

Terms of Reference

Local consultant to support the MSJ project team in conducting a feasibility study on introducing, setting up and operating Sectoral Skills Bodies (SSBs) in Kosovo

Project background

The "Matching Skills to Jobs" (MSJ) project aims to strengthen Kosovo's Vocational Education and Training (VET) system to align it with labour market needs and enhance private sector productivity through advanced, industry-driven training solutions. In 2025, the first year of implementation, MSJ will initiate seven interventions to contribute towards the two project outcomes. On one side, these interventions will aim to initiate improvements in the governance system that will enable VET institutions to provide higher-quality, more relevant vocational education in close partnership with industry actors (Outcome 1). And on the other side, will aim to initiate benefits for the private sector from higher labour productivity and the fulfilment of its skills demands through advanced, specialized, and work-based training programs developed using industry-driven solutions (Outcome 2).

Under Outcome 1, to address constraints related to an underperforming VET system, marked by fragmented legislation, insufficient resources, fragile governance, inadequate and limited institutional and human capacities at all levels, and limited and unstructured private sector engagement, the MSJ project will focus on three key intervention areas: First, it will facilitate policy reform by supporting the drafting of a new VET law through evidence-based analyses, expert guidance, and inclusive stakeholder workshops to address legal and institutional gaps. Second, to address capacities of VET institutions at all levels, MSJ will facilitate the improvement of the VET school governance by assessing capabilities and opportunities for changes and piloting development units in selected schools, conducting assessment of Kosovo's VET school network and developing a strategic roadmap for resource optimization. Third, the project will facilitate structured cooperation of VET institutions with the private sector by organizing stakeholder forums, facilitating knowledge exchange initiatives, and facilitate the introduction, establishment and operation of the Sector Skills Bodies (SSBs). Through the abovementioned interventions, MSJ will contribute to the improvement of VET governance at all levels, by engaging in policy and legislative reform, and facilitating institutional capacities and structured cooperation with the private sector.

Context

In Kosovo, there is a persistent mismatch between the skills required in the labour market and those supplied by educational institutions, leading to labour market imbalances. This disparity arises because the education system operates on long-term policies and strategies that require extended periods for change, whereas the business sector must quickly adapt to shifting market demands and technological advancements. Effective skills matching requires various mechanisms, instruments, and policies designed to bridge the gap between skills supply and labour market demand. This process is complex and necessitates informed decision-making at multiple levels, involving a range of stakeholders across different timeframes. In recent years, the sectoral skills approaches and mechanism have gained

particular attention. These approaches rely on two fundamental elements: qualitative information on the skills required by the labour market and capacity to transform this information into action by providing adequate qualifications (short to long term qualifications).

The Kosovo government alone cannot effectively adapt skills development policies to meet labour market demands without active participation of private sector actors. To address this, there is a need for a more structured dialogue between public authorities, private sector representatives, and educational institutions, both at national and local levels, to better align educational outcomes with workforce needs. Opportunities for systemic improvements have emerged, particularly with the approval of a new concept note for VET law, which envisions a more structured and active role for the private sector in VET reform. A central question in ongoing skills development discussions is how to enhance engagement with social partners, including employers and trade unions, either individually or through representative organizations such as business and professional associations.

As part of broader efforts to align VET with labour market needs, the Kosovo government and social partners are increasingly considering sectoral approaches and mechanisms as an effective way to bridge the cooperation and dialogue gap between the world of work and the world of education and training. A sectoral approach to skills development enables key stakeholders to identify the skills challenges in their sector and to collectively develop solutions, fostering greater ownership, partnerships, and structured industry involvement in VET governance. Sector Skills Bodies (SSBs)¹ serve as a mechanism to increase and strengthen industry actors' involvement in the governance and operation of the VET system in a given sector.

