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**Impact Assessment, Evaluation**

# GUIDANCE ON EVALUATION OF THE YOUTH EMPLOYMENT INITIATIVE

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## 1. Introduction

As a reaction to the persisting problem of high levels of youth unemployment and risk of a lost generation the European Council of 7-8 February 2013 proposed a Youth Employment Initiative (YEI) with a budget of € 6.4 billion<sup>1</sup>. The YEI resources are composed of € 3.2 billion from a specific budgetary allocation and at least € 3.2 billion from the European Social Fund (ESF) as Member States were encouraged to allocate even higher ESF corresponding funding than the strict minimum required. The YEI is open to regions with a level of youth unemployment above 25% in 2012 and above 20% in member states where it increased by more than 30% in 2012. The legal basis for the YEI is provided in the ESF Regulation 2014-20<sup>2</sup>.

The policy framework for the YEI is constituted by the Youth Employment Package and in particular by the Recommendation on Establishing a Youth Guarantee, adopted by the Council in April 2013<sup>3</sup>. The Youth Guarantee (YG) aims to ensure that all young people below 25 years of age receive a good-quality offer of employment, continued education, an apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education. The YEI should support the implementation of the YG by reinforcing and complementing the activities funded by ESF. Limited to the support to individuals who are not in employment, education or training, the investments supported by the YEI should be strongly oriented towards achieving concrete results. The frontloading of the specific allocation for the YEI<sup>4</sup> should help to achieve them quickly.

The ESF Regulation contains specific provisions for monitoring, reporting and evaluation of the YEI to ensure that its impacts and contribution can be measured and made visible (cf. article 19 and Annex II). Monitoring, indicators and reporting requirements as well as rules applicable to ESF evaluations (and therefore also fully applicable to the YEI) are explained in the Guidance on ESF monitoring and evaluation<sup>5</sup> and are not further dealt with here. Therefore the purpose of this document is to complement the guidance paper already

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<sup>1</sup> Current prices

<sup>2</sup> 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

<sup>3</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013H0426\(01\)](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013H0426(01))

<sup>4</sup> The MFF commitments for the YEI specific allocation are frontloaded over the first two years of the programming period, 2014 and 2015, instead of over the full cycle. It entails that both the specific allocation for the YEI and the corresponding ESF support will have to be committed and spent until the end of 2018 (taking account of the N+3 rule).

<sup>5</sup> <http://ec.europa.eu/social/BlobServlet?docId=7884&langId=en>

available and provide specific guidance on the evaluation of YEI<sup>6</sup>. Two evaluations of the YEI are required, one by end-of 2015, that will inform the overall process review of YEI and will feed into the mid-term budgetary review of the MFF, and one end-2018. The aim is to clarify the requirements of the CPR and ESF Regulation concerning YEI evaluation by providing a common understanding of the concepts used therein and to set out possible evaluation questions and methodologies which will allow to meet these requirements. Where relevant a link to the provisions on YG monitoring<sup>7</sup> is made to align the approaches.

## **2. Key concepts of the YEI**

Commission guidance note on the YEI contains a detailed discussion on the target group, programming and actions to be supported<sup>8</sup>.

For the purpose of monitoring and evaluation the YEI should be understood, in financial terms, as both the allocation from the specific EU budget line dedicated to youth employment, the corresponding ESF support and the national co-financing of the corresponding ESF support.

It is important to point out that while YEI can be used to support the implementation of the YG it is limited to the support of measures targeted directly towards individuals and cannot directly support reforms of systems and structures undertaken in the framework of YG.

It is recalled that YEI targets young people not in employment, education or training NEETs aged below 25 years old.<sup>9</sup> As regards YEI, the ESF regulation foresees that on a voluntary basis Member States may decide to extend the target group to include young persons under the age of 30.

As stated in the YEI guidance note, the YEI interventions will often consist of pathways/packages of measures with the long-term objective of active labour market integration. Under YEI each individual would participate in an appropriate range of operations and ultimately receive an offer of employment and/or continued education and training, a traineeship or an apprenticeship. Interventions/operations should thus be aimed at the sustainable activation of the target group. It implies that a single YEI operation can cover both the offer as such and the different support services (such as job search assistance, counselling, psychological support) leading to the job/education/training offer. The design of

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<sup>6</sup> A more general section dedicated to monitoring and evaluation arrangements for YEI features in the overall Guidance Note on YEI programming produced by DG EMPL and circulated to Member States on 7 April 2014.

<sup>7</sup> The work on monitoring arrangements for YG is carried out by Employment Committee Indicators Group (EMCO IG) and is to be completed in October 2014. For the purpose of this document the Revised Working group note for the IG meeting on 13 May 2014, INDIC/07/13052014/EN was used.

<sup>8</sup> Guidance Note on YEI programming produced by DG EMPL and circulated to Member States on 7 April 2014

<sup>9</sup> Currently 10 MS have opted for extending YEI support to young people aged 25-29 years.

the interventions should be guided by the goal of achieving the MS-specific targets for the result indicators listed in Annex II of the ESF Regulation.

The ESF Regulation does not stipulate a minimum or maximum duration of a YEI intervention or at what point after leaving education the person should receive or is even entitled to the YEI support. Therefore a YEI intervention, even focused solely on the activation measures, is not per se the fulfilment of the time frame stipulated by the YG Recommendation for providing a young person with an offer.

Typical examples of YEI-supported interventions (which could be combined in a single operation or within multiple operations) as part of an individual plan/pathway for the person targeted, could include:

- Provision of traineeships and apprenticeships
- Provision of first job experience
- Reduction of non-wage labour costs
- Targeted and well-designed wage and recruitment subsidies
- Job and training mobility measures
- Start-up support for young entrepreneurs
- Quality vocational education and training courses
- Second chance programmes for early school leavers<sup>10</sup>

### **3. Evaluation criteria**

The evaluation of the YEI should cover all types of interventions supported by the operational programmes under the YEI.

