implemented by GOPA** (consulting company). Based on the preliminary findings EU4SI has supported NAES with an initial pilot plan which defines the scope, goal and objectives of the pilot; a training needs assessment on NAES readiness to take responsibility for implementing the Youth Guarantee scheme and YG monitoring framework. The proposal outlined in this document builds upon these existing achievements.

The EU/ILO/ETF Technical Assistance Facility (TAF) for the Western Balkans is presently collaborating with the NAES on a forthcoming functional review to identify the areas that need improvement. In addition, it is collaborating with the National Youth Congress to create an upcoming National Outreach Strategy. A coordination meeting was conducted with the ETF, where this action was discussed, and areas of collaboration were identified. EU for Youth will focus on coordinating technical assistance delivery to national authorities to prevent overlap and optimise synergies.

The design of this action has benefited from the established coordination with two other ongoing Actions **funded by the EU for Social Inclusion (EU4SI)**, which focused on inclusive education and employment of the Roma community, and the one on inclusive education implemented by the **Open Society Foundation in Albania**.

Moreover, UNDP and UNICEF will rely on the established cooperation and coordination of the projects which are active in the field, namely the Swiss funded -**Skills Development for Employment**, which is a long-standing UNDP programme which has supported the national reforms in employment and skills development and Italian funded "**Qendro**" project, which aims to advance the agenda of inclusion of young people in education and training in Albania. EU for Youth will also benefit from **the UN joint project "Leave no one behind"** which is advancing the social protection and inclusion reform in the country, at the central and local level.

Other main partners contributing to the sector are followed by the Swiss Development Cooperation (SDC): Skills for Jobs (implemented by Swiss Contact) and Making the Labour Market Work for Young People (RISI Albania); German Development Cooperation (GIZ) focusing on migration, skills development and employment, and BMZ Program – 'Regional Challenge Fund', and World Bank on digital skills building.

In addition, once selected, coordination and synergies will be established with the teams to implement **EU4SI Strengthening partnerships to advance social services provision and inclusive employment and skills in Albania/IPA 2019/ Phase II**, and ensure that harmonised support is provided in the three selected communities in Tirana, Vlore, and Shkoder. It will also develop collaboration with the other selected entities that will support the implementation of **EU for Youth** action plan, outcome 1 and outcome 3, especially on support areas to Local Youth Councils, and education providers.

Besides the coordination within the formal structures, such as Integrated Policy Management Group (**IPMG**) on **Human Capital Development**, UNDP and UNICEF will ensure frequent exchange with all other development projects to ensure information sharing, progress updates and coordination at the project level, and where possible cross-learning.

The table below summarises some of the most relevant ongoing interventions which are providing TA to the national institutions to deliver the YGIP 2023-2024. Leveraging the expertise and resources of various stakeholders and building on existing initiatives will ensure a comprehensive and coordinated effort to establish and deliver the YG scheme in Albania.

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Projects	Mapp.	Outreach	Prep.	Offer	Potential synergies
SREPVET, by WeGlobal, Funded by: EU (concluded)	x				SREPVET has conducted a NEET mapping exercise, relying on INSTAT LFS data and administrative data of NAES. UNDP and UNICEF will work with INSTAT and NAES to integrate new indicators to the LFS measuring school to work transition and ensuring that national and regional NEET profile publication is regularly conducted by INSTAT, making use of all available data in the employment, education, and social protection. In addition, technical assistance will be provided to ensure interoperability between the IT systems of various institutions.
TA EU4SI Implemented by: GOPA Funded by: EU			x	x	The project is currently supporting the NAES to run a pilot of the YG scheme in three municipalities (Tirana, Vlore and Shkoder) with 200 young NEET. The TA is also supporting NAES to build the capacities of its staff in the pilot municipalities, to set up the monitoring framework (including the development of the indicators as per EMCO guidance), to adapt the internal information system to support the YG implementation and monitoring, to reinforce the offer (both Employment Promotion Programmes and VET), as well as on communication and visibility of the YG. During this initial pilot, only the Employment Offices will be engaged. UNDP and UNICEF will complement these efforts, by leveraging their experience on the ground and delivering enhanced pilot, engaging a variety of partners at local level, in full partnerships with NAES. In addition, additional support will be provided to NAES and NYA to set up and operationalise Local Partners Network which are responsible to oversee the implementation of the YG at the local level.
EU/ILO-ETF Technical Assistance Facility for the Western Balkans		x			ILO is currently working to develop the national outreach strategy, in collaboration with the National Youth Congress. UNDP and UNICEF will base its further support at the national and local level based on the recommendations of this strategy. This will also be crucial for shaping the YG partnerships at the local level, to ensure that this action addresses the variety of needs of NEETs. Additional support will be provided to the National Youth Agency to prepare support the delivery of outreaching strategies at the local level, utilizing National and Local Youth Councils, as well as youth NGOs. The ETF published EU skills and Jobs Survey will be used to inform policy design within this action. It will continue provision of advice on quality apprenticeships and traineeships, expansion of career guidance and counselling, NQF and VNFIL aspects of YG implementation, as well as the role of civil society organisations and social partners.

1.1.5. Needs and constraints of the target group and final beneficiaries.

To define the target group and final beneficiaries, this proposed action applies a **Human Rights Approach (HRA), with a focus of rights-holders and duty bearers**. It recognises beneficiaries as active subjects or rights holders, rather than passive recipients. It also establishes duty bearers as those who have the obligation to respect, protect and fulfil rights and before whom claims may be brought. The HRA supports the capacity of rights-holders to know, claim and seeks redress for their rights and for duty-bearers to fulfil their human rights obligations.

The target groups and final beneficiaries, right-holders, of this proposed action are **1) vulnerable young NEET and 2) young people at risk of dropping out of school and becoming NEET**.

1) Vulnerable Young NEET.

The **Mapping and Profiling of young NEET report 2021**, developed and published by the SREPVET project, highlighted the NEET in Albania face multi-faceted challenges with substantial gender and regional disparities. The analysis identifies six distinct profiles within the NEET youth demographic in Albania, each requiring specialized interventions:

- **Young NEETs with family care responsibilities comprise 17%** of the total, mainly women lacking employability skills, necessitating social, economic, and educational support.
- **Discouraged NEETs, forming 15%** of the total, lack prior work experience and require social skills development and mentorship.
- **Other inactive NEETs, is the largest at 29%**, emphasizing a need for a detailed characterization and registration strategy.

- **The long-term unemployed NEETs, accounting for 20%**, mostly men with a mismatch of skills and market demands, require a blend of social, transversal, and professional skill development.
- **Active NEETs, 15% of the total**, face barriers transitioning to the labour market despite a relatively higher education level; hence, re-skilling strategies are crucial to align their competencies with market demands.
- **NEETs with disabilities represent a minor 4%**, requiring specialized assistance.
- **A third of young NEETs have a low level of education and three quarters have no higher education** (from those over 20, 28,4% have a lower level of education and 30,2% have a higher education degree). The low and medium qualified youth represent the great majority of young NEETs in Albania (76%). However, in relative terms, the incidence of NEET status is high among the most qualified young people.

The needs of the NEET youth are diverse; some, due to profound disadvantages, may require extensive interventions to reintegrate into society, while others, with better qualifications, may only need minimal support to transition into the workforce. Tailored, gender-sensitive interventions, reflecting the varying national, regional, and local circumstances, are imperative to address the unique challenges and requirements faced by the youth. A **pathway approach to labour market integration** should be explored. In addition, young people need to have more **confidence in public employment services and have a better understanding** of the support these services can offer. This means that young people should be provided with a personalised offer that meets their individual needs and addresses the specific barriers they face in gaining a strong foothold in the labour market.

2) Students enrolled in pre-university education, particularly in VET programmes:

They face learning difficulties and are at risk of dropping out of school. Adolescents continue to dropout from compulsory and upper secondary education. In the school year 2020-2021, the dropout rate from compulsory education was 0.56% (0.44% for girls) and the dropout rate from general upper secondary education was 2.02% (1.26% for girls and 2.93% for boys). This data does not include adolescents who are dropping out in the summer between compulsory and upper secondary education. Despite these dropout rates, recent data shows that the rate of Early Leavers was significantly higher in Albania and had increased from 2020 (15.6%) to 2021 (16.8%) compared to the EU average (9.7% in 2021) (Regional Cooperation Council, 2022). They need **specialized support to navigate their educational journey**, ensuring they master core concepts and skills despite the learning hurdles they may encounter. In addition, they need to be **exposed to the world of work before graduation, enhancing the learning environment** is crucial to reduce dropout rates and smooth the transition from school to the workforce. They also need enhanced career guidance and counselling, specialised support and orientation, as well as working with the family and community to address barriers to social inclusion.

3) The other target groups, duty-bearers, of this proposed action are:

- **Ministry of Finance and Economy, National Agency for Employment and Skills, National Agency for VET and Qualification** are the key stakeholders responsible for the implementation of the employment and skills development policy.
- **Minister of State for Youth and Children and National Agency for Youth and the National Youth Councils and Local Youth Councils** are responsible to deliver the youth policies.
- **Ministry of Health and Social Protection, State Social Services and municipalities** are responsible to deliver social service for vulnerable population and groups at risk.
- **INSTAT** is responsible to publish official statistics in these sectors.
- The members of the **YG governance structure**, have the responsibility to oversee the pilot implementation of the YG, learned from the lessons in the ground and prepare the country for the full deployment.
- **Civil society, youth groups and young people and other social partners** have the responsibility to participate in decision making processes as foreseen by specific sectoral legal frameworks.

4) In addition to the above listed target groups, **for the pilot implementation** of Tirana, Vlora and Shkodra, **key target groups include:** members of the municipal youth councils, municipal social

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services, employers and employers' organisations, employment offices, VET providers, trade unions, civil society organizations and youth organizations and young people.

Needs and constraints and technical and management capacities of target stakeholders

Consensus acknowledges that while fully operational, the **Public Employment Services (PES) in Albania face substantial resource constraints in both human and technical capacities**, delivered by central, regional, and local offices of the NAES. The World Bank's 2018 review titled "Albania Functional Review: Efficiency Analysis of the National Employment Service" underscores these issues, highlighting effectiveness, efficiency, and performance disparities within the NAES network—a view echoed in a recent assessment by the International Labour Organization (ILO 2023, to be published).

The PES in Albania includes various typology of services and programmes, such as registration, profiling, individual employment plans and referral mechanisms in place. Active Labour Market Programmes (ALMPs) are regulated though by-laws (decision of the council of ministers) and include a broad range (internships, on-the-job training, wage subsidies, start-up support and grants, community employment and training, subsidized private training). A new ALMP on traineeship was recently approved. A noteworthy advancement is the elimination of the three-month registration requisite for jobseekers to access employment programs, reflecting Albania's dedication to the YG and addressing its implementation hurdles. Two new draft ALMPs, namely, **Reintegration Programme** targeting the beneficiaries of Ndihma Ekonomike and **Basic Literacy, Numeracy and Digital skills and mentoring targeting long-term unemployed** have been developed and are pending approval. The NAES's existing IT system has improved considerably both in terms of interface and back-end developments. The online portal puna.gov.al has integrated new features and is connecting all available vacancies in one single public portal. In addition, a Youth Guarantee Portal has been designed and is ready to be launched.

In the context of YG implementation, **PES delivery model needs enhancement**, especially in terms of adjusting its delivery mechanisms to the needs of young people and the way young people learn. In addition, it must further enhance its cooperation models with other local level partners to establish new and integrated service delivery with social partners, to address the multiple labour market barrier that young people face. Both portals can be enhanced by integrating more automation and technology driven solutions, similar to many PES in the EU.

The **deficit of data on youth educational trajectories and their transition into the labor market** post-schooling hinders a thorough analysis of challenges they face during this transition. This requires the improved interoperability between the education, employment and social protection information systems, which are hosted and operated by a variety of institutions, as well as continuation of graduate tracer studies at the national level.

Career counselling is unanimously deemed crucial in enhancing youth support and bolstering education, training, and employment policy efficacy in line with YG execution. The low VET enrolment, at 17.5% for upper secondary students and a mere 16.1% female participation in the academic year 2022/2023 (INSTAT), stresses the need for improved counselling and diversified offerings within the educational framework. Collaboration between municipalities and NGOs in the youth sector, especially within Local Youth Councils (LYC), is a positive stride towards better addressing youth issues along including quality career orientation in the schools starting from primary and lower secondary education.

There is a significant skills mismatch in Albania's labor market, with a notable portion of the workforce either overqualified or underqualified for their current roles⁴. This mismatch indicates the immediate need for alignment of educational curricula with market demands. For the purposes of addressing the limitations related to skills, the quality, quantity and relevance of the vocational education and training offer must be increased, a new lifelong learning mindset must be gradually established in order to provide the labour force with the possibility to continuously improve cognitive, social-emotional and technical skills. At the same time, a flexible and inclusive vocational education and training system must be ensured in order to provide fast solutions for effective and short-term trainings.

The strong focus of the Albanian VET offers at upper-secondary level on school-based VET programmes and lack of any significant steps towards a dual / apprenticeship-like educational pathway,

⁴ ETF. 2023. European jobs and skills survey. Statistical Profile Albania, available at: https://www.etf.europa.eu/sites/default/files/2023-10/Statistical%20profile_AL_EN_edited.pdf

indicates a gap in the Albanian Qualification's Framework upper secondary education segment and its offer. This requires field testing and involvement of private sector actors.

Finally, as a new agency established in 2020 under a newly formed Minister of State for Youth and Children (MoSYCh), **the National Youth Agency (NYA) has to build its legitimacy and operational frameworks**. Despite its significant progress in supporting the establishment of the LYC throughout the country and consolidating the grant mechanism, the agency is understaffed, affecting its ability to scale and manage multiple initiatives simultaneously. NYA is in the early stages of establishing an internal database to ease the implementation of the granting mechanism, which needs to be populated, managed, and effectively utilized for evidence-based policymaking.

In addition, the **drop out in lower and upper secondary education** continues to be an issue exacerbated even further by the emigration trends in the country. The rigid remedial learning alternatives such as second chance need to be updated and improved while multiple pathways to education allowing for adults going back to learning, lack updated skills building such as transversal skills and skills for employability.

EU4Youth proposed action encompasses a range of local level actors and social partners. It is well grounded to the local context and acknowledges the gaps and areas for improvement at the strategic, operational, and administrative level, *to enable a conducive environment to guarantee a good offer to all NEET residing in the municipalities of Tirane, Shkoder and Vlore, within 4 months upon registration with the National Agency for Employment and Skills.*

Key Stakeholders and consultations held: In preparation of this proposed action, UNDP and UNICEF designed and delivered a series of consultation with key stakeholders at central, regional and local level, including young people in the municipalities of Vlore and Shkoder. An initial **consultation took place with NAES head offices** in Tirana, involving the three regional NAES directorates and respective Employment Offices (25/09/23). **Two focus groups** with around 50 young people were organised in the Youth Centre in Vlora (27/09/23) and Youth Center 'Atelier' in Shkoder (28/09/23). Consultations were organised also **with the members of the technical working group of the YG** (28/9/2023) and particularly with the Ministry of Youth and Children. Consultations confirmed the intervention logic and implementation approach of this proposed action.

In addition, an **online survey was run with U-Report** which reached out to more than 400 young people around Albania, facilitating the inclusion of youth perspectives in the design process of this action. Main findings indicate that young people have limited to no information about YG; their preferred communication channels are social media and internet; they stressed the importance of access to information that can be provided by the variety of actors in the municipality. They underscore the importance of guidance and counselling and professional practice as an efficient way to enter the labour market. Detailed results can be found in this link: [U-Report Western Balkans \(ureport.in\)](https://ureport.in)

1.1.6. Intervention logic

"EU for Youth" project expected impact is to improve the employability of young boys and girls not in employment, education, or training through the implementation of YG scheme in Albania. The **three outcomes and 8 outputs** are cross-communicating, i.e., are designed to ensure internal coherence and maximize collaboration and learning between the measures, that that at the end they add value and contribute to the achievement of the expected impact (see logframe in section 1.5)

Outcome 1: Enhanced inter-institutional capacities to effectively implement and govern the Youth Guarantee in Albania.

Outcome 1 aims to provide technical assistance and capacity-building initiatives targeting national institutions to facilitate the effective implementation of the YGIP 2023-2024 across its four key phases: mapping, outreach, preparation, and offer. At the same time, outcome 1 aims to set up robust governance structures and to foster a conducive ecosystem and needed partnerships that ensures the effective coordination, management, and delivery of the Youth Guarantee Scheme. It has a keen focus on engaging youth, enhancing institutional coordination, and ensuring continuous monitoring and evaluation for better alignment with the employment and education aspirations of the youth. Based on a rapid assessment of the current implementation level of the YGIP conducted by UNDP and UNICEF,

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tailored strategies for each output have been developed considering the on-going work of EU for SI and the EU funded ILO/ETF technical assistance facility (TAF)

Output 1.1. Strengthened institutional capabilities facilitate the delivery of the Youth Guarantee Implementation Plan 2023-2024

Strategies: Strengthen central-level institutional capabilities by providing robust, standardized data and intelligence on young NEETs and the available opportunities at the regional level, thereby enabling evidence-based policy-making essential for the effective implementation of the YGIP 2023-2024. Provide comprehensive technical assistance and capacity development programme, and training of trainers, to NAES and NYA to design and develop a Local Partnership Network model with clear roles and responsibilities, a shared commitment to common objectives, and well-understood targets. Empower youth workers affiliated with National Youth Councils (NYC) and Local Youth Councils (LYC) to actively participate in the YG governance mechanisms. Enhance the delivery of the PES delivery model encompassing a variety of integrated services: orientation and profiling tools to assess the risk of becoming NEET, individualized activation plans, and comprehensive counselling, mentoring, and guidance service, in collaboration with young people. Facilitate policy discussion on options to improve the coverage and inclusivity of the Employment Promotion Programs (EPPs) portfolio, to identify gaps and to propose additional programs. Design policy options to further develop a more permeable and flexible pre-university education system, considering options like second change programmes, part-time VET and Vocational Matura, as well improving the learning environment, incorporating guidance and counselling and improved interoperability between IT systems.

