

# **Thematic Evaluation of the Coherence of the European Union Structural Funds and the Employment Policies stated in the EU and National Strategic Documents**

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## **SUMMARY**

### **1. Introduction**

The EU Employment Strategy defines three objectives that should be reflected in national policies of Member states in order to achieve the objectives at the EU level:

- Full employment;
- Improving productivity and quality at work;
- Strengthening the social and territorial cohesion.

EU structural funds are used as one of the key instruments in order to achieve the objectives stated above and objectives stated on national level.

There are two main planning documents determining the strategy of the implementation of EU structural funds in Latvia for the period of 2004 to 2006:

- The Single Programming Document;
- The Programme Complement.

Thematic evaluation relates to the evaluation of the relationship between the European Union Structural Funds measures and the employment policy objectives stated in the EU and national strategic documents, as well as the assessment of the achievements in the field of employment resulting from the implementation of respective ERDF and ESF activities and how these achievements comply with the targets set at the EU and national level.

### **2. Main objective of thematic evaluation**

According to the terms of reference of the thematic evaluation defined by the Ministry of Finance the main objective is to provide a high quality thematic evaluation of the coherence of the EU Structural Funds and the employment policy stated in the EU and national strategic documents with an aim to determine the efficiency of the relationship, as well as to provide the conclusions and recommendations for further improvements.

The specific objective of the thematic evaluation defines the following:

- Evaluate the consistency of the results achieved as a result of the implementation of ERDF and ESF measures and activities with the objectives defined in the EU and national employment policies;
- Identify problems, provide conclusions and recommendations.

### **3. The scope of the project**

Taking into consideration the wide nature and scope of the project, the qualitative analysis was performed using a limited number of activities defined in the EU structural funds planning documents (SPD, PC). The activities that were reviewed during the evaluation were limited based on the area of competence of the following institutions that were involved in employment facilitation in Latvia:

- The Ministry of Welfare;

- The Ministry of Economics;
- The Ministry of Education and Science.

The activities selected for the review involved not only activities that have a direct impact on employment, but also activities that influence the employment indirectly. In addition, there were activities supported by EU funds other than ESF and ERAF, in particular EAGGF, selected for the review in order to evaluate, whether or not and how these activities contribute to the facilitation of employment.

According to the agreement with the Ministry of Finance and other the scope of the thematic evaluation involved the following activities:

• **Measure 1.4.: Development of Education, Health Care and Social**

**Infrastructure:**

o Activity 1.4.4 Renovation of buildings (including adjustment to the needs of persons with physical disabilities) and provision of up-to-date practical training equipment and machinery in the initial vocational training establishments;

o Activity 1.4.5 Provision of up-to-date training equipment, machinery and mainframe computer networks and renovation of premises (including adjustment to the needs of persons with physical disabilities) in higher education establishments;

o Activity 1.4.6 Improvement of social infrastructure and development of alternative social services:

\_ Activity 1.4.6.1 Modernization and adjustments of the public social care and social rehabilitation institutions providing complex work-orientated services according to the clients needs at regional level;

\_ Activity 1.4.6.2 Alternative social care and social rehabilitation services development;

o Activity 1.4.8 Improvement of labour market institutions envisages support to public institutions providing services for unemployed and job seekers to improve the quality of services;

• **Measure 2.2.: Business Infrastructure Development**

o Activity 2.2.1 Support to private infrastructure investment in modernizing production processes and products in line with market standards and requirements in the sphere of environment protection, work safety and consumer protection (including purchase of equipment and construction and reconstruction of buildings):

\_ Activity 2.2.1.1 Support to private investments into modernising production processes and product lines;

\_ Activity 2.2.1.2 Support to productive investments in specially assisted areas;

• **Measure 2.4.: Access to Finance for Small and Medium Sized Enterprises**

o Activity 2.4.1 Loans (including micro-credits) to support business startups.

