



Study for the Evaluation of ESF Support to Youth Employment

Contract VC/2018/0715

Final Report

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The opinions expressed are those of the Contractor only and do not represent the Commission's official position.

List of acronyms

ALMP	Active Labour Market Policies
AIR	Annual Implementation Report
CIE	Counterfactual impact evaluations
CPR	Common Provisions Regulation
CSR	Country specific recommendations
DG EMPL	Directorate-General Employment, Social Affairs & Inclusion
DG REGIO	Directorate-General Regional and Urban Policy
EAFRD	European Agricultural Fund for Rural Development
EMFF	European Maritime and Fisheries Fund
EQ	Evaluation question
ERDF	European Regional Development Fund
ESF	European Social Fund
FEAD	Fund for European Aid to the Most Deprived
GDP	Gross domestic product
ISCED	International Standard Classification of Education
JRC	Joint Research Centre
MS	Member State
IP	Investment Priority
NEET	Person not in employment, education or training
OP	Operational Programme
PES	Public employment service
SFC	System for Fund Management in the European Union
VET	Vocational education and training
YEI	Youth Employment Initiative
YG	Youth Guarantee

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Executive summary

The study supporting the evaluation of EU support to youth employment focused on six evaluation criteria, namely the effectiveness, efficiency, relevance, coherence, European added value and sustainability of the operations¹ under the European Social Fund (ESF) and the Youth Employment Initiative (YEI), between 2014 and 2018. Operations carried out by Member States are targeted at young people not in education, employment or training (NEET) and aged between 15-29 years² old.

This implementation has taken place in a changing context. In 2014, 13.4 million young people across Europe were considered as NEET. Since then the high youth unemployment rate has fallen mainly due to positive evolution of the socio-economic context at the EU level between 2014 and 2018. As a result, economically inactive³ young people (rather than unemployed) make up now a greater proportion of the NEET population, while it is known that this group is generally more difficult to identify and access.

An estimated EUR 22 billion is being invested in youth employment operations for the current programming period (2014-2020), including EUR 8.8 billion from YEI and EUR 5.5 billion from the ESF Investment Priority 8.ii.^{4 5} Implementation rates (vs funding committed) are behind schedule for YEI (52%, 2014-2018) and ESF youth operations (27%, 2014-2018), due to delays in set-up, capacity constraints and difficulties to reach out to the target groups.

By the end of 2018, there had been about 3.8 million participations under ESF/YEI operations⁶, representing 60% of participations targeted. Women make up 52% of all participations.

Effectiveness: YEI and ESF youth employment operations have had a positive impact in terms of integrating young people into the labour market

Youth employment operations supported by the ESF aimed at “the sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee”⁷.

In general, the operations implemented have contributed to that overall objective in different manners and to different extents, depending on the positive evolution of the socioeconomic context (which varies between Member States) and the target group.

Some 1.4 million participations resulted in employment immediately after participation, with further results including employment-oriented education and training, and self-employment. As a combination of these immediate results, the evaluation indicates that the level of employment of participants has tended to increase in the medium to long term, which hints at a positive effect of the operations on the overall employability of participants.

¹ Youth employment operations include vocational education and training (VET), apprenticeships, internships and work experience, wage subsidies, advice, guidance and counselling, support for self-employment and entrepreneurship, and structural support for strengthening institutional capacity.

² For YEI, this was originally 15-24 years but was later extended to 29 years. Not all Member States target the whole age range, keeping in mind that ESF/YEI complement national policies and targets

³ These are young people not employed but not registered as unemployed and include students, people engaged in family duties and people on sickness and other non-employment benefits.

⁴ The specific Investment Priority (IP) targeted on youth employment. The remaining investment is from other ESF IPs, co-financing and the private sector.

⁵ The cut-off date for data download was 6 September 2019.

⁶ A young person may participate more than once. ESF/YEI monitoring counts participations rather than individual participants.

⁷ Art. 3 of Regulation (EU) No 1304/2013 of the European Parliament and the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006

There are also soft outcomes (such as increased confidence and self-esteem) that are not systematically measured and recorded, but are vitally important to meeting the needs of those NEETs furthest away from the labour market.

YEI and ESF youth employment operations have been most effective in targeting and supporting unemployed NEETs, as opposed to those who are economically inactive. Many of these, but not all, have a low level of skills and educational attainment at the start of the participation. While the overall target group was in general well addressed, reaching out to it was often a major issue, and targeting particularly disadvantaged groups and hard-to-reach areas was often less successful, or more costly.

Most of those who had participated in operations were generally satisfied and highlighted the benefits obtained in terms of support on job search and learning general skills, that have helped enhance employability over time. Where there was dissatisfaction, it generally centred on the short-term nature and relatively low pay of some employment opportunities proposed.

Those operations that best help participants improve their employability are generally linked to work experience or vocational skills with a direct link to employers (e.g. remunerated traineeships, apprenticeships and internships, vocational education and training, basic skills training for the low skilled). These are important steps towards work and help to develop the vocational skills base among participants, increasing their short and longer-term employability.

Operations adopting a tailored to individual needs approach tend to be more effective, especially for more disadvantaged groups and those furthest away from the labour market.

Efficiency: The unit costs of youth employment operations are broadly in line with established benchmarks and appropriate to the operations implemented

The average unit cost per participation is EUR 2 000 and around EUR 4 000 to date for a result (offer of employment, education and training) with significant variations in costs and unit costs, and between Member States. There are no significant cost variations between YEI and ESF youth operations. The type of operation (its content, duration, the degree of personalised/tailored provision) is the primary determinant of costs.

Vocational education and training can have high costs but has shown to be cost-effective if closely linked to work experience. Alternatively, guidance delivered at relatively low costs, but not tailored to the individual, is generally less effective in terms of generating employment results, while improving employability.

The evaluation found that in most cases the organisational arrangements are appropriate. There were few examples of 'gold plating', some resulting from national structures (such as the initial incompatibility of national databases or determining the eligibility of young people for YEI/ESF support). The introduction of Simplified Costs Options has helped to reduce administrative burden, but there have been delays and capacity issues in setting up SCO systems.

Overall, monitoring and reporting arrangements are now operational. There are information gaps and delays in reporting, notably as regards outputs and results. This is due in part to Managing Authorities needing time to take on new monitoring and reporting requirements, delays in respect of establishing online monitoring systems and databases, but also delays due to controls before declaring and reporting costs and performance indicators.

Relevance: The funds have generally gone to the groups and regions most in need of youth employment operations.

Overall, youth employment operations have targeted the needs of different groups of NEETs in accordance with the characteristic of the NEET population in different territories, and with national, regional and local employment strategies.

YEI/ESF operations have been challenged by the changes in the composition of the NEET group during the period covered by the evaluation and, to a variable extent, by the diverse Member States' socioeconomic contexts. However, it has led to innovative approaches to identify and recruit participants from hard to reach groups, such as an increased reliance on social media.

There is evidence of significant flexibility in operations (in terms of targeting – both towards hard to reach groups and regions with higher NEET rates – and the content of operations). This has impacted on the outreach work of operations (with a greater focus on harder to reach groups) and the progress and effectiveness of youth employment operations.

Coherence: YEI and ESF youth employment operations are generally coherent with other EU and national funds and interventions in the field of youth employment

In general, there are clear lines of demarcation, aided in some countries and regions by coordinating partnerships taking a holistic view of youth employment operations across EU and national programmes. Other programmes have a focus on young people, especially Erasmus +, but none have the clear employment focus or the breadth that YEI or ESF youth employment operations cover.

The YEI initially budgeted for the period 2014 to 2018; these resources were later increased until 2020. The YEI was supported by ESF and a dedicated budget line and aimed to provide additional and complementary funding (to that already available from the ESF, but only on operations directly focused on young people) to support operations set out in the 2012 youth employment package, supporting the implementation of the Youth Guarantee. Existing evidence shows that YEI and other ESF-funded youth operations were coherent amongst themselves, notably due to the way they were designed and programmed.

European Added Value: Overall, EU support has had clear added value, as it has increased the volume of youth employment operations and the number and breadth of young people supported.

The specific focus on youth employment afforded by an ESF Investment Priority (IP 8.ii), and especially through YEI, has raised and maintained the profile of youth employment issues across the EU. In particular, the emphasis on the needs and problems of NEETs, going beyond the unemployed, and addressing more disadvantaged and “elder” youth (from 25 up to 30 years) has impacted positively on the profile of youth employment.

Moreover, many of the youth employment operations would not have been funded without EU support. In some Member States YEI/ESF operations have made it possible to extend the age range of employment support to young people.

Even if YEI was not aimed at changing systems, EU funds have helped support delivery capacity, structural changes and institutional capabilities, to respond to the specific needs of the target population through innovative approaches. Examples include operations that provide early interventions with young people, especially those leaving school with limited skills, working with regional and local partners to develop common tools and standards for youth employment operations, and supporting age cohorts not fully catered for by national provision.

Sustainability: Evidence points to increased employability six months or more after a participation

Participants of YEI/ESF youth operations have accrued improved employment results over time, six months or more after participation. In addition, the macroeconomic analysis suggests that over time impacts (GDP and indirect employment) are positive because of the operations.

In terms of systems and programmes the innovations introduced by YEI and ESF youth operations are being mainstreamed into national programmes.

Key Lessons

The case studies highlight several lessons that could benefit youth employment operations in the remainder of this programming period, and the next. Many Managing Authorities and their delivery partners have applied outreach strategies that combine social media campaigns, and working collaboratively with frontline organisations who already support young people (e.g. social, health and housing workers). Other key lessons include local partnerships working together to coordinate support, and early interventions such as pre-emptive working with schools and youth organisations (to prevent young people from becoming NEET in the first place).

Conclusions

As a general conclusion, the study finds that YEI/ESF youth employment operations have helped improve the employability of young people across Europe. To achieve this, some elements have been particularly relevant, such as innovation in reaching the target population, coordination between partners, and holistic approaches to employment.

Even if, operationally speaking, implementation took some time to take off and has not yet achieved the intended targets, the implementation progress is advancing well, and has long-term positive effects on employability. While further efforts seem necessary to engage inactive people, youth employment operations have adjusted accordingly and remained highly relevant.

Based on the evidence available, it seems justified to conclude that without EU support the number of young NEETs supported would be lower, and the NEET population higher.

The specific focus on 'youth' in the current programming period through the implementation of the Youth Guarantee, YEI and ESF operations, has raised and maintained the profile of young NEETs, as regards policy design and delivery. This "focus on youth" is still justified even in the light of changing circumstances such as the impact of the current COVID-19 pandemic and should be adjusted in the new programming period, in particular in terms of the definition of the target group and the objectives to be achieved.

Synthèse

L'étude visant à appuyer l'évaluation portant sur le soutien de l'UE à l'emploi des jeunes s'est concentrée sur six critères d'évaluation, à savoir l'efficacité, l'efficience, la pertinence, la cohérence, la valeur ajoutée européenne et le caractère durable des opérations⁸ au titre du Fonds Social Européen (FSE) et de l'Initiative pour l'emploi des jeunes (IEJ) entre 2014 et 2018. Les opérations menées par les États membres ciblent des jeunes qui ne travaillent pas et ne suivent ni études ni formation (NEET) et âgés de 15 à 29 ans⁹.

Cette mise en œuvre a eu lieu dans un contexte en évolution. En 2014, 13,4 millions de jeunes à travers l'Europe étaient considérés comme des NEET. Depuis, le taux élevé de chômage des jeunes a diminué, principalement du fait de l'évolution positive du contexte socio-économique au niveau de l'UE entre 2014 et 2018. En conséquence, les jeunes économiquement inactifs¹⁰ (plutôt que chômeurs) représentent désormais une plus grande proportion de la population NEET, alors que l'on sait que ce groupe est généralement plus difficilement identifiable et accessible.

Pour la période de programmation actuelle (2014-2020), environ 22 milliards d'euros ont été investis dans des opérations pour l'emploi des jeunes, dont 8,8 milliards d'euros provenant de l'IEJ et 5,5 milliards d'euros de la priorité d'investissement 8.ii¹¹ du FSE¹². En raison de retards dans la mise en œuvre, de contraintes de capacité et de difficultés à atteindre les groupes cibles, les taux de réalisation (par rapport au financement engagé) sont en retard pour l'IEJ (52% pour 2014-2018) et les opérations en faveur de la jeunesse du FSE (27%).

À la fin de l'année 2018, 3,8 millions de participations dans le cadre des opérations¹³ FSE/IEJ étaient recensées, représentant 60% des participations ciblées. Les femmes comptaient pour 52% de l'ensemble des participations.

Efficacité : Les opérations pour l'emploi des jeunes menées dans le cadre de l'IEJ et du FSE ont eu un impact positif en termes d'intégration des jeunes sur le marché du travail

Les opérations en faveur de l'emploi des jeunes soutenues par le FSE visaient à « l'intégration durable sur le marché du travail des jeunes, en particulier ceux qui ne travaillent pas, ne font pas d'études ou ne suivent pas de formation, y compris les jeunes exposés à l'exclusion sociale et ceux issus de groupes marginalisés, en mettant notamment en œuvre la garantie pour la jeunesse¹⁴ ».

En général, les opérations mises en œuvre ont contribué à cet objectif global de différentes manières et à des degrés divers selon l'évolution positive du contexte socio-économique (qui varie entre les États membres) et le groupe cible.

⁸ Les opérations en faveur de l'emploi des jeunes incluent l'enseignement et la formation professionnels (EFP), l'apprentissage, les stages et l'expérience professionnelle, les subventions salariales, les services de conseil, d'orientation et d'assistance, le soutien à l'emploi indépendant et à l'entrepreneuriat, et le soutien structurel au renforcement des capacités institutionnelles.

⁹ Pour l'IEJ, l'aide concernait à l'origine les 15-24 ans, mais a ensuite été étendue à 29 ans. Tous les États membres ne ciblent pas l'ensemble de la tranche d'âge, en gardant à l'esprit que le FSE et l'IEJ complètent les politiques et objectifs nationaux.

¹⁰ Il s'agit de jeunes qui ne travaillent pas mais qui ne sont pas inscrits en tant que chômeurs. Cela inclut les étudiants, les personnes ayant des responsabilités familiales, ou qui bénéficient de prestations maladie ou d'autres prestations sociales.

¹¹ La priorité d'investissement (PI) spécifique est axée sur l'emploi des jeunes. Le reste des investissements provient d'autres PIs du FSE, du cofinancement et du secteur privé.

¹² La date limite de téléchargement des données était le 6 septembre 2019.

¹³ Un jeune peut participer plus d'une fois. Le suivi FSE/IEJ prend en compte les participations plutôt que les participants individuels.

¹⁴ Art. 3 du Règlement (UE) N° 1304/2013 du Parlement Européen et du Conseil du 17 décembre 2013 relatif au Fonds social européen et abrogeant le règlement (CE) n° 1081/2006 du Conseil.

Quelque 1,4 million de participations ont débouché sur un emploi immédiatement après participation, et d'autres résultats, notamment un enseignement et une formation axés sur l'emploi et un travail indépendant. En combinant ces résultats immédiats, l'évaluation indique que le niveau d'emploi des participants a eu tendance à augmenter à moyen et long terme, ce qui laisse entrevoir un effet positif des opérations sur l'employabilité globale des participants.

Il existe également des résultats moins tangibles (tels qu'une confiance et une estime de soi accrues) qui ne sont pas systématiquement mesurés et enregistrés, mais qui demeurent d'une importance vitale pour répondre aux besoins des NEET les plus éloignés du marché du travail.

Les opérations de l'IEJ et du FSE en faveur de l'emploi des jeunes ont été très efficaces pour cibler et soutenir les NEET au chômage, par opposition à ceux qui sont économiquement inactifs. Bon nombre d'entre eux, mais pas tous, ont un faible niveau de compétences et d'éducation en débutant leur participation. Bien que le groupe cible global était en général bien identifié, l'atteinte de ce groupe a souvent été un problème majeur, et cibler des groupes particulièrement défavorisés et des zones difficiles à atteindre a souvent été moins fructueux ou plus coûteux.

La plupart des personnes ayant participé aux opérations étaient généralement satisfaites et ont souligné les avantages obtenus en termes d'aide à la recherche d'emploi et de l'apprentissage de compétences générales, qui ont contribué à améliorer leur employabilité au fil du temps. Celles qui s'avéraient insatisfaites ont en général souligné la nature à court-terme et la rémunération relativement faible de certaines opportunités d'emploi proposées.

Les opérations qui aident le mieux les participants à améliorer leur employabilité sont généralement liées à une expérience professionnelle ou à des compétences professionnelles ayant un lien direct avec les employeurs (par exemple, les stages rémunérés, les apprentissages et autres stages, l'enseignement et la formation professionnels, la formation aux compétences de base pour les personnes peu qualifiées). Ces opérations constituent une étape fondamentale vers le travail et contribuent à développer la base des compétences professionnelles des participants, augmentant ainsi leur employabilité à court et long terme.

Les opérations qui adoptent une approche adaptée aux besoins individuels tendent à être plus efficaces, en particulier pour les groupes les plus défavorisés et les plus éloignés du marché du travail.

Efficiences : Les coûts unitaires des opérations pour l'emploi des jeunes sont globalement conformes aux standards établis et adaptés aux opérations mises en œuvre

Le coût unitaire moyen par participation est de 2 000 euros et d'environ 4 000 euros à ce jour pour obtenir un résultat (offre d'emploi, d'enseignement et de formation) avec des variations importantes au niveau des coûts et des coûts unitaires, et entre les États membres. Il n'y a pas de variations de coûts significatives entre les opérations pour les jeunes de l'IEJ et du FSE. Le type d'opération (son contenu, sa durée, le degré de personnalisation/adaptation de l'offre) est le principal déterminant des coûts.

L'enseignement et la formation professionnels peuvent avoir des coûts élevés, mais se sont avérés rentables s'ils sont étroitement liés à l'expérience professionnelle. Alternativement, l'orientation dispensée à coûts relativement faibles, et non personnalisée, est généralement moins efficace pour générer des résultats en termes d'emploi, tout en améliorant l'employabilité.

L'évaluation a montré que, dans la plupart des cas, les modalités d'organisation sont appropriées. Il y a eu peu d'exemples de surréglementation (« gold plating »), certains résultant de structures nationales (tels que l'incompatibilité initiale des bases de données nationales, la détermination de l'éligibilité des jeunes au soutien IEJ/FSE).

L'introduction d'options simplifiées en matière de coûts (OSC) a contribué à réduire la charge administrative, mais la mise en place de systèmes d'OSC a connu des retards et des problèmes de capacité.

Dans l'ensemble, les dispositions en matière de suivi et de rapports sont désormais opérationnelles. Il y a des lacunes en matière d'information et des retards en termes de transmission des rapports, notamment concernant les réalisations et les résultats. Cela est dû partiellement aux autorités de gestion qui ont besoin de temps pour adopter de nouvelles exigences de suivi et de transmission, aux retards dans la mise en place des systèmes de suivi et des bases de données en ligne, mais aussi des retards dus aux contrôles avant de déclarer et de communiquer les coûts et les indicateurs de performance.

Pertinence : Les fonds ont été généralement distribués aux groupes et aux régions nécessitant le plus d'opérations pour l'emploi des jeunes.

Globalement, les opérations pour l'emploi des jeunes ont ciblé les besoins de différents groupes de NEET conformément aux caractéristiques de la population des NEET en différents territoires et, aux stratégies nationales, régionales et locales pour l'emploi.

Les opérations de l'IEJ/FSE ont été remises en question par les changements dans la composition du groupe des NEET au cours de la période couverte par l'évaluation et, à des degrés variables, par les divers contextes socio-économiques des États membres. Cependant, cela a conduit à des approches innovantes pour identifier et recruter des participants des groupes difficiles à atteindre, par un recours accru aux médias sociaux.

On constate une grande flexibilité des opérations (au niveau du ciblage – à la fois vers des groupes difficiles à atteindre et des régions ayant un taux de NEET plus élevé – et du contenu des opérations). Cela a eu un impact sur le travail de proximité des opérations (avec un accent plus marqué sur les groupes difficiles à atteindre) et sur les progrès et l'efficacité des opérations pour l'emploi des jeunes.

Cohérence : Les opérations en faveur de l'emploi des jeunes de l'IEJ et du FSE sont généralement cohérentes avec les autres fonds et interventions de l'UE et des États membres dans ce domaine

En général, les lignes de démarcation sont claires et facilitées, dans certains pays et régions, par la coordination de partenariats adoptant une vision globale des opérations pour l'emploi des jeunes dans l'ensemble des programmes européens et nationaux. D'autres programmes sont axés sur les jeunes, en particulier Erasmus +, mais aucun ne met autant l'accent sur l'emploi ou n'a l'envergure que couvrent celles de l'IEJ ou du FSE en faveur de l'emploi des jeunes.

Initialement, l'IEJ était budgétisée pour la période 2014-2018 ; ces ressources furent par la suite augmentées jusqu'en 2020. L'IEJ était soutenue par le FSE et une ligne budgétaire dédiée et visait à fournir un financement supplémentaire et complémentaire (à celui déjà disponible par le FSE, mais uniquement pour les opérations directement axées sur les jeunes) pour soutenir les opérations définies dans le paquet emploi jeunes de 2012 soutenant la mise en œuvre de la garantie pour la jeunesse. Les données existantes montrent que les opérations en faveur de l'emploi des jeunes financées par l'IEJ et le FSE étaient cohérentes entre elles, notamment grâce à la manière dont elles ont été conçues et programmées.

Valeur ajoutée européenne : Dans l'ensemble, le soutien de l'UE a eu une valeur ajoutée évidente, car il a permis d'augmenter le volume des opérations pour l'emploi des jeunes ainsi que le nombre et la variété des jeunes soutenus.

L'accent particulier mis sur l'emploi des jeunes par une priorité d'investissement du FSE (PI 8.ii), et particulièrement par le biais de l'IEJ, a permis d'accroître et de maintenir la visibilité des questions relatives à l'emploi des jeunes dans toute l'UE. En particulier, l'accent mis sur les besoins et les problèmes des NEET, notamment en allant au-delà

des chômeurs et en abordant également les jeunes plus défavorisés et « plus âgés » (de 25 à 30 ans), a eu un impact positif sur le profil de l'emploi des jeunes.

En outre, de nombreuses opérations en faveur de l'emploi des jeunes n'auraient pas pu être financées sans le soutien de l'UE. Dans certains États membres, les opérations IEJ/FSE ont permis d'élargir la tranche d'âge concernée par l'aide pour l'emploi des jeunes.

Même si l'IEJ ne visait pas à changer les systèmes, les fonds de l'UE ont contribué à soutenir la capacité de mise en œuvre, les changements structurels et les capacités institutionnelles, en répondant aux besoins spécifiques de la population cible grâce à des approches innovantes. Parmi les exemples, on peut citer les opérations qui assurent des interventions précoces auprès des jeunes (en particulier ceux quittant l'école avec des compétences limitées), la collaboration avec des partenaires régionaux et locaux pour élaborer des outils et des référentiels communs pour les opérations pour l'emploi des jeunes, et le soutien aux cohortes d'âge qui ne sont pas entièrement prises en charge par les dispositions nationales.

Durabilité : Les données probantes indiquent une employabilité accrue six mois ou plus après une participation

Les participants aux opérations IEJ/FSE en faveur de l'emploi des jeunes démontrent au fil du temps de meilleurs résultats en termes d'emploi, six mois ou plus après leur participation. En outre, l'analyse macroéconomique suggère que dans la durée les impacts sont positifs (PIB et emploi indirect) du fait des opérations.

En termes de systèmes et de programmes, les innovations introduites par les opérations en faveur des jeunes de l'IEJ et du FSE sont intégrées dans les programmes nationaux.

Leçons clés

Les études de cas mettent en évidence plusieurs leçons qui pourraient être utiles aux opérations en faveur de l'emploi des jeunes pour le reste de cette période de programmation et la suivante. En particulier, de nombreuses autorités de gestion et leurs partenaires de mise en œuvre ont appliqué des stratégies de sensibilisation combinant campagnes dans les médias sociaux et travail collaboratif avec des organisations de première ligne qui soutiennent déjà les jeunes (par exemple, les travailleurs sociaux, de la santé et du logement). Parmi les autres leçons clés, on peut citer les partenariats locaux qui permettent de coordonner le soutien, et les interventions précoces telles que le travail préventif avec les écoles et les organisations de jeunesse (pour éviter que les jeunes ne deviennent des NEET en premier lieu).

Conclusions

En guise de conclusion générale, l'étude constate que les opérations IEJ/FSE en faveur de l'emploi des jeunes ont contribué à améliorer l'employabilité des jeunes dans toute l'Europe. Pour y parvenir, certains éléments ont été particulièrement pertinents, tels que l'innovation dans l'atteinte de la population cible, la coordination entre les partenaires et les approches globales de l'emploi.

Même si, d'un point de vue opérationnel, la mise en œuvre a mis un certain temps à démarrer et n'a pas encore atteint les cibles visées, elle progresse bien et a des effets positifs à long terme sur l'employabilité. Si des efforts supplémentaires semblent nécessaires pour faire participer les personnes inactives, les opérations en faveur de l'emploi des jeunes se sont adaptées en conséquences et sont restées très pertinentes.

Sur base des données probantes disponibles, il semble justifié de conclure que sans le soutien de l'UE, le nombre de jeunes NEET bénéficiant d'une aide serait plus faible et la population des NEET plus élevée.

L'accent spécifique mis sur les jeunes au cours de la période de programmation actuelle, par le biais de la mise en œuvre de la garantie pour la jeunesse, et des opérations de

l'IEJ et du FSE, a permis d'améliorer et de maintenir le profil des jeunes NEET en ce qui concerne la conception et la mise en œuvre des politiques. Cette focalisation sur la jeunesse reste justifiée, même à la lumière de l'évolution des circonstances, telles que l'impact de la pandémie actuelle du COVID-19, et devrait être ajustée lors de la nouvelle période de programmation, en particulier en termes de définition du groupe cible et des objectifs à atteindre.

Zusammenfassung

Die Studie zur Evaluation der ESF-Unterstützung für die Jugendbeschäftigung konzentrierte sich auf sechs Evaluierungskriterien, nämlich Wirksamkeit, Effizienz, Relevanz, Kohärenz, europäischer Mehrwert und Nachhaltigkeit der Maßnahmen¹⁵ im Rahmen des Europäischen Sozialfonds (ESF) und der Beschäftigungsinitiative für junge Menschen (YEI) zwischen 2014 und 2018. Die von den Mitgliedsstaaten durchgeführten Maßnahmen richten sich an junge Menschen im Alter von 15 bis 29 Jahren¹⁶, die weder in Arbeit noch in der Ausbildung sind. Diese Gruppe wird auch als NEET bezeichnet.

Die Durchführung der Initiative fand in einem Kontext der Veränderung statt. Im Jahr 2014 befanden sich in ganz Europa 13,4 Millionen Jugendliche weder in Arbeit noch in Ausbildung. Seither ist die hohe Jugendarbeitslosigkeit aufgrund der positiven Entwicklung des sozioökonomischen Kontextes auf EU Ebene zwischen 2014 und 2018 zurückgegangen. Nicht erwerbstätige junge Menschen¹⁷ machen infolgedessen einen größeren Anteil der NEET Bevölkerung (im Vergleich zu Arbeitslose) aus. Es ist jedoch bekannt, dass diese Gruppe im Allgemeinen schwieriger zu identifizieren und schwieriger zugänglich ist.

Rund 22 Milliarden Euro werden für Maßnahmen zur Jugendbeschäftigung in der derzeitigen Programmperiode (2014-2020) ausgegeben, davon 8,8 Milliarden durch die Beschäftigungsinitiative für junge Menschen und 5,5 Milliarden durch die Investitionspriorität 8.ii¹⁸ des ESF¹⁹. Die Umsetzungsraten von YEI (52%, 2014-2018) und ESF Jugendbeschäftigungsmaßnahmen (27%, 2014-2018) sind in Verzug (im Vergleich zu den zugesagten Mitteln). Dies ist auf Verzögerungen beim Aufbau, auf Kapazitätsengpässe und auf Schwierigkeiten, die Zielgruppen zu erreichen, zurückzuführen.

Bis Ende 2018 gab es im Rahmen der ESF/YEI Maßnahmen etwa eine Zahl von 3,8 Millionen Teilnahmen²⁰, was 60% der angestrebten Teilnahmen entspricht. Der Frauenanteil aller Teilnahmen lag bei 52%.

Wirksamkeit: YEI und ESF hatten eine positive Wirkung auf die Unterstützung junger Menschen bei der Integration in den Arbeitsmarkt

Die vom ESF unterstützten Maßnahmen zur Jugendbeschäftigung zielten auf die „dauerhafte Eingliederung von jungen Menschen in den Arbeitsmarkt, insbesondere von solchen, die weder einen Arbeitsplatz haben noch eine schulische oder berufliche Ausbildung absolvieren, darunter junge Menschen, denen soziale Ausgrenzung droht und die Randgruppen angehören, ins Erwerbsleben, einschließlich durch die Durchführung der Jugendgarantie“²¹.

Im Allgemeinen haben die durchgeführten Maßnahmen je nach positiver Entwicklung des sozioökonomischen Kontextes (der zwischen den Mitgliedstaaten variiert) und

¹⁵ Maßnahmen zur Beschäftigung von jungen Menschen beinhalten die berufliche Aus- und Weiterbildung, Lehrlingsausbildung, Praktika und Arbeitserfahrung, Lohnzuschüsse, Beratung, Orientierung und Betreuung, Unterstützung der Selbstständigkeit und des Unternehmertums sowie strukturelle Unterstützung zur Stärkung der institutionellen Kapazitäten.

¹⁶ Für YEI war die Altersgruppe ursprünglich auf 15-24 Jahre festgelegt, diese wurde aber später auf 29 Jahre erhöht. Nicht alle Mitgliedsstaaten zielen auf die gesamte Altersspanne ab, wobei zu berücksichtigen ist, dass der ESF/YEI die nationalen Politiken und Ziele ergänzt.

¹⁷ Es handelt sich dabei um junge Menschen, die nicht erwerbstätig, aber nicht arbeitslos gemeldet sind, darunter Studentinnen und Studenten, Personen, die familiären Pflichten nachgehen, sowie Personen, die Krankengeld und andere Unterstützungsleistungen für nicht erwerbstätige Personen beziehen.

¹⁸ Die spezifische Investitionspriorität (IP) zielt auf die Beschäftigung von jungen Menschen ab. Die übrigen Investitionen stammen aus anderen ESF-IPs, aus der Kofinanzierung und aus dem Privatsektor.

¹⁹ Der Stichtag für die Datenabfrage war der 6. September 2019.

²⁰ Eine junge Person kann mehr als nur einmal teilnehmen. Das ESF/YEI Monitoring zählt daher die Teilnahmen, statt einzelne Teilnehmerinnen und Teilnehmer.

²¹ Art. 3 der Verordnung (EU) Nr. 1304/2013 des Europäischen Parlaments und des Rates vom 17. Dezember 2013 über den Europäischen Sozialfonds und zur Aufhebung der Verordnung (EG) Nr. 1081/2006 des Rates.

Zielgruppe auf unterschiedliche Weise und in unterschiedlichem Umfang zu diesem Gesamtziel beigetragen.

Etwa 1,4 Millionen Teilnahmen führten unmittelbar nach der Partizipation zu einer Beschäftigung. Weitere Ergebnisse wie beschäftigungsorientierte Aus- und Weiterbildung und Selbstständigkeit wurden ebenfalls erzielt. Als Kombination dieser unmittelbaren Ergebnisse zeigt die Evaluation, dass das Beschäftigungsniveau der Teilnehmerinnen und Teilnehmer mittel- bis langfristig tendenziell gestiegen ist. Dies deutet auf eine positive Wirkung der Maßnahmen auf die allgemeine Beschäftigungsfähigkeit der Teilnehmerinnen und Teilnehmer hin.

Zusätzlich gibt es weiche Ergebnisse (wie z.B. gesteigertes Selbstbewusstsein und Selbstwertgefühl), die nicht systematisch gemessen und erfasst werden, aber für die Erfüllung der Bedürfnisse der arbeitsmarktfernen NEETs von entscheidender Bedeutung sind.

Die ESF und YEI Beschäftigungsmaßnahmen für junge Menschen waren bei der Ausrichtung und Unterstützung von arbeitslosen NEETs im Gegensatz zu nicht erwerbstätigen NEETs am wirksamsten. Viele von ihnen haben zu Beginn der Teilnahme ein niedriges Qualifikations- und Bildungsniveau. Im Allgemeinen konnte die gesamte Zielgruppe gut angesprochen werden, jedoch gestaltete sich die Erreichung der Zielgruppe schwieriger. Auch die Ausrichtung auf besonders benachteiligte Gruppen und schwer erreichbare Gebiete war oft weniger erfolgreich oder kostspieliger.

Im Allgemeinen zeigten sich die meisten Teilnehmerinnen und Teilnehmer zufrieden mit den Maßnahmen. Sie betonten die Vorteile, die sie in Form von Unterstützung bei der Arbeitssuche und dem Erlernen vielseitiger Fähigkeiten erhalten hatten und die dazu beigetragen haben, die Beschäftigungsfähigkeit im Laufe der Zeit zu verbessern. Unzufriedenheit gab es vor allem mit der kurzen Dauer und der relativ geringen Bezahlung einiger vorgeschlagenen Beschäftigungsmöglichkeiten.

Maßnahmen, welche die Möglichkeit bieten, Arbeitserfahrung oder berufliche Fähigkeiten zu sammeln und somit in direkter Verbindung mit Arbeitsgeberinnen und Arbeitsgebern stehen, unterstützen die Teilnehmerinnen und Teilnehmer bei der Verbesserung der Beschäftigungsfähigkeit am besten. Dazu zählen z.B. bezahlte Praktika, Lehrstellen und Praktika, berufliche Aus- und Weiterbildung und Grundausbildung für Geringqualifizierte. Dies sind wichtige Schritte in Richtung Beschäftigung und tragen zur Entwicklung der beruflichen Fähigkeiten der Teilnehmerinnen und Teilnehmer bei, wodurch ihre kurz- und langfristige Beschäftigungsfähigkeit erhöht wird.

Auf individuelle Bedürfnisse zugeschnittene Maßnahmen sind tendenziell wirksamer, insbesondere für stärker benachteiligte und arbeitsmarktferne Gruppen.

Effizienz: Die Durchschnittskosten der Beschäftigungsmaßnahmen für junge Menschen entsprechen im Großen und Ganzen den festgelegten Benchmarks und sind für die durchgeführten Maßnahmen angemessen

Die durchschnittlichen Kosten pro Teilnahme belaufen sich auf 2.000 Euro und auf etwa 4.000 Euro für ein Ergebnis (wie z.B. das Angebot von Beschäftigung, Bildung und Ausbildung). Es gibt jedoch erhebliche Unterschiede zwischen den Mitgliedstaaten. YEI und ESF Beschäftigungsmaßnahmen weisen keine signifikanten Kostenunterschiede auf. Der primäre Bestimmungsfaktor der Kosten ist die Art der Maßnahme (ihr Inhalt, ihre Dauer, der Grad der personalisierten/angepassten Bereitstellung).

Die berufliche Aus- und Weiterbildung kann hohe Kosten verursachen, hat sich aber als kosteneffizient erwiesen, wenn sie eng mit der Arbeitserfahrung verknüpft ist. Eine Beratung, die zu relativ niedrigen Kosten angeboten wird, aber nicht auf den Einzelnen zugeschnitten ist, erweist sich im Allgemeinen als weniger wirksam, wenn es darum geht, Beschäftigungsergebnisse zu erzielen und gleichzeitig die Beschäftigungsfähigkeit zu verbessern.

Die Evaluation zeigte, dass die organisatorischen Vorkehrungen in den meisten Fällen angemessen sind. Nur wenige Beispiele für „Goldplating“, die zum Teil auf nationale Strukturen zurückzuführen waren (wie etwa die anfängliche Inkompatibilität der nationalen Datenbanken, oder die Bestimmung der Förderungswürdigkeit junger Menschen im Rahmen des YEI/ESF), konnten identifiziert werden. Die Einführung der vereinfachten Kostenoptionen (VKO) hat dazu beigetragen, den Verwaltungsaufwand zu verringern, jedoch gab es Verzögerungen und Kapazitätsprobleme bei der Einrichtung von VKO Systemen.

Insgesamt sind die Vorkehrungen für Monitoring und Berichtswesen mittlerweile funktionsfähig. Dennoch kommt es noch zu Informationslücken und Verzögerungen bei der Berichterstattung, insbesondere hinsichtlich der Ergebnisse und Outputs. Dies ist zum Teil auf die Zeit zurückzuführen, die Verwaltungsbehörden benötigen, um die neuen Anforderungen für Monitoring und Berichterstattung zu erfüllen. Außerdem kann dies auf Verzögerungen bei der Einrichtung von Online Monitoringsystemen und Datenbanken, aber auch auf Verzögerungen aufgrund von Kontrollen vor der Meldung und Berichtslegung von Kosten und Leistungsindikatoren zurückgeführt werden.

Relevanz: Die Mittel sind im Allgemeinen an jene Gruppen und Regionen gegangen, die am meisten auf Jugendbeschäftigungsmaßnahmen angewiesen sind

Insgesamt waren die Beschäftigungsmaßnahmen für junge Menschen auf die Bedürfnisse verschiedener Gruppen von NEETs in Übereinstimmung mit den Merkmalen der NEET-Bevölkerung in verschiedenen Gebieten und mit nationalen, regionalen und lokalen Beschäftigungsstrategien ausgerichtet.

Die YEI/ESF Maßnahmen wurden durch die Veränderungen der Zusammensetzung der NEET-Gruppe während des von der Evaluation abgedeckten Zeitraums und, in unterschiedlichem Ausmaß, durch die diversen sozioökonomischen Kontexte der Mitgliedstaaten in Frage gestellt. Dies hat jedoch zu innovativen Ansätzen geführt, um Teilnehmerinnen und Teilnehmer aus schwer erreichbaren Gruppen zu identifizieren und zu rekrutieren, wie z.B. durch erhöhten Einsatz von sozialen Medien.

Die Evidenz zeigt eine erhebliche Flexibilität der Maßnahmen (in Bezug auf die Ausrichtung – sowohl auf schwer erreichbare Gruppen als auch auf Regionen mit höheren NEET-Raten- und den Inhalt der Maßnahmen). Dies hat sich auf die Öffentlichkeitsarbeit der Maßnahmen (mit stärkerem Fokus auf schwer erreichbare Gruppen) und auf den Fortschritt und die Wirksamkeit von Beschäftigungsmaßnahmen für junge Menschen ausgewirkt.

Kohärenz: YEI und ESF Beschäftigungsmaßnahmen für junge Menschen sind im Allgemeinen kohärent mit anderen EU- und national geförderten Maßnahmen im Bereich der Jugendbeschäftigung

Im Allgemeinen gibt es klare Abgrenzungen, die in einigen Ländern und Regionen durch koordinierte Partnerschaften unterstützt werden, die eine ganzheitliche Sichtweise der Jugendbeschäftigungsmaßnahmen über EU- und nationale Programme hinweg verfolgen. Andere Programme haben einen Schwerpunkt auf junge Menschen, insbesondere Erasmus +. Dennoch hat keines der Programme den klaren Beschäftigungsschwerpunkt oder die Breite, die von YEI oder ESF-Beschäftigungsmaßnahmen für junge Menschen abgedeckt werden.

YEI war ursprünglich für den Zeitraum 2014 bis 2018 budgetiert; Diese Mittel wurden später bis 2020 erhöht. YEI wurde durch den ESF und eine gesonderte Haushaltslinie unterstützt und zielte darauf ab, zusätzliche und ergänzende Mittel (zu den bereits aus dem ESF verfügbaren Mitteln, jedoch nur für direkt auf junge Menschen ausgerichtete Maßnahmen) bereitzustellen. Damit sollten die im Jugendpaket von 2012 festgelegten Maßnahmen zur Umsetzung der Jugendgarantie unterstützt werden. Die vorliegenden Erkenntnisse zeigen, dass YEI und andere ESF-finanzierte Beschäftigungsmaßnahmen

für junge Menschen untereinander kohärent waren. Die Art und Weise, wie sie konzipiert und programmiert wurden, spielte dabei eine essenzielle Rolle.

Europäischer Mehrwert: Insgesamt hat die EU-Unterstützung einen klaren Mehrwert erzielt, da sie das Volumen der Jugendbeschäftigungsmaßnahmen sowie die Anzahl und das Spektrum der unterstützten jungen Menschen erhöht hat

Der Fokus auf Jugendbeschäftigung, der durch eine ESF-Investitionspriorität (IP 8.ii) und insbesondere durch YEI geboten wird, hat das Profil der Jugendbeschäftigungsfragen in der gesamten EU aufrechterhalten und erhöht. Dies ist besonders der Fall im Hinblick auf die Betonung der Bedürfnisse und Probleme der NEETs. Vermehrtes Hinausgehen über Arbeitslose und auch stärkeres Ansprechen von benachteiligten und „älteren“ Jugendlichen (von 25 bis 30 Jahren) hat sich positiv auf das Profil der Jugendbeschäftigung ausgewirkt.

Darüber hinaus wären viele der Beschäftigungsmaßnahmen für junge Menschen ohne die Unterstützung der EU nicht finanziert worden. In einigen Mitgliedstaaten haben die YEI/ESF-Maßnahmen ermöglicht, die Altersspanne der Beschäftigungsunterstützung für junge Menschen zu erweitern.

Auch wenn YEI nicht auf eine Veränderung der Systeme abzielte, haben die EU-Mittel dazu beigetragen, die institutionellen Kapazitäten für die Abwicklung zu verbessern, strukturelle Veränderungen zu bewirken und institutionelle Fähigkeiten zu unterstützen, um durch innovative Ansätze auf die spezifischen Bedürfnisse der Zielbevölkerung zu reagieren. Beispiele dafür sind frühzeitige Maßnahmen für junge Menschen, insbesondere für Schulabgängerinnen und Schulabgänger mit begrenzten Fähigkeiten. Solche Maßnahmen arbeiten beispielsweise mit regionalen und lokalen Partnern zur Entwicklung gemeinsamer Instrumente und Standards für Jugendbeschäftigungsmaßnahmen zusammen und unterstützen Alterskohorten, die von den nationalen Bestimmungen nicht vollständig abgedeckt werden.

Nachhaltigkeit: Evidenz deutet auf eine erhöhte Beschäftigungsfähigkeit sechs Monate oder länger nach einer Teilnahme

Teilnehmerinnen und Teilnehmer von YEI/ESF-Jugendmaßnahmen haben im Laufe der Zeit, sechs Monate oder länger nach der Teilnahme, bessere Beschäftigungsergebnisse erzielt. Darüber hinaus deutet die makroökonomische Analyse darauf hin, dass die Auswirkungen (BIP und indirekte Beschäftigung) im Laufe der Zeit aufgrund der Maßnahmen positiv sind.

In Bezug auf die Systeme und Programme werden die Innovationen, die durch die Jugendbeschäftigungsmaßnahmen von YEI und ESF eingeführt wurden, in die nationalen Programme übernommen.

Wichtigste Erkenntnisse

Die Fallstudien zeigen mehrere Hinweise auf, die für die Jugendbeschäftigungsmaßnahmen in der verbleibenden und der nächsten Programmperiode von Nutzen sein könnten. Viele Verwaltungsbehörden und ihre Durchführungspartner haben Outreach-Strategien angewandt, die in Kampagnen verschiedene soziale Medien kombinieren und mit führenden Organisationen zusammenarbeiten, die junge Menschen bereits unterstützen (z.B. Sozialarbeiter, Gesundheits-, und Wohnungsberater). Weitere wichtige Erkenntnisse sind die Zusammenarbeit in lokalen Partnerschaften zur Koordinierung der Unterstützung und frühzeitige Maßnahmen wie die präventive Arbeit mit Schulen und Jugendorganisationen (um zu verhindern, dass junge Menschen überhaupt erst zu NEET werden).

Schlussfolgerungen

Als allgemeine Schlussfolgerung kommt die Studie zu dem Schluss, dass die YEI/ESF-Jugendbeschäftigungsmaßnahmen dazu beigetragen haben, die Beschäftigungsfähigkeit junger Menschen in ganz Europa zu verbessern. Um dies zu erreichen, waren einige Elemente besonders relevant, wie z.B. Innovation bei der Erreichung der Zielbevölkerung, Koordination zwischen den Partnern und holistische Ansätze zur Beschäftigung.

Auch wenn die Umsetzung in operativer Hinsicht einige Zeit in Anspruch genommen hat und die angestrebten Ziele noch nicht erreicht wurden, sind gute Fortschritte in der Umsetzung erzielt worden. Diese haben langfristig positive Auswirkungen auf die Beschäftigungsfähigkeit. Während weitere Anstrengungen notwendig scheinen, um nicht erwerbstätige Menschen zu beschäftigen, haben sich die Maßnahmen zur Beschäftigung von jungen Menschen entsprechend angepasst und sind weiterhin von großer Bedeutung.

Auf der Grundlage der vorliegenden Erkenntnisse scheint die Schlussfolgerung gerechtfertigt, dass ohne die Unterstützung der EU die Zahl der geförderten jungen NEETs geringer und die NEET-Bevölkerung höher wäre.

Der spezifische Schwerpunkt auf die „Jugend“ im laufenden Programmplanungszeitraum durch die Umsetzung der Jugendgarantie, der YEI und ESF Maßnahmen hat das Profil junger NEETs in Bezug auf die Gestaltung und Durchführung der Politik erhöht und aufrechterhalten. Dieser „Fokus auf die Jugend“ ist auch angesichts der sich verändernden Umstände, wie zum Beispiel die Auswirkungen der derzeitigen COVID-19 Pandemie, nach wie vor gerechtfertigt und sollte deshalb in der neuen Programmperiode, insbesondere im Hinblick auf die Definition der Zielgruppe und der zu erreichenden Ziele angepasst werden.

1 Introduction

1.1 Purpose and objectives of the study

This study focuses on the effectiveness, efficiency, relevance, coherence, the European Union (EU) added value and sustainability of the youth employment focused operations, and assesses the complementarity of measures to other EU policy and funding programmes targeting youth during the current programming period (2014-2020).

It identifies and analyses youth employment-related European Social Fund (ESF) support for the period 2014-2018 in all 28 EU Member States and the Youth Employment Initiative (YEI) actions taken in the eligible regions (defined at the outset as regions where youth unemployment was higher than 25% in 2012). It therefore focuses primarily on the YEI and youth employment operations related to ESF Investment Priority 8.ii (IP 8.ii) (see Box 1) but also looks beyond for further examples of youth employment operations. The cut-off date for data collection was 6 September 2019 and the analysis and reporting was completed before the Covid-19 pandemic. The economic and social consequences – including the impact on the employment prospects of young people – will dominate policy development for the coming years but the lessons for supporting young people into employment will remain relevant, as the economic recovery of Europe progresses.

The support is implemented under shared management, which means that EU Member States are responsible for distributing funds and managing the expenditures. Each Member State agrees on one or more Operational Programmes, in partnership with the EC, which describes the priorities for the activities and their objectives. All ESF interventions are co-financed by national public or private funds²².

Box 1. *Definition of Thematic Objective 8 and Investment Priority 8ii*

Thematic Objective 8 of the ESF²³ is about Promoting sustainable and quality employment and supporting labour mobility.

Investment priority 8.ii subsumes sustainable integration into the labour market of young people (participants in ESF²⁴) in particular those not in employment, education or training (NEET), including young people at risk of social exclusion and young people from marginalised communities, and including through the implementation of the Youth Guarantee.

The purpose and objectives of the evaluation is twofold.

First, it takes stock of the results of youth employment-related ESF support for the period 2014-2018, building on the mandatory evaluation of YEI by Member States by December 2018. The conclusions of this evaluation should be used in the implementation of the final stages of the existing Youth Employment Initiative and European Social Fund programmes dedicated to youth.

Second, the results of the evaluation should feed into the next programming period, by providing lessons, notably regarding cost-effectiveness, outreach and the target groups most in need, thus supporting the negotiation of the Operational Programmes (OPs) for the European Social Fund Plus (ESF+) in 2021-2027. It will also pave the way for the *ex-post* evaluation of the ESF and the YEI by the Commission, to be completed by December 2024.

²² <https://ec.europa.eu/esf/main.jsp?catId=525&langId=en>

²³ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0470:0486:EN:P>; Art. 3.1

²⁴ ESF projects are applied for and run by a wide variety of organisations known as beneficiaries, including public administrations, workers' and employers' organisations, NGOs, charities and companies. The individuals who take part in an ESF project are called participants; these include, for example, older workers training for new skills, young job-seekers getting work placements, or people seeking advice on how to set up their own business.

1.2 Methodology and work carried out

Following the contract specifications, the study applied a mix of evaluation methods which are detailed in **Annex 8**. In summary, the work has included:

- **Desk research:**
 - analysis of the monitoring data in the SFC2014 database (System for Fund Management in the European Union);
 - in-depth analysis of the Operational Programmes and Annual Implementation Reports (AIRs), and specifically the 2018 AIRs that include reported data as of 31st December 2018;
 - econometric analysis and provision of data to the Joint Research Centre (JRC) for the RHOMOLO simulations²⁵;
 - literature review (policy documents, regulations, national and EU-wide evaluations, ESF websites and publications);
 - synthesis of the 2018 YEI evaluation reports;
 - screening of other evaluations of youth employment programmes using the database of evaluations compiled by the Evaluation Helpdesk.
- **Public consultation:** Assisting the Commission in developing the questionnaire, and analysing the results of the public consultation from 1 376 respondents.
- **Ten case studies** in 10 Member States covering 20 Operational Programmes: addressing the research questions at national and regional level, based on desk research, interviews and focus groups.
- **62 interviews** with desk officers, Managing Authorities and other stakeholders (such as Intermediate Bodies, officials responsible for YEI funding, labour offices and other agencies dealing with ESF, monitoring and evaluation experts with the MA, EC desk officers, social partners, voluntary organisations, researchers and evaluators) in particular for the case studies. In addition, Member States have had the opportunity to comment on draft outputs from this study.
- **Five focus groups** in the **Member States** and **one at EU level**.
- **Member States** had the opportunity to **comment** on the Interim and the Draft Final Reports.

Specifically, as requested in the technical specifications for the study, this evaluation has involved the following tasks:

The mapping of youth-related thematic objectives, investment priorities, target populations and types of operations, based on the SFC2014 database, OPs, AIRs and related documentation, including the Commission's Country-specific Recommendations (CSR).

A synthesis of the 2018 YEI evaluation reports. The full synthesis report of the YEI evaluation findings is included in **Annex 7**. The key results together with results from other evaluations of youth employment have been incorporated into the answers to the evaluation questions in Chapter 4.

A public consultation exercise regarding the evaluation of the YE²⁶. The characteristics of the respondents and responses, plus the detailed results of the consultation are presented in **Annex 2** and inform several of the evaluation questions.

Comparative analysis of the evolution of the labour market and the role of the EU funded operations based on Eurostat, the Labour Market Policies database, the

²⁵ The Dynamic Computable General Equilibrium RHOMOLO model provides estimates of macroeconomic effects in the short and long term, with a focus on the regional dimension.

²⁶ There were 1 376 responses with more than half (57.6%) up to 33 years of age and just under a quarter who had taken part in ESF/YEI operations. Some 21.8% of respondents were from organisations involved in the management of YEI and/or ESF. Where gender data are available 58.7% of respondents were female.

European Network of Public Employment Services reports on the implementation of the Youth Guarantee and other data. Based on a set of selected indicators with available data at regional level, four clusters of regions with similar socio-economic characteristics were developed. These clusters were used together with the ESF/YEI monitoring data to establish the underlying socio-economic situation at the beginning of 2014 and how it had developed by 2018 and whether they had an impact on the effectiveness and efficiency of implementation. **Annex 3** provides the full analysis.

Cost-effectiveness analysis using a combination of programme data (for unit costs) (see **Annex 3**), counterfactual impact evaluations (see **Annex 7**), and case studies (see **Annex 5**). The results of this work are given in response to evaluation question (EQ 2) and in **Annex 4**.

Case studies in 10 Member States²⁷, covering 20 Operational Programmes and a mix of YEI and ESF youth employment programmes. The case study reports are presented in **Annex 5** and were used to answer all evaluation questions. The relevant Member States had the possibility to comment on the case studies.

A set of fact-sheets for all of those countries with YEI and/or ESF youth employment programmes. The fact sheets cover socio-economic profiles and data on finance, participations and results and are included in **Annex 6** to this report the Member States had the possibility to comment on the fact sheets.

Lessons learnt and good practices. To inform the remainder of the programme period and the next round of Operational Programmes.

1.3 Limitations of the research

The research encountered a number of limitations – described below - which had an impact on the answers to the evaluation questions. Some of these limitations relate to the timing of this evaluation and should be resolved by the time of the *ex-post* evaluation. But the points raised below are also relevant to the design of the final evaluation and the monitoring and evaluation requirements for the 2021-27 programmes.

Detailed programme information: One of the main limitations of the mapping exercise has been the availability of detailed information for individual operations. The use of common investment priorities in the 2014-2020 programming period within the existing structure of priority axes greatly facilitated the analysis of monitoring data and helped to structure the specific objectives. However, to understand how programmes aim to address their specific objectives, more detailed insights at the level of operations are necessary. The main challenge for analysing operations across the EU is that the quality and standards for reporting are uneven. This is despite the fact that Member States are obliged to record and store data by operation in the monitoring system.²⁸ Some Member States report the types of operations in great detail, including their costs. A number of Member States include information about outputs and results, while other Member States report none of these details. This makes a systematic comparison difficult. We were able to address this challenge by focusing on the costs of operations, and a decision was taken on a number of assumptions where no such information is provided. These are presented in **Annex 8**.

Data quality and timeliness: This is also a major limitation. There are very few audits of data quality to date, either from the Commission or the Member States, and

²⁷ Belgium, Germany, Greece, Malta, Portugal, Spain, France, Italy, Poland and Slovakia.

²⁸ The Delegated Regulation 480/2014 states that "Data shall be recorded and stored for each operation, including data on individual participants, where applicable, in order to allow it to be aggregated where this is necessary for the purposes of monitoring, evaluation, financial management, verification and audit" (Art 24.2). However, Managing Authorities are not mandated by the regulations to report yearly, in their Annual Implementation Report, information at the level of the specific operations supported through the Operational Programmes. This hampered the mapping of costs by typology of operation across all Operational Programmes.

inconsistencies occur despite periodic plausibility checks. There are time delays resulting from data checking and reporting conventions (e.g. costs are declared later, following checks by the relevant authorities), and outputs are reported often once operations are completed and declared, with results reported later still). This is a natural constraint for any interim evaluation. Furthermore, it cannot be ignored that the numbers for certain indicators are under reported (e.g. for some disadvantaged groups, but varying between Member States) and this is taken into account when presenting results based on such figures. Also, the monitoring data does not allow to systematically conclude whether reported figures represent partially or fully implemented operations²⁹. We address this challenge by highlighting limitations especially in the analysis of effectiveness and cost effectiveness of youth employment operations.

Definition of youth employment operations: The introduction of a dedicated investment priority in the 2014-2020 programming period sought to introduce a clear-cut separation of all youth employment interventions in the monitoring system. However, for various reasons, Member States decided to programme youth employment operations also across other investment priorities, either as part of broader access to employment operations, or even as more specific operations with a focus on entrepreneurship or gender equality. This complicates the thematic evaluation, in which a distinction is made between youth employment operations, and other types of employment support. In response to this challenge, the demarcation for this evaluation follows two approaches. First, when discussing monitoring data (with detailed data on costs, outputs, results, and target achievement), the evaluation strictly follows the demarcation in the monitoring data (restricting the scope to operations within the dedicated youth employment investment priority - IP 8.ii). Second, whenever possible, our EU-level mapping complements this data with detailed insights in the costs of operations outside the investment priority dedicated to youth employment. The evaluation report highlights explicitly what the underlying data is based upon and where reliable comparisons can be drawn.

Public consultation: Whilst the overall response was good, the public consultation is a voluntary online survey³⁰ and in this case the responses come predominantly from a reduced number of countries. Almost three quarters of the respondents referred to four Member States: Italy (20.4% of responses), Bulgaria (18.8%), Spain (16.4%) and Slovakia (16.4%)³¹. There were five different profiles of respondents to the public consultation: ESF/YEI participants, other young people (who did not participate in ESF/YEI support), general public (individuals over 33 years old), organisations involved in ESF/YEI and organisations not involved. Some questions did not get enough responses to meaningfully analyse disaggregated results (by country or respondent profile), but in each case, we quote the base figures. Despite the limitations when it came to experiences of youth employment programmes the public consultation exercise provided useful information, although it was not possible to attribute responses to specific funding sources (i.e. between ESF youth operations and YEI).

Comparative analysis of the evolution of the labour market: The analysis of the socio-economic context within which ESF/YEI funded operations are implemented is based on readily available data from Eurostat. The analysis is conducted both at national and regional (NUTS³² 2) level and although there is a wide variety of data at national level, data at regional level are limited. Data at regional level were used to create

²⁹ Regulation 1304/2013 stipulates that "data transmitted for output and result indicators shall relate to values for partially or fully implemented operations" (Art 5.3)

³⁰ As indicated in the Commission Better Regulation guidelines the data gathered through public consultations does not provide a representative view of the EU population.

³¹ These percentages are calculated over the number of respondents whose answers referred to only one country; an additional 5.5% of respondents referred to two or more countries and 3.5% to the 28 Member States.

³² NUTS = nomenclature of territorial units for statistics. Used to draw comparisons between territorial units of similar standing. There are three divisions NUTS 1, 2 and 3

regional clusters as a means of providing a degree of comparative analysis. Although ESF monitoring data is broken down by type of region (more developed, less developed, transition) and can thus be directly linked to a specific cluster, that is not the case for YEI monitoring data. As it is not required by the regulation³³, YEI data is not broken down by type of region, so data on expenditure and participants may cover regions in more than one cluster. The analysis also includes a comparative analysis of Active Labour Market Policies (ALMP) measures based on the LMP database. The main issue with the LMP database is that, at the time of writing the report, data were available up to 2017 and thus, 2018 was not covered. Additionally, the LMP database does not hold any data for the UK³⁴. Nevertheless, we have collected a good set of information – with these limitations – to provide a detailed ‘picture’ of the labour market context.

Regional clusters: We explain the cluster methodology in Chapter 2 as a means of providing an additional degree of comparative analysis. Although ESF monitoring data is broken down by type of region (more developed, less developed, transition) and can thus be directly linked to a specific cluster, that is not the case for YEI monitoring data. YEI data are not broken down by type of region so that data on expenditure and participants may cover more than one type of region.

Effectiveness and cost-effectiveness: This has proved challenging as, in spite of analysing all counterfactual impact evaluations available (with varying methodologies and levels of robustness³⁵), requesting micro-data from the Member States’ case study, performing econometric analysis and getting results from RHOMOLO (see paragraph below for more details), the evidence is partial. In terms of reporting on unit costs for results we are limited by the time delays from both the time lag reported above in obtaining results for completed operations and the fact that many operations are still ongoing and have yet to report fully on their results. These limitations are caveated and we were able to get useful information from the public consultation, the focus group and the case studies to provide some conclusions.

Econometric analysis: The econometric analysis undertaken for this evaluation provides an additional source of evidence and helps to reinforce the key conclusions. It has limitations due to the great variability among observations, which is natural given the diversity in the level of progress across programmes, their structure, the target group addressed, forms of operation supported and socio-economic context. In addition, monitoring data is still in the process of being consolidated³⁶ (as reported above, there is a significant time lag between reporting of outputs, results and financial implementation). Moreover, data available for the analysis is aggregated at the level of the programme,³⁷ as micro-data with individual results for each participant could not be collected in many instances.

This has implications on the possibility to estimate clear correlations and trends between the background features of the participants and different measures of progress or

³³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1304>

³⁴ There is no obligation for Member States to provide these data. The latest available data for the UK are for reference year 2011. There was no possibility to overcome this limitation. Data from the LMP database were used in the replying of EQ on EU added value, in case studies and in Annex 3. In all occasions, the UK is excluded from the analysis.

³⁵ A total of 8 CIE were used in more details (see Annex 4). Only those with clarity on the results could be analysed.

³⁶ Information from different sources (e.g. data from beneficiaries, administrative registers, electronic exchange systems – and the related issues) is still in the process of being collated and checked

³⁷ As reported in Annual Implementation Reports. In fact, the actual level of disaggregation is slightly higher than the programme level, as it is by programme, fund and category of region. But there is no breakdown by operation, nor participant.

success.³⁸ As a result we use the econometric analysis to support rather than lead our analysis, highlighting the limitations where appropriate in the text.

RHOMOLO analysis: In providing answers to the evaluation questions, use was made also of findings from the experimental research carried out by the Joint Research Centre through the spatial general equilibrium model RHOMOLO. General equilibrium models, given the inherent complexity of the phenomena they seek to replicate, need to rely on a number of simplifying assumptions. However, this comes in addition to the lack of disaggregated information on the composition³⁹ of participants addressed on the ESF/YEI as well as detailed information on typology of operation supported. As a result, to briefly state the most significant limitations: (i) the features of participants had to be estimated econometrically to be then used as a proxy of the support provided to them; (ii) different typologies of intervention had to be calculated by estimation and then lumped together in broader categories to keep the analysis tractable; and (iii) the model uses as input financial expenditure per participation and broad typology of operation but then needs to resort to the literature or data from third sources to translate these inputs into outcomes. In addition, the sensitivity analysis carried out by the JRC shows that some of the results of the model are significantly affected by the variation in the unit costs, which, in their turn, are rather volatile given the ongoing nature of data entry. This means that one should consider the findings as a very innovative and insightful way of understanding the potential of the interventions supported rather than their actual outcomes. Yet, the work has been informative for the analysis especially on the transmission mechanisms of the policy, the spatial distribution, macroeconomic cost-effectiveness and sustainability.