Output 1.2. Inter-institutional governance mechanisms effectively coordinate and manage the Youth Guarantee in Albania

Strategies: Consolidate the Youth Guarantee governance structures to monitor and continuously improve the YG scheme in Albania. Support the national coordinator and national executive coordinator of the YG to deliver engaging and innovative outreach national campaigns for the YG scheme and its offer. Further develop the Youth Guarantee Portal (developed under the IPA Tas) to provide a wide range of information for young people on topics such as: employment opportunities, vocational training, scholarships, projects proposals, grant schemes, exchange programmes, online career counselling, internships, apprenticeships, etc. Deliver communication campaigning on the EU4Youth project and its results.

Through these strategic actions, the aim of outcome 1 is to serve as a platform for policy dialogues that address a spectrum of reforms and initiatives. These dialogues span legal, operational, and technical dimensions in areas such as employment, skills development, lifelong learning, and youth policies. The process engages a diverse set of stakeholders, including MoFE, MoSYCh, MoES, MoHSP, INSTAT, NAES, NYA, NAVETQ, and ASCAP. It supports the National Coordinator of the YG to functionalise and capacitate the governance model of the YG, i.e., the inter-institutional working group/monitoring committee chaired by MoFE and the technical working group. Work with stakeholders to develop YGIP beyond 2024 that ensures the continuity and full deployment of the Youth Guarantee program based on the findings and the lessons learned of the initial pilot phase (YGIP 2025-2027).

Outcome 2: Strengthened local engagement and partnerships that effectively support the integration and retention of vulnerable NEET youth in the labor market through well-monitored and adaptive Youth Guarantee programmes.

Outcome 2 is geared towards fully operationalizing the Youth Guarantee mechanism, paving the way for thorough field testing of all its operational steps, i.e., mapping, outreach, preparation, offer, in the municipalities of Tirana, Vlore and Shkoder. This outcome hinges on a collaborative effort, inviting young individuals and youth representatives to lead innovative, tailored, and youth-friendly approaches for delivering integrated services at the grassroots level. This outcome will complement the initial pilot of NAES, which is engaging 200 NEET individuals across three municipalities, facilitated with the technical support of EU4SI/GOPA. During this initial pilot, NAES plans to open the YG entry on 1st of November 2023. EPP and short-term VTC courses will be considered as the YG Offer and the implementation will be done by utilizing only the PES offices.

In this outcome, **UNDP and UNICEF will deliver an enhanced YG pilot, activating the Local Partnerships Networks and building collaboration with all social partners**, through innovative

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approaches to policy design and experimentation. By delivering this enhanced pilot, institutions at local level, will build YG models which are based on YG guidelines, and rooted in local knowledge and experience. This outcome is delivered in full alignment with NAES plans.

Output 2.1. Local Partnership Networks are established and strengthened in the three pilot municipalities.

Strategies: Map, set up, and mobilize the members of the Local Partner Networks in the three municipalities. Provide training and coaching (based on the products of output 1.2) to the established Local Partners Networks to equip them with the capacities and tools to reach out to NEET, engaging with the Local Youth Councils, Municipal social workers, social administrators and youth workers, education institutions, NGOs and young people. Set up and coach youth teams within Employment Offices (EOs).

Output 2.2. Youth Guarantee Partnerships on the ground are co-designed and delivered with social partners and youth to address the needs of vulnerable NEETs.

Strategies: Deliver an innovation challenge to design comprehensive and multidisciplinary activation models targeting vulnerable NEETs, in collaboration with employment offices, education institutions, employers, youth organizations, NGOs, and social and health services to address the unique challenges faced by vulnerable NEETs. Pilot the designed activation strategies, in partnership with the stakeholders at the local level, incorporating social reintegration programs, mobile services for entrepreneurial skill development, and supported employment programs for youth with disabilities, reaching out to at least 1,500 vulnerable NEET and offering pre-placement and post-placement support to at least 800 NEETs. Deliver a communication and engagement campaign with young people to improve information and awareness on YG.

Output 2.3. On-going monitoring and evaluation to fine-tune the YG in view of its national deployment, is implemented.

Strategies: Provide monitoring and dissemination services related to the YG pilot (monitoring and evaluation of the pilot actions, peer-learning, dissemination through reports and a national conference). Conduct developmental evaluation, an approach adept for the complex and multi-partner context in which Youth Guarantee Scheme is being developed. All YG monitoring and evaluation procedures will mirror EU requirements and reporting arrangements as per the Youth Guarantee Indicator Monitoring Framework. Evaluation arrangements will follow models and practices applied especially in context of European Social Fund and Operational Programmes.

Outcome 3: Enhanced capacity and effectiveness of VET systems in producing a skilled workforce prepared to contribute to the green economy, with reduced student drop-out rates and increased engagement with the private sector.

Outcome 3 aims to enhance both the typology and quality of the VET programmes (offer) to better align them with labour market demands with a special emphasis on qualifications pertinent to the green economy. This outcome will be implemented in synergy with the SD4E project and the Qendro project, which are currently actively involved in both the VET and pre-university education system.

Output 3.1. VET providers are furnished with the tools and capacities to develop and deliver Early Warning Systems and programmes aimed at preventing student drop-out.

Strategies: Provide support and coaching to 12 VET providers in the three pilot municipalities on Early Warning Systems (EWS) for drop out monitoring and prevention including elements of needs assessment and response mechanism - social emotional learning for youth at risk to reinforce their resilience. Provide bridging program for vulnerable students with very low outcomes to overcome their learning gaps. Establish sustainable collaboration among high schools and the employment offices (Youth teams in the EOs and Development Units in the VET providers).

Output 3.2. Institutions at the local level are capacitated to support the delivery of the Traineeship Programmes in occupations relevant to the green economy.

Strategies: Design a capacity development programme for Vocational training centres, Employment Offices and employers involved in the implementation of the Traineeship Programmes. Deliver training

to the stakeholders in the pilot municipalities. Design a well-structured M&E framework for the Traineeship programmes. Draft a capitalisation report and recommend improvements in the traineeship model.

Output 3.3. Apprenticeship model is designed and piloted in occupations relevant to the green economy in the three pilot areas, in partnership with private sector.

Strategies: Design VET programmes at the level 5 of the AQF in partnership with the private sector, creating the needed environment to test quality apprenticeships and traineeships in the green economy. Pilot the designed programmes in the three municipalities, in collaboration with the VET providers offering post-secondary level programmes, private sector companies and NAVETQ. 50 vulnerable NEETs and VET graduates enrol in these programmes. Draft a capitalisation report of the experience at the local level.

The 3 outcomes and 8 outputs of this proposed action are designed with the assumption that if these strategies are implemented, then Albania is better prepared to deliver the Youth Guarantee Scheme (phase 2) and Pilots the YG in the municipalities of Tirane, Vlore and Shkoder (phase 3), as required by the EU for Youth Action Document/outcome 2. The proposed action is designed also assuming that the GoA will carry out the pilot implementation utilizing the internal mechanisms of NAES in the three municipalities. It assumes that the EU4SI will join forces in delivering a comprehensive and well-coordinated support for delivering the YG in Albania. It assumes that there is a stable policy environment that support the objectives of the YGIP and that the reforms on employment and skills development will continue. Finally, if the target group is supported with effective and tailored programmes which enable decent employment opportunities, they can be motivated to participate in the employment and skills development programmes, which in turn improve their employability levels.

The main identified risks of this proposed action involve changes in local government or regulations could derail or delay the implementation of planned activities, affecting the achievement of project outcomes and impact. Cultural norms and attitudes toward employment may pose challenges, necessitating careful community engagement. Social inequalities and disparities in access to opportunities could affect outcomes, requiring targeted approaches for inclusivity. Varying local government and institutional capacities may affect implementation efficiency. Gaps in the legal system on apprenticeship and dual education might impede the implementation of the pilot actions. The prevalent attitude towards informal work could lead to a lack of formal job opportunities. Finally, population dynamics with increasing emigration trends of young people, might impact the implementation of the project in smaller municipalities.

An initial risk analysis and mitigation strategies is presented in section 1.4 of this proposed action. To address these risks, UNDP and UNICEF will actively engage with stakeholders, including community representatives, to gain local support and mitigate conflicts.

1.1.7. Improvements for the target groups, final beneficiaries and technical capacities

The proposed action will improve the situation of **the target group at three levels**. These benefits will be as follows:

- **MFE, MoSYCH, MoES, MoHSP and the related agencies** will be capacitated and supported to advance on the reforms and initiatives foreseen in the YGIP, delivered with the active engagement of youth people.
- **YG governance** will be supported to effectively monitor and evaluate the scheme, clarifying the roles and functions of each.
- **Local Partners Networks** established in the municipalities of Tirane, Shkoder and Vlore will be capacitated to prepare a local plan for pilot activation models of employment and skills development, targeting various NEET profiles. Members of the local partners network will validate the integrated approaches to be scaled up in other municipalities in the future. These stakeholders will be supported to provide integrated solutions for the target group.
- **17,000 young people registered in the public EOs** will benefit from the improved employment services, through youth-friendly tools.
- **1,500 NEETs reached out and 800 NEETs who take up an offer** in the municipalities of Tirane, Vlore and Shkoder will improve their employability levels through integrated and specialised services at the local and regional level, delivered in partnership, by adept

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practitioners who will have enhanced their capacities, ensuring effective utilisation of available resources and services.

- **7,533 students enrolled in the 12 VET providers** in the municipalities of Tirane, Vlore and Shkoder will benefit from an improved learning environment which encourages them to complete their studies and support school-to-work transition.

1.1.8. Description of the proposed work packages

Outcome 0/Output 0: Project Structure and management principles set-up for efficient project delivery

WP 0: Project management

A0.1. Development of detailed workplan: The project will start with the recruitment of the core project teams by UNDP and UNICEF and completing the project governance structure. UNDP and UNICEF will prepare detailed annual project work plan to guide the implementation throughout the project period. A clear map of stakeholders will be developed, defining their role during project implementation. A UN Agency to UN Agency Agreement will be signed between the two partners, in line with the rules, regulation and policies of both agencies. The project teams will agree on internal procedures for management and reporting.

The project management part will focus on the coherent implementation of planned activities and delivery of outputs. The functions of project management will include staff management, coordination of efforts among the partners and external relations/contacts. The financial function will ensure transparency and audit trails for all costs incurring during the implementation.

A0.2: Project Steering Committee: Facilitate coordination, exchange information, discuss and plan activities, and address implementation issues through regular project steering committee meetings. Additionally, ad hoc meetings will be organized to discuss specific issues related to the progress, upcoming activities and coordination with new/upcoming initiatives in the sector. More details on the project steering committee are provided in section 1.2.4.

A0.3: Monitoring, Reporting and Evaluation: Guided by UNDP, a thorough monitoring plan will be devised, updated bi-annually, and approved by the Steering Committee. As the lead applicant, UNDP will undertake the drafting and submission of necessary reports to the Contracting Authority, in line with the stipulations of the Contribution Agreement. UNICEF will participate as a partner. The Action's evaluation is scheduled to furnish independent, credible, ethically sourced, timely, and accessible evaluative evidence. This endeavour will centre around encouraging the learning and enhancement of the Action, facilitating oversight and accountability towards the donor and stakeholders.

A0.4: Communication and Visibility This Action will ensure visibility according to Article 7 of the Annex II. General Conditions and the Joint Visibility Guidelines for EC-UN Actions in the field. The visibility activities will be executed in close cooperation between UNDP/UNICEF and EU Delegation to Albania focusing on outputs and the impact of the action's results. A launching event will be organised inviting the key stakeholders and media to inform about the project. Three youth events will be organised to increase awareness on the Youth Guarantee and mobilize partners at the three municipalities. A final closing event of the project will help to share lessons learned and specific recommendation for the central and local level authorities.

Outcome 1: Enhanced inter-institutional capacities to effectively implement and govern the Youth Guarantee in Albania.

WP 1: Institutional capabilities to deliver the YGIP

Activity 1.1 Provide technical assistance to improve of availability of regular and comprehensive information on NEET in Albania (mapping).

Description: Technical support will be provided to INSTAT to design and integrate a self-sustained statistical module within the Labour Force Survey (LFS), aligning with the EU Guidelines and EU LFS explanatory notes that mandate enhanced data collection on the transition from school to work. Undertake and publicize the annual NEET profile report, aggregating information from diverse institutions such as INSTAT, MoES, NAES, NYA, the Youth Portal, and others. Establish protocols for data collection to feed into the NEET profile. Ensure widespread dissemination of the report to pertinent

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stakeholders at both central and local levels. Render technical assistance to NAES for scrutinizing regional labour market trends and publishing regional labour market briefs. This initiative is engineered to unlock insights into short- and medium-term skill and qualification demands within the labour market, thereby seeding a foundation for more informed, adaptive workforce development strategies. A finer understanding of the regional labour market dynamics will be attained, enhancing the capability of NAVETQ and education and training providers to align training and education programs with the prevailing market demands. **Publications:** NEET profile and the national and regional level; Regional Labour Market Briefs **Roles:** UNDP will lead the implementation of this activity.

This WP will benefit from the products developed by the EU4SI implemented by GOPA, especially from the information on youth who pre-register in the Youth Portal and the new module on YG integrated within the Employment Services System.

Activity 1.2. Enhance employment service for youth by youth, and capacities of PES counsellors (preparation)

Description: The PES delivery model will be improved the requirements of the YG, as well as to the needs of young jobseekers. The model will include Job Matching and Personalized Job Recommendations, Guidance and Counselling, Soft Skills Development and Entrepreneurship skills. This will also include a module on informing youth on rights at work. Support NAES to improve its YG M&E framework, EMCO indicators, exploring new indicators for measuring the success rate of YG in Albania (for ex. Building up on the work done by UNDP on introducing progression indicators, which measures the ‘distance travelled’ by the individual since accessing the support, as well as innovative performance indicators such as the ‘level of autonomy’). PES counsellors will be trained and specialized in working with young people, as well as on the enhanced PES tools. Young people will be actively involved in designing the youth services model. **Roles:** UNDP will assume a principal role in driving this, leveraging its rich experience in reforming employment services.

Activity 1.3 Support the development of a model for Local Partners Networks (outreach and preparation)

Description: Provide technical support to NAES and NYA for developing an operational model that guides the establishment and functioning of Local Partners Networks. This operational model will feature an integrated case management system led by NAES and will standardize service delivery protocols, referrals, and monitoring mechanisms for tracking both outreach actions taken, and outcomes achieved. Formulate a capacity development programme and training of trainer (ToTs) for NAES (utilizing the trainers trained by SREPVET project) and NYA to improve the operational framework of Local Partners Network and the realization of shared objectives at a local level. This will also include aspects that need to be addressed by the Local Youth Councils, which are part of the Local Partner Networks, on areas identified in the National Youth Strategy, such as project writing, organizing of promotional campaigns, organization of youth camps and youth activities.

Publications: Operational Manual for Local Partners Networks. **Roles:** UNDP and UNICEF will co-lead this activity, harnessing on the expertise of UNDP to steer the inclusive strategy development processes and of UNICEF on its extensive experience on youth-centric engagement.

Activity 1.4. Provide technical assistance to improve the legal and regulatory framework (preparation and offer).

Description: Provide technical assistance to the MoSYCh and NYA to revise the existing granting mechanism to include a pillar which supports the delivery of the YG outreach strategy, the latter currently being developed by ILO/ETF. Draft protocols on monitoring outreach efforts and referral mechanisms to YG services managed by PES. Conduct a policy assessment and discuss proposed options to improve flexibility and permeability of the pre-university education system for young adults to re-engage with the education system, complete pending qualifications, and have improved access to VET programs. Provide legal support and technical expertise to implement selected options. Provide technical assistance to the MoFE and NAES to diversify the Employment Promotion Programmes portfolio (offer), delivered in partnership with social partners, based on EU best practices, to address the specific needs of vulnerable NEET, beneficiaries of economic aid, youth with disabilities, living in rural areas, inactive women, Roma and Egyptians. etc. This activity will greatly benefit from the pilot actions that will be delivered in activity 2.2. **Publication:** Policy assessment and options to improve flexibility and permeability of the pre-university education system in Albania. **Roles:** The implementation of this

activity will be a joint endeavour between UNDP and UNICEF. UNICEF will lend its technical expertise to MoES, aiming to enhance the legislative environment governing general education. Simultaneously, UNDP will support MoFE, the body mandated to regulate the VET system in Albania, in evaluating and proposing necessary amendments to the VET legislative framework.

WP2: Enhance the inter-institutional governance mechanisms of the YG in Albania.

Activity 2.1. Capacitate and strengthen the Youth Guarantee governance structures.

Description. Define function and duties of each of the governance structures, i.e. the National Coordinator and the Inter-institutional group, the Executive Coordination (NAES) and the Technical Working Group (TWG). Facilitate regular meetings and provide technical assistance during the meetings, as well as address any problem that may arise during preparations for the YG scheme, including support to MoSYC, MoES and MoHSP. Ensure systemic and systematic engagement of youth people in all the levels of YG governance. Support NAES to prepare Annual Progress Reports of the YGIP 2023-2024. **Roles:** UNDP and UNICEF will provide technical support to functionalise the governance structures and ensure systemic and systematic youth engagement.

Activity 2.2.: Support the development of the YGIP 2025-2027.

Description: Support the technical working group to draft the new YGIP 2025-2027 based on the lessons learned of the pilot supported by GOPA and the local partnerships pilots supported by this action. Facilitation broad based consultations, with a focus on youth groups and young people. **Roles:** This activity will be implemented jointly by UNDP and UNICEF. **Publication:** YGIP 2025-2027 full deployment.