• **Measure 3.1.: Promotion of Employment**

o Activity 3.1.1 Promotion of re-training and raising qualification of employed;

o Activity 3.1.2 Promotion of active employment measures for the unemployed :

\_ Activity 3.1.2.1 Provision of training and continuing training to unemployed;

\_ Activity 3.1.2.2 Provision of work practice placements for young unemployed;

\_ Activity 3.1.2.3 Raising competitiveness of unemployed and job seekers;

o Activity 3.1.3 Provision of training and financial support for entrepreneurship and self-employment initiation *inter alia* financial support in the form of micro-loans, grants, and other measures will be provided to employed, unemployed, inactive persons, and job seekers, who received training and consulting services;

o Activity 3.1.4 Capacity building of the institutions responsible for development and implementation of labour market and gender equality policies, as well as capacity building of other relevant institutions, organizations and project promoters including NGOs;

o Activity 3.1.5 Promotion of research:

\_ Activity 3.1.5.1 Promotion of research on the labour market issues, including studies on ethnic minorities and both genders situation in the labour market;

\_ Activity 3.1.5.2 Promotion of research on the labour market issues;

\_ Activity 3.1.5.3 Promotion of research on socially excluded groups in the labour market;

• **Measure 3.2.: Development of Education and Continuing Training**

o Activity 3.2.4 Enhancement of lifelong learning network and capacity building, course development and implementation for the continuing training needs of greater society (e.g. public sector employees) and development of the strategic outline and cooperation mechanisms for the implementation of life long learning:

\_ Activity 3.2.4.1 Fostering a public discussion, identification of stakeholders, development of methodology for lifelong learning needs assessment; building dialogue with local and regional administrations and labour market representatives, elaboration of life long learning policy outline at regional level and development of proposals for institutional cooperation mechanisms on local level. Initiation and development of the regional (or local) training networks, capacity building of network members;

\_ Activity 3.2.4.2 Enhancement of the economically relevant continuing training opportunities for the needs of adults within the existing education/training institutions network: development of new continuing courses and modules, training of trainers, probation and provision of training for respective target groups, enhancement of knowledge and skills in IT, development of e-learning and distance-learning environment and content.;

o Activity 3.2.6 Enhancement of partnership between social partners and education institutions in raising the quality of education and training:

\_ Activity 3.2.6.1 Elaboration of methodology and mechanisms for involvement of social partners for quality assurance in vocational education and training, development of unified methodology for elaboration of occupational standards, sectoral skill needs analyses and forecasting, improvement of national qualification structure, training of social partners and support to the regional partnerships;

\_ Activity 3.2.6.3 Implementation of training praxis of VET and HPE students in industry;

o Activity 3.2.7 Development of carrier education, vocational guidance and counselling in the education system:

\_ Activity 3.2.7.1 Development and implementation of the courses and modules for the training of teachers/vocational guidance practitioners, development/adaptation and production of the methodological and information materials for the needs of teacher training. Development of study programme for the preparation of guidance and carrier

counsellors. Development of qualification standard of a counsellor. Training of academic staff and development of teaching aids;

\_ Activity 3.2.7.2 Support to the vocational guidance and counselling measures and activities in education institutions;

• **Measure 3.3.: Combating Social Exclusion**

o Activity 3.3.1 Provision of training for people facing social exclusion risk, including ICT support for disabled persons:

\_ Activity 3.3.1.1 Motivation programmes for participation in training;

\_ Activity 3.3.1.2 Provision of training and continuing training projects for unemployed persons at risk of social exclusion, registered at State Employment Agency, including ICT support for disabled persons;

o Activity 3.3.2 Provision of subsidized employment;

o Activity 3.3.3 Development of entrepreneurship and self-employment, including ICT support for disabled persons;

o Activity 3.3.4 Training of specialists of social work;

o Activity 3.3.5 Widening the scope of social rehabilitation programmes including, ICT support for disabled persons:

\_ Activity 3.3.5.1 Development and implementation of professional rehabilitation programmes, including ICT support for disabled persons;

\_ Activity 3.3.5.2 Developing and implementation of social rehabilitation programmes, including ICT support for disabled persons;

• **Measure 4.2.: Support to Young Farmers**

o Activity 4.2.1 The measure foresees support to setting up an agricultural holding for the first time. The expenditure under this measure is intended for start-up agricultural activities. During the thematic evaluation there were interviews performed with the representatives of the following institutions:

• The Ministry of Finance;

• The Ministry of Welfare;

• The Ministry of Economics;

• The Ministry of Education and Science;

• State Employment Agency;

• Representatives of the following social partners and industry specialists:

o **Employers' Confederation of Latvia**, which is the biggest organization in Latvia representing the interests of employers;

o **Free trade union confederation of Latvia**, which represents and protects social and economic interests of its workers through Tri-partite social dialogue in relations with employers, at state institutions, courts and different international institutions;

o **Resource Center for Women "Marta"** with an aim to facilitate gender equality and to protect the rights of women in Latvia.