Article 19(6) of the ESF Regulation obliges Member States to conduct at least two evaluations which will assess the effectiveness, efficiency and impact of Youth Employment Initiative. These criteria should be assessed also in the light of the implementation of the YG.

*"At least twice during the programming period, an evaluation shall assess the **effectiveness, efficiency and impact** of joint support from the ESF and the specific allocation for YEI including for the implementation of the Youth Guarantee.*

*The first evaluation shall be completed by 31 December 2015 and the second evaluation by 31 December 2018."*

This article should be read in conjunction with the general provisions for evaluation for ESI funds set in the Common Provisions Regulation<sup>11</sup>.

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<sup>10</sup> More information to be found in the Guidance note on YEI

*During the programming period, the managing authority shall ensure that evaluations, including evaluations to assess effectiveness, efficiency and impact, are carried out for each programme on the basis of the evaluation plan and that each evaluation is subject to appropriate follow-up in accordance with the Fund-specific rules. At least once during the programming period, **an evaluation shall assess how support from the ESI Funds has contributed to the objectives for each priority.** (Article 56(3) CPR)*

In addition to the obligations imposed by Article 19(6) ESF Reg. and Article 56(3) CPR the evaluations have to allow fulfilling the requirements for AIR to be submitted in 2016 and 2019 stemming from Article 19(4) ESF Reg. regarding quality of employment offers and of progress in education or moving into apprenticeships or quality training:

*The annual implementation reports referred to in Article 50(4) of Regulation (EU) No 1303/2013 or, where applicable, the progress report referred to in Article 111(4) of Regulation (EU) No 1303/2013 and the annual implementation report submitted by 31 May 2016, **shall present the main findings of evaluations** referred to in paragraph 6 of this Article. The reports shall also set out and assess **the quality of employment offers received by YEI participants, including disadvantaged persons, those from marginalised communities and those leaving education without qualifications.** The reports shall also set out and assess **their progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships.** (Article 19(4) ESF Reg.)*

Given the above reporting requirement in relation to the Annual Implementation reports, although the Regulation does not explicitly impose that the assessment of quality of employment offers and the progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships has to be covered by the evaluations, it is recommended that the Managing Authorities include them in the scope of their evaluations.

In addition, it is recommended that in the Member States where the YEI support is extended to individuals aged 25-29, the evaluation provide as far as possible data on outputs and results and, as appropriate, responses to the evaluation questions distinguishing between participants aged below 25 and those 25-29 years old. The approach envisaged should allow

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<sup>11</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries

comparability of data and results with those Member States in which the YEI provides support exclusively to the NEETs below 25 years old.

### *Effectiveness*

This criterion assesses the achievement of the objectives (were the objectives achieved?). This assessment needs to be completed with more qualitative approaches (how were the objectives achieved? by what means/measures/policy approaches?).

There are two levels of objectives relevant for the YEI:

- YEI **general objective** is **the sustainable integration in the labour market of the NEETs**:

Article 16 ESF Reg. says that "*YEI shall support the fight against youth unemployment in eligible regions of the Union through providing support to actions under Article 3(1)(a)(ii)<sup>12</sup> of this Regulation*". The ultimate objective against which the general effectiveness of the YEI should be evaluated is thus the sustainable integration into the labour market of young people not in employment, education or training below 25 years of age (30 if so decided by the Member State)<sup>13</sup>. The focus here is on long term results for participants.

Through this analysis the evaluation will indirectly help to demonstrate also how and to what extent the YEI has contributed to the relevant aspects of the YG Recommendation and its overall policy goals to reduce youth unemployment.

Since Art. 19(4) ESF regulation emphasizes the need to take account of a number of groups, the issue of correct targeting of the support to those with the lowest probability of finding a job or coming back to education is of relevance here. In order to be able to demonstrate results in relation to these groups, Member States would first need to have included these persons in the pool of targeted YEI participants.

In this context, the assessment of participants' data (Annex I of ESF Reg.) could benefit from additional data from the profiling of participants<sup>14</sup>. The evaluation should take into account which groups of young people (in terms of distance from the labour market) were directed to the YEI support and whether the design and selection of the operations have minimized the

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<sup>12</sup> "*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*".

<sup>13</sup> Guidance note on YEI contains detailed considerations on the target group for YEI.

<sup>14</sup> Meant as a general (quantitative or qualitative) method of allocating employment services to clients in which a systematic process based upon client characteristics is used to identify the most appropriate provision of services for any particular client.

risk of displacement, dead weight loss and substitution effects. The analysis should be completed by assessing what types of interventions were more effective for which groups and in which economic context.

- **the specific objectives** under the 'NEETs' investment priority (*Article 3(1)(a)(ii)ESF Reg.*)

The evaluation should assess to which extent these specific objectives were met.

Given the heterogeneous nature of the broader NEET group for instance with respect to level of education or employment status, as well as the selected age range, different sub-groups could be identified. There might be several specific objectives to reflect the specific intervention logic for each of these sub-target groups.

For example one specific objective might seek to increase the employability of young people 15-18 years old who left education system without formal qualifications and a second specific objective might be to increase employment of unemployed university graduates aged 25-29. The evaluations seek evidence on the extent to which YEI interventions were successful in reaching and bringing the 15-18 year old drop-outs back to education/training and gaining qualification (SO 1) and in reaching and bringing into employment unemployed university graduates aged 25-29 (SO2). To address the "how?" question, the evaluations should outline which kinds of support were applied with regard to which sub-target group and whether these were relevant to the specific needs of the participants.