Activity 2.3. Deliver effective communication and promotion of the Youth Guarantee scheme and its results.

Description: This activity focuses on enhancing the content available on the Youth Portal by integrating comprehensive labour market information. This enriched content aims to provide a centralized, accessible platform for youth to explore employment opportunities, entrepreneurial ventures, and supportive services that facilitate their transition into the labor market. Organise a national conference on the pilots of the YG, which will also serve as peer learning exercise for the municipalities that have not yet been exposed to the complexities of YG implementation. **Roles:** UNDP/UNICEF will co-lead the implementation of this activity.

Outcome 2: Strengthened local engagement and partnerships that effectively support the integration and retention of vulnerable NEET youth in the labor market through well-monitored and adaptive Youth Guarantee programmes.

WP 3: Pilot innovative, tailored and youth friendly employment services in partnership with local actors

Activity 3.1. Establish and functionalise three local partner networks in the pilot municipalities.

Description: Map, set up and mobilize *three Local Partners Networks* in Tirana, Vlore, and Shkoder, with the participation of representatives from employment offices, education, social protection, local government, and youth representatives including youth councils, youth and other NGOs who deal with social services, youth at risk etc. (*linked to Act. 1.2.*). Deliver training to the members of the established Local Partners Networks in the three pilot municipalities. Provide technical assistance for the regular functioning of the local partners networks in the three pilot municipalities. **Roles:** UNDP and UNICEF will implement this activity through the support provided by the local coordinators.

Activity 3.2. Design and deliver YG models through local level partnerships in the three pilot municipalities (design and develop the pilot)

Description: A diverse range of partners is needed to address the multiple needs of young NEETs. To be successful, such partnerships must bring together not only public employment services, the education sector and local employers, but must also involve youth organisations, non-governmental organisations (NGOs), and social and health services. Innovation challenges using human centred design to define the youth priorities, outreach, preparation, improved quality of the offer (using current offer of NAES during its initial pilot) will be developed and delivered through three workshops. The models designed will be

well documented and will serve as the basis for the developing the TORs of the granting mechanism for Lot 1 and Lot 2 (more information available in section 1.1.9). The selected partnerships will include partnerships to reach out to youth (one in each pilot municipality) and partnerships which focuses on supporting Employment Office during the preparation and offer for the vulnerable NEETs (one in each municipality). The latter will include pre-placement and post-placement support, incorporating job coaches and mentors. UNDP and UNICEF existing experience in the ground, with programmes such as Intensive Counselling for young people who are beneficiaries of economic aid (the reintegration programmes, piloted in Elbasan region), supported employment, provision of assistive technologies and vocational rehabilitation for people with disabilities, as well small scale models of youth job centers (job clubs) and mobile offices to reach out to youth living in rural areas or distant from the location of employment services will be utilized. A pilot plan will be designed to outline the implementation process, joint objectives, and monitoring and evaluation indicators. The selected local partnerships offering pre-place and post-place support to the NEETs in the pilot municipalities will be supported. **Roles:** UNDP and UNICEF will co-lead the implementation of this activity by providing financial support through subgranting. UNDP will lead the implementation of the innovation challenge and local partnerships which will support the EOs and UNICEF will lead the support to outreaching efforts.

Activity 3.3. Deliver local level outreach in partnership and engaging communication campaign in the three pilot municipalities.

Description: This activity entails the creation and execution of an engaging, youth-centric social communication campaign in three designated pilot areas. Leveraging the influence and reach of social media influencers, the campaign aims to foster a more profound awareness and enthusiasm among the youth regarding employment opportunities and supportive resources available to them. In addition to the digital campaign, organizing youth-centric events in the pilot areas will provide a tangible platform for interactive learning, networking, and direct engagement. Through these orchestrated efforts, the initiative strives to create a stimulating environment that propels the youth to actively engage with the employment sector and explore entrepreneurial avenue. Organize participatory events with young people will be organized to inform the process and provide the needed inputs from young people at all stages of the Youth Guarantee. In addition, the local partnerships designed in activity 2.3. will be supported to reach out to at least 1,500 NEETs in the three pilot municipalities. **Roles:** UNICEF will lead the implementation of this activity, utilizing its previous experience in reach out to youth at the municipal level.

Activity 3.4. Conduct on-going monitoring and evaluation to fine-tune Youth Guarantee in view of its national deployment.

Description: Collaborate with relevant stakeholders, including the local authorities, and other implementing partners, to design a comprehensive monitoring framework for the pilot initiative in the three municipalities. Implement a structured reporting system to provide periodic updates on the pilot's performance. Monitoring and developmental evaluation of different programmes and measures can help build a better knowledge base of what works and what does not work (and for whom), which can in turn serve to strengthen design and target services and measures. **1. Conduct Initial assessment** by the project team in collaboration with the local coordinators focused on pilot projects set-up, partnership formations and working, management of the pilot and relevance. Publish a background paper on the local partnerships. **2. Conduct performance monitoring surveys** twice during the implementation (mid-term and final) for qualitative and quantitative information in terms of output and outcome targets, progress in achieving those targets and information on first challenges, successes and emerging promising practices. **3. Develop thematic case studies** by the project manager and the local coordinators, to identify interesting, cross-cutting practices from various pilots and reporting emerging lessons. **4. Capitalization reports** to be conducted during the second year of the action, while the projects are being implemented and initiate a policy discussion with MoFE, NAES, MoSYCH and NYA to scale up these pilot projects. **5. Developmental evaluation** to be conducted. Developmental evaluation is an approach to program assessment designed to support the development and innovation of social programs or initiatives. Unlike traditional evaluations, which assess effectiveness, efficiency, and outcomes, developmental evaluation focuses on adaptation and real-time feedback, helping institutions to be more agile and responsive to complex, rapidly changing conditions. Other elements such as the assessment of the organization and governance of the partnership model will also be

included. **Roles:** This activity will be implemented by UNDP. **Publications:** Initial assessment of the pilot action; Thematic case studies; Capitalisation reports; Mid-term and Final Evaluation Reports.

Outcome 3: Enhanced capacity and effectiveness of VET systems in producing a skilled workforce prepared to contribute to the green economy, with reduced student drop-out rates and increased engagement with the private sector.

WP 4: Improve the quality and diversify of the education offer.

Activity 4.1. Equip education and training providers with Early Warning Systems and programmes.

Description. The Early Warning System (EWS) approach aims to combat drop out by supporting children to stay in school through strategies and interventions to meet their specific needs. Coaching and training will be provided to 12 VET providers in the pilot municipalities. Providers will be selected based on level of drop-out rates. An EWS comprises of 5 simple steps to identify students at risk of not returning to school and supporting their (re)enrolment. 1. Identification of students at risk of drop out. (the main factors that are analysed in order to measure the level or drop out are: child behaviour, performance, family economic problems, child health etc). 2. The school staff organize meetings to discuss on the cases of children at risk of drop out (the group is composed by teachers, school psychologist, school director). 3. Identification of the individual needs of the children who are at risk of drop out and the draft of the intervention plan. 4. The implementation of the intervention plan for the children who are at risk of drop out. 5. Monitoring of children who are at risk of drop out. This intervention will aim at enhancing the collaboration between EOs and VET providers. The piloting of the EWS will also consider the roles and responsibilities within DU for prevention of drop-out. **Roles:** This activity will be led by UNICEF, based on its extensive experience in providing EWS approaches and Social Emotional learning.

Activity 4.2. Enhance the capacities of local level actors to implement the approved traineeship model in the three pilot municipalities.

Description: Design a comprehensive capacity development programme that outlines the essential skills and knowledge needed by Vocational Training Centres, Employment Offices, and employers for implementing the Traineeship Programmes. Organize and deliver training sessions for stakeholders in the three pilot municipalities, also incorporating elements of soft skills and foundational skills. Design a robust Monitoring and Evaluation framework specifically for the Traineeship Programmes. This will include key performance indicators, data collection methods, and evaluation timelines. Propose amendments or improvements to the traineeship model, ensuring it is optimized for wider application. **Role:** This activity will be led by UNICEF.

Activity 4.3. Design and pilot an apprenticeship model in the green economy, in partnership with private sector.

Description: Based on the findings of the ETF study on Green Skills needs in Albania and the GIZ study on Digital and Green Economy, initiate a structured dialogue with NAVETQ to identify the potential qualifications that could be delivered through apprenticeship models. In collaboration with employers and employer organizations, the action will seek to develop apprenticeship/traineeship model(s). The action will provide sub-grants to implement a pilot apprenticeship/traineeship scheme for 50 NEETs (in level 5 qualification – green economy) in collaboration with business membership organisation, NAVETQ and selected VET providers, in the pilot municipalities. The program will have a duration of one year. The grant will assist to subsidize the wages of both the apprentice and the in-company mentor, along with training materials. It will also address the compounding vulnerabilities of apprentices by covering transportation costs, providing reasonable accommodations for youth with disabilities, and supporting childcare expenses. Participating companies will be required to offer a one-year employment contract to apprentices upon successful program completion. This will create the needed local experience in implementing apprenticeship schemes by involving other actors and testing dual approaches in the VET system. Draft a capitalisation report of the experience at the local level. **Roles:** UNDP will lead this activity. UNDP is already supporting NAVETQ to deliver quality assured processes in developing qualification standards and certifications. UNDP will leverage on its long-

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standing experience in supporting reforms in the VET system in Albania. The management of this sub-grant is under the responsibility of UNDP.

1.1.9. Financial support to third parties (subgranting under WP 3 and WP4)

The financial support to third parties will be managed by UNDP and UNICEF, in close collaboration with NAES, NAVETQ, and VET providers in the target municipalities, ensuring exposure and capacitation of relevant staff to the entire process. This financing support will be delivered through a sub-granting mechanism to achieve the outputs 2.2. and 3.3., restricted to the municipalities of Tirane, Shkoder and Vlore. As stipulated in Section 2.4. of the PRAG, the financial support to third parties must be awarded with general principles for contracting in the context of European Union external Actions: (a) ensuring sufficient transparency, fair competition and adequate ex-ante publicity; (b) ensuring equal treatment, proportionality and non-discrimination; (c) avoiding conflicts of interests throughout the entire procurement procedure.

The overall objectives, the specific objective(s) and the outputs (i.e. the results) to be achieved are fully aligned to the intervention logic of this proposed action. The **three lots of the sub-grant mechanism** are as follows: *Lot 1: Local partnerships to deliver support services (pre and post placement) for vulnerable NEET; Lot 2: Local partnerships to reach out to NEET; Lot 3: Apprenticeship models in the green economy, in partnership with private sector.*

Overall objective: To diversify the partnership models of NAES to establish and deliver inclusive and integrated employment, skills development opportunities for vulnerable NEETs, in collaboration with all labour market actors.

Specific objectives: 1. Youth Guarantee Partnerships on the ground are delivered with social partners and youth to address the needs of vulnerable NEETs. 2 Apprenticeship model is designed and piloted in occupations relevant to the green economy in the three pilot areas, in partnership with private sector.

Duration of proposed projects: minimum eight (8) months and maximum sixteen (16) months.

For all the three lots, local NGOs, local government units (municipalities), social enterprises, chamber of commerces will be eligible to apply for a grant, but in each case the proposed initiatives will have to demonstrate partnership and integrated approaches in the implementation and contribute to a strengthened communication between local level actors. In terms of the final beneficiaries, **all Lots are expected to target NEET, with a focus on NEET who are beneficiaries of economic aid, NEET who reside in rural areas and NEET with disabilities.**

Each grant can be awarded to a project implemented by one entity, or by two or more entities (consortium) that meet the project conditions, and many include more than one of the targeted municipalities. If the second option is chosen, only one entity is the lead applicant (lead organization). If selected, the entity shall sign a contract as per UNDP and UNICEF rules and regulations and shall then be responsible for the implementation.

Indicative types of activities eligible for financial support are the following: Pre-placement and post-placement support; youth job centers (job clubs) and mobile offices to reach out to youth living in rural areas or distant from the location of employment services; Provision of individualised support to personal growth through life and soft skills; Provision of group and individual counselling sessions; Delivering training on basic numeracy, literacy, and digital skills; Offering mentoring services to improve employability skills.; provision of wage subsidies and training materials for apprentices and in-company mentors; Provision of referral and integrated case management services; Delivering supported employment and vocational rehabilitation and training; Awareness raising on active living among PwD and their families; Job coaches and mentors for PwD; Awareness raising and training for employers on reasonable accommodation; Innovative employment, training, and self-employment programmes for PwD; Reconstruction/ refurbishment works⁵. The final list of activities will be validated once the programmes have been fully designed during the innovation challenges and with the support of technical experts.

The sub-granting scheme will be implemented through a **competitive and open call for project proposals**, in the following steps: 1. Design of the ToRs (call for proposal); 2. Information sessions and

⁵ Reconstruction/refurbishment works will be limited to light renovation or refurbishment or provision of supplies to support delivery of the services and increase accessibility for PwD can be eligible as long as they do not represent more than 50% of the total eligible budget.

dissemination in all the 3 municipalities; 3. Evaluation and selection of the proposal; 4. Grant contracts and technical/administrative guidance to grantees; 5. Monitoring and dissemination of results; 6. Reporting and reviewing process, 7. Conducting programme evaluation, 8. Dissemination of results.

UNDP will convene a selection committee composed of representatives from UNDP and NAES central offices in accordance to grant making purpose. The main proposed criteria for selecting these entities and giving the financial support are the following:

- Financial and operational capacity (Qualifications and relevant experience of the lead applicant and partners.) (30%)
- Relevance of the project proposal, methodology, approach, and implementation plan. (40%)
- Sustainability and innovation of the project proposal (15%)
- Budget and cost-effectiveness of the action (15%)

The amount of financial support provided will not be lower than 50,000 USD and not higher than 150,000 USD. Financial support will cover 100% of their eligible costs (i.e., no co-financing will be required from third parties). The exact amount of the contract shall be determined based on best value for money with cost effective results and on the established targets in terms of number of direct and indirect beneficiaries. The total budget available for financial support to third parties will be 766,374 USD. The minimum number of grants will be 5 grant awards.

Grantees must adhere to contractual terms following UNDP's and UNICEF's policies. Consultations and technical support will be available as needed to troubleshoot and ensure proper project implementation. Grantees will attend periodic training and networking sessions to enhance their capabilities and foster partnerships. In cases of delays due to unforeseen political or objective reasons, the Project Management Team will assess the need for a no-cost extension.

To ensure effective reporting and evaluation, clear indicators will measure progress, and results will be transparently shared with stakeholders. Best practices will be highlighted, lessons learned incorporated into legal and operational documents, and a final impact evaluation will be conducted. Joint EU-UNDP – UNICEF monitoring missions will occur as agreed upon, with on-site visits documented in monitoring reports.

1.1.10. Main studies conducted in view of defining the scope of the action

The main studies and consultations that were conducted to define the scope of the Action are comprehensive and well-targeted. They include: (1) Consultation with Stakeholders including MoFE, MoSYCh, NAES and other partners engaged in the sector. (2) Focus Group Discussions: Two focus groups were conducted with young people in Shkoder and Tirana. They provided valuable ground level insights, essential for tailoring the pilot programmes to the actual needs and circumstances of youth; (3) UNDP and UNICEF also considered beneficiary perspectives through prior research, which included the situation analysis of children and adolescents in Albania (2021), analysing socio-economic and demographic data of long-term registered unemployed jobseekers in Albania, drawing from experience in a regional project on Integrated Case Management, and conducting a qualitative study on inclusiveness in Albanian VET regarding PwD; (4) Performance assessment: UNDP and UNICEF assessed the performance of NYA, NAES, employment offices and VET providers by analysing the total number of beneficiaries from target groups. Various reports, such as the municipality-level social services provision map and data on social assistance beneficiaries and disability pensions from State Social Services, were consulted to understand social protection service delivery. In the addition, a review of previous interventions helped develop the Theory of Change of this proposed action.

1.2. Implementation approach

1.2.1. Methods of implementation

The Youth Guarantee is a new approach to tackling youth unemployment. It is not a ‘project’ or a new ‘activity’, but it constitutes a comprehensive approach to reforming the way in which actors from public, private and social partners come together to engage and support young people to ensure their successful transition to the labour market. The implementation approach of the proposed action is meticulously crafted by UNDP and UNICEF to achieve the intended objectives both efficiently and sustainably. These methods are designed to foster the sustainability and transfer of ongoing interventions while also building upon and strengthening results already achieved. They reflect lessons learned and are based on tested best practices, aligning with both the local and national context, and drawing inspiration from EU best practices.

1. Cross sectoral and multi-level support focused on technical assistance, capacity building, and training/coaching: To achieve the full implementation of the YGIP in Albania, the project deploys a multi-layered support, encompassing targeted technical assistance and capacity building at multiple governance levels.

At the central level, (policy) institutions such as MoFE, MoSYCH, and MoES, as well as INSTAT, will receive technical assistance to deliver the needed reforms and initiatives foreseen in the YGIP, in all four passes. **Mapping:** provide technical support to INSTAT to regularly publish NEET profile; **Outreach:** develop operational model for the Local Partners Network, as well as improve regulatory framework of funding youth organization. **Preparatory:** Enhancing the PES delivery model for youth, to align it to YG requirements and introduce performance management framework model. **Offer:** Improve the legal and regulatory framework to improve quality, accessibility, and permeability of the education offer, as well as propose new EPPs for diversified employment and training offer.

At the meso level (agencies/technical), to ensure long-term sustainability and reach, the project will deliver targeted technical assistance to institutions like NAES and NYA for the formulation of comprehensive capacity development programmes on the YG Employment Service Model and Local Partner’s Network operational models. These programs will be integrated into existing institutional frameworks and will involve a collaborative process for curricula development and agreement on modes of implementation. The project will further train Trainers of Trainers (TOTs) to equip these institutions with the in-house expertise needed for autonomous rollout across municipalities in Albania. These capacity development programs will incorporate innovative delivery models, such as Communities of Practices, coaching and mentoring etc., to enrich the skill sets and operational capabilities of staff at various levels.

