

THE EX-POST EVALUATION OF THE PRE-ESF 2002 HRD GRANT SCHEME IN ROMANIA

REPORT

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Authors:

Sorin CACE-Team Leader

Gabriela Platon

Dana Pertescu

Catalina Anghel

Experts Research team:

Sorin CACE

Gabriela Platon

Dana Pertescu

Felicia Scarlat

Eugen Perianu

Catalina Anghel

Ruxandra Dantes

ETF Consultants:

Arjen Deij (European Training Foundation)

Outi Kärkkäinen (European Training Foundation)

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EXECUTIVE SUMMARY

Background

The implementation of ESF type of activities in Romania represents an important opportunity for the process of modernization of the vocational education and training system and HRD and employment policy in the next years. This opportunity presents a challenge to the national and regional authorities, which need to administer the allocation of “ESF type resources” according to agreed policy requirements and new planning tools. It also presents a challenge to social partners and to all those stakeholders that are involved in initiating quality assurance and evaluation ESF type of activities.

Learning lessons from EU experience and the evaluations of the former Phare programs is crucial for the success of the future ESF type of activities. From the start up of Pre-ESF activities in Romania, ETF has been actively supporting institution building measures that should enable the Romanian stakeholders to make better use of the opportunities offered through ESF and Pre-ESF activities.

This report presents the findings of the ex-post evaluation of the pre-ESF Phare 2002 HRD grant scheme in Romania. The study has been conducted in the framework of the institution building for accession with particular reference to the European Social Fund and was commissioned by ETF following a request from the European Commission Delegation to Romania.

Learning from Phare for ESF

Evaluation of previous implemented programmes could be a very important part of the assistance provided to Romania. It can bring substantial information on the implementation of the assistance and contribute to improving the planning of the EU co-financed programmes for the coming years.

Phare 1998-HRD component, aimed through its 2 calls for proposals at developing the human resource basis within an integrated regional development context. Despite unfavourable conditions and constraints, the key conclusion of the evaluation was that the HRD projects had a positive impact on the development of local implementation capacity in human resources and that they were useful for the local areas where implemented. They contributed to the improvement of knowledge on broader subjects (entrepreneurship, IT, management), a better involvement of the community in solving local problems (informal partnerships), higher interest of public and private institutions in developing their own human resources capital, development of institutions capable of raising funds and investing in HR.

Phare 1999 (RICOP programme), with a budget of 100 million Euro the programme aimed to reduce, through its 5 different subcomponents (Public works, active measures, social response measures, outplacement, and SMEs development), the social impact of the massive restructuring process for the large state owned companies in 17 counties. Lessons learned were related to the difficulties of coordination between components for a massive and complex programme. It has been accepted that the interrelationship between components did not function particularly effectively due to delays in implementation of the programme as a whole and its individual components. The impact report for SME's component done at national level emphasized the importance of the networking, within the different programme components in maximizing the project success rate.

Phare 2000-HRD component. The main goal of the programme was to support the Romanian Government in implementing an integrated regional development policy in line with the economic and social cohesion strategy adopted within the context of the pre-accession process, through regional development investment projects in priority sectors (Human Resource Development, SMEs and local and regional infrastructure) identified in Romania's National Development Plan and in Romania's Regional Plans. The ex-post evaluation revealed that in general, the projects demonstrated an average capacity of fund absorption. The impact

of training on beneficiaries was positive and those who benefited of training found a job while most of the employees had significant changes in their activity and professional status. However the ex-post evaluation drew the attention on the necessity of in depth revision of the monitoring and evaluation systems specific to Phare HRD 2000 programme, data collection recording and processing, increased awareness of project promoters of their role in monitoring process as well as the necessity of developing a set of key indicators agreed by all stakeholders and designing of successive stages in data gathering for monitoring and evaluation.

Objectives of the evaluation

The main scope of the ex-post evaluation of the pre-ESF 2002 HRD grant scheme in Romania is to **focus on the impact of the 2002 HRD programme on promoters, project partners and final beneficiaries.**

Taking into consideration the lessons learned and the recommendations for evaluation (including implications for monitoring systems) from the ex-post evaluation of the Phare 2000 Pre-ESF HRD Grant Scheme, the main expected results of this exercise were:

- The impact evaluation of 2002 HRD programme, focusing on priority 1 and priority 2, carried out.
- Performance indicators and key data developed in order to improve monitoring and evaluation systems.