### ***Efficiency***

Efficiency should be understood as achieving the given objectives at the minimum possible cost or achieving the maximum number/extent of objectives at a given cost. It is therefore a relative concept which requires a comparison of an intervention with other similar interventions or an intervention before and after a reform.

At minimum, the evaluations should assess at which cost the objectives were achieved (cost-effectiveness) and identify which were the most cost-effective (better results for lower costs) and for which groups/in which economic contexts.

Overall, the efficiency of the YEI is linked to the achievement of its general objective as set out in Article 16 ESF in relation to the costs and means to achieve them.

Apart from this general analysis, an evaluation of the efficiency of the individual types of YEI interventions should be carried out. In this case the comparison can be done between different interventions with similar expected results under YEI or between YEI and measures financed by other sources (for example in regions not eligible for YEI).

## ***Impact***

As the YEI should offer only direct support to individuals the main impacts are to be identified also at the level of participants. To the extent possible the net effects should be assessed using appropriate methodologies. This part of analysis could also to be carried out already when evaluating the effectiveness.

YEI might have a broader impact on the policy design and implementation in the field of (youth) employment, in particular in the context of the Youth Guarantee schemes implementation. In Member States with significant YEI budgets, and although the YEI cannot directly support reforms of systems and structures undertaken in the framework of YG, it is likely that through the direct support to individuals structural impacts may occur (e.g. the support to individuals is the result or is facilitated by changes in the PES functioning, training systems organisation, new partnerships between the public /private sector/ NGOs, etc.). Enterprises who take part in the scheme might also be affected in a systemic way. Therefore the evaluation of the impact of YEI could ultimately, where appropriate, feed into the overall process of evaluating the progress of Youth Guarantee schemes implementation at Member State level.

Finally, the contribution of the YEI to positive developments of youth labour market indicators (e.g.: drop in youth unemployment rate, drop in NEETs rate, increase in youth employment) will require the use of labour market indicators at national or regional level. The use of the battery of indicators suggested by the Employment Committee (EMCO) is advisable.

All these impacts should be taken into account when designing the evaluations and evaluated to the extent possible.

### ***Quality of employment offers received by YEI participants***

An employment offer is defined as "a voluntary but conditional promise, submitted for acceptance by an offeror (e.g. employer) to the participant, as long as it clearly indicates the offeror's willingness to enter into an agreement under specific terms with the participant and that it is made in a manner that a reasonable person would understand its acceptance will result in a binding agreement. Once the participant accepts it becomes an agreement which legally commits both parties"<sup>15</sup>.

The offer may be received directly from the offeror without an involvement of a third party agent (such as PES). Reception of an offer does not automatically mean its acceptance. The

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<sup>15</sup> Guidance on ESF monitoring and evaluation, Annex C2 Definitions for YEI indicators



fact of receiving an offer is to be captured by the YEI common result indicator "*participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving*"<sup>16</sup>. To be recorded under this indicator the participant must have received the offer at the moment of leaving the operation, coinciding with the completion of the YEI intervention or when the intervention is still ongoing. In the first case the participant will be marked as "*completing the YEI supported intervention*" under the relevant YEI result indicator. For an employment offer accepted by the participant, the participant will also be marked as "*in employment upon leaving*" under both the relevant YEI indicator and the common immediate result indicator. More information and examples on how to record the results under YEI can be found in Annex D of the Guidance on ESF monitoring and evaluation (the Practical Guidance on data collection and validation)<sup>17</sup>. Table 1 presents possible combinations of the results concerning employment offers for a participant of a YEI intervention.

Table 1

	Completion of YEI intervention	Receiving an employment * offer upon leaving	In empl/self-empl upon leaving**	Description of the situation
1	-	-	-	The participant left the YEI intervention without attending till the scheduled end of the last day/last session and has seen no change in his/her situation (neither receiving an offer nor in employment upon leaving).
2	-	<b>x</b>	-	<b>The participant left the YEI intervention without attending till its scheduled end, received an offer upon leaving but did not accept it and did not move into employment.</b>
3	-	-	x	The participant decided to become self-employed during the YEI intervention and left without completion.
4	-	<b>x</b>	<b>x</b>	<b>The participant received an employment offer during the YEI intervention and</b>

<sup>16</sup> From the YG point of view, this indicator will collect data on those who receive a first YG offer for those YEI interventions that covered only diagnosis of participant's needs and/or general activation measures and a subsequent YG offer when the YEI intervention contained already an offer of employment, education/training, apprenticeship or traineeship.

<sup>17</sup> [https://ec.europa.eu/sfc/en/system/files/ged/Annex D Practical guidance on data collection and validation.pdf](https://ec.europa.eu/sfc/en/system/files/ged/Annex_D_Practical_guidance_on_data_collection_and_validation.pdf)

				<b>accepted it.</b>
5	x	-	-	The participant completed the YEI intervention but received no offer <u>of employment</u> (still other type of offer could have been received) and did not move into employment.
6	x	x	-	<b>The participant attended the YEI intervention until its scheduled end, received an offer upon completion but did not accept it.</b>
7	x	-	x	The participant completed the YEI intervention, received no offer upon leaving but became self-employed.
8	x	x	x	<b>The participant received an employment offer upon completion of the YEI intervention and accepted it.</b>

\* the information on the type of the offer would have to be collected beyond what is requested in Annex II in order to enable the qualitative analysis

\*\* available from Annex I

The analysis of quality of employment offers will concern participants in situations 2, 4, 6 and 8.