COVID-19 pandemic: It shall be noted that the field work for this evaluation was carried out before the COVID-19 (coronavirus) came to Europe. The Corona Response Investment Initiative will affect the support to Youth Employment for the remainder of the implementation period and the proposals for the next programming period will also aim at mitigating the consequences of this pandemic. This COVID-19 pandemic is a major shock to the global and European economy. Already at the end of March of 2020, a substantial negative economic impact on Europe has materialised, at least for the first half of 2020 and possibly longer if the pandemic is not contained rapidly. For the future, the degree of the negative outlook will depend on a number of parameters such as the lack of supply of critical materials, the effectiveness of containment measures, the

³⁸ For instance, based on aggregated data we know how many participants in a given programme were high skilled and how many individuals in the same programme were inactive. But we do not know how many were at the same time inactive and high skilled. Also, not all inactive are equal. This has implications on the possibility to measure the extent to which this given feature affects the relevant variables (e.g. progress of financial indicators). In addition, about results, aggregated data might tell us that a certain number of individuals are in employment upon exiting from support. However, we have no information as to how many of them were originally inactive or unemployed, respectively. We can only test whether increasing inactivity rates of participants in a programme are frequently found in association with higher or lower levels of employment rates at the end of support. But it might be that such employment rates are mostly driven by the results that the unemployed have achieved, which can affect the average employment rate for the whole programme. In addition, we cannot simultaneously control for the composition of other background features of the inactive, as we don't know how many of them were low, medium or high skilled. At the extreme, if all participants originally in unemployment in programmes had positive results whenever their presence is scarce and very bad results whenever they are many in a programme, we might find a positive correlation between growing inactivity rates and employment rates, which would be actually driven by the employment results belonging to the unemployed and not to the inactive. In essence, the correlations that are identified between average features of programmes' participants and different indexes of performance (average financial progress, progress of results etc.), not each individual result for each individual participant. This makes identifying correlation harder due to omitted variables. To mitigate this issue, several covariates based on aggregated data are used jointly in the analysis, so reduce the bias to the extent possible.

³⁹ There is no information on the combined characteristics of the participants, e.g. how many are low skilled AND inactive AND disadvantaged. As the RHOMOLO model would need such conditional distribution, a separate econometric calculation was done in the JRC as part of the voluntary research.

downtime in manufacturing in the EU work days lost in companies and public administrations, and demand effects (e.g. mobility restrictions, travel cancellations).

Despite the limitations, by using a variety of sources means we can conduct a robust evaluation

Whilst we report a number of limitations this should not be read in a negative way. It is valuable at this stage, in advance of the *ex-post* evaluation and the next programmes to highlight areas where there are limitations to the information that can be gathered, and with possibilities to make further improvements to data capture and analysis. The consultants acknowledge the progress made in this programming period to simplify and clarify indicators and data collection.

Many of the limitations raised above are related to the design and application of monitoring and evaluation systems at Member State level and different approaches towards monitoring and evaluation between Member States, including the different methodological approaches to counterfactual impact evaluations⁴⁰. The efforts of the Commission in respect of simplification are generally recognised but complexities remain. Additionally, the measurement of 'soft' outcomes remains difficult given inconsistent approaches to recording and reporting (e.g. in the definition). In a number of instances the soft outcomes are not at all reported. This underestimates the achievement of youth programmes, compounded by ongoing operations meaning an under reporting of results. This is therefore, the least reliable part of the evaluation.

To counter data deficiencies our approach has been to apply different approaches and sources, some to better effect than others, although we have addressed all of the evaluation questions. The public consultation has provided rich information, notwithstanding the specific limitations outlined above. Micro data has been difficult to acquire and utilise, and the counterfactual impact evaluations are restrictive in respect of clear analysis and conclusions. However, the combination of all sources allows us to provide an overall narrative in the subsequent sections.

⁴⁰ Member States have used many methods and approaches in CIE, and applied them at a different level (programme, intervention, project). There are differences also in the effects being measured (occupational chances, reduction of unemployment spells, education) as well as in the timescale of such effects (from immediately after the intervention to a few years after).

2 Background

This chapter provides an overview of the context for implementation of the ESF and YEI in terms of the socio-economic situation confronting young people at national and regional level at the start of the programming period (2014) and how this has developed over the period (up to 2018 or 2017 depending on the data sources available). In addition, the chapter briefly describes the EU policy response to the increased youth unemployment following the 2008 economic and financial crisis, which provided the impetus for current youth employment policies.

2.1 Young people not in employment, education or training (NEET) – volume and characteristics

2.1.1 Defining NEET

The population of young people not in employment, education or training (NEET), includes those who are actively seeking and available for work (economically active), who are considered to be unemployed, but also others who are either not seeking work or not immediately available for work, or both, and that are not in education or training (economically inactive)⁴¹. This latter group includes some who are disabled or sick, but also others who are discouraged from seeking work because they believe that they have no chance of finding or securing a job. In general, those that are actively seeking work will be easier to help because they are already taking steps to find work whereas the inactive group is potentially more difficult to reach and to activate. So, the relative weights of the unemployed and inactive groups are important factors in the design and implementation of employment policies.

2.1.2 Long-term impact of the 2008 economic and financial crisis on young people

The economic and financial crisis of the late 2000s had severe long-term impact on young people - those willing to move from education/training to work faced limited job opportunities and unparalleled levels of competition, not only from their peers but also from adult workers with extensive work experience who had recently been laid off. As a result, young people were increasingly confronted with the situation of not being able to get a job without prior experience and yet little chance of getting a job to gain that experience.

One in eight young persons were not in employment, education or training (NEET) in 2014

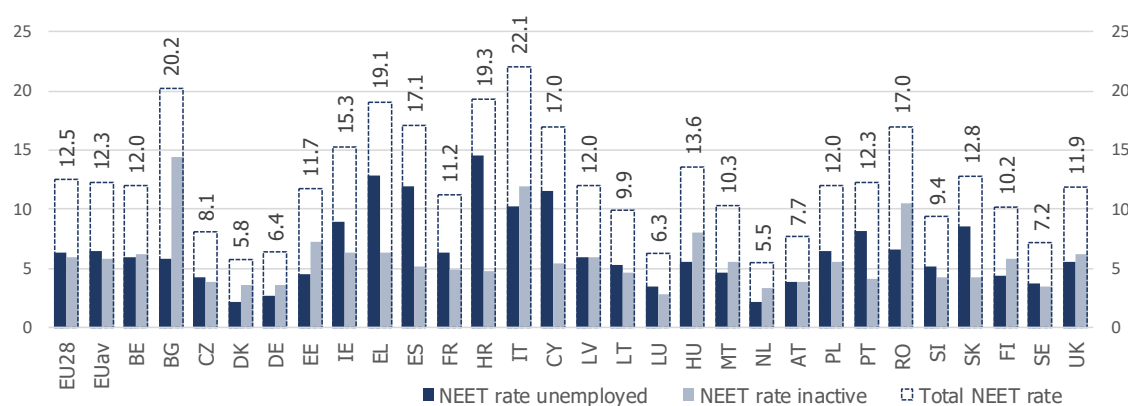
Whilst the negative effects of the crisis had diminished by the start of the current programming period, the problems for young people seeking employment persisted, to varying degrees across Member States. The **lack of opportunities for young people** in the labour market was such that at the beginning of the programming period in 2014, about 7.0 million young people aged 15-24 – 12.5% or one in eight of the EU population in this age group – were not in employment, education or training (NEET). A further 6.4 million or one in five (20.4%) of those aged 25-29 were similarly affected – 46% of which (or 9.4% of population) was unemployed and the remaining 54% (or 11% of population) were inactive.

⁴¹ The indicator used by Eurostat corresponds to the percentage of the population of a given age group that is not employed and not involved in further education or training. The numerator of the indicator refers to persons who meet the following two conditions: (a) they are not employed (i.e. unemployed or inactive according to the International Labour Organisation definition) and (b) they have not received any education or training (i.e. neither formal nor non-formal) in the four weeks preceding the survey. The ILO definition for unemployed refer to those that are without work during the reference week; available to start work within the next two weeks or have already found a job to start within the next three months; actively having sought employment at some time during the last four weeks. The denominator in the total population consists of the same age group, excluding the respondents who have not answered the question 'participation in regular (formal) education and training'. As regards all ESF and YEI supported operations targeting NEETs, the legal base sets out that each Member State sets out its national definition.

The **NEET rate** for young persons aged 15-24 **varied** from under 6% in the Netherlands (5.5%) and Denmark (5.8%) to more than 20% in Bulgaria (20.2%) and Italy (22.1%) (See Figure 1). Above average NEET rates were seen, in all southern countries (Greece, Spain, Italy and Cyprus) except Malta (10.3%) and Portugal (12.3%), as well as in the three newest Member States – Bulgaria (20.2%), Romania (17.0%) and Croatia (19.3%). Ireland was the only other country with a rate higher than 15% (15.3%).

The 12.4% overall NEET rate for young persons aged 15-24 was composed of slightly more than **6.4% unemployed** and **6.0% inactive** NEETs so that the inactive NEETs comprised 48% of the total. The rate in 2014 was 8% or less in 25 of the 28 Member States. The exceptions with relatively high numbers of inactive NEETs were Bulgaria (14.4%), Romania (10.5%) and Italy (11.9%). In the former two, there were substantially more inactive than unemployed NEETs but in Italy the difference was small. The unemployed NEET rate is more variable, with Denmark, Germany and the Netherlands all having less than 3% unemployed NEETs in 2014 whilst Greece, Spain, Croatia had rates in excess of 12% and Italy and Cyprus over 10%.

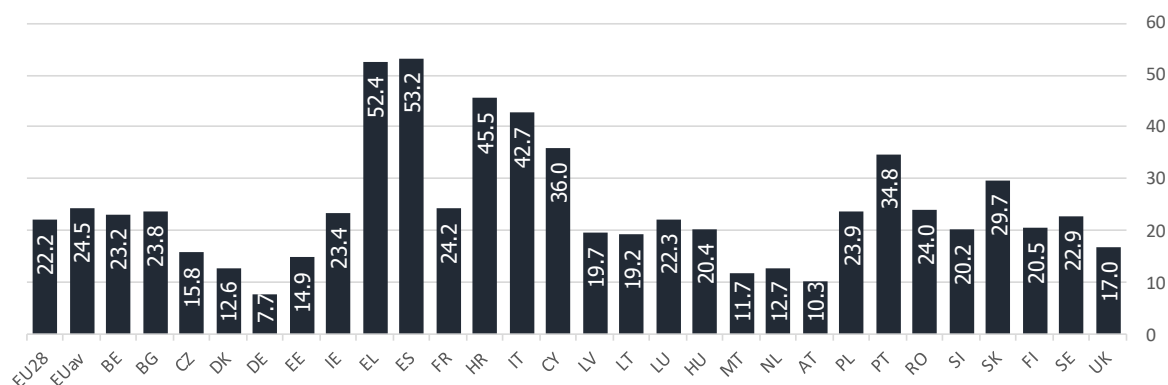
Figure 1. *NEET rates of persons aged 15-24 by labour market status (in % of the economically active and inactive population, 15-24) and by Member State, 2014*



Source: Eurostat, Labour Force Survey (yth_empl_150), date of extraction 21 June 2019.

At EU level, this means that in 2014 more than **one in five active young people was unemployed** (22.2%, Figure 2). Similar to NEET rates, there is a noticeable difference between northern and southern countries as the highest unemployment rates were seen in Greece (52.4%), Spain (53.2%), Croatia (45.5%), Italy (42.7%), Cyprus (36.0%) and Portugal (34.8%). Malta is the only southern country with a below average youth unemployment rate (11.7%), a figure that is surpassed only by Germany (7.7%) and Austria (10.3%).

Figure 2. Youth unemployment rate (persons aged 15-24 as % of active population), 2014



Source: Eurostat, Labour Force Survey ([lfsa_pganws](#)), data extracted on 21 June 2018.

Young people are disadvantaged compared to adults

In theory, when comparing the proportion of the population aged 15-24 that is unemployed (i.e. the unemployment ratio) to that of those aged 25-64, one might expect the former to be lower, simply on the basis that a significant proportion of the younger age-group is likely to be still in education or training. However, across the EU, the ratio of the youth against adult unemployment ratios was 1.3 in 2014⁴², suggesting that young people were relatively disadvantaged and thus justifying the implementation of targeted employment policies to alleviate the situation. Perhaps surprisingly, the highest ratios (>1.5) were seen in countries with below average youth unemployment rates⁴³, demonstrating the complexity of the situation and serving as a reminder of the need to consider a variety of aspects when planning employment policies.

2.1.3 Changing NEET rates from 2014 to 2018

Between 2014 and 2018, the **NEET population decreased from 12.5% to 10.4%**, from approximately 7 million to around 5.6 million young people aged 15-24 (Figure 3 and Figure 4). This decline is the result of reduced unemployment as the economies of Europe recovered after the crisis, though at different rate.

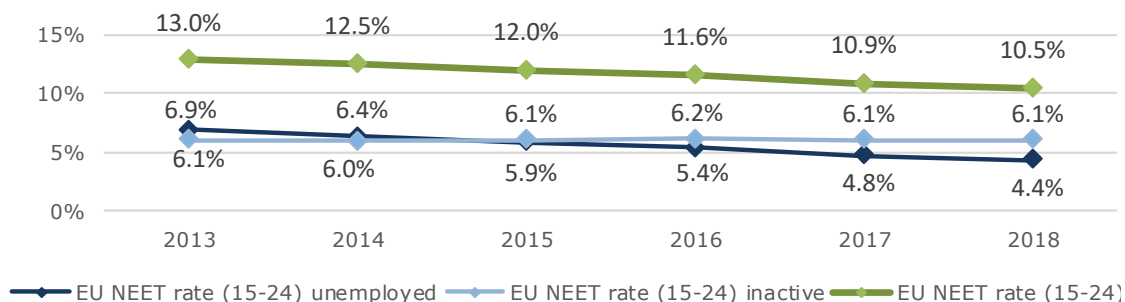
Relative increase of NEETs that are economically inactive

Whereas the number of economically inactive NEETs has stayed broadly the same, the overall share within the NEET population has increased. In 2018 this group amounted to 58% of all NEETs in the EU (as compared to 48% in 2014). Similarly, the NEET rate for those aged 25-29 fell to 17.1% (from 20.4%), again largely as a result of a decrease in the unemployed NEET rate (from 9.4% to 6.3%). The proportion of inactive NEETs in the population has remained practically unchanged (11.0% in 2014 and 10.8% in 2018).

⁴² The unemployment ratio is the youth unemployment ratio divided by the adult unemployment ratio. Thus, all values >1 imply a disadvantage for the younger cohort. Note that we are using ratios and not rates (ratio is the share of unemployed among all those aged 15-24, unemployment rates refer to the share of unemployed among active population of the same age).

⁴³ See Annex 3, DK, MT, NL, RO FI, SE, UK.

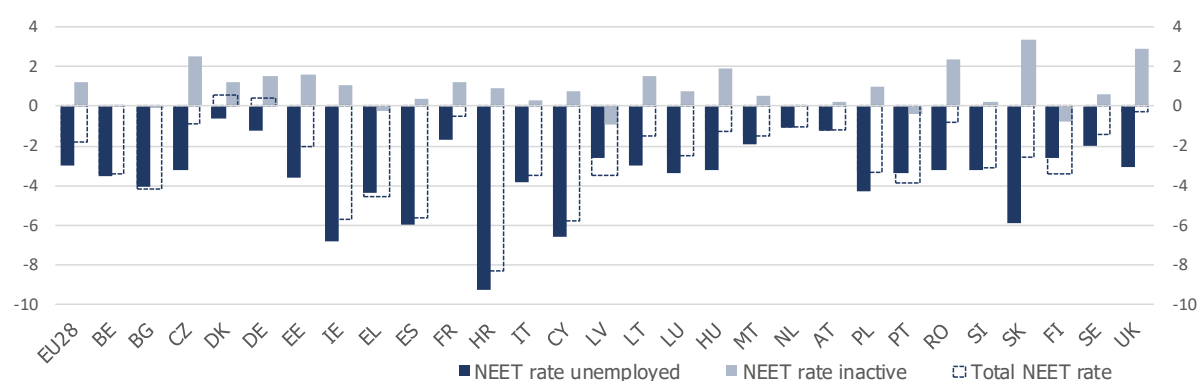
Figure 3. *NEET rates for persons aged 15-24 by labour market status - EU28, 2014-2018*



Source: Eurostat, Labour Force Survey ([youth_empl_150](#)), date of extraction 21 June 2019.

In general, those who are **actively seeking work should be easier to help** because they are already taking steps to find work, whereas the inactive group is potentially more difficult to reach and to activate. So, the relative weights of the unemployed and inactive groups are important factors in the design and implementation of employment policies. This means that whilst there has been a decrease in the overall NEET population since the start of the programming period in 2014, there still is a significant problem in terms of youth employment as **it becomes harder to place NEETs into employment**.

Figure 4. *Change in NEET rates for persons aged 15-24 by labour market status and Member State, 2014-2018 (in %)*



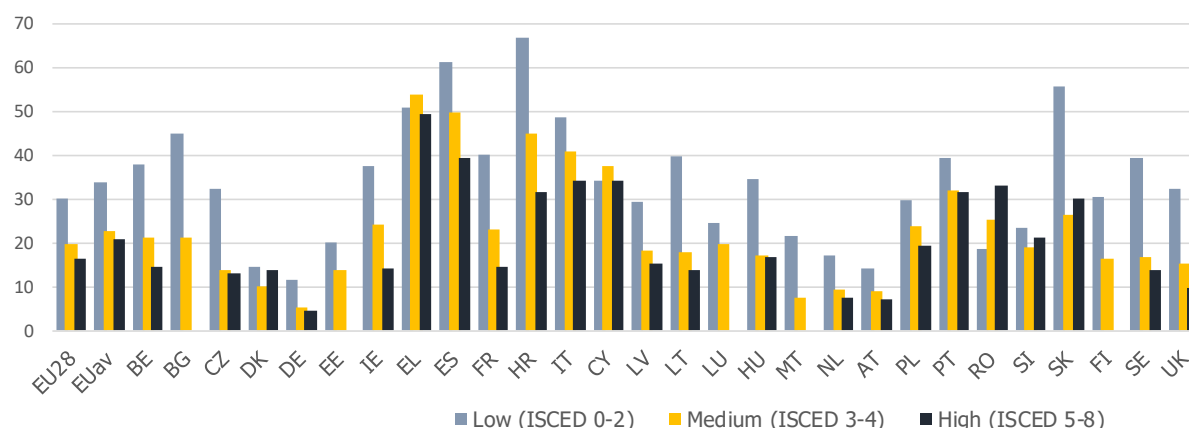
Source: Eurostat, Labour Force Survey ([youth_empl_150](#)), date of extraction 21 June 2019.

2.1.4 The importance of skills and educational attainment

NEETs with **lower skill levels and educational attainment** are **more disadvantaged** in the labour market. Overall, unemployment rates were higher for low-skilled young people than for those with medium and high skills. In 2014, almost one in three (30.2%) young Europeans with low levels of education (lower secondary) was unemployed compared to one in five (19.9%) of those with medium levels of education (upper secondary) and one in six (16.6%) for those with high levels (tertiary). Low-skilled young people were particularly disadvantaged in Bulgaria, the Czech Republic, Croatia, Lithuania, Hungary, Malta, Slovakia, Finland and Sweden, while Romania was the only country in which the level of unemployment appears to increase with the level of education (Figure 5).

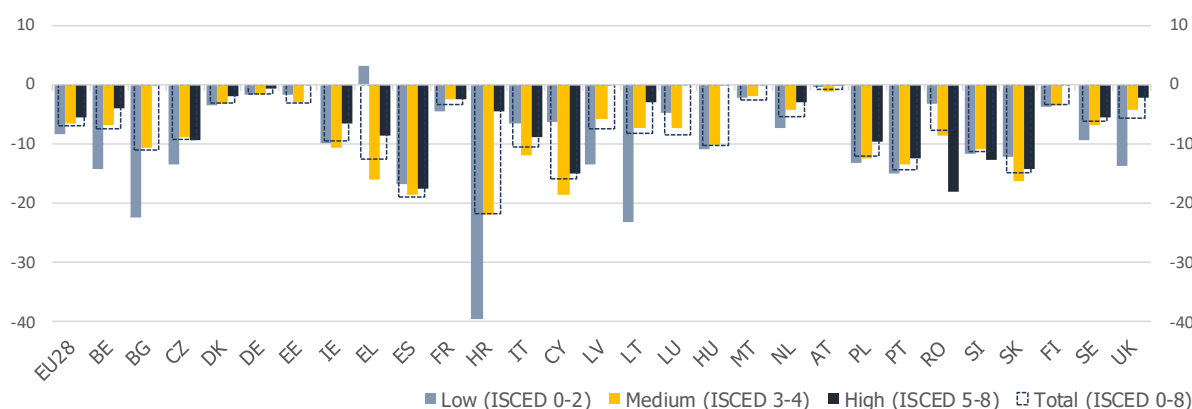
With the decrease in the NEET population between 2014 and 2018, the **unemployment rate for low educated** (21.9%) remains **double** than that of high-educated young people (11.0%) (Figure 6).

Figure 5. Youth unemployment rate for persons aged 15-24 by level of education and Member State (as % of active population), 2014



Source: Eurostat, Labour Force Survey ([youthempl_090](#)), data extracted on 21 June 2018.

Figure 6. Change in unemployment rates of persons aged 15-24 by level of education, 2014-2018 (in %)

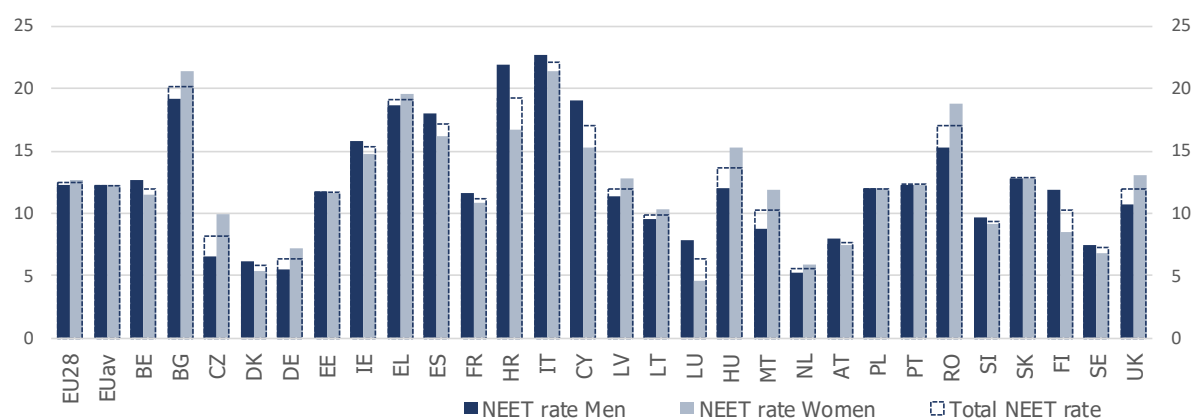


Source: Eurostat, Labour Force Survey ([youthempl_100](#)), data extracted on 21 June 2018.

2.1.5 Gender variations

At EU level, there was only a **small gender difference** in NEET rates in 2014 (12.3% for men aged 15-24 vs. 12.7% for women). More substantial differences were apparent in some countries: in the Czech Republic, Hungary, Malta and Romania the NEET rates for young women exceeded those of young men by 3-3.5 percentage points, while in Croatia, Cyprus, Luxembourg and Finland NEET rates were noticeably higher for men. The gender difference becomes more apparent when considering the **different labour market status** of young NEETs. At EU level, 60.2% of young NEET men were unemployed and 39.8% inactive compared to 43.3% and 56.7% respectively of young NEET women. This implies that **young women are a more difficult target** for employment measures to reach because more of them are economically inactive, and not necessarily actively seeking employment, education and training (Figure 7).

Figure 7. NEET rates of persons aged 15-24 by gender, 2014

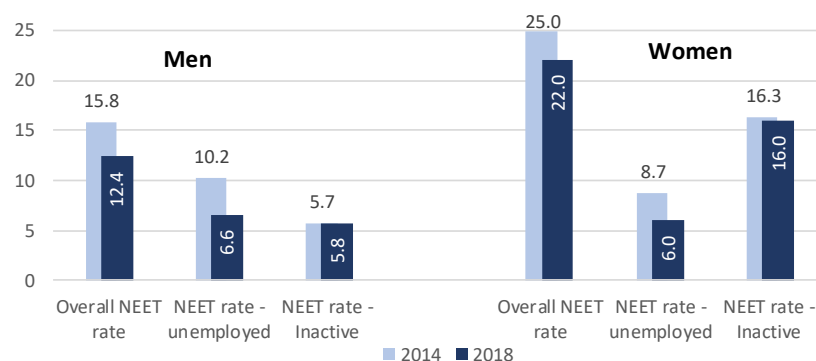


Source: Eurostat, Labour Force Survey ([yth_empl_150](#)), date of extraction 21 June 2019.

Gender differences increase with age

In contrast to the younger age group where gender differences are very low, in the 25-29 age group there is a substantial gender difference: the share of **female NEETs** was about **10 percentage points higher** than that of men in both 2014 and 2018 (Figure 8). Though the rate of unemployed NEETs is similar for both sexes in 2018, the share of inactive NEETs is more than three times higher for women than men. Indeed, nearly three-quarters of all inactive NEETs aged 25-29 are women (73%). A significant proportion of these are likely to be women who are not in work, education or training. Reasons could include maternity leave, caring responsibilities for young children or other dependants⁴⁴. This probably indicates, that this group faces higher obstacles in accessing the labour market than others and that comprehensive support is necessary to improve the labour market situation of this group (also including operations from other thematic objectives, like provision of child care services).

Figure 8. NEET rates of persons aged 25-29 by gender and labour market status (active and inactive) - EU28, 2014 and 2018



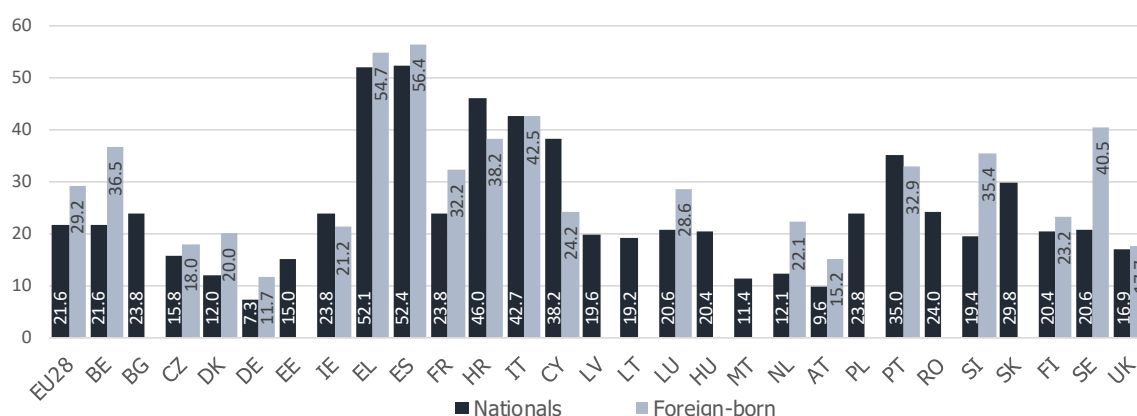
Source: Eurostat, Labour Force Survey ([yth_empl_150](#)), date of extraction 21 November 2019.

⁴⁴ An assumption based on the data on childbirth. Women aged 25 to 29 accounted for 27.7% of all births in 2017, the highest figure by age group. Based on Eurostat (demo_fasec)

2.1.6 Young migrants

Finding employment seems to be harder also for young migrants⁴⁵ compared to nationals. In 2014, the **difference in unemployment rates** between the two groups stood at 7.6 percentage points with Portugal, Ireland, Croatia and more notably Cyprus being the only countries in which the unemployment rates were higher for nationals (Figure 9). Young migrants were particularly disadvantaged when compared to nationals in Sweden, Slovenia and Belgium.

Figure 9. *Unemployment rates of people aged 15-24 by country of birth and Member State, 2014*



Source: Eurostat, Labour Force Survey ([youth_empl_100](#)), data extracted on 21 June 2018. "National" refers to persons born in the country, "foreign-born" is defined as born outside the EU

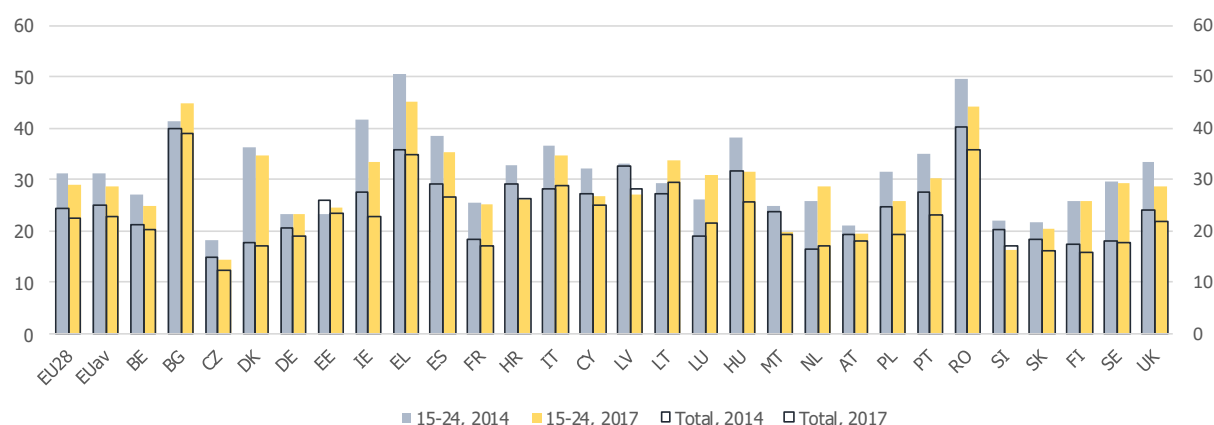
2.1.7 Young people at risk of poverty and social exclusion

In 2014, almost a third (31.4%) of young people aged 15-24 lived in households at risk of poverty or social exclusion. **Poverty** is therefore **more prevalent** amongst this age-group than in the population as a whole (24.4%), reflecting the fact that young people are making the transition from school to work, often leaving the parental home, seeking work for the first time – frequently finding this difficult, having to take a low-paid job and having no accumulated savings. In 2014, young people aged 15-24 were more likely, compared to the general population, to be at risk of poverty or social exclusion in all countries but Estonia (Figure 10). Poverty rates were **particularly high** in Bulgaria (41.1%), Ireland (41.6%) and most notably in Romania (49.8%) and Greece (50.7%), where half of young people were affected. The risk of poverty or social exclusion for young people was more than double compared to that of the total population in Denmark (36.2% vs. 17.9%) and there were particularly significant differences also in Greece (50.7% vs. 36.0%) and Sweden (29.7% vs. 18.2%).

⁴⁵ Eurostat's Labour Force Survey (LFS) provides two ways to assess employment and unemployment rates of migrants – based on people's nationality or on their place of birth. The relevant ESF common indicator, "Migrants, people with a foreign background, minorities (including marginalised communities such as the Roma)", is defined as non-national permanent residents in a country, people with a foreign background or nationals from a minority (according to national definitions). The definitions of people with foreign background and nationals from a minority are quite heterogeneous across Member States. In the absence of a national definition for 'people with a foreign background' the term should be understood according to the following international recommendation (UNECE in cooperation with Eurostat): persons with a foreign background are "... persons whose parents were born outside the country. The persons in this group may or may not have directly experienced an international migration".

See: <http://ec.europa.eu/eurostat/documents/3888793/5850217/KS-RA-11-019-EN.PDF> and http://www.unece.org/fileadmin/DAM/stats/publications/CES_2010_Census_Recommendations_English.pdf.

Figure 10. Total persons aged 15-24 and those at risk of poverty or social exclusion (as % of population) by Member State, 2014 and 2017



Source: Eurostat, EU-SILC ([ilc_peps01](#)), data extracted on 21 June 2018.

By 2017⁴⁶, the rate of young people at risk of poverty or social exclusion fell to 29.0%, while it was 22.4% for the total population. Nevertheless, poverty risks amongst young people increased substantially in Lithuania (+4.2 percentage points.) and Luxembourg (+4.9 percentage points, Figure 10). In contrast, the largest improvements took place in Ireland (-8.1 percentage points), Croatia (-6.6 percentage points), Latvia (-6.3 percentage points), and Hungary (-6.6 percentage points).

2.2 The EU response to youth unemployment and the focus on NEETs

In response to the damaging effects of the economic downturn on young people and the levels of youth unemployment the EU focused on **employment related instruments**: The Council Recommendation on establishing a **Youth Guarantee** was adopted on 22 April 2013. The Youth Guarantee aims to ensure that all young people under 25 receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education⁴⁷.

Introduction of the YEI to support young people in regions with high youth unemployment

To help young people in regions where the youth unemployment issue was particularly severe (regions where youth unemployment was higher than 25% in 2012), the Council announced in February 2013 the **Youth Employment Initiative** (YEI) initially budgeted for the period 2014 to 2018, whose resources were later increased until 2020⁴⁸. YEI was supported by ESF and a dedicated budget line⁴⁹. The YEI aimed to provide **additional and complementary funding** (to that already available from the European Social Fund, but only on operations directly focused on young people) to support operations set out in the 2012 **youth employment package**⁵⁰ supporting the implementation of the **Youth Guarantee**. Furthermore, the June 2013 European Council stressed that Member States should give particular attention to youth

⁴⁶ 2018 data is not yet available for all countries

⁴⁷ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee: [http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013H0426\(01\)](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013H0426(01))

⁴⁸ It should be noted that the financial implementation of the YEI, despite the frontloading of resources, follows the same profile as for the ESF – spending continues even after 2020 (at least until 2023), in line with cohesion funding rules.

⁴⁹ Council conclusions, February 2013:

<http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2037%202013%20INIT>

⁵⁰ <https://ec.europa.eu/social/main.jsp?catId=1039&langId=en>

employment in implementing the Structural Funds, including - where appropriate - reprogramming unspent funds and making use of enhanced technical assistance to improve administrative capacity⁵¹.

The majority of the Member States launched their **national Youth Guarantee schemes** in January 2014⁵². Adopting the option provided by YEI, 17 Member States⁵³ expanded the scheme, either from the beginning or progressively⁵⁴ to cover also young people aged 25-29. In terms of organisation, in the majority (13) of the 23 Member States⁵⁵ benefiting from YEI or ESF funding targeting youth, the YEI/ESF and the Youth Guarantee are managed by the same institution – mainly by Ministries of Labour or directly by the Public Employment Services (PES) that belong to the Ministry⁵⁶.

Both the YEI and the Youth Guarantee targets young people not in employment, education or training (NEET). In principle, the Youth Guarantee is open to all young people but the focus is the NEET group. The YEI exclusively targeted young NEETs: it is primarily targeted at the 15-24 years cohort, but could also be extended to those aged from 15-29 years.

Policies targeted at the 25-29 age group may require a **different orientation** from those targeting the younger cohort due to their different (relative) proximity to the labour market in terms of being equipped with the skills and experience needed. In other words, the support needed is more likely to focus on overcoming barriers to work and outreach, than on further developing their qualifications and skills.

2.3 Regional variations

The level of ESF funding and the types of projects funded differ from one region to another depending on their relative regional labour market situation. To that end, EU regions have been categorized into **three funding categories based on their regional GDP** per capita compared to the EU average (more developed, transition, less developed)⁵⁷. Additionally, as mentioned above, the YEI was launched to provide support to young people living in regions where youth unemployment was higher than 25% in 2012 and subsequently increased in 2017 and in succeeding years for regions with youth unemployment higher than 25%, using the latest available Eurostat data on regional youth unemployment.

To better understand and evaluate the financial contribution of ESF and YEI funded Operational Programmes (OPs), it is important to look into the national socio-economic situation, and also into the situation in the specific regions in which the Operational Programmes are delivered, since there can be significant differences between different parts of the country.

⁵¹ Council conclusions, June 2013: <http://data.consilium.europa.eu/doc/document/ST-104-2013-REV-2/en/pdf>

⁵² Exceptions where the Youth Guarantee implementation started later in 2014 were SK (Feb), PT (March), CZ (April), IT (May), ES, LU and MT (all in July), while HU started only in 2015 (January). The UK did not establish a Youth Guarantee scheme per se. Whilst the government supported the approach set out in the Council Recommendation, it felt that the provision existing in the UK at the time matched best the local and national circumstances.

⁵³ The Youth Guarantee is limited to those aged 15-24 only in BE, DK, FR, HU, IE, LU, NL, AT, RO, SE and the UK. In the other 17 Member States it is open to the 15-29 cohort.

⁵⁴ ES and PL since 2015, CY since May 2017, and EL since November 2018.

⁵⁵ DK, EE, NL, AT, FI are the only exceptions.

⁵⁶ The only exceptions are IE, LT, MT, PL, PT, RO and SI where the Youth Guarantee and YEI/ESF are managed by different Ministries as well as DE and the UK where ESF/YEI are managed by authorities at the regional level. Note also that in FR, IT and PT due to regional ESF/YEI funded Operational Programmes (OPs), regional authorities are also involved in the managing of YEI/ESF funds targeting youth.

⁵⁷ <https://ec.europa.eu/esf/main.jsp?catId=525&langId=en>

Clustering regions with different socio-economic situation

In order to capture the different contexts of regions, this study has identified **clusters of regions** with similar characteristics relating to their relative position in the country and their respective development. These groups can be used in combination with the ESF/YEI monitoring data to try to establish some understanding on the effectiveness and efficiency of implementation.

For this purpose, **data from selected indicators** on regions (at NUTS 2 level)⁵⁸ were aggregated to define different types of regions in each country (i.e. maximum three types of region per country - 50 regions in total). These types were used to develop two composite indicators – one describing the situation at the beginning of the programming period in 2014 and one describing how this has evolved between 2014 and 2018. By combining the data for the two composite indicators, **four broad clusters of regions** were identified, which are briefly presented below (detailed methodology and cluster description can be found in **Annex 3**):

- Cluster A: Regions with strong starting point and significant progress
- Cluster B: Regions with strong starting point and little progress
- Cluster C: Regions with low starting point and significant progress
- Cluster D: Regions with low starting point and little progress

The clustering of regions is based on a subset of the indicators used to describe the general socio-economic context at national level, largely determined by the availability of data. In particular, indicators of poverty and social exclusion could not be used because there are too many regions in which the sample size (from EU-SILC) is too small to provide reliable data⁵⁹. The indicators selected for clustering are summarised in Table 1 below.

Table 1. *Socio-economic indicators used for clustering of regions*

Indicator		Comments
1	Youth employment rate, 15-24	Indicators 1 and 2 are similar to indicators used in the joint assessment framework (JAF) to monitor progress in implementing the Employment Guidelines in the context of the Europe 2020 strategy, the only difference being that in this study the indicator on youth employment rate is limited to people aged 15-24 (instead of 20-29 as in the JAF framework).
2	NEET rate, 15-24	
3	Share of population aged 30-34 with tertiary education	Indicator 3 does not refer directly to the primary target group (those aged 15-24) but is used as a proxy to assess the extent to which young people enter and acquire tertiary level education.
4	Early leavers from education and training, 18-24	The indicator on early school leavers (ESL) is also part of the JAF indicators as it is effectively a proxy for the numbers of young people without any secondary level qualifications and therefore particularly at risk of exclusion from the labour market.
5	GDP/capita (PPS)	Indicator used to describe the overall economic context in which the ESF OPs are implemented. Data cover 2014 and 2017.

The clusters are presented below. In each cluster, the main defining characteristics are highlighted in bold and for these it is generally the case that all regions in the cluster comply with the characteristics, though there may be occasional exceptions. For the lesser characteristics, some variations are expected. Figure 11 offers an illustration of

⁵⁸ Youth employment rate, 15-24; NEET rate, 15-24; Share of population aged 30-34 with tertiary education; Early leavers from education and training, 18-24; GDP/capita (PPS)

⁵⁹ SILC data at NUTS 2 level are not broken down by age. Data on the general population are also incomplete. For example, for the indicator at risk of poverty or social exclusion there are no regional data for BE, EL, FR, PI, SL and the UK, while data for DE and NL are not available for all years. The availability of data is similar also for the indicator on severe material deprivation which could have been used as an alternative. See http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_peps11&lang=en and http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mddd21&lang=en.

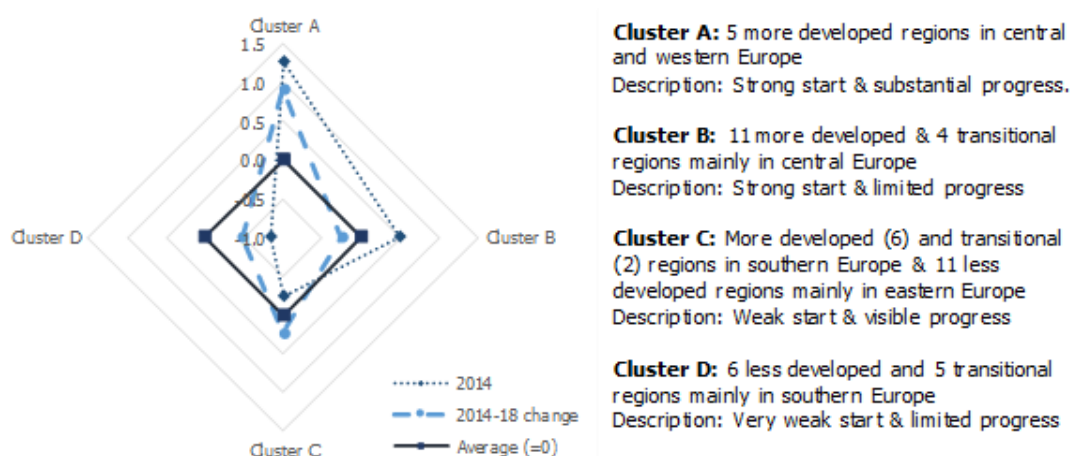
the four clusters and the respective average values allowing comparisons both in terms of the starting point and the change between 2014 and 2018. Table 2 indicates the countries/types of regions included in each cluster and the values of the composite indicators for each cluster. Detailed indicator values can be found at the end of **Annex 3**.

Table 2. *Clusters of regions by typology based on the socio-economic context - EU28, 2014 and 2014-2018 (change)*

Cluster	Type of region	Countries
Cluster A	More developed	CZ, IE, LU, NL, SK
Cluster B	More developed	BE, DK, DE, FR, HU, AT, PL, SI, FI, SE, UK
	Transition	DK, DE, AT, UK
Cluster C	More developed	EL, ES, IT, CY, PT, RO
	Transition	MT, PT
	Less developed	CZ, EE, EL, HR, LV, LT, PL, PT, SI, SK, UK
Cluster D	Transition	BE, EL, ES, FR, IT
	Less developed	BG, ES, FR, IT, HU, RO

Source: Metis, 2019

Figure 11. *Clusters of regions by typology based on the socio-economic context - EU28, 2014 and change to 2018*



Source: Metis et al, based on EUROSTAT data (2019)

Cluster A – Strong start/substantial progress: This cluster comprises the **five more developed regions** located in **Central and Western Europe**. These are all the regions in Luxembourg, the Netherlands and Ireland and the more developed (capital) regions in the Czech Republic and Slovakia. The regions in this cluster had a strong starting point: in 2014 all indicator values were on average more favourable than at EU level. Compared to the other three clusters, regions in this cluster had on average in 2014 the **highest GDP per capita** (particularly Ireland), the lowest early school leaving rates and the highest share of those aged 30-34 with tertiary education. The average NEET rate was also the lowest across the board (on average 7.6%), although the rate in Ireland was notably higher (15.2% vs. 12.5% at EU level). Finally, the average employment rate of those aged 15-24 in regions of this cluster was also above the EU level (33.5% vs. 32.4%) and was driven by the high employment rates in the Netherlands (58.8%) and Ireland (36.8%), whereas the employment rates in the remaining regions were noticeably lower.

Between 2014 and 2018 (2017 in terms of GDP), areas in this cluster had achieved overall the greatest progress as compared to the other clusters. NEET rates dropped in all regions, whereas employment rates increased more than average in all regions,

except for the developed regions in the Czech Republic where the improvement was only marginal (+0.7 percentage points). The increase in the share of those aged 30-34 with tertiary education was the highest across the board and mainly driven by the increase in the Czech Republic (+12.3 percentage points). In terms of the early school leaving rate, regions in cluster A had the smallest decrease (on average -0.7 percentage points), as the rate decreased only slightly in three of the five areas (Ireland, Netherlands and Slovakia) and increased (marginally) in the remaining two (by 0.2 percentage points in Czech Republic and Luxembourg).

Cluster B – Strong start/limited progress: This cluster comprises **15 regions** (mostly more developed) located mainly in **Central Europe**. The cluster covers all regions (more developed and transitional) in Denmark, Germany, Austria, Finland (all more developed) and Sweden (all more developed) and more developed regions in Belgium, France, Hungary, Poland, Slovenia and the UK as well as transitional regions in the UK. Overall, these regions had a **strong starting point in 2014**. Almost all regions had above average GDP per capita (all transitional regions and more developed regions in Slovenia being the only exceptions) and below average NEET rates (transitional regions in the UK being the only exception). Compared to the other clusters, regions in Cluster B had on average the **highest employment rates** though in five regions (more developed regions in Belgium, France, Hungary, Poland and Slovenia) the employment rates were below average. The share of those aged 30-34 with tertiary education was above average in all regions with the exception for transitional regions in Germany, whereas the early school leaving rate was below average in all regions but transitional regions in the UK.

The overall **progress by 2018 was limited** compared to the other three clusters: Regions in cluster B had on average the lowest decrease in the NEET rate and the second lowest increase (after Cluster D) in GDP per capita, employment rates for those aged 15-24, as well as in the proportion of those aged 30-34 with tertiary education. In terms of the early school leaving, the situation in this cluster has deteriorated as on average the early school leaving rate increased by 0.4 percentage points as the rate increased in seven regions.

Cluster C – Weak start/visible progress: This cluster comprises **19 regions** – six **more developed** (Greece, Spain, Italy, Cyprus, Portugal and Romania) and **two transitional** (Malta, Portugal) regions located in southern Europe and 11 **less developed regions** mainly in eastern Europe (Czech Republic, Estonia, Greece, Croatia, Latvia, Lithuania, Poland, Portugal, Slovenia, Slovakia, United Kingdom).

In essence, this cluster covers all regions in Cyprus, Portugal, Malta, Croatia and the three Baltic states (Estonia, Lithuania and Latvia), more developed regions in Spain, Italy, Greece and Romania and less developed regions in the Czech Republic, Greece, Slovenia, Slovakia, Poland and the UK. These regions had a **relatively weak starting point related to GDP per capita and employment rates**. The share of persons aged 30-34 with tertiary education were the second lowest after cluster D, whereas the NEET rate and the early school leaving rate was the second highest, again after cluster D. GDP per capita was below average in all but four regions (Spain, Italy, Portugal and Romania, all more developed), while employment rates were below average also in all but four regions (less developed regions in Estonia, Latvia and the United Kingdom and transitional regions in Malta). On average, the NEET rate in regions in Cluster C was high (13.8% vs. 12.5% at EU level) though in less developed regions in the Czech Republic and Lithuania the NEET rate was notable lower. The rate of those aged 30-34 with tertiary education and the rate of early school leavers were on average close to the EU values.

By 2018, all indicator values had **improved**. Regions in this cluster had the highest increase in the employment rates of those aged 15-24 and the highest decrease in the NEET and early school leavers rates. GDP per capita also increased substantially but

remained below the GDP at EU level. There was also a significant increase (the second highest after Cluster A) in the share of those aged 30-34 with tertiary education.

Cluster D – Very weak start/limited progress: This cluster comprises **six less developed** (Bulgaria, Spain, France, Italy, Hungary, Romania) and **five transitional** (Belgium, Spain, Greece, France - overseas, Italy) regions all located in Southern Europe – transitional regions in Belgium being the only exception. On average, these regions had the **lowest starting point** compared to the other clusters. The value of the composite indicator for 2014 had the lowest value: GDP per capita and employment rates for those aged 15-24 were considerably lower than the EU level in all regions of the cluster. At the same time, NEET rates were considerably higher than the EU level in all regions (on average 20.0% vs. 12.5%). Also, on average, the share of those aged 30-34 with tertiary education was below the EU level. But in transitional regions in Belgium and in less developed regions in Spain, values were somewhat higher. The early school leaving rate was on average the highest seen across the different clusters as values were below the EU level only in transitional areas in France.

On average, the **progress** made by 2018 was **very limited**. These regions had the lowest increase in GDP per capita as well as the lowest increase in employment rates and in the share of those aged 30-34 with tertiary education. However, the decrease in the early school leaving and NEET rate was noticeable, and the second highest seen after Cluster C.

3 Summary of the situation regarding the financial and operational implementation of the YEI and ESF funded youth employment operations

This chapter provides information on the scope of investment for youth employment in financial terms and in targeted participation. It then moves to the types of operations found in the mapping of youth employment. Finally, it discusses the actual progress in implementation. This chapter should be read in conjunction with **Annex 3** which includes a fuller analysis and additional tables.

3.1 Scope of investments

There is a total investment of EUR 22 billion for youth employment (2014-2020)

The **YEI** provides financial support to the Member States worst hit by youth unemployment⁶⁰. At the start of the programming period, the total EU budget allocated to YEI (YEI plus matching ESF) was EUR 6.4 billion (EUR 7.67 billion if we include national co-financing to the ESF share), committed only over the first two years of the programming period (2014-2015), to ensure swift mobilisation of measures for young people. In view of persisting levels of youth unemployment, in June 2017, the European Parliament and the Council agreed to **increase YEI funding** by another EUR 1.2 billion, matched by an equivalent amount of ESF funding (EUR 2.4 billion in total). The increase in ESF contribution to YEI was raised further by the eligible Member States' own financial resources⁶¹. Overall, combining EU funds from the dedicated YEI budget line, matching ESF share and national co-financing, a total budget of EUR **10.3 billion** for YEI was safeguarded, as shown in Table 3 below.

In addition, Member States allocated another EUR **8.2 billion** of **ESF** investments to the dedicated Investment Priority (IP 8.ii), making a total investment in **Youth Employment related investments of around EUR 18.6 billion** for the entire 2014-2020 programme period. Nearly half of the allocation of total funds for ESF – Investment priority 8.ii was for less developed regions (EUR 4 billion or 49%), another 42% (EUR 3.4 billion) for more developed regions and 10% (EUR 0.8 billion) for transition regions⁶².

Table 3. *Allocations to Youth Employment ESF + YEI – including OP amendments until 2018, in 1 000 Euro*

MS	YEI ⁶³		ESF – IP 8.ii ⁶⁴		Total	
	EU amount	Total	EU amount	Total	EU amount	Total
AT	-	-	-	-	-	-
BE	125 788	188 682	61 539	133 209	187 327	321 891
BG	110 377	120 117	31 799	37 357	142 177	157 474
CY	36 274	39 474	6 798	7 998	43 072	47 472
CZ	27 200	29 600	-	-	27 200	29 600
DE	-	-	467 029	827 733	467 029	827 733
DK	-	-	-	-	-	-
EE	-	-	-	-	-	-
ES	2 723 322	2 963 615	420 217	589 236	3 143 538	3 552 850
FI	-	-	-	-	-	-
FR	944 660	1 117 509	195 976	249 915	1 140 635	1 367 424
EL	500 842	574 249	-	-	500 842	574 249

⁶⁰ Art. 16 ESF Regulation

⁶¹ This was followed by smaller further increases agreed at EU level as part of the 2019 and 2020 annual budgetary procedure.

⁶² For YEI there is no allocation to types of regions

⁶³ Includes ESF allocations to YEI

⁶⁴ Excludes ESF allocations to YEI

MS	YEI ⁶³		ESF – IP 8.ii ⁶⁴		Total	
	EU amount	Total	EU amount	Total	EU amount	Total
HR	202 590	220 466	35 540	41 812	238 130	262 277
HU	99 531	108 313	503 068	598 801	602 598	707 113
IE	136 291	204 436	-	-	136 291	204 436
IT	1 821 065	2 288 069	1 293 095	2 267 888	3 114 159	4 555 957
LT	63 565	69 174	17 453	20 533	81 018	89 707
LU	-	-	6 819	13 638	6 819	13 638
LV	58 021	63 141	-	-	58 021	63 141
MT	-	-	4 800	6 000	4 800	6 000
NL	-	-	-	-	-	-
PL	537 635	585 074	1 256 028	1 488 182	1 793 663	2 073 256
PT	446 720	486 136	-	-	446 720	486 136
RO	302 237	328 905	421 124	496 769	723 361	825 674
SE	88 326	132 489	191 150	382 301	279 477	514 790
SI	18 423	20 726	73 000	91 250	91 423	111 976
SK	206 715	228 275	-	-	206 715	228 275
UK	397 265	578 361	549 841	984 149	947 105	1 562 510
EU	8 846 846	10 346 810	5 535 274	8 236 768	14 382 120	18 583 579
More dev.	-	-	1 817 730	3 436 253	1 817 730	3 436 253
Less dev.	-	-	3 146 078	3 999 889	3 146 078	3 999 889
Transition	-	-	571 466	800 627	571 466	800 627
No region assigned	8 846 846	10 346 810	-	-	8 846 846	10 346 810

Source: SFC2014, based on OP data reported in AIR2018 (data extracted on 6 September 2019) with allocations up to 31 December 2018, to be consistent with the AIR.

A detailed mapping exercise (see **Annex 1**) shows that **ESF investments also finance youth employment operations outside the dedicated Investment Priority 8.ii**, that is in other Investment Priorities (mainly in Investment Priority 8.i – Access to employment, and to a small part also in 8.v – Adaptability)⁶⁵. Such investments are not systematically tracked in the monitoring system⁶⁶. While information is available on the share of youth that actually participates, the monitoring system does not allow establishing with certainty whether a certain operation targets youth, nor what types of costs are involved. The mapping exercise verified individual operations in more detail and allows to provide such estimates, based on textual remarks provided by Managing Authorities about already implemented operations⁶⁷. The resulting estimate of the costs for these additional operations is EUR 2.1 billion, which can be extrapolated to an estimated allocation of EUR 3.5 billion⁶⁸. Based on these additional calculations **the total estimated size of all youth employment operations within ESF and YEI is EUR 22.0 billion** for the period 2014-2020⁶⁹.

⁶⁵ Operations outside IP 8.ii are defined as youth employment (YE), if these define youth (up to 30 years old) as its exclusive target group (i.e. do not mention other age groups for that operation), or if these are programmed under Specific Objectives that mention youth, and the operation mentions youth as (one of the) target groups.

⁶⁶ i.e. the costs are not tracked and whereas participation of young persons is monitored, it is not known if these are targeted or not

⁶⁷ Note that the estimated costs of implemented operations is not the same as the allocation. However, based on the estimated costs, assuming similar implementation levels, estimates for allocation could be provided.

⁶⁸ This estimate is based on the assumption that operations outside IP 8.ii have reached similar implementation levels as YE operations in IP 8.ii: 66%.

⁶⁹ Whilst it would be interesting to compare ESF/YEI investments with all comparable active labour market policy operations we have investigated do not believe there is a suitable methodology that would stand up to scrutiny. For example, we would not be able to isolate youth provision in many Member States and the definitions of active labour market policies is also liable to variation.

ESF and YEI youth employment operations target 6.3 million participations of young people

The budgets defined for youth employment operations are closely related to the number of young people that each programme aims to reach. This section presents the targets that Member States set for the number of young people ESF and YEI investments should reach. When interpreting targets and outputs, it is important to realise that the monitoring system does not count unique individuals, but instead counts participation (an individual can have more than one participation), which is also the measure this report uses⁷⁰.

Managing Authorities set aggregated targets of **3.9 million participations for YEI**, further complemented by another target of **2.4 million young participations for ESF**⁷¹. This adds up to a total target of 6.3 million participations across the seven-year programming period for ESF and YEI together. Table 4 below, summarises the targets set for all Member States and compares these against the population of unemployed youth (15-29 years old, 2014)⁷². The table shows that the relative participation targets for Spain, Hungary, Lithuania, Latvia, Poland and Romania are considerably higher than average (equal to or above 15% of the total population), and equal to or above average targets for Italy, Portugal, Slovenia and Slovakia. These figures suggest that the **ESF / YEI investments in these Member States are particularly important policy levers to respond to youth unemployment**.

Table 4. *Total of and share of ESF/YEI targets in relation to reference population (15-29 years old unemployed in 2014)*

MS	YEI – target participations	ESF – target participations	Total target (YEI+ESF)	Total as share of target population (ref. 2014)
BE	34 238	47 950	82 188	7%
BG	39 225	12 710	51 935	7%
CY	4 000	1 800	5 800	3%
CZ	3 100	-	3 100	0%
DE	-	126 796	126 796	3%
ES	1 522 665	274 392	1 797 057	17%
FR	548 630	82 165	630 795	8%
EL	124 370	-	124 370	5%
HR	73 700	8 946	82 646	9%
HU	35 000	138 225	173 225	20%
IE	22 330	-	22 330	3%
IT	720 000	436 324	1 156 324	14%
LT	35 000	10 000	45 000	15%
LU	-	3 000	3 000	7%
LV	30 906	-	30 906	15%
MT	-	2 700	2 700	8%
PL	212 770	592 625	805 395	19%
PT	157 800	-	157 800	10%

⁷⁰ If a single individual participates in multiple operations, this person is counted multiple times. SFC counts participations rather than individual participants

⁷¹ All indicators (common and programme-specific) were screened to count the total number of participations targeted (and reached) by programmes. Where programmes use non-exclusive target categories (for instance to measure specific target groups; cf. unemployed and long-term unemployed), only one of these overlapping indicators is included. As such, this figure serves to get a sense of the targeted number of participations of a programme.

⁷² The size of the reference population was estimated based on the Eurostat data on youth unemployment (15-29 years old) for 2014 and compared against the target for ESF/YEI participations in the seven-year programme period. To account for the natural in-/outflow of individuals in the official statistics (because of age or changes in employment status), we assume that each individual in the unemployment figures is replaced annually, and that the overall population size remains the same. Note that participations may also consist of multiple counts of the same individual. Because of these caveats, the figure presented serves mainly as a tool for comparison across Member States and should be treated with caution when drawing conclusions about the targeted share of the total population.

MS	YEI – target participations	ESF – target participations	Total target (YEI+ESF)	Total as share of target population (ref. 2014)
RO	84 116	222 181	306 297	16%
SE	20 000	39 400	59 400	4%
SI	2 859	20 620	23 479	10%
SK	82 255	-	82 255	10%
UK	127 480	422 260	549 740	8%
EU	3 880 444	2 442 094	6 322 538	10%

Source: SFC2014, based on OP data reported in AIR2018 (data extracted on 6 September 2019). The reference population varies by Member States (e.g. 15- 24 for Hungary) but we use the period 15-29 to avoid inconsistencies

3.2 Types of supported operations

This section presents the types of operations that were found in the mapping of youth employment operations across all programmes. This mapping concentrated on implemented operations. In line with the demarcation approach adopted for this study as explained in **Annex 1**, this section is based on the demarcation at the level of operations. This means that it presents information for all youth employment operations, even if these are programmed outside Investment Priority 8.ii (youth employment)⁷³. It is important to note that this section analyses the type of supported operations, based on the reported costs so far. It is therefore possible that the final characterisation of operations at the end of the programming period is considerably different.

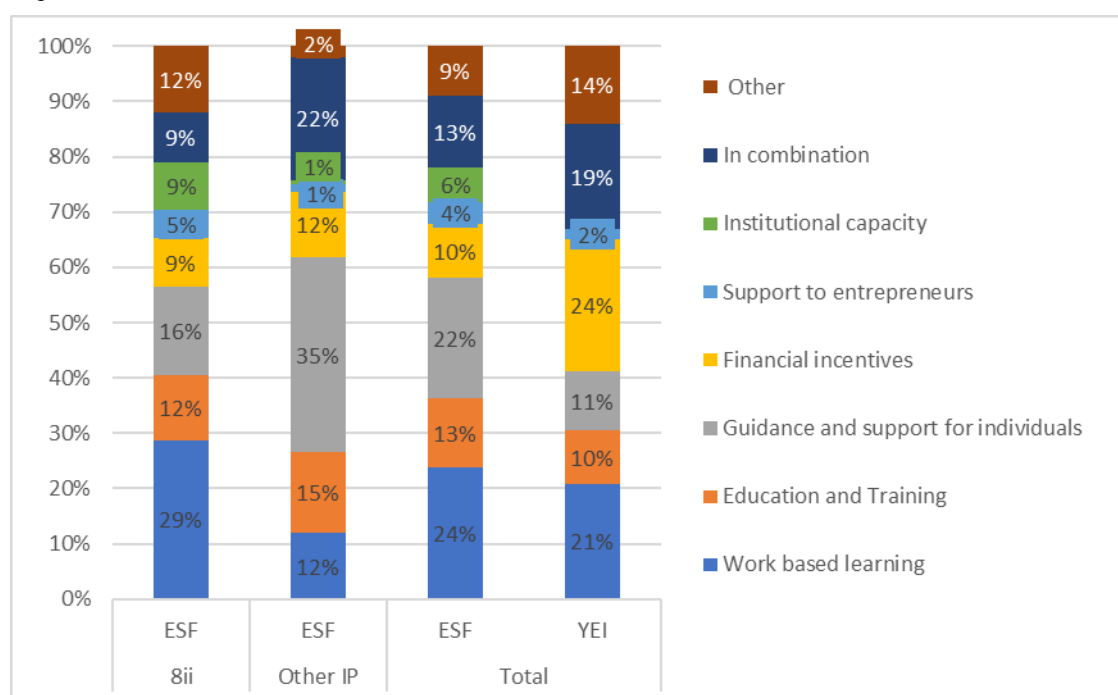
There is a wide spectrum of operations to support youth employment

Under the broad heading of Youth Employment, a wide **variety of operations** are supported. For non-YEI/ESF funded operations, the largest budget share is linked to operations that support work-based learning (24% at EU level), guidance and support measures (22%), measures that support education and training (13%), and financial incentives (10%). Another 13% of the reported ESF costs for youth employment is used for operations that combine multiple categories of operations in a single approach, for example, a trajectory of training and education combined with guidance and support for individuals. When comparing ESF funded operations within Investment Priority 8.ii and ESF funded operations outside the investment priority, the main difference seems that operations outside 8.ii consist substantially of guidance and support measures (36% against 16%). Youth employment operations also often combine different operations outside 8.ii (22% against 9% for 8.ii operations; see Figure 12 below).