The purpose of the evaluation is to contribute to further development and strengthening of the local capacity to evaluate ESF type of activities for Human Resource Development. The results of the evaluation and the lessons learned are to be taken into consideration in the definition of future actions and management provisions in the ESF assistance plans.

Phare 2002 ESC- HRD component

The main characteristic of the assistance under PHARE 2002 was related to the eligibility areas where projects could be promoted. Romania identified 11 "priority zones/target areas" (at sub-regional level) hereinafter called "priority areas"- where investment component of Economic and Social Cohesion Phare 2002 Programme was devoted

This was a result of the disparities identified within the Development Regions, between the Judets (counties), towns and communes, larger than those between the NUTS II regions. There where Judets/counties with more difficult problems as result of the industrial restructuring process and as characteristics of being predominantly agricultural. The financial assistance of Phare 2002 was focused within the areas most seriously affected by industrial restructuring, identified at a sub-regional level, taking into account the particular situation of the areas concerned.

The programme had two priorities:

- Priority 1: Qualification and re-qualification of the work force to make it more respondent to the evolving needs of the labour market.
- Priority 2: Enhancement of Active Employment Measures as a systemic tool to foster employment.

Coherence between enterprises needs and training programmes were to be ensured, in order to foster the increasing competitiveness among the SMEs. Projects were to be supported with labour market studies or clear evidence of the needs for the proposed training programme. In order to increase the impact of such projects they were to ensure a minimum rate of job placement for the unemployed.

Evaluation methodology

The ESF Regulation encourages the quantification of objectives. This is not always possible. To identify the contribution of programmes and measures to objectives, indicators must be defined within a monitoring and evaluation system.

When working with indicator terminology, please note that it is fully compatible with “log frame” approach frequently used for programme planning; they involve a similar hierarchy of objectives the following figures illustrate the intervention logic and the terminology used (see Figure 1a, 1b -The Logical Framework¹).

Broadly speaking:

“impacts” = overall (long-term general) objectives

“results” = specific/immediate objectives/programme purpose

“outputs” = expected results

“inputs” = activities.

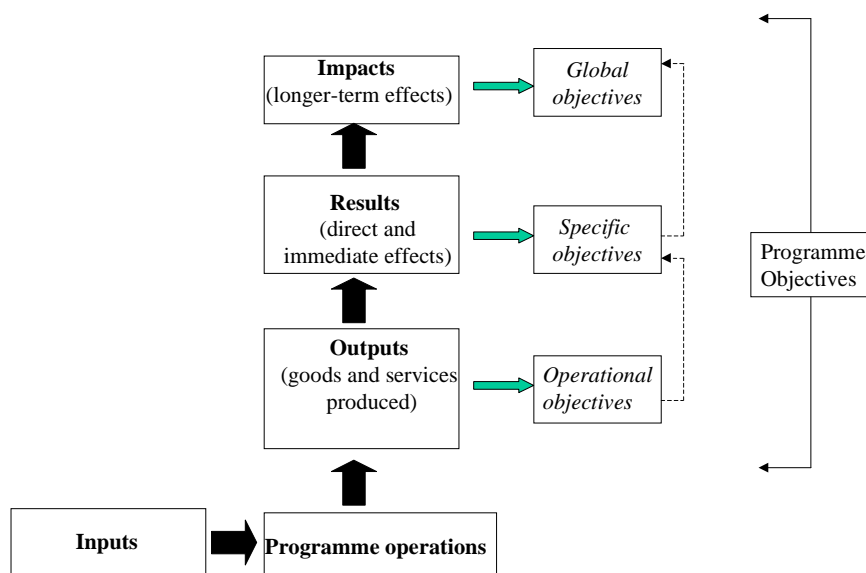


Figure 1a The Logical Framework

Thus, in programme planning, a key benefit of the indicator approach is that it demands clarity at all levels, i.e. what can be defined in quantitative measurable terms.

¹ EC – the new programming Period 2007-13 “Indicators for monitoring and evaluation- A Practical Guide”.