At the local level (municipality/county), members of the Local Partners Network and Local Youth Councils in pilot municipalities—Tirana, Vlore, and Shkoder, will receive **training and day-to-day coaching** on the operational models of YG implementation. Employment counsellors will also receive targeted training to optimize PES functionalities like profiling, individual activation plans, guidance, and counselling, as well as collaboration with other labour market actors and how to translate into practice the decent work definition⁶. At the same time, young people and youth will be active members of this institutional transformation happening in their communities. In addition, selected social partners (employer organizations, education providers and NGOs) will receive capacity building and become active partners to deliver pilot models, such as apprenticeship/traineeship and new models of employment services for youth residing in rural areas or youth with disabilities.

2. Pathways Approach for Young Individuals: Recognizing that the NEETs and young people often fall between the cracks of the blend of education, employment, and social services, this project will adopt a pathways approach for young individuals. It involves developing an operational model replete with mechanisms and tools for activating NEETs, based on the situation where they start their journey towards becoming active in the labour market. An **operational model for the functioning of Local**

⁶ Albanian Labor Code and ILO definition (security work based dimensions) when it comes to job offers – labor market security (working hours); employment security (contracts & social/health insurance); job security (willingness to stay in the present job); Work Security (how hazardous it is); Income Security (income, paid leave, sick leave, overtime paid); Skills security (training on the job)



Partners Networks will be developed, through human centric and pathways approach, formulated in active collaboration with youth and youth organizations, offering new modes for the delivery for youth.

3. Flexible, Tailored, and Integrated YG delivery models: There is no single, one-size-fits-all Youth Guarantee scheme that could respond to the needs of different groups of young people in Albania. This approach focuses on agile and customized **policy initiatives** that can quickly adapt to the needs of the youth demographic. The idea is to create a suite of measures that are not only comprehensive but can also be adjusted based on real-time labour market data and individual needs. Based on initial assessment needs assessment and mapping in the three municipalities, it became evident that the YG models can take multiple forms and engage with different typology of local stakeholders. As such, measures to be innovative approaches will be used to find solutions in the community, leveraging on the existing experience and expertise of UNDP and UNICEF

4. Direct Engagement with Young People: Youth will not just be beneficiaries but active participants in the project's design and implementation. Their inputs will be sought through various engagement channels, ensuring the interventions are not only effective but also resonate with the target audience.

5. Human-Centred Approach Focusing on Gender and Disability Inclusion: The project is grounded in the principles of human rights and inclusivity. It aligns with the United Nations Convention on the Rights of Persons with Disabilities, acknowledging that disability is a result of the interaction between individuals with impairments and societal barriers. Moreover, the project incorporates a gender mainstreaming approach that aims to empower women and girls.

1.2.2. Building on results of previous and current actions

This action will ensure **integration of development solutions and collaboration with other projects implemented by UNDP and UNICEF** to create optimal platforms for policy experimentation, opening the way to systemic changes. UNDP and UNICEF exhibit a wide spectrum of technical and managerial capacities that play a pivotal role in nurturing a conducive environment for youth engagement, education reforms, and employment and skills development within Albania. Their sustained engagements and established partnerships at both central and local levels underscore a commitment to driving progressive reforms aligned with Albania's broader developmental agenda and its aspirations towards European integration.

UNDP and UNICEF will utilize their experience in supporting the development of integrated delivery systems at the national local level (LNB and SDG financing) in social inclusion focusing on vulnerable youth integration, where local partnerships for out of school children were set up and worked to integrate children back in school; as well integrated social services for vulnerable groups.

UNDP will leverage on the existing long-standing experience in working with employment and VET policy design and implementation. Its expertise has been instrumental in the reform processes of both fields. UNDP has **led systemic changes**, by putting the national partners in the driving seat and giving them the ownership for the change process, in particular, in the on-going **Skills Development for Employment (SD4E)**. Another initiative, 'Support to Continuous and Unemployed learning SCUL' centred on enhancing adult learning, upskilling pathways, and development of basic literacy in efforts to ease the transition of young adult unemployed jobseekers to the labour market by offering targeted trainings on basic skills. In addition, UNDP will leverage the experience gained through EU funded regional RELOAD project, in supporting youth policies.

UNICEF will leverage on the results and partnership built by the **QENDRO** project, funded by the Italian Government, creating collaborative effort among three major ministries, namely MoES, MoYCh, MoFE, to tackle youth school dropout and emigration issues, through initiatives like cross-sectoral outreach to NEETs, early dropout warning systems, and career orientation in schools, alongside entrepreneurial and digital skills development programs. Scaling up an efficient nationwide system response to human trafficking in and from Albania supported from UK government has also provided a wealth of data and experiences on how to integrate young people in remote areas in the existing services and provide them with different alternatives for them to stay in Albania. Both projects create opportunities for policy reforms and system strengthening to enable the implementation of the YG scheme.

1.2.3. Coordination with larger programme and synergies

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The action is part of the larger support of the EU, “EU for Youth” under IPA 2022, and as such will ensure coordination with the selected teams for delivering outcome 1 and outcome 3 of this action. In addition, it has already established coordination and cooperation with the EU for Social Inclusion, implemented by GOPA, which is currently providing supporting to NAES to prepare for an initial YG pilot in the municipalities of Tirane, Vlore and Shkoder. Furthermore, synergies will be leveraged through knowledge sharing and the exchange of best practices between the different implementing partners. This alignment ensures coherence and maximizes the impact of the overall programme, avoiding duplication of efforts and promoting a harmonized approach.

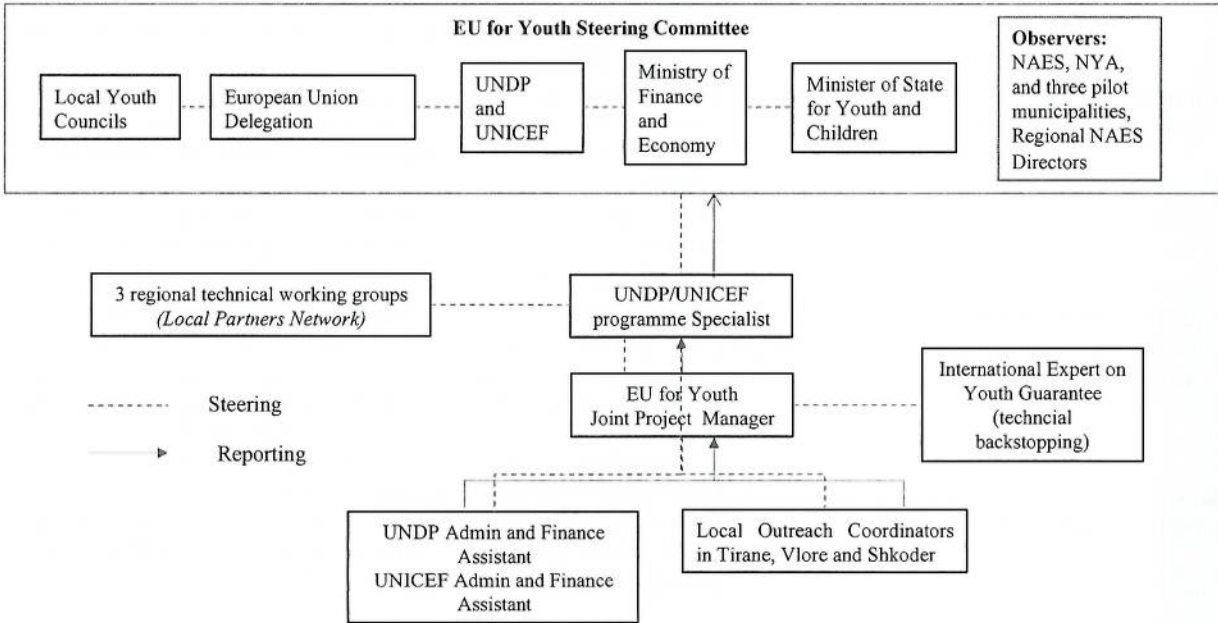
1.2.4 Organisational structure, proposed team and project office costs

The implementation of the proposed action will be overseen and guided by a Steering Committee. The Steering Committee will include representatives from the European Union Delegation, Ministry of Finance and Economy, Ministry of State for Youth and Children, UNDP and UNICEF. A representative of the local youth councils of the three pilot municipalities will be part of the PSC on ration basis. A representative of NAES, NYA, and the pilot municipalities shall be invited as observers. The Steering Committee will meet at least every six months to review the progress and discuss the priority issues in the next period.

The Project Steering Committee will be responsible to provide overall leadership and steer results towards the policy objectives identified with the project partners; take strategic decisions by consensus, including the approval of substantive project revisions i.e. changes in the project document; approve annual work plans, annual budgets and progress reports as needed; address any relevant project issues raised by the Project Manager and authorise any deviation from agreed work plans; provide guidance on new and emerging project risks and agree on possible countermeasures and management actions.

In addition, the three Local Partner’s Network established in the pilot municipalities will serve as technical working group, consisting of representatives of the Regional NAES Directorates, National Youth Council representatives, Municipal Social Services, Regional SSS directorates, etc. and representatives of the project team. The technical working group will discuss the project progress reports before sending them to the steering committee. They will discuss interventions at the technical level, exchange on lessons learnt and best practices.

UNDP and UNICEF will engage a core team of 6 people to manage, coordinate and monitor the implementation of the action, i.e. the joint Project manager, the three local outreach coordinators, and the admin and finance assistants. The project team will be backed up by an efficient team of administrative and support staff of UNDP and UNICEF operations, including in areas of monitoring and evaluation and communication. The organisational chart of the action, the managerial authorities, reporting lines and roles and responsibilities are presented below:



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The **UNDP Programme Specialist (108 working days) and UNICEF Programme Specialists (108 working days)** will be the key focal points for coordination between the action, UNDP/UNICEF and EUD and the partners. Clear lines of communication and accountability will be established to secure and build on the added value of the management and the operational capabilities of both organizations. The programme specialists will represent the action in all steering committee meetings, ensuring proper communication of results and facilitating discussions on potential changes. They will also represent the project in the YG governance structures, i.e. the inter-institutional working group and the technical working group. Staff under this contract is the programme specialist on Inclusive Growth and Employment in UNDP and the Education Specialist in UNICEF.

The **Joint Project Manager (100%)** will ensure that all the outputs are achieved. S/he will inform all stakeholders on activities, progress, and results. S/he will be responsible for the overall quality of the project management, monitoring, and evaluation, ensure quality and timely communication and reporting with the donors and stakeholders. S/he will monitor risks quarterly and report on the status of risks. Progress will be recorded in the UNDP Quantum.

The **UNDP and UNICEF Admin and finance assistant** will be responsible for provision of support to the overall financial monitoring and reporting and the preparation of financial transactions of the action. S/he will also support the grantees in the effective and efficient implementation of the grants and will monitor that all financial transactions and reporting are done in accordance with the UNDP and UNICEF rules and procedures. S/he is responsible to prepare the financial reports.

In Tirana (100%), Vlora (100%), and Shkoder (100%), UNDP/UNICEF **Local Outreach Coordinators (3)** will facilitate coordination and provide support to local institutions for the establishment and operationalization of Local Partners Networks. These coordinators will also bolster the pilot implementations of the programs. Positioned within the Employment Offices of their respective municipalities, they will serve as key communication links between employment offices and other local stakeholders, while also disseminating information about the Youth Guarantee scheme.

The **grant scheme** will be led and overseen by UNDP and UNICEF and project management team. They will be responsible for evaluating the grant application, selecting eligible recipients, and ensuring that the allocated funds are used in line with the project's objectives. Technical experts and capacity building specialist will work closely with grant recipients to provide guidance and support throughout the implementation process.

Technical experts will be engaged to directly support the implementation of the action, as described in the table below.

Individual Contracts	TASKS
International Expert on Youth Guarantee	Provide overall guidance to the project manager in all the WP, with a particular focus on designing the operational models of the Local Partnership Networks (WP1); developing the pilot actions (WP3 and WP4) as well as providing technical assistance to the YG governance structures (WP2).
International Expert on improving permeability in the education system	WP1: Assess the current state of the permeability in the education system in Albania, identify gaps and propose policy options. Provide TA to the MoES in delivering the reforms and initiatives foreseen in the YGIP.
International expert on Apprenticeship	WP1 and 4: Assess the current VET system and propose operational models for the delivery of apprenticeship and traineeship programmes in partnership with employers and VET providers.
International evaluation expert	WP3: Conduct the mid-term and final evaluation of the project.
National Expert on labour market and education statistics	WP1 and WP2: Support INSTAT to review the current LFS statistical guide and propose models on how to integrate the school-to-work transition module. Propose a methodological guide for conducting regular national and regional NEET assessments/profiles, as well as a methodological guide for regular regional labour market briefs. Support NAES to develop the Annual Progress Report of the YG.
National Legal expert	WP 1: Assess the legal framework of the pre-university education and VET systems and explore avenues for improved permeability. Propose concrete amendments in the legal and regulatory framework.

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National Youth Engagement Expert	WP 3 and WP2: Develop and support the delivery of a comprehensive plan for systemic and systemic engagement of young people in the pilot YG scheme, as well as, in the YG governance.
National VET expert	WP1 and WP 4: Propose policy options for introduction of state vocational Matura and part-time programmes in VET. Support the international expert to design model(s) of apprenticeship and traineeship in the green economy and facilitate discussions with the private sector.
National Education Expert	WP1 and WP4: Propose policy options for improved quality of the part-time education offer for compulsory education and pre-university education. Support ASCAP to improve the curricula and explore new ways to deliver it, taking into account the way adults learn. In addition, support the preparation of the pilots under act. 3.1. and 3.2.
National labour market expert	WP1 , WP2 and WP3: Support the process of designing the operational models of the Local Partnership Networks (WP1); Support the preparation of the pilot actions under WP 3. as well as monitoring, dissemination and peer-learning of the pilot actions (WP2)
National evaluation expert	Conduct the mid-term and final evaluation of the pilot actions.

Implementation means: UNDP and UNICEF will rent one office space, and modalities will be discussed jointly with the EUD to provide visibility to the Youth Guarantee. The three local coordinators will be placed in the respective regional NAES directorates. Office spaces will be equipped with computers and necessary furniture. When conducting workshops and events, suitable venues will be rented. Nevertheless, the Action will endeavour to leverage existing spaces, where possible and available, managed by NAES and the targeted municipalities. This approach aims to optimize resource utilization, ensuring they are directed to the areas where they are most needed.

1.2.5. Monitoring, Evaluation and Learning

In accordance with the programming policies and procedures outlined in the UNDP and UNICEF, the proposed action will be monitored on a regular basis and will provide to the Steering Committee annual progress reports. Progress will be monitored and assessed against the qualitative and quantitative indicators outlined in the Logical Framework (Section 1.5.). Within the annual cycle, the following monitoring actions shall be carried out as specified in detail in the Monitoring Plan presented below.

In accordance with UNDP’s and UNICEF’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

1. Track results progress (quarterly): The project will be monitored by assessing progress against the qualitative and quantitative indicators outlined in the Logframe. Deviations from expected progress will be addressed by project management.

2. Monitoring (in line with monitoring plan): A monitoring plan shall be activated in the corporate information management system. Quantum (UNDP system) will be updated at regular intervals to track the key management actions/event. To assess the progress, periodic monitoring shall be conducted through site visits in accordance with proposed schedule in the annual work plan. Upon expressed interest, members of the Steering Committee shall be informed on the timing and invited to join the field visits.

3. Risk Management (quarterly): Based on the initial risk analysis, a risk log will be activated and regularly updated by reviewing the external environment that may affect the implementation. Major risks and obstacles, which might affect the theory of change will be escalated for review and approval by the Project Steering Committee.

4. Learning (At least annually): From the onset, a lessons-learned log shall be activated and updated regularly to ensure continuous organizational learning and adaptation of methodological approach in implementing similar actions in the future. This log will also facilitate the preparation of the Lessons-learned Report at the end of the implementation. Evaluation of the pilot will be conducted to capture the impact of the interventions to address the labour market integration needs of the specific target groups.

5. Project Reports (annually): Reporting will be provided in accordance with the provisions of Article 3 of the General Conditions (Annex II to the Contribution Agreement). **Annual Progress Reports** shall

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be prepared by the Project Manager and shared with the Steering Committee members and the EU Delegation within three months after completion of 12-month implementation period. The annual report will provide, among others, an in-depth context, and stakeholders analysis, describe the achievements against the annual targets and pinpoint the eventual adaptation required in the project strategy and work plan. Before the steering committee meetings, UNDP and UNICEF will organize regional technical working group meeting with the Local Partners Networks. Project Steering Committees' meetings will form a basis for refinement of the approaches and activities envisaged for the next phase of project implementation. Within six months after project completion, the final report shall be submitted to EU. In the reporting process, a strong emphasis will be placed on soliciting feedback from end users.

6. Evaluation: a comprehensive final external project evaluation will be commissioned at the end of the project in accordance with UNDP's evaluation policies. This is without prejudice to European Union's prerogative set out in Art. 9 of the General Conditions. Parties will agree on the purpose, use, timing, financing mechanisms and Terms of reference for the external independent evaluator(s), in consultation with the project stakeholders. Before commissioning the external consultants, TORs will be shared with EUD for comments. evaluation will be conducted by a team of independent external evaluators, overseen by UNDP Albania. This evaluation will adhere to the OECD DAC criteria, primarily assessing the effectiveness, efficiency, and sustainability of the Action. The insights obtained will guide subsequent strategies and furnish invaluable lessons the full deployment of YG in Albania, thereby fostering accountability and transparency throughout the implementation process.