Both the ESF youth employment and YEI tackle the **NEET target group**, although the use of the funds varies between Member States. **YEI** was set up as an **emergency response to youth unemployment**, while **ESF** can also contribute to more **structural measures, such as institutional capacity and systems support**. This is confirmed by the large share of the YEI budget (20%) that combines multiple types of operations in a single approach. Particularly the higher share of financial incentives such as wage subsidies (24% compared to 10% for ESF funded operations) underline the different character of YEI. Guidance and support on the other hand is considerably smaller for YEI operations (11% compared to 22%). The share of work-based learning and education and training are relatively similar.

⁷³ Operations outside IP 8.ii are defined as Youth employment (YE), if these define youth (up to 30 years old) as its exclusive target group (i.e. not mention other age groups for that operation), or if these are programmed under Specific Objectives that mention youth, and the operation mentions youth as (one of the) target groups.

Figure 12. Share of eligible ESF/YEI costs related to operation types

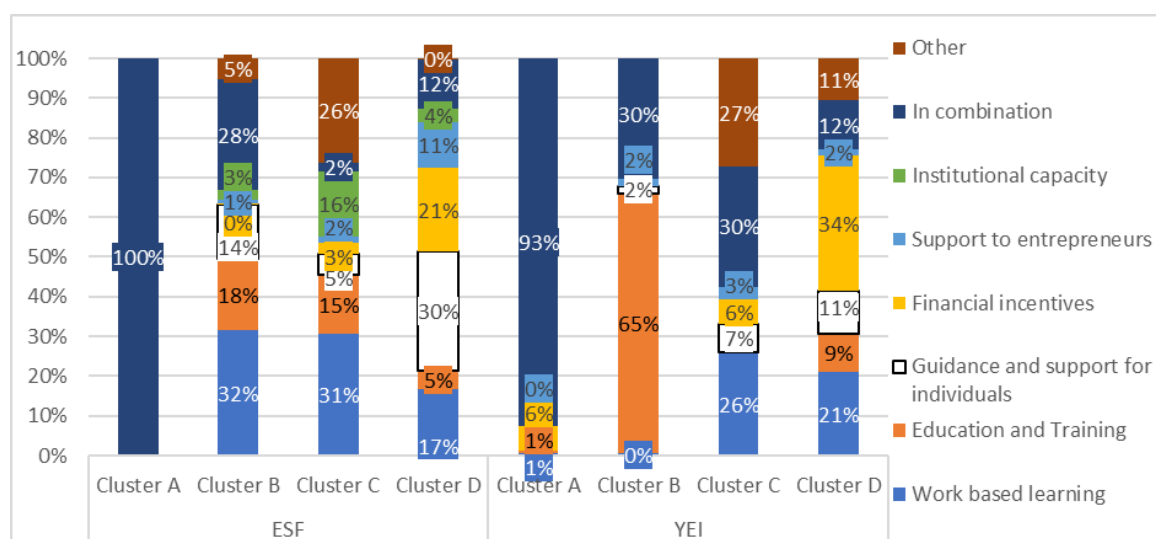


Source: Mapping of operations based on AIR 2015 – 2018

Clusters show distinct patterns of operations

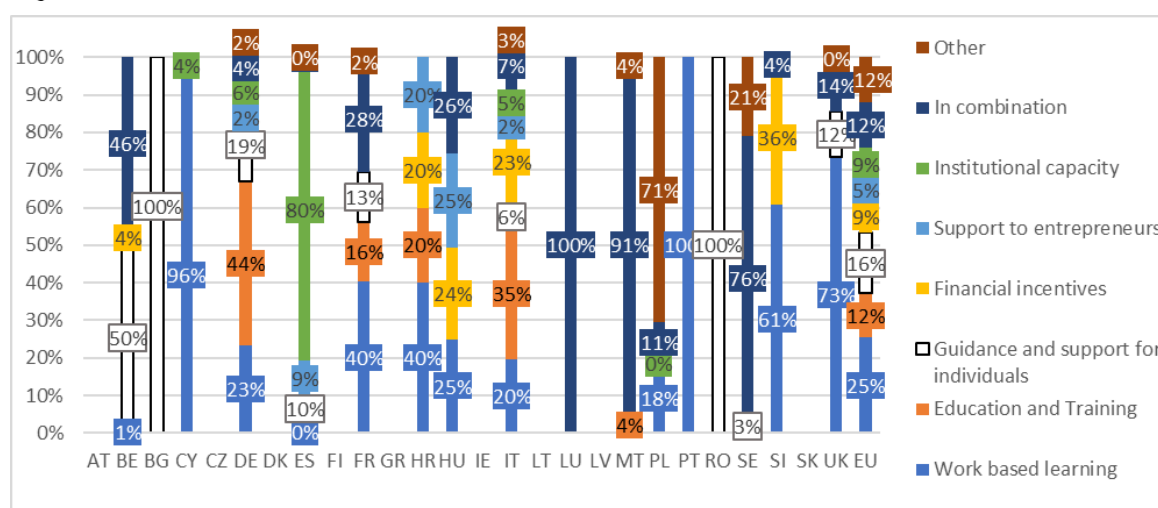
The types of operations for ESF/YEI differ by cluster of regions. Figure 13 shows considerable differences in approaches across regions. ESF and YEI in regions with a strong start and substantial progress (Cluster A) consist entirely of operations that combine **multiple types of operations**. Conversely in regions with a weak start and limited progress (Cluster D), **financial incentives** are far more common than in other clusters, both for YEI as well as for ESF operations. Comparable approaches are taken for ESF in the remaining two clusters of regions (B and C), while for YEI, regions with a strong start and limited progress (Cluster B) stand out by the high level of attention given to **education and training operations**. These results are further analysed by Member State in Figure 14.

Figure 13. Share of eligible ESF/YEI costs related to operation types by cluster



Source: Mapping of operations based on AIR 2015 – 2018 (Cluster A – Strong start/substantial progress, Cluster B – Strong start/limited progress, Cluster C – Weak start/visible progress, Cluster D – Weak start/limited progress)

Figure 14. Share of eligible ESF costs related to operation by types by Member State



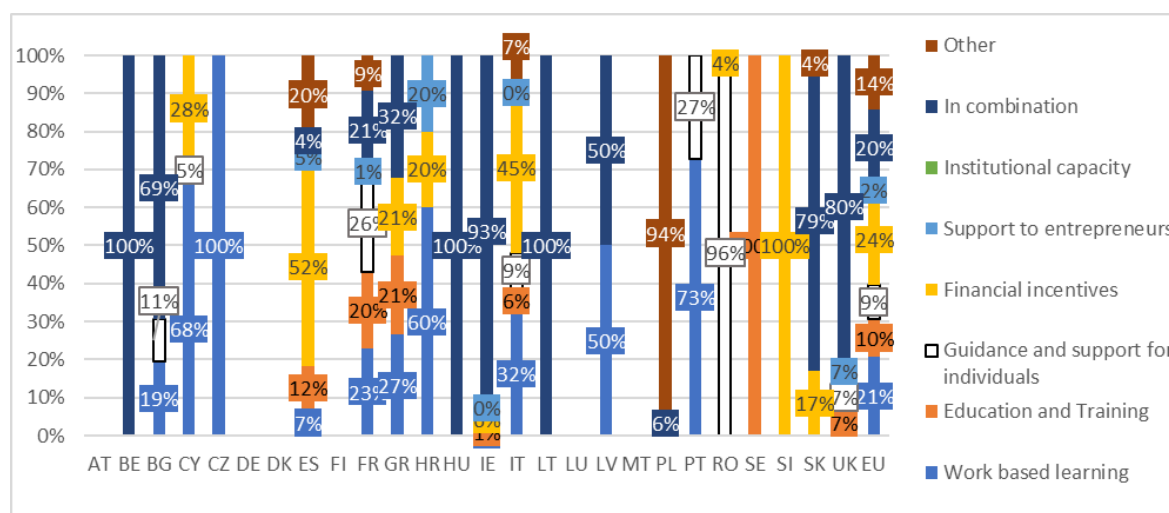
Source: Mapping of operations based on AIR 2015 – 2018⁷⁴

At Member State level, different patterns of approaches emerge (see Figure 14): Germany, France, Croatia, Hungary and Italy have chosen a combination of types of ESF operations, that is similar to the broader EU average (i.e. mainly combining work-based learning with education and training operations, combined with financial incentives for hiring and support to entrepreneurs in regions with higher unemployment, while offering integrated pathways / combined approaches in regions with better socio-economic contexts). Spain stands out with its high share of operations reported so far that are dedicated to institutional capacities, mainly focusing on its regional PES system. In Poland, 71% is allocated to the category 'other', which consists of mainly of integrated pathways, combining guidance, education and financial incentives. Guidance and support for individuals are mostly found in Bulgaria and Romania.

Figure 15 below, presents the distribution of types of operations for YEI-funded operations by Member States, and confirms, what the earlier figure show: France, Greece and Italy are representative of the broader distribution of different types of operations. Most financial incentives can be found in Spain and Slovenia, while operations in the area of work-based learning represent the largest shares of reported costs so far in Cyprus, the Czech Republic, Croatia, Latvia and Portugal. Pure education measures are relatively rare as large category; these only represent a substantial share of costs in Sweden, France and Greece.

⁷⁴ In case no distribution is shown for a Member State, it means that no ESF investments are dedicated to youth employment. Estonia and the Netherlands do not appear in the figure at all, as these Member States have no investments allocated to youth employment, neither from ESF nor from YEI.

Figure 15. Share of eligible YEI costs related to operation types by Member State



Source: Mapping of operations based on AIR 2015 – 2018⁷⁵

3.3 Implementation

This section discusses in more detail the actual progress reported so far for youth employment operations, as measured by monitoring data. We discuss the progress of expenditure, output and result indicators. Readers must be aware that the figures used present the situation for youth employment operations for the programming period 2014-2020 implemented up to 2018, as reported by 6 September 2019 by the Managing Authorities.

In many instances, operations are not yet complete at this stage or expenses have not yet been claimed/results not reported yet, which therefore is a contribution to the under reporting in many Member States. The figures presented so far are thus to be understood as a first indication of progress.

In line with the demarcation approach adopted for this study and explained in **Annex 1**, this section is based on the demarcation at the level of the investment priority. This means that it presents information for investments conducted by ESF and YEI under Investment Priority 8.ii (Youth Employment).

3.3.1 Financial implementation

Progress in implementation with some delay

To mobilise resources towards youth employment measures at the start of the programming period, YEI investments were frontloaded to the first two years of the programming period, while ESF investments could be allocated over the full programming cycle⁷⁶. This explains the difference of implementation between YEI and ESF, particularly in Member States with a substantial share of YEI. Various ESF investments for youth employment were designed as a follow up to YEI activities, to commence in or after 2018, for instance in Belgium, Bulgaria, Cyprus, Czech Republic, Greece, Spain, Croatia, Lithuania, Latvia, and Portugal⁷⁷. As shown in Figure 16, financial implementation of investments in youth employment is progressing in most Member States.

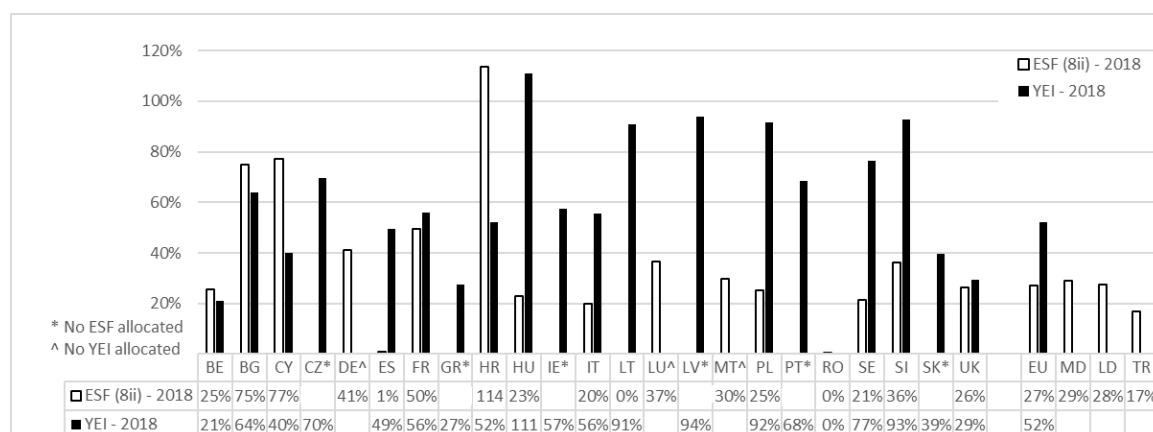
⁷⁵ In case no distribution is shown for a Member State, it means that no YEI investments are dedicated to youth employment. Estonia and the Netherlands do not appear in the figure at all, as these Member States have no investments allocated to youth employment, neither from ESF nor from YEI. For HU the OP/AIR does not specify shares of costs or budgets for different types of operations. Therefore, YEI intervention had to be treated as one.

⁷⁶ Taking into account the N+3 rule for spending and declaring investments, the last eligible declarations for YEI support were initially foreseen to take in place in 2018.

⁷⁷ See for instance European Commission, (2016), First results of the Youth Employment Initiative.

Only in Romania, no progress is reported for YEI and for ESF, while in Spain and Lithuania almost no implementation progress is reported for ESF investments in youth employment. Romania indicates that this lack of progress is due to the majority of operations still at the design phase, and IT systems for storing monitoring data were not ready in time. For operations that had been launched, difficulties were reported in identifying NEETs. For Spain and Lithuania YEI operations were launched first, after which additional ESF investments were programmed. By the end of 2018, 52% of the allocated budgets for YEI investments at EU level were spent and declared eligible, against 27% of the ESF budgets.

Figure 16. Implementation rates of YEI/ESF by Member State (expenditures declared to the Managing Authority)



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019⁷⁸. MD=more developed region, LD=less developed region, TR=transition region. No regional data available for YEI.

3.3.2 Operational implementation by participation (outputs)

This section reports on the number of participations reached by YEI and ESF (without YEI) supported operations under Investment Priority 8.ii from 2014-2018⁷⁹.

There are 2.7 million participations in YEI with uneven distribution among Member States

For YEI, 2.7 million participations were reported by the end of 2018, of which 70% were under 25 years-old (see Table 5). Large numbers of participations were reported for Spain, Italy, France, Poland, and Belgium. So far, very low participation figures are reported in the Czech Republic and Romania. Spain, France and Italy are responsible for more than half of all participations.

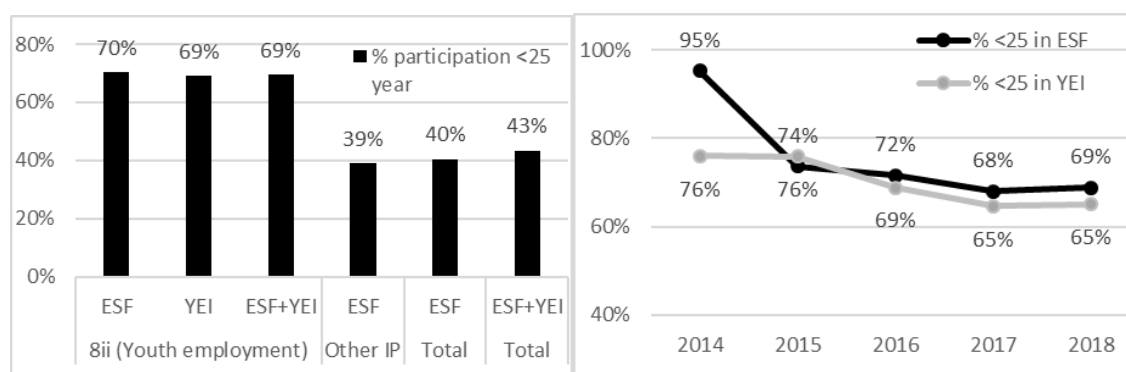
Substantial efforts to reach the younger persons within the eligible age group

Overall, about one third of the participations are between 25 and 29 years. In six Member States (Bulgaria, Croatia, Greece, Lithuania, Portugal, and Slovenia) this share is above 40%. Figure 17 also summarises the development of the share of 25 years old persons over time. In 2014, no less than 95% of all recorded participations in ESF Investment Priority 8.ii concerned people younger than 25, which subsequently stabilised to its current level in subsequent years. For YEI, only a minor decrease in the number of under 25 years old was recorded (from 76% to 65% in 2018), as an increasing number of Member States broadened the eligibility criteria for participants, so that now in all YEI programmes young people up to the age of 29 are eligible.

⁷⁸ The implementation rate reported for Bulgaria is an outlier because of

⁷⁹ The monitoring data does not allow differentiating between unique participants and individuals who participated in ESF multiple times. Throughout this report, the number of participations are reported, thus possibly including the same participant multiple times. Participations are measured upon entry of the individual in the ESF or YEI support

Figure 17. Share of participation of persons younger than 25 years



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

For ESF, a total of 0.8 million participations were reported of people below 25 years of age at the end of 2018. As shown in Figure 17 above, this amounts to 70% of all participations in the dedicated youth employment investment priority for ESF, illustrating the efforts made by Member States to reach out to young people. A similar share was found for YEI (69%). Large numbers of participations were reported for Italy, Poland, Belgium, and Germany. The low number of participations for Romania is striking compared to the total budget allocated. However, this can be explained by the delays in the design and commencement of the operations as well as delays in setting up the monitoring systems (Table 5).

Table 5. Number of all participations in Investment Priority 8.ii for persons under and above 25 years and total participations (ESF and YEI)⁸⁰

MS	ESF ⁸¹		YEI ⁸²		Total	
	Participations under 25 years	All participations	Participations under 25 years	All participations	Participations under 25 years	All participations
AT	-	-	-	-	-	-
BE	104 540	109 080	141 839	142 993	246 379	252 073
BG	3 948	8 208	24 560	46 529	28 508	54 737
CY	969	1 653	3 989	5 133	4 958	6 786
CZ	-	-	2 958	4 059	2 958	4 059
DE	77 392	83 675	-	-	77 392	83 675
DK	-	-	-	-	-	-
EE	-	-	-	-	-	-
ES	4 726	5 478	468 380	751 704	473 106	757 182
FI	-	-	-	-	-	-
FR	33 775	36 650	427 341	459 125	461 116	495 775
EL	-	-	31 828	60 893	31 828	60 893
HR	6 792	9 646	12 025	24 220	18 817	33 866
HU	69 740	70 468	39 526	40 001	109 266	110 469
IE	-	-	12 000	12 043	12 000	12 043
IT	303 573	458 166	322 745	494 178	626 318	952 344
LT	-	-	32 931	61 321	32 931	61 321
LU	3 718	4 208	-	-	3 718	4 208
LV	-	-	19 890	29 498	19 890	29 498
MT	2 632	2 632	-	-	2 632	2 632

⁸⁰ Managing authorities were not able to collect relevant background information for all participations (on age, and / or labour market status). The guidance documents require that these participations are counted, but are excluded from the monitoring data. This is the case for 99 993 participations, which means that for a total of 97% participations all relevant data has been collected and reported in the tables in this report.

⁸¹ Excludes ESF allocations to YEI

⁸² Includes ESF allocations to YEI

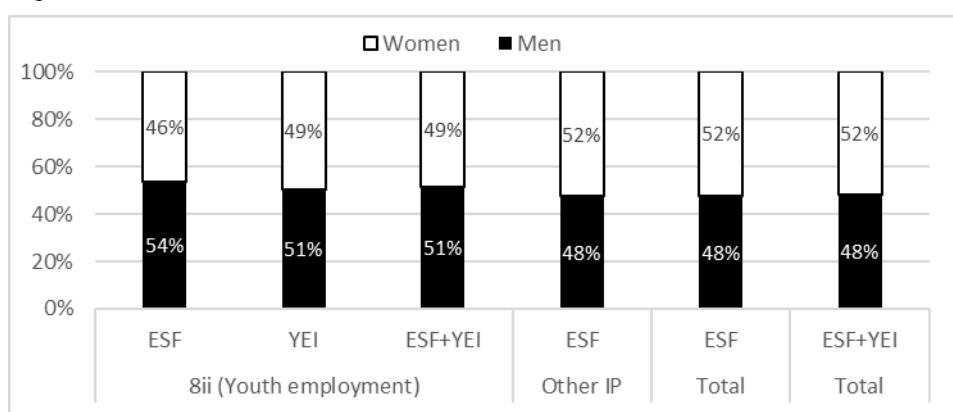
MS	ESF ⁸¹		YEI ⁸²		Total	
	Participations under 25 years	All participations	Participations under 25 years	All participations	Participations under 25 years	All participations
NL	-	-	-	-	-	-
PL	116 223	190 948	161 447	266 308	277 670	457 256
PT	-	-	33 741	59 276	33 741	59 276
RO	616	617	1 268	1 268	1 884	1 885
SE	14 706	14 706	27 843	28 764	42 549	43 470
SI	3 831	10 235	1 150	2 985	4 981	13 220
SK	-	-	57 155	88 044	57 155	88 044
UK	39 916	114 578	11 547	74 891	51 463	189 469
EU	787 097	1 120 948	1 834 163	2 653 233	2 621 260	3 774 181

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Youth operations are largely gender balanced

As shown in Figure 18, the gender balance for youth employment operations is different in the case of ESF and YEI supported actions. ESF funded operations reached more men than women (54% against 46%), while for YEI the gender balance is roughly similar. Overall (i.e. taking ESF and YEI together), this means that youth employment operations were gender-balanced. However, as shown in greater detail in section 4.1.3, this masks some more profound differences between Member States. Notably, the gender balance between participations in other Investment Priorities and ESF operations as a whole is reversed (more women than men).

Figure 18. Share of men and women against overall participations



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

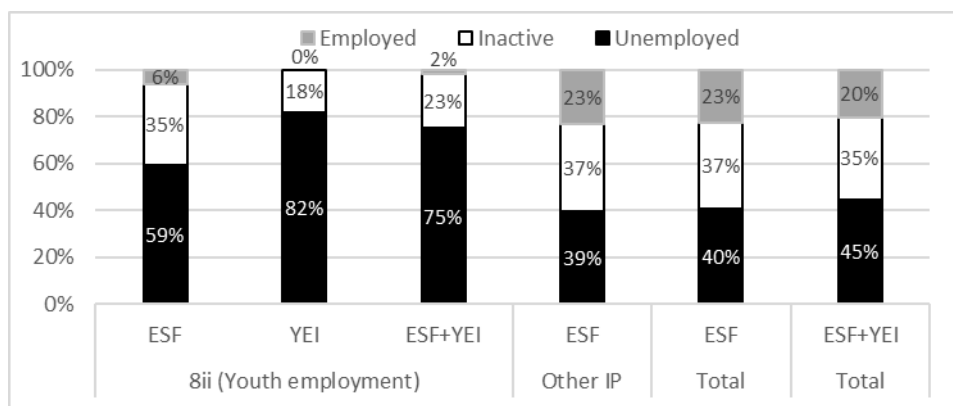
The focus is on unemployed and inactive persons

As could be expected for any measure that focuses on employment, the majority of participations were recorded by unemployed individuals. A total of 59% of the participations in ESF, and 82% of the participations in YEI were unemployed persons (see Figure 19). For YEI and ESF together 75% of all participations in youth employment operations were unemployed. This is considerably above the overall average of ESF, when including all Investment Priorities (40%). The other category targeted by youth employment operations is inactive people, i.e. persons currently not part of the labour force (in the sense that they are not employed or unemployed)⁸³. This includes full-time students (though not for YEI, which is dedicated to unemployed persons that are out of

⁸³ European Commission (2013), Eurostat: Labour market policy statistics, methodology 2013. <https://ec.europa.eu/eurostat/documents/3859598/5935673/KS-GQ-13-002-EN.PDF>

education as well, as per Article 16 of the ESF Regulation), as well as people in full-time parental leave (unless they are registered as unemployed).

Figure 19. Share of unemployed and inactive against overall participation

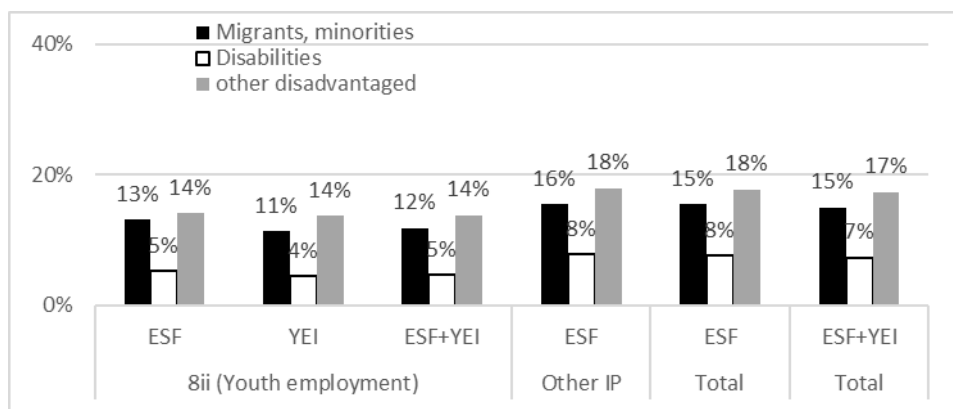


Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Slightly lower participation of vulnerable persons

The share of participations by persons in a vulnerable situation reached with youth employment operations (as of total participation) is slightly lower than in other investment priorities, mostly for YEI and to a lesser extent for ESF interventions (see Figure 20). The three types of vulnerabilities (migrants and minorities, persons with disabilities and other disadvantaged) presented in the figure show similar shares for ESF and YEI and for Youth employment and other investment priorities. Variations are small: for instance, 13% of participations in ESF youth employment were migrants / minorities, whereas this share is slightly higher in other investment priorities (16%)⁸⁴.

Figure 20. Share of people with specific vulnerability against overall participation⁸⁵



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

⁸⁴ The share of persons with a migration background and / or minorities is possible underreported. Annex I of the ESF Regulation has assigned this category as 'potentially sensitive' information. Final beneficiaries have the right to refuse consent to collection of this status. Moreover, the European Commission recommends MS to collect this characteristic based on self-definition, i.e. allowing final beneficiaries to select themselves whether this category applies to them. Both can result in lower reporting.

⁸⁵ Note that an individual may combine multiple vulnerabilities. In that case he/she is counted in each category.

ESF and YEI has supported 3 300 projects and 14 600 SMEs

In addition to the figures of individual participations in ESF/YEI supported youth employment operations, the common indicators defined in the ESF Regulation also measure the number of projects that were supported, based on a number of background characteristics of entities. While no such data has been collected for YEI, Table 6 below shows that a total of 930 projects were (partially) implemented by social partners or NGOs, a total of 1 676 projects were dedicated at sustainable participation and progress of women in employment. In total 700 projects target public administrations or public services, while a total of 14 609 SMEs was supported with projects in the area of youth employment.

Table 6. *Number of all outputs for entities in Investment Priority 8.ii (ESF and YEI)*

	ESF	YEI	Total
Number of projects fully or partially implemented by social partners or non-governmental organisations	930	n.a.	930
Number of projects dedicated at sustainable participation and progress of women in employment	1 676	n.a.	1 676
Number of projects targeting public administrations or public services at national, regional or local level	700	n.a.	700
Number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	14 609	n.a.	14 609

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

3.3.3 Operational implementation - results achieved⁸⁶

YEI and ESF supported operations achieved 1 422 000 immediate results, around a third of these by disadvantaged persons

Data on results are collected up to four weeks after leaving the operation and thus show the immediate result of that particular operation. When comparing the results against outputs reported, it is important to take into account that outputs may be reported for ongoing operations, while results can only be reported when operations are completed. For that reason, success rates presented in this mid-term evaluation may appear lower than what is actually the case. The number of disadvantaged participants that reached a positive result is also included in the data, as well as the share of disadvantaged participants with positive results compared to the total number of participants with positive results. Table 7 presents an overview of the total results achieved by YEI in each of the Member States, measured by ESF common result indicators. Table 8 provides the same information for ESF (without YEI). Results are not split out by gender, but these generally follow the same pattern as the gender balance among participation data.

Table 7. *Immediate results – Annex I indicators (YEI)*

MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total	% of participations	CR5 – any result	% of total results (CR1,2,3,4)
BE	1 655	16 392	7 178	6 841	32 066	22%	5 228	16%
BG	2 579	1 054	8 101	10 388	22 122	48%	4 235	19%
CY	-	54	338	591	983	19%	114	12%
CZ	-	30	242	1 757	2 029	50%	560	28%
DE	-	-	-	-	-	-	-	-

⁸⁶ All the figures presented in this section are analysed in greater details in the evaluation questions on effectiveness and efficiency.

MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total	% of participations	CR5 – any result	% of total results (CR1,2,3,4)
ES	25 160	28 976	59 335	148 711	262 182	35%	71 495	27%
FR	23 947	51 161	25 821	126 219	227 148	49%	85 811	38%
EL	-	992	14 628	6 509	22 129	36%	5 972	27%
HR	-	436	852	11 156	12 444	51%	178	1%
HU	-	-	-	-	-	-	-	-
IE	359	3 814	3 064	1 604	8 841	73%	2 670	30%
IT	-	-	-	-	-	-	-	-
LT	3 363	6 897	1 195	11 577	23 032	38%	1 965	9%
LU	-	-	-	-	-	-	-	-
LV	72	378	7 712	5 521	13 683	46%	3 326	24%
MT	-	-	-	-	-	-	-	-
PL	2 676	3 782	32 252	181 053	219 763	83%	102 249	47%
PT	-	636	-	25 381	26 017	44%	209	1%
RO	-	-	-	-	-	-	344	-
SE	512	4 820	1 732	12 723	19 787	69%	8 503	43%
SI	-	-	-	-	-	-	-	-
SK	10	123	6	31 434	31 573	36%	19 630	62%
UK	783	7 209	3 291	12 112	23 395	31%	13 488	58%
EU	61 116	126 754	165 747	593 577	947 194	36%	325 977	34%

*MS with no allocated investments nor participations in IP 8.ii not presented (AT, DK, EE, FI, NL)

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019. Note that Italy and Hungary did not report this type of results (Annex I) for YEI

Table 8. Immediate results - Annex I indicators (ESF – Investment Priority 8.ii)

MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total	% of participations	CR5 – any result	% of total results (CR1,2,3,4)
BE	7 672	3 861	13 006	6 242	30 781	28%	5 377	17%
BG	232	138	937	3 269	4 576	56%	322	7%
CY	-	74	101	376	551	33%	32	6%
CZ	-	-	-	-	-	-	-	-
DE	3 280	9 306	35 832	7 814	56 232	67%	4 273	8%
ES	142	462	3 139	1 083	4 826	88%	1 132	23%
FR	2 289	9 383	7 110	5 112	23 894	65%	5 420	23%
EL	-	-	-	-	-	-	-	-
HR	-	328	634	3 023	3 985	41%	194	5%
HU	143	736	4 801	24 732	30 412	43%	3 516	12%
IE	-	-	-	-	-	-	-	-
IT	5 372	9 217	65 239	10 996	90 824	20%	6 534	7%
LT	-	-	-	-	-	-	-	-
LU	139	-	-	674	813	19%	86	11%
LV	-	-	-	-	-	-	-	-
MT	178	72	1 543	411	2 204	84%	138	6%
PL	1 570	2 958	31 879	108 118	144 525	76%	63 153	44%
PT	-	-	-	-	-	-	-	-
RO	-	-	7	32	39	6%	4	10%
SE	275	2 705	656	3 017	6 653	45%	5 260	79%
SI	1	2	1 499	1 773	3 275	32%	521	16%
SK	-	-	-	-	-	-	-	-

MS	Immediate result indicators							
	All results						Disadvantaged	
	Job searching	In education	Qualified	Employed	Total	% of participations	CR5 – any result	% of total results (CR1,2,3,4)
UK	1 540	29 200	25 154	15 785	71 679	63%	38 402	54%
EU	22 833	68 442	191 537	192 457	475 269	42%	134 364	28%

*MS with no allocated investments nor participations in IP 8.ii not presented (AT, DK, EE, FI, NL)

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

YEI has achieved about two thirds of the targets set for unemployed and for the long-term unemployed

While all programmes report on a set of commonly defined results (Annex I of the ESF Regulation), YEI programmes complement these with a distinct set of result indicators (as defined in Annex II of the ESF regulation). These were aggregated and presented as well, and assist to get a more detailed understanding of the results achieved by YEI operations. Reporting also includes the total number of female participants that have been supported, along with the target achievement per type of YEI indicator. Table 9 below shows that nearly **1.5 million unemployed young people** completed a YEI operation, which is slightly over half of the total participations (2.7 million participations counted for YEI operations). However, many participations may continue to be supported at the moment of measurement, and therefore are not yet included in the reported results. This equals on average **65% of all the target values** set for this indicator. A total of **0.7 million unemployed people received an offer** after completing the operation (with an average target achievement of 58%), while **876 937 unemployed were in education or training, gained a qualification or were in employment** (60% of the target achievement).

A total of 482 823 long-term unemployed completed the YEI operation (77% of target achievement), while **205 249 received an offer of employment, continued education, apprenticeship or traineeship** (66% of target achievement), and **255 354 persons entered into education or training, gained a qualification or were in employment** (72% of average target achievement) (see Table 9).

Table 9. Results for unemployed participants – Annex II common indicators

MS	Unemployed participants, who...			Long-term unemployed participants, who		
	completed the YEI-supported operation	received an offer for employment, continued education, apprenticeship or traineeship upon leaving	are in education, training, gain a qualification, or are in (self-) employment, upon leaving	who completed the YEI-supported operation	received an offer for employment, continued education, apprenticeship or traineeship upon leaving	are in education, training, gain a qualification, or are in (self-) employment, upon leaving
BE	43 286	5 548	10 341	27 440	1 299	2 969
BG	24 021	1 277	17 042	6 733	185	1 717
CY	1 290	215	751	437	285	280
CZ	2 197	330	1 654	174	79	116
ES	406 510	152 250	196 635	66 842	17 832	32 300
FR	242 550	167 430	159 316	69 507	43 556	41 326
EL	53 351	11 871	21 203	42 854	8 741	13 602
HR	24 118	11 519	12 172	-	-	-
HU	27 647	39 102	20 906	6 847	9 488	5 437
IE	2 217	-	2 156	947	-	997
IT	268 809	56 246	128 280	143 754	29 625	58 145

MS	Unemployed participants, who...			Long-term unemployed participants, who		
	completed the YEI-supported operation	received an offer for employment, continued education, apprenticeship or traineeship upon leaving	are in education, training, gain a qualification, or are in (self-) employment, upon leaving	who completed the YEI-supported operation	received an offer for employment, continued education, apprenticeship or traineeship upon leaving	are in education, training, gain a qualification, or are in (self-) employment, upon leaving
LT	30 754	17 164	18 935	6 642	3 082	4 461
LV	15 473	11 433	7 940	3 391	4 439	3 217
PL	199 916	144 491	182 574	79 577	59 174	69 436
PT	43 812	29 750	25 823	3 620	2 212	1 993
RO	841	-	-	480	-	-
SE	4 609	1 242	15 078	1 388	387	3 378
SI	130	118	-	41	134	-
SK	65 870	39 055	41 137	14 310	7 322	10 446
UK	20 446	18 024	14 994	7 839	17 409	5 534
Total	1 477 847	707 065	876 937	482 823	205 249	255 354
% women	51%	53%	51%	52%	53%	51%
Target achievement ⁸⁷	65%	58%	60%	77%	66%	72%
Success rate ⁸⁸	68%	33%	41%	76%	32%	40%
*Member States without YEI investments are not presented						

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Lower results for inactive participants

Table 10 provides an overview of the results of inactive participants (persons out of employment, yet not registered as unemployed)⁸⁹. A total of **314 108 inactive persons completed the YEI operation** (40% reached the targets set for this category), while **116 865 received an offer** (30% of the target achievement), and **203 964 are in education or training, gained a qualification or were in employment** (38% of average target achievement). While the results for inactive participants have steadily increased, particularly since 2016, this group has a relatively low target achievement (for instance compared against implementation rates, but also against the results for the long-term unemployed). This is related to the distance some of this group have to the labour market, and also the relative lack of engagement with active labour market operations compared to those who are unemployed and already within the 'support system' of policy interventions.

⁸⁷ The table presents the weighted average target achievement for each indicator. Because there are only a limited number of indicators, the non-weighted average target achievement is too sensitive for outliers.

⁸⁸ The figures presented are the share of each type of result compared against their target population (i.e. first three columns are the share of unemployed with that particular result, the next three columns are based on the share of long-term unemployed with that particular result.

⁸⁹ YEI concentrates on inactive persons that not are in education.

Table 10. Results for inactive participants – Annex II common indicators YEI (2)

MS	Inactive participants		
	who completed the YEI-supported operation	who received an offer of employment, continued education, apprenticeship or traineeship upon leaving	in education / training, gain a qualification, or are in employment, including self-employment, upon leaving
BE	10 803	3 149	19 996
BG	5 081	3 663	1 148
CY	-	-	-
CZ	218	145	175
ES	36 502	11 803	20 673
FR	47 523	34 468	30 857
EL	-	-	-
HR	-	-	-
HU	645	878	421
IE	4 599	-	3 961
IT	163 874	32 602	89 837
LT	6 085	1 602	1 828
LV	5 638	2 371	2 803
PL	20 580	20 271	21 172
PT	-	-	-
RO	-	-	-
SE	904	462	2 886
SI	-	-	-
SK	83	39	8
UK	11 573	5 412	8 199
Total YEI	314 108	116 865	203 964
% women	46%	47%	44%
Target achievement ⁹⁰	40%	30%	38%
Success rate ⁹¹	64%	24%	42%

*Member States without YEI investments not presented

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Highest target achievement for participants are in employment six months after leaving the action

Finally, a total of **270 469 young people** is reported to be in **education and training six months after** completing the YEI operation (35% of targets set for this category), 753 755 are in employment after six months (83% of target), and **70 062 are in self-employment after six months** (43% of target; see Table 11 below). We look at the reasons for this under Evaluation Questions 1 (Effectiveness) and 6 (Sustainability).

⁹⁰ The table presents the weighted average target achievement for each indicator. Because there are only a limited number of indicators, the non-weighted average target achievement is too sensitive for outliers.

⁹¹ The figures presented are the share of each type of result compared against their target population (i.e. first three columns are the share of unemployed with that particular result, the next three columns are based on the share of long-term unemployed with that particular result).

Table 11. Results for participants six months after leaving – Annex II common indicators YEI (3)⁹²

	All participants, six months after leaving		
	in continued education, training leading to a qualification, apprenticeship or a traineeship	in employment	in self-employment
BE	194	501	11
BG	351	19 586	492
CY	48	739	13
CZ	-	2 048	62
ES	50 080	122 978	9 348
FR	51 065	149 393	2 298
EL	1 705	13 645	837
HR	6 730	15 724	554
HU	407	17 737	545
IE	632	439	98
IT	83 144	146 731	-
LT	2 497	9 293	96
LV	2 170	10 349	86
PL	61 799	171 909	53 360
PT	1 731	32 982	335
RO	-	-	-
SE	4 626	10 594	30
SI	-	34	-
SK	731	28 380	1 895
UK	2 559	693	2
Total YEI	270 469	753 755	70 062
% women	50%	49%	47%
Target achievement ⁹³	35%	83%	43%
Success rate ⁹⁴	10%	28%	3%

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

⁹² Despite guidance and Regulatory obligations to the contrary, various programme do not systematically report on the longer-term indicators for YEI since 2015. Also, these values are collected by means of a representative sample of participants of the preceding year. This means that programmes in which most participations are counted in the second half of 2018 may underreport the longer-term results.

⁹³ The table presents the weighted average target achievement for each indicator. Because there are only a limited number of indicators, the non-weighted average target achievement is too sensitive for outliers.

⁹⁴ The figures presented are the share of each type of result compared against their target population (i.e. first three columns are the share of unemployed with that particular result, the next three columns are based on the share of long-term unemployed with that particular result).

4 Answers to the evaluation questions

4.1 Effectiveness

EQ 1. Effectiveness: How effective is the YEI, and other ESF-funded youth employment operations, in achieving their objectives?

The NEET rate has reduced but there was a higher proportion of economically inactive NEETs in 2018 compared to 2014

We review effectiveness at different levels and in the context of a changing composition of NEETs since the YEI and ESF programmes started in 2013. There are fewer unemployed and economically active persons, the share of the economically inactive has increased. This includes young people in hard to reach and vulnerable groups⁹⁵.

Progress against targets stronger with YEI than ESF

YEI has performed **more strongly** in all respects compared to ESF-programmed funding for youth employment (e.g. 52% financial implementation against 27% for ESF youth employment operations) which is due to the implementation process (YEI was 'front loaded' for the first years of the programming period). There is some evidence that YEI has had a **higher priority in some countries** at the expense of ESF, and also that YEI has had a greater focus on those young people closest to the labour market, both generally easier to recruit and to achieve employment results, but experiences vary between Member States. The additional time for YEI and the overall progress of YEI and ESF will help in achieving of spend and output targets are met by the closing date of 2023

Employment results improve over time, following participations

There is evidence from the monitoring data, evaluations and econometric analyses that points to **achievements both in terms of jobs and qualifications**. Crucially participation in programmes is more likely to lead to positive results (based on our modelling and the YEI evaluations from 2018 – see the YEI sub-section below). YEI has a higher rate for achieving results, in part due to a greater proportion of unemployed (active) participants than for the ESF youth operations. Any national/regional variations are influenced more by economic factors than anything else.

It is particularly striking that **positive results improve with time** (e.g. more participants in work after six months and beyond than at the point of exiting ESF/YEI provision). This is also borne out in surveys undertaken by Member States. Interestingly, where this issue is covered (Poland and the Italian region Friuli) the **effects** which we can directly attribute to the support received are **higher for individuals at a greater distance from the labour market and with lower employment rates**. For those furthest from the labour market there are other, **softer outcomes** e.g. benefits in terms of self-esteem and confidence, reached thanks to the support provided. These are not consistently or systematically recorded and there is to date an under-reporting of the achievements of ESF youth employment and YEI operations.

Best employment results by operations tailored to the needs and exposure to work

The collective evidence from the focus group and the public consultation highlights that remunerated apprenticeships, traineeships and internships, along with financial

⁹⁵ Hard to reach and vulnerable groups might be economically inactive, but not all economically inactive are in hard to reach and vulnerable groups. The economically inactive can include students for example and those not currently, actively seeking employment, training and education (for various reasons, including childcare)

incentives, vocational and basic training, and individualised support and support on different levels (especially for vulnerable groups), as the most effective forms of provision. Specifically, operations that are **tailored to individuals and their needs**, and operations that give participants direct exposure to work and employment seem to deliver the best results.

There were varied perceptions of the quality of work offered to YEI/ESF participants

The issue of quality of employment was raised in the case studies, the focus group and the public consultation, and whilst responses were generally positive there were some **concerns** over the relatively **higher numbers of temporary, part-time and occasional jobs**. The ideal is fulltime employment with a fair rate of pay and which allows the participant to improve their labour market position and future job mobility. However, this is not always seen as a priority by young people, especially in Member States (including those in Eastern and Southern Europe) with less favourable economic conditions where any experience and/or paid employment is a positive.

Gender is not a major variable in outputs and results but there appear to be few operations that directly target women

There is a **small gender imbalance** for ESF youth employment operations with the male/female participation ratio of 54:46 (compared to 51:49 for YEI) although ratios vary across Member States and for ESF and YEI operations. In combination (ESF and YEI is broadly equal (51:49 male: female) Where there are imbalances they are sometimes due to the **nature of support provided** (e.g. geared to employment areas that have traditionally been male orientated) but stricter adherence to gender **monitoring** plus **targeted outreach work** would help to address the issue. In contrast, there has been considerable focus – and a wide variety of innovative approaches (see also Chapter 5 for Lessons Learned and Good Practice) at a range of vulnerable and hard to reach groups. We can observe less innovation in respect of gender.

Flexible approaches used to tackle the outreach challenges

As mentioned above, the share of **economically inactive persons has increased** in the NEET group. The characteristics of the participant is a factor in determining the result of the operation. Whilst it is too simplistic to say that a focus on the long term unemployed and disadvantaged groups carries more difficulties (with lower attainment levels), the case studies highlight an **increase in the time** required to locate and recruit from the harder to reach groups. There are also **different targeting policies** across the Member States reflecting national priorities and national assessments of needs, with some countries using the youth programmes to target young people closer to employment, including graduates, and with generally higher levels of effectiveness, based on results. ESF/YEI operations have shown a high level of **flexibility and innovation** in tackling the outreach challenges of accessing hard to reach and vulnerable groups.

4.1.1 EQ 1.1 To what extent have the financial implementation and the achievement of the expected outputs progressed according to the targets set in the programmes? What were the main factors involved (delays in implementation, ESF absorption...)?

Slower progress than anticipated

Financial implementation and the expected outputs of youth employment investments are progressing, but more slowly than anticipated, both for investments funded by YEI and ESF. At present, **52% of YEI resources** have been declared, against **27% of the ESF budget** allocated to youth employment. YEI implementation is considerably higher than ESF, because it was an emergency measure initially planned to end in 2018 and there were clear priorities to declare costs under YEI, if both, ESF and YEI were possible options. In 2017 however, the implementation period for YEI was extended to allow implementation throughout the entire programming period.

Despite **substantial increases in recent years**, implementation falls **short of the targets** defined in advance by programmes for 2018, even after substantially reducing financial and implementation targets in 2017 and 2018 (YEI). ESF and particularly in regions that would benefit most (i.e. those with the highest numbers of youth unemployment and had the least improvement in recent years) has achieved the **lowest financial implementation rates** and expected outputs⁹⁶.

The composition of the participants, especially the presence of participants with **disabilities and other disadvantages**, is found to have a bearing on the financial and physical progress of programmes. The socio-economic context, **absorption and administrative capacities** of Managing Authorities and beneficiaries and complex programming requirements appear to be further decisive factors for the progress in implementation.

YEI implementation is behind its targets (end of 2018), despite its status as an 'emergency measure' but the extension to the end of the programming period should improve on the position

When compared against the initial targets, implementation progress of YEI has been below the targets set in the operational programmes⁹⁷. In 2018, only France, Hungary, Lithuania, Latvia, Poland and Slovenia passed the minimum level of the 2018 milestone targets defined at the start of the programming period (not pictured: see **Annex 1**). Despite efforts by the European Commission to facilitate the implementation of YEI in the early years⁹⁸, **Member States experienced difficulties starting implementation** in 2014 or even 2015 as they faced legal uncertainties to start implementation before their operational programme was approved. Member States also needed time to set up monitoring systems that satisfy the Regulations and national legislation, before actual implementation was initiated. In addition to such procedural reasons, a common challenge across YEI programmes is related to their **ability to reach the defined target groups** (see EQ1.3 for more details). NEETs in the primary age category of under 25 years were often not registered as unemployed, and the

⁹⁶ The study (not yet published) ESF Synthesis Report of AIRs 2018 shows that milestone targets were reduced 2016-18 overall but with variations across Member States. A second study, the analysis of the outcome of the negotiations concerning the Partnership Agreements and ESF Operational Programmes for the programming period 2014-2020, found that considerable efforts have been made by Managing Authorities to set meaningful and realistic targets, using appropriate methodologies.

⁹⁷ As there had been no precedent to the YEI as an EU instrument prior to its launch, many MS set very vaguely argued and researched targets and milestones, either unambitious or overambitious given the specificities of the target group.

⁹⁸ Two main factors can be considered. First of all, YEI was allowed to start as early as September 2013. Secondly, in 2015 by means of an amendment to the ESF Regulation, the initial pre-financing amount paid to OP was raised substantially (from 1% to 30%), to help countries facing budget constraints to start YEI implementation.

successful identification of this target group often depends on active canvassing and encouraging individuals to register.

The **actual identification of the NEET status** was also a widespread issue. Notably some countries such as France consistently report on this as a hindering factor. Over one fifth of the respondents to the public consultation consider that **difficulties with the eligibility criteria of NEETs** are one of the main obstacles to the achievement of the programmes' objectives. Because of these difficulties and other factors to do with the national context, YEI programmes that had not yet done so from the start, broadened the eligibility of YEI investments to include 25-29 years old persons as well. Faced with these considerable challenges to meet the initial targets for 2018, the 2017 revision of the Multiannual Financial Framework introduced the possibility to **extend YEI funding up to the end of the programming period**, in combination with additional funding. In view of the 52% implementation rate reached in 2018, it is concluded that this extension proved highly effective⁹⁹. With implementation now stretched out to the end of the programming period, effectively doubling the initial period for implementation, the probability that the final implementation target in 2023 can be met has clearly increased.

Figure 21 below aggregates the progress towards financial and output indicator targets defined by each Member State. The Performance Review conducted in 2019 verifies whether programmes met at least 85% of their milestone targets (as defined in Commission Implementing Regulation 215/2014, article 6) and the figure presents this. It shows that **seven out of the 20 Member States**, that allocated budget to youth employment, **face difficulties in meeting the targets**¹⁰⁰. Belgium, Spain, Italy, Slovakia did not meet their spending targets, while Croatia and Portugal did not meet their output targets for 2018. Romania did not meet its financial nor its output targets. The difficulties encountered in implementation are explored below. When comparing different clusters, those regions with a strong start and substantial progress (A), and a weak start and visible progress (C) cleared on average the minimum threshold set for the Performance Framework Milestones. The financial implementation in clusters with limited progress remained inadequate (Clusters B and D), and did not clear the minimum threshold¹⁰¹¹⁰².

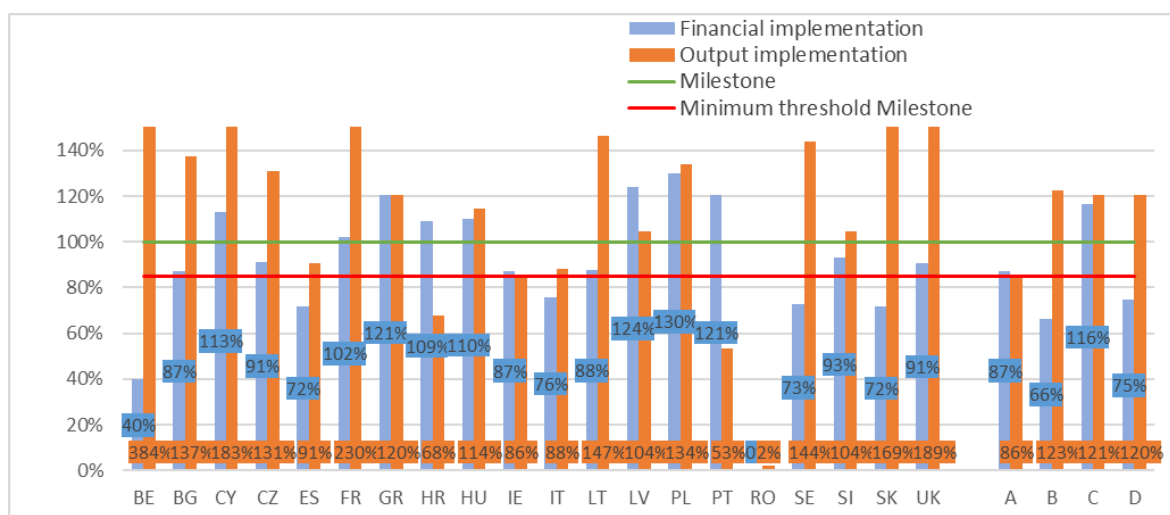
⁹⁹ Due to the extension of the implementation period, most Member States substantially lowered their targets for 2018. After the target adjustment following the 2017 reprogramming exercise, the EU average milestone for 2018 is set at 61% of the revised YEI budgets (or 82% of the allocated YEI budget before the budget increase), as opposed to the 100% set at the start of the programming period.

¹⁰⁰ This result is based on the assumption that if the aggregated values for financial and output pass 85% at the national level, the Member States should on average be able to clear the minimum 85% mark for individual Priority Axes as well (which are the focus of the Performance Review).

¹⁰¹ Our caveat would be the fact that some OPs are across clusters – e.g. 4 national OPs for YEI insist on both Cluster C and D regions.

¹⁰² The minimum threshold is set by Commission Implementing Regulation 215/2014, article 6(2, 3, 4). The milestones or targets of a priority shall be deemed to be achieved if all indicators included in the related performance framework have achieved at least 85 % of the milestone value by the end of 2018.

Figure 21. Progress towards Milestones defined for 2018 - YEI



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019 (Cluster A – Strong start/substantial progress, Cluster B – Strong start/limited progress, Cluster C – Weak start/visible progress, Cluster D – Weak start/limited progress)

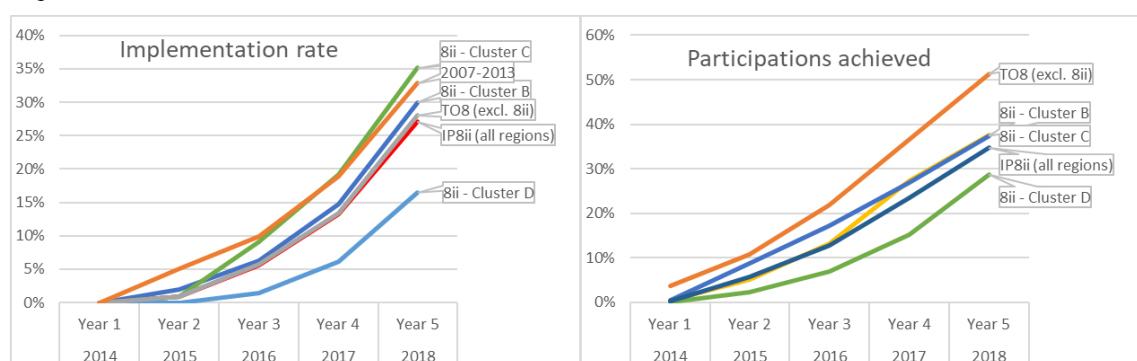
ESF faces more implementation difficulties in regions where it is needed most

No specific output, results or financial targets are set in the Performance Framework for ESF-supported youth employment investments¹⁰³. To be able to answer the evaluation question, financial implementation is compared over time for different types of regions, against the previous programming period and more general employment investments. As shown in Figure 22, **regions with a weak starting point and limited progress (Cluster D) reached an implementation of 17%, against the overall 32% of the entire investment priority, and relatively similar implementation rates for other regions.** To some extent, this difference can be related to the fact that the regions in this last category also have substantial YEI programmes. As indicated above, a focus on YEI implementation may reduce implementation of ESF investments in the same area, which were often programmed to start after 2018. At the same time, the figure presents a strong indication that the ESF faces more implementation difficulties in regions where its operations would be most needed¹⁰⁴. Moreover, Figure 22 shows that between 2017 and 2018, the distance between regions in terms of the financial implementation rate in fact widened, as shown by the steeper increase of implementation rates in other clusters of regions.

¹⁰³ The Performance Framework sets common targets at the priority axis level (where relevant specifying the Fund and/or category of Region). Most, but not all, priority axes focus on a specific thematic objective, but tend to group together multiple Investment Priorities. Except for YEI, there are no separate targets for youth employment.

¹⁰⁴ Also note that a considerable number of Member States with regions in this cluster also faced difficulties in meeting the YEI milestone targets (ES, IT, FR, BE).

Figure 22. Implementation rate youth employment investments by ESF - compared



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019 (Cluster A – Strong start/substantial progress, Cluster B – Strong start/limited progress, Cluster C – Weak start/visible progress, Cluster D – Weak start/limited progress)¹⁰⁵.

Based on a detailed screening of individual indicators and their targets, Figure 22 also shows the share of targeted participations that were reached¹⁰⁶. Intuitively, these move roughly in the same pattern as the implementation rate, within the 35%-40% range. This indicates that the **targets defined by Member States turned out to be realistic**. Particularly in the most recent years, Member States often pointed to the improved socio-economic context and especially the improved youth employment rates to explain difficulties in reaching their initial targets. However, this is not corroborated by the monitoring data. **ESF investments in regions with improvements** in the socio-economic context also advanced **more steadily towards their targets** than investments in regions with persistent economic challenges. The figure confirms that ESF in regions with a **weak start and limited progress** (Cluster D) had **more difficulties** in reaching the targeted number of individuals.

The econometric analysis of monitoring data¹⁰⁷ was used to test whether the elements discussed above, e.g. differences in socio-economic context, source of funding, features of the target group, can help to explain differences in the progress of the programmes. The analysis covered jointly the ESF and YEI, but was structured in order that each fund's specific contribution to a given trend could be measured individually. Overall, the econometric analysis adds some statistical evidence to the fact that the socio-economic context affects implementation and the countries in most need of support (including Cluster D regions) also face the greatest need of ESF and YEI support often have the greatest implementation challenges. By example, countries in Cluster C, with an unfavourable context at the start of the implementation but improving conditions, are correlated positively with progress in the project selection rate, whereas in general the change in the youth unemployment rate shows no correlation with financial progress. However, there are other factors determining implementation including delivery capacity, delays in collating data and weaknesses in respect of coordination between implementation agencies.

¹⁰⁵ Youth employment investments by ESF in Cluster A are only found in Luxembourg. This is excluded from this figure because its aggregated target achievement is an outlier (above 100%).

¹⁰⁶ All indicators (common and programme-specific) were screened to count the total number of participations targeted (and reached) by programmes. Where programmes use non-exclusive target categories (for instance to measure specific target groups; cf. unemployed and long-term unemployed), only one of these overlapping indicators is included. As such, this figure serves to get a sense of the current reach of the programme. The figure presents the share of the aggregated number of individuals targeted that was achieved by programmes in each cluster region.

¹⁰⁷ Please see Annex 4 for a clearer description of the data used and its limitations. To briefly recall here that there might be underreporting especially in some areas, which can affect the estimates.

Structural challenges and administrative burden affect the implementation rates of programmes

Based on qualitative evidence from the study, the **difficulties for implementation** of ESF youth employment, and also YEI investments, especially in Cluster D regions (with a weak start and low progress), are not only related to the socio-economic context, but are illustrative of broader structural challenges. Over the period of implementation, Managing Authorities, who report annually on factors affecting the performance of their programmes, have mentioned several such issues. Looking at the data in combination with the findings of the public consultation, amongst the most widespread issues appear in the category '**structural challenges**' that influence implementation (e.g. ranging from national contextual factors, lack of employment opportunities, shortfalls in public policy responses due to delivery and analytical capacity¹⁰⁸, budgets, analytical and low education of ESF/YEI participants) as well as the administrative burden for both beneficiaries and for Managing Authorities including those stemming from issues with the implementation systems of EU funds. See Chapter 4.2.3 for details on administrative burden.

These tie in with a **lack of administrative capacity**, such as the Managing Authorities' lack of capacity for project management, but also of the public employment services or other authorities involved in project implementation. Particularly in regional programmes this is an important issue, where the successful implementation of projects depends on the collaboration with various governance levels and actors. Another issue is related to the **absorption capacity** among public authorities, civil society partners, and companies to apply for projects and implement these. Particularly in contexts with a more limited absorption capacity (which can be related to limited availability of co-financing, as well as a concentrated and homogeneous group of project managers), the combined investments of YEI and ESF contributed to a feeling of competition to reach the same groups of young people among beneficiaries. This was for example the case in the region of Languedoc-Roussillon in France, where DIRECCTE (decentralised component of the national Operational Programme) competed with the Missions Locales for young NEETs (for more details see section 4.1.3). A similar phenomenon arose in Italy, Portugal, Slovakia and Hungary.

Reaching out to individuals from hard-to-reach-groups can hinder effectiveness

According to the public consultation findings and some of the case studies, one decisive **factor hindering effectiveness** seems to be the **capacity to reach out to individuals**, especially from hard to reach groups. There is evidence of innovative solutions, including the calls for proposals in Spain for specialist organisations – who directly work with hard to reach groups – to support programme implementation¹⁰⁹. This issue has also been raised, although it is not amongst the most frequently mentioned issues, by Managing Authorities especially in countries with a weak start and limited progress (Cluster D).

The econometric analysis also shows that the composition of the participants and the presence of harder to reach individuals, especially when it comes to activities directed at people with disabilities or other disadvantages, slows down financial as well as physical progress. This is suggestive of harder than expected difficulties in addressing these target groups. However, physical performance does not seem to be significantly affected by a larger presence of inactive or low skilled individuals, which suggests that the design of the interventions already takes into account their specificities.

¹⁰⁸ Including use of labour market information to inform policy

¹⁰⁹ For example, the Gypsy Secretariat Foundation and the ONCE foundation for people with disabilities, in Spain

4.1.2 EQ 1.2 How and to what extent does YEI contribute to the achievement of the general objective of sustainable integration (also after the end of the operation) of young people into the labour market and to the specific objectives under ESF? How did it contribute to addressing the problems faced by NEETs?

Positive effects persist beyond the actual support

The combined evidence from several sources¹¹⁰ including the public consultation which recorded the views of 385 organisations involved or not involved in ESF/YEI implementation suggests the YEI has had a **positive effect** – even though achievement targets have not been met – on integrating young people into the labour market. Results are better after six months than immediately after support ends.