Article 19(4) ESF Reg. addresses only the offers of employment whereas the monitoring of YG concerns also other types of offers (e.g.: traineeships, apprenticeships and continued education/training). MS may wish to extend their evaluations to cover the quality of all offers, not exclusively employment, received by the YEI participants to get information useful for their reporting under YG.

The quality of employment offers could be assessed in different ways: the characteristics of the employment offer itself, the relevance to the participant needs, the labour market outcomes produced by the offer, the proportions of offers not accepted or abandoned prematurely.

a) Characteristics of the employment offers

The data sets needed to perform this analysis will require additional data related to the characteristics of the employment offer:

- duration of the contract: fixed duration or open-ended contract,

- part-time/full-time contract,
- voluntary/involuntary part-time
- remuneration level,
- level and type of qualification required,
- availability of additional job-related training.

Given the differences in the wage-setting systems for young workers regarding minimum, wages, it is difficult to set unique criteria. However one should consider as good offers those that respect national or sectoral wage agreements. Though temporary contracts may serve as stepping stones into sustainable employment, open-ended contracts employment offers can be considered of superior quality. Part-time job offers can also be a suitable way to access the labour market and reconcile with family needs, but if part-time is involuntary a full-time job can be considered of higher quality and offering prospects as sustainable jobs. A specific country/regional context may be taken into account. Therefore it is left to the evaluators to establish in the evaluation design which types of offers will be classified as fulfilling the criteria for a good offer.

b) Relevance of the offers to the participants' needs/situation<sup>18</sup>.

This analysis will supplement the one carried out on the characteristics of the employment offers by examining how these offers matched the needs or situation as perceived by the participant. This will build upon the common indicators set out in Annexes I and II collected by the MS, but they will benefit from supplementing them with some additional data necessary to assess the relevance of the offer:

- age,
- labour market status,
- level of skills/qualifications
- previous professional experience
- previous unemployment/inactivity spans
- household composition (joblessness)
- caring situation (lone parent).

c) Labour market outcomes produced by the offer.

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<sup>18</sup> YG FAQ p. 3: "Good-quality offer" means in particular: offering personalised guidance and developing an individualised action plan which result in an offer suitable to the individual (employment, continued education, an apprenticeship or a traineeship).

This approach would examine what were the labour market outcomes of the employment offer after a certain period of time (e.g.; 6, 12 or 24 months)<sup>19</sup>. This approach would however not be useful in cases 2 and 6 from Table 1 as the potential positive employment results in the long term could not be attributed to an offer which was refused. An automatic classification of an offer which was not taken up as a non-quality offer is considered to be an oversimplification.

d) Non-acceptance and early termination rates.

Another indication of the quality of the employment offer is the non-acceptance of the offer or an early termination of the employment contract by the former participant. In case of participants receiving several consecutive offers the assessment of quality should refer to the one taken up (if any). However, if the proportion of offers not taken is high, exploring the reasons for non-take-up is necessary to make the assessment of quality of employment offers complete. The same applies if the proportion of offers abandoned prematurely is high.

The evaluators should make an effort to use all of the approaches described above. All four approaches can build on the data on a participant's situation which are to be collected as part of the common ESF indicators data collection. More refined assessments could make use of the profiling systems existing in the Member States or the diagnosis of the young person needs when he/she comes for the first time to the office of YG/YEI provider.

The data on employment offers could be provided by the employer to the beneficiary or could be extracted from the administrative data (valid on the date of reception of the offer). If this is the case, it should be ensured in advance that the evaluator will have access to datasets containing the necessary information on the participant and on the offer. Otherwise, a survey will have to be carried out. Managing Authorities which will collect the data for the common and YEI longer-term result indicators through a survey may decide for the sake of cost-effectiveness to include the questions concerning the quality of offer in the same survey. In order to keep the number of questions in the survey limited and also to allow for triangulation of sources it is recommended to make the maximum possible use of "objective" data sources.

Without prejudging on the link with the quality of the offer the data collection should allow also for an assessment of the sources of the offers – whether they came from the open market, sheltered labour market or public work schemes. This information would contribute to the assessment of the impacts of functioning of the whole YEI.

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<sup>19</sup> A similar approach is taken in the YG monitoring system developed by the EMCO IG

***... including disadvantaged persons, those from marginalised communities and those leaving education without qualifications***

When assessing the quality of offers the evaluations should be able to present an assessment of the extent to which the groups identified in the ESF Regulation are targeted and what kind of offers they received. This analysis should make use of the categories for participants' common output indicators set out in Annex I of the ESF Regulation with special attention to:

- participants who live in jobless households
- participants who live in jobless households with dependent children
- participants who live in a single adult household with dependent children
- migrants, people with a foreign background, minorities (including marginalised communities such as the Roma)
- participants with disabilities
- other disadvantaged<sup>20</sup>

These categories are to be recorded compulsorily as ESF common output indicators, also for YEI participants. In addition MS should have a closer look at participants who did not achieve ISCED level 3, that means the ones recorded as "with primary (ISCED 1) or lower secondary education (ISCED 2)", as those who left education without qualifications.

***Progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships***

The analysis of progress could be done as a part of the assessment of effectiveness but it should not be limited to assessing the achievement of the final objectives. The analysis should factor in the progression participants made towards full labour market integration (for example, a former inactive now engaged in job searching evidenced by the respective common immediate result indicator, a former early school leaver completing a school year).

This part of assessment should be done on the basis of a representative sample of participants. Data describing the participant's initial situation when entering the operation (output indicators), situation upon leaving (immediate result indicators) and 6 months after the intervention (longer term result indicators) will be analysed to assess the progress in labour market or educational outcomes. A deeper analysis of the situation of participants who

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<sup>20</sup> As defined in the Guidance on ESF monitoring and evaluation. Participants "homeless or affected by housing exclusion" and "from rural areas" should be recorded and reported under "Other disadvantaged" if being homeless or affected by housing exclusion or living in a rural area is considered a disadvantage at national level and if they need special help in the labour market.

received a job as a result of YEI intervention will be necessary for the assessment of the sustainability and decency of jobs.