Many countries have established Sector Skills Councils/Committees or Industry Skills Councils to perform this function. The effectiveness of these bodies depends largely on employer participation, which varies from sector to sector and can take different forms:

- 1) Employer-consulted: providing technical inputs but with limited decision-making power;
- 2) Employer-driven: actively shaping policy and training programs; and
- 3) Employer-owned: leading and managing skills development initiatives.

Different forms require different levels of expertise and resources by the SSBs. The role of SSBs can be advisory, decision-making, or technical, and can represent one of the three forms outlined above, depending on the broader institutional framework in which they operate, and the roles and responsibilities assigned/delegated to them. Their functions also vary by country and economic sector, but they typically engage in one or more of the following key activities:

- Providing recommendations to support sectoral skills development and employment policy priorities (e.g., contributing to national strategies).
- Providing formal opinions on legal pieces relevant to the policy areas that affect the sector related to skills and workforce development.
- Strengthening cooperation between employers and educational institutions.

¹ Sector Skills Councils and Committees are typically distinguished by their roles—Councils primarily serve as consultative bodies, while Committees have a more executive function with assigned responsibilities. In this Terms of Reference, we refer to them as Sector Skills Bodies, with the specific terminology to be determined later by the stakeholders.

- Taking the lead (participating/revising/ validating) in the development of occupational profiles, lists of occupations and occupational standards.
- Participating in procedures for designing new qualifications, updating existing occupational standards or removing outdated ones.
- Participating in the design and operationalization of validation of non-formal and informal learning/recognition of prior learning.
- Contributing to the National Qualification Frameworks set-up and reform actions.
- Overseeing the accreditation of education and training providers.
- Promoting/Conducting labour market analysis on a sectoral basis, including qualitative and quantitative research (skills need analysis and forecasting).
- Administering and/or participating on boards responsible for funding mechanisms for skills development programs.
- Delivering sectoral specific training programs and initiatives.

These activities can also be understood as increasing degrees of involvement and responsibility of the private sector. In specific cases, it will be important to find a balance between the degree of involvement and avoiding overburdening the actors in the private sector. It should also be noted that shifting functions and responsibilities too quickly and too rapidly can trigger resistance from the other stakeholders in the VET system.

As part of ongoing efforts to improve workforce development, the USAID "Private Sector-Led Workforce Development" (PSWD) project has established four Sectoral Workforce Councils (as a manifestation of SSBs) in Kosovo, representing key economic sectors:

- Agribusiness Workforce Council, led by the Association of Fruit and Vegetable Processors of Kosovo (PePeKo).
- Information and Communication Technology (ICT) Workforce Council, led by the Kosovo Association for Information and Communication Technology (STIKK).
- Wood Processing Workforce Council, led by the Association of Wood Processors of Kosovo (AWPK).
- Energy Workforce Council, led by the Metal Processing Industry and Renewable Energy Cluster of Kosovo (MIRECK).

Each council consists of representatives from the private sector, public institutions, and civil society, with donor organizations serving as non-voting supporting members. The primary objective of these Sectoral Workforce Councils is to facilitate cooperation among key stakeholders, assess labour market needs, and develop tailored workforce solutions aligned with private sector requirements. Their mission is to strengthen industry linkages and labour market efficiency through the following core components: (1) Advancing private sector leadership in identifying workforce needs, designing solutions, and mobilizing financial resources; (2) Building the capacity of private sector actors and key workforce ecosystem stakeholders to co-develop and assess workforce strategies; and (3) Fostering long-term cooperation between industry, education providers, and policymakers to create inclusive and sustainable employment solutions.

Objectives

In view of the four existing Sectoral Workforce Councils, the strategic approach for further action is to take the existing experience in the establishment and introduction of these SSBs, assess their impact and make it available for further development and transfer to other

economic sectors. The purpose of the feasibility study is twofold: on the one hand to evaluate existing experience and on the other hand to gather further knowledge about the establishment and functioning of SSBs. This knowledge will then be used to further develop the approach and integrate it more effectively into the VET system.