This is also supported by the experimental research from RHOMOLO, a spatial general equilibrium model¹¹¹. RHOMOLO concludes that **returns from investment in human capital**, especially for interventions which include on the job or vocational training, need time to materialise. Productivity enhancing human capital investments ensure the **actual creation of jobs in the medium to long term**.

The extent and sustainability of results from a macroeconomic perspective is expected to vary depending on the socio-economic structure, but it is generally stronger in regions located in Northern Italy, Spain, Slovenia, Belgium and Portugal. However, the RHOMOLO report also clarifies that, the net effects are **small in magnitude**¹¹². Hence, they are not expected to contribute decisively to raising employment and participation rates. This suggests that **higher investments in youth employment operations might be necessary to trigger notable effects**. This is however consistent with the fact that the main responsibility for such policies lies with Member States.

Not all results relate to employment. Many participants enter **education or training** (including traineeships and apprenticeships) after YEI, and benefit in other ways including improvements to levels of self-esteem and job-seeking skills.

As also discussed under evaluation question 1.5, some types of support (work-based learning, support to entrepreneurship and recruitment incentives for employers) seem to be more effective than others. However, country patterns are harder to ascertain with in-country variations and variations between countries within the same clusters. Organisations responding to the public consultation agree on the **effectiveness of YEI contribution to the development of new qualifications, courses and training programmes** and to having young people, especially NEETs, enter or re-enter education and training, and **actively seek employment**. However, the assessment is less positive on YEI's contribution to the general improvement of the quality of employment for young people with more stable contracts, salaries and tasks matching the profile of employees.

Results six months after leaving the support are often better than the immediate results

An analysis of sustainable integration needs to look beyond the immediate position, and reviewed six months after completing YEI (there is a requirement to report, based on representative samples at six months twice during the programming period), and preferably later, knowing that the evidence is reliant on voluntary surveys at programme and/or project level. Varying practices in tracking YEI participants after they have left YEI are unhelpful if we are to have a better understanding of long term integration. However, from SFC2014 we know that 270 469 young people were in education and

¹¹⁰ YEI evaluations, the AIRs and post-participation surveys six months or more after

¹¹¹ RHOMOLO takes into account any adverse dynamics potentially generated by the support offered to some individuals, such as displacement effects, spill overs as well as the increase in taxation needed to finance the support.

¹¹² overall and also having discounted the cost of the support reported until the end of 2018

training after six months (35% of the achievement target), and 753 755 were in employment (83% of target) with 70 062 in self-employment (43% of target, and generally a greater challenge for young people given a relative lack of experience).

Of specific interest is the cumulative evidence of improved positive results between leaving YEI and after six months. Table 12 draws on cases from the YEI evaluations. For a total of nine operations the employment rate was compared between immediately after the completion of the operation and after six months. In seven cases the latter was higher. The biggest 'jump' was in respect of guidance services, which would be logical as the value of guidance 'to get a job' often comes once a participant has left a scheme and is actively seeking employment. Belgium has one of the better systems for capturing the longer-term impacts of YEI and has some data on employment over 42 months (3.5 years after YEI participation). In Wallonia (Belgium), different sources (monitoring data, interviews and a survey) concur that employment possibilities increase with time, thus contributing to sustainable integration, so the proportion of participants in employment increases from 47% upon leaving the operation to 75% after 42 months.

Within the public consultation exercise, ESF/YEI participants were asked about their labour market situation before receiving support and their current one. The findings provide some additional evidence¹¹³ of positive results achieved after ESF or YEI support on the transition to employment from unemployment for participants in those schemes.

In fact, looking at their labour market transitions, results show that among those who were unemployed for less than 12 months when they started receiving support, 45.4% are currently employed (full time, part time or self-employed) with 32.6% remaining unemployed¹¹⁴. However, transition to employment seem to be less frequent among those who were long term unemployed (52.8% are still long term unemployed).

Where employment experience is gained, it has an effect on **employment results**. The evidence from the public consultation suggests that **experience in voluntary services or non-remunerated apprenticeships**, whilst valuable, is less effective in helping to secure sustainable employment than gainful employment (less than 50% of respondents believe that these types of experiences help).

Whilst programme and project monitoring data is limited, the YEI evaluations provide further evidence that employment rates can improve over time and be better than those for comparable control groups. In Italy for example, the counterfactual impact evaluation concludes that 54.7% of young people who have participated in YEI are in employment 18 months after YEI (compared to 42.4% of their peers, who have not participated in the programme). More detailed examples are presented in section 4.1.5.

Looking at the public consultation, organisations' opinion on the success of ESF/YEI operations¹¹⁵ was explored in relation to the attainment of 14 different types of results (Figure 23 below).

Overall, agreement or strong agreement is highest regarding ESF/YEI contribution to the development of new qualifications; courses and training programmes; having young people, especially NEETs, (re-)enter education, training and actively seek employment; disabled young people to actively seek employment, qualification or training; the improvement of the quality of training and employment services and having young people, especially NEETs, enter employment. There is no clear consensus emerging based on respondents' opinions as to whether ESF/YEI contribution was successful in improving the quality of employment for young people with more stable contracts, salaries and tasks adequate to the profile of employee.

¹¹³ Based on 339 responses (no multiple answers)

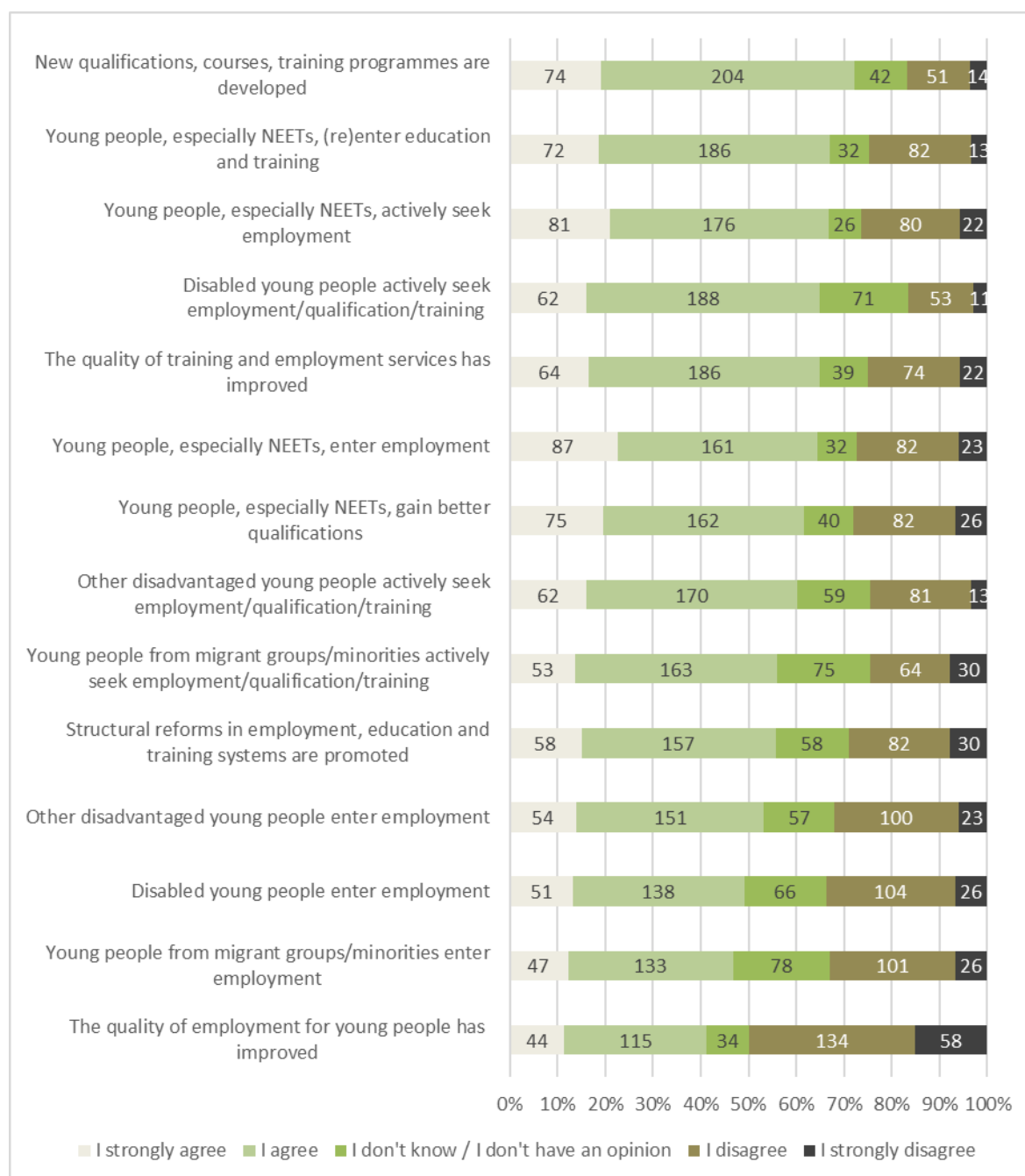
¹¹⁴ The public consultation does not allow to know after how many months these transitions to employment took place, as respondents are not asked to specify. They are only asked about their situation at the time they received support and their current situation.

¹¹⁵ It was not possible to separate YEI and ESF youth employment operations

Almost 50% of them give a negative assessment (disagree or strongly disagree) and 41.3% a positive one (agree or strongly agree, of which only 11.4% strongly agree).

Figure 23. Types of results by respondents of the public consultation

Question: "To what extent do you agree that employment operations by the European Social Fund or the Youth Employment Initiative successfully contribute to the attainment of the following results?" (no.=385, organisations involved and not involved)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund. Study supporting the 2019 evaluation of youth employment (VC/2018/0175)

Examples of **positive results or good practices** mentioned by responding organisations not directly involved in ESF/YEI, mostly referred to the YEI and concerned for instance YEI contribution to boosting young people's **motivation**, promoting **social inclusion, collaboration** among stakeholders and associations, and helping young people **entering the labour market** in general. Other examples mentioned the

adoption of more informal ways to communicate with young people and inform them about support opportunities such as at school or college, through websites or instant messages. In a Finnish case a youth workshop was established with ESF funding, which was then adopted by a municipality and extended to all unemployed people in the municipality, and in a Spanish case young people with social and intellectual disabilities were activated for and integrated into employment.

Respondents from organisations involved in the implementation of ESF/YEI expressed broad agreement on the following positive results of the YEI: promotion of new partnerships and exchanges, inclusion of marginalised people, development of soft skills and group work, youth empowerment, increased connection with labour market requirements, increased motivation and integration into society of young NEETs.

From the YEI evaluations, a few examples can be extracted of changing employment rates measured for specific operations at two points (after exit, after six months). In the majority of cases, employment rates increased over this period (see Table 12).

Table 12. *Employment rates by type of operations, after exit and after six months*

Type of operation	Employment rate immediately after exit	Employment rate 6 months after exit
Education/Training	BE-Bruxelles (VDAB training)	37.5%
	IE (Youthreach)	10%
	PT (Internships)	48%
Recruitment incentives	IE (JobsPlusYouth)	68%
	PT (Hiring support)	79%
Support to entrepreneurship	IE (BTWEA)	78%
Guidance services	BE-Bruxelles (YEI NL guidance)	9.5%
	LT (Find Yourself)	13-20%
Combined activities	LT (New Start)	17-24%
		65.5%
		14%
		63%
		54%
		80%
		77%
		40.7%
		23-43%
		24-37%

Source: 2018 YEI evaluation reports

Note: The shares presented for Lithuania vary according to the target groups (inactive, close to the labour market or far from the labour market)

YEI has a positive impact on sustainable employment that varies between regions and social groups (this is also revisited in the section on Sustainability – 4.6 (EQ 6))

Supporting evidence from the case studies and the YEI evaluations strengthened the finding from the data analysis that YEI has made a positive **impact on sustainable employment**, reinforced by the qualitative inputs from several stakeholders. Some specific points can be made:

- Where evaluations have compared YEI with other interventions, the results from YEI are generally stronger (e.g. Spanish 2018 YEI evaluation). The higher intensity and focus of YEI, with relatively high financial intervention rates are often cited. In Spain, specifically, the National Operational Programme for Youth Employment has been perceived as instrumental in bringing together positive, coordinated activity between ‘actors’. Evaluations of YEI in Poland, Italy and Spain suggest that YEI participants had employment rates – after participation – 10 percentage points or more than those who had not¹¹⁶.
- Employment rates can be increased – or distorted - through **more selective targeting of ‘closer to work’ young people at the expense of those from more disadvantaged groups**, and a primary target of the ESF and EU policy

¹¹⁶ The measurement periods for ‘after participation’ and comparisons between YEI participants and other groups vary limiting what can be concluded

more generally. However, in many YEI programmes there is a central focus on NEETs and harder to reach groups. Evidence from evaluations (including Italy) shows higher employment rates for graduates compared to those with middle school diplomas, or lower level/no qualifications. In France (Cluster A and D) there is an assistance to graduated NEETs, where the national agency for the employment of managers (APEC) provides intensive support to higher-educated young people searching for their first employment. The employment rate for this project after six months is 79%.

- The **YEI Youth Guarantee funded operations** appear to have had a positive impact on employment results. This has been shown by the eight CIE that were screened (see also section 4.1.5). For example, the CIE for France highlights the value of the Youth Guarantee, estimating that at 18 months the employment rate for those on the Youth Guarantee would be 33.4%, against 24.3% for those who were not¹¹⁷.
- YEI has helped to address the information needs of participants, especially where it has worked closely with public employment service, helping to ensure that young people have better access to opportunities, e.g. in Lithuania and Belgium, helping in turn to secure employment.

Macroeconomic effects are small, but positive

- The results from the modelling work carried out by the JRC through RHOMOLO point to the fact that the ESF investments in human capital and education might produce comparatively small but “*positive macroeconomic returns on top of the direct positive results for participants*”.^{118,119} It is important to stress here that the exact figures described below are subject to limitations, as clarified in section 1.3, so they need to be treated with caution. In particular, it is important to recall that underestimation might arise due to the fact that the model can capture only to a limited extent the benefits on participants which are generated by the support.
- In particular, at EU level, it is found through the modelling that **11 000 “indirect” jobs** are expected to have been generated by 2023, due to the ESF and YEI investments in youth employment, **with long-lasting effects** generated by the structural policies and the change in productivity. The increase shows persistence in the long run (by 2030) where the GDP is still 0.06% higher relative to the baseline and **more than 35 000 jobs are expected to have been created**.

This positive but comparatively small value should be read in the light of four key facts: (i) that the overall investment is modest compared to the GDP and uneven across regions; (ii) that on top of overall macroeconomic effects, there are additional direct benefits to those receiving support, which is in line with the objectives of a redistributive policy such as cohesion policy; (iii) that these are just partial estimates given the programmes are still ongoing; and (iv) that the EU cohesion policy supports investment in physical capital along with human capital through the ERDF to start with. Such investments might have a synergy with those from the ESF/YEI in human capital and its omission is likely to lead to underestimation of employment effects.

¹¹⁷ ROP Languedoc-Roussillon 2014-2020; ROP Nord-Pas de Calais 2014-2020, Counterfactual evaluation of 3 regional measures financed by YEI in France (Lot 4)

¹¹⁸ JRC (unpublished), *Deliverable 1a: Youth Employment evaluation using RHOMOLO*, Territorial Development Unit, B.3. Regional Economic Modelling Team. Vers. 08/01/2020

¹¹⁹ In light of the methodology described in the RHOMOLO report just quoted this means that if we focus on those receiving support, they see their employment chances increase thanks to the support they receive from ESF and YEI, as per the counterfactual impact evaluations discussed above. In addition, even when we look at the economy as a whole – which means that we factor in the cost of the support offered and the various spill overs of the policy to the environment in which it is implemented as done through RHOMOLO - the effects on employment in terms of jobs created for the whole economy are positive. However, “direct” and “indirect” effects should not be added up, as they are the results of different analytical perspectives (micro level vs macro level) and are based on different modelling assumptions.

The key element here is that the **productivity-enhancing human capital investments** ensure the actual **creation of jobs** in the medium to long run, and although the effects might seem modest at EU level, they are stronger in some regions, with a number of regions located in Southern European states with the potential to reap most of the benefits, which can be quite important given the size of the intervention.

- The modelling work also suggests that **employment results are typically focused on the low skilled**, in line with the fact that this is the main target group of the intervention. However, **the increase in the average productivity of the labour force** resulting from ESF/YEI investments in human capital should then **increase employment opportunities for all, including the high skilled**. Although beyond the scope of the RHOMOLO simulation, it is also worth mentioning that with skill based technical change¹²⁰ and the increasing pace of automation, up- and re-skilling for the low skilled becomes all the more relevant for them to enter in or maintain employment.
- Also from the modelling work it is found that the **productivity enhancing investments**, such as those in upskilling support funded through the ESF/YEI for youth employment, offset in most regions the crowding out effect on private investments that might occur due to public investment. This means that the increased productivity stimulates further private investments more than the potential adverse (displacing) effect of government consumption on private investments. The key message here is that despite their costs, benefits of **up-skilling policies** such as the ESF/YEI for youth employment are a factor which generally **spurs private investment** rather than discouraging it.

Differences across regions and the reasons leading to these are discussed in EQ1.5 below.

YEI participation has addressed a number of needs of NEETs outside employment

A number of examples have emerged from the research including the positive effects of YEI participation in respect of:

- **Benefits that are harder to quantify** including self-esteem and positive attitudes towards employment.
- Increased **competencies** which could be used in the future as well as the immediate search for employment.
- The **'mix' of services** offered to participants is important, in order to meet a variety of needs. For example, the offer of wage subsidies in Slovakia is matched with tutoring and guidance. There are several similar examples. By providing a range of support the participant should be better equipped to access sustainable employment.
- Helping to ensure that once **supported NEETs do not return to that group**. As the employment results show, not everyone is employed at the end of the programme, or after six months, but some participants go into continued education and training or voluntary activities that provide work experience. In Poland, the results suggest that project participants do not usually return to the NEET group. Portugal has seen a significant reduction in its NEET rate (around 50%).
- For some participants, sustainable employment is not an immediate goal and YEI is more useful to address **vocational and other training needs**. For instance, in the Greek case, there were participants with limited interest in employment and more interest in training and certification. Not everyone was interested in

¹²⁰ See for instance Card, David and John E. DiNardo. "Skill-Based Technological Change And Rising Wage Inequality: Some Problems And Puzzles," *Journal of Labor Economics*, 2002, v20(4,Oct), 733-783.

continuing with the practical training and participating in employment, many preferred to receive more training. This is very much related to the age group, notably, 18-24 years old participants are still in the education phase and prefer to improve their skills and enter the labour market at a later stage.

Based on the public consultation, some 90% of young respondents said that they had **benefitted** from participation in YEI or ESF youth programmes¹²¹. They also mentioned that participation had addressed a **number of their needs besides employment**, such as the development of general skills (38.3%), professional skills and qualifications (35.7%) and equipping them with the skills to look for employment (29.5%).

Based on the self-perception of youth employment support recipients, the ESF/YEI support would seem to be relatively more useful than other youth employment operations received by respondents, and more focused on improving skills and qualifications rather than in activating young people in looking for a job¹²².

A smaller share of respondents (approximately one in five participants) found the support effective in **improving the quality of their position** on the labour market and in finding a temporary job and (slightly fewer) in getting a permanent job. This view is confirmed by responding organisations that perceive the ESF/YEI to be relatively more successful in developing skills and in supporting young NEETs re-entering education than in supporting them entering the labour market and finding a stable job.

4.1.3 EQ 1.3 To what extent were the target groups reached by the operations, including disadvantaged persons, those from marginalised communities and those leaving education without qualifications? To what extent was gender balance achieved?

In general, the target groups for YEI/ESF have been reached but it is more challenging for the most vulnerable and disadvantaged groups

In the vast majority of cases, the operations **reached the target groups they aimed** to reach, with some exceptions where the most disadvantaged have been missed, notwithstanding the possibility of under-reporting in this respect. The key issue with regard to the most disadvantaged target groups was actually reaching them. The evidence shows that there are several **outreach approaches** in use that offer good practice lessons, many based around social media. This is helping to attract and recruit ESF/YEI participants.

The primary target group reached by YEI and ESF are the **unemployed and the inactive**. Some Member States use the ESF to target in particular the inactive (Belgium, Germany, France, Luxembourg, and Malta). For both the ESF and YEI, a large majority of participants are low-skilled (ISCED 1-2 and ISCED 3-4)¹²³. However, some Member States e.g. Cyprus, Croatia, Portugal and Slovenia, also target the more highly skilled. The mix of participants can have an impact on the achievement of participations and results where people with multiple or complex disadvantages are targeted.

Gender balance is achieved in the implementation across OPs but with some notable divergences due in part to the structure of the local labour market and the predominance of male NEETs in some Member States. The best results in terms of female employment were reported for the most vulnerable groups of women

¹²¹ A base of 431

¹²² Comparing these answers to respondents who benefitted from a support, but not from ESF/YEI we find that there is a higher share of respondents in this latter group A2 saying that the support helped in looking for a job (47.8%). Respondents to this latter group are also on average less satisfied with the support received (16.3% found that the support did not help, against 9.4%).

¹²³ The international standard classification of education. ISCED 1 primary/basic education, 2 lower secondary, 3 upper secondary, 4 post-secondary/non-tertiary

(especially those living in rural areas) perhaps because the supported operations for this group are implemented by specialised organisations.

Regionalised (at NUTS2 level) data used in the RHOMOLO simulations on the progress of ESF/YEI expenditure for Youth Employment operations suggests that money was allocated **to regions where it was more greatly needed**, and that in many cases the actual expenditure followed suit. Nevertheless, as shown by the analysis of financial progress in EQ 1.1, in some regions with an unfavourable socio-economic context there is a slower than average pace of implementation.

The targeting of the NEET group varies between Member States

Between 2014 and 2018, 3 774 181 participations by young people aged 15-29 in ESF and YEI operations were recorded. Over the last few years Member States adjusted the eligibility criteria for participants, so that now in all YEI programmes young people up to the age of 29 are eligible. Overall, about one third of the participations are between 25 and 29 years. In six Member States (Bulgaria, Croatia, Greece, Lithuania, Portugal, and Slovenia) this share is above 40%.

For **YEI**, a total of 2 653 233 participations were reported by the end of 2018 (two thirds of the target set, which was 3 880 444), of which 70% was under 25 years old¹²⁴. **Large numbers** of participations were reported for Spain, Italy, France, Poland and Belgium with Spain, France and Italy having more than half of all participations under YEI, which is hardly surprising in view of their larger budgets and populations. So far, very low participation figures are reported in the Czech Republic and Romania.

According to the 2018 YEI evaluations, in **Spain**, about 60% of participants (of approximately 750 000) have not completed mandatory secondary education, 8% of participants were not Spanish citizens (lower than their share among youth unemployed), 3% lived in households where nobody works (against 10% in total population) and less than 1% lived in single parent households (against 14% in total population). In France, YEI puts a larger focus on young low qualified people. Inactive people are under-represented accounting for only 17% of YEI participants while they represent 43% of all young NEETs and it is reported that young migrants, young parents, and young disabled were also under-represented. At the same time, in Portugal, the report highlights that youth employment operations largely favoured the participation of the most qualified young NEETs (74-91% of total participants have at least secondary education) and the weak representation of groups who are furthest away from the labour market such as foreigners (with less than 2% of total YEI participants), single parent families (2.6%) or people with disabilities (0.4%).

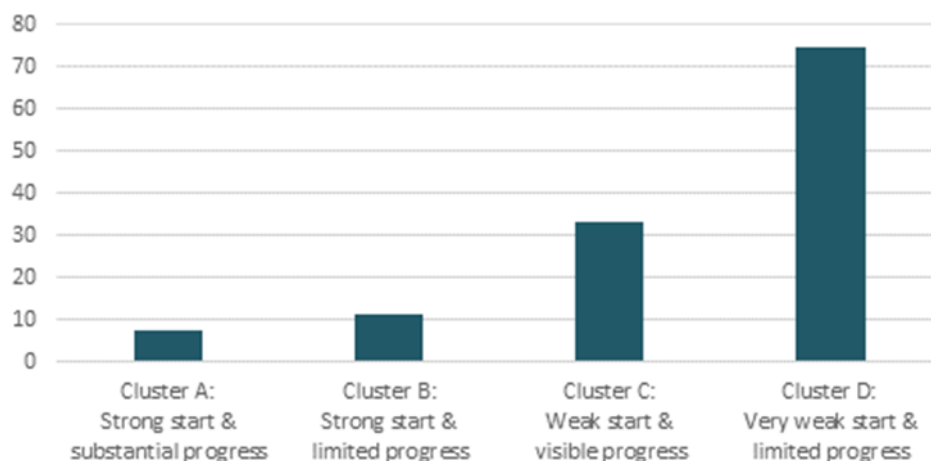
For **ESF**, a total of 1 120 948 participations were reported by the end of 2018 (which is 46% of the target set, which was 2 44 094). 70% of the participations were for persons younger than 25 years. 787 097 participations were reported of people below 25 years-old at the end of 2018. Large numbers of participations were reported for Italy, Poland, Belgium, and Germany. The low number of participations for France, Romania, and Spain is striking compared to total budget allocated. Except for Romania, this mostly seems related to reporting issues rather than implementation issues. In Romania, it is to do with calls being cancelled or low numbers of projects submitted as well as delays in implementation of projects that have been approved.

Figure 24 below refers to the clusters (see Chapter 2.3) and shows that the ESF/YEI has reached a much higher proportion of NEETs in regions where the labour market situation of young people was weak at the start of the programming period compared to those starting in a stronger position, and particularly so in those where the situation has continued to be unfavourable i.e. where there has been limited progress.

¹²⁴ Participation is not the same as an individual, as individuals may be recorded as multiple participations.

The data relate to flows to the initial stock of NEETs. Since people becoming NEET after the initial stock was recorded could still be supported in the period over which inflows were recorded, a perfect coverage of all NEETs would produce results in excess of 100%. Nevertheless, the higher coverage in weaker regions does suggest that the resources are appropriately directed to the areas (and people) most in need.

Figure 24. *Share of NEETs (15-24) supported by ESF/YEI as a proportion of the NEET population in 2014 by cluster of regions (in %)*

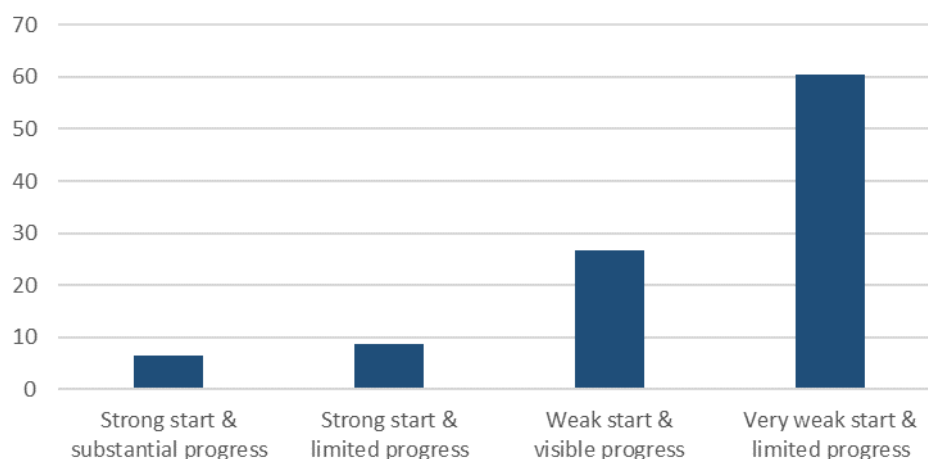


Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019 and Eurostat, Labour Force Survey ([edat_lfse_22](#)), data extracted on 21 June 2019.

A similar pattern emerges if we look at the reach of the ESF/YEI with regard to the **number of early school leavers**, see Figure 25.

Similar findings are included in the analysis produced by the JRC through the RHOMOLO model. There, where the assessment of regionalised (NUTS2 level) data on the progress of ESF/YEI expenditure for Youth Employment operations used for the simulations suggests that **money went to regions where it was highly needed**, although the analysis in EQ 1.1 shows that **financial progress is more limited in some regions with high youth unemployment rates**, e.g. Romania, Greece etc.

Figure 25. Number of early school leavers supported by ESF/YEI between 2014 and 2017 as a proportion of early school leavers in 2014 (in %)



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019 and Eurostat, Labour Force Survey (edat_lfse_16), data extracted on June 21, 2019.

Note: Early school leavers are defined as participants with lower secondary education (ISCED 0-2). Eurostat data on early school leavers cover young people aged 18-24, whereas ESF/YEI monitoring data on low skilled young people (ISCED 0-2) cover young people up to 29. Thus, the figure presents an indication of the share of early school leavers covered by ESF/YEI operations.

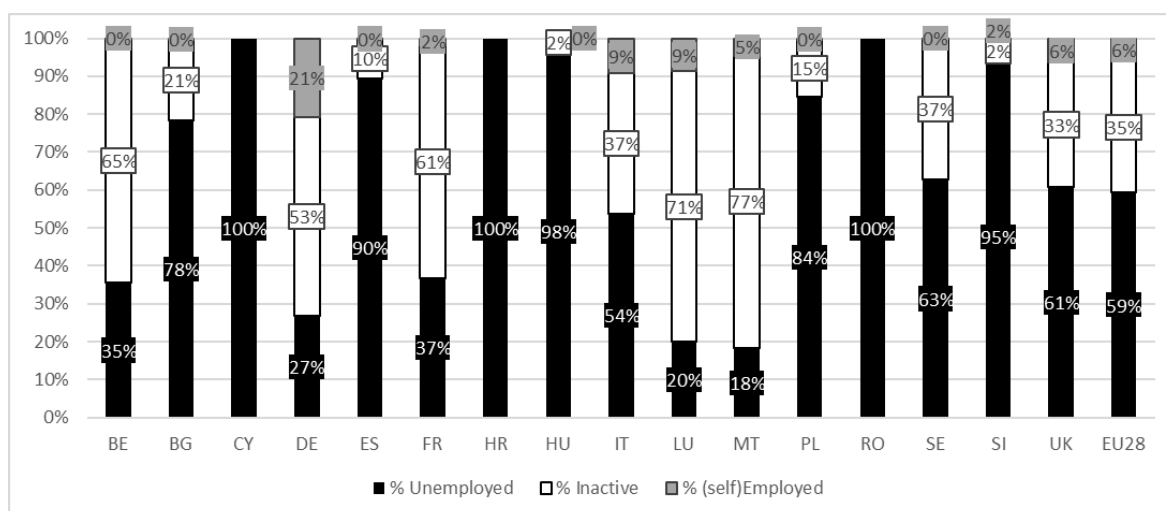
Evidence from the case studies shows that some of the differences in target groups between the regions could be due to the **types of organisations offering support** rather than by the type of region, e.g. in Poland, there were differences in the targeting methods of the local labour offices and the Voluntary Labour Corps, with the former operating on a first come, first served basis for people registered with the public employment service and the latter targeting NEETs including those not registered with the public employment service. They have **additional eligibility criteria**, including a lack of professional qualifications or qualifications not adapted to the needs of the labour market, disabilities, particularly difficult social situations (e.g. people from families where nobody works, families using social assistance services, incomplete families¹²⁵), people from rural areas and women. In the case of projects addressed to early school leavers (ESLs), the criteria were, among others, minimum percentage of school absence and low grade point average.

Most were unemployed or inactive when entering into ESF and YEI support

The majority of participants in ESF were **unemployed or inactive** when entering the operations. Figure 26 shows that most participations under Investment Priority 8.ii are related to unemployed people (59%), followed by the inactive (35%). Only a few are self-employed (6%). Some countries have targeted the inactive (Belgium, Germany, France, Luxembourg, and Malta). Only in Germany a relatively large share of the participations is in the group of (self-)employed. This can be explained by the fact, that ESF in Germany targets employed persons (including apprentices and persons with minor employment contracts) for training actions.

¹²⁵ Generally understood as families where one parent is not present

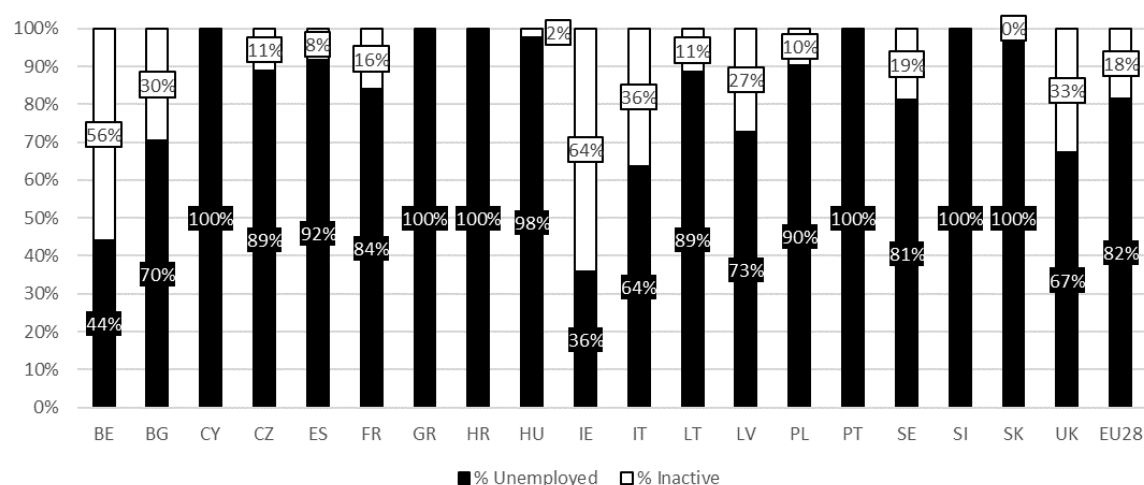
Figure 26. Employment status in ESF participation under Investment Priority 8.ii (in %)



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019

Figure 27 shows the distribution of employment status of people benefiting from YEI operations. Around 82% of YEI participations at EU level reached the unemployed. Countries that report a relatively larger share of inactive amongst YEI participations are Ireland (64%), Belgium (56%), Italy (36%) and the UK (33%).

Figure 27. Employment status YEI participation (in %)

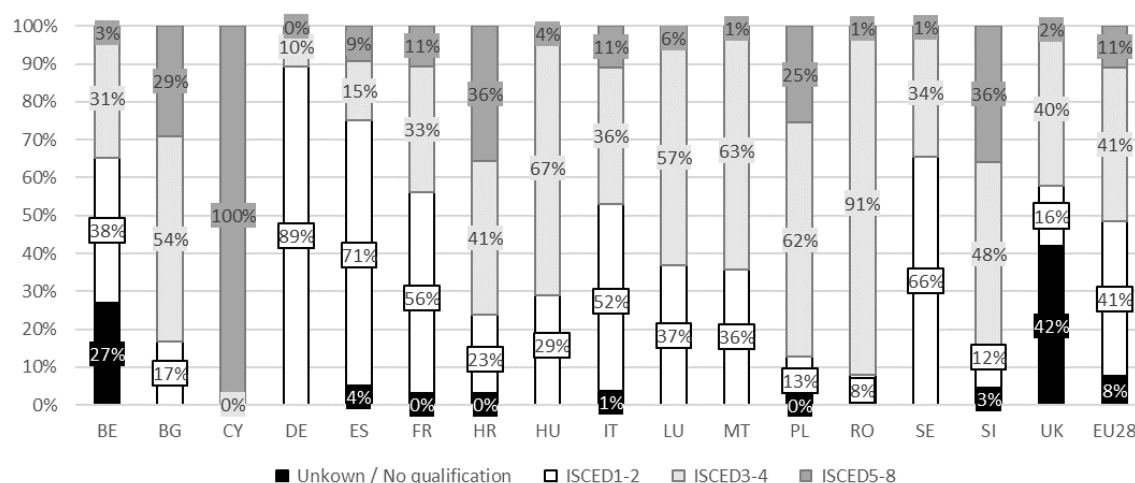


Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Most NEETs have low qualification levels upon entry in ESF/YEI

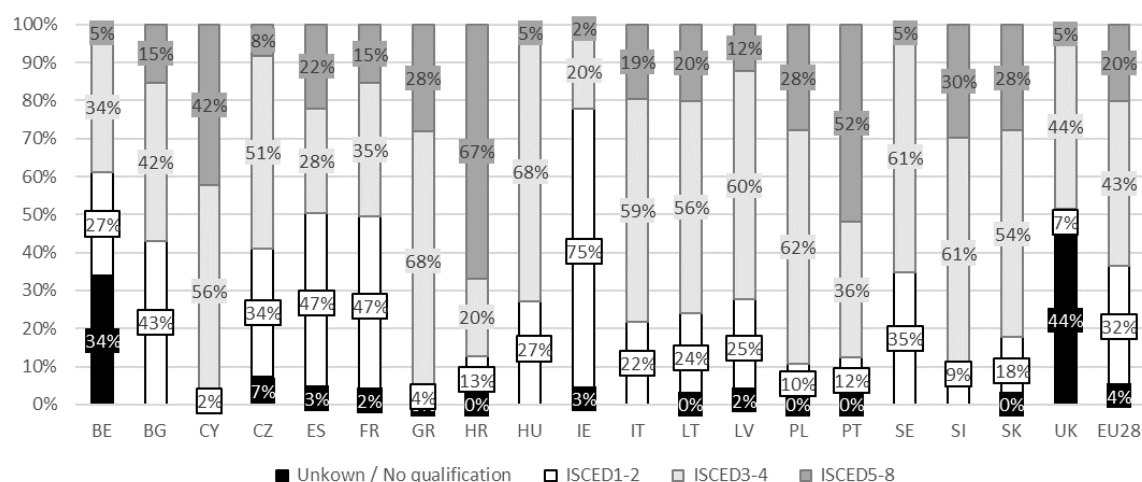
The majority of individuals whose participation is counted have a qualification level at ISCED 1-2 and ISCED 3-4 (Figures 28 and 29). Some Member States have a different focus, e.g. Cyprus, Croatia, Portugal and Slovenia which include a large share of participants with ISCED 5-8 (above 30%). For the YEI we see a similar picture across countries.

Figure 28. Educational attainment – ESF participation (Investment Priority 8.ii)



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019

Figure 29. Educational attainment – YEI participation



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019

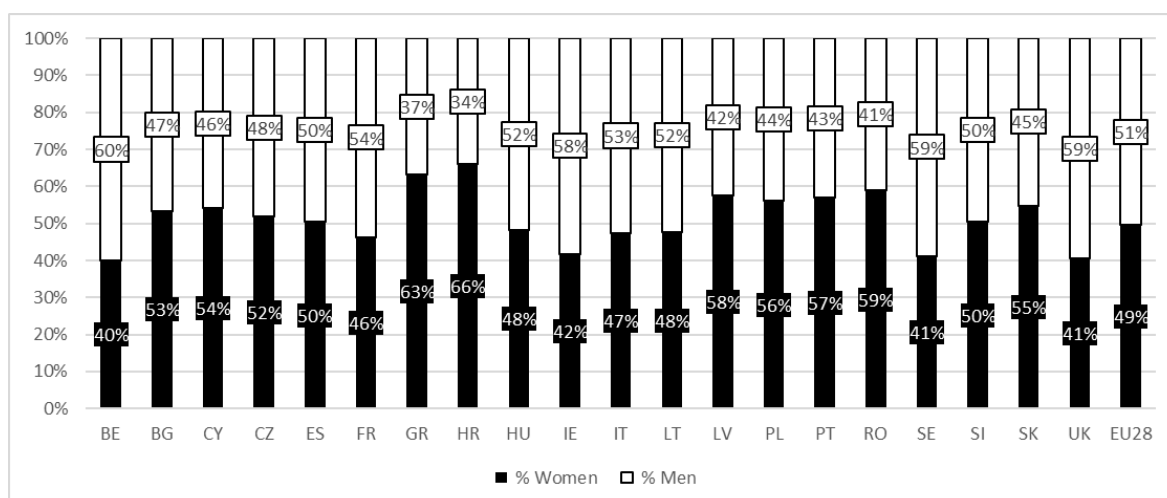
There is a well-balanced gender participation across ESF and YEI

As stated in Chapter 3, across the EU, participation is well balanced from a gender perspective, with a broadly equal share of men and women (51% against 49%) reached by the operations under YEI, but biased towards males under ESF (54% against 46%) (see Figures 30 and 31 below). However, as stated earlier (Figure 8) **women in the 25-29 cohort are more likely** to be categorised as NEET.

There are considerable differences among Member States. YEI operations in Croatia and Greece predominantly reached young women (66% and 63% respectively – YEI and ESF youth employment), while youth unemployment initiatives in Belgium reached in majority men. Under the ESF, Belgium, Germany, France and Sweden had male participation rates of over 60%. Cyprus, Croatia, Poland and Slovenia had above average female participation rates, although seemingly not the result of a specific focus on operations that explicitly target women¹²⁶.

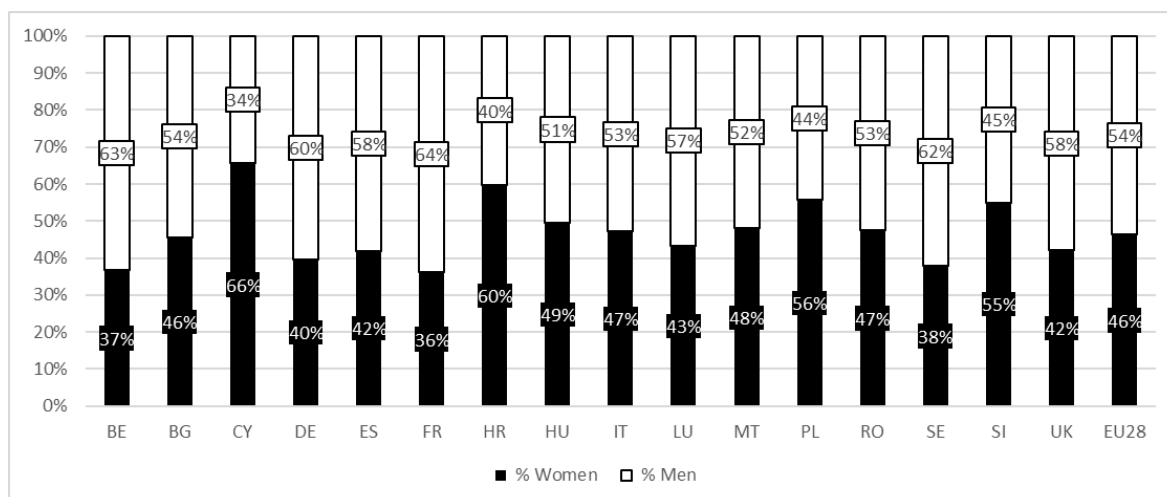
¹²⁶ The employment sector can determine the gender mix with traditionally male/female employment sectors often reflected in the gender splits

Figure 30. Gender – YEI participation



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019

Figure 31. Gender – ESF participation (Investment Priority 8.ii)



Source: SFC2014, based on AIR 2018, data extracted on September 6, 2019

One example of a Member State that has a lower number of women participating than men is Germany. This was because the programmes supported mainly work-based and apprenticeship schemes which have traditionally been seen as a male domain (such as technicians, mechanics, construction workers etc.). However, very little on explicit gender oriented actions could be found in the case studies.

Another example, which provides some insight on differences between gender is shown by the CIE evaluation of the Italian National Programme YEI: For **participants in traineeships net effects** related to being in employment after 18 months are **higher for women** than for men (12.1% versus 8.1%). Above that very little evidence could be found in the case studies on explicit gender targeting.

Regarding the achievement of gender balance, there is almost parity in terms of general participation in the Operational Programme, which is slightly higher for females than for males. Regarding the results, it depends on the specific intervention, as in the case of hiring, the results are better for women, while in those of entrepreneurship, they are better for males.

Not all Member States target specific NEET sub groups

The evidence from the case studies shows that the targeting of the disadvantaged groups varies between the Operational Programmes and, as mentioned above, between the organisations implementing the programmes. In **Greece**, the actions did not have a specific focus on disadvantaged groups, but **ensured that no one was excluded**¹²⁷. In Portugal, the national Operational Programme did not define sub-groups of NEETs, specifically referring only to young unemployed and young inactive people. The indicators did not differentiate participants further. Nevertheless, some operations included an increase in the amount of the support for vulnerable groups such as the long-term unemployed, ex-prisoners, people with disabilities, etc. In the regional Operational Programme Azores (also Portugal), all target groups of disadvantaged young people were reached in all the nine islands, with the exception maybe of young people with disabilities.

In **Spain**, in order to better target people with disadvantages, the Managing Authority published calls for proposals for **organisations working in the field of social exclusion** (including the Action against Hunger Foundation, the Gipsy Secretariat Foundation, the ONCE Foundation for people with disabilities, the Spanish Red Cross and YMCA), to select operations for these groups. Besides, some organisations working with these groups have been selected by the Managing Authority as Intermediate Bodies (including the Banking Foundation La Caixa and the ONCE Foundation), for them to implement and coordinate part of the Operational Programme as a way to promote the participation of these groups of beneficiaries in the interventions.

There are mixed results in reaching NEETs from more disadvantaged groups

The responding organisations¹²⁸ to the public consultation found that the ESF/YEI is relatively more successful in helping the broader target of young NEETs (75.7%) and less successful in supporting young people in rural areas or hard to reach areas and those who are at risk of poverty or homelessness. In fact, ESF/YEI support to young people leaving education without a qualification is considered to be successful by 56.6% of responding organisations, followed by young people at risk of social exclusion or marginalisation (46.9%), young migrants and minorities (41.6%), young people in disadvantaged or hard to reach areas (41.1%), youth affected by poverty (39.6%) and lastly homeless young people for which the share of respondents believing they were successfully supported is quite low (18%) and the share of respondents believing operations were unsuccessful or not successful at all is highest (35.6%). However, for the latter target group, the share of respondents who do not know or do not have an opinion is also comparably higher (46.0%). For all other target groups, the share of **respondents believing operations were successful is higher** than the share of those believing they were not. Figure 32 below, presents the results.

Looking at the categories of disadvantaged recorded in the AIRs, bearing in mind that these are not mutually exclusive categories, we can see that across the EU, 11.3% of YEI and 13.2% of ESF participations reported so far were young migrants, participants with a foreign background, minorities (including marginalised communities such as Roma) (CO15) in 2018; 4.5% of YEI and 5.2% of ESF participations were young people with disabilities (CO16); 13.7% of YEI and 14.2% of ESF participations were people with other disadvantages (CO17); 0.8% of YEI and 0.3% of ESF participations were homeless

¹²⁷ Second evaluation of YEI interventions in the OP Human Resource Development, Education and Lifelong Learning (HRD, Edu & LLL), 2018

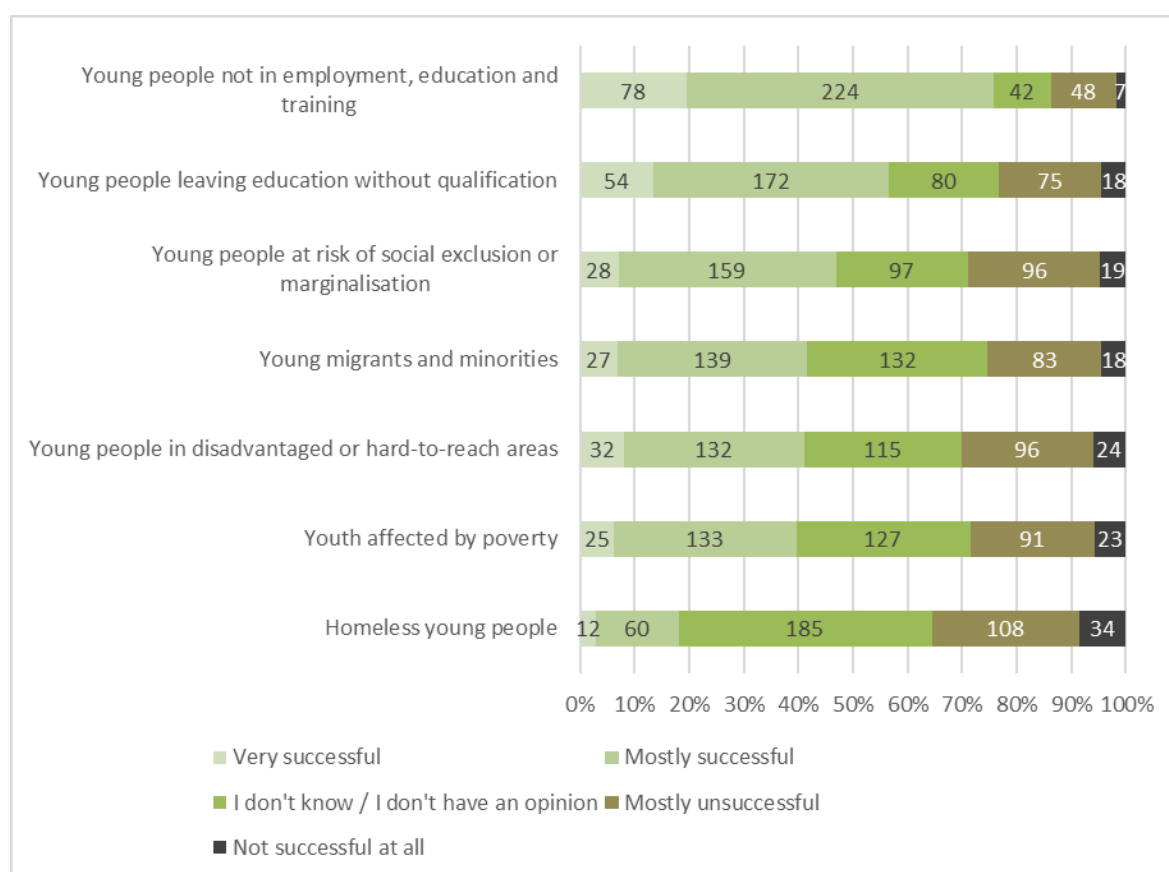
¹²⁸ Organisations include both organisations involved in ESF/YEI and organisations not involved. These can be public authorities, NGOs, etc. In this case, regarding young NEETs, the share of respondents thinking support was successful is particularly high among organisations involved with 82.1% of them saying support was successful for NEETs (56.6% among organisations not involved). In any case, for both types of organisations, it is the target group for which the success of ESF/YEI activities is considered highest. In the survey this question on successfully targeted groups was only asked to organisations.

people or people affected by housing exclusion (CO18); and 19.3% of YEI and 18.7% of ESF participations were young people in rural areas (CO19).

The latter two indicators should be treated with additional caution. Homelessness (CO18) is not a reliable indicator as Member States were only asked to collect survey estimates on it in AIR2016 and some continue to report it. The Commission asks Member States to report actual counts of homeless people as 'other disadvantaged'. People are counted as living in rural areas if they live in thinly populated areas¹²⁹. However, if – and only if – living in a rural area also qualifies as a disadvantage and that person is also counted under 'other disadvantaged'. Notable differences exist between the Member States, e.g. with Sweden reaching a significant number of migrants (38.7% of YEI and 38.6% of ESF compared to an average of 11.3% of YEI and 13.2% of ESF) and people with disabilities (69% of ESF compared to an average of 5.2%). For these indicators we can expect a high level of under-reporting.

Figure 32. Success of youth employment operations by the ESF and the YEI in providing support to specific target groups

Question: How successful were the youth employment operations by the ESF and the YEI in providing support to the following target groups?



no.=399, organisations involved and not involved

Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund. Study supporting the 2019 evaluation of youth employment (VC/2018/0175)

¹²⁹ Rural areas are defined by an official classification (i.e. more than 50% of the population lives in rural grid cells)

The main challenge is reaching the target groups furthest away from the labour market

One of the main challenges identified by the evaluation is reaching the target group of NEETs, in terms of identification and subsequent recruitment to YEI/ESF operations. Despite high levels of NEETs in a number of countries, actually identifying individuals (with proof of NEET status required) has proven difficult where they are not registered with the public employment service, or in education or training.

When it comes to the YEI target group in particular, reaching those who are **most disadvantaged and furthest away from the labour market or outside the system** is a challenge. According to the 2018 YEI evaluations, this is particularly true for disadvantaged groups in Spain, France, Italy and Portugal, where the most vulnerable young people are reported to be under-represented, and potentially under-reported (which seems to be a more general problem), among YEI participants. This is backed up by evidence from the public consultation which stresses the relative difficulties of reaching and supporting vulnerable young people in rural areas, those with disabilities, ex-offenders, those at risk of poverty and the homeless, with some individuals having multiple disadvantages. The situation varies between countries but there are some common patterns.

- In **Spain**, it is recognised that with the exception of the disabled and the low educated young people, YEI struggles to reach young people facing greatest difficulties.
- In **France**, the most difficult category to reach is the homeless and people with disabilities (respectively 4% and 2% of the total number of participants), which is not surprising.
- In **Slovakia**, difficulties were reported in reaching marginalised groups or minorities such as Roma.
- In **Lithuania**, it proved difficult to identify NEETs that were not registered due to data protection issues, who are often from the most vulnerable groups
- In **Portugal**, public employment services first focused on simply providing offers to those that were registered. But gradually they changed the approach to activating NEETs to participate in actions provided by the Youth Guarantee.

Member States have developed outreach strategies to overcome these challenges

Member States have used social networks, media, newsletters or more innovative channels, such as organising concerts and placing adverts on fast food trays (Bulgaria) to reach young NEETs. Street work has also been used to meet NEETs in public places that are frequented by young people, e.g. in parks or shopping centres. Member States also invested in developing the experience and skills required to reach the 'hardest to reach' NEETs, working with professional social workers who represent ground level organisations, promoting cooperation between the various actors involved, especially vertical (e.g. from ground level to public employment service), **going beyond traditional outreach channels**. One example is in Germany, where tailored activities in the form of support chains and dedicated preventive systems of assisted transition from school to work through systematic cooperation between the relevant stakeholders have been successfully established with ESF support. The latter explicitly in North Rhine-Westphalia (KAoA/KoKo) and Saxony-Anhalt (RÜMSA (regional transition management from school to work) and BRAFO. The latter is an early careers orientation initiative that provides pupils in all types of schools except grammar schools with one week of career orientation. For those pupils with greater disadvantages, it offers two-week practical training in the school holidays. Good practice in outreach strategies is highlighted further in Chapter 5.

A key issue in reaching out to specific target groups is an **adequate communication strategy**. The geographical distribution of responses to the consultation confirms an

overall agreement on the fact that social media campaigns are the best way to inform young people. Interestingly the information channels actually used by young people in accessing ESF/YEI are slightly different, with the majority of respondents having learned about the support through employment services and information centres, followed at a distance by word of mouth such as family or friends and a smaller share having heard about them from social media.

Public consultation respondents were also asked if they had any good practice or example regarding the effectiveness of youth employment operations that they wanted to share with the Commission. Some responses included practices or examples that may help in reaching the target groups, such as:

- **Meeting young people at their gathering places** to convey information on support options, especially in rural and hard-to-reach areas.
- **Offering scholarships and financial incentives** to young people with excellent records not only in academic terms but also in terms of soft skills and other competencies.
- **Increasing collaboration between different authorities and different types of professionals**, e.g. 'DurhamWorks', a successful partnership programme in the UK focusing on long term individualised support, which is able to target the most disadvantaged and encourage and support employers to engage young people, or the 'IdA – Integration durch Austausch' (Integration through Exchange) – programme which was launched in Germany in 2008 and continued in the current period to reach out to disadvantaged young people who are far from the labour market.

The econometric analysis suggests that performance of operations is influenced by the characteristics of the NEET group

The econometric analysis carried out in **Annex 4c** has sought to test whether increasing shares of people with disabilities, from minorities or migrants as well as other disadvantaged, are correlated with different indices of performance of the ESF and YEI programmes. The analysis supports the general conclusion that getting people to participate from disadvantaged backgrounds - and identifying them - is the central challenge for YEI and ESF youth employment operations.

The results, which should be treated with caution¹³⁰ given the differences in national definitions clarifying such categories of participants as well as underreporting, indicate the following:

- In terms of financial progress of the programmes, be that implementation rate or project selection rate, higher shares of people with **disabilities** and other disadvantages tend to be negatively associated with progress. This association becomes a statistically significant correlation when the financial progress is measured in particular through the project selection rate. This is suggestive of the fact that in programmes with a strong focus on disadvantaged participants the design of the support, be that from Managing Authorities preparing the calls for proposal or beneficiaries developing the right projects, might be particularly time consuming.
- A similar trend is found for target achievement of output indicators, with increasing shares of people with disabilities especially, but also other disadvantaged, negatively correlated to the target achievement.

¹³⁰ The coefficients are statistically significant when it comes to the correlation between higher shares of disadvantaged individuals and the progress of financial and output indicators. If there was strong underreporting, i.e. disadvantaged participants not registered as such because their condition can be considered a sensitive data, one would expect differences to be smaller, not larger. It would be so as the 'hidden' disadvantaged participants in programmes with apparently low shares of them would affect negatively performance, thus reducing the difference between programmes with high shares of disadvantaged participants and those with (apparently) low shares of them.

- In general, a higher presence of **migrants or minorities** is unrelated with the progress and performance of youth employment operations.
- The former negative associations and correlations are not confirmed when it comes to target achievement of result indicators and to success rates, potentially indicating that the **main difficulties lie in reaching out** to these categories rather than helping them obtain a result.

4.1.4 EQ 1.4 What was the quality and timeliness of the offers received by the participants?

The permanence of the jobs offered and wage levels are key determinants of quality and timeliness

A majority of participants received an offer of employment, continued education, apprenticeship or training after completion of (or during) the programme, and (for those consulted) were generally satisfied with the job offers received through YEI and ESF support. Although there is no standard definition of satisfaction or quality, the permanent character of the job and the wage offered are factors usually used as criteria in this regard.

The level of **remuneration** was an issue for at least six Member States, insofar as it was **too low**. Another issue, impacting negatively on the quality of the offers, and raised in the case studies is that a downside of employment offers was the tendency towards **temporary or short term contracts** (as high as 92% in Spain), often associated with lower than average wages. In contrast some countries offered **employment with training opportunities** (60% in Portugal).

The **intangible benefits and soft results** achieved, e.g. that young people gain self-esteem and confidence, know how to present themselves and be punctual and reliable employees. They have also managed to get some **work experience** for enriching their CV, are also very important as they contribute to the quality of life and professional prospects of the young people concerned.

Overall, the quality of specific aspects of the YEI programmes can improve further so as to increase the possibilities of successful positioning of unemployed in the labour market in a sustainable and effective manner.

Permanent jobs are highly valued by YEI/ESF participants

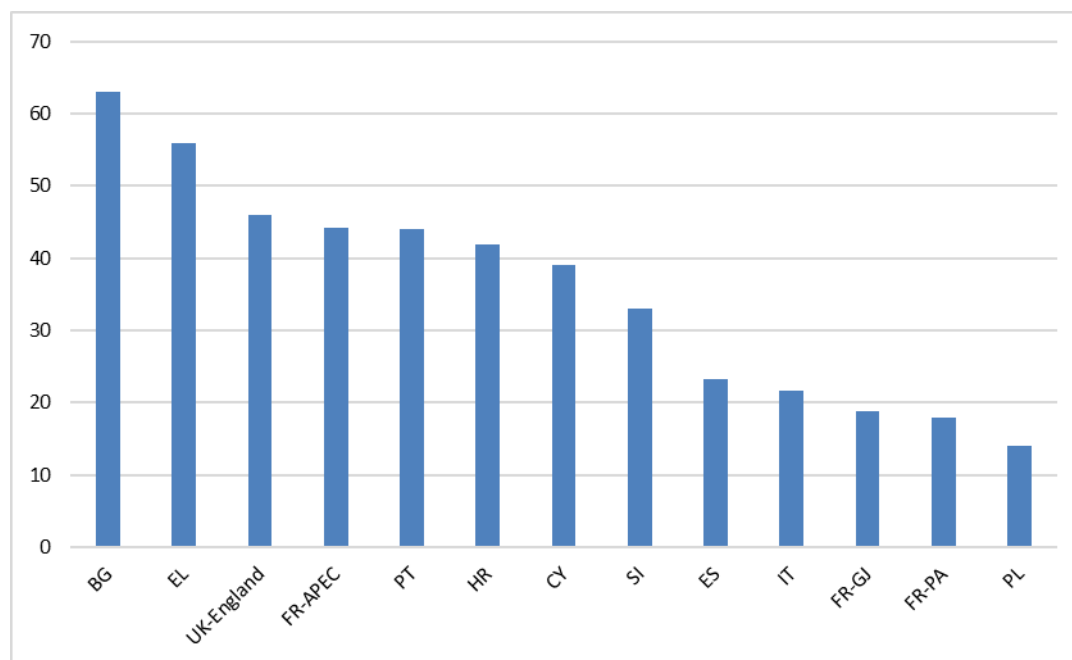
As mentioned above, the YEI support should provide young people with a good-quality offer of either employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or of leaving formal education. The Annual Implementation Reports assessed the quality of employment offers received by YEI participants.

The 2018 YEI evaluation reports reveal high proportions of participants being **proposed a job, an internship or education/training** after participation in the programme in different Member States: 84% in Poland, about 75% in Croatia, Bulgaria and Portugal and 63% in UK-England. At the same time, only 18% of participants received a job offer in Greece (immediately after completing the programme for most of them). The very low success rate in Greece reflects the overall labour market situation which offers low-skilled jobs with flexible timetables and low remuneration, illustrating the general business environment in the implementation areas. (More specifically, most employment posts were fixed term and short-term contracts, with salaries between EUR 301 and EUR 600 respectively).

For the majority of the OPs for which data on quality of job offers is available, over a third of the offers received involved **'permanent' employment contracts** in the sense that they were for an indefinite period of time. The proportion of such job offers was

over 60% in Bulgaria (63%) and well over 50% in Greece (56%). Conversely, it was only 14% in Poland (see Figure 33 below).