This analysis should be linked with the assessment of the relevance of employment, education or traineeship offers and should allow for making the statements on the quality of the offers from the point of view of their outcomes. The emphasis here is to be put on the quality aspect. The report should therefore also assess what kind (quality) of jobs/traineeships the former YEI participants are holding as a result of YEI. The term **decent jobs** should be understood as equivalent of concepts used by different organisations, namely ‘quality in work’ (EC), ‘decent work’ (ILO), ‘job quality’ (ETUI).

"Quality in work is a multi-dimensional phenomenon, which in principle may touch a broad set of individual job's and workers' characteristics, ranging from wages, training, health and safety at work, work organisation, reconciliation between work and family life, etc. As socio-economic literature does not appear to have reached a clear consensus on a definition of variables to include – let alone on a weighing scheme – any attempt to analyse and monitor job quality needs to be considered with great care. Additionally, some of the relevant aspects are more of a qualitative and subjective nature, thus raising obvious measurement problems."<sup>21</sup> Given the difficulties to collect comparable data, it is advised to use the criteria set on p. 9 to assess the quality of the job offers (e.g.; duration of contract, full-part time (voluntary or not), level of qualification, level of remuneration and availability of training/skills development possibilities).

Table 2 presents the possible combinations of employment results for YEI participants.

Table 2

	Immediate result	6 months after
1	Not in empl	Not in empl
2	In empl/self-empl	Not in empl
3	Not in empl	In empl/self-empl
4	In empl/self-empl (job A)	In empl/self-empl (job A)
5	In empl/self-empl (job A)	In empl/self-empl (job B)

In case no. 2 the analysis of quality should concern the job captured by the immediate result indicator. In cases 3-5 the analysis of quality should concern the job captured by the long-term result indicator. For cases 2 and 4 the analysis will partially overlap (except for the self-employed) with the assessment of relevance for the employment offers.

<sup>21</sup> Employment in Europe 2008 chapter 4 p.148

The **sustainability of jobs** should be understood as sustainable employment. Having ‘sustainable’ employment means that an individual remains in the same job, or has moved to another similar job with equal or higher earnings.<sup>22</sup>

The common long-term indicators (situation 6 months after) offer already a first indication of the sustainability of jobs. However, a longer perspective will be needed. At minimum the labour market status and the eventual job characteristics of the former YEI participant who was in employment should be checked 12 months after leaving the intervention. Managing Authorities are invited to present even longer time perspectives in their reports. A person will be considered as having moved towards a sustainable job if he/she remains in employment and the quality of the job (the same or subsequent) does not deteriorate over time.

Referring to the combinations of employment results in Table 2 the job in case 2 is thus not to be considered sustainable. The analysis of sustainability of jobs will focus on cases 3 to 5. For cases 4 and 5 it overlaps partially (except for the self-employed) with the assessment of quality of employment offers based on outcomes.

Triangulation of objective and subjective sources is recommended to assess the decency and sustainability of jobs. Where available, administrative data sets should be used. In addition surveys may need to be carried out. Managing Authorities which will collect the data for common and YEI longer-term result indicators through a survey may decide, for the sake of cost-effectiveness, to include the questions concerning the jobs quality and sustainability in the same survey.

The assessment of **quality of traineeships** should be based on the Council Recommendation for a Quality Framework for Traineeships<sup>23</sup> which inspired the definition of traineeships used for the purpose of the YEI monitoring. "Traineeships are generally understood as a limited period of work practice spent at business, public bodies or non-profit institutions, in order to gain practical work experience ahead of taking up regular employment. They generally last a few weeks to a few months, and are usually not considered to constitute employment contracts, as their main aim is to provide a training experience, not a paid work opportunity"<sup>24</sup>.

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<sup>22</sup> <http://www.nao.org.uk/wp-content/uploads/2007/11/070832es.pdf>

<sup>23</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/lisa/141424.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/lisa/141424.pdf)

<sup>24</sup> One may distinguish five major – partly overlapping - types of traineeships:

- a. Traineeships forming an optional or compulsory part of academic and/or vocational curricula (i.e. traineeships during education);
- b. Traineeships which form part of mandatory professional training (e.g. law, medicine, teaching, architecture, accounting, etc.);

The traineeships should be distinguished from apprenticeships which for the purpose of YEI monitoring are defined as follows: "The characteristics of the apprenticeship (e.g. occupation, duration, skills to be acquired, wage or allowance) are defined in a training contract or formal agreement between the apprentice and the employer directly or via the education institution. Apprenticeships are normally part of formal education and training at upper secondary level (ISCED 3), the duration of the training is on average 3 years, and a successful completion leads to a nationally recognised qualification in a specific occupation."<sup>25</sup>

The main element of the QFT is the written traineeship agreement that indicates the educational objectives, adequate working conditions, rights and obligations, and a reasonable duration for traineeships. It is worth noting that the QFT does not cover work experience placements that are part of curricula of formal education or vocational education and training. Traineeships of which the content is regulated under national law and whose completion is a mandatory requirement to access a specific profession (e.g. medicine, architecture, etc.) are not covered by the Recommendation. YEI on the other hand can support all five types of traineeships mentioned in the footnote 24.

The analysis of quality of traineeships should be done for the participants who were in traineeships as a result of the YEI operation (immediately or 6 months after leaving the operation). In line with the QFT Recommendation it should take into account the following dimensions:

- Type of the traineeship (a to e)
- Learning content (satisfaction, usefulness for the transition into the labour market)
- Working conditions (equivalent to those of regular employees in terms of equipment, working hours, workload, treatment, etc.)
- Rights and obligations (financial compensation, illness/accident insurance)
- Duration (excessively long or repeated traineeships?)