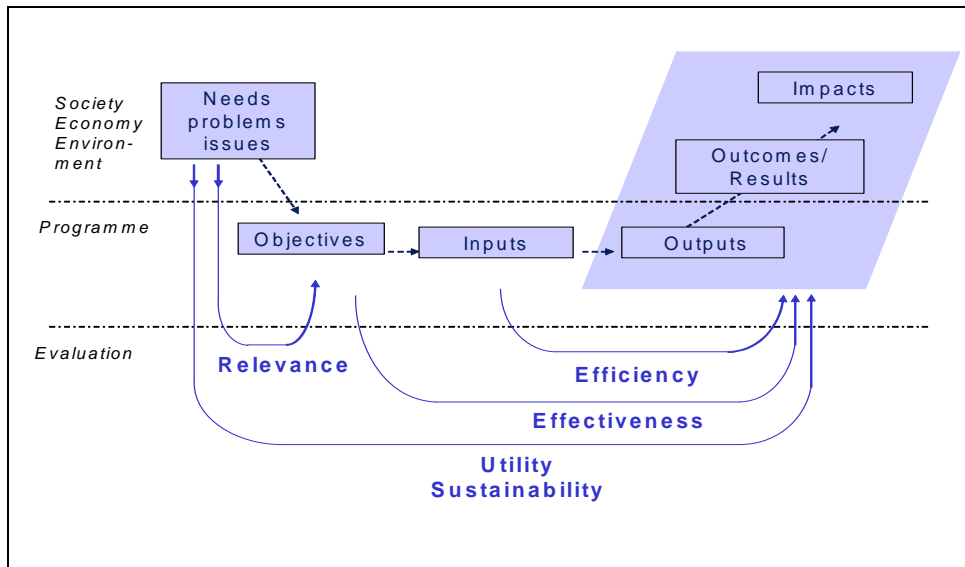


Figure 1b The programme and its environment

The evaluation of the HRD Component of the PHARE 2002 ESC Programme has taken place based on a complex methodology, with the use of diverse investigation methods, according to TOR. A mix of quantitative (desk research, surveys, analyse of databases) and qualitative (interviews) methods of investigation have been used. The survey has addressed the project promoters and the direct beneficiaries of the two priorities and the control group members.

We present below the methods applied, according to the TOR:

- desk research of available documentation related to the programme (programme documents, RDAs reports, assessment reports, previous evaluation reports, etc);
- secondary analysis of the projects database held by the MEI(IRIS);
- analyse of the NATB database of authorised training providers/training centres;
- development and administration of questionnaires for project promoters and survey taken for all project promoters for each of the two priorities (Active Employment Measures, Qualification and Re-Qualification of the Work Force);
- development of samples and interview guidelines for the visits and telephone interviews; 30 telephone interviews and 38 visit interviews conducted based on samples established; qualitative analysis based on project visits and telephone interviews;
- development of questionnaires and conducted a survey among the 2 samples of final beneficiaries, one for each of the two programme priorities;
- development of a sample and selected (in collaboration with NAE) of a control group for priority 2 “Active Employment Measures”, tailored to the characteristics of the beneficiaries that responded to the final beneficiaries surveys; conducted the survey among the control group sample for priority 2 “Active Employment Measures”;
- conduct statistical analysis of the surveys results, data processing and analysis; reporting.

Main findings and conclusions

Resources/Inputs

Funds by region

In terms of financing, the programme had three types of resources: Phare, national budget and project promoters own contribution (cash). A total of 15 384 768,03 Euro represented the Phare and national budget contribution contracted at the country level for a number of 311 projects for this programme.

The distribution of funds per regions showed that NE, SE and Centre regions had the highest rate of allocation and disbursement of funds for both priorities as being the regions affected by massive industrial restructuring and in some cases the predominance of agriculture. The presence of SW Oltenia region in the top group of regions attracting money for Priority 1 can be explained by the fact that mines closure and heavy industry restructuring required retraining of employees and acquisition of new skills to increase their employability.

The national average value of the grant was 47575,20 EURO for Priority 1 and 51399,1 Euro for Priority 2. In the regions the average grant spent per project for priority 1 compared in percentage with the national average grant varied between 88.76% (Region Centre) to 123.61% (Region NE) and for priority 2 between 86.16% (Region South Muntenia) to 116.41% (Region West) .

Profile of projects promoters

For this programme only 11 geographic areas were eligible. The maximum grant was 75 000 Euro. Following the applicant evaluation process a number of 286 promoters were awarded a total number of 311 contracts (some promoters developed more than one project). Regarding the profile of projects promoters that were awarded contracts: 45.01 % were companies, 24.4% NGOs, 9.6% TVET schools, 7.7% universities, 5.7% Chambers of Commerce, 5.4 % Local Public Authorities (LPA) and 1,9% others(employers associations, school inspectorates, unions, etc).