Figure 33. Share of job offers proposing permanent contracts



Source: 2018 YEI Evaluation reports

Data for FR relate to 3 national operations ('Accompagnement APEC', FR-GJ: 'Garantie Jeunes', FR-Priority Axis: 'Parcours Autonomie').

Data for CY relate to 'Acquisition of work experience for young unemployed graduates'.

Data for ES refer to the situation 12 months after exit, and 6 months for UK-England.

Most of the job offers, though mostly fixed-term employment in nature, were for full time rather than part-time positions. For instance, in Portugal, around 60% of the job offers accepted by participants involved a guarantee that the person concerned would have the possibility of training.

At the other end of the spectrum (see Figure 33 above), Poland offered few permanent contracts. The Labour Offices' support is unevenly distributed throughout the year and the type of support depends on the date of joining the project. Participants in the later months of the year receive shorter periods of support or none at all and have to wait for the next year to be included in the support again. The seasonality of support is probably due to the availability of funds and the method of accounting for projects by the Labour Offices. The Operational Programme Knowledge Education Development support is often implemented on an annual basis, which means that funds from this source must be settled by the end of the year. Projects implemented by the Voluntary Labour Corps and competition projects are more comprehensive than Labour Offices' projects. Most participants receive support in the form of training and internships, while Labour Offices usually offer only one form of support.

In Spain, the YEI has achieved better results than labour market trends, although only 8% of contracts in Spain are permanent and 92% are temporary, which is not ideal. However, this also reflects the overall labour market situation in Spain. The findings from a counterfactual evaluation (in Spain) show that the proportion of participants in 'Training and apprenticeship contracts' who were in full-time temporary contracts after

18 months, was larger among those supported by the YEI than for those not supported (i.e. the control group - 68% against 52%)¹³¹.

There is general satisfaction with job offers but with varied responses from different countries

According to the YEI evaluations, participants are generally **satisfied with the job offers** received, with satisfaction rates close to 70% in Croatia and Slovenia. In Slovenia, the 2019 evaluation of the ESF 'PUM-O programme' (which provides training and education for young NEETs in order to facilitate their entry onto the labour market) shows that more than 25% of participants found a job, but the most important effect according to the participants is in terms of **self-esteem and self-image**. In France, the report indicates that job offers broadly match the qualification levels of the participants and most find them interesting.

In Italy surveyed participants are on average **more satisfied** with the **support** received through the YEI than participants in other employment support operations. There is however a general agreement among stakeholders that the **quality of the offers should and could be further improved**. A critical element in this respect is the low percentage of participants who receive a certification of competencies at the end of the intervention. An element which deserves particular attention, is the quality of the traineeships that represent the most frequent operation offered. This is a critical element for assessing the quality of the YEI as highlighted by several stakeholders. The synthetic index developed by the Italian national evaluation¹³² points to a relatively good quality for at least half of the traineeships, including some very high scores (subject to the fact that composite indicators can mask variances). This is particularly the case for younger participants (under 25) and for those with a good education (at least high school diploma).

In France, the **quality of job offers** is varied, with 75% of offers being full time. The quality of the training offers would seem to be more satisfactory, with participants receiving a training in line with their qualifications and which they find valuable.

Several YEI evaluation reports highlight that for the majority of participants the **level of the wages** on offer was an issue. This is for instance the case in Bulgaria (in the large majority of cases the salary proposed was equivalent to the minimum wage), in Croatia, Cyprus and in Lithuania. In France, the average wage offered was slightly below the minimum wage¹³³, while in Greece, just over half of the job offers proposed a salary of EUR 300-600 a month (and 23% less than this), whereby the minimum wage was EUR 511 (gross) for a full-time job (see above).

In Belgium Wallonia, although the surveyed participants reported that the ESF/YEI action **matched their expectations**, most of the jobs obtained were precarious (fixed-term contracts, temporary agency work, contracts under 'Titres services', etc.). Nonetheless, almost half of participants were working with an open-ended contract after 42 months, i.e. 3.5 years after their exit. Belgium used two indicators in a survey to measure subjective and objective quality of transition from one labour market status to the other, mostly to employment or training. This can be considered good evaluation practice.

¹³¹ The control group is composed of individuals not participating to YEI measures (but registered under the Youth Guarantee), but sharing similar characteristics with the YEI participants (such as sex, year of birth, education level, labour market status). Using propensity score matching, the situation of both the treated group (receiving YEI support) and the control group is then compared to assess the net effect of YEI. http://www.mitramiss.gob.es/uafse/es/fse_2014-2020/evaluaciones/Informes_Evaluacion/Informe_II_Evaluacion_IEJ_2018.pdf

¹³² Based on whether the participant received some form of tutoring, whether it was in line with her/his qualification, whether a certificate was released and the employment outcomes upon completing the intervention

¹³³ Business wages rather than official institutions

Results from the public consultation seem to suggest that ESF/YEI participants who took part in the consultation and that entered support as unemployed are more likely to have transitioned to full time employment rather than part time. In fact, among respondents who had been unemployed for less than 12 months, 39.7% became employed full time and 3.5% employed part time, with 32.6% remaining unemployed after receiving support. However, among those who were long-term unemployed, only 19.5% found full time employment after support, 7.3% part time and one in two remained unemployed. When looking at responses from all types of participants (including those who did not start as unemployed), however, there are more respondents reporting that they found a temporary job (20.9% of all ESF/YEI participants) than a permanent one (16.8%).

4.1.5 EQ 1.5 Which types of interventions were the most effective and most sustainable, for which groups and in which contexts (e.g. more developed, less developed and transition regions; urban and rural areas etcetera)?

Public consultation results indicate that **remunerated apprenticeships** are considered to be the **most effective** type of intervention by organisations involved in ESF/YEI, together with **vocational education and training and basic skills training**. The latter are considered useful for **most target groups**, including the most disadvantaged, such as young people affected by poverty, young people who are at risk of social exclusion, migrants, homeless and leaving education without a qualification. This is generally supported by the evaluations and the case studies, which provide project specific examples

Socio-economic context seems to partly influence the results of different types of operations, though this is apparent mainly when looking at disadvantaged regions and at longer term results. Net effects are typically not disaggregated by regions, but in Italy, where this is done, net effects are higher in central and southern regions. ESF/YEI is relatively less successful in supporting young people in rural and/or remote areas, especially where there are organisational constraints (e.g. travel to and from islands, less 'critical mass' to organise effective operations etc.) (see also EQ1.6).

Concerning characteristics of participants, monitoring data analysed through econometric modelling show that the share of **inactive, low skilled and people over 25 years** of age have a **negative correlation with employment success rates**. This is valid both in the short as well as longer term. However, we have strong evidence that the monitoring data (especially on result indicators) are under reported, especially for soft outcomes.

This limits the analysis. In addition, the **lack of disaggregated evidence** from counterfactual impact evaluation hampers a final judgment on this issue, as in some cases it was found that people with greater distance from the labour market have higher net employment effects, despite lower nominal employment rates.

The effectiveness varies by types of operation

In the framework of this evaluation, we categorised the youth employment operations according to types of operation and target groups. This screening exercise went beyond the investment priority level and analysed – where possible – information at the level of individual operations. However, for the analysis of the effectiveness and sustainability of the operations, it was not possible to link results to types of operations as the SFC2014 does not go down to this level. Therefore, we are reliant on information from the counterfactual evaluations of youth employment at national level as well as on the econometric analysis of the results and on qualitative information from the public consultation and the case studies.

To answer the question on the effectiveness of which types of operations were the most effective for which groups and in which contexts, we draw mainly from the

counterfactual impact evaluations identified by the DG REGIO/DG EMPL Evaluation Helpdesk, including the counterfactual impact evaluations carried out in the context of the compulsory YEI evaluations¹³⁴. There are seven reliable **counterfactual impact evaluations** (see **Annex 4** for details on the studies) from France (one¹³⁵), Croatia (one), Italy (three), Poland (one) and Sweden (one).¹³⁶ Additional evaluations including counterfactual elements are also included from Bulgaria, Hungary, Latvia and Spain. There is also the evidence from the public consultation where respondents were asked to comment on different operations.

All of the evaluation studies cover the period 2014-2020 and analyse – with the exception of Italy and France – one Operational Programme. For Italy, we have three studies relating to Regional Operational Programmes from different regions, e.g. 'ROP Piemonte ESF' (from 2015 and 2016) or 'ROP Friuli Venezia Giulia ESF'. While all programmes naturally cover youth unemployment in some way, they all have slightly different target groups, e.g. long-term unemployed or at risk of becoming long-term unemployed, aged 15-29 years or under 26 years, and implement a variety of different operations, e.g. guidance and counselling, work-based learning, start-up subsidies or training actions.

Apprenticeships, traineeships, training and career support are generally perceived to be most effective, according to the public consultation

When looking at the public consultation results, most organisations agree on the effectiveness of **remunerated apprenticeships, traineeships and internships (90%), vocational education and training (88.2%), basic skills training (87%), and guidance and career support (86%)**. Overall, respondents are more **sceptical** on the effectiveness of operations such as community and voluntary work or non-remunerated apprenticeships, traineeships and internships. Figure 34 below presents the results.

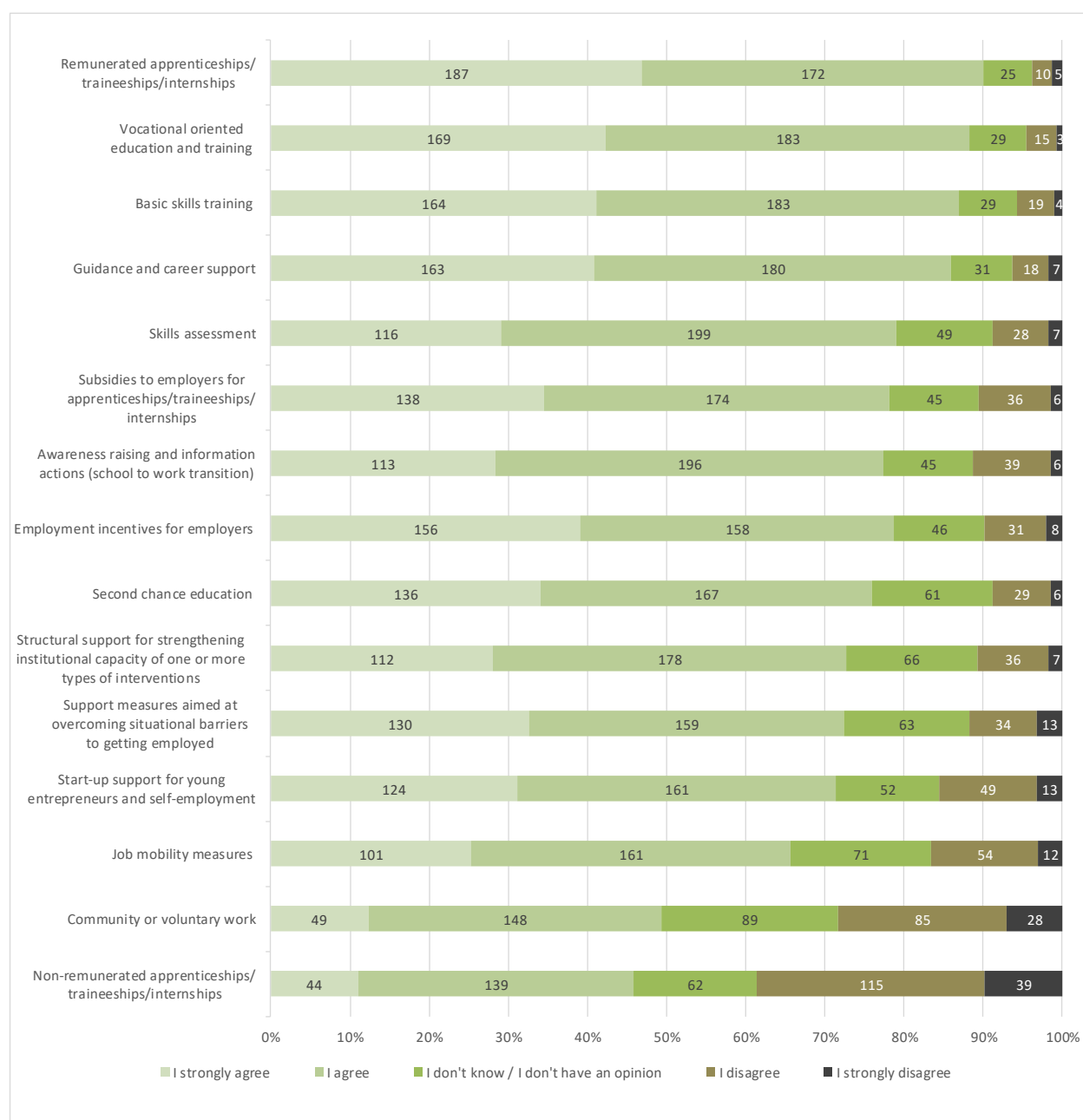
Within the group of organisations involved in the management or implementation of ESF/YEI, the operation on which agreement on effectiveness is highest are the remunerated apprenticeships (92.7%), whereas within the group of organisations not involved it is vocational education and training (82.8%).

¹³⁴ Counterfactual impact evaluations (CIE) aim to assess the impact of a policy (YEI in the present case), i.e. what the situation would have been had this policy not been implemented. Of all the YEI evaluation reports submitted in 2018-2019, only 9 include CIE.

¹³⁵ One counterfactual impact evaluation (national OP) plus 3 CIEs for specific interventions (regional OPs)

¹³⁶ Details of these studies including title, thematic objective and methods are included in Annex 4.

Figure 34. Effectiveness of operations related to quality and sustainable employment
 Question: To what extent do you agree/disagree that the following measures have been actually effective in helping young people enter quality and sustainable employment? (no. =399, organisations involved and not involved in ESF/YEI delivery)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund. Study supporting the 2019 evaluation of youth employment (VC/2018/0175)

The following sections summarise the available evidence on groups of operations bringing together information from the public consultations and the evaluations with some illustrative examples from the case studies.

Apprenticeship, work based learning and first job experience are very important steps for young people to enter the labour market

Apprenticeships, traineeships and internships were perceived by the organisation in the public consultation to be the **most effective** operation in helping young people enter

quality and sustainable employment, if remunerated (359 organisations strongly agreed/agreed that this type of operation was effective in helping young people into quality and sustainable employment – 90%) but the lowest ranked if not remunerated. **Work experience** in its different guises is generally a **very positive step** for young people, and especially those seeking to break into their first paid job. The interface with the employer, who might be in a position to provide paid employment, is a critical factor as experience gained through community and voluntary work was generally perceived as being less effective.

From the case studies, it appears that **traineeships in Italy** increase the marginal probability of finding a job by **more than 100%** within the next 2-3 months. In Portugal, professional traineeships are the most effective and sustainable operation. In Spain, traineeships are effective, especially if combined with labour market experience. The success of this type of intervention in several countries is due to the accumulated experience as it has been in place, through different names and models, for over 20 years in Europe. Apprenticeships in Greece are considered to work better than internships or traineeships due to their two-year duration (as opposed to six months for the others) which improves employability in the longer term, so participants remain in the labour market, even if they do not remain in the same company. Other reasons for effectiveness of this operation include its content (combining practical and theoretical training, with the theoretical training being closely linked with the practical experience acquired in the enterprise) and its delivery (an electronic register of enterprises, that facilitates the matching between students and enterprises). An important conclusion from the above could be that if the **duration of traineeships increases** to match the apprenticeship type of operation, the overall effectiveness of policies may increase.

Box 2. *The impact of work based learning on employment in Croatia*

Under the 'ESF Operational Programme Efficient Human Resources 2014-2020' in Croatia five different operations were implemented all targeting NEETs aged 15-29 years at risk of being long-term unemployed. The largest operation (in terms of planned funding under YEI phase 1) was SOR (acquisition of professional experience in the workplace – occupational training without commencing employment), followed by subsidy for youth employment. While the SOR had a small positive effect – persons who entered the operation in 2015 were more likely to be employed six months after leaving the operation (66%) than persons who were not in the operation (60%) – the most successful operation was the employment support. The net effect of the operation ranges from 23 to 30 percentage points depending on the year of entry into the operation.

Positive effects on employment are also recorded in Bulgaria (8% higher chance of being in employment after participation). In Latvia, the proportion of participants in employment after at least six months is generally higher than in the control group for most of the YEI supported operations. None of the activities supported in Latvia is estimated to have a positive effect on the wages of those supported in comparison with the control group. In Spain, 97% of participants in training and apprenticeship contracts were in employment 18 months after participation as compared with 60% of the control group (after two years, the gap narrows but remains significant, the respective rates falling to 72% and 47%).

Evidence from the case study in Germany show that additional support for young people in apprenticeships has positive effects on their remaining in the companies and gaining essential skills, e.g. language skills for young migrants. Particularly helpful in the work of companies with young people was the support of the 'Ausbildungsbegleitenden Hilfen' (help for trainees during their training) and the 'Assistierte Ausbildung' (assisted training). Communication with the counsellors helped motivating the young people and this help was appreciated by the companies.

Box 3. *Effects of work based learning in Poland*

Under the 'Operational Programme Knowledge Education Development 2014-2020' in Poland two actions were run with slightly different target groups. The participants in Voluntary Labour Corps projects were more often disadvantaged than those of Regional Employment Offices projects, being more often from rural areas, disabled or living in households with no working members. Almost all Voluntary Labour Corps projects participants took part in career guidance, psychological counselling, and a course allowing them to learn specific job qualifications. After the course, all participants aged 18-24 years took part in an internship and received job search assistance and around half of the participants received educational and vocational counselling as well as legal aid. Regional Employment Offices projects provided 'harder' forms of support, mainly internships or work practice (2/3 of participants), subsidies for starting their own business (14%), training and courses (10%) or vouchers¹³⁷ for settlement. An in-depth analysis suggests that the net effects of the support were larger among the disadvantaged groups of people. The support was particularly effective among those who remained unemployed for more than 12 months. The net effects were also larger among people with lowest education levels (lower secondary and lower), people living in rural areas and people who were unemployed at least once before the ongoing episode.

A positive factor in the action was that around half of the apprentices were being trained in professions where there was a lack of qualified people (known as top bottleneck jobs). Therefore, their job prospects after finishing their training were better than average.

Vocational training helps young people to enter into quality and sustainable employment

Vocational orientated education and training was rated 2nd in the public consultation. 352 organisations strongly agreed/agreed that this type of operation was effective in helping young people into quality and sustainable employment (88.2% and as high as 96.9% in Portugal, and still high in Spain at 85.7% of organisations, the lowest percentage for this type of operation in terms on the national breakdown of correspondents). Basic training was just behind vocational education and training ranked third (87%). The evaluations generally report positively in respect of vocational and basic training.

Box 4. *The impact of training on employment rates in Italy*

For Italy, we can examine the effects of two regional Operational Programmes – 'Regional Operational Programme (ROP) Piemonte ESF' and 'ROP Friuli Venezia Giulia ESF' – and the national 'Operational Programme Youth Employment 2014-2020'. The Operational Programme in Piemonte offered vocational training either in the form of basic training or specialist training and the effects are measured in two comparable¹³⁸ counterfactual studies on the sample of those exiting from support in 2015 and 2016 respectively. Both actions are not restricted to youth, but the results are disaggregated by age or by operation (but unfortunately not by age and operation limiting the usefulness of the results). For those younger than 25 attending and successfully concluding basic and specialist training courses, leads to higher employment rates by almost 13 percentage points around 12 months after exiting support for the 2015 cohort and 8 percentage points for the 2016 cohort. The impact of vocational training is therefore positive overall. Specialist training for the overall sample is slightly more

¹³⁷ Vouchers are an instrument of active labour market policies that may be used for various services, like training, settlement, internships. The recipient of a vouchers usually receives information on the objective of the action, and details on duration, and other relevant issues. The actual choice of the service provider is with the recipient of the voucher. Thus a voucher is supposed to increase the choice and personal responsibility of the participants in such actions.

¹³⁸ In fact, for the sample of participants exiting from support in 2015, there is one additional measure which is tested, namely basic training for sanitary professions, excluded from the 2016's estimates.

effective than basic training (but we do not know whether this is also true for the young participants). Looking at participants' characteristics, for the 2015 sample the effect is lower for non-EU nationals, lower for long-term unemployed (more than two years) and larger with courses for social workers.

The 'ROP Friuli Venezia Giulia ESF' targeted adults and young people (NEETs, inactive and unemployed, employed at risk to be unemployed) aged 15-64 years both inactive and unemployed at all levels of education. The Integrated Plan of Employment and Labour Policies (PIPOL) was adopted by the Friuli Venezia Giulia Region in 2014 and provides traineeships, VET (off-the-job training) and a combination of both. The net impact of PIPOL for those younger than 30 years is 5.8 percentage points, meaning that PIPOL recipients are more likely than the control group to be employed at the beginning of 2018 (at least one year after the end of the intervention). While the average effect is positive, the evaluation study also shows some interesting heterogeneity across the different operations with positive effects for traineeships (+10.4 percentage points) and the combination of traineeships and VET (+8.6 percentage points), but negative effects for VET only (-2.4 percentage points).

The national 'Operational Programme Youth Employment 2014-2020' operated in all regions (except the Province of Bolzano) and targeted young NEETs aged 15-29 years (since end-2017, it involves also young unemployed in less developed and transition regions) *inter alia* with extra-curricular traineeship, training, community service and accompanying paths towards self-employment. Some 56% of participants had upper secondary education, 24% a low secondary education and 19% higher education. Considering the programme as a whole, the average effect of the treatment increases with the distance from the time at which participants commence the supported intervention. The actual participation in the intervention means that in the first semester lock-in effects are dominant and participants are in employment less frequently than their counterpart (control group). At 18 months after the start of the support (approximately one year after the end of the support), average cross-operation employment effects for those younger than 30 years are positive and range between 4 percentage points (in Northern Regions) and 17.1 percentage points (in Central regions). Heterogeneity is found also according to the form of support provided: traineeships are by far the most effective form of support (+9.5 percentage points) whilst results are estimated as negative for VET (-9.2 percentage points) and community service (-2.4 percentage points).

Guidance and career support lead to a better transition to work

Guidance and career support was ranked 4th in the public consultation exercise by organisations either involved or not involved in ESF/YEI delivery (343 organisations strongly agreed/agreed that this type of operation was effective in helping young people into quality and sustainable employment – 86%). Also, highly rated in the public consultation were operations that provided awareness raising and information in schools to help the transition to employment. Evaluations suggest that **enhanced levels of support are effective**, but also those operations that target the long term unemployed, providing the individual with the support and often the confidence to get back into the labour market.

Box 5. *The impact of enhanced support in France*

The French programmes were addressed at young NEETs. A variety of different operations were implemented, including, at national level (i) an autonomy programme, (ii) enhanced support for young graduates from higher education who have barriers to hiring (e.g. no job search method, lack of trust or no defined career plan) and (iii) a youth guarantee (Garantie Jeune) which provides intensive support to employment for a period of one year that can be extended by six months if necessary.

For 'Parcours autonomie' (autonomy programme), which was only assessed in Nord-Pas-de-Calais and Champagne-Ardenne, a net effect on employment, a small one, was only found in Nord-Pas-de-Calais (32% of participants being in work after six to eight months as against 28% for the control group and 35% as against 32% after 12-16 months). The impact of enhanced support is visible mainly upon exit from support. After six months treated individuals do not have a higher probability of being employed (compared to the control group), but the probability of having an open-ended contract is 10 percentage points higher. The effects are stronger for the Youth Guarantee, which is estimated to increase the chances of getting a job 18 and 24 months after the registration date of eligible young people by 9.1 and 7.3 percentage points, respectively. In other words: At 18 months, the employment rate of eligible young people would have been 24.3% without the introduction of the Youth Guarantee instead of 33.4%. The intensive accompanying of young people done by the Pole Emploi seems to lead to a 10 percentage point higher probability of being in employment after eight months, and 5 percentage points of being in stable employment. Participation in the regional operation, 'Cap avenir/métiers' in Languedoc Roussillon is estimated to increase the probability of being in employment one month after exit by 9 percentage points. The same is the case for participants in 'Accompagnement renforcé' (63% of whom were in employment immediately after completing the programme compared to 37% for the control group), but after six months, the employment rates are similar.

Financial incentives (for employers and for self-employment) make a significant difference for bringing young people to employment/self-employment

Financial incentives to employers may take various forms: wage subsidies for employment, for apprenticeships, traineeships or internships, vouchers for employment or support for self-employment. Overall positive effects of these operations can be observed. The public consultation addresses these operations in several questions¹³⁹, which rank 6th and 8th compared to others. Examples from the case studies highlight effective operations where businesses can claim remuneration. Given the low (bottom) ranking in the public consultation for non-remunerated apprenticeships, traineeships and internships (see Figure 34) we can conclude that financial incentives make a significant difference in both engaging employers and young people and in subsequent results.

Positive effects on employment are recorded in Hungary. In the YEI programme participants received different types of support, mostly wage subsidies and training, in combination with guidance, not only work based learning. This leads to a 15% higher chance of being in employment after participation, but only 6% after six months.

From the case studies, some general and specific observations can be made.

- **Wage subsidies** for supporting the first job experience and self-employment were most effective in **Slovakia** in terms of employment. However, the operation Employment opportunities for young people (wage subsidy for long-term

¹³⁹ Subsidies to employers for apprenticeships, traineeships and internships was ranked 6th in the public consultation (312 organisations strongly agreed/agreed that this type of operation was effective in helping young people into quality and sustainable employment) with employment incentives for employers ranked 8th (314 organisations, but a lower number of strongly agreed)

unemployed with the tutoring aspect) appears to be less effective. This could be due to the fact that it mostly targets young people who are long term unemployed (registered at the Labour Office for at least 12 months) and as such face more difficulties entering the labour market.

- **Self-employment/entrepreneurship** was less present in Spain, but it was effective.
- **Vouchers**, especially in the tourism sector in Greece, was one of the most effective operations for the following reasons: the choice of the sector (one of the main 'employers' in Greece, even if it supports seasonal jobs), the high degree of specialisation offered to participants and the high interest of enterprises evident in the number of offers for the practical training of participants.

Box 6. *Employment effects of financial incentives in Slovenia and Croatia*

In Slovenia, participants in the 'First Challenge 2015 programme' are estimated to have an employment rate 31 percentage points higher than non-participants immediately after leaving the programme (79% against 48%). In Croatia, YEI employment subsidies are estimated to have had the largest positive effect on employment, increasing the rate by 27% for those concerned as compared with the control group.

Detailed results for each target group of the public consultation can be found in **Annex 2, paragraph 5.4**.

The characteristics of the target groups impact on effectiveness

There are indications that some features of the target groups have a bearing on target achievements. However, this is difficult to analyse for the following reasons: the effectiveness of different operations by target groups are difficult to present, as very limited information is available, if we discount gender and active/inactive splits, on which specific target groups participated in which types of operations. This only could be achieved through the analysis of micro-data. To overcome this we have used the econometric analysis of data at programme level, as explained in **Annex 4**, information from SFC and the results of some YEI evaluations. Another source of information are success rates, which show the proportion of participants who have obtained a result, measured by the ESF/YEI monitoring system. Still there are some caveats in the interpretation¹⁴⁰. So overall, there are very few and scattered results, which do not point in the same direction in all cases.

First we identify different levels of effectiveness at the level of **unemployed and inactive persons**:

- Out of the 1.47 million YEI participants who were unemployed a total of 700 000 have received an offer for **employment, continued education, apprenticeship or traineeship** upon leaving. This is an achievement of 47%, against a target set of 58% (for women it is 53%). 880 000 (59% against a target achievement of 60% – for women it is 51%) were in **education/training** to gain a qualification, or in employment/self-employment.
- For **long-term unemployed**, 200 000 received an offer of employment, continued education, apprenticeship or traineeship upon leaving (42.5% against a target achievement of 66%– for women 53%) and 250 000 were in education/training (53% against a target achievement of 72% – for women 51%).

¹⁴⁰ Success rates need to be interpreted with caution as: (i) there might be a time lag between the entry to the operation and the materialisation (and reporting) of the result which is likely to generate under reporting of results and artificially low success rates; and (ii) there might be spontaneous dynamics affecting them, i.e. results which would have been achieved even in absence of the intervention, which is likely to overestimate the success rates. The latter might be stronger for some target groups, notably those closer to the labour market.

Box 7. *Net effects by labour market status in Piedmont*

In the Italian region of Piedmont, results of a counterfactual impact assessment are broken down by labour market status. Net effects¹⁴¹ are found to be slightly higher for those with an unemployment spell of one to two years than under one year, but are slightly lower for the inactive and unemployed for more than two years. Differences are however modest.

Second there are some differences by **age group**:

- Target achievements for result indicators appear to be lower in programmes with high shares of participants that are above 25 years of age¹⁴², as shown by the econometric analysis.
- This is also in line with the correlation of success rates and target groups. Here we can see that success rates for employment results are lower for the group older than 25 years.
- However, the YEI evaluation in the UK observed higher levels of employment for older participants.

Skill levels also influence the results:

- Target achievements for result indicators appear to be higher for programmes in which the shares of low skilled are higher (following the econometric analysis). Also the analysis of success rates indicates better results for lower skill levels.
- A counterfactual impact evaluation in Poland found that the net effect for young people having left unemployment support is higher for the low skilled than for the high skilled.
- In the Italian region of Friuli, the net effects of the PIPOL programme¹⁴³ are of 7.5 percentage points for the low skilled, 5.5 percentage points for the medium skilled and 1.5 (not statistically significant) for the high skilled.
- In the Slovakia case study it was shown, that better educated participants (with a University degree) are more likely to be employed shortly after the completion of the practice.
- The Poland case study reported on differentiated by skill level and type of operation: people with lower secondary education used the training vouchers more, while people with higher education used grants for starting up business and settlement vouchers.

Disadvantaged persons: The success rate for the share of migrants and other disadvantaged tend to be positively correlated with the indicator 'any results',¹⁴⁴ which might be due to the fact that for these target groups often interventions aim at further education or up-skilling or just starting to look for a job – and not directly employment.

¹⁴¹ In simple terms, the net effect is calculated as share of individuals receiving support who are in employment minus share of individuals from their control group (who have not received support) who are in employment.

¹⁴² Following the econometric analysis for each additional percentage point of people aged above 25 years old in a programme, the econometric analysis indicates a reduction of 0.44 points of target achievement

¹⁴³ The PIPOL programme is a programme funded by the ESF under TO8 in Friuli Venezia Giulia (Italian region) which targeted both young as well as older inactive and unemployed through the provision of support in the form of: (i) vocational and educational training; (ii) work-based learning and (iii) a combination of the two.

¹⁴⁴ This is the sum of all 4 common immediate result indicators, with the exception of CR05 – which indicates the share of disadvantaged having achieved a result and it is thus focused on a sub sample of the participants.

4.1.6 EQ 1.6 What main factors (geographical, socioeconomic, organisational...) had the biggest impact in the effectiveness of ESF and YEI operations in respect of youth employment, by type of operation?

Socio-economic factors, including lack of employment opportunities, in addition to the **administrative capacity** of the Managing Authorities and beneficiaries as well as the composition of the target audience (e.g. presence of harder to reach individuals) have been cited as factors that can **affect negatively the progress of implementation** as well as results achieved by participants at the end of the operations, although the analysis from the YEI evaluations is less clear-cut. Geographic factors have some impact on the effectiveness and efficiency of operations, with interventions in rural areas tending to be more difficult and costly to implement but the evidence of employment effects varying between region types is limited.

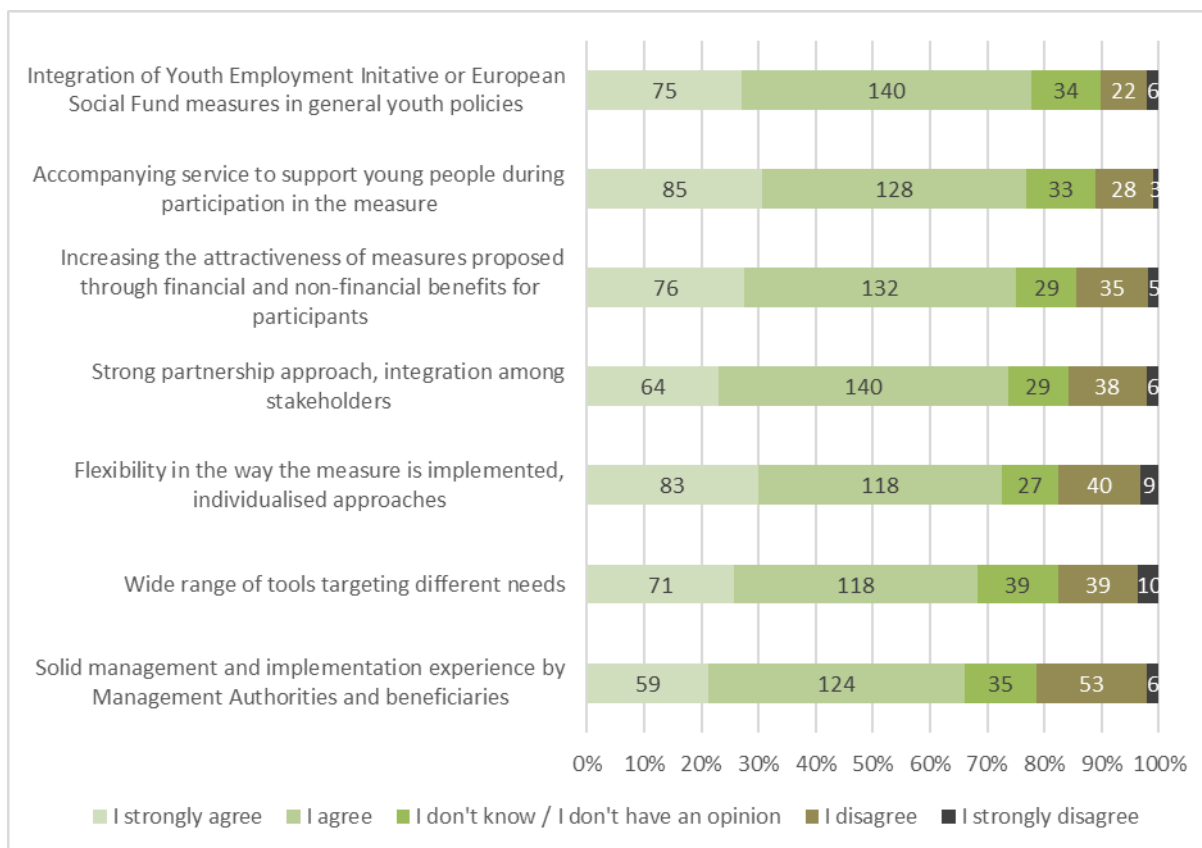
In macroeconomic terms and based on the experimental simulation from RHOMOLO, effects in the medium to long run appear to be **stronger** in regions that (i) are **net receiver of EU support**, (ii) have **larger labour supply** and (iii) have **stronger export orientation**. Caution should be taken in interpreting them as they might also reflect the situation that operations are still ongoing and data might be affected by under-reporting. However, changes in input data should strongly affect these dynamics.

Several factors influence the overall effectiveness of YEI and ESF youth employment operations

In this section we review a range of factors that have the biggest impact on the effectiveness of YEI and ESF youth employment operations. Our starting point is the public consultation exercise where organisations were asked which factors had the greatest impact on effectiveness, with the integration of YEI/ESF operations in general youth policies (including national policies) as the highest rated in terms of strongly agree/agree to the presented statement (see Figure 35). Organisations were asked a slightly different question – naming the factors that hindered the achievement of the objectives of the ESF and YEI in the field of youth employment (Figure 36) with difficulties to reach out and structural problems (e.g. lack of employment opportunities, educational calibre of participants) as the two main factors).

Figure 35. Factors contributing to the success of youth employment operations funded by the ESF or the YEI

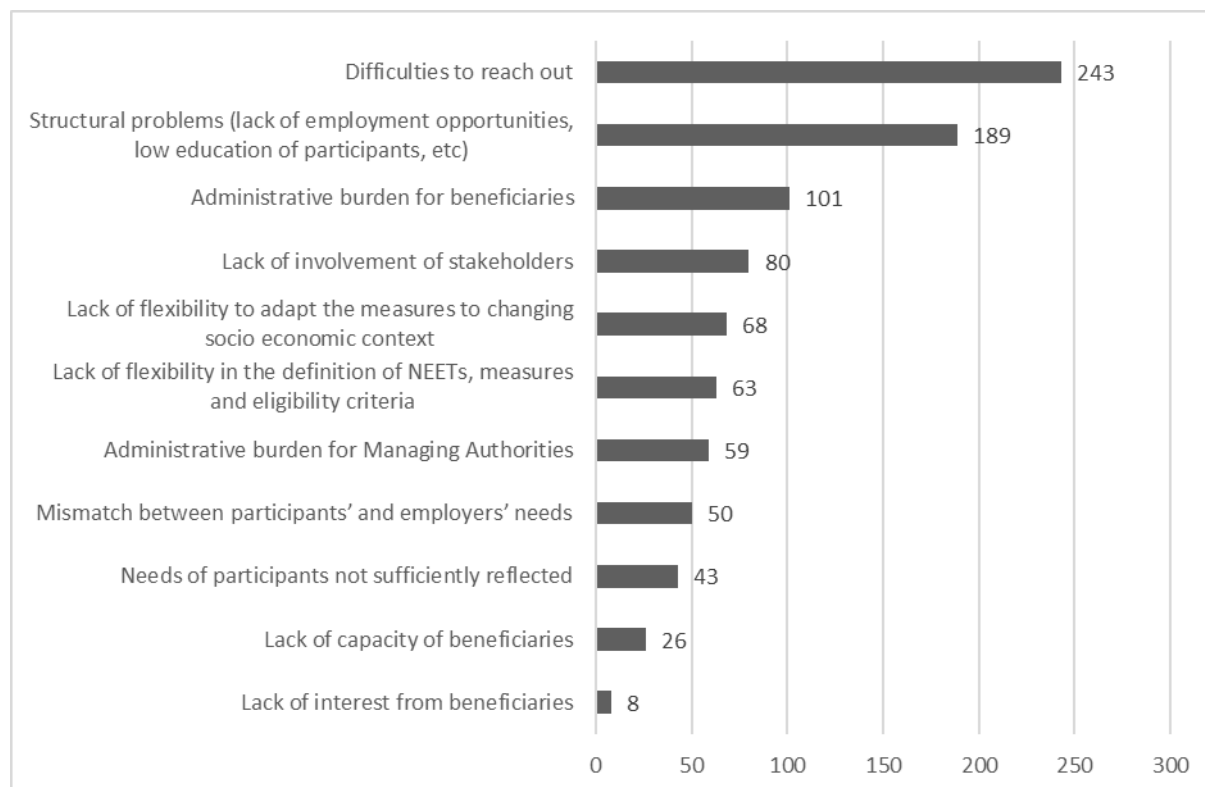
Question: To what extent do you agree or disagree that these factors contributed to the success of youth employment measures funded by the ESF or the YEI? (Group C and D, no.=277)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund. Study supporting the 2019 evaluation of youth employment (VC/2018/0175)

Figure 36. *Main factors hindering the achievement of the objectives of the ESF and the YEI in the field of youth employment*

Question: *In your experience, which are the three main factors hindering the achievement of the objectives of the ESF and the YEI in the field of youth employment? (Group C and D, no.=399)*



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund. Study supporting the 2019 evaluation of youth employment (VC/2018/0175)

Geographical factors influence effectiveness

The main geographical factor to emerge as having an influence on effectiveness of operations was the difference between **urban and rural areas**. The responding organisations to the public consultation found that the ESF/YEI is relatively **less successful** in supporting young people in **rural and/or remote areas**. The case studies provide examples where this is the case.

In **Spain**, actions taking place in large cities were considered more effective than those in rural areas, in particular as actions in rural areas generally tend to be more expensive due to the larger distances and lesser infrastructure. Cost differences due to travel were evident in Portugal **Azores**, where the cost of traineeship varies between islands, for both trainees and trainers who may have to travel from one island to another to receive or give the training. In mainland **Portugal** there were also some cost differences in regions where trainees had to travel to another location, when there were not enough participants to justify a training in the place where they live.

The socio-economic context has a greater impact on results than outputs

ESF and YEI are focused on regions with higher than average youth unemployment as opposed to regions that had favourable youth employment figures in 2014 and further improved since then (Cluster A). This shows how ESF as well as YEI has been targeted at clusters of regions where **youth unemployment is highest** (clusters B, C and D). While the econometric analysis has shown that the socio-economic context does not

seem to play a major role in the achievement of targets for output indicators for the YEI, regions with less favourable economic contexts show comparatively lower achievement rates for ESF. ESF in regions with a weak start and limited progress (Cluster D) had more difficulties to reach the targeted number of individuals whereas ESF investments in regions with improvements in the socio-economic context advanced more steadily towards their targets. This suggests that the socio-economic context affects the achievement of targets for **result** indicators to a larger extent than for that of output. A high share (47.4%) of organisations responding to the public consultation consider structural problems (such as lack of employment opportunities, low education of participants) a hindering factor to the achievement of ESF and YEI objectives, in addition to a lack of flexibility to adapt the operations to changing socio-economic contexts.

The characteristics of the young person are also important determinants of effectiveness (see also section 4.1.5)

Those from disadvantaged groups perform less well in achieving sustainable employment. For some in this group, employment entry is not an immediate objective or option, whereas confidence building, gaining qualifications and some experience (not just employment) are key outcomes. Indeed, the **targeting of YEI participants** has a significant impact on results and to the extent to which comparisons can be made.

However, one should also be wary that **higher results shown by people closer to the labour market** might well just **reflect the employment chances** they would have had, even in absence of support. Unfortunately, comparative evidence from counterfactual analysis by target group collected to date is scarce. This makes it hard to formulate a judgment. Two evaluations in Poland and in one region in Italy (Friuli) warrant attention as net effects were larger for those at a greater distance from the labour market and lower employment rates in these cases. The occurrence of stronger net effects for the low skilled is however in line with cumulative evidence from the literature on Active Labour Market Policies.

Management capacity, partnership working and good governance contribute to effectiveness

As we saw in the section answering evaluation question 1.1 above, structural challenges relate not only to the socio-economic context but also to the capacity of Managing Authorities and beneficiaries to deal with complex programming requirements, including eligibility criteria for the NEETs under the YEI and engaging with relevant stakeholders, particularly in regional programmes where the successful implementation of projects depends on the collaboration between the various governance levels and actors.

The 2018 YEI evaluations reveal that prior experience and continuity is a contributing factor to effective management. In some case studies experience in managing similar actions was reported to have facilitated the implementation of YEI in the Brussels-Capital region Operational Programme and in Cyprus. Experience in managing similar actions was also highlighted in Portugal in the case of professional traineeships and in Germany for the work-based learning operations. In Ireland, the long history of some actions (like the Back to Work Enterprise Allowance, which has existed since 1993 or 'Community Training Centres') is considered to contribute to the success of YEI. In Croatia, the fact that the actions supported were already in existence before (but used to be financed from the national budget, IPA or the ESF) was considered to be an important success factor.

Good governance was widely seen as an essential success factor in the YEI evaluations. This is illustrated in Sweden, where the high quality implementation of the operations (the competence of staff, and the low staff turnover) is regarded as a major success factor. The same applies to the case in Italy, where the reform of the public employment service in 2015 was critical in improving the way services were organised and led to more staff being available to provide support across the country. In Lithuania

as well, the experience and competences of the YEI coordinators were considered as critical factors for the performance and implementation of the programme.

Partnership was also mentioned in several of the YEI evaluations as a crucial element supporting implementation, as well in the public consultation exercise. For instance, in Brussels-Capital Region, cooperation between Actiris and other partners improved access to support for low qualified young people or those living in jobless households. In Flanders and Wallonia the partnership between NGOs, local authorities and civil society are crucial to reaching young people who are furthest from the labour market and do not register with the public employment service.

The Managing Authorities analysed how to better reach and identify NEETs and concluded that **setting common objectives to work together** in the field allows beneficiaries to consider themselves as partners rather than competitors. In Germany, as shown by the case study, regional networks were also set up to better coordinate services for young people with quite some success. In UK-England, the importance of developing a partnership with Jobcentre Plus was stressed, while in Bulgaria, partnership with NGOs and municipalities was considered an essential element. Cooperation as a success factor for the effectiveness of programmes was also mentioned in Spain between the public employment service and NGOs and in Malta between the public employment service, the National Youth Agency, the National Agency for Children, Families and the Community and youth centres. In Poland, labour offices throughout the country and Voluntary Labour Corps and their regional networks cooperated with local institutions (schools, work centres, clinics and others). As the analysis in the region of Emilia Romagna in Italy shows, a key element for the success of the operations is a strong partnership among all territorial stakeholders, public and private alike.

The Managing Authorities participating in the EU-level focus group also confirmed that **cooperation among actors**, in particular among employers and employment services is key to an efficient implementation of youth employment operations. This can only happen if the training offer is in line with the skills needs of companies or when there is a financial incentive for companies.

The ability to reach and support target groups also determines the effectiveness of operations

Reaching the target groups is frequently mentioned, e.g. in the public consultation, as having the single biggest impact on effectiveness (see Figure 36). Approximately six out of ten organisations responded to the public consultation that the main hindering factor was the difficulty to reach out to target groups followed by structural problems such as lack of employment opportunities and low education of participants. Outreach has already been discussed under EQ 1.3 but it should be mentioned here that successfully reaching target groups has an impact on the effectiveness of the programmes. This was also confirmed at the EU-level focus group where Managing Authorities agreed that reaching those furthest from the labour market, i.e. young NEETs, was essential to the success of the programmes. Three main elements were identified as essential: outreach work on the ground, the staff on the ground having the right qualifications and skills, and the use of innovative channels to reach young people.

Young NEETs are a very heterogeneous group, with a variety of specific barriers to participation in the labour market. In order to achieve the goal of decreasing the overall rate of young NEETs, policies and operations must be supported by a better understanding of the NEET population, and the specific challenges they face. The greater involvement of **youth organisations** is key in this regard.

The RHOMOLO model suggest regions that are net receivers of EU support, have larger a labour supply and have stronger export orientation may benefit more from YEI and ESF operations in the medium/longer-term

Some evidence on factors which, from a macroeconomic perspective, can affect the overall macroeconomic impacts of support of the ESF/YEI for youth employment in the medium to long run (up to 2030) are discussed in the simulation carried out through RHOMOLO. Although the model relies on several simplifying assumptions as anticipated in section 1.3, some key insights can be drawn from it.

In general, it was found that effects in the medium to long run are **stronger** in regions that (i) are **net receivers** of EU support, (ii) have **larger labour supply** and (iii) have **stronger export orientation**. This is particularly apparent if one looks at multipliers in terms of euros generated per euro invested.

In geographical terms this means that regions such as the north of Italy, the north of Spain, and the area of Brussels might be well placed to reap the benefits of the youth employment support, given the combination of high funding in view of the (comparatively) high youth unemployment rates but also strong export orientation and capacity to attract workers also from other regions. Conversely, regions with higher level of imports and low labour intensity may risk not benefitting in the long run from these productivity enhancing investments in human capital as they cannot satisfy the increased demand through internal resources. In addition, the newly upskilled workforce in regions with low labour intensity might be attracted in regions where salaries and employment opportunities are higher. The level of displacement of private investments due to public investments is also higher in regions with lower labour participation.

However, the sensitivity analysis carried out by the JRC on these results also shows that multipliers are significantly affected by the **unit costs of the operations**, which, as explained below in EQ2 (efficiency) are subject to great volatility given the ongoing nature of data entry. In addition, whilst unit costs might differ in relation to the specificity of support provided, to keep the analysis tractable some simplifying assumptions are used in RHOMOLO. These mean that results of the simulations might not entirely reflect the actual increases in participants' productivity linked to slightly different forms of support with different unit costs. Thus, such analyses should be replicated in the future if more granular¹⁴⁵ data becomes available.

4.1.7 EQ 1.7 To what extent YEI and ESF contributed to structural changes in national education systems, vocational training systems, public employment systems or youth policies?

YEI and the ESF have contributed in some cases (as regards the YEI, indirectly as it is targeted towards individuals and not systems), to **structural changes in national systems of education and training and public employment systems**. The influence on youth policies is perhaps more evident as YEI and ESF contributed to raising awareness of the challenges facing young people, especially those further away from the labour market, to access training and the labour market, and to create interventions to support them.

The programmes have raised **awareness** of youth, in particular NEET, issues and, as a consequence, provoked changes in strategic approaches and services for young

¹⁴⁵ It would be necessary, to start with, to have a disaggregation by labour market status and skill level of the participants to support linked to the results recorded for them. In very simple terms it would be necessary to know whether a given level of employment rate belongs, e.g. to the inactive or unemployed and if they were inactive, were they low or high skilled, in which exact region and so on. But, on the other hand, it is also a matter of data of better quality. Quality means for instance granular data on net effects from counterfactual impact evaluations (not just employment rates) as well as granular data on costs which are reliable enough. In the future one can expect further efforts to make the data more granular (i.e. through the consolidation of micro-data) and of better quality (i.e. more counterfactual impact evaluations, more stable information on unit costs, as the operations come to an end).

people. According to 59% of respondents from organisations in the public consultation, employment operations by the ESF or the YEI successfully contributed to the promotion of structural reforms in employment, education and training systems.

The ESF/YEI has brought about some significant changes in the **strategic approach** of public employment services and other bodies to youth unemployment, including cooperation between different actors in the field and adjustments in services.

The support from the ESF and YEI has contributed positively to structural reform in employment, education and training systems

According to more than half of respondents from organisations (59.0%) in the public consultation, employment operations by the European Social Fund or the Youth Employment Initiative successfully contributed to the promotion of structural reforms in employment, education and training systems (although it was not a specific objective of YEI). We also draw examples from the case studies.

The main impact of YEI and ESF funding for young people across Operational Programmes has been a change in the way public employment services and other actors involved in employment policy work and approach the youth employment issues. The effectiveness of a multi-stakeholder and governance system (e.g. increasing collaboration among different organisations and types of professionals) is mentioned by several respondents in the public consultation, as a factor that can help to increase the quality of work through mutual learning.

Similar evidence has been obtained from the case studies. In **Saxony-Anhalt and North-Rhine-Westphalia**, the two initiatives RÜMSA and KAoA, which bring together all the relevant actors in the field of youth employment in the region, **are bringing about a system change by coordinating support offered to young people**. KAoA has potential to spin-off into a broader municipal policy making and coordination tool.

In Italy, the **national YEI Operational Programme introduced several innovative elements in the way active labour market policy for young people is provided (e.g. profiling, standard costs, strengthening of the public employment services)**. These are contributing to the implementation of active labour market policy reforms that have been introduced in the past years. Furthermore, the multi-level governance approach between the national and the regional levels has introduced an innovative way of working, with the central level setting up tools and systems and the regional level implementing and customising the operations. This approach was particularly useful in ensuring an adequate level of implementation of the national YEI Operational Programme, thanks to a close monitoring by the central level and the provision of accompanying operations.

In Portugal, the implementation of the Youth Guarantee through the YEI helped to speed up and expand the public employment service's intervention, reaching a more diverse target group of young people, enhancing territorial coverage, introducing new outreach channels (e.g. a specific position was created in job centres to assist companies and universities). The solid new network of partners in the context of the Youth Guarantee allowed the capturing of inactive young people (who were not registered at the public employment service). The change in the Azores programme of the local public employment service from employment centres to agencies for qualification and employment is a positive step towards this paradigm shift within public employment services.

In Poland, the project experience introduced some changes - introduced in June 2019 - that mean that statutory forms of support that were previously not allowed can now be offered to young people. Consequently, labour offices have much more freedom when choosing a form of assistance offered to the unemployed, based on a more personalised support and not following predefined profiles. In addition,

steps were taken to prevent employment in the form of fixed term contracts that do not provide full benefits and employee protection.

In Belgium Wallonia and in Greece, thanks to the YEI, NEETs are to become a cross-cutting issue in the national/regional public policy. In Greece, it is expected that in the coming years, thematic youth strategies will take into account the implementation and approaches of YEI. A typical example is the introduction of the concept of 'quality employment' in the updated version of the Greek Action Plan. Likewise, the 'Youth 2017-2027' framework is inspired from the YEI actions, as a vehicle for adapting European decisions, directives and priorities for young people in Greece over a 10-year period. At the same time, the new generation of integrated interventions for training, certification, internships and subsidies for new jobs in sectors such as agri-food, processing, circular economy, ICTs, economic science and theoretical sciences is expected to be funded and based on the experience of the YEI. A similar effect can be detected in France, where, despite the difficulties of adapting to a 'new' definition of NEETs, the YEI has contributed to raising the awareness and the knowledge of the heterogeneity of this group. Likewise, in Italy policy makers and employment service providers have increased their knowledge and, most importantly, their capacity to answer to the needs of the NEETs and new tools and instruments have been deployed.

4.2 Efficiency

EQ 2. Efficiency: How efficient has the YEI, and other youth-employment operations funded by the ESF, been in the achievement of their objectives?

The assessment of efficiency is drawn from various strands of evidence, all of which have their limitations, not the least of which is that the assessment of cost-effectiveness at this stage – and especially in respect of results - with incomplete operations and often, incomplete data or under-reported results, is likely to underestimate the true cost-effectiveness of youth employment operations.

What we can observe from the evidence is that:

- **Vocational education and training (VET)** is the operation most frequently mentioned as a cost-effective youth employment operation, from the public consultation of organisations delivering ESF/YEI and other organisations, whereas **community and voluntary work is the least cost effective** (and also the least effective based on the same consultation). Other evidence highlights the cost-effectiveness of VET, if linked to work experience and/or closely linked to employer needs, although we do have some contradictory findings from some of the YEI evaluations. These evaluations highlight integrated pathways and work based learning as being more cost effective than other operations.
- Cost-effectiveness is not determined by costs alone. Indeed, vocation education and training can involve high costs, but has also shown to be effective in different contexts, when linked to work experience, **justifying higher costs**.
- Measures of unit costs are flawed, with too great a degree of variation, but an overall benchmark is helpful in guiding policy and the allocation of resources. Using the available evidence, the **average unit costs are within the expected norms** (e.g. broadly comparable with analogous past programmes). However, if the unit costs are too low this may suggest that resources are being spread too thinly and/or with more limited impact.
- There is **little differentiation between YEI and ESF** among countries (the nature of the operations and their intensity/duration is what primarily determines costs).
- The **visibility** of ESF/YEI employment operations **can be improved**. This will also help outreach and the recruitment of participants. Member States have employed a variety of approaches from social media campaigns to more

effective partnering with public employment services, but more needs to be done to increase visibility and raise awareness.

4.2.1 EQ 2.1. To what extent were operations cost-effective? What types of operations were more and less cost-effective? In what contexts? What were the determining factors?

There are **wide variations in costs and costs/participation or costs/result**. The type of operation is a key determinant although varying durations of operations limits comparisons. There are also examples of high cost but highly effective operations that can be perceived as more cost-effective than some low cost but relatively ineffective operations.

The public consultation provides some of the strongest evidence and highlights **vocational education and training as the most cost-effective** operation and **community and voluntary work as the least effective**, mirroring the assessment of effectiveness in the same consultation exercise. The former is seen as a more worthwhile investment in terms of getting young people into employment, especially where such training is strongly related to employers.

However, vocational training will not suit all elements of the NEET client group, especially those furthest away from work. For these groups, basic skills training and guidance and related support is ranked highly as being cost effective from the public consultation exercise.

The methodologies for 'calculating' cost-effectiveness have their limitations meaning it is important to draw evidence from multiple sources

Measuring cost effectiveness represents the greatest challenge for this evaluation study. A review of unit costs (participations/results vs. cost of inputs) has several methodological limitations. The data are sometimes incomplete and results do not generally cover the full story, either the period by which operations are completed and results obtained (a problem for a mid-term evaluation) with ongoing operations.

We have already seen in the preceding sections that results can improve over time and that there is under-reporting of results including soft outcomes. As explained in **Annex 4a**, a sufficiently precise estimate of unit costs remains problematic. Likewise, a reliable estimate of cost-effectiveness can only be provided after this information gap has been closed, and ideally where data have been provided for interventions for which matching impact evaluations have been found.

A further complication is the nature of the operation and the client group. Even broadly similar operations can be quite different in execution and duration which could lead to an unfair comparison of 'apples' and 'pears'. Nevertheless, with these caveats in mind and if we avoid inter-country comparisons – given wide variations in figures that cannot be simply explained – **we may observe some patterns that can be tested further in a full ex-post evaluation.**

We therefore include some figures from the SFC2014 database, the Simplified Cost Options study¹⁴⁶ which provides some possible benchmarks, and the evidence from the case studies and the evaluations which pin point some specific examples and give some indication of cost effectiveness. The evaluations provide some interesting evidence but ideally we would need to have a significant number of comparable counterfactual impact evaluations across the Member States and types of operation, which are not available.

We have also discussed earlier – and return to in Chapter 5, Lessons Learned and Good Practice – that the focus on outreach to vulnerable and hard to reach groups has meant that effective operations require a significant investment in identifying, recruiting and

¹⁴⁶ Study on Developing "off-the-shelf" Simplified Cost Options (SCO)

supporting – often with a high level of intensity – those from vulnerable and hard to reach groups, which implies additional costs. This is pertinent given earlier statements in this report that inactive NEETs are an increasing proportion of all NEETs.

Based on the public consultation, vocational education and training was mentioned most as a cost-effective operation for both YEI and ESF youth employment operation, with community and voluntary work the lowest

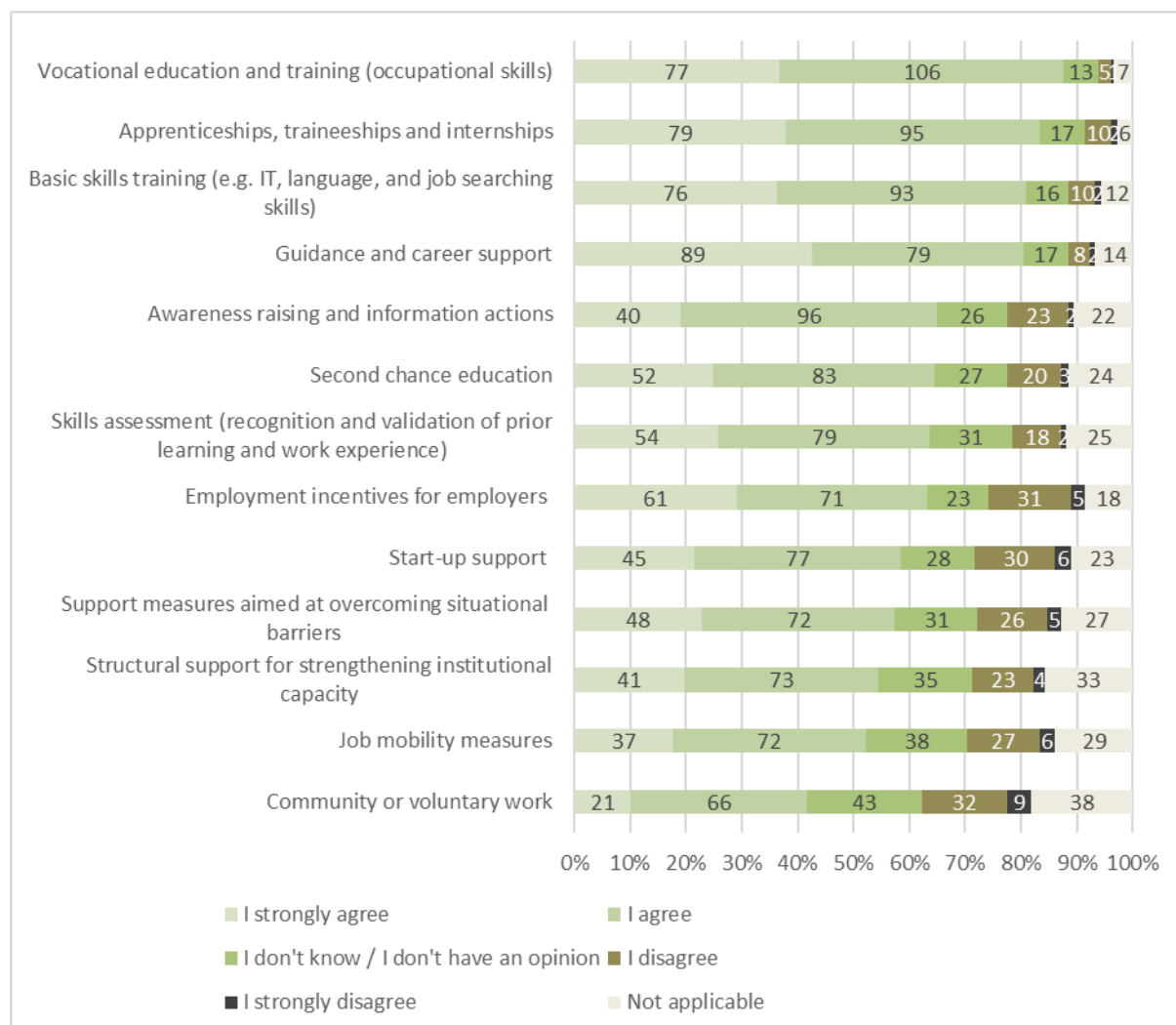
Another source of information is the public consultation where cost effectiveness is defined as resources invested being proportionate to the results achieved.

The public consultation received 209 responses from organisations involved in the implementation of ESF youth employment and 206 for YEI, as shown in Figure 37 and Figure 38 below. The public consultation is a key source for a qualitative assessment of the types of operations perceived to be more cost effective.