**4. Methods used in the thematic evaluation**

To achieve the objectives set by the terms of reference, the evaluation process was divided into four main parts, which were as follows:

• The evaluation of the contribution of ERDF and ESF activities (regarding the employment facilitation) in achieving the objectives stated in the EU and national strategic documents:

- o The evaluation of the compliance with EU strategic documents:
  - \_ European Commission Integrated Guidelines for Growth and jobs 2005 – 2008;
  - \_ Employment guidelines 2003 – 2005.
- o The evaluation of the compliance with national strategic documents:
  - \_ National Lisbon program 2005 – 2008;
  - \_ National action plan for employment of Latvia for 2004.
- The evaluation of the justification for defining the ERDF and ESF measures and activities in the field of employment facilitation (e.g. appropriate research, statistical data);
- The evaluation of the co-ordination process with social partners and industry specialists in the development of activities in the field of the employment facilitation;
- The evaluation of the monitoring process of implementation of the selected ERDF and ESF activities that help foster employment. The above mentioned phases are reflected in the thematic evaluation report as separate chapters.

Answers to the thematic evaluation questions defined by the Ministry of Finance are presented in the report as an additional chapter.

### **5. Executive process of the project**

During the project a set of thematic evaluation questions defined in the terms of reference were used. In order to answer the thematic evaluation questions and perform all the activities defined in the terms of reference the following basic methods of data acquisition and analysis were used:

- Document analysis;
- Interviews.

### **6. Main findings**

The following are the main findings, each of which derives from several detailed findings, which are reflected in the thematic evaluation report:

- Not all of the employment objectives defined in the EU strategic planning documents are equally reflected in the EU structural funds planning documents in Latvia for the period of 2004 – 2006. It would be advisable to seek to reflect in the EU strategic planning documents all of the employment objectives, which are considered significant at the EU level, at the same time assuming the local situation;
- Some of the activities defined in the EU structural funds planning documents are unique for Latvia. In such cases, it would be highly recommendable to provide sufficient basis for establishment of such activities;
- In some cases the needs were not supported with sufficient statistical and research data. It would be necessary to define the activities based on the appropriate statistical and research data. In situations, when the required data is not available, it would be recommendable to actively engage social partners and other competent bodies who possess the required knowledge when establishing the activities.
- There was no unified methodology on definition and measurement of indicators developed locally for the period of 2004 – 2006. For the next programming period, it would be advisable to develop a unified methodology and ensure that each institution

involved in the management of EU structural and Cohesion fund are following the same principles when defining indicators and measuring the progress against established indicators;

- Not all of the employment indicators that are defined in the EU strategic policy documents are equally reflected in the EU structural funds planning documents in Latvia. In order to ensure effective monitoring over employment indicators, it would be recommendable to apply unified approach in definition of indicators in the EU structural funds planning documents in Latvia and national strategic employment documents. These should be established in conformity with the employment indicators set at the EU level;

- In the context of active employment measures, it was noted that similar activities were funded from the state budget and EU structural funds. Even though similar activities were funded from the state budget and EU structural funds, it may be assumed that additionality principle was adhered to, because activities supported by the EU funds added to those activities financed from the state budget. When establishing measures and activities for the next programming period, it would be strongly recommendable to always ensure clear compliance with the additionality principle.

#### **7. Experts involved in the evaluation**

The thematic evaluation was performed by the following PricewaterhouseCoopers Latvia experts: **Juris Lapše**, partner, responsible partner for the thematic evaluation, **Daina Begicka**, director, the leader of the thematic evaluation project, **Renāte Sprice**, manager, project manager, communicator with institutions involved in the project, **Elīna Paura**, consultant, sector specialist, **Linda Blekte**, junior consultant sector specialist.