The MSJ project aims to facilitate discussions between the government and social partners, by leveraging international practices and Kosovo's existing experience with Sectoral Workforce Councils. The objective of this consultancy is to support the MSJ project team in conducting a feasibility study to:

- Assess the impact of existing models of Sectoral Workforce Councils in Wood Processing, ICT, Agribusiness, and Energy.
- Evaluate if the SSBs model is the right approach for private sector engagement in Kosovo's VET system.
- Analyse the private sector's motivation and capacities to support and engage in SSBs.
- Explore the roles and responsibilities of SSBs in Kosovo's VET system.
- Identify key implications for establishing and sustaining SSBs and recommend feasible governance and operational models.

Tasks

The consultant will be engaged for a maximum of up to 60 working days and will be responsible for conducting a feasibility study on SSBs in Kosovo, exploring different international models², and analysing key factors to consider for their effective establishment, early development requirements, and operational sustainability. The study should be structured into the following key sections:

Section 1: Introducing SSBs in Kosovo (identify key implications for establishing SSBs, including objectives, roles, responsibilities, structure, funding, and oversight):

- Summarize the impact and lessons learnt from introducing Sectoral Workforce Councils in the four economic sectors.
- Conduct a strategic review of industry and other key-stakeholders engagement, as well as of institutional arrangements in the VET system.
- Pursue objectives outlined above by facilitating consultations with private and key public stakeholders through various workshops, forums, and exchange activities.
- Apart from the four economic sectors already in the implementation process, assess the potential sectors for SSB establishment in Kosovo based on employment size, growth potential, skills shortages, government priorities on skills development and employment policies, etc.
- Explore potential roles and responsibilities for SSBs in Kosovo, outlining advisory, design, support, and administration functions. Identify the financial and human resources required to implement these functions professionally.
- Differentiate between low-threshold and high-threshold task clusters as functional areas in which SSBs can operate depending on their financial and human resources.
- Analyse governance arrangements, including levels of autonomy, influence, and resources required for SSBs to be effective with regard to an employer-consulted, employer-driven or employer-owned approach, including secretariat/support services.

² This should include a literature review and a potential comparative analysis of international and regional models. At the regional level, the focus should be on two countries: Croatia and Albania.

- Review different models for SSBs composition, and their advantages and disadvantages, considering the different potential members.
- Analyse the different funding models for SSBs (government-funded, employer-funded, third-party income-generating, or hybrid models).

Section 2: Setting-up SSBs in Kosovo

- Outline the adequate process for engaging the identified stakeholders (SSBs future members) and securing their commitment to its operations.
- Identify key challenges and potential resistances in establishing SSBs and propose strategies and possible scenarios to address them.
- Provide guidance for policymakers and key stakeholders on key factors and good practices for launching SSBs in Kosovo.

Section 3: Operationalizing SSBs in Kosovo

- Outline communication and engagement strategies for SSBs to effectively interact with stakeholders and support the VET system developments.
- Provide recommendations for monitoring and evaluation mechanisms to assess SSBs effectiveness and efficiency, and medium to long-term impacts.

The consultant will cooperate closely with the MSJ project team and international consultants to ensure a coordinated and integrated approach to achieving project objectives.

With prior agreement between the parties, the consultant may take on additional tasks if necessary to meet the needs of the MSJ project team.

Deliverables

The consultant, in close cooperation with the MSJ project team, will be responsible for delivering the following:

- **Inception report** – Detailed work plan with timeframe for the deliverables outlines below, methodology and development of evaluation dimensions, and initial key stakeholders mapping.
- **Stakeholder consultation report** – Summary of discussions with key public and private sector stakeholders.
- **Draft feasibility study report** – Preliminary findings, analysis, and recommendations.
- **Validation workshop** – Presentation of findings to key stakeholders and incorporation of feedback.
- **Final feasibility study report** – Comprehensive report including recommendations for introducing, establishing and operating SSBs in Kosovo.

All deliverables must be in English.

Timeframe

The assignment is scheduled from April 15, 2025, to December 15, 2025.