Starting with the public consultation there are broadly similar responses for ESF and YEI with most respondents from organisations involved in the management of ESF/YEI agreeing on the **highest level of cost-effectiveness for vocational education and training activities** (87.6% ESF, 83% YEI%) followed by apprenticeships, traineeships and internships (83.3% ESF, 82.5% YEI), basic skills training (80.9% ESF, 79.1% YEI) and guidance and career support (80.4% ESF, 76.7%). In common with the public consultation responses on effectiveness, **voluntary and community work was ranked the worst in respect of cost-effectiveness. Variations between countries were not deemed significant.**

Figure 37. Cost-effectiveness of activities implemented through ESF

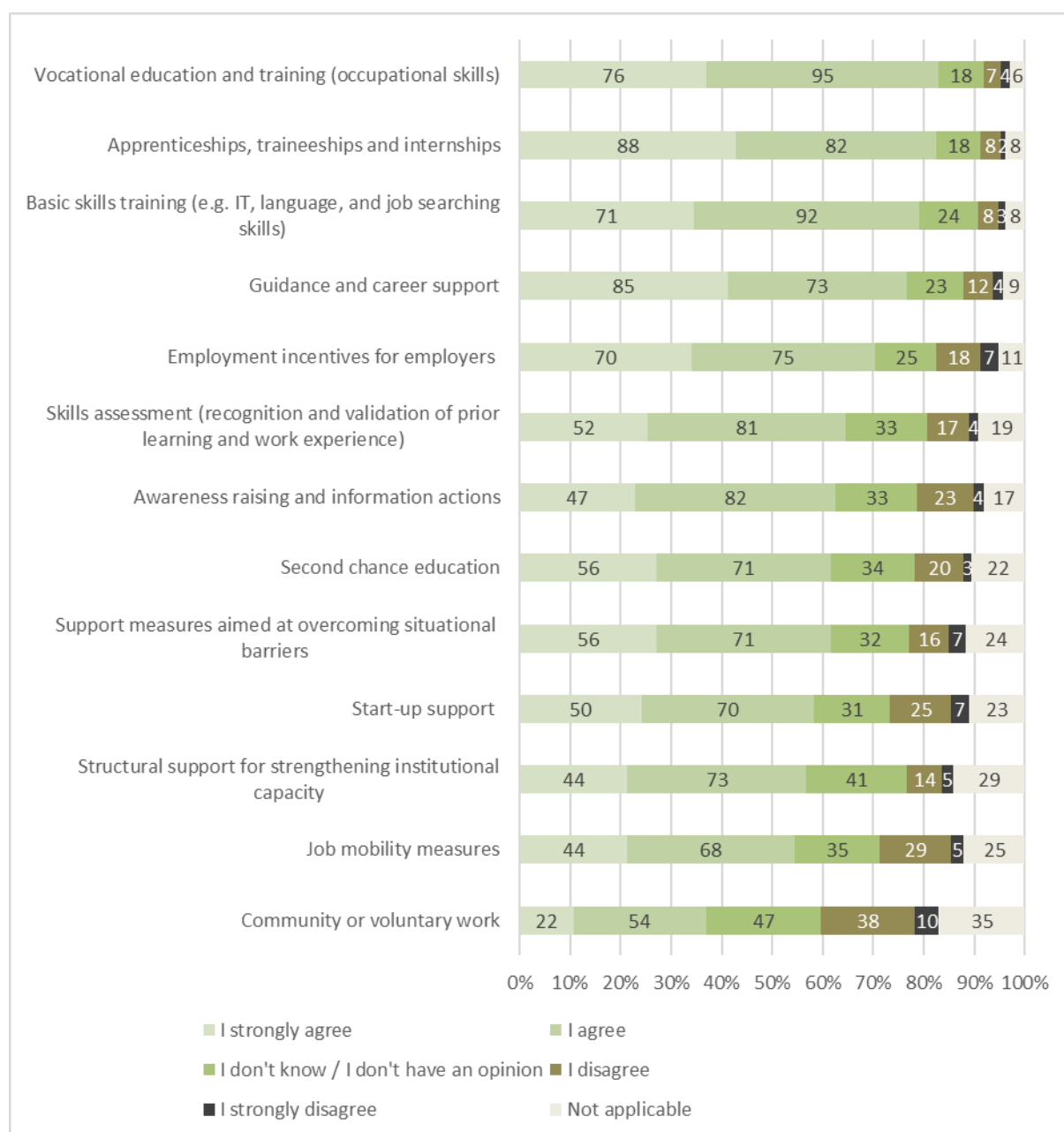
Question: To what extent do you agree or disagree that the following activities implemented through the ESF were cost-effective? (Group C, no=209)



Source: Draft Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund

Figure 38. Cost-effectiveness of activities implemented through YEI

Question: To what extent do you agree or disagree that the following activities implemented through the Youth Employment Initiative were cost-effective? (Group C, no.=206)



Source: Draft Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund

The responses generally correspond with those for effectiveness but for one variation – the cost-effectiveness of financial incentives, be this support for the remuneration to business through employment subsidies and/or support to businesses in delivering apprenticeships, traineeships and internships. Whilst there were relatively few responses to the open question ‘could you explain why you consider these activities not cost effective?’, 23 in the case of ESF and 19 for YEI, some patterns emerge.

Respondents mentioned that sometimes companies hire young people primarily to gain short-term subsidies, sometimes at the expense of building longer term capacity through vocational training focusing on vocational training. However, there were also

suggestions that cost subsidies to employers came with considerable administrative costs – and that the processes were overly complex – or that incentives were too short term, rendering them less attractive to employers. In addition, the consultation exercise highlighted the relative – limited - utility of subsidies for the more disadvantaged groups, who require more intense support, often over a longer time period.

Unit cost data, albeit with limitations, shows that ESF and YEI youth employment operations, whilst higher, are broadly in line with other 'benchmarks'

With the above caveats in mind the results of comparing the number of individual participants registered against the total eligible expenditure declared are presented in Table 13 below¹⁴⁷.

Overall, the table shows an average cost per participation in ESF 8.ii (the sustainable integration into the labour market of young people) investments of EUR 1 854, and EUR 2 035 for YEI, which is higher than the average unit cost for TO8 (thematic objective – promoting sustainable and quality employment and supporting local mobility) overall (at EUR 1 390). These figures are also higher than the unit costs that were found in the update of the *ex-post* evaluation of ESF 2007-2013 for Access to Employment (EUR 1 215), for youth. **The aggregated figures mask significant differences across Member States** but as stated earlier the figures are provided here for context and to help guide future evaluations, rather than deeper scrutiny at national level.

¹⁴⁷ The total number of participants is calculated by summing common output indicators 1, 3, and 5, which present exclusive and complete types of output indicators for individuals participating in an operation.

Table 13. Eligible expenditures declared to EC per participation

MS	ESF				YEI		
	Total participation 8ii	Expenditure declared 8.ii (xEUR million)	Overall unit cost 8.ii (EUR)	Overall unit costs TO8 (EUR)	Total participation	Expenditure declared (xEUR million)	Overall unit cost
BE	109 080	33.8	310	698	142 993	39.7	278
BG	8 208	142.7	17 711	16 035	46 529	76.7	1 648
CY	1 653	6.2	3 727	3 664	5 133	15.9	3 088
CZ	-	-	-	2 831	4 059	20.6	5 084
DE	83 675	341.2	4 078	3 009	-	-	-
ES	5 478	4.5	805	626	751 704	1 466.3	1 951
FR	36 650	123.8	3 748	1 498	459 125	623.0	1 359
EL	-	-	-	2 748	60 893	157.6	2 588
HR	9 646	47.5	4 925	4 136	24 220	115.1	4 754
HU	70 468	136.7	1 940	2 188	40 001	120.2	3 005
IE	-	-	-	7 717	12 043	117.3	9 738
IT	458 166	450.6	1 017	691	494 178	1 273.9	2 578
LT	-	-	-	1 678	61 321	62.7	1 023
LU	4 208	5.0	1 184	1 402	-	-	-
LV	-	7.0	-	955	29 498	59.3	2 012
MT	2 632	1.8	680	1 551	-	-	-
PL	190 948	373.9	1 958	1 885	266 308	536.4	2 014
PT	-	177.6	-	456	59 276	332.5	5 609
RO	617	1.1	1 557	2 154	1 268	0.9	715
SE	14 706	81.8	5 564	6 759	28 764	101.4	3 524
SI	10 235	33.1	3 235	2 806	2 985	19.3	6 449
SK	-	-	-	1 847	88 044	90.1	1 023
UK	114 578	259.6	2 265	1 706	74 891	169.0	2 257
EU	1 120 948	2 228.1	1 854	1 390	2 653 233	5 397.8	2 035

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019. The EU averages are weighted to reflect total expenditures. Bulgaria is not included in the EU average unit costs for 8.ii. We believe there is an anomaly that is being investigated by the Managing Authority.

The DG EMPL study, "Developing 'off-the-shelf' Simplified Cost Options (SCO) under Article 14.1 of the European Social Fund (ESF) Regulation" had the purpose to support the Commission in its efforts to establish EU level SCOs. One of the three policy areas for which SCOs should be established was training of the unemployed. This was calculated based on the cost of a successful exit from an intervention, whereby 'successful exit' refers to "a participant leaving an intervention and obtaining a certificate, accreditation or other national operation providing sufficient assurance that his/her training was successfully completed (based on national practice of a Member State)"¹⁴⁸. The main source of data used was the Labour Market Policy (LMP) database. The study came up with potential unit cost rates for training of all unemployed, not only young people¹⁴⁹. Comparative data from the SCO study, this study and the work on TO8 is included in Table 14.

Interestingly, we have similarly **higher than average rates** for Germany, Ireland and Sweden¹⁵⁰ in the SCO study as in this youth employment study. For Germany, the explanation given is that typical interventions in Germany are characterised by a long duration for participants (12 months and over). In Ireland, specific target groups, such as the socially excluded, long-term unemployed, and youth are targeted. For Sweden, we do not have a specific reason although other variables including type of operation and duration come into play.

In most cases, the **costs do not readily compare**, even between TO8 averages and the SCO, although Greece has broadly similar unit costs. They can, as they are intended in the SCO study, be taken as an indication of average costs but with the caveat that there may be significant variations depending on reporting and timing as highlighted above.

¹⁴⁸ Developing "off-the-shelf" Simplified Cost Options (SCO) under Article 14.1 of the European Social Fund (ESF) Regulation, PPMI for DG EMPL, April 2018

¹⁴⁹ The study concludes that "considering the rigorous data verification process that the data in the sample has undergone, [...] that these unit costs reflect the specific training practices in those Member States". Extrapolated unit cost values were established for seven Member States using the 'ordinary least squares (OLS) regression' model to predict missing values based on the available data.

¹⁵⁰ Luxembourg is a significant outlier for which no explanation is given in the report so we also leave it out.

Table 14. Comparison of unit costs between different data sources (in EUR)

MS	8.ii	T08	Overall	Overall	National	ESF co-funded	active population	active population
	ESF monitoring data		YEI monitoring data	YEI evaluations 2018	LMP database 2017		SCO study ¹⁾	SCO study ²⁾
BE	310	698	278		5 700	800	3 351	
BG	17 711	16 035	1 648	1 278	2 500	2 500	596	
CY	3 727	3 664	3 088				2 696	
CZ	-	2 831	5 084		700	4 800	521	
DE	4 078	3 009	-		5 900	6 000	6 959	
ES	805	626	1 951				2 772	
FR	3 748	1 498	1 359				6 274	
EL	-	2 748	2 588		14 500	5 700		2 064
HR	4 925	4 136	4 754		4 300	5 400	4 299	689
HU	1 940	2 188	3 005	3 000	4 000	5 500	1 818	
IE	-	7 717	9 738		16 800	17 800	11 119	
IT	1 017	691	2 578		3 900			3 676
LT	-	1 678	1 023		3 600	5 800	1359	
LU	1 184	1 402	-		16 000	45 700	19 302	
LV	-	955	2 012		700	4 200	756	
MT	680	1 551	-		8700	5 600		2 256
PL	1 958	1 885	2 014		3 500	3 300	594	
PT	-	456	5 609	1 602	2 500	4 800	994	
RO	1 557	2 154	715		1 400		53	583
SE	5 564	6 759	3 524		15 100		7303	
SI	3 235	2 806	6 449	224	6 300	4 200	854	
SK	-	1 847	1 023	3 680		2 200	424	
UK	2 265	1 706	2 257					5 863
EU	1 854	1 390	2 035					

Sources: SFC2014, based on AIR 2018, data extracted on 6 September 2019. The figures for BG are subject to the same caveats as in the previous table

YEI 2018 evaluations. LMP database

Data compiled by PPMI based on data extracted from the LMP database and provided by Member States for training of all unemployed

1) based on LMP database; 2) based on extrapolated data from LMP database

The use of the econometric analysis is limited but reinforces the lack of significant differences between YEI and ESF youth employment operations

To provide a further level of analysis we have turned to econometric analyses based on micro data from six countries, but which varied in depth and comparability. In essence what was tested is the potential correlation between unit costs and the socio-economic context (represented by the clusters as well as some specific indicators) and/or the composition of the audience of participants addressed (roughly represented by the shares of inactive, low skilled, disadvantaged participants within each programme, by category of region). It was decided to only use operations with at least 75% of financial implementation as only those can be expected to have more or less balanced expenditure declared and participations. The latter are the basis on which we calculate the unit costs.

The **econometric estimates** themselves can neither make up for the ongoing nature of reporting on costs and participants, nor can they account for the inherent variation due to the different types of operations carried out. The lack of consistent micro data

across the EU¹⁵¹ and a sufficiently large sample of operations make it impossible to meaningfully take this into account (see **Annex 4** for details on the micro-data). In addition, the low numbers of individual observations on ESF/YEI programmes mean that it becomes less likely to obtain statistically significant results.

Bearing these limitations in mind, and after having duly removed outliers, the econometric analysis nevertheless suggests that:

- There is no **statistically significant difference between the unit costs of the YEI and ESF programmes**. Thus, although the costs of YEI interventions are on average slightly higher, the difference should not be taken as a statistically significant one.
- The **socio-economic context does not play a statistically significant role** in determining differences in the average cost per participant. These remain modest even if parity of purchasing power is applied to unit costs. However, using costs discounted for parity of purchasing power increases the explanatory power of the model. In addition, there are some notable findings which should be mentioned:
 - In programmes belonging to the **spatial cluster with strong starting position and good progress** (which applies to Luxembourg and Ireland) **costs tend to be higher**, whereas in areas with stronger need of support the costs are comparatively lower.
 - Programmes implemented in areas with higher values of the index 'quality of government' are correlated in a statistically significant manner with lower unit costs, in the range of EUR 500 less each, 10 percentage of higher value of the index of quality of government¹⁵².
- The **composition of the audience (different shares of inactive, low skilled, disadvantaged participants, as well as participants from minorities and with disabilities) are overall not strongly correlated with unit costs**, with the exception of programmes in which there are high shares of inactive participants, which show statistically significant lower unit costs¹⁵³ although this would appear to contradict other sources of evidence which highlight more intense levels of provision for those young people from more disadvantaged backgrounds¹⁵⁴.

¹⁵¹ In the framework of the case studies, the contractors asked the Managing Authorities to provide aggregated micro-data in order to make more precise estimates of costs. Data was received from Belgium, France, Germany, Greece, Poland and Portugal. We were provided with a stock of 872 operations with more than EUR 1 960 billion eligible costs, EUR 1.189 billion expenditure declared, and more than 918 000 entries. Not all the data were aligned with the template provided and could be easily cleaned to fit the template. Therefore, not all could be used for the unit cost analysis.

¹⁵² The quality of the government index states the lower the unit costs of support offered. As for the other findings of the econometric analysis, when we identify a correlation this also takes into account other underlying differences (i.e. the features of the participants, the cluster, changing unemployment rates and so on). So "all other observable things being considered" and based on the econometric analysis we find that the higher the quality of government index the lower the costs.

¹⁵³ Students are by definition inactive, so when we find high shares of inactive in a programme it might just be high shares of students. More broadly, by definition YEI supports people with some degree of distance from the LM. Being low skilled or being inactive does not necessarily mean being among those at a greater distance from the LM among YEI participants. In addition, basic skill training and job guidance is arguably cheaper than specialised training for the high skilled. It is not uncommon to offer relatively low-cost guidance to inactive participants, to get them 'into the system'

¹⁵⁴ This is to some extent relative as all participants in youth employment programmes have some disadvantages in terms of integration with the labour market

The analysis of micro-data provides some further insights. We can see from Table 15 below that there are some gaps, where intervention types and region type apparently are not matched by any operations, based on available information¹⁵⁵.

Table 15. *Expenditure per entry: expenditure minimum-rate threshold of 75.1 % - breakdown by region and intervention type*

	Overall	YEI	more developed regions	in transition regions	less developed regions
Work based learning or first job experience	4 383	4 006	5 906	1 000	6 340
Education and Training	7 869	1 027	12 295	Data gaps	Data gaps
Prevention strategies for early school leaving	964	964	Data gaps	Data gaps	Data gaps
Guidance and support for individuals	469	457	904	537	
Structural support for strengthening institutional capacity ...	Data gaps	Data gaps	Data gaps	Data gaps	Data gaps
Financial incentives to employers and unemployed	2 344	3 088	2 003	2 169	2 585

Source: Micro-data and own calculations, based on operations completed to 75% or more

However, we can say that:

- **'Education and Training'** is the most expensive intervention type. This high cost is not surprising, given that (professional) education and training can be an intensive intervention. This is the case as well in terms of time spent per participant, as per infrastructures and materials needed, in particular when it comes to job training in industrial or high-level services.
- **'Work based learning or first job experience'** are the second most expensive, typically requiring additional socio-pedagogic support and/or mentoring.
- Third are **'financial incentives to employers and unemployed'**, such as for instance provision of additional work or apprenticeship places, sometimes also comprising accompaniment and mentoring.
- **Guidance and support for individuals** are half as expensive as 'prevention strategies for early school leaving'.
- **Prevention strategies for early school leaving** can be considered an early intervention and less expensive than more intensive curative interventions.

The 2018 YEI evaluations also highlight higher costs for vocational training

A further source of information on unit costs are the 2018 YEI evaluations. The evaluations also give significant variations between countries and also by intervention type ranging from guidance to NEETs in Cyprus (average cost per participant of EUR 300 in graduate training (also in Cyprus) and training centres in Ireland, around EUR 10 000 per participant. Ireland also has schemes where the cost per participant is as high as just under EUR 19 000. We provide these values to illustrate the significant variations in figures, for which explanations are often lacking.

If we accept that the **intensity of support** is a key factor (e.g. guidance can range considerably in its content and depth) there are nevertheless some interesting observations, namely:

- **Training leading to qualifications**, and especially higher level training for graduates and higher skilled participants carries cost of infrastructure and other costs (tutors, equipment etc.) and has amongst the highest costs per participant,

¹⁵⁵ The application of a threshold for 'completed' operations is sensible but reduces the number of observable operations

in contrast to lower skill training (e.g. **driver training in Latvia**) or **informal training**.

- There are very varied unit costs within countries that do not readily match the national averages. This suggests balanced portfolios of programmes at Member State level with some higher cost interventions averaged out by those with lower unit costs (e.g. work experience, general guidance), in effect the lower cost operations providing a 'subsidy' for higher cost operations, although not as explicit objective.
- **Financial interventions** (such as employment incentives) tend to fall between the two extremes as does support for entrepreneurs, although this can be towards the higher end.
- There is some limited evidence of higher unit costs where participants require more support and are further away from the labour market however, there are also higher costs for operations targeted at those closer to the labour market (e.g. higher level training targeting graduates).

The 2018 YEI evaluations highlighted some other points of interest, namely:

- **Relative variations in unit costs:** In Lithuania, services provided to participants close to the labour market are estimated to be more cost-effective than those provided to young unemployed not ready for the labour market. In Spain, according to the intermediary bodies and direct beneficiaries, the most efficient YEI interventions are reported to be extra bonuses for some working contracts, workshop schools as well as individualised guidance.
- **Comparisons between YEI unit costs and those of national programmes:** Such comparisons are not available for many countries. In some Member States, the costs were similar to those of existing national operations, which is the case for instance in Cyprus (for 'Acquisition of work experience for young unemployed graduates', the unit cost of support is estimated at EUR 4 681 per person). The counterfactual evaluations provide a modelled approach to the relative costs of YEI and comparable provision, through the use of control groups. In Latvia, after six months, cost-effectiveness in terms of participants employed (and number of days worked) is estimated to be higher for YEI participants than for the control group for all operations. 'Developing skills for work in the non-governmental sector' is estimated to be the most cost effective operation (both in terms of participants in employment and number of days worked). Conversely, cost-effectiveness in terms of average wages in Latvia (i.e. the difference between the estimated 'counterfactual' impact of the operation on the average wage and the cost of support) is lower for YEI participants than for the control group for all operations except for 'First job experience' (both after six and 12 months). This can be interpreted that the YEI participants show better employment results, but with lower wage levels.
- **Variations between actual and programmed costs:** In some Member States (such as Greece and Portugal for traineeships and recruitment support), the actual costs were higher than the programmed costs, though this does not necessarily mean that the programmes were not cost effective. In Slovakia, the unit cost of the operations is also higher than programmed (EUR 3 680 per person rather than EUR 2 230) but, in this case, cost-effectiveness is estimated to be twice that expected (the cost per person placed in a job being half that expected: EUR 4 065 per participant who finds employment as against EUR 8 303). The conclusion in Spain is that the real costs are in line with what was planned, but when they are not, this is due to longer, more intense, more personalised and more costly interventions required to address the needs of vulnerable groups.

France carried out an evaluation of costs by type of operator. These costs are shown in Table 16 below. We can see that the costs for young people ('missions locales' for under 26 year-olds) are higher than those of the 'Pole Emploi' (Public Employment Service).

Table 16. *Cost by type of operator, expected cost and real cost, National Operational Programme France*

	Total amount in million EUR	Number of interventions	Number of participants at entry time	Number of participants at ending time	Expected cost by participant ¹⁾ in EUR	Real cost by participant ²⁾ in EUR
SMA: adaptive military service	56.4	5	5 640	3 413	7 387	10 004
Missions locales (PES for people under 26)	3.4	26	5 075	4 668	672	942
Pole Emploi (PES)	24.5	1	55 257	27 728	57	442
GIP, Greta (training centres)	1.3	5	5 092	5 092	331	260
Other	1.6	9	1 588	1 261	1 042	1 017

Source: "L'efficacité des opérations des PON FSE et IEJ: analyses, 1ers résultats et éléments de méthode" (2017), DGEFP report, p. 16.

1) Programmed ; 2) Certified

The changing characteristics of the NEET group partly explain higher unit costs in the current programme period, when compared to 2007-2013.

The case studies provide another layer of evidence and in particular some rationale for varying unit costs and in particular some reasons for the increased unit costs for Investment Priority 8.ii and YEI in this programming period, namely:

- Most case studies highlight higher costs for hard to reach/disadvantaged groups (especially the long-term unemployed) for comparable forms of support, to cover outreach work and/or to provide tailored and/or longer term interventions. In Germany for example, greater resources are needed to train disadvantaged young people, be it due to their language barriers or lack of social and cognitive skills or inability to follow a structured working week. However, it is not so 'clear cut' as vocational education and training orientated to NEETs closer to the labour market can also attract high costs, although not necessarily higher than in the 2007-2013 programme period.
- The changing labour market post-crisis was also highlighted in most case studies. The hypothesis raised was that in increasingly 'tight' labour markets, and more so in countries like Germany than others, there was more focus on the long term unemployed, and the costs of recruitment of participants (in a relatively smaller pool) increased. The Portugal case study also highlighted issues of increased travel costs for participants as YEI training became more specialised and focused on specific sub-groups (e.g. trainees travelling from the islands and countryside to urban centres where it can be more efficient to deliver operations).
- Some examples were given of increased costs linked to regulatory requirements (e.g. new monitoring requirements). There were also examples of increased operational costs (e.g. increased costs of tutors).

Average unit costs per result are around EUR 4 000 based on published data, slightly higher than ESF overall

An analysis has been performed to analyse the costs of immediate individual results (obtaining employment, qualifications, entering education or searching for jobs)¹⁵⁶. Also, for this analysis declared expenditures are compared with the immediate individual results reported in the annual implementation reports.

With unit costs per result, we face the problem of not yet completed implementation for ongoing projects. We also found systematic multi-reporting of results, i.e. more than one result being reported per participant (for instance, a former participant 'gaining a qualification' can also be counted for the result 'starting to look for a job', etc.). The indicator settings for results under ESF have not been prepared in a way to specify only a single result (at least as a major or main result) for a given participant from a given activity. However, we also have the under reporting of results in respect of soft outcomes.

With these caveats in mind the results of this analysis are presented in Table 17 below. Note that the costs declared for investment priorities are compared with the immediate results achieved. Overall costs per short term result for the Member States in the analysis amount to **EUR 4 062 for Investment Priority 8.ii**, which is slightly higher than average costs per results for TO8 overall (EUR 3 833). Investments in **YEI has on average to have slightly higher costs per result (EUR 4 157)** than ESF.

Behind these values are substantially larger variations among Member States than found in the analysis of costs per output (see Table 13 above), mainly caused by the relatively fragmented way of reporting individual short term results in the System for Fund Management in the European Union (SFC) so far, which should improve in the coming years. However, a unit cost analysis of results (similar to the analysis of the unit costs per participation) can be helpful with regard to the extent to which results and eligible expenditure are registered onto the System for Fund Management in the European Union (SFC) database in relatively equal shares. When used for this purpose, unit costs do not necessarily tell us much about efficiency, but rather about **the balance in reporting between results and financial progress**. Table 17 below shows how many Member States still report relatively small numbers of results in relation to their budgets, particularly in Bulgaria and Croatia (ESF), and Cyprus, Czech Republic and Slovakia (YEI).

¹⁵⁶ The total number of individual results was calculated by summing common result indicators 1-4, which all present exclusive types of results in terms of improved labour market position of individual participants that may be reached. CR05 was not included as it is not an exclusive category from common result indicators 1-4; it would introduce double counts and therefore taint the analysis. Nevertheless, the figures presented should be read with some caution, since participants could achieve more results at the same time.

Table 17. *Costs per result - Eligible expenditures declared to EC per immediate result achieved*

MS	ESF				YEI		
	Total results 8.ii	Expenditure declared 8.ii (million EUR)	Overall unit cost 8.ii (EUR)	Overall costs per result TO8 (EUR)	Total results	Expenditure declared (million EUR)	Overall costs per result
BE	30 781	33.8	1 098	1 978	32 066	39.7	1 239
BG	4 576	142.7	31 631	32 368	22 122	76.7	3 466
CY	551	6.2	11 181	6 141	983	15.9	16 127
CZ	-	-	-	4 475	2 029	20.6	10 171
DE	56 232	341.2	6 068	4 249	-	-	-
ES	4 826	4.5	914	2 151	262 182	1 466.3	5 593
FR	23 894	123.8	6 023	3 438	227 148	623.0	2 636
EL	-	-	-	13 978	22 129	157.6	7 120
HR	3 985	47.5	11 921	8 097	12 444	115.1	9 253
HU	30 412	136.7	4 495	4 306	-	120.2	-
IE	-	-	-	12 378	8 841	117.3	13 265
IT	90 824	450.6	3 578	2 482	-	1 273.9	-
LT	-	-	-	3 415	23 032	62.7	2 724
LU	813	5.0	6 130	7 657	-	-	-
LV	-	7.0	-	2 250	13 683	59.3	4 337
MT	2 204	1.8	812	2 509	-	-	-
PL	144 525	373.9	2 587	3 891	219 763	536.4	2 441
PT	-	177.6	-	2 194	26 017	332.5	12 779
RO	39	1.1	24 628	18 041	-	0.9	-
SE	6 653	81.8	12 299	16 534	19 787	101.4	5 123
SI	3 275	33.1	10 109	9 486	-	19.3	-
SK	-	-	-	15 424	31 573	90.1	2 852
UK	71 679	259.6	3 621	3 142	23 395	169.0	6 285
EU	475 269	2 228.1	4 062	3 833	947 194	5 397.8	4 157

Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019. A dash (-) means that no results / declared expenditure has been reported at this stage. Empty fields signal that no funds were allocated by that Member State to the respective fund and that no results are to be expected as well.

Based on econometric modelling there is no significant difference in cost per results for ESF and YEI

As previously undertaken in the case of average costs per participation, econometric modelling was used to make the most of the available monitoring information with a view to identifying possible patterns affecting the variation of cost per results, despite the above mentioned limitations. This has allowed a slightly clearer view on the determinant of costs per result although their interpretation continues to be affected by the low explicative power of the models.¹⁵⁷ Some general trends, which should be treated with due caution, could nevertheless be observed, including:

- **No statistically significant difference between cost per result in YEI and ESF** funded interventions (within Investment Priority 8.ii).
- Slightly **lower costs per result**, including that of participants finding employment, in **regions with higher need of support** (unfavourable labour market condition). Differences persist but become not statistically significant looking at longer term result indicators. However, the costs are higher in a statistically significant way in areas with a smaller reduction of unemployment rates between 2014 and 2018, showing the importance of the dynamics in the labour market in determining the volume of ESF/YEI results.

¹⁵⁷ Between 15% and 20% of the variance in the data is explained by the factors tested in the analysis.

- The **composition of the participants addressed does not** seem to affect in a statistically significant manner costs per results, with the exception of increasing shares of migrants and minorities which are coupled with lower unit costs.

There is additional evidence from the **case studies**:

- Unit costs need to be related to effectiveness and higher unit costs can be justified if the investments lead to **positive outcomes**. In Greece for example, where the average cost per result is EUR 7 120 for YEI, work experience and guidance for the unemployed is more effective if it is directly linked to specific employers and specific opportunities in cutting edge sectors of the Greek economy, related to smart specialisation strategies. Italy focuses on how best to achieve integration of young people by designing training that is in line with job opportunities/skills needs; in this respect, cooperation with local partners is key. Their experience is that standardised training is not conducive to finding a job, but placements in local companies are.
- Some case studies made an interesting observation that **different activities** should be viewed collectively in respect of cost effectiveness as complementarity operations. The specific example was given of monies for delivery capacity with few if any direct results. However, the delivery capacity is required to deliver the YEI programmes.
- The delivery of **vocational training** was reported as having some of the highest costs per result, especially where training does not lead to an employment outcome. However, where vocational education and training is linked to work experience and/or specific employer needs the positive results can justify the costs
- Activities to **increase participation** and results can improve cost effectiveness. In Latvia and Hungary an emphasis on provision tailored more directly to the needs of participants (shorter courses, working with youth associations to recruit participants) have proved to be more effective.

According to the RHOMOLO model the benefits of operations will outweigh the costs in the longer terms

There are also additional findings from the macroeconomic simulation carried out with RHOMOLO, which focus on the overall macroeconomic effects of the programmes. These should be read bearing in mind the limitations highlighted in section 1.3, but tend to indicate that:

- In the long run (by 2030) the **benefits of the support should outweigh the costs** and especially so in several regions targeted by the policy in view of their youth unemployment levels. This is not a trivial finding as public investment is in general likely to displace private investment (crowding out effect). In addition, it might be that up skilled workers displace those not benefitting from the support. The costs of the support might also exert downward pressure on the economy, given the related tax increases. So **RHOMOLO seems to confirm** that investment in human capital for young people under the ESF/YEI is generally cost-effective in at least part of the areas where it is needed.
- The factors driving differences in cost-effectiveness tend to be similar to those driving effectiveness. In essence, the **capacity of a region** to make the most of the increase production and demand with internal labour and its export orientation (the stronger the better) are significant factors affecting the sign and magnitude

of the multipliers.¹⁵⁸ Conversely, the presence of a comparatively **larger public sector might reduce cost-effectiveness** due to crowding out effects of public investment on private investment.

Concluding comments on cost-effectiveness

So, what do these multiple layers of advice tell us given the caveats provided? We can conclude with a few points:

- Managing Authorities and other organisations involved in ESF/YEI delivery mentioned – more than for other operations – **vocational education and training** as cost-effective in the sense of costs being proportionate to training, but to be cost effective it needs to impact on employment outcomes given high costs that can arise. The combination of evaluations, and the application of micro data also point to higher unit costs for this type of operation, given the preparation costs, tutor costs etc.
- The **average unit cost of around EUR 1 500 to 3 000 per participation** are not inconsistent with previous studies (we think it is too early to benchmark the cost effectiveness of results, given ongoing operations). There are no significant variations between YEI and ESF youth employment operations. This masks wide variations and simply provides a general benchmark. High unit costs can be justified where the operation is effective and deemed necessary to identify, recruit and support a young person through to a result. Equally, low unit costs can be seen with some suspicion inferring a relatively low level of support that may not have great impact on the integration of young NEETs into the labour market (e.g. generalised guidance rather than individualised support).
- The inability, in many cases to fully record – and therefore **under report** – results, including soft outcome impacts negatively on estimates of cost effectiveness. If cost effective analysis is to be used more frequently as a monitoring tool it requires an improvement in the recording of results by Managing Authorities and beneficiaries, combined with guidance from the EU.
- There is **mixed evidence in respect of financial subsidies**. It helps to attract employers and supports participants (remunerated v. non-remunerated traineeships, internships and apprenticeships) but there was criticism from organisations in the public consultation that subsidies create a situation where the interest is in the subsidy rather than the participant.
- Whilst efficiency should not drive decisions on operations given, other considerations should offer possible ways to **improve cost effectiveness** that can be considered by **reducing recruitment costs** (e.g. working more closely with public employment services, youth groups etc.) or **increasing the prospect of positive results** (e.g. linking training to employers in growth sectors, working closely with employers, targeting provision to the local context and the specific needs of participants).

¹⁵⁸ “Multiplier” denotes by how much the GDP increases for each Euro spent through ESF. Multipliers are calculated for each region and are reported as the ratio of absolute (discounted) changes in output to the additional expenditures introduced to the economy. It is important to note, that the cost per participation remains a key driver of differences in the multipliers, all the more so as the RHOMOLO simulations cannot distinguish between the micro-level effects of interventions which are similar in nature but might be associated with different costs and effects due to the lack of detailed data on both sides. But this is rather an issue for the simulation than a finding of the study. Several additional limitations apply to such estimates, as highlighted in section 1.3 as well as previous paragraphs discussing RHOMOLO results.

4.2.2 EQ 2.2. Are there significant cost differences between Member States/Regions in the implementation of the operations? What are these differences related to?

Whilst the unit cost data presented in EQ2.1 suggests that there are significant cost differences between Member States, the same caveats need to be applied and direct comparisons treated with caution, given the wide range of variables e.g. incomplete operations, different economic and target group, different balance of operations etc. In some cases, there are differences regions, within Member States, which are probably ultimately due to the **heterogeneity** of the content, length and target groups of the actions.

There is however, evidence of some variations in labour costs between regions within some Member States and in particular between urban and rural/more remote areas with additional costs of delivery, often greater for rural/more remote areas.

From the responses to the public consultation no significant variations were noted between countries

Organisations consulted did not perceive significant inter-country differences in costs and unit costs. Whilst the tables of unit costs in the preceding section show some wide variations in average costs between countries we need to be careful in making any conclusions given different contexts (higher levels of unemployment, including non-NEET unemployment in some Southern European countries); different NEET groups (e.g. Roma in some countries but not in others) and different approaches, either in terms of types of operations or in their implementation (e.g. different levels of intensity and duration of operations). There are data gaps as well which hinder comparisons (e.g. we have micro data for six countries but not others). Ideally a counterfactual evaluation of similar operations in different countries would be needed for robust comparisons.

The large differences can partially be explained by the **timing of the reporting and partly by the type of operations and target groups**, i.e. the longer and more intensive operations are more expensive than shorter, less intensive ones. Some evaluations have also shown that the further from the labour market the targeted young people are, the costlier the support¹⁵⁹. The national monitoring data provided by the Member States did not go into enough detail to assess whether this is true throughout.

The case studies offer some explanations for the variations as there are also some differences in costs also across regions, e.g. in **Spain**. Here, there are significant cost **differences among the regions related to labour costs** and the different levels of prices in each autonomous community. Besides, cost differences have been highlighted between urban and rural areas, with higher costs in rural areas where reaching beneficiaries requires more effort. This was the case in the Azores (Portugal) where cost differences due to extra effort in terms of **travelling times** were evident. The cost of a traineeship varies between islands, for both trainees and trainers who may have to travel from one island to another to receive or give the training. In mainland Portugal there were some cost differences in regions where trainees had to travel to another location when there were not enough participants to justify training in the place where they live.

However, there are also Member States that **do not show significant cost differences** between regions. In **Germany**, there are no differences between similar operations in the Operational Programmes examined by the case study although there are also rural and urban areas in the Operational Programme region. This can partly be explained by the regions having adapted accordingly and by the fact that there no longer

¹⁵⁹ For example, the Action 1 in the ESF OP Bayern subsidises companies which take on disadvantaged young people on the assumption that these young people need more support than average apprentices and that companies will be more willing to take them on if they receive some compensation.

exist such large cost differences between regions, and also by the use of **simplified cost options** with standardised unit costs.

4.2.3 EQ 2.3. To what extent were the organisational arrangements, including management and control systems at all levels conducive to the effectiveness of operations? Was there an administrative burden, in particular gold plating involved?

There is a generally positive story on the **organisational arrangements and administrative burdens** that derives from different sources of evidence, including the public consultation exercise where a significant number of respondents from organisations, both Managing Authorities and other agencies, felt that the **administrative processes were appropriate**.

As might be expected, **there have been some implementation challenges and some limited examples of gold-plating** but in the context of a generally positive position. Essentially, both the public consultation and the case studies noted improvements since the previous programming period and support for the EU's simplification agenda, which will take time to deliver all of the anticipated benefits.

It is the reaction to challenges – and the priority afforded to improve arrangements where necessary – that is critical, and in that respect the experience and capacity with Managing Authorities and other agencies is especially important.

Administrative arrangements deemed appropriate

The ESF Regulation states that it is “important to ensure the sound financial management of each operational programme and its implementation in the most effective and user-friendly manner possible. Member States should refrain from adding rules that complicate the use of funds for the beneficiary”¹⁶⁰. The latter is commonly known as gold-plating which is defined as the “administrative obligations going beyond the requirements set at EU level. It encompasses an excess of norms, guidelines and procedures accumulated at European, national, regional and programme levels interfering with the expected policy objectives”. Gold-plating tends to increase administrative costs and burdens and should therefore be avoided.

Overall, the public consultation showed that the majority of respondents (based on 300 responses from organisations) found the administrative arrangements for the implementation of projects appropriate (see Figure 39 below).

The evidence from the public consultation, the 2018 YEI evaluations and the case studies provides some indications that in some Member States the **administrative burden was high in some instances, but lower where there was a lot of accumulated experience in the implementation of the Structural Funds** including the ESF and YEI.

The types of administrative arrangement that are more often considered to be appropriate relate to the implementation of projects (65.3%), the selection of projects (64%), communication (62.7%), evaluation (61%), reporting and monitoring (55.7%), setting up of standard cost options (51.3%) and audits (50.3%). With regard to the setting up the management and control systems, 46.3% judge it appropriate. Some 20% of respondents judge as burdensome audit reporting (20.7%), and monitoring (23.3%) and setting up the management and control systems (28%). Overall, the share of respondents who said that administrative arrangements were insufficient only rises above 10% in one case (communication arrangements – 15.3%).

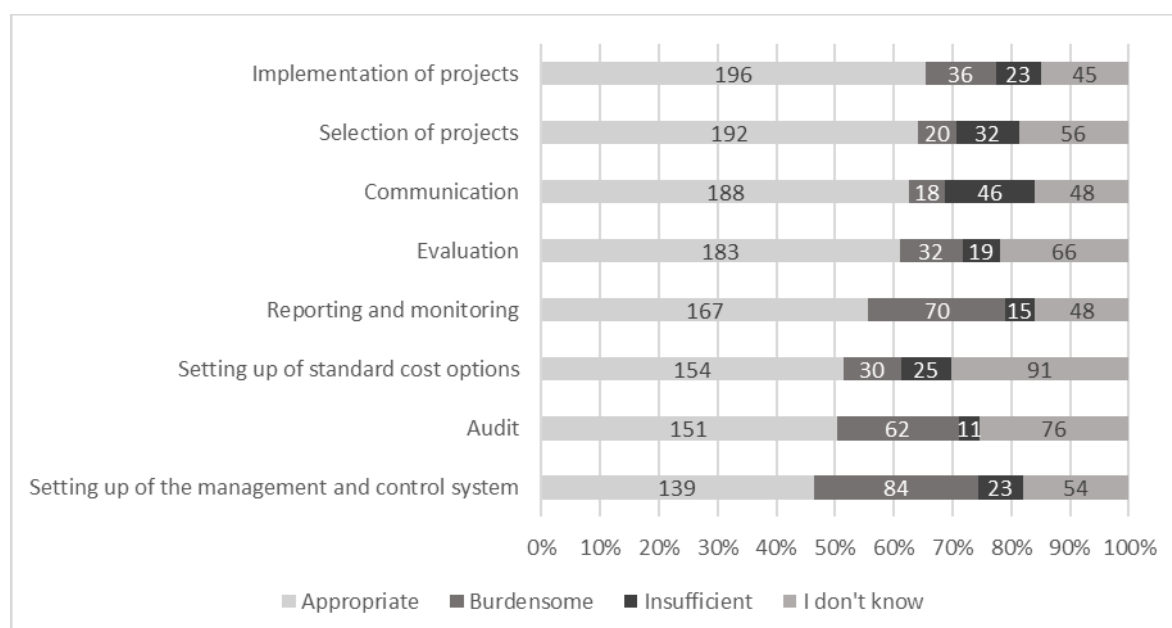
¹⁶⁰ REGULATION (EU) No 1304/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006

If Managing Authorities are excluded from the analysis, the public consultation responses are still positive with the majority of respondents judging administrative arrangements to be appropriate. These range from the implementation of projects (64.6%), the selection of projects (61.5%), communication (61.1%), evaluation (58.8%), reporting and monitoring (54.9%), setting up of standard cost options (51.4%), setting up management and control systems (45.5%). The case studies reinforced positive comments about simplified cost options. From the case studies, **the use of SCOs is generally recognised to contribute to a smoother functioning of management control systems and reduced administrative burden**, by accelerating the payment process. The use of simplified cost options was found to be useful in Malta, Belgium Flanders, Spain, Italy and Germany. In Malta, where this model is more widely used, it was found that the establishment of SCOs involved a lengthy learning curve for both beneficiaries and stakeholders due to a change in methods of payment resulting in initial delays in payments. However, there was a positive effect in the medium to long term as this model eventually accelerates payments.

There is limited evidence from the public consultation of variations in responses between Member States, although comparisons are presented for Bulgaria and Spain with broadly similar levels of percentages agreeing that **administrative arrangements are appropriate** (66.1 and 67% respectively), although with some significant variations in respect of communication (Bulgaria 67.7%, Spain 58%) and those respondents stating that audits were burdensome (Bulgaria 11.3%, Spain 23.9%), reporting and monitoring arrangements as insufficient (Bulgaria 9.7%, Spain 29.5%) and setting up monitoring and control systems (Bulgaria 9.7%, Spain 35.2%). By way of explanation the Spanish case study stakeholders interviewed agreed that the administrative burden of YEI and ESF were very high, although it is lower than in previous programming periods. In particular, it was stated that the control systems that guarantee the eligibility of the declared expenses and the application of increasingly exhaustive and strict controls and audits from different organisations increase the administrative burden.

Figure 39. Assessment of administrative arrangements for ESF and YEI

Question: How would you qualify the following administrative arrangements for the implementation of youth employment operations by the ESF and YEI?



Source: Draft Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund

Administrative inefficiencies rather than gold-plating

From the public consultation 66.1% of respondents from organisations agreed that solid management and implementation experience by Managing Authorities and beneficiaries is an important factor to achieve the success of youth employment operations.

Respondents to the public consultation were asked if they could provide some examples of gold-plating or excessive administrative burden that they have experienced in this context through the open question (with 38 responses)¹⁶¹. However, these do not seem to be deliberate on the part of public administrations or ESF/YEI operations, but more due to inefficiencies, either the result of implementing EU regulations, or incompatibility in national systems.

A few of the YEI evaluations highlighted administrative burdens, for example:

- The 2019 evaluation of the 'Work-related youth social work' operation financed by the ESF in the Bayern region (which targets socially disadvantaged young people and aims at providing them with training and at acquiring key competencies) highlighted that participation was affected by the burdensome administrative requirements. This matter was raised by about half of the involved companies and referred to the programme start in 2015, where the applications were first on paper but then had to be transferred into the electronic system. There was also a combination of online and written applications until the electronic signatures were introduced. All these factors added up to the quite heavy process. The proof of expenditure was also found burdensome. That said, half the companies found the effort appropriate.
- The 2018 YEI evaluation for Belgium (Wallonia) found the limited number of characters (i.e. space to fill in) in the System for Fund Management in the European Union (SFC2014), and the manual encoding of data related to the indicators (Belgium Wallonia) burdensome.

Conclusions from the YEI evaluations together with observations from case studies (the caveat being that observations often come from a small number of 'actors') offer aspects of administration for potential improvement including the following:

- **Simplifying the evidence requirements to be classified as a NEET:** an evidential system is important but can be cumbersome where multiple documentation is required (e.g. as mentioned in Slovakia) and could deter applicants. However, some of the problems encountered were linked to the start-up of YEI/ESF youth employment operations, with new systems being developed and implemented.
- **Developing efficient and functioning IT systems:** this was not highlighted in the public consultation but was mentioned in some of the case studies, and can also be linked to the previous experience of Managing Authorities. Problems with the IT systems were also mentioned by some Member States, e.g. Portugal, Germany and Slovakia. In Portugal, the previous IT system worked well but was replaced by a new one which caused delays and increased burden and stress. The integration of databases and of relevant instructions, can also be challenging (mentioned especially in Slovakia). These issues can normally be resolved by

¹⁶¹ Two respondents to the public consultation, one from Bulgaria and one from Spain, mentioned that registration processes for participants are too long and discourage participation, asking for too much data, too often. Two respondents from Germany and the UK mentioned that proof requirements are too strict. The respondent from Germany explained that these changed since the outset and evidence is needed to be gathered retrospectively to fulfil all requirements, which was said to be very challenging and labour-intensive. The excessive amount of documentation to fill in is also mentioned by two respondents from Latvia and Italy (the Latvian – and also one from Spain- respondent also mentioned that monitoring reports were required with too great a frequency). Two respondents from Spain and Portugal stated that indicators required are too complex and not adapted to the reality of the operations.

expert inputs and the prioritisation afforded by Managing Authorities given the importance of efficient IT systems for all aspects of programme delivery (e.g. registrations, monitoring, payments etc.).

- **Improving the application of grant procedures:** In **Slovakia** organisational arrangements for some **calls for projects (for grants)** led to a low number of successful calls. The evaluation report of the Ministry of Labour looked at the call 'Supporting entry of the selected groups of young people in the labour market'¹⁶² where only one project was contracted and eventually was terminated, since it did not fulfil the aims of the Operational Programme Human Resources. In the call 'New and innovative programmes on enhancing self-employment of young people'¹⁶³, nine projects were contracted. Nevertheless, five out of these nine projects were terminated, suggesting inadequacies in the selection process and potential poor communication between applicants and the Intermediate Body. The latter was responsible for the call for proposals (publication, workshops for applicants, evaluation of proposals, communication with applicants and beneficiaries)
- **Improving communication between Managing Authorities and Intermediary Bodies, and potential applicants:** Sometimes prospective applicants do not understand the aims of ESF/YEI which either impacts on the procurement process or could lead to termination of contracts with applicants, as has been the case in Slovakia¹⁶⁴.

4.2.4 EQ 2.4. In particular, how timely and efficient were the procedures for reporting and monitoring?

The procedures for monitoring and reporting were generally timely and efficient, following the initial set up issues. Some problems persist though including following up participants, data privacy, compatibility between regional and national monitoring systems, and inconsistent use of indicators. IT systems appear to be working well in most cases although not without some initial implementation issues.

The common outputs and result indicators are useful for aggregating data across Member States, but inconsistencies exist at the level of specific operations. The implementation of the annual implementation reports is in most cases efficient and timely.

The system for Fund Management in the European Union appears to be working well

Member States are required to transmit electronically structured data for each priority axis broken down by investment priority at the same time as the annual implementation reports (AIR).

Every year since 2015 a small number of annual implementation reports (less than 10%) are submitted sometime after the deadlines defined by the Regulation. On average, one month after the initial deadline a first version for every AIR was generally submitted. Even though this contributed to some minor delays in the interpretation of data and analysis of the AIR by the European Commission, these have been largely inconsequential. It is therefore concluded that the reporting and monitoring through the annual implementation reports as well as the structured data have been timely. Member States have mentioned that there are sometimes too few characters

¹⁶² In Slovak: Podpora vstupu vybraných skupín mladých ľudí na trh práce.

¹⁶³ in Slovak: Nové a inovatívne programy na zlepšenie samozamestnania mladých ľudí

¹⁶⁴ The Intermediary Body with delegated tasks is responsible for call for proposals (publication, workshops for applicants, evaluation of proposals, communication with applicants and beneficiaries - all these steps are carried out by the Intermediary Body named Implementation Agency of the MOLSAF)

allowed in the system or that the system is not entirely adapted to the programmes and actions but overall, there are few comments on the system.

Common indicators provide data to aid comparisons

Data concerning common output and result indicators are consistent across Member States, which has been useful for the evaluation. The programme specific indicators provide useful additional information. However, monitoring data at the level of the operations and information on these is again not standardised across the EU and needs to be extracted from various sources.

The case studies highlighted some concerns over the **administrative burden of indicators** and more so with **YEI with additional requirements** (Annex I and II have to be reported). As previously highlighted there are gaps in the data due in part to some inadequacies in the national monitoring systems (see below), and in measuring the persistence or sustainability of operations some Member States (e.g. Belgium) go further in monitoring results after the six months statutory period.

National databases and monitoring systems are generally working well but there have been set up and operational delays

As stated in response to EQ 2.3 the majority of organisations that participated in the public consultation were generally positive about the administrative arrangements. Specifically, in respect of databases and monitoring systems the case studies demonstrate that in most cases **systems are considered to be working well** – sometimes after initial implementation problems - and providing information as needed and on time. However, as already highlighted the linking of information from different national databases on clients (which can help with tracking and providing a pathways approach) has been problematic due to systems managed by different ministries/departments and also data security issues (protecting personal data).

There have been **some delays in establishing fully operational monitoring systems** were mentioned including in Ireland, Hungary, Portugal, Romania and UK-Scotland, impacting on the ability to undertake evaluations, but incompatibility in monitoring systems (as in France between the Member State and its regions) have also led to inefficiencies. An example of how the evolution of monitoring systems over time has increased their efficiency is found in the German Operational Programme. Monitoring systems there have benefitted from standardisation of data-requirements that also had been used to reduce data sets. Online data-entry and coupling of payment flows to data-entry on outputs and achievements led to more up-to-date data availability.

Data availability is sometimes restricted due to privacy restrictions

There is evidence that privacy legislation, implemented for protecting private data¹⁶⁵, has a negative impact on the ability of Managing Authorities to collect and analyse monitoring data and especially potentially sensitive personal details.

Difficulties in contacting participants once they have left the programme were also reported. In France, for example, the analysis of the long-term impact of 'Cap avenir/métiers' was not possible because of the lack of data for the control group six months after the supported group had completed the programme and a survey was not possible because access to personal data was refused by the National Commission for Data Protection and Liberties (CNIL). Similar issues have been found in Spain, Portugal and elsewhere.

¹⁶⁵ including GDPR compliance

The Youth Guarantee reports do not pose significant additional administrative burdens

The implementation of the Youth Guarantee promoted a new approach to data collection and monitoring of participants with the elaboration of swift and frequent monitoring reports that represent an important tool for assessing the implementation of the programme and identifying critical areas of intervention, without posing additional excessive administrative burden. This enabled employment services to expand the standards used for the Youth Guarantee to all the active labour market operations and the creation of an information system for monitoring and policy analysis. This should lead to the establishment of an 'employee dossier' containing information concerning his working history, subject to data protection laws.

4.2.5 EQ 2.5. How visible were YEI and other ESF-funded youth employment operations?

The public consultation showed a good general awareness of YEI and ESF youth employment operations which could be further improved

The public consultation shows that there is **some way to go to raise the visibility** of ESF and a little more so for YEI. More than half of respondents are familiar or have an idea of the goal and scope and know at least one activity funded by the ESF or YEI, or both. This percentage excludes respondents from organisations directly involved in the implementation of ESF/YEI for obvious reasons.

The case studies, evaluations and the focus group all point to a range of methods that are being used including the use of media, newsletters and social networks, websites (a dedicated one in Belgium Wallonia) as well as YouTube. Some innovative methods were also used to raise awareness (concerts, advertising in fast food restaurants) which has also worked well in some cases. However, a mix of approaches, including a greater role for PES in promoting ESF/YEI (especially effective in Bulgaria) appears to work best.

The visibility of the YEI and ESF is a requirement in the ESF regulation

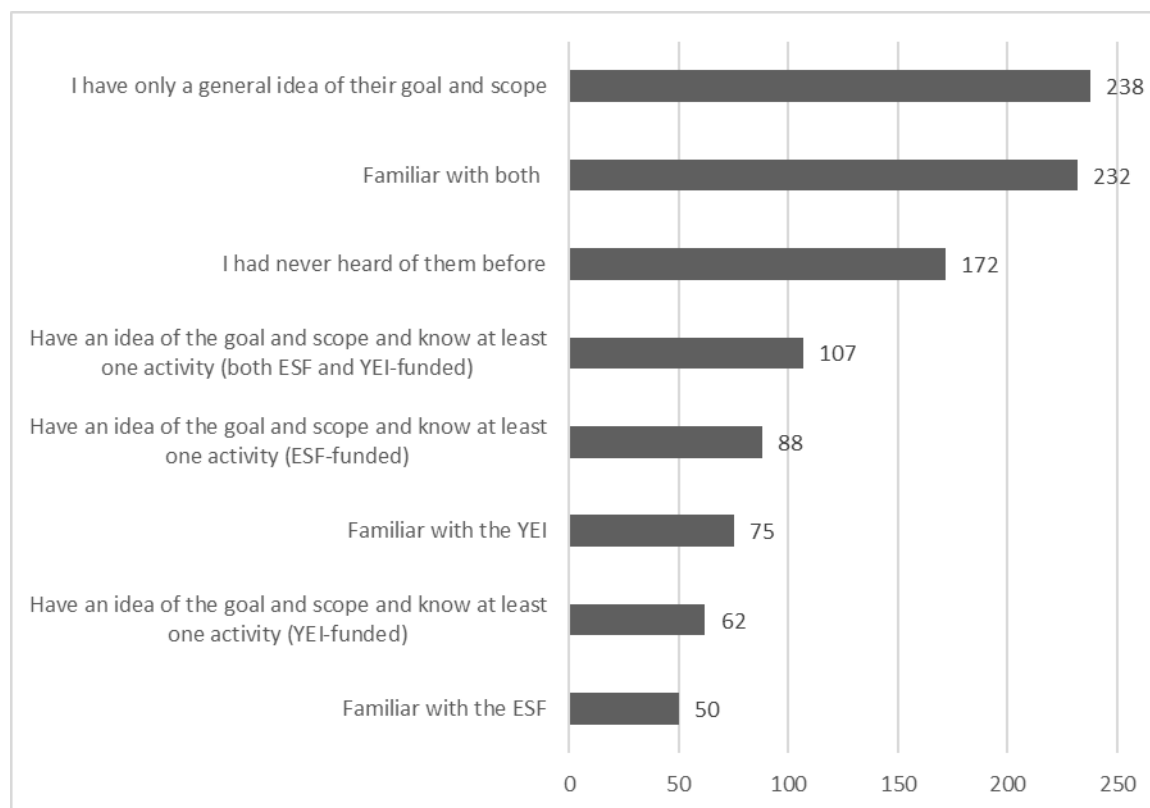
The visibility of YEI and ESF is important at different levels and throughout the implementation period, whether it is ensured at the beginning of the programme, during implementation or afterwards. It is an important part of outreach (in order to help attract participants), a requirement during implementation (the beneficiaries must ensure that those taking part in an operation are specifically informed of the YEI support provided through the ESF funding and the specific YEI allocation), and afterwards in reporting on results and achievements.

The public consultation provides the strongest evidence for this question. The results presented in Figure 40 show the overall answers to the question "How familiar are you with the European Social Fund and the Youth Employment Initiative?", which was asked to all groups except organisations involved in the management of the ESF/YEI.

Results show that in combination, **34.9% of respondents have a familiarity with both the ESF and YEI or one of the two**. Among this group, most of them (22.7%) have familiarity with both. Some 25.1% of all respondents have an idea of the goal and scope and know at least one activity funded by the ESF or YEI, or both. Almost a quarter of respondents (23.2%) only have a general idea of their goal and scope. Overall, there is a **16.8% of respondents who never heard of ESF or YEI before, mostly among respondents in group A2 (31.4% of them never heard of ESF/YEI before)**.

Figure 40. Familiarity with ESF and YEI

Question: How familiar are you with the European Social Fund and the Youth Employment Initiative? (1,024 respondents)



In particular, it is interesting to compare two groups of young respondents (33 or under), i.e. those that

- **have participated or are participating in YEI or ESF youth employment operations with (A1) and**
- **others being individual citizens 33 years-old or under, who did not take part in the ESF/YEI, took part in some other support scheme not funded by the ESF/YEI, or took part and do not know if it was ESF/YEI funded (A2) –**

Out of 92 respondents¹⁶⁶, 49 were not aware if their support was from ESF or YEI). In addition, there is a third group, citizens over 33 (B) and 80 organisations (D) who are not engaged in delivering ESF/YEI.

Table 18 provides an analysis from the public consultation based on 336 responses for A1, 430 for A2 178 for B and 80 for D.

The gap between the groups in terms of their awareness of ESF youth employment or YEI is quite marked. For example, familiarity with both funds **ranges from 36.6% of respondents within A1, 33.7% within B, 23.8% within D and only 7% within A2.**

The older group (B) has relatively high levels of awareness and only 9.6% was not familiar of YEI or the ESF. The biggest differences are between A1 and A2 with 31.4% (A2) not familiar with YEI and ESF, compared with 3.3% for A1 (the group that has or is participating in YEI/ESF). From the A2 group 37% had only a general idea of the goal

¹⁶⁶ that answered the question "Could you please tell us which type of support you have received or are currently receiving?"

and scope of YEI/ESF, compared to 11.6% for A1 and 20% for B (those groups having a greater degree of awareness).

The table also illustrates some differences between YEI and ESF with marginally less awareness – and greater visibility issues - for YEI. Overall, of the four groups 8.6% had an idea of the goal and scope of ESF, and knew of at least one activity, compared to 6.05% for YEI. This is followed by 10.44% of respondents who have an idea of the goal and scope and know at least one activity funded by the ESF or YEI, or both, relatively modest.

These results show that there is work to be done to raise the awareness of both the ESF and YEI.

Table 18. *Familiarity with ESF/YEI by group of respondents, absolute and relative frequency*

Familiarity with ESF and YEI	N. of respondents by group, absolute value (% of column total in brackets)				
	A.1	A.2	B	D	Total
Familiar with both	123 (36.6)	30 (7.0)	60 (33.7)	19 (23.8)	232 (22.7)
Familiar with the ESF	11 (3.3)	14 (3.3)	17 (9.6)	8 (10.0)	50 (4.9)
Familiar with the YEI	46 (13.7)	14 (3.3)	12 (6.7)	3 (3.8)	75 (7.3)
Never heard of them before	12 (3.6)	135 (31.4)	17 (9.6)	8 (10.0)	172 (16.8)
Have an idea of the goal and scope and know at least one activity (ESF-funded)	36 (10.7)	21 (4.9)	24 (13.5)	7 (8.8)	88 (8.6)
Have an idea of the goal and scope and know at least one activity (YEI-funded)	31 (9.2)	19 (4.4)	8 (4.5)	4 (5.0)	62 (6.1)
Have an idea of the goal and scope and know at least one activity (both ESF and YEI)	38 (11.3)	37 (8.6)	17 (9.6)	15 (18.8)	107 (10.4)
Only a general idea of their goal and scope	39 (11.6)	160 (37.2)	23 (12.9)	16 (20.0)	238 (23.2)
Total	336 (100)	430 (100)	178 (100)	80 (100)	1,024

Respondents could make one choice

Source: Draft Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund

The visibility of ESF youth programmes and YEI can be improved by a range of approaches, including social media, information services and specialist agencies

The visibility of the YEI and other ESF funded youth employment operations was tackled by the public consultation. Respondents were asked to express their opinion on the best channel to inform young people about youth employment initiatives.

Social media campaigns were the best channel in the view of all respondents. In particular, 76.1% of ESF/YEI participants believe so, and 76.9% of all respondents including organisations involved and not involved. Social media are followed at a distance by youth networks, clubs and online groups (42.7% overall) and word of mouth (36.5% overall).

Nevertheless, the majority of respondents learned about the support measures they benefited from through **employment services and employment info centres** (52.9%), followed at a distance by word of mouth, family or friends and a smaller share having learned of them from social media (26.2%). The percentage of respondents who learned about YEI and ESF support through employment services and information centres is highest in Bulgaria (82.1%). This suggests the potential for a greater role for

PES in raising awareness, if the Bulgarian figures can be replicated, but as part of a broader strategy that includes the use of social media and partnership working with schools, community organisations and front line services (e.g. dealing with health, homelessness etc.). Good practice in this area is covered in Chapter 5.

Looking at respondents to the public consultation that did not take part in ESF/YEI programmes, most respondents (48%) say that it was because they were not aware of them, but also that they did not know where to ask for information (22%). When asked about what is the best channel to inform young people about these initiatives, they also mostly (71.1%) replied social media campaigns.

All in all, these results may suggest that the target population **could be made more aware of youth operations** and that potentially more efficient channels like social media campaigns were not exploited enough given that most ESF/YEI participants did not learn about the support opportunities through this channel.

The YEI evaluations also provided some insight into communication channels although the information was not complete across Member States. Different approaches have been used as well as a mix of approaches within Member States. There is evidence from the YEI evaluations in Belgium Wallonie, Spain, Portugal and Germany that social media campaigns can be effective. They all used the media, newsletters and social networks, websites (a dedicated one in Belgium Wallonia) as well as YouTube.