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1.3. Indicative action plan for implementing the action (max 4 pages)

Year 1	Half-year 1						Half-year 2						Implementing body	
	1	2	3	4	5	6	7	8	9	10	11	12		
Activity														
WP 0: Project management														
A0.1. Development of detailed annual workplans														UNDP/UNICEF
A0.1.1. Recruitment of core project teams, local coordinators, and the international YG expert.														UNDP/UNICEF
A0.1.2. Recruitment of the other key experts														UNDP/UNICEF
A0.2: Project Steering Committee meetings														UNDP/UNICEF
A0.2.1. Develop the TORs and conduct first meeting of the project steering committee														UNDP/UNICEF
A0.3: Monitoring, Reporting and Evaluation														UNDP/UNICEF
A0.3.1. Develop a monitoring plan														UNDP/UNICEF
A0.4: Communication and Visibility														UNDP/UNICEF
A0.4.1. Organize a launching event of the EU four Youth project														UNDP/UNICEF
A0.4.2. Organize three youth events to increase awareness on the YG among young people														UNDP/UNICEF
WP1: Institutional capabilities to deliver the YGIP 2023-2024														
A1.1. Provide TA to improve of availability of regular and comprehensive information on NEET in Albania.														UNDP
A1.2. Enhance employment service for youth by youth, and capacities of PES counsellors (preparation)														UNDP
A1.3 Support the development of a model for Local Partners Networks														UNDP/UNICEF
A1.4. Provide technical assistance to improve the legal and regulatory framework.														UNDP/UNICEF
WP2: Enhance the inter-institutional governance mechanisms of the YG in Albania.														

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A0.4: Communication and Visibility						UNDP/UNICEF
WP1: Institutional capabilities to deliver the YGIP 2023-2024						
A1.1. Provide TA to improve of availability of regular and comprehensive information on NEET in Albania.						UNDP
A1.2 Enhance employment service for youth by youth, and capacities of PES counsellors (preparation)						UNDP
A1.3. Support the development of a model for Local Partners Networks (outreach and preparation)						UNDP/UNICEF
A1.4. Provide technical assistance to improve the legal and regulatory framework.						UNDP/UNICEF
WP2: Enhance the inter-institutional governance mechanisms of the YG in Albania.						
A2.1. Capacitate and strengthen the Youth Guarantee governance structures						UNDP/UNICEF
A2.2. Support the development of the YGIP 2025-2027						UNDP/UNICEF
A2.3. Deliver effective communication and promotion of the Youth Guarantee scheme and its results.						UNDP/UNICEF
WP 3: Pilot innovative, tailored and youth friendly employment services in partnership with local actors						
A3.1. Establish and functionalise three local partner networks in the pilot municipalities.						UNDP/UNICEF
A3.2. Design and deliver YG models through local level partnerships in the three pilot municipalities (design and develop the pilot)						UNDP/UNICEF
A3.3. Deliver local level outreach in partnership and engaging communication campaign in the three pilot municipalities.						UNICEF
A3.4. Conduct on-going monitoring and evaluation to fine-tune Youth Guarantee in view of its national deployment.						UNDP
WP 4: Improve the quality and diversify of the education offer.						
A4.1. Equip education and training providers with Early Warning Systems and programmes.						UNICEF
A4.2. Enhance the capacities of local level actors to implement the approved traineeship model in the three pilot municipalities.						UNICEF
A4.3. Design and pilot an apprenticeship model in the green economy, in partnership with private sector.						UNDP

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1.4. Sustainability of the action

Expected impact of the action

The expected impact at the policy, technical, economic, and social level on the target groups of this proposed action is:

Policy Impact: The institutions which are member of the YG governance, including the MoFE, MoSYCH, MoES, as well as the technical agencies like NAES, NYA, ASCAP and NAVETQ will be benefit from high quality technical assistance to carry out reforms and initiatives foreseen in the YGIP 2023-2024. They will benefit from the lessons learned of the pilot actions carried out through this action and the pilot carried out by NAES, to fine tune the YG mechanism and system set-up and prepare the YGIP 2025-2027 which aim toward full deployment of the scheme in Albania.

Technical level: 3 regional NAES directorates, 3 employment offices, 4 VTCs, as well as 12 public vocational schools, 3 municipal social services, NGOs, community centres, social enterprises, and employers (public and private business community and public entities) that operate or provide services to citizens in the three pilot municipalities will be part of the piloting phase of the YG, receive capacity development programmes, and will be exposed to all the implementation aspects, serving as a model which can be later replicated in other municipalities. Models of enhanced integrated service delivery among local level stakeholders will be piloted, making use of the NAES role as the labour market catalyst. The action will influence policy decision to foster long-term sustainable reforms.

Economic Impact: Around 1000 NEETs will be reached out, 200 will benefit additional support while transitioning to an offer, 50 will benefit from apprenticeships and 7,533 students enrolled in VET providers will directly benefit from employment and skills developed programmes offered in partnership with social partners, throughout the duration of the action.

Social Impact: The expected impact on the beneficiaries of this proposed action is:

- In total, **160,000 NEETs who live in Albania, and more specifically around 60,000 who live in Tirana, 10,000 who live in Shkoder and 9,000 who live in Vlore.** They will benefit from the outreaching work that will be conducted through the established Local Partnerships Councils, the pilot actions, as well as the engagement campaign.
- In total **30,000 enterprises registered with NAES, and more specifically, 13,000 in Tirana, 2,600 in Vlore and 2,100 in Shkoder** will benefit by having access to a young workforce who is prepared to join the labour market.
- **17,000 young people who** are registered with employment offices at the national level and more specifically, 3,900 in Tirana, 1,400 in Shkoder and 1,100 in Vlore. They will benefit from increased capacities of the practitioners at the local level and enhanced integrated service delivery approaches.
- **4,344 registered jobseekers participated in ALMPs** during 2022, **2,753 women, 692** beneficiaries of cash assistance and **48** persons with disabilities. **9,398 (4,757 women, 813** beneficiaries of cash assistance, and **83** PwDs benefited from public vocational training in 2022. They will benefit from a diversified portfolio of ALMPs, with additional ALMPs which target their specific needs and address their specific barriers.
- **In the academic year 2022-2023, 15,042 students** are enrolled in upper secondary VET, **2381** young women (**15.8%**), **2040 (13.5%)** beneficiaries of cash assistance, and **132 PwDs (0.9%)**, will benefit from improved vocational guidance and counselling services and established early warning systems within their school environment.

Risk analysis and contingency plan

The following table identifies the risks that could impact outcomes of the proposed action, necessitating targeted approaches to ensure inclusivity. To address these risks effectively, meaningful stakeholder engagement, especially with community representatives, is imperative to garner local support and mitigate potential conflicts. Mitigation measures foreseen by the project have been outlined for each identified risk.

Description of the risk	Type of risk	Likelihood	Possible impact	Prevention/mitigation
Impact				

Changes in central and local government policies and regulations	Political	Medium	Medium	This risk could potentially influence on sustainability of the achieved results. Regular communication with relevant government authorities to stay up to date on policy changes and adapt the action accordingly.
Social inequalities and disparities in access to services and opportunities	Social	Medium	Medium	This risk could potentially result in unequal distribution of benefits and opportunities among all target groups and municipalities. As such, UNDP/UNICEF will coordinate with NAES to establish municipal quotas for target beneficiaries to ensure inclusivity for all target groups.
All outcomes				
National institutions may not fully commit to the YGIP, affecting the efficacy of technical assistance.	Operational	Medium	Medium	Local actors may face resistance to adopting integrated case management practices due to existing organizational cultures or reluctance to embrace new approaches. To address this risk, UNDP and UNICEF will foster a culture of collaboration, establish clear communication channels, and facilitate regular meetings and information sharing among stakeholders.
Lack of employment opportunities in some smaller municipalities	Economic	Medium	High	In such situations, the action will foster local entrepreneurship by providing resources, mentorship, and business development assistance. Supporting entrepreneurship for youth will encourage youth to utilize local resources and promote green businesses. It will also make use of the existing ALMPs such as the Community Employment and Training Programme.
Insufficient Stakeholder/Social Partner Engagement	Organisational/Operational	Medium	Medium	Regular stakeholder meetings, transparent communication, and feedback mechanisms.
Capacity Constraints in Implementing Organizations	Operational	Medium	Medium	Technical assistance and capacity building to institutions at the policy making and implementation level.
Pilot implementations (Outcome 2 and 3)				
Low interest and limited involvement of the target group/Lower-than-expected Participation Rates	Social	Medium	Medium	This risk could reduce the effectiveness of the grant schemes. As such, UNDP and UNICEF will collaborate with NAES and other labour market actors to engage with the community and generate interest to increase participation. This approach was also discussed during the consultation meetings. In addition, the programmes are tailored to address that labour market barriers of the vulnerable groups, offering additional subsidies to address compounding vulnerabilities of the target groups, such as subsidies for transportation costs, caregiving, reasonable accommodation etc.
Cultural norms and attitudes of the target group	Social	Medium	Medium	This risk could make target group reluctant to participate in employment opportunities. As such, UNDP/UNICEF will collaborate with civil society organizations and community-based organisation to gain trust among target group. In addition, the project will also target the culture of working informally, both from the jobseekers and employers side. In the implementation of the promotional activities, the project will also include information on decent employment opportunities.
Varying local government and institutional capacities in the target municipalities	Operational	Medium	Medium	The action foresees the establishment of training and day-to-day coaching through local outreach coordinators, to ensure that municipalities have the needed support learn from their peers. In addition, UNDP and UNICEF will ensure that all municipalities receive tailored support and training to strengthen their service provision

Sustainability

Ensuring sustainability of the action results is imperative, both to maximize long-lasting impact of implemented activities on the sustainable labour market inclusion of individual beneficiaries and receiving communities, and on the **determination and commitment of central and local authorities**

to scale up good practices beyond the three pilot municipalities. The notion of sustainability follows the assumption that the reform processes in the sector are still on-going. This implies that institutions at the local level need to show resilience and adopt continually to these reforms.

It is in this context that the project aims at **supporting systemic changes**, i.e., enhancing models of governance and financing of programmes for sustainable labour market inclusion, addressing the individual needs of the target group, and leveraging on capacities and engagement of local labour market actors. This approach ensures that institutions can assess and identify the varying needs of the target group and create integrated and tailored pathways towards labour market integration.

The sustainability of this action will be achieved through a **multifaceted approach that encompasses governance, institutional and policy aspects**. This action is not expected to have a direct impact on the environment, however it will produce qualified staff needed in the green economy.

To ensure the project's long-term sustainability, our approach is grounded in a comprehensive framework of change and innovation processes. This framework extends beyond mere activity execution, providing a structured pathway for the transfer and institutionalization of achieved results. It takes into consideration three critical dimensions of sustainability: financial viability, institutional integrity, and policy-level endurance.

The approach comprises of the following logical steps: **1. Conceptual Foundation and Documentation:** The first logical step in our approach is the establishment of a robust Conceptual Foundation and Documentation. This phase is not merely a formality but serves as the project's backbone. It will involve the meticulous documentation of the underlying reasons, objectives, and methodologies supporting our actions. Such rigorous documentation is indispensable for the clarity and transparency it brings to all stakeholders, especially in relation to the grant schemes and other key activities encompassed by the project. **2. Empowerment and Capacitation:** aims to set the stage for successful implementation. This entails providing targeted preparation to individuals and institutions tasked with delivering employment services, skill development, and social services. This is not just about training; it's about endowing them with the capabilities and frameworks needed to execute their tasks with maximum efficacy. **3. Pilot Implementation:** is designed as a real-world testing ground for the project's components. Specifically, programs correlated with Act 2.2, 3.1, 3.2., and 3.3 will be piloted in the three municipalities. By situating these programs in close proximity to the target groups and testing them under typical conditions, we can identify any bottlenecks or constraints, thereby fine-tuning our approach ahead of a broader roll-out. **4. Roll-out and Sustainable Implementation:** This phase goes beyond merely executing tasks; it aims to establish a culture of continuous innovation. To this end, we will launch various exchange platforms, and mutual learning events. These platforms will allow for the sharing of practical experiences and problem-solving techniques, creating a self-reinforcing cycle of improvement and adaptation among the staff. In addition, the YG governance will engage in policy discussion to develop the YGIP 2025-2027. **5. Transfer:** This phase focuses on the institutionalization of the project's various elements. Here, we plan to integrate the validated pilots into mainstream practices and existing institutional structures. This will involve clearly defining the roles and responsibilities of all relevant actors to ensure that the benefits of the project are not only reaped but also continually cultivated post-implementation.

By aligning each phase with the principles of intervention logic, we aim to foster an environment where financial, institutional, and policy-level sustainability are not just aspired to but are actively ingrained into the project's DNA. Thus, we believe our approach provides a robust pathway for enduring impact, and the needed support for the national roll-out of the Youth Guarantee in Albania.

Communication and Dissemination plan

The action will develop and implement a comprehensive dissemination plan to convey efficiently key messages to stakeholder and ensure wide sharing of its knowledge products, results, lessons learned and best practice. The following activities will be considered: **A launching event** will be organised, aiming at ensuring raising awareness about the initiation of this action, coordination with other relevant activities being implemented. **Regional workshops and youth events** will help to promote peer-to-peer exchange and to disseminate information on the progress and final results of the interventions of the project. **Mutual learning and Knowledge sharing events** will be organised for the pilot project coordinators and the Local Partnership Networks, as a platform to share experiences on the services offered to vulnerable jobseekers. **Capitalization reports** will be produced to document the experience

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in the ground. **Manuals** will be produced to document the enhanced tools and instruments developed with the support of the project partners. **An initial review and a final review** of the partnership approaches to service delivery will be prepared and disseminated among all stakeholders. **Organise a conference** bringing together local partners and youth, as well as institutions at the central level, EU, and the governing bodies of the YG in Albania, end-beneficiaries of the Preparatory Action, young people and employers to discuss lessons learned and pave the way for the full deployment of YG in Albania.

Communication products include: i) information and communication materials; ii) human-stories of end-beneficiaries with professionally captured photographs; iii) video stories, infographics, brochures leaflets, flyers, booklets developed. Video stories will be translated into local languages and will be published electronically on the UNDP/UNICEF website and the Youth Portal. EU Delegation will be provided with regular information briefs and links can be available on EUD webpage. Media representatives will be regularly briefed and fed with project updates. Target audiences will include policy and decision makers, employers, civil society, general public etc. Visibility activities will be implemented in accordance with the provisions of Art. 7 of the General Conditions and with the Joint visibility guidelines for EC-UN actions in the field. The implementation of the communication activities shall be funded from the amounts allocated to the action.

1.5. Logical framework and activity matrix



Results	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
Impact (Overall objective)	To improve the employability of young boys and girls not in employment, education, or training through the implementation of YG scheme in Albania.	Impact indicator 1: Proportion of youth (aged 15–29 years) not in education, employment or training, by gender. (OPSYS core indicator)	25.2% overall (2022) 22.6% for men 27.8% for women	21.2% (2026)	NA	LFS, INSTAT	Not applicable
		Impact indicator 2: Youth guarantee scheme in Albania is fully operational in three municipalities (Tirane, Shkoder and Vlore)	No (2023)	Yes (2026)	NA	Project final evaluation	
Outcome (s) (Specific objective(s))	Outcome 1: Enhanced inter-institutional capacities to effectively implement and govern the Youth Guarantee Implementation Plan 2023-2024 (YGIP).in Albania.	1.1: % of employees in the relevant central level institutions whose capacities are built for designing, implementing and monitoring of YG Implementation Plan (disaggregated by gender)	0 (2023)	50% (2026)	NA	Action monitoring reports	Political Will: It is assumed that there will be continued governmental and organizational commitment to the Youth Guarantee Implementation Plan (YGIP) throughout 2023-2027. Funding: The assumption is that sufficient resources and funding will be allocated to achieve the goals set for the YGIP.
		1.2: Operational procedures for the functioning of the YG coordination mechanisms are approved	No (2023)	Yes (2027)	NA	Operational procedures published on the MoFE/NAES/NYA website	Stakeholder Engagement: Assumed that all institutions responsible for YGIP will actively participate in capacity-building activities.