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- c. Traineeships as part of active labour market policies;
  - d. Traineeships agreed between trainee and a host organisation (business, non-profit or government) without the involvement of a third party, generally conducted after completion of studies and/or as part of a job search, known as 'post-studies' or 'open-market' traineeships;
  - e. Transnational traineeships, which may include types 1, 2 and 4. "

In: Impact Assessment accompanying the QFT Recommendation

<http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%2017367%202013%20ADD%201>

<sup>25</sup> Guidance on ESF monitoring and evaluation, Annex C2 Definitions for YEI indicators



Due to the fact that many traineeships are not regulated under national law it might be a challenge to find sufficient administrative data for the assessment of their quality. In these cases the data collection will most likely be done through surveys. A good reference for designing the survey questions is the Eurobarometer 378 of 2013 on the experience of traineeships in the EU<sup>26</sup>. Managing Authorities which will collect the data for common and YEI longer-term result indicators through a survey may decide, for the sake of cost-effectiveness, to include the questions concerning the quality of traineeships in the same survey.

## **4. Evaluation questions**

### *Evaluation questions*

The discussion of the application of the evaluation criteria leads to the following evaluation questions:

#### Strategy for YEI implementation

Even though the ESF Regulation does not explicitly require the assessment of the strategy for YEI implementation, answering the following questions will set the scene for the assessment of the evaluation criteria by explaining the role YEI played in the relevant MS/region. It will also allow identifying whether the planning was a success or a failure factor for the whole scheme.

- In which socio-economic context is YEI implemented?
- Which role does YEI play as regards / what is the planned contribution to the Youth Guarantee?
- Were the most relevant target groups targeted starting from the design stage? Were the most important needs of these groups addressed?
- Did the YEI provide a quick response to address the urgency of the problem?
- In which ways does it complement other instruments supporting youth policies?

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<sup>26</sup> [http://ec.europa.eu/public\\_opinion/flash/fl\\_378\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_378_en.pdf)

## Implementation

Information on implementation of YEI has to be provided in the Annual Implementation Reports. The suggested questions aim at providing additional information on the role the delivery systems played for the success/failure of the YEI intervention.

- What was the design and functioning of the delivery system? Were they adequate to ensure an effective implementation of the strategy for YEI?
- What types of actions were funded to implement the YEI? Were they individual support actions or were they part of pathways or packages of support?
- Did the implementation of the YEI made use of existing partnerships? Were new partnerships developed to facilitate the implementation of the YEI? Where relevant stakeholders involved effectively?
- Did the implementation fund existing measures or trigger the introduction of new approaches?
- Was the implementation of the YEI according to plans (financially, milestones and targets achieved as planned)? If not, why?
- What were the strengths and weaknesses of the delivery systems?

## Effectiveness

Answering the questions below should allow drawing a conclusion whether the YEI intervention was a success (the objectives were achieved and the needs of the relevant target groups were met) and whether some types of support proved to be more successful than the others or not.

- How and to what extent did YEI contribute to the achievement of the general objective of sustainable integration of young people into the labour market and to the specific objectives under ESF? How did it contribute to address the problem of NEETs?
- Were YEI funds spent on those most in need of support? Were the disadvantaged persons, those from marginalised communities and those

leaving education without qualifications targeted? Were the specific target groups reached as planned?

- Are YEI participants in employment, continuous education or training, apprenticeships or traineeships after leaving the intervention? If not, why?
- What was the quality of the offers received by the participants? Did the offers come from the open market, sheltered labour market or public work schemes? Were they received under YG schemes?
- What was the progress of YEI participants towards continuous education, sustainable and decent jobs, apprenticeships and quality traineeships? What are the characteristics of the jobs and traineeships which the former participants are holding as a result of the YEI?
- Which types of interventions were the most effective, for which groups and in which contexts?

## Efficiency

The questions below add the cost dimension to the questions on effectiveness.

- What were the unit costs per type of operation and per target group?

Which types of operations were the most efficient and cost-effective?

## Impact

The proposed questions on impacts concern mostly larger scale effects as the questions under effectiveness criterion deal already with the changes in the situations of YEI participants.

- What is the impact of the YEI support for young unemployed people on their future employment chances? How big is the effect of the YEI support on entering the labour market? What would have been individuals' employment status in the absence of the support?
- What was the net impact of the measures under YEI? Did displacement take place? Did dead weight loss and substitution effects occur?
- Were there any structural impacts (changes in education system, vocational training system, PES)?

- Were there any changes in the youth policies induced by YEI?
- What was the contribution of the YEI to changes in the youth employment/unemployment/activity rates in the areas covered by the YEI?
- Were there any unintended effects, e.g. on people aged 25 or more or on young people in education or employment?
- What would have happened without YEI intervention?

The list of questions above is neither exhaustive nor fully applicable to both evaluations. Managing Authorities are invited to make the most possible use of the recommended questions but can adapt them to their specific circumstances.

The YEI evaluations as required by the ESF Regulation are impact evaluations. The proposed questions on delivery systems serve mostly to shed light on the way in which the impacts occurred. However, if for the YEI interventions new ways of implementation are used which could be replicated in the future the Managing Authorities might include additional elements of process evaluation. This applies especially to the evaluation to be completed by the end of 2015.