The 2018 YEI evaluations and case studies also suggest that **direct contact with the target groups** through meetings, outreach and local networks was very helpful. As part of a wider strategy. Indeed, it was stressed that in order to increase visibility amongst the target groups, the most effective actions are street work, face to face meetings with potential participants and working with youth associations and street workers, as illustrated in Belgium Wallonia and Spain or using local networks (Portugal). In Germany an effective tool to promoting ESF in particular to enterprises was the coordination and cooperation networks of stakeholders as well as the role of social workers and chambers as multipliers of information on ESF support.

Elsewhere, Bulgaria has used innovative outreach operations such as organising concerts at which the public employment service was then present to inform and collect contact details from young NEETs. Portugal advertised the services on the paper place mats on the fast food restaurant trays as well as placing teasers in some of the subway stations in Lisbon, to mention a few of the innovative ways to reach young people mentioned at the EU level focus group. The number of visits to the Portuguese public employment service website has increased substantially every time an action or campaign took place.

4.3 Relevance

EQ 3. Relevance: How relevant is the YEI, and the other ESF-funded youth employment operations?

YEI and the other ESF-funded youth operations are relevant for addressing the needs of young people.

The efforts of Member States to address these needs, combined with a general **economic uplift** following the 'crisis' have yielded **positive results**. YEI and ESF supported actions have contributed to this positive evolution, some of which were found to have helped young people improve their skills and enter the labour market. Notably, actions related to training, job placements, information, guidance and support for acquiring work experience stand out as most relevant.

In addition to specific YEI/ESF actions, the way in which these actions were designed and implemented, i.e. the YEI/ESF approach or strategy is also relevant, for instance, starting from a needs analysis focused on targeting or a step-by-step implementation.

The relevance of the youth employment operations is also evident in the **capacity of programmes to adapt to changing conditions**, such as the drop in the number of NEETs, by changing budget allocations or shifting operations to focus on certain regions or target groups that were most in need. It is notable that as a consequence of the design of YEI operations, the support for youth employment focused on those regions with the highest youth unemployment. In addition, the design of programmes proved to be flexible enough to accommodate any required changes without major reprogramming in most cases.

There is **scope for improvement** as some actions were less useful, due to limited identification of needs or insufficient targeting of the actions. Some needs were difficult to address due to limited capacity (e.g. lack of specialised social workers), eligibility conditions or the situation of extreme vulnerability of target groups. There is also scope to improve employment offers, in some cases (duration and wage levels)

YEI operations are designed to target beneficiaries that **need the support the most**; there is however scope for improvement in the definition of NEETs to allow for more preventive operations.

Finally, improvements are also possible in incorporating **gender issues** at the implementation stage (currently the gender balance is considered in programming and design stages and less so in implementation), through the use of more gender specific indicators and the development of relevant targets for gender. This is discussed further in Chapter 5.

4.3.1 EQ 3.1. To what extent were the objectives and the operations funded by the YEI relevant to the needs of young people in Europe? To what extent were the objectives and operations of other ESF funded youth employment operations relevant for them?

Based on the evidence available to date, the **YEI/ESF was found to address the needs of young people in most cases** and contribute to improve their **labour market situation**.

Several youth employment operations were found to be useful for **improving skills** and helping young people **enter the labour market**, notably activities related to training, while also job placements, information and guidance were useful. Local and regional cooperation is a key factor for designing relevant interventions.

Youth employment operations were not only useful because of their content but also because of their **design and implementation approach**. For example, designing operations based on a thorough needs assessment, adopting a step-by-step approach based on distance from the labour market or targeting specific target groups and needs are all approaches that contribute to the relevance of the YEI/ESF.

Despite all the efforts and improvements, there is still scope for **improvement** if we take into account what has worked well and what has worked less well, e.g. most successful operations, less useful operations, difficulties encountered in addressing needs, while building on existing experience where efforts to improve relevance have been implemented.

Member States have undertaken successful efforts to address the needs of young people

Member States have reacted to the labour market situation in 2014, which depicted a **very high proportion of NEETs in South Europe**, with high rates of inactive and unemployed NEETs, high early school leaving rates and limited possibilities to find employment for those outside education. The results of these efforts are evident both in the evolution of the labour market situation and in the results of the Operational Programmes. The analysis of the evolution of the labour market situation between 2014 and 2017 shows a **decrease of the NEET rate** (mainly due to the decrease of young

unemployed NEETs) and a decrease of the early school leaving rates and of the proportion of early school leavers who are not in employment. In addition, the proportion of NEETs in households at risk of poverty and social exclusion has also decreased. The results of the OPs analysed above under the effectiveness sections, confirm the improvement of the labour market situation for the participants.

The relevance of Member States' efforts to address the needs of young people is further confirmed in the analysis of the implementation of Country-Specific Recommendations (CSR)¹⁶⁷. **Annex 1** on mapping provides details on this.

A previous study analysing the outcome of the negotiations concerning the Partnership Agreement and the ESF Operational Programmes for the 2014-2020 programming period¹⁶⁸ concluded that the Country-Specific Recommendations related to youth employment are generally well addressed by ESF investment under Investment Priority 8.ii. It is in 2014 that the highest number of recommendations linked to youth employment (23 in total) is observed. Since then, the numbers dropped significantly (eight in 2015, three in 2016, one in 2017, two in 2018 and one in 2019), reflecting both the improvement of the socio-economic situation and the fact that Member States made efforts to try to comply with the recommendations.

Youth employment operations were useful and relevant to help young people improve their skills and enter the labour market

What stands out based on the various sources of information is the usefulness of actions related to **training**, such as traineeships and other activities aiming to improve skills. The public consultation revealed that training for general skills, support in overcoming barriers to work/training, as well as training for qualifications were considered by participants amongst the most useful actions. The large majority of organisations (over 90%) in the public consultation exercise considered the following actions as relevant or very relevant to help young people enter quality and sustainable employment: vocational oriented education and training, guidance and career support, remunerated apprenticeships/ traineeships/ internships as well as basic skills training.

Training activities proved to be very relevant in the case studies too. For example, in **Portugal**, the YEI/ESF operations are generally considered to have provided a concrete and decisive response to the high youth unemployment and NEET rates. In particular, **traineeships** proved very relevant in the **peak of the crisis** where many young people did not even search for a job but rather for an opportunity to improve their employability. In **Poland** also most participants declared that the support was tailored to their needs, especially those whose needs were taken into account upstream in order to match them with the most suitable type of support. This ranged from training activities addressing skill improvement needs to more innovative activities addressing the need to improve self-esteem.

Furthermore, as outlined at the EU-level Focus Group, training is more relevant if it is **practical and matched with job opportunities**. **Latvia** for instance, highlighted that short, practical training programmes are more successful in engaging young people than long-term education programmes. In addition, Italy focuses on how best to achieve integration of young people by designing training that is in line with job opportunities/skills needs and in this respect cooperation with local partners is key. Their experience is that standardised training is not conducive to finding a job, but placements in local companies are.

¹⁶⁷ The Country-specific Recommendations (CSR's) are documents prepared by the European Commission for each country analysing its economic situation and providing recommendations on measures it should adopt over the coming 12 months. The CSRs are prepared for each country in response to the annual [National Reform Programme](#). More information on Country-specific Recommendations and the European Semester for 2016 can be found on the [European Commission website](#).

¹⁶⁸ <https://op.europa.eu/en/publication-detail/-/publication/b2c01d15-ffef-11e6-8a35-01aa75ed71a1/language-en>

Cooperation as a key factor is also stressed in the **German** case study where local and regional partnership coordination (not only for youth operations) provide considerably to the relevance and needs-focused implementation of ESF.

Another type of action that was found useful for the improvement of skills was **job placements**. In the **Italian** case study for instance, participants showed good satisfaction rates with the services received, especially with active policy or job placement allowing them to find new opportunities, increasing their individual autonomy and increasing their skills.

Furthermore, information on job opportunities, guidance and tutoring and support to find work experience were amongst the most useful actions identified in the public consultation.

In addition to specific actions, the YEI/ESF approach and strategy were also relevant and suitable for responding to the needs of young people

Different sources allow us to infer that what counts is not only the actions themselves but the way in which they are designed and implemented, for instance following a thorough needs analysis, focusing on specific target groups based on identified needs or implemented on a step-by-step basis which is based on needs or distance from the labour market. For instance,¹⁶⁹ YEI projects developed in the Operational Programme for England are successfully targeting and engaging young NEETs facing challenges to access the labour market (72% of the participants were disadvantaged). Another example is Sweden, where the YEI strategy is based on a relevant needs analysis. It can be concluded, that YEI actions have largely reached the intended target group and YEI meets the needs of the participants.

In the **German** case study, relevance is ensured by the mainly gap-plugging function of ESF by supporting very specific target groups. German programmes (in particular with regard to young people) have a strong focus on chains of support, offering step-by-step support for those far from the labour market. They also start early with preparatory and preventive operations at the transition from school to work. The gap-plugging function is also evident in the Italian case study where the introduction of a new priority axis in the national youth employment Operational Programme focusing on the most disadvantaged NEETs (i.e. those living in households that have registered for the recently introduced minimum income operation) contributes to filling a gap in the operations offered and in the groups targeted. In addition, the step-by-step approach was also used in Spain¹⁷⁰, by profiling participants as a first step and identifying at which stage of the intervention pathway they should be placed, as a second step.

Finally, the design of operations based on different needs is evident *inter alia* in the Malta case study where all four types of Youth Guarantee initiatives are assessed as relevant, as each one was designed to address different needs. For example, different types of classes are organised for different types of needs: revision classes for early school leavers, remedial classes over the summer for those who failed their exams, ICT courses for those who want to boost their chances of successful employment.

In order to further improve relevance, more can be done to improve the identification of needs

While the public consultation identified the actions that were **the least useful** in terms of support to get a good job (back-to-school support and support in finding a job/experience abroad for individual respondents, non-remunerated apprenticeship/internship and community/ voluntary work for organisations), the evaluations carried out in Member States explain, how the limited relevance may be due to the **lack of a proper identification of needs**.

¹⁶⁹ Based on the available evidence from evaluations of youth employment operations in Member States

¹⁷⁰ Based on findings from the EU Focus Group

For instance, in the evaluation carried out in Lithuania it is estimated that for a relatively large proportion of participants (between 25% and 50%) their needs could not be met by the supported actions. It is reported that many participants were involved in activities irrespective of their actual labour market or education needs or were only proposed services that were still available, suggesting that their needs were not fully met. In particular, the proposed services were not exhaustive enough and did not meet the needs of the most disadvantaged youth such as disabled young people, those with family obligations, with addictions or low levels of education.

At the same time, it is important to take into account not only actions related to **skills** aiming to labour market integration, but also those that help as a **first step to improve the individual/personal skills and build confidence and self-esteem**. This can be inferred from the results of the public consultation where some respondents suggested training in social skills and psychological support as potentially useful additional actions. The EU Focus Group also supports this argument, where the United Kingdom, Hungary and Lithuania stressed the importance of soft outcomes (e.g. improved self-confidence, self-esteem) that are hard to measure but they contribute to improve labour market participation.

Other difficulties in addressing needs relate to **eligibility issues, capacity issues** or merely the fact that the situation of **extreme disadvantage** of some target groups makes it very difficult to find a suitable intervention, notably:

- In relation to eligibility, in Greece (case study), the most pressing need of young people is to improve their skills (rather than to get a job) but many students cannot do so in the context of YEI as students are not eligible for support; it has to be borne in mind, however, that this issue cannot be addressed under the current modalities of the YEI;
- in relation to capacity, in Slovakia (case study), specific focus is placed on the marginalised Roma community and the main difficulty in addressing the needs of this target group is the lack of trained and specialised social workers;
- the challenge and the difficulty of identifying and reaching the NEETs (especially the most vulnerable ones or the inactive) was underlined in the evaluations of some countries (such as Belgium, France, Spain, Croatia, Latvia, Hungary and Portugal), stressing again the importance of having specialised social workers to this end;
- in relation to the situation of disadvantage, in Portugal (case study) there is a cohort of young people for whom it is difficult to find the most suitable type of intervention as they are poorly qualified, sometimes even lacking basic and soft skills and not easily or successfully engaged into qualification processes.

In view of the above difficulties, a good example of efforts to increase the relevance of the youth employment related operations can be found in Slovakia (case study). Notably, the **eligibility age limit** was raised to 29 years to address the changing situation in the labour market and the needs of young jobseekers. The eligibility criterion related to the duration of registration as unemployed was also relaxed (for the age group 15-24 from three to one month, and in the age group 25-29 from six to three months) in order to support young jobseekers right after they complete education or leave a job and prevent them from falling in long-term unemployment. Furthermore, **tutoring activities** were integrated in YEI.

Notwithstanding the above and in spite of the good performance of programmes, the situation of young NEETs remains critical and **youth employment operations remain very much needed and relevant**. These are needed in particular in countries that still face high youth unemployment rates (e.g. in Southern and Eastern Europe) especially through types of operations related to training, jobs placements and information and support on job opportunities, guidance and tutoring.

4.3.2 EQ 3.2. To what extent were OPs flexible and able to adapt to changes in the implementation context, notably the evolution in the situation of youth employment?

Operational Programmes were **flexible and well able to adapt to changes** in the implementation context, such as in regions facing improvements regarding youth employment, as well as the changing composition of the NEET group since 2014. Most Member States defined specific objectives and target groups in a relatively broad way, as a result of which minor annual adjustments to programming did not have to go through formal Operational Programme amendment procedures.

The **additional budgets** made available to YEI did require formal Operational Programme amendments. This provides evidence of how the legal amendment procedures were flexible enough to allow the programming of additional budgets where necessary and facilitated the adjustment of formal targets defined in programmes. **Cooperation** between programme stakeholders was a factor that contributed to the flexibility of programmes.

Most programme **adaptations** are related to a more focused regional targeting, broadening target groups and types of actions, while a limited number of programmes undertook changes related to content.

Operational Programmes were able to adapt to changes in the implementation context. This is supported by all available evidence, pointing mainly to the flexibility of OPs as a result of the broad formulation of objectives

The public consultation, the mapping analysis, evaluation reports and case studies, all indicate that the Operational Programmes were able to adapt to changes, driven mainly by the need to focus on regions where no major improvements in youth unemployment were observed.

The majority of responding organisations (57%) in the public consultation believe that YEI/ESF programmes were **able to adapt** to the evolving socio-economic context and the needs of young people since 2013-2014 (when the programmes were prepared and launched). They stressed the ability of programmes to pay attention to contextual and geographical differences and to the socio-economic context and increasing attention towards upskilling. Some 22% did not think the programmes have been able to adapt but no explanation was provided in the public consultation and 21% did not know.

Better explanations of the ability to adapt to changes were given in the YEI evaluation reports. Many of these reports highlight the fact that the **situation of young people** in their respective countries or regions **improved** during the programming period. In regions where this was the case, this had implications for achieving targets, which were set when unemployment and the number of young NEETs was higher. In Ireland for instance, the report suggests that there was a need to re-assess the initial targets to avoid competition for a reduced number of potential participants.

Most of such changes **do not depend on formal amendments** to the Operational Programmes, as the specific objectives were often formulated in a broad manner, and most Operational Programmes included a wide range of types of operations and target groups, already allowing a certain amount of flexibility. Instead of revising the formal overall target, programmes were often able to shift operations to target another sub-population of the overall target group, which can be measured by indicators that are already defined.

Changes to operations include reallocations of funding to focus on certain regions, and the broadening of target groups or types of actions

Significant changes to the YEI and Investment Priority 8.ii budgets occurred after the increase of the YEI allocation (+ EUR 2.4 billion) approved by Parliament and the Council in June 2017¹⁷¹.

In terms of **regional targeting**, the increase of the financial allocation particularly benefitted regions where no improvements in youth employment were observed. Spain for instance was able to invest an additional EUR 0.9 billion to fight youth unemployment, followed by Italy (EUR 0.8 billion) and France (EUR 0.4 billion). More specifically, the Spanish case study shows how reprogramming and the use of the additional budget involved redistributing actions and adapting to specific needs of different territories. In Slovakia too, the case study shows that higher financial resources went to regions with the highest unemployment and the eligibility conditions also changed.

These findings on regional targeting are also supported by the RHOMOLO report which concluded that Youth Employment interventions focused efficiently on the regions most in need.

Some of the changes relate to **changes in the target groups**, for instance, the mapping analysis shows that in Greece the design of operations was adapted to include additional actions targeting specifically the 25-29 age group who are not in any form of education and with limited skills to enter the labour market. It also shows that additional Operational Programmes made changes to their target groups (Operational Programme Flanders, Operational Programme Bayern, Operational Programme Sachsen-Anhalt, Operational Programme Nord-Pas de Calais and Operational Programme Human Resources in Slovakia).

New forms of support or types of operations were introduced in some Operational Programmes. Specifically new forms of support were introduced in Poland (case study) to take into account the needs of participants (e.g. workshops on image improvement aimed at improving self-esteem) and new types of action were introduced in France and Germany (mapping analysis). There was also a case in Germany (Bayern) where fewer funds were allocated given the excess of proposed training places, as illustrated in the respective case study.

Based on the above it can be concluded that **budgetary changes** mainly affected the **volume of operations** supported (allowing the Operational Programmes to do more of the existing operations) rather than lead to significant changes in the programme strategy.

Only in a limited number of programmes the underlying **programme strategy was revised**¹⁷². The most visible changes in terms of content are discussed here:

- In Germany (case studies and mapping analysis) new operations were set up, such as language courses introduced to respond to the influx of refugees in Nordrhein-Westfalen and the socio-economic needs analysis was updated in Sachsen-Anhalt.
- In the Operational Programme Knowledge Education Development in Poland, the socio-economic needs analysis was also updated.
- In the Operational Programme Azores (mapping analysis), the budget was transferred from Investment Priority 8.i to IP 8.ii. This was because operations in Investment Priority 8.i (support to the hiring of workers; professional traineeships; support to non-wage labour costs) and Investment Priority 8.ii (professional traineeships; vocational retraining traineeships; support to the hiring of workers) were, from the start, very similar and the Operational Programme had too many

¹⁷¹ Based on the mapping analysis

¹⁷² In order to assess whether the revised financial allocation also implied changes in the content of the programmes, the first and latest versions of the operation programmes were compared for the ten case study countries

different types of actions. Thus, the main reason for keeping one was the need to concentrate operations and to focus on those deemed as more important. The European Commission, in its reprogramming decisions also agreed that the request “is duly justified by the need to ensure a better alignment with the new political and strategic priorities of the Portuguese government and the current socio-economic context”.

- In Italy (mapping analysis), the National Youth Employment Operational Programme underwent significant reprogramming partly due to the re-financing of the YEI and to the availability of additional ESF resources. A priority axis was added, and a new specific objective was introduced. This allowed the broadening the target group (not only NEETs, thanks to ESF resources) as well as to add a specific focus on the most disadvantaged youths (namely at risk of poverty) in close synergy with recently introduced national policy developments.

A key factor for the successful adaptation of OPs is flexibility, favoured by cooperation between programme stakeholders

In a number of case studies, it was found that **cooperation and dialogue** contributed to the flexibility of the programmes and to the ability to adapt to changes in the implementation. Hence, the dialogue established over time between stakeholders and the Managing Authority in Spain, and the partnership network established in Portugal for reaching out the most disadvantaged, are considered as key factors that favoured flexibility. Likewise, in Italy where local authorities were involved in inter-institutional discussion groups (involving the Managing Authority, the intermediate bodies and the social partners).

4.3.3 EQ 3.3. Were the most relevant groups, in the different socioeconomic contexts (e.g. more developed, less developed and transition regions; urban and rural areas etc.), targeted from the design stage? Were the most important needs of these groups addressed? How were gender issues addressed?

From the design stage the most relevant groups for youth employment operations have been targeted, both explicitly (YEI), as well as more implicitly (ESF). Even where no specific targets are set for target groups, **young unemployed/inactive people** (15-29) are the almost unique target group of youth employment operations.

ESF/YEI allocated budgets to youth employment operations particularly in **regions** that faced the most challenges of youth employment.

Gender issues receive considerable attention in the programming and design stage and tend to be present horizontally through the selection criteria used to evaluate projects or broader outreach efforts by the Managing Authority. However, this attention is not reflected in the use of indicators or their targets most of which are not gender-specific, nor do they set specific targets.

Evidence from evaluations suggests that specialised training in gender issues and knowledge of the needs of women enhances gender equality in the implementation of operations. NGOs often have this knowledge and obtain better results in improving the situation of women.

As a consequence, a lesson learned is that **targets for gender would be appropriate** for youth and future interventions could/should incorporate such targets.

YEI operations are designed to target beneficiaries that need the support the most - there is however scope for improvement in the definition of NEETs to allow for more preventive operations

YEI supports youth employment operations in regions where youth unemployment is above 25%. Moreover, if properly justified, Member States can use up to 10% of the YEI budget to address specific sub-regions with pockets of high youth unemployment that are outside the formal eligible regions¹⁷³. In these regions, the only eligible target group for YEI funding is young persons that are not in employment, education or training, and that are inactive or unemployed (including the long term unemployed). By design and definition therefore, YEI operations are particularly targeted to groups of beneficiaries that would benefit most from the type of targeted support.

Such strict eligibility criteria also mean that **other vulnerable (young) people groups** are not directly targeted by YEI, are also sometimes left out of ESF and can be 'hard to reach' for all programmes. In focus group discussions conducted during the data collection of this evaluation, participants pointed for instance to the fact that **YEI currently does not allow to focus youth employment operations earlier during school years in order to address preventively the problems of this target group before they become NEETs.**

Some countries were in favour of further enlarging the definition of the target population (beyond those still at school) such as Italy, where due to severe unemployment in the less developed regions, there is a need to **extend the support to people up to the age of 34.**

In addition, some countries underlined the **complexity of the NEET concept**. In France, for instance, the YEI operations were targeted at NEETs, but in practice, the majority of those participating in the supported interventions are low-qualified people aged 18-21 (therefore only accounting for part of the NEET population), who are already the target of many existing employment measures.

There are various ways in which ESF OPs address the most relevant target groups and tackle disadvantage

For ESF **no strict eligibility requirements** exist for participation, and any such target groups can be addressed with ESF funding, either within the dedicated investment priority for youth employment, as well as under its broader types of objectives and investment priorities. Most output indicators with targets do not specify an explicit target group, but even then, the targets for result indicators clearly suggest that young people without employment are the main target group.

The ways in which programmes ensured they address the **most relevant and vulnerable groups** include *inter alia*:

- The definition of **specific output targets**. A small number of Member States specifically defined output targets for explicit target groups. In Spain youth employment operations defined explicit targets to reaching people with low skills and qualifications, while Luxembourg and Romania defined explicit targets for migrants, or marginalised communities.
- The establishment of **mechanisms allowing the identification** of the most disadvantaged. Malta, although not specifically targeting a disadvantaged group, has a mechanism in place allowing the identification of the most disadvantaged (thanks to the cooperation of the public employment service with post-secondary education institutions).
- Having a **specific focus on disadvantaged young people**. In Germany and Spain, some ESF Operational Programmes specifically focus on disadvantaged

¹⁷³ Art. 16 of the ESF regulation provides for 10% flexibility for YEI resources, which can be used to target young persons residing in sub-regions which experience high youth unemployment levels and are outside the eligible NUTS level 2 regions.

young people as for instance in OP Bayern, Action 1 is exclusively targeted at disadvantaged young people, while in Spain one Operational Programme provides support to young people with very low educational levels and people at risk of social exclusion.

- **Considering disadvantage from the selection process.** In Greece, disadvantage is taken into account in the selection process through a point system, through which participants obtain extra points based on their disadvantage (e.g. if they are migrants, single parent families, young people with very low skills or live in certain geographic areas). The point system also uses as criteria the length of unemployment, the family or personal income and the non-participation in similar actions.

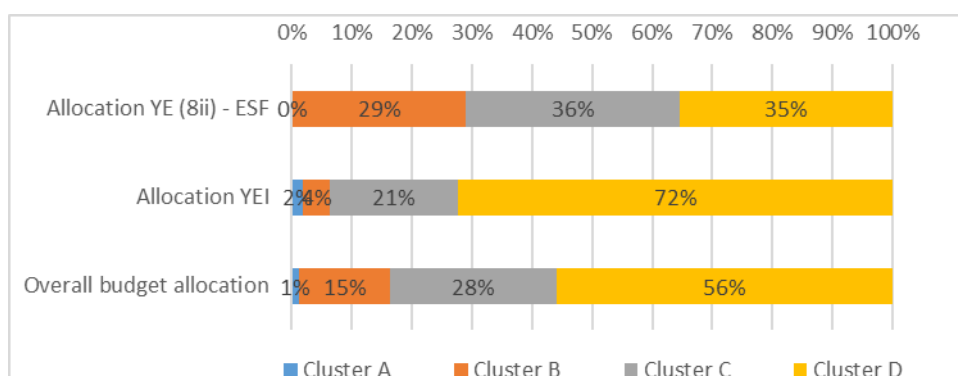
YEI and ESF spend proportionately more in regions where youth unemployment is more severe

An assessment of the distribution of the ESF allocations to different regions underlines its attention for the most relevant groups in different socio-economic contexts. We assessed the budget allocation to different clusters of regions, as presented in the Figure 41 below. It clearly underlines how YEI – due to its unique eligibility criteria – focuses predominantly on regions where youth unemployment is most problematic (72% of budget focused on cluster D).

The RHOMOLO study also shows that some regions (particularly in Southern Europe) which depend a lot on youth employment reap a lot of the benefits of YEI. It also highlights that the allocated YEI amounts are proportionately higher in regions that have much higher youth unemployment rates, NEET rates or social exclusion and risk of poverty rates.

ESF funds are spread across the different clusters of regions, but the fact that almost no youth employment actions are focused on regions that had favourable youth employment figures in 2014, and further improved over recent years (Cluster A – 0%: EUR 14 million against a figure of EUR 8.2 billion) shows how ESF as well has been targeted to be spent particularly in **clusters of regions where youth employment is most problematic**. When combining ESF and YEI funding, the regions with the highest youth unemployment figures also receive more than half of all the youth employment budget (56%), while regions that also had high youth unemployment at the start of the programming period but improved over time are the second largest beneficiary (Cluster C: 28%).

Figure 41. Overview of budget allocation to clusters of regions



Source: SFC2014, based on AIR 2018, data extracted on 6 September 2019 (Cluster A – Strong start/substantial progress, Cluster B – Strong start/limited progress, Cluster C – Weak start/visible progress, Cluster D – Very weak start/limited progress).

Gender issues are addressed mostly in the design stage and in a horizontal manner while during implementation, but less than half of the OPs use gender specific targets

Only a **small number of Operational Programmes** (in Austria, Spain and Italy) included youth employment investments in the area of gender equality (Investment Priority 8.iv), accounting for a total of EUR 18 million. Other ESF/YEI operations (Investment Priority 8.ii), more generally tend to focus on gender equality **horizontally**.

In Spain for instance, gender issues are **transversal** in all Operational Programmes and the Institute for Women and Equal Opportunities of the Ministry for Equality prepares the 'Equality Opinion' which analyses and guarantees the observance of the principle of gender equality throughout the programming process. In addition, the Institute for Women collaborates in the revision of the Operational Programmes and is part of the Monitoring Committees. However, the Spanish thematic evaluation of the principle of gender equality in the ESF Operational Programmes (published at the end of 2018) found that although this principle is clearly enshrined in the Partnership Agreement, no strategy or methodology for its effective integration into the ESF programmes was developed.

These are some examples of how gender equality receives substantial attention by Member States in their Operational Programmes. In general, programme documents contain detailed strategies on how attention to **gender equality is mainstreamed**. The monitoring systems comply with the obligation to disaggregate the data collected by gender but did not often define gender-specific indicators that extend beyond levels of participation and provide results from a gender perspective. The same is true for targets. While all Member States report outputs and results by gender, Member States can themselves choose to set a specific target for men / women or simply set a generic target. As presented in Table 19 below, 41% of the output indicators focusing on youth employment with targets are gender-specific targets and are defined to measure whether implementation respects the programme's ambitions for gender equality (we revisit this point in Chapter 5). In terms of results, this is slightly lower at 28% of all result indicators.

Table 19. *Gender-specific targets in Investment Priority 8.ii*

	Number of gender specific targets in IP 8.ii	Indicators with gender-specific target	Total indicators for IP 8.ii
Output indicators	139	41%	340
Result indicators	175	28%	620

Source: SFC2014, based on OP data reported in AIR2018 (data extracted on September 6, 2019)

ESF provides guidance and specific training for stakeholders within and outside the administration and is considered to play an important role at putting gender equality on the agenda.

Among individual respondents that took part in the public consultation 56.6% were female and 43.4% male. Looking at labour market transitions of those who received ESF/YEI support, the results show that of the male participants who were unemployed before support, 27.1% are currently employed full-time while 54.2% are still unemployed. Regarding female participants, among those who were unemployed before support, 32.9% are now employed full-time and 36.2% are still unemployed. These results go in the direction of the evaluation results discussed in the paragraph above.

4.4 Coherence

EQ 4. Coherence: How coherent are YEI and the other ESF-funded youth employment operations among themselves, and with other actions in the same field?

Existing evidence shows that YEI and other ESF-funded youth operations were coherent amongst themselves, notably due to the way they were designed and programmed.

The key factors that contributed to this complementarity include the distinct types of operations supported, the capitalisation on past experience from similar operations and institutional cooperation / coordination amongst stakeholders.

The latter is also a key factor for complementarity of YEI and ESF-funded youth operations with other actions in the same field, i.e. actions supported by other programmes and funds at EU, national or regional level. Coordinating committees play an important role in ensuring complementarity and there are interesting examples of such set-ups at regional level.

The existing evidence also shows complementarity with other programmes and funds, such as ERDF, EAFRD, EMFF, FEAD, European Solidarity Corps, and especially with ERASMUS+ and EURES.

Despite the above positive findings on complementarity, **some overlapping** between operations was found in some cases (France, Italy, Portugal and Slovakia), due to competition amongst operators to attract the same target group.

4.4.1 EQ 4.1. In which manner were the YEI and other ESF-funded youth employment operations complementary with each other? What were the main factors in this regard?

The design and programming of operations under YEI and ESF contributed to their complementarity. However, some challenges were identified in terms of competition amongst operators to attract the same target group.

YEI is technically complementary to the ESF, carrying out similar operations to ESF but for young NEETs in regions most affected by youth unemployment. ESF has a specific remit for **systems support** or was often budgeted as a **follow-up of YEI operations**.

Complementarity between YEI and other ESF-funded youth employment operations is inherent in the way they were designed and programmed

During the bilateral negotiations on the Operational Programmes, Member States were encouraged to programme their youth employment related operations supported by ESF under Investment Priority 8.ii (as for YEI) to ensure their full visibility. **YEI is indeed meant to support similar operations to the ESF** (such as employment and training, apprenticeship, hiring incentives, self-employment programmes) but exclusively focuses on **young NEETs in eligible regions**. YEI is therefore **technically complementary** to the ESF, acting in the regions most affected by youth unemployment and supporting particularly disadvantaged young people.

In line with these requirements, most Member States indeed programmed youth employment investments in the **dedicated investment priority**. However, as already shown in Chapter 3, a relevant number of ESF-funded youth employment operations was programmed **outside investment priority 8.ii** accounting for 16% of the total costs reported for youth employment investments according to our calculations. Most often, these operations can be found under access to employment (Investment Priority 8.i) and adaptability (Investment Priority 8.v). One potential reason for programming youth employment operations outside Investment Priority 8.ii may be linked with the

thematic concentration principle which requires programmes to allocate a minimum share (between 60% and 80%) of the ESF allocation to a maximum of five investment priorities¹⁷⁴. In addition, for a few Operational Programmes, young unemployed are specifically targeted by investment priorities outside TO8 (mostly under Investment Priority 9.i, 10.i and 10.ii) addressing social inclusion of young unemployed or the importance of education and training in the transition of this group to the labour market.

The case studies confirm that the design and programming of operations ensured their **complementarity**, for instance:

- both YEI and ESF-funded youth employment operations were programmed under the same Priority Axis (Poland);
- the selection of beneficiaries took place from the design phase (Spain);
- the design of the operations took into account their complementarity (for instance by focusing on the same target group but also proposing different actions, sectors of application, duration or age groups as in Italy¹⁷⁵),
- through eligibility rules (for instance in France, second chance schools can obtain funding from YEI if they are located in eligible territories, if not, they can request ESF funding).

A few of the evaluation reports also recognise the coherence of YEI funded programmes with other ESF-funded youth employment policies (e.g. in Cyprus), bearing in mind that coherence was not systematically assessed in the evaluation reports examined and therefore very little relevant information can be drawn from most of these.

The main factors that contribute to this complementarity include differences in the types of operations supported and the previous experience in running similar operations, including the experience of the stakeholders involved.

YEI and ESF supported **different types of operations** as shown in the mapping analysis. For **YEI-funded operations**, the largest share of the eligible costs (26%) is dedicated to financial incentives (compared to 10% for ESF-funded operations), followed by a combination of multiple types of operations (20%) (compared to 13% for ESF-funded operations). At the same time the largest budget share for ESF-funded operations is linked to operations supporting **work-based learning** (24%) and **guidance services** (22% against 11% for YEI-funded operations). This analysis reflects the **complementarity** of YEI and ESF-funded youth employment operations as they support different types of operations.

Other factors are the experience in running similar operations in the past and the involvement and coordination of stakeholders, notably:

- the accumulation of past experience in running similar operations for various types of young people or in addressing the same target groups in different phases of their active lives which was a key factor in Portugal (case study);
- the existence of coordinating authorities with experience in France and Spain (case studies);
- similarly, the lack of coordination contributed to limited complementarity in Romania (evaluation report);

¹⁷⁴ See Article 4 of the ESF Regulation No 1304/2013

¹⁷⁵ The national evaluation of the YEI in Italy carried out a detailed assessment of the complementary between YEI and ESF youth employment measures. These elements converge on the assessment that YEI and ESF are strongly interlinked and mostly acting in synergy along the following dimensions:

- Complementarity (31% of ESF YE actions are different from the ones of the YEI but focus on similar target groups)
- Strengthening of actions (i.e. 26% are similar actions for similar target groups -- thus increasing the overall volume)
- Specialisation (24% are different targets and different actions)
- Integration (18.4% are similar actions but different target groups)

- the involvement of the local public employment service in the implementation and the ESF-supported networks of stakeholders (the German case study shows that stakeholders help overcoming obstacles due to the complexities of national, regional and local strategies).

Notwithstanding the above, some competition – for participants - among operations was also identified in trying to attract the same target group

The case studies report some problems of competition among operations vying to attract participants from the target groups which can be supported both by ESF and YEI. This is confirmed by findings of evaluations carried out in the Member States, for instance in France, where the competition among operators to attract participants has highlighted as many similar projects as those supported by YEI are already financed by the ESF or national resources, and also in Hungary.

4.4.2 EQ 4.2. To what extent were they complementary and coherent with other policy objectives funded by the ESF and other programmes and policy initiatives oriented to young people and youth-employment at EU level (e.g. ERDF, EAFRD, EMFF, Erasmus+, EURES...)?

According to the EU legislative framework, the public consultation and the case studies, there is **no evidence** that other programmes **replicate or duplicate** youth employment actions under YEI and ESF. Both YEI and ESF-funded youth operations are complementary and coherent with other EU and national or regional schemes. They are coherent with ERDF, EAFRD, EMFF, FEAD, European Solidarity Corps and in particular with EURES and ERASMUS+.

Institutional cooperation/coordination stands out as an overarching key factor for ensuring complementarity with other Funds and programmes. It was also identified as a key factor for complementarity between YEI and ESF-funded youth operations in the previous evaluation question. Evidence of poor institutional coordination was identified in a European Commission study¹⁷⁶ as an impeding factor. Subsequently, there has been a proposal by the Commission for the next programming period 2021-2027 to integrate a number of Funds (i.e. ESF, YEI, FEAD, EaSI and the EU Health Programme) under a single instrument, the ESF+.

An analysis of the EU legislative framework shows that YEI and ESF-funded youth employment operations are coherent with other policy objectives of the ESF and other programmes

The YEI and youth employment operations under the ESF are specifically focused on access to the labour market for young people and their activation. The YEI and ESF are complementary with other EU programmes, especially those listed in the figure below.

None of the programmes replicate or necessarily duplicate YEI and youth employment operations under ESF. Some (ERDF, EAFRD, EMFF) are geared towards creating the sustainable employment opportunities that could be accessed by young people. EAFRD and EMFF target young people in relation to support for farming and fisheries ventures, including skills development in these respective sectors.

EURES and ERASMUS+ have a strong complementarity with YEI and ESF youth employment operations. EURES helps to facilitate information on job opportunities whilst ERASMUS+ facilitates mobility and learning for young people.

¹⁷⁶ European Commission (2018) Study on the coordination and harmonisation of ESI Funds and other EU instruments

Box 8. *Complementarity with other EU programmes*

ERDF – There is no explicit youth target in the ERDF but the economic development focus – and specifically on the creation of sustainable jobs – of the programme is complementary to youth employment programmes. In particular, ERDF has provisions for the promotion of entrepreneurship, social enterprise and areas of industrial transition, where concentrations of NEETS can be found.

EAFRD – The programme focuses on sustainable employment, support to SMEs and local development (through Leader). Two themes of particular relevance are the Women in Rural Areas and Farm Advisory Services targeted at young farmers. The share of EAFRD direct payments reserved for young farmers would increase from 0.8% to 2% across the EU under current proposals for the CAP after 2020 and each country would have to spend at least 2% of its so-called Pillar I allocation either on BPS top-ups for young farmers or on lump sum installation grants of up to EUR 100 000 (rather than the actual EUR 70 000).

EMFF – The programme has a commitment towards the support of lifelong learning, and specifically support for young people starting up their fisheries activities, with training on sustainable fishing practices and the conservation of marine biological resources.

EURES – There are policy overlaps with ESF and YEI through the focus on public employment services and the dissemination of job vacancy data. Whilst ESF and YEI are focused on activities at Member State level, EURES has the specific objective of facilitating freedom of movement through job search across Member State boundaries.

ERASMUS + - This programme has the closest policy overlap with ESF and YEI with an explicit focus on lifelong learning for young people (13-30), through formal and informal learning. It provides financial support through the Student Loan Guarantee and has some similar indicators to ESF and YEI including participation levels and qualifications gained.

FEAD – Whilst FEAD shares some of the wider objectives of the ESF/YEI in its focus on those in danger of poverty and social exclusion it is a distinctive programme with its own focus on material aid. It does not have a specific focus on young people and does not duplicate the role of ESF/YEI but is complementary as reinforced in clause (h) of Article 7, Regulation 223/2014.

At EU level the issues of coherence, complementarity and coordination have been debated extensively and were the subject of a DG Regio study published in 2018¹⁷⁷ and in parallel with the discussions and the impact study for ESF+. The study compared different approaches including a common set of rules to aid harmonisation of funds – and ease fund combination, to a demarcated approach with stricter delineation between Funds, within the ESI Funds and with other funds, one objective being to avoid overlap.

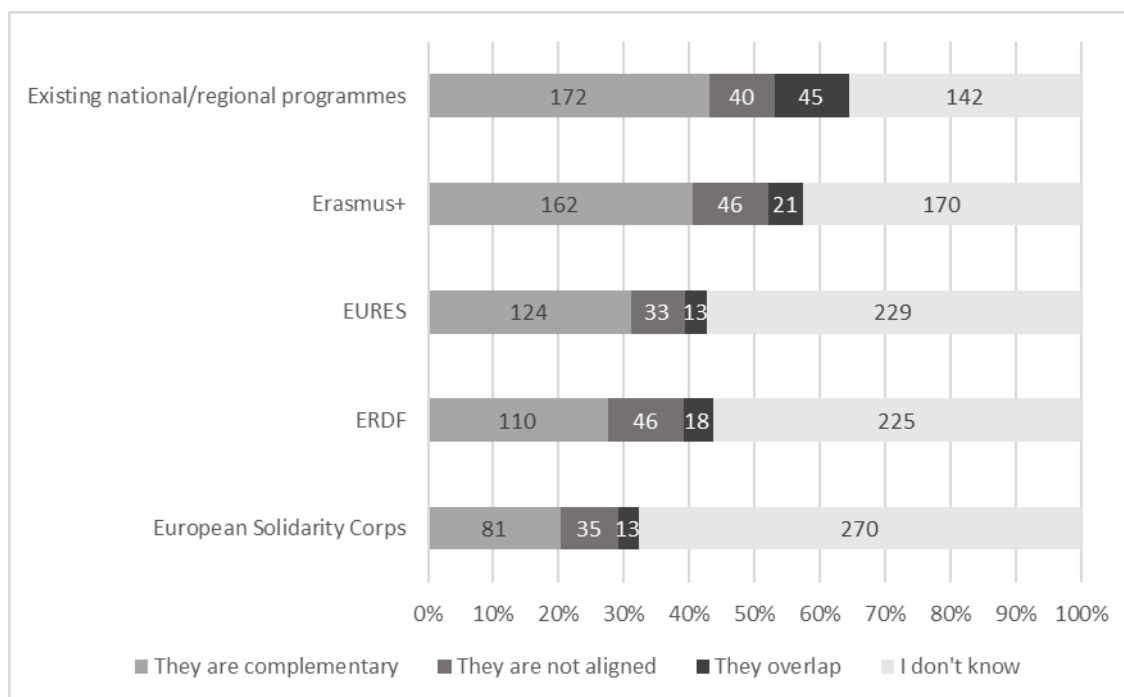
The public consultation also showed complementarity and coherence of YEI and ESF with other national/regional programmes, ERASMUS+, EURES, ERDF and European Solidarity Corps

The public consultation included a question about the coherence of the YEI and ESF with other youth and youth employment schemes. ESF/YEI activities are generally considered to be mostly coherent with **existing national or regional schemes** by the respondents of organisations, even more so from organisations that were involved in the management of ESF/YEI activities. Overlapping or non-alignment does not seem to be an issue with the other existing schemes (ERASMUS+, EURES, ERDF and European Solidarity Corps). Some respondents mentioned other schemes that are or should be coherent, such as EURODESK, EEA grants, EaSi and INTERREG. Figure 42 presents the results.

¹⁷⁷ European Commission (2018) Study on the coordination and harmonisation of ESI Funds and other EU instruments

Figure 42. Coherence of YEI and ESF with other youth and youth employment EU national/regional schemes

Question: To what extent are the YEI and ESF coherent with other youth and youth employment EU national/regional schemes? (no=399)



Source: Final Report, Public Consultation on the Evaluation of the EU Support to Youth Employment by the Youth Employment Initiative and the European Social Fund

Some 41% of the respondents to the public consultation considered that YEI/ESF youth employment programmes are complementary to Erasmus+, the corresponding share being 31% in relation to EURES, 28% to ERDF and 20% to the European Solidarity Corps.

The case studies further confirm the coherence of YEI and ESF-funded youth employment operations with EURES, ERDF and ERASMUS+ as in the public consultation and highlight further complementarities (EEA grants, Eurodysey)

Although very limited information can be drawn from the case studies or the evaluations carried out in the Member States to reply to this sub-question, in some case studies, complementarity with various programmes was highlighted. This is for instance the case in Portugal, with ERASMUS+, EEA Grants, EURES, Eurodysey. In the case of Operational Programme Azores, complementarity between ESF and ERDF was reported as enterprises can apply simultaneously for investment in infrastructure through the ERDF and for hiring incentives through the ESF. The need to strengthen networking in the context of the EEA grants' programme for NGO capacity building was however recognised.

Coordination stands out as a key factor for ensuring complementarity

The case studies stressed the fact that **coordination at institutional level** is a key factor for ensuring complementarity with other EU funds and programmes. Hence in Spain, a national Committee for the Coordination of EU Funds ensures the coordination of activities funded by the ESF, ERDF, Cohesion Fund and EMFF. In Portugal, the fact that various programmes are often managed by the same authorities is assessed positively; these authorities for instance collaborate in signalling young NEETs to YEI or ESF operations through the national strategy for the identification of inactive young people supported by the EU and the International Labour Organisation (ILO).

At the same time, poor coordination can be an impediment as highlighted in the DG EMPL study. Although the study did not find evidence of extensive overlaps, it did find evidence of poor coordination in some cases, with harmonisation hampered by differences in regulations, rules and procedures. There has been a proposal by the Commission for the next programming period to harmonise a number of Funds under ESF+ (ESF, YEI, FEAD, EaSI and the EU Health Programme).

4.4.3 EQ 4.3. To what extent were they complementary and coherent with other activities oriented to young people and youth-employment at national/regional level?

Based on the limited volume of information available, a **strong coherence** between YEI/ESF youth employment programmes and other national/regional policies has been reported in some cases.

Despite the little evidence available to answer this question, the existing one shows that YEI and ESF-funded operations were complementary with other activities targeting young people at national and regional level

According to the results of the public consultation, the majority of respondents (43%) considered that YEI/ESF youth employment programmes are complementary to national/regional programmes.

This is confirmed by the case studies in Italy, France and Germany:

- The **Italian** case study for instance indicates that the **Partnership Agreement** contains clear demarcation lines with the scope of intervention of national and regional programmes. At the same time, the importance of having YEI and ESF-funded youth operations connected to national social and employment policy operations is underlined (the list of participants benefiting from these operations can indeed help in identifying disadvantaged people such as NEETs). Close complementarity and synergy between national and EU funded policies in the area of active labour market policies is reported. ESF/YEI have been used to test innovative tools and governance set up which can then be mainstreamed to the national policies.
- In **France**, coherence is achieved at **regional level**, for instance, other ESF funds are used for actions for which **YEI is not eligible**. Furthermore, within the framework of the vocational training plan of the Regional Councils, the ESF funds are largely integrated, and the linkages between different funds become easier and effective. **Steering committees** gathering in each region, the Regional Council and the DIRECCTE are also a guarantee of coordination.
- In **Germany**, the ESF/YEI operations complement the national system as they are focused on **gap-plugging**. Moreover, at regional and local level, partnership networks of all relevant stakeholders have been successfully implemented – also for adjusting regional to local needs assessments and strategies.
- By contrast, in **Slovakia**, it was reported that social field work was **not effectively interconnected** with the YEI operations (which is particularly important when reaching out the marginalised Roma communities for instance) and that YEI was not complementary with educational policies addressing early school dropouts.

4.5 EU Added value

The YEI and ESF has demonstrated considerable European Added Value.

This includes **volume effects**¹⁷⁸ by supporting interventions that were not funded by other national or regional programmes and allowing additional actions to take place. It also had important **scope effects** by widening the range of existing actions and expanding target groups or pursuing groups not covered by other programmes.

Although **role effects** were less evident, YEI and ESF-funded youth operations were important for raising awareness for the situation of NEETs in the Member States. In a more limited number of cases, the YEI and ESF had role effects in terms of innovative actions introduced under the funds being mainstreamed into youth employment policies.

In some Member States the EU-funded operations seem to have replaced existing operations, thus putting in question the compliance with the additionality principle.

4.5.1 EQ 5.1. To what extent did the YEI and other ESF-funded operations produce effects at the national and regional level that would not have taken place without the EU intervention?

Despite the fact that in some cases the YEI programmes **replaced operations**, which were previously financed from the national budget, there is evidence of **volume and scope effects** in various Member States. Without YEI and ESF funding, some operations would not have been implemented or would be more limited in terms of amount of funding and breadth of target group.

Though rather limited information on the possible **role effects** of the supported operations is available, in some countries it is recognised that the YEI/ESF helped to raise awareness about the NEETs and to draw specific attention to this target group.

However, given the gradual recovery from the economic and financial crisis which the YEI was launched to address, there is a question on **whether there is still added value** in targeting NEETs through a **dedicated initiative like the YEI** or whether, given their complementarities, it could be integrated into ESF in the future.

There is evidence that YEI and ESF funding has produced volume effects in several Member States, by supporting operations that were not funded by other programmes (overall, increasing the volume of youth employment operations)

YEI was designed to **complement and strengthen existing national and ESF provisions**. The ESF+ Impact Assessment study¹⁷⁹ concluded that the larger the proportion the YEI has of the available national funding devoted to addressing youth unemployment in the Member States, the greater the volume effect of the YEI funds. What is more important is that the increased funding through the YEI has allowed more targeted and individual focused approaches to be supported in several Member States. The principal volume effects of the YEI are found in the strengthening of approaches

¹⁷⁸ The following definitions of types of added value are used:

- Volume effect: have the operations added to existing actions or directly produced beneficial effects that can be measured in terms of volume?
- Scope effect: have the operations broadened existing actions by addressing groups or policy areas that would otherwise not have been addressed?
- Role effect: have the operations supported innovation and the transfer of ideas that have been subsequently rolled out in different contexts?
- Process effect: Have Member State administrations and participating organisations derived benefits from being involved in the operations?

¹⁷⁹ FGB, "Study supporting the impact assessment of human capital investments", Final report, 2018

through the provision of extra funding and through the individualised support to beneficiaries that would otherwise not be available.

According to the Labour Market Policy database (managed by DG EMPL), in several Member States, some of the labour market operations specifically targeted at **disadvantaged youth** (i.e. unemployed, employed at risk and inactive) were exclusively co-funded by ESF/YEI, i.e. there were not funded by other programmes, therefore reflecting the volume effect of YEI and ESF-funded operations. For instance, all apprenticeships were co-funded by ESF/YEI in Ireland, Spain, Portugal and Finland. This was the case for traineeships in Bulgaria, Greece, Latvia, Malta, Portugal and Slovenia, for institutional training in Estonia, Ireland, Latvia, Malta, Portugal and Slovenia, for employment incentives in Estonia, Cyprus, Lithuania, Spain and Slovakia.

Further details arise mainly from the case studies which reflect that YEI and other ESF-funded operations produced **effects at national and regional level** that would not have happened without the EU support. This is especially true considering the economic and financial crisis faced by countries like Greece, Portugal, Spain or Slovakia, especially in the first part of the programming period. Volume effects are evident for instance:

- In **Greece** where without EU funds **apprenticeship programmes** would not have been funded because of the crisis.
- In Portugal, where it is reported that interventions would not have taken place without EU funding or they would have been on a smaller scale. The YEI evaluation report indicated that without the financial contribution of the European Structural and Investment Funds, the **continuity of youth employment policy** would be more fragile and compromised. It was also reported that thanks to the YEI/ESF, Portugal can offer tailor-made intensive and specific support to specific target groups who would not have benefitted from such services otherwise. Without the EU funding, the reduction of the NEET rate would probably not have been so sharp and/or it would have taken more time, and the number of participants would have been significantly lower and probably in a more restricted number of areas.
- In **Spain**, where the **volume effect** was particularly **large** with nearly two million actions supported (the average participant undertaking 3.3 actions). Similarly, it is recognised that ESF funding has led to more ambitious objectives for active employment policies and to more young people being reached than would have been the case without the EU funds. This is true for all the priority axes of Operational Programme Youth Employment, but particularly so for the one dealing with YEI (due to a much higher level of co-financing). The public consultation confirms the importance of the volume effect in Spain, with 72.2% of respondents considering the YEI has widened the assistance provided.
- In **Bulgaria**, where the YEI evaluation report estimated that in a scenario without YEI funding, the level of **youth unemployment and inactivity** would be significantly **higher**: nearly 4 000 young people would be out of the labour market, approximately 9 000 people would not receive further vocational training, 19 000 would not increase their qualification through internships, and some 26 500 would have been out of employment. More than half of the public consultation respondents (58.1%) consider that the YEI has widened the assistance provided in Bulgaria.

Very few evaluations have covered the issue of EU added value in their analysis, but when they did, they emphasised its importance and confirmed the case studies findings. Overall, the perception of the **EU value added in terms of volume effects is positive**, with 64% of respondents in the public consultation reporting that ESF/YEI widened and increased the assistance provided.

However, the additionality principle may not have been respected in practice in some Member States

The analysis of the YEI evaluations showed that in some Member States, the YEI programmes actually replaced operations which used to be financed by the national budget, raising the question as to what extent the additionality principle has been applied in practice in these cases. For instance:

- In **Hungary**, due to the fact that the YEI programme had to be prepared in a very short period of time, the authorities used the **additional funding** for an intervention that was already planned as an addition.¹⁸⁰
- Similarly, in **France**, Managing Authorities used YEI funding to **support existing youth employment operations** and only a minority used it to experiment with fully new operations targeted at NEETs.
- In **Cyprus** as well, apart from higher recruitment incentives in case of **green and blue jobs** (related to the protection of the environment including in the maritime sector), the real innovation lies in the **targeting of NEETs** (and not in the setting-up of new types of actions targeting young people).

Scope effects are also evident, with YEI and ESF-funded youth operations covering target groups not covered by other national or regional interventions (increasing the scope of operations)

The YEI has brought forward individually focused solutions which may not have been prioritised before. It provides additional support to a targeted group (NEETs in high youth unemployment regions) that would not receive a specific focus through other European financial instruments or funding mechanisms¹⁸¹.

Information from the LMP database shows that in some cases, ESF/YEI co-funded interventions cover target groups which are **not covered by nationally funded interventions**, therefore reflecting the scope effect of YEI and ESF funded operations.

This is, for instance, the case for traineeships in **Italy**, where ESF/YEI co-funded interventions are open to young people including those **aged 15-18**, whereas nationally funded interventions are only targeted at those older than 18. Similarly, in **France**, ESF/YEI (co-)funded institutional training covers all young people aged **under 26** whereas the nationally funded interventions only cover those aged 18-22. In terms of employment incentives, in **Latvia**, ESF/YEI co-funded interventions target those **aged 20-29** whereas the nationally funded interventions target only those aged under 20, and offer special provisions for people with disabilities, without work experience and those re-entering the labour market after a childcare leave, which is not the case for nationally funded interventions.

According to the **Spanish** 2018 YEI evaluation report, the financial support of the YEI has given a definitive boost to youth employment policies, especially at the **regional and local levels** where no strategy in this field was previously defined. According to the evaluation report, the majority of the authorities considers that YEI had an impact on the design of youth employment policies and that these policies are permeating from central to local government. It is also reported that the supported operations made it possible to focus on young people with various characteristics and needs thanks to innovative elements such as the 'trial-and-error approach', and that YEI helped in promoting a multi-stakeholder coordination and governance system. The cooperation with NGOs, has been a positive aspect but remained informal without any organisation having a central/coordinating/strategic role.

¹⁸⁰ It is important to note that Hungarian authorities did not replace national resources with YEI, but rather used the additional funding as an addition. This additionality is explicitly stated in Hungary's YEI evaluation (p. 82)

¹⁸¹ FGB, "Study supporting the impact assessment of human capital investments", Final report, 2018

Scope effects were also produced in **Germany**, according to the case study. In this Member State, the ESF/YEI funding was essential for handling the unemployment of the **most vulnerable groups**, including refugees in Nordrhein-Westfalen, where ESF has been more flexible than national operations in supporting them. In Spain, according to the public consultation, the YEI has increased the coverage of specific target groups (45.8% of respondents).

Overall, the perception of the EU value added in terms of scope effects is positive, with 41% of respondents in the public consultation reporting that ESF/YEI support increased coverage of specific target groups.

However, NEETs were in need of **urgent support** when the YEI was launched in a context of the **global and economic crisis to complement the ESF**, by tackling youth unemployment in regions in greatest need, but the gradual recovery of the economic and financial crisis raises the question whether having a separate investment strand for young NEETS is still necessary, or whether this can be integrated in the ESF in the future¹⁸².

There is less evidence on *role* effects, but case studies show that role effects have been important for raising awareness about NEETs and putting this target group at the centre of employment policies

In **Italy**, the national YEI Operational Programme was **highly innovative**, in terms of the new method of collaboration introduced between the central and regional authorities, and the introduction of common standards and tools that have now become a 'legacy' of the programme. Most of the tools developed have been mainstreamed in the recent reform of 2015 on employment services and ALMPs. The national YEI Operational Programme also spearheaded the involvement of private employment services and supported the development of the ALMP system. It contributed to the increase of the capacity of the public employment service, in particular with regard to registered participants.

In **France**, the main change has been the focus to consider the NEET population which is a significant improvement in the national youth employment policy. In Greece, it helped policies focus on NEETs, whereas without it and in a period of crisis, the most probable approach would have been to direct funds to other pressing priorities. Similarly, in Operational Programme **Wallonie-Bruxelles**, it is recognised that thanks to the YEI, NEETs are to become a **cross-cutting issue** in the national/regional public policy. In **Germany**, it is recognised that the ESF has had structural effects in terms of **gap-plugging** and the **experimenting** of policies, especially for certain groups like the refugees in Nordrhein-Westfalen. Structural effects are also evident in Bulgaria according to the public consultation, where 18.6% of respondents consider that the ESF and YEI were instrumental in introducing structural reforms. In **Spain**, according to the case study, a new approach has been made possible since the implementation of the Operational Programme, which **puts the young people at the centre of the employment policies**. The change in the mentality and the new coordination approach, as well as the training received and knowledge gained by the staff working with young vulnerable people has only been possible thanks to the EU intervention.

In addition to contributing to awareness raising and structural reforms, the YEI provides a forum to widen the stakeholder groups involved in tackling youth unemployment, by providing an access point for NGOs, private sector, and the public sector to find solutions with NEETs through individual focused programmes¹⁸³.

¹⁸² FGB, "Study supporting the impact assessment of human capital investments", Final report, 2018

¹⁸³ Idem

4.5.2 EQ 5.2. To what extent do YEI operations and other ESF-funded youth employment operations contribute to the objectives of the Youth Guarantee?

According to information collected by the European network of Public Employment Services, in the period 2016 to 2019 ESF funds were used in at least 23 Member States to support the implementation of the national Youth Guarantee schemes, whereas YEI funds were used in at least 19 Member States. In 11 Member States ESF was the main source funding the Youth Guarantee. The YEI was identified as the main source of funding of the Youth Guarantee in two countries.

The aggregate of Youth Guarantee and YEI monitoring data covering the period 2014-2018 imply that one in six (16.0%) participating young people aged 15-29 that benefitted from a Youth Guarantee offer (of employment, education, an apprenticeship or a traineeship) was supported by the YEI, although results need to be treated with some caution. This represents more than half (55.1%) of all subsidised Youth Guarantee offers, i.e. those provided using public funds targeted either directly at youth or more widely to the unemployed.

The YEI seems to have been particularly heavily used to (co-)fund Youth Guarantee offers (covering at least 80% of all subsidised Youth Guarantee offers) in Belgium, Greece, France, Italy, Latvia and Lithuania but little used (<10% of subsidised Youth Guarantee offers) in the Czech Republic, Romania and Slovenia.

Both ESF and YEI were important for the implementation of the Youth Guarantee, with ESF funds used in 23 Member States and YEI funds in at least 19 Member States

The **YEI is the main EU funding programme** available to support delivery of the Youth Guarantee. Notably, Member States were requested to use YEI funding to fund concrete offers (of employment, education, apprenticeship or traineeship) provided through their national Youth Guarantee schemes rather than the preparatory phase, which is intended to provide guidance and support leading to an offer. Additionally, ESF funds may also contribute to the implementation of the Youth Guarantee by funding concrete offers available to all ESF participants (and thus, also those aged 15-24 or to 29) as well as the Youth Guarantee preparatory phase. According to information collected by the European Network of Public Employment Services¹⁸⁴, between 2016 and 2019 ESF funds were used for the implementation of the Youth Guarantee in at least 23 Member States, while YEI funds were used in at least 19 Member States (see Table 20 below). **Over that period, the ESF was cited as the main source of funding by 11 Member States (out of the 23 using ESF funds for the implementation of the Youth Guarantee over the period 2016-2019).** YEI was identified as the main source of funding of the national Youth Guarantee schemes in two Member States (see Table 20 below).

¹⁸⁴ European Commission, Report on PES Implementation of the Youth Guarantee (September 2017): <https://ec.europa.eu/social/BlobServlet?docId=18901&langId=en>
European Commission, Report on PES Implementation of the Youth Guarantee (September 2019): <https://ec.europa.eu/social/BlobServlet?docId=21886&langId=en>

Table 20. Use of ESF and YEI funds in the implementation of national Youth Guarantee schemes, 2016-2019

MS	ESF			YEI		
	2016-2017	2017-2019	2016-2019	2016-2017	2017-2019	2016-2019
BE	✓	✓	✓	✓	✓	✓
BG	✓✓	✓✓	✓✓	✓	✓	✓
CZ	✓	✓✓	✓	✓✓	✓	✓
DK	N/A	N/A	N/A	N/A	N/A	N/A
DE	N/A	N/A	N/A	N/A	N/A	N/A
EE	✓✓	✓✓	✓✓			
IE	N/A	✓	✓	N/A	✓	✓
EL	✓	✓	✓	✓✓	✓✓	✓✓
ES	N/A	✓✓	✓	N/A	✓	✓
FR	✓	✓✓	✓	✓	✓	✓
HR	✓	✓	✓	✓	✓	✓
IT	✓✓	✓✓	✓✓	✓✓	✓	✓
CY	✓✓	✓✓	✓✓	✓	✓	✓
LV	✓✓	✓✓	✓✓	✓	✓	✓
LT	✓✓	✓✓	✓✓	✓		✓
LU	N/A	✓	✓	N/A	N/A	N/A
HU	✓✓	✓✓	✓✓	✓		✓
MT	✓✓	✓✓	✓✓			
NL						
AT						
PL	✓	✓✓	✓	✓	✓✓	✓
PT	✓	✓	✓	✓✓	✓✓	✓✓
RO	✓	✓	✓	✓	✓	✓
SI	✓✓	✓✓	✓✓	✓	✓	✓
SK	✓✓	✓✓	✓✓	✓	✓	✓
FI	✓✓	✓✓	✓✓			
SE		✓	✓		✓	✓
UK	N/A	N/A	N/A	N/A	N/A	N/A
Total	19	23	23	16	17	19
Main source	11	15	11	4	3	2

✓ ESF/YEI funds are used to fund the national Youth Guarantee scheme.