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Results	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
							Data Availability: It's assumed that action monitoring reports will be available, accurate, and timely.
		1.3: YGIP 2025-2027 designed and approved	No (2023)	Yes (2026)	NA	Official Gazette	Inter-Institutional Cooperation: Assumes willingness and ability among various institutions to collaborate effectively on Youth Guarantee in Albania. Effective Governance: Assumes that improved governance mechanisms will lead to better outcomes for the Youth Guarantee program.
	Outcome 2: Strengthened local engagement and partnerships that effectively support the integration and retention of vulnerable NEET youth in the labor market through well-monitored and adaptive Youth Guarantee programmes.	2.1 : Number of identified NEET youth with mapped needs and characteristics (profiles), by gender and vulnerability 2.2: Percentage of jobseekers who found formal employment within 6 months after participating in YG models (EU-funded intervention), disaggregated by gender (OPSYS core indicator)	130 (2023) 0 (2023)	5,000 (2026) 50% women 40% (2026)	NA NA	NAES administrative data YG Annual progress Reports NAES administrative data YG Annual progress Reports	Target Population: Assumes that NEET youth, especially those who are vulnerable or in rural areas, will be willing and able to engage with employment services. Innovation: Assumes that innovative and tailored services will effectively meet the unique needs of the NEET youth. Resource Availability: Assumes that resources and personnel will be available to establish Local Partner

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Results	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
	Outcome 3: Enhanced capacity and effectiveness of VET systems in producing a skilled workforce prepared to contribute to the green economy, with reduced student drop-out rates and increased engagement with the private sector.	3.1: Number of students at risk of dropping out who benefit from improved quality of education programmes (improved quality education offer), by gender, supported by the EU	0 (2023)	3,500 (2027)	NA	Action monitoring reports Early Warning System	Networks and employment services.
		3.2: Number of NEETs who benefit from quality traineeship models, by gender, supported by the EU	0 (2023)	50 (2026)	NA	Action monitoring reports	Relevance of Education: Assumes that diversified and labor market-relevant education and training are effective in facilitating school-to-work transition for NEETs and students at risk of dropping out.
		3.3: Number of beneficiaries receiving a certification having successfully completed a VET programme (apprenticeship) designed/implemented with EU support, disaggregated by gender and disability) (OPSYS)	0 (2023)	50 (2026) At least 25 are women 3 are pwd And all are in the green sector	NA	Action monitoring reports	Accessibility: Assumes that educational programs will be accessible to the target groups, including those in pilot areas. Quality Control: Assumes that there are mechanisms to ensure the quality of educational programs.
Outputs	1.1 Output 1 related to Outcome 1: Strengthened institutional capabilities facilitate the delivery of the Youth Guarantee Implementation Plan 2023-2024 (UNDP and UNICEF)	1.1.1: Regular regional labour market briefs published	0 (2023)	5 (2026)	NA	Labour market briefs Action monitoring reports	Data Availability: Assumes that standardized and regular data on young NEETs can be made available.
		1.1.2: Operational model to guide the establishment and functioning of Local Partners Networks developed.	0 (2023)	1 (2024)	NA	Outreach action plan Action monitoring reports	Data Use: Assumes that this data will facilitate the strengthening of central-level institutional capabilities.
		1.1.3 Number of new EPPs (new YG offer) designed and related decision of the council of ministers drafted	0 (2023)	3 (2026) (one each year)	NA	Report published	

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Results	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
	1.2. Output 2 related to Outcome 1: Inter-institutional governance mechanisms effectively coordinate and manage the Youth Guarantee in Albania (UNDP and UNICEF)	1.2.1. Number of meetings of the YG inter-institutional WG and the Technical working group supported (as per approved TORs)	0 (2023)	6 (2026)	NA	Action progress reports, minutes of the meetings, agenda, list of participants	Community Engagement: Assumes that local partners in the three pilot areas are willing to actively engage and coordinate efforts. Data Collection: Assumes that accurate data can be collected and reported for all indicators.
		1.2.2. YGIP 2025-2027 developed by the technical working group and submitted to the inter-institutional working group	No (2023)	Yes (2025)	NA	YG progress reports YGIP 2025-2027 document.	
		1.2.3: Annual Progress Reports for YGIP drafted	0 (2023)	3 (2026)	NA	Annual reports published in the MoFE website and discussed in the YG governance structures	
		1.2.4: Number of unique views or visits to the enhanced Youth Portal content and social media posts.	0 (2023)	15,000 (2026)	NA	Website metrics	
		2.1.1 Number of meetings of Local Partners Networks.	0 (2023)	12 (2026) 4 times annually, in the three municipalities	NA	Meetings minutes, agendas, list of participants, Progress reports	
	2.1 Output 1 related to Outcome 2: Local Partnership Networks are established and strengthened in the three pilot municipalities. (UNDP and UNICEF)	2.1.2. Number of employment services staff trained by the EU-funded intervention with increased knowledge and/or skills for supporting jobseekers, disaggregated by gender (OPSYS core indicator)	0 (2023)	50 (2025) 50% are women	NA	Action progress reports Database of training participants, pre-	

Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
2.2 Output 2 related to Outcome 2: Youth Guarantee Partnerships on the ground are co-designed and delivered with social partners and youth to address the needs of vulnerable NEETs. (UNDP and UNICEF)	2.2.1 Number of vulnerable NEET who participated in outreach measures delivered by local level YG partnerships, benefiting from EU support	0 (2023)	1,500 (2025)	NA	and post- training test results	Youth Participation: Assumes young people are willing to participate in the development of the PES delivery model in pilot municipalities.
	2.2.2. Number of vulnerable NEET who participated in activation measures (pre and post placement) delivered by local level YG partnerships, benefiting from EU support	0 (2023)	800 people (500 in Tirana, 150 in Shkoder and 150 in Vllore (2026) 50% are women	NA	Action progress reports Action progress reports YG monitoring reports	
2.3 Output 3 related to Outcome 2: Ongoing monitoring and evaluation to fine-tune the YG in view of its national deployment, is implemented.(UNDP)	2.3.1 Number of mid-term and final performance monitoring surveys of the pilots conducted.	0 (2023)	2 (2025)	NA	Action progress reports, Performance monitoring report	Stakeholder Engagement: Assumes ongoing involvement and commitment from relevant stakeholders.
	2.3.2 Completion and publication of the final evaluation.	0 (2023)	1 evaluation report (2026)	NA	Action progress reports, Evaluation report	
3.1 Output 1 related to Outcome 3: VET providers are furnished with the tools and capacities to develop and deliver Early Warning Systems and programmes aimed at preventing student drop-out. (UNICEF)	3.1.1 Number of VET providers Equipped with EWS	0 (2023)	12 (2026)	NA	Action progress reports	Staff Willingness: Assumes that the staff are willing to undergo training and implement EWS.
	3.1.2 % of school staff (teachers, psychologists, directors) trained in using the EWS.	0 (2023)	30% (2025) At least 50% of participants are women	NA	Action progress reports	Administrative Support: Assumes that the educational administration will support the

Results	Results chain	Indicator	Baseline (value & reference year)	Target (value & reference year)	Current value* (reference year) (* to be included in interim and final reports)	Sources of data	Assumptions
	3.2 Output 2 related to Outcome 3: Institutions at the local level are capacitated to support the delivery of the Traineeship Programmes in occupations relevant to the green economy. (UNICEF)	3.2.1 Number of staff in VTCs, employers and PES staff trained in the traineeship model 3.2.2 Capitalisation report prepared, and recommendations discussed with central level institutions.	0 (2023)	60 (2025) At least 50% of participants are women Yes (2026)	NA NA	Pre- and post-course assessments or surveys. Action Progress reports	implementation of the EWS and intervention plans.
	3.3 Output 3 related to Outcome 3: Apprenticeship model is designed and piloted in occupations relevant to the green economy in the three pilot areas, in partnership with private sector. (UNDP)	3.3.1 An Apprenticeship Model designed and Developed (new quality education offer) 3.3.2 Number of pilot apprenticeship positions launched in the pilot municipalities, in occupations related to the green economy	0 (2023)	One report (2026) 50 (2025)	NA NA	Action progress reports Action progress reports	Private Sector Engagement: Assumes that private sector companies are interested and willing to collaborate in designing and piloting apprenticeship and traineeship models. Market Demand: Assumes that the green economy is a sector with growing job opportunities that make these models relevant.

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Activity Matrix

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<p>What are the key activities to be carried out to produce the intended outputs? (*activities should be linked to corresponding output(s) through clear numbering)WP 0: Project management</p> <ul style="list-style-type: none"> A0.1. Development of detailed annual workplans A0.2: Project Steering Committee meetings A0.3: Monitoring, Reporting and Evaluation A0.4: Communication and Visibility <p>WP1: Institutional capabilities to deliver the YGIP 2023-2024 (outcome 1)</p> <ul style="list-style-type: none"> A1.1. Provide TA to improve of availability of regular and comprehensive information on NEET in Albania. (output 1.1) A1.2. Enhance employment service for youth by youth, and capacities of PES counsellors (preparation) (output 1.1) A1.3 Support the development of a model for Local Partners Networks (output 1.1) A1.4. Provide technical assistance to improve the legal and regulatory framework.(output 1.1.) <p>WP2: Enhance the inter-institutional governance mechanisms of the YG in Albania. (outcome 4)</p> <ul style="list-style-type: none"> A2.1. Capacitate and strengthen the Youth Guarantee governance structures (output 1.2.) A2.2. Support the development of the YGIP 2025-2027 (output 1.2.) A2.3. Deliver effective communication and promotion of the Youth Guarantee scheme and its results. (output 1.2) <p>WP 3: Strengthen local engagement and partnerships to support labour market integration of youth NEET through well-monitored and adaptive YG programmes (outcome 2)</p> <ul style="list-style-type: none"> A3.1. Establish and functionalise three local partner networks in the pilot municipalities. (output 2.1.) A3.2. Design and deliver YG models thorough local level partnerships in the three pilot municipalities (design and develop the pilot) (Output 2.2.) A3.3. Deliver local level outreach in partnership and engaging communication campaign in the three pilot municipalities. (output 2.2) A3.4. Conduct on-going monitoring and evaluation to fine-tune Youth Guarantee in view of its national deployment.(output 2.3) <p>WP 4: Enhanced capacities to improve the quality and diversify of the education offer. (outcome 3)</p> <ul style="list-style-type: none"> A4.1. Equip education and training providers with Early Warning Systems and programmes.(output 3.1) A4.2. Enhance the capacities of local level actors to implement the approved traineeship model in the three pilot municipalities.(Output 3.2.) 	<p>Means What are the political, technical, financial, human and material resources required to implement these activities, e.g. staff, equipment, supplies, operational facilities, etc.</p> <p>Costs What are the action costs? How are they classified? (Breakdown in the Budget for the Action)</p>	<p>Assumptions External, necessary and positive conditions for implementing the intervention that are outside of its management's control.</p>
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<i>A4.3. Design and pilot an apprenticeship model in the green economy, in partnership with private sector. (output 3.3.)</i>		
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ANNEX II - General Conditions for Contribution Agreements

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Article 1: Definitions

- Action:** the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I. Where reference is made to the Action or part of the Action financed by the EU Contribution, this refers both (i) to activities exclusively financed by the EU Contribution and (ii) to activities jointly co-financed by the EU.
- Contractor:** a natural or legal person with whom a Procurement Contract has been signed.
- Days:** calendar days.
- Early Detection and Exclusion System:** a system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015), which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.
- End Date:** the date by which the Agreement ends, i.e. the moment of the payment of the balance by the Contracting Authority in accordance with Article 17 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 18. If any of the Parties invokes a dispute settlement procedure in accordance with Article 13, the End Date shall be postponed until the completion of such procedure.
- EU Financial Regulation** Regulation (EU, Euratom) No. 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Council Regulation (EC, Euratom) No 996/2012 (OJ L 193, 30.7.2018, p. 1).
- Ex-ante Pillar-Assessment:** an assessment of the systems, rules and procedures carried out in order to check whether such entity demonstrates a level of protection of the EU financial interests equivalent to that existing when the European Commission implements the budget itself.
- Final Beneficiary:** a natural or legal person ultimately benefitting from the Action.
- Force Majeure:** any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part (or on the part of the Grant Beneficiaries, Partners, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.
- Grant:** a direct financial contribution by way of donation given by the Organisation or a Partner to finance third parties activities, including sub-granting and procurement for the implementation of these activities.

Grant Beneficiary:	a natural or legal person to whom a Grant has been awarded.
Grave Professional Misconduct:	<p>any of:</p> <ul style="list-style-type: none"> a violation of applicable laws or regulations, in particular the Organisation's Regulations and Rules, or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other exploitation or abuse, or any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.
Impact:	the overall objective of the Action entailing positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator:	the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure progress in the achievement of the relevant Results of the Action. An indicator must have an agreed baseline, target and source of data.
Internal Control System:	<p>a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives:</p> <ul style="list-style-type: none"> a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.
International Organisation:	an international public-sector organisation set up by international agreement (including specialised agencies set up by such organisations), or an organisation assimilated to international organisations in accordance with the EU Financial Regulation.
Member State Organisation:	an entity established in a Member State of the European Union as a public law body or as a body governed by private law entrusted with a public service mission and provided with adequate financial guarantees from the Member State.
Multi-Donor Action:	an Action co-financed by the EU Contribution (whether or not earmarked) and other donor(s).
Outcome:	the specific objective of the Action entailing the likely or achieved short-term and medium-term effects of an Action's Outputs. For non-EU external actions "Outcomes" are synonymous of Results.
Output:	the products, capital goods and services which result from an Action's activities.
Partner:	an entity implementing part of the Action and being a party to the relevant Contribution Agreement together with the Organisation.
Procurement Contract:	a contract signed between the Contractor and either the Organisation or a Partner under which the Contractor provides services, supplies or works.

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Regulations and Rules: regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.

Result: the Output, Outcome or Impact of an Action.

Sound Financial Management:

a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

Article 2: General obligations

Implementation of the Action

2.1 The Organisation is responsible for the implementation of the Action described in Annex I, regardless of whether the activities are performed by the Organisation itself, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.

2.2 In the performance of the activities and subject to ad-hoc provisions stipulated in the Special Conditions, if any, the Organisation shall apply its own rules and procedures, which have been subject to the Ex-ante Pillar-Assessment, as regards:

- a) internal control;
- b) accounting system;
- c) independent external audit;
- d) exclusion from access to funding;
- e) publication of information on recipients;
- f) protection of personal data.

The Organisation may apply its own rules and procedures as regards the award and management of Grants and/or Procurement Contracts only if and to the extent provided for by the Special Conditions, including any ad hoc measures.

As regards the publication of information on recipients, the Organisation shall authorise the publication of the website where it publishes the information referred to in Article 3.8 d) on the European Commission's website.

2.3 Where the Organisation has been fully or partially exempted, by the European Commission, from undergoing the Ex-ante Pillar Assessment, it may apply its own rules and procedures in the areas provided for under Article 2.2, subject to ad-hoc provisions stipulated in the Special Conditions, if any.

2.4 The Organisation may use any Regulations and Rules which have not been subject to an Ex-ante Pillar Assessment to the extent that these Regulations and Rules are not in conflict with the provisions of this Agreement and with the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

Responsibility

- 2.5 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds. The Organisation shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action.
- 2.6 The Organisation shall have full financial responsibility towards the Contracting Authority for all funds, including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU Contribution is effectively carried out and implemented correctly. The Organisation shall inform the European Commission and the Contracting Authority of irregularities and fraud detected in the management of the EU Contribution and the measures taken. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs.

Other obligations

- 2.7 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.9-Other obligations, 5-Conflict of interests, 7- Visibility, and Article 15-Archiving, access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.

In addition, the Organisation also undertakes to require Contractors and Grant Beneficiaries to: (i) comply with the relevant national laws and regulations as regards protection of personal data and (ii) ensure accurate and regular records and accounts.

- 2.8 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the Ex-ante Pillar Assessment undergone by the Organisation or affecting the rules and procedures which have been assessed by the European Commission for the purpose of granting an exemption from the obligation to undergo an Ex-ante Pillar Assessment, or (ii) those that may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement in accordance with Article 12.3.
- 2.9 The Organisation shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Organisation shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.
- 2.10 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, with the consequence that rights and obligations are conferred upon it only

where explicitly stated. This is without prejudice to the European Commission's role in promoting a consistent interpretation of the terms of this Agreement.

Article 3: Obligations regarding information and reporting

General issues

- 3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one (1) year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.
- 3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of progress towards the achievement of its Results (Outputs, Outcomes and if possible, Impact) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the Results, the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.
- 3.3 Where the overall action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request – in addition to the final reports to be submitted pursuant to Article 3.8 - the final reports of the overall action, once available. The Special Conditions shall lay down the rules concerning any remaining funds.
- 3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.
- 3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation's Regulations and Rules, such information shall be supplied within thirty (30) Days of receipt of the request. The Organisation may submit a duly motivated request to extend the 30-Day deadline.
- 3.6 The Organisation shall notify the Contracting Authority without delay of any circumstances likely to adversely affect the implementation and management of the Action, or to delay or jeopardise the performance of the activities.

Content of the reports

- 3.7 The progress report(s) shall relate directly to this Agreement and shall at least include:
- a) summary and context of the Action;
 - b) actual Results: an updated table based on a logical framework matrix (as included in Annex I) including reporting of Results achieved by the Action (Outputs, Outcomes, and if possible, Impact) as measured by their corresponding Indicators, against agreed baselines and targets, and relevant data sources;
 - c) information on the activities directly related to the Action as described in Annex I and carried out during the reporting period;
 - d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;
 - e) information on measures taken to identify the EU as source of financing, in accordance with Article 7;
 - f) a breakdown of the total costs, following the structure set out in Annex III, incurred from the beginning of the Action as well as the legal commitments entered into by the Organisation during the reporting period;

- g) a summary of controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;
- h) where applicable, a request for payment;
- i) work plan and budget forecast for the next reporting period.

3.8 The final report shall cover the entire Implementation Period and include:

- a) all the information requested in Article 3.7 a) to h);
- b) a summary of the Action's receipts, payments received and of the eligible costs incurred;
- c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;
- d) the exact link to the website referred to in last subparagraph of Article 2.2;
- e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 8;
- f) where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the EU Contribution have been covered by other donors' contributions;
- g) where applicable, a request for payment.

3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions starting from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions¹. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by the EU Contribution. Unless otherwise specified in the Special Conditions, progress reports shall be submitted within sixty (60) Days after the period covered by such report and the final report shall be submitted, at the latest, six (6) months after the end of the Implementation Period.

Management declaration

3.10 Every progress and final report shall be accompanied by a management declaration in accordance with the template included in Annex VI, unless Article 1.5 of the Special Conditions states that a global management declaration shall be sent annually to the European Commission headquarters, separately from the reports provided under this Agreement.

Audit or control opinion for organisations other than International Organisations/Member State Organisations

3.11 In case the Organisation is neither an International Organisation, nor a Member State Organisation, the Organisation shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.

3.12 Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report, unless Article 1.5 of the Special Conditions states that the global management declaration and the global audit or control opinion shall be

¹ By default, the reporting period is every twelve (12) months as from the commencement of the Implementation Period.

sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

- 3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 3 of the Special Conditions.
- 3.14 The Organisation shall convert legal commitments, the Action's receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

- 3.15 If the Organisation is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons. The Organisation shall also provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 12, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

- 4.1 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.
- 4.2 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.
- 4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation's Regulations and Rules committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights in the context of the implementation of the Action.

Article 5: Conflict of interests

- 5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.
- 5.2 A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

- 6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is communicated as confidential. The confidential nature of a document shall not prevent it from being communicated to a third party on a confidential basis when the rules binding the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put in jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors, Grant Beneficiaries or the Final Beneficiaries of the Action.