Even though the ESF Regulation does not make a distinction between the requirements for the two evaluations, their focus might slightly differ, particularly depending on the progress made in the implementation of the YEI. The issues of strategy for YEI, its design and implementation should be dealt in-depth in the 2015 evaluation and depending on the state of play of implementation cover effectiveness, efficiency and impact issues. The 2018 evaluation should build on the 2015 one and contain a fully-fledged assessment of impacts, including long-term impacts and use both qualitative as well quantitative methods. A single evaluator covering both evaluations could be advisable.

### *Levels of evaluation*

The ESF Regulation does not impose "stricto sensu" an evaluation per operational programme.

The YEI could be programmed in a variety of ways:

- dedicated operational programme;
- dedicated priority axis;

- part of one or more priority axis.

In some Member States, the application of the second and third options could mean that the YEI will be programmed in more than one OP through dedicated priority axis or parts of priority axis. In this case, the Member State could envisage launching one evaluation contract covering different OPs containing YEI. The implementation of this approach should take account of the requirements specified in Article 19(4) ESF Reg., namely to report on the findings on evaluations and on the assessment of the quality of the employment offers and progress of the participants in the AIRs submitted in 2016 and 2019 (thus on the level of the OPs). In general however it should be taken into account that if a Member State conducts one single evaluation for all OPs containing YEI, it may face serious difficulties to present the AIRs with the content as required by Article 19(4) ESF Reg.

## **5. Procedural issues**

### *Plans for evaluation*

The YEI evaluations have to be integrated in the evaluation plan(s). The requirements concerning the title, subject and rationale, methods, data sets, duration of the evaluation, and estimated budget are set out in the Guidance Document on the Evaluation Plans<sup>27</sup>.

### *Follow-up of evaluation*

The evaluations have to be examined by the monitoring committee with the involvement of youth organisations. They have to be made available to the public and sent to the Commission as soon as the final report is approved or together with the relevant AIR whichever is earlier.

## **6. Evaluation methodology**

### **6.1 Process evaluation**

Process evaluation aims at ensuring that a programme is implemented according to its initial objectives. As a consequence, process evaluation is a vital part of any evaluation. Applied to

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<sup>27</sup>[http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/evaluation\\_plan\\_guidance\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/evaluation_plan_guidance_en.pdf)

the YEI evaluations, process evaluation would cover evaluation question related to strategy, implementation, effectiveness and efficiency. However, process evaluation cannot draw conclusion on the impact of the program on young people's employment chances.

## **6.2 Impact evaluation**

Causality statements are the centrepiece of impact evaluation. Applied to the YEI, the impact evaluation would cover evaluation question related to impact, effectiveness and efficiency. Replying to these kinds of questions requires using an appropriate mix of theory of change and counterfactual methods.

### ***6.2.1 Theory Based Evaluation***

The Guidance for terms of reference for impact evaluations<sup>28</sup> sets out that "Impact evaluations should always start with a review of the theory of change which underpins the intervention being evaluated, whether this is explicit or implicit in programming documents".

Establishment of the logical framework for the intervention should frame the whole evaluation and provide justification for the selection of individual measures which will be assessed through impact evaluation.

Testing of the hypotheses should be done through documents reviews, interviews, surveys, analysis of data from ESF monitoring and administrative data, etc. A wide range of sources should be used including the beneficiaries, youth organisations (in line with recital 12 of ESF Reg.), YG coordinators, labour market experts.

### ***6.2.2 Counterfactual Impact Evaluation***

Counterfactual Impact Evaluation can compare the result (i.e. employment status) between individuals who benefitted from the YEI-supported intervention (the 'treated group') with those of a group similar in all aspects to the treated group (the 'comparison or control group'), except that it has not been exposed to the intervention. The comparison group provides information on "what would have happened to the members subject to the YEI had they not been exposed to it", the 'counterfactual' case. Any kind of CIE needs therefore data on a group of people who did not participate in the intervention.

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<sup>28</sup>[http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/guidance\\_for\\_impact\\_evaluation\\_102013.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/guidance_for_impact_evaluation_102013.pdf)

The counterfactual

The biggest methodological issue for CIE is the choice of the control group to measure the ‘counterfactual’. In order to explain what counterfactual impact evaluation involves in terms of data collection and applicable CIE methods the following very simplified example is used.

*Example:* The Managing Authority provides a general kind of training to all NEETs with the age of 18 to 24 in the eligible region.

In the example all NEETs are participating in the general training under YEI. As a consequence, it is impossible to use NEETs with the age of 18 to 24 as a control group. However, NEETs aged for example 16, 17, 25, 26 are likely to be similar in terms of both employment prospects and other relevant characteristics to NEETs of age 18 to 24. This group represents a good control group for NEETs exposed to the intervention. Another valid strategy would also be to use NEETs aged 18 to 24 who reside in neighbouring areas not implementing the same intervention. In either case the Managing Authority would need to collect data not only on 18 to 24 years old NEETs who benefit from the intervention but depending on the strategy adopted also on NEETs who are just not meeting the eligibility threshold of treatment given their age, or on NEETS who live in different areas not exposed to the intervention.

This example demonstrates the need for CIE to collect data on groups of non-participants who are similar to those participating in the YEI-supported interventions being evaluated. Since these individuals are generally not covered in the administrative data sources, data collection has to be planned well in advance and before the start of the intervention.

#### Intervention

Any kind of intervention needs to be discrete, distinctive and homogenous in order to be able to clearly estimate the effect of a specific policy implemented. CIE would not be sensible to test a battery of YEI-supported interventions together (i.e. training and first job experience – see p. 4), but would need to examine a clearly defined intervention (i.e. between 100 and 200 hours of face to face training) alone. If the impact of several different interventions should be tested each intervention needs to be investigated separately.

Criteria like the relevance for achieving the objectives of YEI (financial size of the intervention, size of the population covered), conditions for robustness of the methodology (measurable results, credibility of the control group), data availability and costs of the evaluation should be taken into account when selecting the interventions which will be evaluated using CIE.