✓✓ ESF/YEI are identified as the main source of funding of the national Youth Guarantee scheme.

N/A: information not available

Notes:

BE: in the 2017-2019 period BE-Actiris identified ESF as the main source of funding for the YG.

DK: No centralised national data on the specific amount of funds dedicated to the Youth Guarantee.

FR: ESF funds were available from 2014 to 2020 and funded 50% of the scheme. As of the end of 2016, more regions were covered by the ESF. The YEI funds the scheme at a 92% funding level, but only in a few regions and certain 'Départements' within regions already covered by the ESF.

Source: European Commission, Report on PES Implementation of the Youth Guarantee. The report of [September 2017](#) covers the period from spring 2016 to spring 2017, while the report of [September 2019](#) covers the period from spring 2017 up to spring 2019.

Table 21. ESF and YEI funds in the implementation of national Youth Guarantee schemes, 2016-2019

	2016-2017	2017-2019	2016-2019
ESF	BG, EE, IT, CY, LV, LT, HU, MT, SI, SK, FI (11)	BG, CZ, EE, ES, FR, IT, CY, LV, LT, HU, MT, PL, SI, SK, FI (15)	BG, EE, IT, CY, LV, LT, HU, MT, SI, SK, FI (11)
YEI	CZ, EL, IT, PT (4)	EL, PL, PT (3)	EL, PT (2)

Notes:

2016-2017: Data cover the period from spring 2016 to spring 2017. There is no information for DK, DE, IE, ES, LU and the UK.

2017-2019: Data cover the period from spring 2017 to spring 2019. There is not information for DK, DE and the UK. Additionally, there is no information regarding the use for YEI funding in LU.

Source: European Commission, Report on PES Implementation of the Youth Guarantee. The report of [September 2017](#) covers the period from spring 2016 to spring 2017, while the report of [September 2019](#) covers the period from spring 2017 up to spring 2019.

YEI and Youth Guarantee monitoring data indicate that in six of all offers provided through the Youth Guarantee were supported by the YEI

To further assess the contribution of YEI in the implementation of the national Youth Guarantee schemes since 2014, YEI and Youth Guarantee monitoring data were combined. As mentioned above, Member States were recommended to use YEI funding to fund concrete offers provided through the Youth Guarantee. Monitoring of the Youth Guarantee focuses on monitoring flows through the preparatory phase and the take-up of offers and whether those offers were open market or subsidised, i.e. supported by public funds directed specifically at youth or the unemployed generally. In theory, therefore, YEI output indicators, which measure the number of young people starting a YEI funded programme, can be compared to Youth Guarantee data on exits which measure the number of young people leaving the Youth Guarantee preparatory phase to take up an offer, to acquire an indication on the contribution of YEI operations to the objectives of the Youth Guarantee.

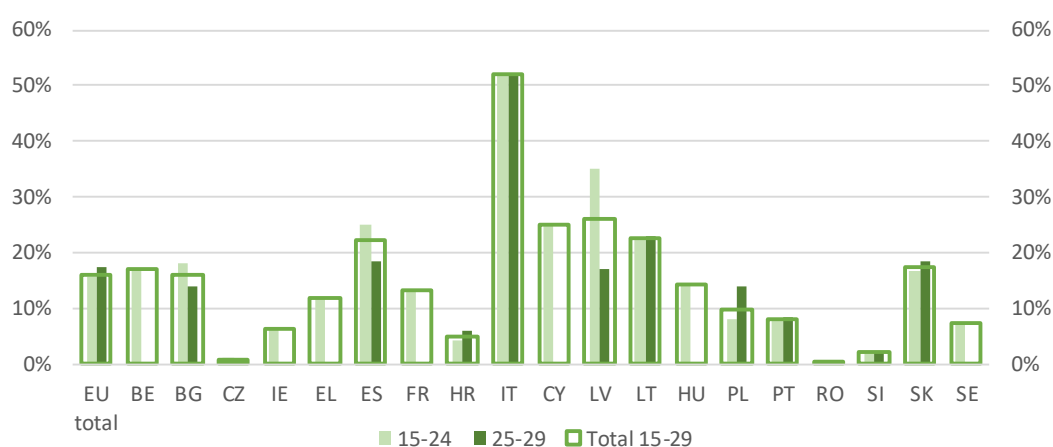
In practice, however, it is important to recognise that the **data may not be fully coherent** so that the results of any comparison need to be treated with some caution. In particular:

- **Coherence.** Despite the Commission's recommendation for YEI to be used to fund offers, it is possible that YEI (co-)funded also actions that are either regarded as part of the Youth Guarantee preparatory phase (e.g. guidance, counselling, job-search related support) or that helped to develop Youth Guarantee processes. For example, the EU-level focus group noted that the YEI has contributed to institutional reforms relevant to youth employment (Italy), including better coordination of policies and relevant actors (Spain), as well as to better understanding of the needs of young NEETs (France). Although the latter type of (mostly institutional/process related) support is unlikely to contribute to output indicators based on participants, the former type of support (actions in the preparatory phase) certainly could. Furthermore, some of the actions funded by the YEI may not meet the quality criteria for offers applied in Youth Guarantee monitoring (e.g. if they last less than 28 days, or do not cause a break in the unemployment spell for those registered as unemployed) and thus would not be counted as an exit (to an offer) in the Youth Guarantee monitoring data. In general, therefore, coherence issues are liable to mean that YEI outputs could exceed Youth Guarantee exits (to subsidised offers).
- **Completeness.** In some countries the Youth Guarantee monitoring systems are not comprehensive and may miss some of the offers taken up. In general, countries that link registers, e.g. of social insurance contributions, to ascertain where young people go to after leaving the unemployment register, the number of missed offers will be small and will refer, for example, to self-employment (when not liable to social insurance contributions) or to those returning to the regular education/training system without any specific funding/support. In countries that rely on young people voluntarily informing the public employment service of the reason for leaving the unemployment register (e.g. Cyprus and United Kingdom) then the total number of offers taken up is liable to be significantly understated. In all cases, however, the number of subsidised offers ought to be well covered, at least those delivered by the public employment service. Exceptions are Cyprus and Romania where it is known that the data on subsidised offers are incomplete. It is also the case that YEI funded programmes delivered by beneficiaries other than the public employment service may not be recorded in the Youth Guarantee monitoring data as subsidised offers. All of the above mean that Youth Guarantee data on subsidised offers may not cover all YEI funded offers.
- **Consistency.** In both the Youth Guarantee and YEI monitoring data, age of participants refers to the age on entry (respectively to the Youth Guarantee preparatory phase or YEI operation). As the Youth Guarantee preparatory phase precedes the offer, an individual could be recorded in different age groups in the

two data collections. This is a minor issue but could mean that some subsidised offers recorded for the 15-24 age-group in the Youth Guarantee are counted as YEI funded offers in the 25-29 age-group.

Bearing in mind these caveats, which in general will tend to overstate the YEI contribution, combination of aggregated data from the two data sources suggests that one in six or 16.0% of all offers provided through the Youth Guarantee were supported by the YEI. There is only a small difference between age groups: 15.5% of offers taken by young people aged 15-24 and 17.5% of offers taken by those aged 25-29 (only countries that have expanded the Youth Guarantee to also cover this age group are taken into account)¹⁸⁵. This small difference could easily be an artefact of the age-group consistency mentioned above. In Spain, Cyprus, Latvia, Lithuania, YEI outputs account for more than one in four Youth Guarantee offers, and in Italy more than half. In contrast, YEI outputs account for less than one in ten Youth Guarantee offers in the Czech Republic, Romania and Slovenia (see Figure 43).

Figure 43. YEI outputs as share of Youth Guarantee offers by age-group, 2014-2018



Notes: The UK is excluded due to the poor coverage of Youth Guarantee data. Data on exits refer only to exits from the Job Seekers Allowance which is being replaced by the Universal Credit.

The EU total for the age group 25-29 takes into account only the countries that have expanded their national scheme to also cover this age group and have provided the required Youth Guarantee data (BG, CZ, ES, HR, IT, LV, LT, PL, PT, SI, SK).

Source: SFC2014, based on OP data reported in AIR2018 (data extracted on 6 September 2019) and Youth Guarantee monitoring database (DG EMPL, data extracted 20 November 2019).

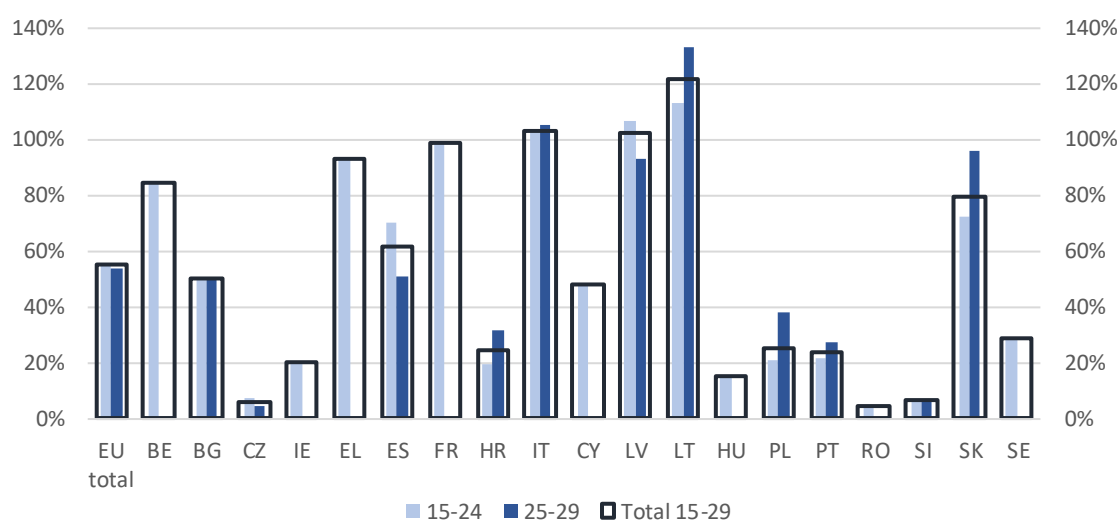
The caveats in the datasets should not distract attention from the overarching conclusion that in some Member States the YEI has had a significant contribution to the delivery of the Youth Guarantee

Examining further the data, the contribution of the YEI can also be assessed by comparing YEI outputs with the number of subsidised (publicly funded) offers recorded in the Youth Guarantee. In total, the cumulated YEI outputs reported between 2014 and 2018 account for more than half (55.1%) of the subsidised Youth Guarantee offers reported over the same period in countries that received YEI funding. The proportion was over 80% in Belgium, Greece, France and Slovakia and over 100% in Italy, Latvia and Lithuania. As noted above, the issues of coherence between the datasets and the potentially lower completeness of the Youth Guarantee data will always tend to overstate the contribution of the YEI. This would certainly seem to be the case here, but should not deflect from the message that the YEI made a significant contribution to the

¹⁸⁵ BG, CZ, ES, HR, IT, LV, LT, PL, PT, SI, SK. Although CY has expanded the Youth Guarantee to also cover this age group in May 2018, it is excluded due to the inability of the Youth Guarantee monitoring system to report on Youth Guarantee subsidised exits.

delivery of Youth Guarantee offers in these countries. Elsewhere, YEI outputs accounted for 45%-60% of subsidised Youth Guarantee offers in Spain, Bulgaria, and Cyprus but seems to have been much less important elsewhere. Notably, YEI outputs accounted for less than 20% of subsidised Youth Guarantee offers in Hungary and less than 10% in the Czech Republic, Romania and Slovenia¹⁸⁶ (see Figure 44). It is important to note that this observation does not imply that the Youth Guarantee was underfunded in these countries, rather it simply means that the subsidised offers were mainly **funded from other sources (ESF/national)**. Furthermore, also to be noted the division of the funding among regions was done by the Commission, Member States had no influence on that, and, in addition, the proportion of YEI is of course lower in countries that programmed a large amount of ESF/national budget for the Youth Guarantee.

Figure 44. YEI outputs as share of subsidised Youth Guarantee offers by age-group, 2014-2018



Notes: The UK is excluded due to the poor coverage of Youth Guarantee data. Data on exits refer only to exits from the Job Seekers Allowance which is being replaced by the Universal Credit. The EU total for the age group 25-29 takes into account only the countries that have expanded their national scheme to also cover this age group and have provided the required Youth Guarantee data (BG, CZ, ES, HR, IT, LV, LT, PL, PT, SI, SK).

Source: SFC2014, based on OP data reported in AIR2018 (data extracted on September 6, 2019) and Youth Guarantee monitoring database (DG EMPL, data extracted 20 November 2019).

¹⁸⁶ It is important to note that these figures need to be interpreted taking into account that the split of funding among regions was done by the EC. Furthermore the proportion of YEI funding is lower in countries that programmed a large amount of ESF/national budget for the Youth Guarantee.

4.6 Sustainability

4.6.1 EQ 6.1. To what extent the effects of YEI and ESF support are likely to continue after the end of the funding, both at individual and youth employment policy level?

According to the information available, **transition rates to employment** of participants in YEI/ESF operations generally **improved** with time. The employment impacts are sustainable for the low skilled, the main focus group of the operations, as well as medium and high skilled.

Continuity of the EU-supported operations after the funding stops is largely dependent on the availability of alternative funding. Nevertheless, the systemic changes achieved through the implementation of ESF/YEI are likely to remain independently of the funding.

From a macroeconomic perspective impacts on GDP and particularly on employment are expected not only to persist but even to increase in the medium-to long-term, peaking in 2026-2030.

The **long-term multiplier** (discounted euro of GDP generated per each euro invested) is also generally positive and above one in some Member States, which confirms the financial sustainability of the investment. The multiplier is larger for regions with high labour intensity, export orientation and those that are net receivers of EU funds.

The issue of sustainability covers two dimensions: first, the sustainability of the effects of the supported operations on the participants and second, the sustainability of the operations themselves. In turn, the sustainability of the effects might be seen at the level of the individual having benefitted from support, as well as from a broader macroeconomic perspective, which includes the spill overs on those who have not received the support, the changes generated to the equilibrium of labour supply and demand, trade and labour flows and so forth. Sustainability is also covered as part of EQ 1 and EQ 2 as it has a key bearing on effectiveness and cost-effectiveness.

Sustainability of results - there are some encouraging results in terms of participants being employed after the end of the funding, while the macroeconomic model gives positive results for the sustainability of employment impacts

The results reported in the YEI evaluations and evaluations of ESF-funded youth employment operations provide an insight into how the effect of YEI/ESF support on participants is likely to continue after participation to the programmes. Not all the evaluations examined report data on the situation of **participants six months after their exit**, but among those for which the information is available for all participants, the results reported up to now are encouraging as the share of those in employment after six months is relatively high in a number of cases: between 61% and 88% in four Member States (Slovakia – for national projects, Croatia, Portugal, Slovenia and Lithuania) and around 50% in a further four (Bulgaria, France, UK-England and Spain). At the same time, at the time of the evaluation carried out in 2018, only 6% of all participants were working after six months in UK-Scotland (against a target of 37%¹⁸⁷) while in Italy, it was found that the net effects linked to the participation in the YEI tend to **increase over the 18 months of observation** or, as in the specific case of vocational training, the negative effects tends to decrease.

Generally, however, measuring sustainability is very difficult without close and long-term monitoring of participants. At the EU level focus group, Italy highlighted that follow-up of participants' status is carried out based on administrative datasets, however

¹⁸⁷ Progress against the target will have changed in later stages, as data here relates to the 2018 evaluation.

these datasets only capture people in employment and not for instance self-employment or those in education. As a consequence, many positive outcomes are left un-reported. There are however intentions to address the issue of sustainability as highlighted by Bulgaria, where they are planning to follow participants within one year of completion, to assess what happens once they are employed. There are cases, for instance, where the skills are not relevant any more after seven months and participants would need to go back to training. Without follow-up it would not be possible to know this. More concrete follow-up actions are underway in Belgium, where participant surveys are carried out to follow the professional path of participants after their exit.

However, all the above findings are limited to employment transition as this is the aspect for which more data are available. Ideally, the analysis would also cover other aspects as well such as the skills acquired (and in particular the soft outcomes), but in practice, little information is available on this. The analysis of the case studies however indicated that the activation of young people improved the knowledge about the labour market and the improvements in terms of employability is likely to remain over time as highlighted in Spain, Portugal, Greece, and Belgium. However, in the case of employment offers it was mentioned that the fact that other factors, both internal to the company and external in relation to the general economic climate, can have an impact on the sustainability of the outcome over time. In this respect, the Greek case study stressed that rather than an employment offer, what was considered the most important outcome of the programme was that participants were in the labour market one year after completion.

For the few operations where comparable data are available both immediately after leaving the operation and six months after, the **employment rates generally improved after six months** (see Table 12 in chapter 4.1.2).

From a macroeconomic perspective, and based on experimental research from RHOMOLO, **impacts on GDP and particularly on employment** are expected not only to persist but even **to increase in the medium-to long run**, peaking between 2026-2030 and then only marginally fading out¹⁸⁸. As mentioned in the effectiveness section, the productivity enhancing nature of human capital investments, especially through on-the-job and vocational training means that in the longer run it generates a ripple of positive effects. These include higher investments, export, GDP and employment. The extent of these effects is however dependent upon the socio-economic structure of any given region.

In line with the main focus of the operations, it is expected that regions located in Northern Italy, Spain, Slovenia, Belgium and Portugal and to some extent UK will, in the long-run (as the effects take time to become visible), benefit significantly from Youth Employment support under the ESF/YEI.

The **employment impacts are sustainable** for both the low skilled, the main focus group of the operations, as well as medium and high skilled which can benefit from the overall increase in the economies' productivity.

The long-term multiplier (discounted euro of GDP generated per each euro invested) is also generally positive and above one for three Member States (Belgium, Slovenia and Italy), which confirms the financial sustainability of the investment. The multiplier is larger for regions with high labour intensity, export orientation and that are net receivers of EU funds.

¹⁸⁸ In fact, in the short-term substitution effects (i.e. increased workers productivity which leads to lower the need of workers), might even lead to a temporary shrinkage of employment levels (see for instance Calmfors L. 1994. "Active Labour Market Policy and Unemployment – A Framework for the Analysis of Crucial Design Features", in OECD Economic Studies, No. 22). This is also due to the taxation that is necessary to finance the activities. However, such effects do not appear significantly in the RHOMOLO simulations of YE investments, or at least not to the extent of implying lower levels of employment after the support ends. They might, however, explain why the employment increases more in the long term than in the short one.

Even when national funding is scarce, there are possibilities to ensure sustainability

This can be done through integrated approaches, active engagement of stakeholders and adaptations in the design and implementation of programmes and operations.

The findings from the case studies provide some insight into the second dimension of sustainability, i.e. the extent to which the actions can continue without EU funding. The analysis revealed that **many activities** funded under the ESF **would not continue** without the funding, and this is particularly true where national funding is scarce (as in Southern Europe). However, independently of the availability of national funding, in some cases sustainability is ensured. Examples of continuation even without EU funds are found in Spain in the case of stakeholders who have integrated the operations into their core activities, or in Italy where the new partnership approach implemented at national level/ regional level, involving private and public employment services, and most importantly creating an integrated approach between employers and employment services and territorial organisations. In addition, where ESF/YEI funds strengthened and extended the scope of existing operations, it seems that sustainability is ensured e.g. in Germany, France and Malta.

Even if the currently supported actions do not continue once EU funding stops, it seems that some **structural and organisational changes** achieved through the implementation of the ESF/YEI will remain beyond the implementation period. For instance, public services in Spain have hired and/or trained staff specialising in the activation of youth, including the creation of different coordination mechanisms, and these will remain in place after the EU support ends. In addition, the expertise and knowledge gained by the various organisations involved in the activation of young people will not be lost either. Similarly, in Germany, the embeddedness of the EU supported programmes into the regional and local strategies with respective stakeholder involvement is reported to foster sustainability. That is why the maintenance of respective support and network structures is considered very important. This is also the case in Italy, particularly concerning the strengthening of public employment services.

In addition, the importance of the **cultural changes** brought by the ESF/YEI operations was also highlighted. Spain for instance stressed that the organisations involved in the implementation of the EU supported operations have become now more open to collaboration and to the development of integrated interventions. Similarly, in the Operational Programme Wallonie-Bruxelles, it is recognised that thanks to the YEI, NEETs are to become a cross-cutting issue in the national/regional public policy. In Slovakia as well, there is evidence of a cultural change, with the government committed to assist hard-to-employ young people in their integration to the labour market, although the content of the operations will depend on the demands of the labour market.

5 Lessons learned, good practice and suggestions for improvement

The evaluation has produced a number of conclusions from which lessons can be learned. We describe these lessons according to the **pathway approach to employment** starting with **outreach** and going on to look at lessons learned in the fields of **guidance, education and training, work experience, job seeking, entry into employment and entrepreneurship**, before concluding with some points on **measurement** of effective youth employment programmes. The good practice examples derive from research and appear to work well. They can provide models of approaches that can be **replicated**, subject to the local contexts.

5.1 Outreach

Identifying and recruiting NEETs to youth employment operations requires a variety of innovative approaches, especially as the proportion of economically inactive NEETs rises

The overall decrease in the NEET population in Europe is due to unemployed NEETs finding employment or moving into further education, training and apprenticeships, resulting in inactive NEETs comprising a greater proportion of the NEET population (in aggregate terms the levels of inactive NEETs have remained stable). However the current overall positive youth unemployment outlook in the EU might be significantly affected by the ongoing COVID-19 health pandemic.

Effective outreach to young NEETs has been identified as one of the main problems in youth employment policy. Despite the high levels of NEETs in a number of countries, identifying potential candidates for youth employment operations has proven difficult in some cases - as was discussed at the EU-level focus group.

The focus group highlighted three principles for outreach, generally agreed by the participating Member State representatives, namely:

- **Ground work** to assess the nature and extent of the challenge and potential solutions geared to the local context;
- The use of qualified **outreach staff**; and
- The identification of innovative **communication, or 'interception' channels** to identify and reach potential participants.

What works best varies by context, but some general practices apply to most cases, including the importance of local liaison (with youth clubs, schools, social workers etc.), inter-agency co-operation at the local level to introduce youth employment opportunities to those that work closely with the more vulnerable individuals in the NEET population, and innovative methods of communication.

Reaching inactive NEETs requires different **targeting approaches** and individualised pathways should help to tackle the problems of multiple disadvantage, build confidence and provide experience that can lead to eventual employment, but this approach may possibly take longer.

Especially reaching those who are most disadvantaged and **furthest away from the labour market** or **outside the system** is a challenge, as evidenced in the following examples in some of the Member States:

- **Slovakia:** difficult to reach marginalised groups or minorities such as Roma;
- **Lithuania:** difficult to identify NEETs that were not registered due to data protection issues (data protection is also an issue elsewhere);
- **Italy:** those registered through Youth Guarantee were not the most disadvantaged, they were more skilled and better able to access employment centres. Those furthest away from the labour market are less well catered for;

- **Bulgaria:** liaison officers were designated to work with the Roma community, although finding and securing such officers has proved challenging;
- **Latvia:** has faced challenges in engaging young people into longer term education based programmes, but has been more successful with its offer of shorter term, practical programmes;
- **Spain:** has faced difficulties in reaching out to vulnerable groups of young people but has had greater success when working in partnership with specialist NGOs who work closely with specific groups (e.g. young people with disabilities, ex-offenders etc.).

Less attention appears to have been made in attracting women compared to a range of disadvantaged groups

The performance of programmes in respect of gender balance, and between YEI and ESF youth employment operations, varies as discussed in preceding chapters (especially EQ1). Where women have lower participation rates the problems can relate to the scheme design, targeting and outreach. From the case studies we observe that whilst there is a range of initiatives to target specific groups (e.g. Roma, people with disabilities), there is less attention paid to ensuring that women are not under-represented in YEI and ESF youth employment operations. **A stronger and more consistent application of gender targets would be one way of effecting change.**

Social media and outreach campaigns can work as part of mixed engagement strategies

As presented in the conclusions to EQ 2.5, **numerous examples of successful outreach campaigns can be mentioned.** Member States have used social networks, media, newsletters, and YouTube or even more innovative ways, such as organising concerts and placing adverts on McDonald's trays. Street work has also been used to meet NEETs in the places where they gather, e.g. in parks or shopping centres. These operations may not be effective with the most vulnerable and hardest to reach groups, in which case local liaison work with local communities (e.g. visiting community centres frequented by young Roma NEETs in Slovakia) can be more effective, but it is not 'either/or'. Practices vary between Member States but with broadly similar aims. Some examples are described below.

- In **Italy**, young people living in families registering for the minimum income programme can be contacted and introduced to the Youth Guarantee.
- In **Germany** there has been collaborative working with social workers, and providing them with training and support to engage NEETs for youth employment programmes.
- In **Belgium, Latvia, Germany and Slovakia**, there are examples of collaborative work with schools to identify young people before they become classified as NEET, stressing the importance of early interventions. Indeed, at the focus group there were suggestions to broaden the definition of NEETs to include 'potential' or 'future' NEETs, in order to target early interventions more effectively.
- In **Latvia** each local authority has appointed a representative to target the harder to reach groups and to ensure that youth employment provision is not the preserve of those closest to the labour market. This has involved offering individualised training, based on the skills and needs of prospective participants.
- A similar model works in **Lithuania** but used a network of 55 youth organisations based in the country's municipalities. The public consultation provided an example from Latvia where outreach work focused on 'gathering places' for young people and in particular remote and rural communities.

Normally there is a mix of strategies to engage and recruit NEETs to youth employment operations.

The case studies' public consultation highlighted some examples where communications and campaigns had had mixed results including observations that communications relating to the Youth Guarantee failed to effectively reach – or be targeted – at hard to reach groups.

Box 9. *Outreach activities in Belgium and Poland*

WIJ! (Belgium)

The **WIJ! programme in Belgium Flanders**¹⁸⁹ used various outreach activities including an active presence in schools, youth houses, youth events, Pokémon hot spots etc. This contributed to raising awareness about the programme and to developing an intense and rich network of partners which is crucial to identify and reach young NEETs. In **Poland, the Voluntary Labour Corps (OHP)** which ran the project "From training to employment"¹⁹⁰ cooperated with other institutions as part of the project, especially in the recruitment phase for participants in the projects. Individual OHP units used the help of schools, social assistance / family assistance centres, and even voluntary fire brigades or rural youth associations to identify young NEETs.

5.2 Cooperation and partnerships

Stakeholders involved in youth employment policies emphasise the importance of cooperation at local and regional level, to both identify NEETs and implement programmes efficiently

The **alignment of EU and national youth employment policies** in programming was highlighted as a positive in the case studies and in the public consultation, although this is not a universal feature of youth employment policies. In the same vein the public consultation highlighted the value of cooperation between different types of organisations, including trade unions, schools, research centres and youth organisations.

In the field of **outreach**, cooperation with youth organisations has helped to identify NEETs who would not be registered with the public employment service or in education. Cooperation during implementation ensures that the required range of services needed for this population of young people is provided. The involvement of the local authorities to drive the process is also very helpful. The participation of local companies helps raise awareness of the Youth Guarantee and generates employment offers. It has also proved useful to ensure and formalise the participation of young people in the planning of activities in order to ensure that the appropriate services are offered.

Evidence from the case studies illustrates the value gained from **partnership** working and conversely, the missed opportunities, when cooperation and partnership working is not strong – especially in respect of outreach work, as shown above. At a policy level, the alignment of ESF/YEI with national and other youth employment policies and programmes is critical in maximising the added value of the EU youth employment interventions (see section 4.5). The importance of partnership working was also highlighted in the public consultation as one of the key contributions to effective programmes.

Box 10. *Co-operations and partnerships in Germany, Portugal and Spain*

RÜMSA (Germany)

In Sachsen-Anhalt (Germany) the RÜMSA¹⁹¹ (regional transition management from school to work) programme and in North Rhine Westphalia (NRW) the KAoA/KoKo (municipal coordination point) initiative, showed that setting up regional cooperation

¹⁸⁹ See also <https://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=1507> and <https://www.skillbuilders.be/nl/jouw-loopbaan/loopbaanbegeleiding>

¹⁹⁰ See also https://ohp.pl/?page_id=434

¹⁹¹ See also <https://ruemsa.sachsen-anhalt.de/>

networks with local stakeholders was a key success factor of the programmes. RÜMSA seeks to coordinate all the available ESF and national programmes and operations for young people and to help them navigate through these offers. It is a flagship programme which has shown considerable success in establishing constructive working relationships between all the key stakeholders in the region ('Jugendamt'-youth centre, public employment service, Jobcentre, and other actors) and thus ensuring that young people find the right offer and so not fall through the gaps in the system. The coverage of young people is thus significantly improved. The greater transparency concerning the offers and the issues coordinating them highlighted the difficulties involved in planning joint actions, avoiding parallel structures, and creating support chains to help young people in the transition between school and the labour market. Similarly, NRW set up 'Kommunale Koordinierungsstellen' (KoKo) to coordinate local strategies and priorities using public funding. The KoKos bring together representatives of central administrations, local stakeholders (municipalities, chambers) and national public employment service local branch offices (Job-centre).

Empreende Já – Rede de Perceção e Gestão de Negócios (EJÁ) (Portugal)

The project¹⁹² had a wide partnership network at local level including e.g. the public employment services, municipalities, NGOs, juvenile associations, etc. and also the ILO. The monitoring committee of the programme Garantia Jovem was composed of public entities, social partners, the national youth council and other platforms. The lead organisation, the Portuguese Institute for Sports and Youth (IPDJ), developed a strong network with local entities, especially with youth associations, in order to identify possible recipients for the operation. The strategy for the identification of young NEETs ensured a partnership with the International Labour Organisation and included specific training for the entities involved.

Technical Round Tables for the Coordination of the Youth Guarantees and the Municipal level in Murcia (Spain)

The project Mesas Técnicas de Coordinación Municipal de Garantía Juvenil en la Región de Murcia¹⁹³ set up in the framework of the Youth Guarantee was essential for the smooth implementation of the Youth Guarantee. The initiative first began in the city of Murcia in March 2015 and was later extended to the whole region. Currently, 45 municipalities are represented in 14 round tables, which are still ongoing¹⁹⁴. The meetings of the round tables were also used to decide on some of the training offers at local level. Finally, they contributed to having a better knowledge of the characteristics of the target group at the local level, for example in terms of willingness to move.

One of the most noteworthy results in Murcia is a *de facto* early warning system for young people at risk of social exclusion. As a result of the cooperation of different agencies of the local administration at the round tables, a written protocol has been adopted for the referral of young people at risk of social exclusion between the Regional Employment Service and the Social Services of the Autonomous Community.

The success factors have been:

- **Fostering active participation and ongoing commitment of local partners.**
- **Focusing each of the round table meetings on limited topics has proven to be a good practice.**

¹⁹² See also <http://eja.juventude.gov.pt/index/>

¹⁹³ See also <https://pliego.org/actualidad/mesa-tecnica-de-coordinacion-de-la-garantia-juvenil-comarca-del-rio-mula/>

¹⁹⁴ The objectives of the round tables are to establish a coordination network to maximise the resources available for the municipalities; to map the provision of services and actions implemented within the Municipalities; to improve knowledge about the social reality of young people; to encourage young people to register with the Youth Guarantee System; to assess the actions that are being developed in this area in each municipality.

- **Inviting only relevant actors avoids reluctance to join and decreases the chances of the round table meetings being regarded as ineffective.**
- More active round tables for specific working groups prepare material in the period between meetings to ensure continuity and monitoring of the progress of the implementation of the Youth Guarantee.

As considered by the International Labour Organisation (ILO, *Garantía Juvenil en España: Enseñanzas Extraídas*, 2019), this experience could inspire new methods of collaboration, encourage the exchange of information between the different levels of public administration, and ensure the commitment of companies.

5.3 Guidance and support to individuals

Individuals furthest away from the labour market need and can benefit from tailored and intensive guidance and support

A significant proportion of young people who are being targeted by youth employment actions are not job ready, and in some cases potentially a few years away from employment, especially those who have multiple disadvantages and may have to address other issues (such as housing or settled status for migrants, in addition to youth employment operations). They require **preliminary and ongoing support** to ensure their transition from NEET status to a successful employment, qualification or inclusion result. The involvement of trained social workers has proved essential to help disadvantaged young people make the transition from inactivity to participation in training or employment.

Box 11. *Tailored outreach in Germany*

Integration through Exchange (Germany)

The IdA¹⁹⁵ in Germany (Integration through Exchange) was a good practice example highlighted in the public consultation, with success in reaching vulnerable groups through tailored outreach¹⁹⁶. One of the main lessons from the project was the importance of reaching young people in the most difficult situation, who are not covered by standard activities. Each of the local coordinators looked after about 10 people, which required 24/7 engagement. They were in constant telephone contact with them, often taking them to classes, making sure that they did not give up their participation in the project. This is one of the most difficult aspects of this job, because it was associated with upbringing and teaching social skills to help young people functioning independently. Equally important is strengthening organisational structures at local and national level. Voluntary Labour Corps are much more recognisable among young people who provide information on the possibilities of obtaining support, primarily at regional and local level, which is of particular importance in reaching people in the most difficult situation.

¹⁹⁵ See also <https://einstieg.or.at/ida>

¹⁹⁶ There was a similar example in Spain, The Jove Oportunitat designed by the Valencian Institute of Youth with a focus on motivating participants through tailored guidance. See also <http://www.ivaj.gva.es/es/joop>

Box 12. *Tailored support in Poland*

'From Training to Employment' project of the Voluntary Labour Corps¹⁹⁷ (Poland)

The project supports young people aged 18-24 who, due to unfavourable situations, family or personal problems, require professional and comprehensive educational and social assistance, aimed at obtaining qualifications, acquiring skills in navigating the labour market and, as a consequence, taking up employment and becoming independent. Support varies depending on the individual situation of the participant. The project also targeted young people with disabilities as those who have the greatest difficulties entering or staying on the local labour market.

Box 13. *Special support for hard-to-reach young people in Belgium*

Wallonian 'Sac Ados' (Belgium)

The Wallonie-Bruxelles AIR for 2018 in Belgium identifies the difficulties experienced by young NEETs participating in YEI operations, due to their low skills and competence levels, lack of motivation, instability, problems linked to multiple disadvantages (e.g. access to housing, health, mental health problems, family problems). These characteristics require special support, such as individual, constant guidance, adaptation and close collaboration with specialised institutions (e.g. medical centres, mental health centres, diagnoses of learning difficulties, emergency accommodation, etc.) in order to prevent them dropping out of operations. There is often a problem with attendance (absences, late arrivals). The Wallonian Sac Ados project¹⁹⁸ finances various activities carried out by the beneficiary in addition to individual guidance and counselling including workshops to improve self-confidence and self-esteem and the develop personal skills (such as autonomy, living in a group, expressing oneself) and short participative actions (of about four days) where young people can give back to the community and discover or improve specific techniques in various sectors (such as in construction, or in the 'green sector'). There are also short training sessions (of minimum two weeks) in several enterprises (such as in flower shop or a fitness centre) to provide work experience. In 2018, assistance was provided to 50 young people, with the number growing each year (especially homeless young people). There are no official statistics regarding the situation of the young people after leaving the project, but it seems that most of them go back to school or attend a vocational training

5.4 Education and training

The transition from compulsory education to the labour market is critical and increasingly early interventions are being pursued in some countries.

Very often the target group of NEETs has low educational attainment levels and requires a mix of some basic skills training and vocational education, in combination with employment interventions. It also seems that highest employment results following participation are recorded after the use of education and/or training operations, the support to entrepreneurship and recruitment incentives for employers. During the focus group at EU-level, a number of representatives emphasised the **importance of working with schools as most young NEETs' problems start before they reach 'NEET age'**, i.e. at 15, notwithstanding the limitations on YEI and ESF in working with young people at an earlier age. Belgium, Latvia and Slovakia insisted on the need to cooperate with schools in order to reach the NEETs as early as possible. In this respect the definition of NEET can be restrictive since it only allows young people who are already NEET, but not those that are about to become NEETs.

¹⁹⁷ See also https://ohp.pl/?page_id=434

¹⁹⁸ See also https://www.rtb.be/info/regions/luxembourg/detail_marche-le-projet-sac-ados-de-l-amo-mic-ados-vise-a-rebooster-les-jeunes-descolarises?id=10181707

- **Slovakia** indicated there is a problem with the school system "preparing school students to become NEETs". There are more and more young inactive difficult to reach people over time. Youth interventions should therefore start earlier, during school years to address this problem, and also to allow preventive operations to help stop school leavers becoming NEET.
- **Belgium and Germany** also stressed the need to work directly and in close cooperation with schools.

This leads to the question whether a paradigm shift in the NEET concept is required, to broaden the definition of NEETs to include for instance, also those in part-time or even full-time education, as highlighted by several Member States.

Box 14. *Second chance schools in France*

The **Second Chance Schools (Écoles de la deuxième chance, E2C)¹⁹⁹ in France** belong to a public programme adopted to address issues faced by young people without a qualification during their school-to-work transition. This six-to-nine months programme targets 16-25 year old people with severe issues in finding a decent job. The E2C pedagogy heavily relies on concrete approach to learning, including work-based learning taking into account participants' learning capacity. The young people mainly are identified by 'Mission Locales' counsellors, who decide to send them to an E2C based on an assessment of their needs. The first Second Chance School was created in 1997 following the recommendation of Edith Cresson's White Paper. The conclusions set the milestones of a programme for the establishment of second chance schools in order to tackle social exclusion that hit disadvantaged young people, especially those living in deprived neighbourhoods. It contains the key components of the E2C Programme, which became a network in 2004.

The programme aims at providing disadvantaged persons with vocational preparation for personal development and for easing the school-to-work transition process. It also aims at providing them with social skills so that they are better integrated in society. Before participating in the programme, most of them were out of the labour force, or long-term unemployed. The second chance schools perfectly correspond to the target of the YEI funds.

Second chance schools are an example of a good practice as:

- They target NEETs, including those with familial or legal difficulties. Second chances schools address the diversity of the NEETs;
- They offer individualised support and innovative pedagogical tools, particularly adapted to the NEETs;
- Everything is done to put young people in a position to be responsible for their own choice – young people sign a contract with the E2C – and through a project approach (identification of competencies, elaboration of a portfolio of competencies), the promotion of the esteem of the young person and on her/his success -no scoring/grading, but a monitoring of the progress made in terms of targeted competencies.

Second chance schools display some key successes, such as:

- they combine education and training to develop basic competencies using appropriate pedagogy based on e-learning approaches, immersion internships in partner enterprises, and extra-curricular activities for the development of social skills. The success of the programme is due to its personalised support (lectures are like private lessons with a tutor, individual guidance and individual commitment).
- they allow young people to obtain their first formal document for seeking a job, by delivering a certificate of learning outcomes.

¹⁹⁹ See <https://reseau-e2c.fr/>

- they developed a solid partnership with local companies in order to ease the transition from school to work.

5.5 First job experience, placements and traineeships

Work experience has proved to be a vital route into employment and helps to develop social skills

Many ESF/YEI operations focus on work experience to give young people who would otherwise find it very hard to find a placement or traineeship with this opportunity. Often work experience is more attractive to young people who have experienced failure at school. It gives them a chance to discover what they are interested in and where their strengths lie. It also helps them to develop social skills that are essential to the workplace.

Box 15. *Training for work in Belgium*

WIJ! In Flanders

The objective of WIJ!²⁰⁰ in Belgium-Flanders is to provide young people without qualifications with an 18-month experience to get the flavour of what working is, and to facilitate their entry to the labour market. While WIJ!1 and WIJ!2 put the emphasis on finding a job, training or internship for young people, WIJ!3 now primarily focuses on the preparation of the young people for the labour market. The idea is that it is essential to help the target group to address the barriers faced by the labour market. The programme therefore consists of intensive tailored guidance, the strengthening of soft skills, labour market orientation and coaching, but in addition, competence strengthening activities are also planned (such as participation in trainings and internships), though it seems that the large majority of participants only benefit from the intensive guidance trajectory. WIJ!3 use sport activities as a tool to increase soft skills of young people helping them to acquire similar competencies to those needed at the workplace, such as complying with rules, punctuality, taking responsibilities, perseverance, self-empowerment and team work or to develop specific skills (for instance learning how to climb can help them to work at height). Young people who participate in internships or who succeeded in finding a job benefit from a follow-up support for about three months. Previously, the beneficiaries were paid according to their performance: they received a maximum of EUR 600 per completed action plan and EUR 2 000 per successful guidance trajectory (completion of all prescribed activities, in work for at least three months, or in qualifying training). Under WIJ!3, they are now paid based on the time spent for each young participant, which is considered as an improvement as more time can be dedicated to address the multiple problems faced by young people. Up to now, a total of 7 813 participants were reported (about 60% of these are men, 82% have an education level below ISCED 3 and 82% are Belgian citizens). Of the operations which are now completed, about half of the participants were in employment after they left the programme.

5.6 Apprenticeships

Getting the most disadvantaged NEETs into employment is challenging but there are good practice examples of approaches, including those deployed in Germany and Greece

One step further than the shorter-term traineeships and first work experiences described above, are the longer-term apprenticeships supported in Germany and Greece. YEI and ESF have been used to support candidates further from the labour market for apprenticeships through **more concentrated support**, with some success.

²⁰⁰ See also <https://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=1507> and <https://www.skillbuilders.be/nl/jouw-loopbaan/loopbaanbegeleiding>

The apprentices develop work related and social skills in the company while also benefiting from formal training. In Germany, apprenticeships and the dual education system have a long tradition and are generally considered as good practice. The current situation in **Germany** is that there is **a lack of apprentices due to the good situation of the labour market**. However, there are still significant numbers of NEETs who cannot find placements due to their lack of skills and personal disadvantages. ESF is being used to support the companies who are prepared to take disadvantaged young people with a subsidy to help them provide the young people with more intensive support. Indeed, companies reported time spent supervising, explaining and even helping the apprentices carry out their tasks, i.e. doing it for them. The apprentices sometimes did not attend their vocational school which also led to time-consuming meetings with the schools and/or parents. Communication with the parents often was difficult due to the specific social background of the families.

Social partners in **Greece** recognise the value of apprenticeships for their duration (two years) and even recommend to increase them to three years. At the beginning the student can be a burden for the enterprise but with time the student becomes more productive as more skills are acquired. As a consequence, this is a win-win situation, where the student acquires more skills and working experience and the enterprise acquires a more productive employee. In Germany, the apprenticeships last three and a half years. This seems to be a tried and tested timeframe that works for everybody.

Box 16. *Apprenticeship programmes in Greece and Germany*

The Apprenticeship programme at the Professional Schools of the Greek Manpower Organisation (OAED) for young people²⁰¹

The project is focused on young people aged 15-24 and combines theoretical and practical education in school with on-the-job training. Attendance at the professional schools (EPAS) lasts two years and students must be ISCED level 2 graduates. In the morning, students go to the enterprise for their practical on-the-job training; in the afternoon they go to EPAS where they receive theoretical and practical training. The practical training also tackles doubts and issues the students encountered in their morning work at the enterprise, so the school programme in the afternoon is closely linked to the morning working experience. The match between the student and the enterprise is done by the EPAS schools. In 2014, they set up liaison offices between the school and the labour market so the tutor identifies the most pertinent enterprise for the practical on-the-job training of the student. These liaison offices have contributed to the cooperation culture between EPAS schools and enterprises. Every year there is a local consultation between schools and enterprises, where OAED brings in its experience from participating in EU networks (e.g. the EU network on apprenticeship). They also organise competitions and demonstration fairs where students can demonstrate the skills acquired in sectors like bakery, watch-making, silversmiths, electricians, hairdressing, marble carving, furniture design, etc. according to the 34 specialisations offered to EPAS students. Based on the liaison with enterprises, OAED has developed an electronic register of private sector enterprises (updated every year) and a system to check implementation of apprenticeship in enterprises. There is also a feedback system, thus, if something goes wrong, the contract between the enterprise and student can be changed. The first two months are trial months. Participating enterprises receive a subsidy that covers 60% of the social insurance contributions, while students also receive a small subsidy. Therefore, enterprises also have to pay a contribution into the programme.

The Bavarian action Fit for work – Chance Ausbildung²⁰² (Fit for work – training opportunity) under Action 1 of the ESF Operational Programme and

²⁰¹ See also <http://www.oaed.gr/>

²⁰² See also <https://www.stmas.bayern.de/berufsbildung/fitforwork/chance.php> and <https://www.stmas.bayern.de/jugendsozialarbeit/arbeitsweltbezogen/index.php>

the Action 2 – Arbeitsweltbezogene Jugendsozialarbeit (work-related youth work) (Germany)

The project addressed the needs in the labour market (unfilled apprenticeship places due to an over-supply of vocational training places in companies compared to young people applying) and also the prospective skills gap in the labour market. One reason (among others, like the high demand for labour) for the low coverage of apprenticeship positions is due to the low skills of the applicants (skills mismatch). Therefore the targeted funding tries to redress this gap with support to the companies for taking on young people with disadvantages (FA 1) on the one hand, and supports young people who do not manage to find an apprenticeship place (FA 2) on the other. In 75% of cases, the companies in Bavaria were quite pleased or at least satisfied with the practical work of the apprentices. Often the companies identified language and cultural challenges related to young people with a non-German background. In most cases these were compensated by the young people's friendliness and willingness. Three quarters of the companies were happy with the social integration of the apprentices. In one quarter of the cases, they reported that the young people had not integrated well. This was mainly due to a lack of self-confidence or a difficult background. The extra efforts needed from their trainers was also found to be an additional burden.

5.7 Flexible and individualised pathway approaches

The pathways approach helps to support NEETs through a combination of interventions that can be tailored to individual needs

Many Member States have adopted a **pathways approach** (or combined approach) to tackling youth employment. This is **particularly the case with the YEI** as it is focused on the implementation of the Youth Guarantee which requires a mix of approaches. Many young NEETs need a series of interventions in order to make the transition from inactivity to work or education and benefit from a comprehensive approach. In Germany and Poland, the individualised approach to assisting and supporting young people (in particular those most in need) is working well and improving effectiveness and efficiency of operations although the latter is not simple to measure directly. Organisations responding to the public consultation highlighted the **importance of tailored approaches** to effective programmes, ensuring that attention was given to individual needs.

- In **Germany**, the local and regional cooperation approaches (see above) can be considered a way of successfully 'managing complexity', in particular through the early and preventive interventions and the flexible pathway approaches.
- In **Poland**, the Voluntary Labour Corps activities adopt a pathways approach. These cover the entire support path from educational activities to employment enriched with new activities that increase the effectiveness of support and guarantee the achievement of the employment goal. Comprehensive support, which was provided as part of the 'From training to employment' project and is broader than in standard actions, improved the work with young people. The experience acquired has influenced the activities carried out and, as far as possible, the scope of standard forms of support will be expanded.
- In **Italy**, the possibility to benefit from a mix of Youth Guarantee operations as part of the same operation rather than with different 'entries' into the Guarantee, is assessed by stakeholders to be an important element of success.

5.8 Vouchers

Vouchers – made available to young people - can give NEETs some leverage with employers and help them access employment

Vouchers²⁰³ were not often used by the Member States but represent good practice where they were used. Vouchers put the unemployed person (participant) at the centre and can also be relatively quick and efficient to implement. The participant chooses the thematic topic that best fits her/his needs and the training provider. The main weakness is the lack of possibilities to contact the enterprises and have an interview with them. As a consequence, it is not always evident that the thematic topic chosen by the participant will correspond to the needs of the enterprise. Vouchers can work better if the participants can contact the companies in advance and have an interview to confirm a) that they match, b) what training they need to acquire the required skills. The training material should take into account both the profile of the participant and the skills required by the enterprise.

Box 17. *Vouchers for NEETs in Greece*

Vouchers were used in Greece and presented as best practice in the case study. The project presented is the 'Vouchers for NEETs aged 25-29 for acquiring work experience in the tourism sector'²⁰⁴. The objective of this operation is to contribute to the work experience of 25-29 years old NEETs through vouchers in private enterprises of the tourism sector covering theoretical and practical experience as well as guidance and counselling services. The project included 80 hours of theoretical training and 420 hours of practical training in private sector enterprises that serve directly or indirectly the tourism sector and promote the tourism products of the country, including support and counselling services to recipients throughout their practical training (internship). Participants acquire certification of their professional qualifications. The voucher included seven specialisations in the field of tourism. It was the first voucher that included its own training material.

5.9 Support to entrepreneurship

Support to NEETs going into entrepreneurship has impressive employment results but only accounts for a small amount of ESF/YEI youth employment resources

Support to entrepreneurship has one of the highest employment results after participation. The rates are particularly high in Poland, with nine participants out of ten being in employment after participating in a training course or receiving entrepreneurship support in Local Labour Offices projects. In Ireland, 78% of participants were employed after participating in the 'Back to work enterprise allowance'. In Latvia, after one year, the employment rates of participants in stage 2 of the 'programme for entrepreneurship and self-employment'²⁰⁵ reached 65%-70%, compared with around 60% for participants in stage 1. Nevertheless, only 3% of YEI funding and 7% of ESF funding is used for support to entrepreneurship across the EU. This may well have to do with the generally low entrepreneurial skills levels of the NEETs

²⁰³ For a definition of vouchers, see the footnote in box 3

²⁰⁴ See also <https://sete.gr/el/kentro-typou/deltia-typou-anakoinoseis/news-repository/2015/2o-programma/> and <http://www.insete.gr/el-gr/Προγράμματα/Υλοποιούμενα-έργα/Επιταγή-Εισόδου-για-νέους-έως-29-ετών-σε-ιδιωτικές-επιχειρήσεις-στον-κλάδο-του-τουρισμού-για-απόκτηση-εργασιακής-εμπειρίας>

²⁰⁵ The programme for entrepreneurship and self-employment in Latvia is operated by the SEA (offered under the Youth Guarantee) and can play an important role for reducing unemployment in Latvia, across regions. The programme assists selected participants with the formulation of business plans and, at a first stage, provides feedback on these business plans in up to 20 consultation sessions for each participant. When submitted to a commission of business professionals, about one-quarter of business plans are approved. To implement approved business plans at the second stage, grants of up to EUR 3 000 can be awarded, as well as monthly stipends at the level of the minimum wage for up to six months.

and, as shown in the Portuguese example below, the fact that they are not ready to start their own business.

Box 18. *Support to Entrepreneurship in Portugal*

Empreende Já – Rede de Percepção e Gestão de Negócios (EJÁ) (Portugal)

The Portuguese case study presents the operation as a leading example of good practice. EJÁ²⁰⁶ aims at promoting creative and innovative entrepreneurship through the training of young NEETs and the provision of support for the development of projects leading to the creation of companies or entities within the social market economy and jobs by and for young NEETs. In the first phase, recipients undertake 125 hours of training, divided into five short-term training units of 25 hours each: i) profile and potential of the entrepreneurs; ii) introduction to accounting; iii) introduction to quality norms; iv) introduction to taxation; v) right to equality and non-discrimination.

In the second phase, recipients undertake 125 additional hours of training from a set of short-term training units of 25 hours or 50 hours each. The project defines the training plan that adapts best to the project presented. The training plan should become an annex to the contract established with the recipient. The operation also includes tuition. Over a period of 30 hours, recipients benefit from tailored follow-up with a view to the elaboration of the project/business plan. This document is the basis for the evaluation of the projects that will be selected for the second stage. The targeting of young NEETs for this type of operation was something new. The project had to adapt its methodologies of engagement because, even though the NEET rate was very high, it was not easy to find possible recipients. A further difficulty was the fact that, in many cases, the NEETs have qualifications below upper secondary schooling. Frequently, the best option for these young people is to engage in basic skills training rather than create their own enterprise.

The experience in implementing the operation showed that it would have been useful, if the operation allowed the young to start their business while still being trained. One of the rules imposed by the Operational Programme (POISE) was that they could not work during the six-month period of being trained and receiving a grant. The young people sometimes also have to travel or move to another location to undertake training and are required to pay the incurred costs from their own money in advance, which may in some situations pose concrete obstacles. Additionally, some participants identified the need for the training programme to include skills acquisition e.g. in English language.

5.10 Measurement of effective youth employment programmes

The measurement of the effectiveness of youth employment operations has improved significantly in the current programming period but there is scope for further improvement

Measuring the achievements of participants, and of the effectiveness of programmes generated discussion at the focus group and the ESF Committee Technical Working Group²⁰⁷.

Issues raised included **under-reporting of results**, the measurement of soft outcomes and capturing the long-term benefits of YEI/ESF youth employment operations after exiting projects, the consensus being that resolving these issues would allow for a better – and more accurate – story of effectiveness. Inconsistencies and varying practices in tracking YEI participants after they have left YEI are not helpful if we are to have a better understanding of a long-term integration. Some countries – and indeed some of

²⁰⁶ See also <https://juventude.gov.pt/Emprego/RPGN-Rede-de-Percepcao-Gestao-Negocios/Paginas/RPGN-Rede-de-Percepcao-e-Gestao-de-Negocios.aspx>

²⁰⁷ 2nd October 2019

the YEI evaluations - looked beyond the statutory 6 month after participation monitoring period, which provides useful information for assessing the sustainability of operations, but greater consistency in obtaining the data required by the regulation should be the priority as there appears to be some gaps in current monitoring systems.

Managing Authorities are aware of the value of capturing results after a period of time (six, 12 or more months after a participation) and the value of tools such as *ad hoc* surveys, but practice varies (e.g. Bulgaria do not undertake longer-term tracking of participants, but plan to do so). Belgium undertakes surveys (examples given in response to EQ1) whilst Italy measures long-term results by the use of data sets to measure changes in employment (although this under reports other outcomes). Overall costs and practical considerations can act against any such undertaking. Further standardisation – perhaps through a single ESF monitoring system – would aid future evaluations, but the costs and practical barriers to change need also to be considered, given the delays in setting up new systems experienced in some Member States.

Whilst evaluators use monitoring data, that data is often collected and used by operations for immediate purposes, to aid – for example – targeting policies or the balance of interventions within their operations. The ability to use national data sets for econometric analysis or to track individuals (e.g. through tax and national insurances numbers or surveys, especially for tracking results after a participant has left an operation) is problematic on data privacy grounds, more so with the advent of GDPR²⁰⁸. However, from an evaluation perspective, and for pan-EU comparative studies, the most positive change would be in ensuring that **data is collected in accordance with the regulation** and that ambiguities are removed to avoid any differences in interpretation.

The **value of soft outcomes** is recognised by Managing Authorities, and was said to be highly valued by participants, but problems of monitoring and agreeing what data to collect still persists²⁰⁹. Increased confidence is seen as key indicator, but focus group stakeholders also raised system and delivery issues in terms of measures of improved governance of youth employment policies and a better knowledge of NEETs, their needs and how to provide more effective support. Measuring soft outcomes remains an area where more work is required from Managing Authorities and the EU.

Box 19. *Measuring soft outcomes*

Many Managing Authorities have reviewed methodologies to capture soft outcomes, in part to show a 'fuller picture' of programme achievements, but because systems measured on quantifiable results (qualifications gained, jobs gained etc.) discriminate against those who are far away from the labour market, who yet nevertheless can benefit from (in this case) youth employment operations. Some measures include numeracy and literacy as a key ingredient of basic skills but in many cases soft outcomes are less clear cut. A consistent point seems to be the use of soft outcomes to measure progress towards employment – possibly over a long time period – which requires periodic measurement and assessment (through diaries, interviews and assessment by mentors). In some cases, accreditation follows, partly as a means of recording an outcome, but also to help the self-esteem of the individuals concerned. Soft outcomes in the context of youth employment operations generally focus on social skills (self-esteem/confidence, cultural and community interaction and interaction) but also the non-vocational skills sets required by employers (including reliability, honesty/discipline and time keeping and personal organisation) but the absence of common approaches and indicators means that there are considerable variations.

²⁰⁸ General Data Protection Regulation

²⁰⁹ This was also a finding of the ex-post evaluations of the 2007-2013 ESF programmes

Another point raised in the discussions, and also in the case studies, was the measurement of **what constituted 'quality employment'** with four key variables mentioned, a living wage²¹⁰, stability of employment, effective integration/re-integration into the labour market (allowing the participant to remain in work, although potentially with other employers), and the offer of full-time employment (one of the criticisms from the case studies being a prevalence in some labour markets for part time, seasonal and temporary employment). Notions of quality employment are linked to the state of national economies, and could be perceived as secondary to gaining some work experience in economies where higher levels of unemployment persist.

²¹⁰ Eurostat defines a living wage as a measure of income that allows an employee a basic but socially acceptable standard of living, allowing households to live with dignity. Definitions vary between Member States and minimum wage policies – where they exist – have different thresholds, generally higher in Western Europe and lower in the East

6 Conclusions

The evaluation draws on a diverse range of evidence sources, occasionally contradictory, but generally reinforcing a series of key conclusions concerning the design and implementation of youth employment operations under the YEI and ESF. A key challenge for an evaluation that happens at an intermediate stage of implementation is the ongoing status of the programmes being evaluated with a series of incomplete operations (with incomplete data on outputs and results). The conclusions can be also challenged, as they cover only the period prior to the Corona Virus health pandemic. Even so the story of YEI/ESF youth employment operations is generally a positive one, reflected in the public consultation exercise that attracted responses from more than 1 300 respondents (from the public, including ESF/YEI participants; and organisations, including those that have been involved in implementing ESF/YEI operations). Key conclusions are as follows:

- **YEI/ESF has helped improve the employability of young people across Europe:** Between 2014 and 2018 some 3.5 million young people participated in YEI and ESF youth employment operations, 52% being female. Some 3 300 projects and 24 600 SMEs have been supported. There were 1.4 million immediate results (offers of employment, apprenticeships, traineeships and continuing vocational education and training) but with improved results over time, six months or more after the completion of a participation. The evaluation finds evidence of additional results, which cannot always be measured, such as modest steps improving employability and improving the self-esteem for those furthest away from the labour market.
- **Early implementation was slow but has picked up:** Whilst the targets for participations and results lag the targets set (as at the end of 2018) this is not an immediate cause for concern given the implementation period until the end of the 2014-2020 programming period. By the end of 2018, 52% of YEI resources and 27% for ESF had been implemented, both below target. YEI has performed more strongly than the ESF youth employment operations, mainly due to the early impetus to implement YEI as an emergency measure and the frontloading of its budget. As with other programmes there were establishment and capacity related delays, more so in some Member States, where there have been delays in setting up IT systems and new monitoring systems. However, these problems are largely resolved.
- **Young people have benefitted in different ways:** 90% of those who had participated in YEI/ESF youth employment operations said they had benefitted from the experience (based on the public consultation exercise) with the development of general and professional skills, and help in looking for a job, the most highly rated. For those furthest away from the labour market there is evidence of improved self-esteem, confidence and life skills, although such 'soft outcomes' are not recorded systematically.
- **Without EU support the levels of youth employment operations would be lower, and the NEET population higher,** more so in some Member States than others: EU support has helped to reduce overall NEET numbers, especially in those countries with more dependency on EU funds for active labour market operations, and has helped to support and develop delivery and management systems. The overall NEET population has fallen since 2014, as the employment position in Europe generally improved, it has been evidenced in the fall of the NEET population registered as unemployed. For economically inactive NEETs the numbers have remained static or risen in some countries, but the overall effect is that economically inactive NEETs make up a larger proportion of the overall client group providing a challenge for the programmes and the Member States.
- **Following modifications and greater precision in the national definitions of the NEET, youth employment operations have adjusted accordingly and remained relevant:** Whilst challenging, many operations have identified and

recruited NEETs from hard to reach groups, including those from economically inactive groups. This has been achieved through partnership working at the local and regional level, working with those who have direct access to the client group. Challenges remain (e.g. women aged 25-29 have a lower level of representation than men in the same age cohort) and the number of disadvantaged and vulnerable young people, often with complex needs remain high across Europe.

- **The type and nature of the youth employment operation is a key determinant of both effectiveness and efficiency.** There are several factors to consider including the duration of the operation (which clearly impacts on costs), but tailored, individualised, pathways approaches are generally positive but can attract higher costs, whilst some low-cost operations, including generalised guidance, can be ineffective.
- **YEI and ESF youth employment operations have shown significant innovation, especially in respect of outreach for harder to reach groups.** There are several examples of good practice illustrated in the report. Identifying, recruiting and retaining those from hard to reach groups, including those economically inactive, not currently seeking education, employment or training has proved challenging. Challenged by the change in the NEET client group, operations have responded with strategies encompassing a range of approaches to identify and recruit economically inactive NEETs and those that are hardest to reach. This has ranged from working with schools (to identify pre-NEETS, and avoiding them becoming NEET), to the imaginative use of social media, and to collaborative working with front line agencies (health, housing, social services, youth and community organisations).
- **The specific focus on 'youth' in the current programming period through the implementation of the Youth Guarantee, YEI and the relevant ESF operations, raising and maintaining the profile of young NEETs, has been very important to the overall level of achievement.** It has focused attention and national priorities, even in countries that have seen the greatest falls in the NEET population. This is a key element of the added value of the programmes.
- Targeting funding to youth should be maintained in the next programming period, where YEI operations are subsumed under the new ESF+, but not in their current form given the changes observed to date in the composition of NEETs. It can be expected that youth, as in the previous crisis, will be particularly affected by the consequences of pandemic on the labour market. .

Annex 1: A mapping of youth-related thematic objectives, investment priorities, target populations and types of operations

Annex 2: Assisting the European Commission in the public consultation process

Annex 3: Comparative Analysis of the evolution of the labour market and the role of the EU funded operations

Annex 4: Cost-effectiveness analysis

Annex 5: Individual case study reporting

Annex 6: Country-specific factsheets

Annex 7: Synthesis of 2nd YEI evaluations

Annex 8: Methodology and work carried out in the tasks

Annex 9: Minutes of Youth Employment EU-level Focus Group

Annex 10: Synopsis of consultation activities

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