- 6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:
- a) the communicating Party agrees in writing to release the other Party from the earlier confidentiality obligations; or
 - b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or
 - c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.
- 6.3 The Parties shall remain bound by confidentiality for five (5) years after the End Date of the Agreement, or longer as specified by the communicating Party at the time of communication.
- 6.4 Where the European Commission is not the Contracting Authority, it shall nonetheless have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

Article 7: Visibility

Visibility

- 7.1 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Such measures shall be carried out in accordance with the Visibility Requirements for EU External Action², as in effect at the time of entry into force of this Agreement or with any other guidelines agreed between the European Commission and the Organisation.
- 7.2 If, during the implementation of the Action, equipment, vehicles or major supplies are purchased using the EU Contribution, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU emblem (twelve yellow stars on a blue background). Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU emblem shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.
- 7.3 If, pursuant to Article 8.5, the equipment, vehicles or remaining major supplies purchased with the EU Contribution have not been transferred to the local authorities, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU emblem) shall continue to apply between submission of the final report and the end of the overall action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 8.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.
- 7.4 Unless otherwise provided in the Special Conditions, if disclosure risks threatening the Organisation's safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium, including on its websites, the name and address of the Organisation, the purpose and amount of the EU Contribution.
- 7.5 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions upon their issuance.

² Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/intpa/comm-visibility-requirements_en.

- 7.6 The Parties will consult immediately and endeavour to remedy any detected shortcomings in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Communication

- 7.7 In addition to the obligations stipulated under Article 7.1 to 7.6, the Organisation shall implement, if applicable, communication activities as described in Annex I.

Article 8: Right to use results and transfer of equipment

Right to use

- 8.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.
- 8.2 Where the results mentioned in Article 8.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority) accordingly.

Transfer

- 8.3 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be transferred to or remain with local authorities, local Grant Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.
- 8.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 15.1.
- 8.5 By way of derogation from Article 8.3, the equipment, vehicles and remaining major supplies purchased with the EU Contribution in the framework of actions which continue after the end of the Implementation Period may be transferred at the end of the overall action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.
- 8.6 In the event that there are no local authorities, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another action funded by the EU or - exceptionally - retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action or the overall action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due course and - at the latest - together with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action.

Article 9: Monitoring and evaluation of the Action

- 9.1 Keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement, the Organisation shall invite representatives of the European Commission and the Contracting Authority (if other than the European Commission) to participate at their own costs to the main monitoring missions and evaluation exercises related to the performance of the Action. Participation in evaluation exercises should be ensured by requesting comments

from the European Commission and the Contracting Authority on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). The Organisation shall send all monitoring and evaluation reports relating to the Action to the European Commission and the Contracting Authority once issued, subject to confidentiality.

- 9.2 Article 9.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or the Contracting Authority, at their own costs, may wish to perform. Monitoring and evaluation missions by representatives of the European Commission or the Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make available to the Organisation the terms of reference of the evaluation exercise before it takes place, as well as the different deliverables (as a minimum, the draft final report) for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final monitoring and evaluation report to the Organisation once issued.
- 9.3 In line with the spirit of partnership, the Organisation and the European Commission (and the Contracting Authority, if applicable), may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed in due time, planned ahead and completed in a collaborative manner.
- 9.4 Representatives of the relevant partner country may, whenever possible, be invited to participate at their own costs in the main monitoring missions and evaluation exercises, unless such participation would be detrimental to the objectives of the Action or threaten the safety or harm the interests of Partners, Grant Beneficiaries or Final Beneficiaries.

Article 10: Amendment to the Agreement

- 10.1 Without prejudice to Articles 10.3 to 10.6, any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.
- 10.2 The requesting Party shall request in writing any amendment at least thirty (30) Days before the amendment is intended to enter into force and no later than thirty (30) Days before the End Date, unless there are special circumstances, duly demonstrated by it, and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) Days after the date when the amendment request was received.
- 10.3 By way of derogation from Articles 10.1 and 10.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report.
- 10.4 The method described in Article 10.3 shall be used neither to amend the contingency reserve referred to under Article 16.2, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.
- 10.5 The Organisation may, in agreement with the Contracting Authority and before the modification takes place, change the following without a formal addendum to the Agreement:



(a) Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main outcome of the Action;

(b) Communication activities described in Annex I.

Approved changes must be explained in the next report.

10.6 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 11: Suspension

Suspension of the time limit for payment

11.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:

- a) the amount is not due; or
- b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubts about compliance by the Organisation with its obligations in the implementation of the Action; or
- c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported expenditure; or
- d) credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious irregularity and has not been corrected. In this case, the Contracting Authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

11.2 In the situations listed in Article 11.1, the Contracting Authority shall notify the Organisation as soon as possible, and in any case within thirty (30) Days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

11.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:

- a) the Contracting Authority has proof that irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its Ex-ante Pillar Assessment or in the implementation of the Action;
- b) the Contracting Authority has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Organisation's Internal Control System or the legality and regularity of the underlying transactions;
- c) the Contracting Authority has proof that the Organisation has committed irregularities, fraud or breaches of obligations under other agreements funded by EU funds provided that

those irregularities, fraud or breaches of obligations have a material impact on this Agreement.

- 11.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within ten (10) Days from the receipt of the notification. If the Organisation does not submit observations, or if - after examination of the observations submitted by the Organisation - the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving seven (7) Days' prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed, nor be covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 12.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

- 11.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional and unforeseen circumstances beyond the control of the Organisation make such implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.
- 11.6 The Contracting Authority may also notify the Organisation of the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:
- a) when a relevant EU Decision identifying a violation of human rights has been adopted; or
 - b) in cases such as crisis entailing a change of EU policy.
- 11.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if Force Majeure or exceptional circumstances as set forth under Articles 11.5 and 11.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.
- 11.8 In the situations listed in Articles 11.5 and 11.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 12.3. In case of suspension due to Force Majeure or if the Action is a Multi-Donor Action, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

Article 12: Termination

- 12.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation, where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:

- a) fails to fulfil a substantial obligation incumbent on it under the terms of the Agreement;
- b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU Contribution or provides reports that do not reflect reality to obtain or keep the EU Contribution without cause;
- c) is bankrupt or being wound up, or is subject to any other similar proceedings;
- d) is guilty of Grave Professional Misconduct proven by any justified means;
- e) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of the Contracting Authority;
- f) fails to comply with the reporting obligations in accordance with Article 3.15;
- g) has committed any of the failings described in Article 11.3 on the basis of proof in the possession of the Contracting Authority.

12.2 Before terminating the Agreement in accordance with Article 12.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within thirty (30) Days from the receipt of the notification. During this period, and until the termination takes effect, the Contracting Authority may suspend the time limit for any payment in accordance with Article 11.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving seven (7) Days' prior notice. During that period, the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 18 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.

12.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving sixty (60) Days written notice. In this case, the final amount shall cover:

- a) payment only for the part of the Action carried out up to the date of termination;
- b) in the situations described in Articles 11.5 and 11.6, the unavoidable residual expenditures incurred during the notice period; and,
- c) in the situations described in Articles 11.5 and 11.6, reimbursement of legal commitments the Organisation entered into for implementing the Action before the written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.

The Contracting Authority shall recover the remaining part in accordance with Article 14.

12.4 In the event of termination, a final report and a request for payment of the balance shall be submitted in accordance with Articles 3 and 17. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

Article 13: Applicable law and settlement of disputes

13.1 The Parties shall endeavour to settle amicably any disputes or complaints relating to the interpretation, application or validity of the Agreement, including its existence or termination.

- 13.2 Where the Organisation is not an International Organisation, and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented - if necessary - by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 13.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU). Notwithstanding the foregoing sentence, where the Organisation is not established or incorporated in the EU, any of the Parties may bring before the Brussels courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. Where one party has brought proceedings before the Brussels courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Brussels courts before which the proceedings have already been brought.
- 13.3 Where the Organisation is not an International Organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European Commission. If no settlement is reached within one hundred and twenty (120) Days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.
- 13.4 Where the Organisation is an International Organisation:
- a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;
 - b) in the absence of an amicable settlement pursuant to Article 13.1 above, any dispute, controversy or claim arising out of or in relation to this Agreement, or the existence, interpretation, application, breach, termination, or invalidity thereof, shall be settled by final and binding arbitration in accordance with the 2012 Permanent Court of Arbitration Rules for Arbitration, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator's decision shall be binding on all Parties and there shall be no appeal.

Article 14: Recovery

- 14.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.
- 14.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 Days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within thirty (30) Days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.
- 14.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:

- a) by offsetting it against any amounts owed to the Organisation by the EU;
 - b) by taking legal action pursuant to Article 13;
 - c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.
- 14.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 17.7(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.
- 14.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.
- 14.6 The European Commission may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 15: Archiving, access and financial checks

- 15.1 For a period of five (5) years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 15 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.
- 15.2 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.
- 15.3 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.
- 15.4 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.
- 15.5 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.

- 15.6 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 15.2 to 15.5 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European Commission. This is without prejudice to any cooperation arrangement between OLAF and the Organisation's anti-fraud bodies.
- 15.7 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.
- 15.8 Failure to comply with the obligations set forth in Article 15 constitutes a case of breach of a substantial obligation under this Agreement.

Article 16: Eligibility of costs

- 16.1 Direct costs are eligible for EU financing if they meet all the following criteria:
- a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;
 - b) they are incurred in accordance with the provisions of this Agreement;
 - c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 16.6;
 - d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;
 - e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
 - f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;
 - g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and
 - h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.
- 16.2 A reserve for contingencies and/or possible fluctuations in exchange rates - not exceeding 5 % of the direct eligible costs - may be included in Annex III to allow for adjustments necessary in the event of unforeseeable changes of circumstances on the ground. In such case, the reserve can be used only with the prior written authorisation of the Contracting Authority, upon a duly justified request from the Organisation.
- 16.3 The following costs may not be considered eligible direct costs, but may be charged as part of the remuneration: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the European Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).
- 16.4 The remuneration shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration does not need to be supported by accounting documents. For Multi-Donor and comparable actions, the remuneration shall not be higher than that charged by the Organisation to comparable contributions.

16.5 The following costs are ineligible for EU financing:

- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or to any other employee insurance funds run by the Organisation shall only be eligible to the extent they do not exceed the cost incurred during the reporting period, calculated following applicable international accounting standards;
- b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 8;
- c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
- d) return of capital;
- e) negative remuneration (otherwise referred to as 'negative interest') charged by banks or other financial institutions;
- f) debts and debt service charges;
- g) provision for losses, debts or potential future liabilities;
- h) banking charges for the transfers from and to the Contracting Authority³;
- i) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 11.8;
- j) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);
- k) in-kind contributions. The cost of staff assigned to the Action and actually incurred by the Organisation is not an in-kind contribution and may be declared as a direct eligible cost if it complies with the conditions set out in Article 16.1; and
- l) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

16.6 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.

16.7 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 16.1, 16.3 and 16.5, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.

16.8 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.

³ The party causing a repetition of a transfer bears all costs of the repeated transfer.

- 16.9 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission.
- 16.10 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Article 17: Payments

17.1 Payment procedures shall be as follows:

- a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within thirty (30) Days of receiving the Agreement signed by both Parties;
- b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:
 - i) the reporting period is intended as a twelve-month period, unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;
 - ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately preceding pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the Organisation to its staff or has been subject to a legal commitment with a third party;
 - iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;
- c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 18 and following approval of the request for payment of the balance and of the final report; and
- d) the Contracting Authority shall pay the further pre-financing instalments and the balance within ninety (90) Days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 11 or 12.

17.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in the Special Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 18. If the balance is negative, the payment of the balance takes the form of recovery.

17.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.

- 17.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions to the bank account referred to in the financial identification form in Annex IV.
- 17.5 Payment arrangements for financing not linked to costs in accordance with Article 19 shall be set out in Article 4 of the Special Conditions and Annex I.
- 17.6 If no payment has been made by the Contracting Authority within two (2) years of the entry into force of the Agreement, the Agreement shall be terminated.

Late payment interest

- 17.7 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following conditions apply:
- a) upon expiry of the time limits for payments specified in Article 17.1, if the Organisation is not a Member State Organisation, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;
 - b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 11 or 12 shall not be considered as late payment;
 - c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 17.1. Any partial payment shall first cover the interest;
 - d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two (2) months of it receiving late payment;
 - e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two (2) months of it receiving late payment.

Article 18: Final amount of the EU Contribution

- 18.1 The Contracting Authority shall determine the final amount of the EU Contribution when approving the Organisation's final report. The Contracting Authority shall then determine the balance:
- a) to be paid to the Organisation in accordance with Article 17 where the final amount of the EU Contribution is higher than the total amount already paid to the Organisation; or
 - b) to be recovered from the Organisation in accordance with Article 14 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.
- 18.2 The final amount shall be the lower of the following amounts:
- a) the maximum EU Contribution referred to in Article 3.1 of the Special Conditions in terms of absolute value;
 - b) the amount obtained after reduction of the EU Contribution in accordance with Article 18.3.
- 18.3 Where the Action (i) is not implemented, (ii) is not implemented in line with the Agreement or (iii) is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU Contribution in proportion to the

seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Article 19: Financing not linked to costs

- 19.1 The payment of the EU Contribution may be partly or entirely linked to the achievement of Results measured by reference to previously set milestones or through performance Indicators. Such financing not linked to costs is not subject to Article 16. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.
- 19.2 The amount to be paid per achieved Result shall be set out in Annex III.
- 19.3 The Organisation shall not be obliged to report on costs linked to the achievement of Results. However, the Organisation shall submit any necessary supporting documents, including where relevant accounting documents, to prove that the Results triggering the payment as defined in Annex I and III have been achieved.
- 19.4 Articles 3.7 f), 3.8 b), 3.8 f), 10.3 and 10.5 do not apply to the part of the Action supported by way of financing not linked to costs.

Article 20: Contracting and Early Detection and Exclusion System

Contracting

- 20.1 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible. Without prejudice to the foregoing or to the Organisation's assessed Regulations and Rules, the Organisation shall promote the use of local contractors when implementing the Action.

Early Detection and Exclusion System

- 20.2 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has detected a situation of exclusion pursuant to its rules and procedures referred to in Article 2.2 d) and any ad hoc measure stipulated in the Special Conditions or if it has detected a fraud and/or an irregularity pursuant to Article 2.6. This information may be used by the European Commission for the purpose of the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.
- 20.3 Without prejudice to the power of the European Commission to exclude a person or an entity from future procurement contracts and grants financed by the EU and/or to impose financial penalties according to the EU Financial Regulation, the Organisation may impose sanctions on third parties according to its own Regulations and Rules ensuring, where applicable, the right of defence of the third party.
- 20.4 The Organisation may take into account, as appropriate and on its own responsibility, the information contained in the Early Detection and Exclusion System, when implementing the EU Contribution. Access to that information can be provided through the authorised persons

or via consultation with the European Commission as referred in Article 5.6 of the Special Conditions.

ANNEX II.a – Provisions applicable only to Multi-Partner Contribution Agreements

Article 1: Parties to Multi-Partner Contribution Agreements

Where the Organisation implements the Action in association with Partners, the Partners become Parties to the Agreement together with the Organisation. The provisions contained in Annex II apply to Partners *mutatis mutandis*, subject to the provisions of this Annex.

Article 2: Additional obligations of the Organisation

In addition to the obligations set out in Annex II the Organisation shall:

- a) perform the activities as described and assigned to it in Annex I;
- b) ensure coordination with all Partners in the implementation of the Action;
- c) be the intermediary for all communications between the Partners and the Contracting Authority;
- d) be responsible for supplying without delay all documents and information to the Contracting Authority which may be required under this Agreement, in particular in relation to the narrative reports, the requests for payment and the relevant management declarations and audit opinions - where applicable - from all Partners. Where information from the Partners is required, the Organisation shall be responsible for obtaining and consolidating this information before passing it on to the Contracting Authority. Any information given, as well as any request made by the Organisation to the Contracting Authority, shall be deemed to have been given in agreement with all Partners;
- e) inform the Contracting Authority of any event likely to affect or delay the implementation of the Action;
- f) inform the Contracting Authority as soon as the information is available, of any change in the legal, financial, technical, organisational or ownership situation of any of the Partners, as well as of any change in the name, address or legal representative of any of the Partners;
 - g) be responsible in the event of monitoring and evaluations, as described in Article 9 of Annex II, for collecting and providing all the necessary documents;
 - h) establish the payment requests in accordance with the Agreement;
 - i) be the sole recipient, on behalf of all the Partners, of the payments of the Contracting Authority. The Organisation shall ensure that the appropriate payments are then made to the Partners without unjustified delay;
 - j) where relevant, repay funds to the Contracting Authority in line with Article 14 of Annex II without prejudice to Article 6;
 - k) not delegate any, or part of, the tasks listed above to the Partners or other entities.

Article 3: Obligations of the Partners

The Partners shall:

- a) perform the activities as assigned to each Partner in Annex I, taking all necessary and reasonable measures to ensure that the Action is performed in accordance with the description of the Action in Annex I and the terms and conditions of this Agreement;
- b) ensure that the Organisation has or obtains the data needed to draw up the reports, financial statements and other information or documents required by this Agreement and the annexes thereto, including any information needed in the event of monitoring or evaluations, as described in Article 9 of Annex II, as well as the relevant management declarations and audit or control opinion referred to in Articles 3.10 to 3.12 of Annex II (this does not apply to those documents and Partners that fall within an arrangement with the European Commission to provide either of them globally, on an annual basis);

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- c) ensure that all information to be provided and requests made to the Contracting Authority are sent via the Organisation;
- d) agree with the Organisation upon appropriate internal arrangements for the internal coordination and representation of the Partners vis-a-vis the Contracting Authority for any matter concerning this Agreement, consistent with the provisions of this Agreement and in compliance with the applicable legislation(s);
- e) be responsible - in the event of audits, checks and investigations, as described in Article 15 of Annex II - for full cooperation in the protection of the Union's financial interests and, in particular, for providing all the necessary access, information and documents in accordance with Article 15.5 of Annex II, without prejudice to Article 5.