## Possible CIE methods

The CIE methods to be chosen depend on the theory of change, the treated and control group, the intervention and the data availability. The Guidance on design and commissioning of counterfactual impact evaluations<sup>29</sup> provides an extensive explanation of the methods which can be used for assessment of ESF interventions and is of application for the evaluations of the YEI. It elaborates also in details on which could lend themselves to a CIE and possible designs of such CIEs.

The example given above would be best fitted with a Regression Discontinuity Design approach. This approach uses the eligibility criteria (here age: between age 18 and 24 people are eligible for YEI intervention) to estimate the effect of an intervention. People aged 24 (eligible and hence treated) and 25 (not eligible and hence not treated) are similar to each other, so that differences in their integration into the labour market are very likely to be a result of the YEI policy.<sup>30</sup>

In the case of using NEETs from different neighbouring areas not implementing the same intervention as a control group, propensity score matching or difference-in-differences can be employed.<sup>31</sup> These two approaches aim at removing any compositional differences between treatment and control groups that might influence the result. For propensity score matching, the result of NEETs having benefited from the YEI-funded intervention would be compared to the one of NEETs not exposed to the intervention and who are similar in their background characteristics (age, education qualification, employment history etc.). For the difference-in-differences method, the comparison in the result takes also into account any potential differences in background characteristics between the groups prior to the intervention. In either case, treatment and control groups do not differ in their composition, so that differences in the result is solely due to the intervention.

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<sup>29</sup> <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7646>

<sup>30</sup> For more information on Regression Discontinuity Design see the Guidance cited in the previous footnote as well as, amongst others, Van der Klaauw (2002), "Estimating the effect of financial aid offers on college enrollment: a regression discontinuity approach", *International Economic Review*, vol. 43(4); Bargain and Doorley (2011), "Caught in Trap? Welfare's disincentive and the labor supply of single man", *Journal of Public Economics*, vol. 95(9-10)

<sup>31</sup> Useful references using such approaches are: 1) Blundell R., Dias, M.C., Meghir, C., van Reenen, J. (2004), "Evaluating the employment impact of a mandatory job search program", *Journal of European Economic Association*, vol 2(4); 2) Sianesi, B. (2004) "An Evaluation of the Swedish System of Active Labor Market Programs in the 1990s", *The Review of Economics and Statistics*, vol. 86(1).



Data to be collected

Counterfactual impact evaluation will not be feasible unless the Managing Authorities make the necessary arrangements for data availability from the beginning of the implementation.

The microdata for YEI participants have to be recorded and stored as stipulated by Art. 125(2)(d) CPR. They have to enable reporting on indicators from Annex I and Annex II of ESF Reg. For the purpose of CIE microdata will have to be available also for the individuals in the control group.

## **7. –Use of representative samples**

Representative samples are recommended as the method to gather the data concerning the **quality aspect of the results for YEI participants**. The Managing Authorities can make use of the samples built for the longer-term result indicators in Annex II. In this case the evaluator should be involved in constructing the sample. A practical guidance on setting up representative samples specific for ESF/YEI contains detailed discussion on the sampling methodologies, optimal sample size, response rate considerations, sampling error, confidence level, etc<sup>32 33</sup>.

For longer-term result indicators the representativeness of the sample will concern the initial characteristics of the participants. The sample will thus contain both participants who achieved and who did not achieve the result the quality of which should be analysed. It is recommended that the analysis is carried out for all participants included in the sample who achieved the relevant result. For example, all participants included in the sample who were in employment (immediately or 6 months after leaving) should be analysed (surveyed or through administrative data) regarding the quality of the job.

The Managing Authorities might also opt for separate samples for each of the quality aspects to be evaluated and in particular for the quality of offers. The reference population in this case will be constituted by all the participants who achieved the relevant results (for example,

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<sup>32</sup> Section 3.4.2. Representative sampling of the Guidance document on Monitoring and Evaluation of European Cohesion Policy – European Social Fund – June 2015:

<https://ec.europa.eu/sfc/en/system/files/ged/ESF%20monitoring%20and%20evaluation%20guidance.pdf>

<sup>33</sup> Section 4.5 Representative sampling of the Annex D – Practical Guidance on data collection and validation to the Guidance document Monitoring and Evaluation of European Cohesion Policy June 2015:

<https://ec.europa.eu/sfc/en/system/files/ged/Annex%20D%20E2%80%93%20Practical%20guidance%20on%20data%20collection%20and%20validation.pdf>

for the analysis of quality of employment offers all the participants who received an employment offer upon leaving constitute the reference population). The representativeness of the sample should be ensured regarding the characteristics of the offers received by the participants. This solution might however be quite burdensome and costly.

When the assessment requires that the situation of the participant is checked at several points in time after the intervention (for example 12 and potentially more months after for sustainability of jobs and quality of employment offers) it is recommended that the MA uses always the sample established initially which already fulfils the criteria for representativeness. In this case an initial oversampling is advisable as the response rate tends to diminish over time.

Representative samples can also be used for the assessment of net impacts. When CIE methodology is used both the treatment and the control groups need to be a representative sample of the target population in order to infer to the target population the results achieved by the treatment and control group. For CIE conducted on the level of YEI the representative sample of YEI participants as constructed for the longer-term result indicators of Annex II could be used but would have to be matched by a sample of non-participants. For CIE conducted for individual interventions the evaluator will have to establish separate samples for each of them.

Basing the assessment on representative samples is a minimum requirement. Especially in Member States/regions where the number of participants will not be very high and the access to comprehensive administrative dataset is established it might be possible to carry out the analysis for all participants.