40% of the companies (production and services companies) applied to train their own staff while almost 60% from the companies represented training providers and other HRD service providers that applied in order to deliver these services to the partners who were in these cases providing the target group.

Most of the companies (75%) were entirely privately owned and set up at least 5-6 years ago. One of the surprising facts was that there were only 3 Unions and 3 Employers/Owners Associations among promoters which represents 0.9 % for each of the two categories mentioned above. While the Employers Associations focused mainly on priority 1 targeting employees (2 out of 3 projects) the Unions focused (100%) on priority 2 targeting unemployed which is understandable.

Partners and Partnership

The partnership seemed to be rather medium in terms of number and profile of partner organizations. Social partners have been involved in a very low degree in partnerships with potential negative implications at local, regional and national level, probably due to the fact that there was not enough knowledge and awareness of the role they can play in the economy and of the strengths they can bring to the projects. The local public administration was on the second place regarding the small number of partnerships established as promoter, probably due to the lack of culture and tradition for partnership among LPA's and to the existing bureaucracy in fund management within LPAs.

The partners involved in the projects had, in most cases, a different area of activity from that of the promoter (even if they all were companies or NGOs) showing that the partnership was developed mainly due to the need for covering the areas of activities required by the project and sometimes in order to meet the NACE (CAEN) eligibility criteria. The majority of activities developed in partnership (62.9%) were related to training, starting with the training needs analysis (24%), followed by development of the training curricula and materials (13.9%) and

finishing with training delivery (25%). In addition a 18% of the activities developed in partnership were focused on strategies development both HRD (12.5%) and companies strategies (5.5%).

Even if in total 80.2% of promoters developed their projects in partnership there is still a worrying percentage of 19.8% promoters that had no partners for the projects implemented and the situation should be carefully tackled in the perspective of accessing ESF. The newly created regional employment pacts/partnerships and the development of regional employment action plans (REAPs) should be an asset for future ESF type projects.

Unfortunately the implication of social partners as promoters as well as partners was very limited.

With regard to the quality of the established partnerships most of the respondents (78%) perceived partnerships as very good or good and 75% of the respondents declared that they continued the partnership in an efficient way also after the project ended.

Costs

Expenditure on equipment

The costs for equipment represented a percentage of only 17.6% from the total budget which is much lower than the percentage of 27.8% used for Phare 2000 HRD programme showing that the promoters only purchased items of equipment which were absolutely essential for the success of the project and built on the existing institutional capacities.

The equipment purchased was properly used for the purpose for which it was purchased (training) in a proportion of 81.6%. The training and HRD providers such as universities and TVET schools continued to use 90% of the equipment at maximum capacity whilst a significant number of respondents (companies and non-governmental organisations) use the equipment at 75% capacity.

A percentage of 44% of the companies declared they used the equipment purchased both for production and training. This is in accordance with the fact that 40% of the companies were production and service companies that applied for training their own staff so it appeared natural to use especially the production equipment purchased for both training and production.

Training and placement costs

The training cost/participant was 113 Euro, lower than the one for Phare 2000 HRD (210 Euro/participant) with a proportion of 26.5 % of the total projects budget held by the budget for training

The cost for placement was 386,08 Euro per person. We do not have comparative figures for the placement cost per person for Phare 2000 HRD programme but we know that the one presented by NAE is of 50 Euro/person placed which seems unrealistic.

Implementation/Operations

Programme priorities addressed

Out of the **297 projects finalised**, 155 (**52.19%**) were for **priority 1** "Qualification and re-qualification of the labour force" and 142 (**47.81%**) projects for **priority 2** "Enhancement of active employment measures". We can see that the majority of the projects were implemented by companies (44.28%) and NGOs (24.44%).

The public local administrations, the NGOs, TVET schools, Employers Associations and other public institutions oriented their activities towards priority 2 enhancing unemployed skills through better active measures of occupation whilst universities, Companies and Chambers of Commerce were more focused on priority 1 dedicated to employed people (qualification and re-qualification of the work force).

Programme measures addressed

More than half of the priority 1 projects (52.78%) focused on managerial training followed by delivery of vocational training (40.28%) while only 14% addressed HR development strategies, policies, training needs analysis and plans, etc.