Article 4: Termination and suspension

4.1 Article 12 of Annex II is amended as follows:

- a) in the first paragraph of Article 12.1 of Annex II, "may terminate" shall be replaced by "may terminate or partially terminate" and "the Organisation" shall be replaced by "the Organisation or a Partner". In addition to Article 12.1 and in respect thereof, the Contracting Authority shall discuss prior to termination the possible reallocation of the tasks and responsibilities of the Partner or of the Organisation whose participation is terminated, in case of partial termination, among the remaining Partners and/or the Organisation, or on its possible replacement by a third party. If the Contracting Authority agrees, the Agreement shall be amended accordingly in accordance with Article 10. If the Contracting Authority does not agree, either Party may terminate the Agreement in accordance with Article 12.3.
- b) In duly justified cases, the Organisation may propose to terminate its participation or the participation of a Partner to this Agreement. For this purpose, the Organisation shall communicate to the Contracting Authority the reasons for the proposed termination and the date on which it should take effect, as well as a proposal on the reallocation of the tasks and responsibilities of the Partner or of the Organisation whose participation is terminated, or on its possible replacement. The proposal shall be sent in due course before the termination is due to take effect. If the Contracting Authority agrees, the Agreement shall be amended accordingly in accordance with Article 10. If the Contracting Authority does not agree, either Party may terminate the Agreement in accordance with Article 12.3.

4.2 In the case of termination of the participation of a Partner or of the Organisation pursuant to Article 4.1 a) or b), the final payment regarding the activities allocated to the Partner concerned or to the Organisation shall be included in the next payment request following the amendment of the Agreement.

Article 5: Financial framework partnership agreements and special arrangements

Where the Organisation and one or more pillar-assessed Partners have each concluded a financial framework partnership agreement with the European Commission, the financial framework partnership agreement of the Organisation and each Partner shall apply for the purpose of this Agreement, except in relation to obligations on reporting and payments, to which only the Organisation's financial framework partnership agreement shall apply.

Article 6: Financial responsibility

The Organisation and each pillar-assessed Partner shall be financially responsible solely for the part of the Action to be implemented by it (including by its Contractors and Grant Beneficiaries), as set out in Annex I, or for the activities assigned to it during the implementation of the Action in case these are not defined in Annex I. The Contracting Authority shall recover any unduly paid or incorrectly used funds directly from the Organisation, unless the Organisation can demonstrate that amounts to be recovered under this Agreement only relate to activities that have or should have been implemented by a pillar-assessed Partner pursuant to Annex I. In such case, the Contracting Authority will recover directly from the concerned defaulting pillar-assessed Partner.

Article 7: Dispute settlement

Where either the Organisation or at least one of the pillar-assessed Partners is an International Organisation, Article 13.4.b of Annex II shall apply to the entire Agreement. In case a dispute does only concern one or some Partners or only the Organisation, the dispute settlement mechanism foreseen in Article 13.4.b will apply between the Contracting Authority and the relevant pillar-assessed Partner or the Organisation only.



Annex III. Budget for the Action**Title of the Action: EU for youth**

Exchange rate: 1 EUR = 1,1114 USD January 2024

(https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en)

1.1114

Costs	All years				1st year		
	Total cost in USD	UNDP (in USD)	UNICEF (in USD)	Total Cost 1st year (in USD)	Total Cost 1st year UNDP (in USD)	Total Cost 1st year UNICEF (in USD)	
1. Budget for the Action¹							
1. Human Resources (staff and other personnel costs)							
1.1 Staff and other personnel costs							
1.1.1 Technical							
1.1.1.1. Programme Specialist (UNDP) (3 days per month)	38,050	38,050		12,683	12,683		
1.1.1.2. Programme Specialist (UNICEF) (3 days per month)	40,102		40,102	13,367		13,367	
1.1.1.3 Project Manager	132,034	132,034	-	44,011	44,011	-	
1.1.1.4 Local outreach coordinators	208,054	104,027	104,027	69,352	34,676	34,676	
1.1.2 Administrative/ support staff							
1.1.2.1 Project admin and finance (UNDP 50%)	48,012	48,012	-	16,004	16,004		
1.1.2.2 Project admin and finance (UNICEF 40%)	48,012	-	48,012	16,004		16,004	
1.1.2.3 Driver (50%)	28,007	28,007	-	9,336	9,336		
1.2 Per diems for missions/travel							
1.2.1 Local (staff assigned to the Action)	33,342		16,671	11,670	5,835	5,835	
Subtotal Human Resources	575,614	366,802	208,812	192,428	122,546	69,882	
2. Equipment and supplies							
2.1 Purchase or rent of vehicles	33,342	33,342	-	33,342	33,342	-	
2.2 Furniture, computer equipment							
2.2.1. Furniture	3,334	3,334	-	3,334	3,334	-	
2.2.2. Computer	10,003	10,003	-	10,003	10,003	-	
Subtotal Equipment and supplies	46,679	46,679	-	46,679	46,679	-	

4.6.5. Deliver capacity building to employers, EOs and VTCs on the traineeship model (WP4)	44,456	-	44,456	44,456	44,456		44,456
4.6.6. Capacity development to improve PES delivery model and services and train PES counsellors, with the participation of youth.	44,456	44,456	-	22,228	22,228		
Subtotal Contractual Services	830,438	350,536	479,903	155,152	285,742		
5. Transfers and Grants							
5.1. Local partnerships to deliver support services (pre and post placement) for vulnerable NEET (WP3)	315,971	315,971	-	-	-		-
5.2. Local partnerships to reach out to NEET (WP3)	294,807	-	294,807	-	-		-
5.3. Support the pilot delivery of apprenticeship models (WP4)	155,596	155,596	-	-	-		-
Subtotal Transfers and Grants	766,374	471,567	294,807	-	-		-
6. Subtotal direct eligible costs of the Action (1-5)	2,285,122	1,301,601	983,521	702,006	346,382		355,624
7. Indirect costs (maximum 7% of 6, subtotal of direct eligible costs of the Action)	159,959	91,112	68,846	49,140	24,247		24,894
8. Total eligible costs (6+7)	2,445,080	1,392,713	1,052,368	751,146	370,629		380,517

*For the purpose of interpreting clause 10.3 of the General Conditions, the budget heading is understood as Subtotal Human Resources, Subtotal Equipment and Supplies, Subtotal Other costs, services, Subtotal Others



3. Expected sources of funding & summary of estimated costs

		Amount USD
Expected sources of funding		
EU/EDF contribution sought in this application (A)		2,222,800
CO-FINANCING (1+2+3+4) (B)		222,280
1. Other contributions (Applicant, other Donors etc)		
<i>Name</i>	<i>Conditions</i>	
UNDP		111,140
UNICEF		111,140
2. Revenue from the Action		2,445,080
To be inserted if applicable and allowed by the guidelines:		
3. In-kind contributions		0
4. Volunteers' work		0
Expected TOTAL CONTRIBUTIONS (A)+(B)		2,445,080
Estimated Costs		
Estimated TOTAL ELIGIBLE COSTS (C)		2,445,080
To be inserted if applicable and allowed by the guidelines:		
Taxes/In-kind contributions		0
Estimated TOTAL ACCEPTED COSTS (D)		2,445,080

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FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm#en

Please use CAPITAL LETTERS and LATIN CHARACTERS when filling in the form.

BANKING DETAILS ①

ACCOUNT NAME ②	UNDP CONTRIBUTIONS ACCOUNT		
IBAN/ACCOUNT NUMBER ③	36349562		
CURRENCY	US DOLLAR		
BIC/SWIFT CODE	CITIUS33	BRANCH CODE ④	NY-940
BANK NAME	CITIBANK		
ADDRESS OF BANK BRANCH			
STREET & NUMBER	399 PARK AVENUE		
TOWN/CITY	NEW YORK/NEW YORK	POSTCODE	1022-4617
COUNTRY	UNITED STATE OF AMERICA		

ACCOUNT HOLDER'S DATA

AS DECLARED TO THE BANK

ACCOUNT HOLDER	UNITED NATIONS DEVELOPMENT PROGRAMME		
STREET & NUMBER	ONE UNITED NATIONS PLAZA		
TOWN/CITY	NEW YROK/ NEW YORK	POSTCODE	10017
COUNTRY	UNITED STATE OF AMERICA		

REMARK:

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<p>BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE ⑤</p> <div style="text-align: center;"> <p><small>Tiffany Altman, AVP Citibank NA Corporate Banking Service 100 Park Avenue New York, NY 10020 312-323-2446</small></p> </div>	<p>DATE (Obligatory)</p> <p style="text-align: center;">20-Jul-2020</p> <hr/> <p>SIGNATURE OF ACCOUNT HOLDER (Obligatory) Paul Gravenese, Treasurer</p> <div style="text-align: center;"> </div>
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- ① Enter the final bank data and not the data of the intermediary bank.
- ② This does not refer to the type of account. The account name is usually the one of the account holder. However, the account holder may have chosen to give a different name to its bank account.
- ③ Fill in the IBAN Code (International Bank Account Number) if it exists in the country where your bank is established
- ④ Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.
- ⑤ It is preferable to attach a copy of RECENT bank statement. Please note that the bank statement has to confirm all the information listed above under 'ACCOUNT NAME', 'ACCOUNT NUMBER/IBAN' and 'BANK NAME'. With an attached statement, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder and the date are ALWAYS mandatory.

BC



ANNEX V

Request for payment for Contribution Agreement

Date of the request for payment <.....>

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Contribution Agreement>¹

Reference number of the Contribution Agreement: ...

Title of the Contribution Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of pre-financing/interim payment/balance² under the Contribution Agreement mentioned above.

The amount requested is [in accordance with Article 4 of the Special Conditions of the Contribution Agreement/the following: ...]³

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

The payment should be made to the following bank account: ⁵

Please when making the payment indicate the following communication: ...

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully, <signature>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Contribution Agreement.

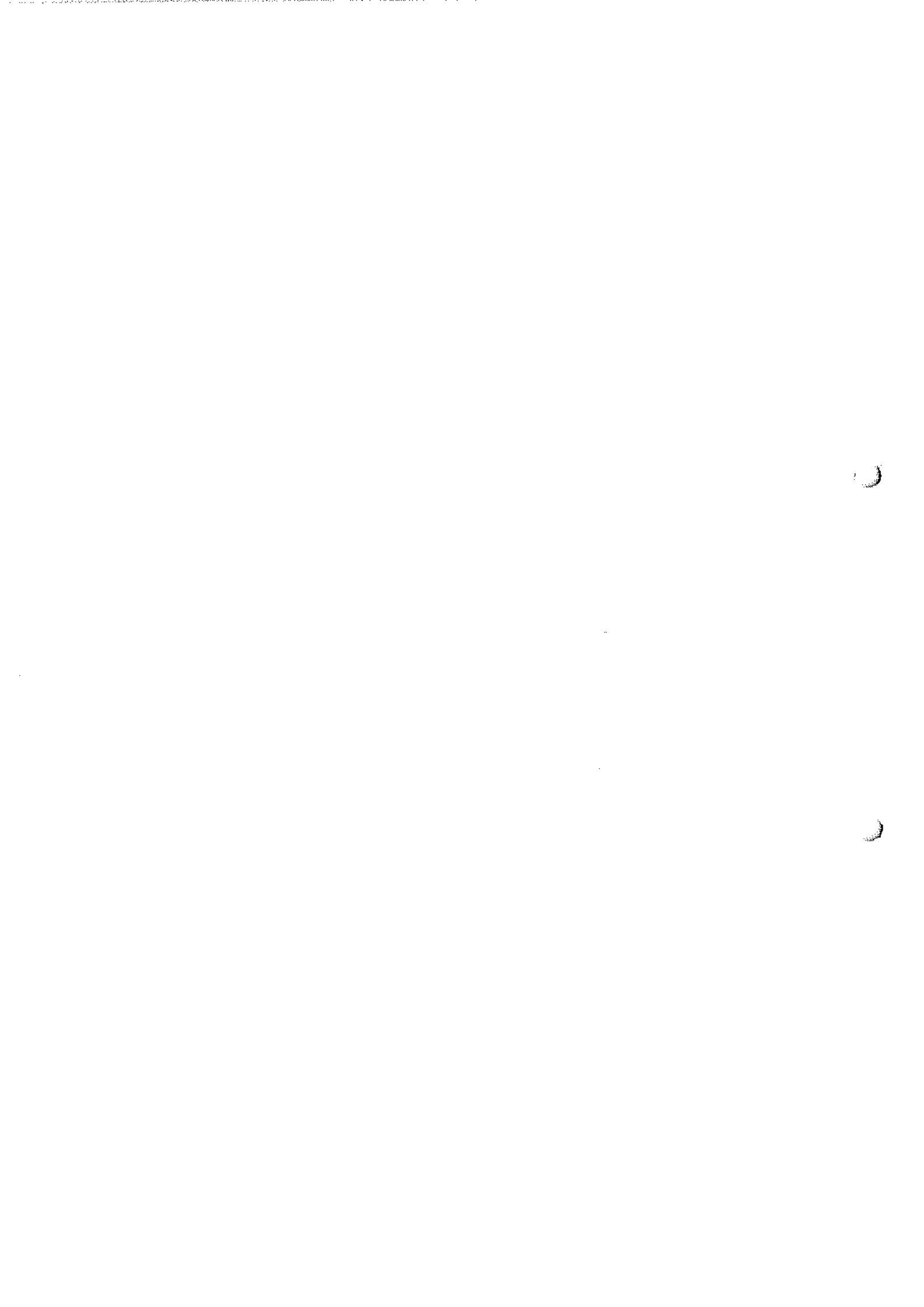
² Delete the options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the financial identification form annexed to the Contribution Agreement. In the event of change of bank account, please complete and attach a new financial identification form as per model.

N.B.: Instalments of pre-financing, interim payments and final payments shall be made upon approval of the payment request accompanied by a progress or final report (see Articles 19 of the General Conditions of Contribution Agreement).



I, the undersigned, <insert forename and surname>, in my capacity as <insert function in the entrusted entity or person>, confirm that in relation to the Insert/complete in case an individual Management Declaration for one Contribution / Guarantee Agreement is submitted: [[Contribution Agreement] [Contribution Agreement for Financial Instruments] [Guarantee Agreement] <insert reference of the concrete Agreement>, (the "Agreement") Insert in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority¹ and the Organisation is presented:[Agreements listed below], based on my own judgement and on the information at my disposal, including, inter alia, the results of the audits and controls carried out:

1. The information submitted For Contribution Agreements/Contribution Agreements for Financial Instruments insert: under Article 3 of the General Conditions of the Agreement[s] For Guarantee Agreements, if applicable, insert: [and] pursuant to the financial reporting requirements of the Guarantee Agreement[s] for the financial period dd/mm/yyyy to dd/mm/yyyy is properly presented, complete and accurate Insert/complete in case a global Management Declaration covering all the Contribution Agreements and/or Contribution Agreements for Financial Instruments and/or Guarantee Agreement(s) between the Contracting Authority and the Organisation is presented: [for the following Agreements:

1. <insert references of the Agreement>; add below as necessary
2. <...>.]

If at the time of signature of this Management Declaration, there were ongoing Agreements for which there was not yet reporting obligation; insert: [To be noted that at the time of signature of this Management Declaration, the following Agreements were not yet subject to submission of reporting in accordance with the contractual conditions:

1. <insert references of the Agreement>; add below as necessary
2. <...>.]

2. In case this Management Declaration covers Contribution Agreement(s) and/or Contribution Agreement(s) for Financial Instruments, insert: The [expenditure] [and] In case this Management Declaration covers Guarantee Agreement(s), insert: [amounts made available under the Guarantee] [were] [was] used for [its] [their] intended purpose as defined in the Agreement[s];
3. The control systems put in place give the necessary assurances that the underlying transactions were managed in accordance with the provision of the Agreement[s].
4. The Organisation performed the activities in compliance with the obligations laid down in the Agreement[s] and applying its own rules and procedures, where applicable, subject to the ad hoc measures agreed upon with the European Commission, as regards:
 - a) internal control;
 - b) accounting system;
 - c) independent external audit;
 - d) exclusion from access to funding;
 - e) publication of information on recipients;
 - f) protection of personal data;
 Add one or more of the following options, as applicable:
 - g) [award and management of Grants;]

¹ For the avoidance of doubt, references to 'Contracting Authority' in this annex shall be understood as referring to the European Commission for the purpose of Contribution Agreements for Financial Instruments and Guarantee Agreements.

h) [award and management of Procurement Contracts;]

i) [Financial Instruments] In case any the optional sub pillars 6b and/or 6c have been assessed and if applicable, add as required: [, including [Tax Avoidance and Non-Cooperative Jurisdictions][and][Anti-Money Laundering and Countering Terrorism Financing]].

5. No substantial changes, which have not already been communicated to the European Commission, affect the rules and procedures which have been [subject to the Ex-ante Pillar Assessment] / [assessed by the European Commission for the purpose of granting an exemption to the obligation to undergo the Ex-ante Pillar Assessment].

6. The Organisation has informed the European Commission and the Contracting Authority, in relation to the management of the EU Contribution provided under the Agreement[s], if it has detected irregularities or fraud and, if so, of the measures taken.

7. The Organisation has informed the European Commission, in relation to the implementation of the Agreement[s] and during [its] [their] implementation period, if it has detected a situation of exclusion, pursuant to its rules and procedures and any ad hoc measure stipulated in the Agreement[s], or become aware that transmitted information needs to be rectified, updated, or removed.

Furthermore, I confirm that I am not aware of any undisclosed matter which could harm the interests of the European Union.

[However, the following reservation(s) should be noted:

<present and explain reservation(s)>²

<insert place and date>

.....
(signature)

<Insert forename and surname>

² Option to be used in case of reservations.