The projects financed under priority 2 targeted mostly vocational training for unemployed followed by career counselling, career guidance and job mediation and by measures to support self employment and business start ups.

Problems in initiation and implementation

The main three major difficulties in projects' initiation and implementation appeared to focus on Phare 2002 programme management, selection of target groups and project continuation (sustainability).

The most frequent problems referred to: difficult access to sources of information regarding the projects; delays in obtaining the funding; difficulties in communication with project partners; breach of the project agreements by the partners; difficulties in cooperation with RDAs; difficulties in recruiting target groups; difficulties in continuing after Phare financing ended.

Outputs

Number of Successful and Unsuccessful Projects

Under the Phare 2002 Human Resources Development grant scheme, **311 projects** were contracted, out of which: **297 were finalised, 12 were cancelled and 2 had payments suspended.** The 14 contracts that were not finalised represented a ratio of 4.5% of the total number of selected projects. It should be noted that 50% of the non finalised contracts came under the responsibility of Companies. The highest rate of cancelled projects recorded in the North-East Region (13.1%), followed by the South Muntenia Region (5.4%), as opposed to the West and North West regions where no projects were cancelled.

The main reasons for contracts cancellation appeared to focus on Phare 2002 programme management, target groups and project continuation (sustainability) such as: problems regarding the financial management of the project, the incapacity of the promoter to cover the individual financial contribution; partnership problems (resignation or poor performance of partner), difficulties in selecting the target group; difficult and time consuming implementation procedures especially with regard to the replacement of experts, complicated procurement procedures, etc.

Funds Absorption Capacity

In general, the projects demonstrated a good overall capacity of funds absorption (between 96.54 and 96.56%), higher than the one in Phare 2000 HRD (85.6%). The smaller rates of absorption were recorded mainly for the Chambers of Commerce (including their Romanian Business Schools), Universities, TVET schools, and also big companies who implemented this kind of project for the first time.

Output of training courses

The training measures had a very important role within the PHARE HRD 2002 and almost 96 % of promoters developed training courses during the project. These covered all the development regions, in different proportions. The courses focused more on competence upgrading or acquiring new competences and qualification/vocational training. The number of hours and duration were tailored to clients' needs.

The service sector was the main beneficiary of the training courses developed (IT, e-commerce, ECDL, sales, urban and rural tourism, hairdressing, restaurant business, etc). The second beneficiary sector was the industrial one (textile industry, food industry, energy industry) while a small percentage of the courses trained human resources for agriculture and for the construction sector. The interest of the promoters to develop training courses in the service sector was part of the economic development strategy of Romania, within which the development of the service sector is a priority.

People trained

Within the projects financed under **Priority 1** of the programme, the number of trained employees was of 17746.

Within the projects financed under **Priority 2** 11279 persons received training out of which 35.08% became employed after graduating the courses.

Training materials

411 course modules were developed, **9957** manuals were printed and over **11000** of brochures /guidelines for job search, business start ups, legislation for business, quality management, labour legislation, etc were given to the beneficiaries, either unemployed or employed.

Characteristics of Beneficiaries

For Priority 1, the career guidance and counselling activities were not so important as the trainees were already employed and only 8.6 % from the training participants were involved in this type of activity. However, for Priority 2 which targeted unemployed a 46.84% of the participants were included in the career guidance and counselling activity. There was no clear evidence to show how many of the people who participated in career guidance and counselling were also involved in other training activities.

The majority of participants in the training events were the disadvantaged persons on the labour market and unemployed (59.3%) followed by employed persons (35.8%).

Institutional capacity building

More than half the number of projects (55 %) implemented two, three, or four of the measures targeted which contributed to an increase of their institutional capacity also. We can enumerate creation of new training centres, development of their training capacity (provision of new classrooms, new training equipment); enhancing the training offer (new training programmes, new target groups, development of partnerships for future trainings); development of their training expertise (training of trainers, accreditation for different training programmes), etc.

Relevance

- The employed population in Romania is continuing to register a slow but constant decline generated mainly by the restructuring of the industrial sector, agricultural under-employment and low productivity employment, employment in the informal economy, and the labour migration abroad. The age groups more affected by the process are youth and the age group of 55-64 years. Economic growth does not reflect immediately in the increase of employment in the country so the human resources development programmes had to carefully tackle these problems.
- A second important characteristic of the Romanian labour market is the level of participation in continuous vocational training where Romania has the lowest participation in Europe due to some existing problems such as the general attitude towards training resulting mainly from lack of funding and incentives for it and lack of expertise at community level in the development of community lifelong training structures.
- The Phare 2002 HRD program stimulated through its two priorities , participation of employees and unemployed, in life long learning and continuous vocational training activities as well as active measures, with the purpose to increase their employability and work skills as well as their adaptability to the labour market requirements. The youth was one of the major target group for priority 2(43% of the grants) while the 25-64 years were the main beneficiaries for priority 1 projects (55% of the grants).
- The Phare 2002 HRD programme was in our opinion highly relevant to the domain needs. Wider and immediate objectives were well structured, addressing fields of crucial importance to the HRD domain (e.g. continuous vocational training (CVT) in enterprises, active employment measures, support for new entrepreneurial activities). The assistance

built upon the achievements of previous Phare programmes since investments were made in development of existing infrastructures (more than 50% from investments were dedicated to upgrading and improving the capacities previously developed).

Effectiveness

- Viability of the training centres: Among the project promoters 130 were identified as authorized training providers in the NTBA data base, 95.4% are authorized in the county in which they deliver the training and only less than 5% were delivering training in a place in which they are not registered as authorized training providers, aspect which in our opinion does not necessarily affect the quality of the training.
- Regarding the quality of the training programmes a total of 63% from the participants expressed their interest to attend future training programmes.
- Completion of training and drop-out at the beneficiary level: As per administrative data under the two priorities of the 2002 Human Resources Development programme, 29 025 persons were trained and 60% of them were employed persons participating into a CVT (continuous vocational training) courses. The dropout rate was 4.9% for all categories of beneficiaries, being higher for the category of socially disadvantaged (6.4%) and lower for the category of employed trainees (3.5%). Inside the category of socially disadvantaged, the highest rate of drop out, of 15.6%, is registered with the unskilled young people coming from protection institutions, followed by roma population (10.4%) and the long-term unemployed (9.8%).
- The profile of projects promoters showed that most part of the contracts were awarded to companies, followed by NGOs, TVET schools, universities, Chambers of Commerce, Local Public Authorities(LPA) and 10others(ex Employers associations, School Inspectorates, Unions, etc). The companies' financial power that allowed them to easily provide their own contribution contributed to the high percentage of them among promoters while the NGOs' experience in accessing and management of internationally funded projects placed them on the second position in the top of contracts awarded. Most of the companies (75%) are entirely privately owned, have less than 100 employees and were set up at least 5-6 years ago which proves the higher interest of private sector in improving the quality of their human resources.
- A percentage of 40% of the companies (production and services companies) applied to train their own staff while almost 60% from the companies represented pure training and other HRD service providers that applied in order to deliver these services to the partners who were in these cases providing the target group.
- However, only a small percentage of projects focused on technical assistance for human resources development of the organisations (14%) in comparison with the remainder of 86% which focused mainly on training. Even if vocational training was included in this figure it is considered that this can lead to the dangerous situation of "delivering training "for the sake of training. The training courses covered all the development regions, in different proportions and focused more on competence upgrading or acquiring new competences and qualification. The number of hours and duration were tailored to clients needs.
- The programme was more demand than supply driven with 43 % of promoters declaring that the decision related to project and the target group came as result of the organization activity or from previous experiences in partnerships while 57% declared that the decision on the target groups for projects were subject of researches for identification of needs (LM studies, internet research, available information in the County Agencies for Employment, regional strategies and plans, programme guidelines etc).
- The partnership seems to be rather medium in terms of number and profile of partner organizations. Social partners have been involved in a very low degree in partnerships with potential negative implications at local, regional and national level, probably due to the fact that there is not enough knowledge and awareness of the role they can play in the

economy and of the strengths they can bring for the projects. The local public administration was on the second place regarding the small number of partnerships established as promoter, probably due to the lack of culture and tradition for partnership among LPA's and to the existing bureaucracy in fund management within LPAs.

- The partners involved in the projects had, in most cases, a different area of activity from that of the promoter (even if they all were companies or NGOs) showing that the partnership was developed mainly due to the need for covering the areas of activities required by the project and sometimes in order to meet the NACE (CAEN) eligibility criteria. The majority of activities developed in partnership (62.9%) were related to training, starting with the training needs analysis (24%), followed by development of the training curricula and materials (13.9%) and finishing with training delivery (25%). In addition a 18% of the activities developed in partnership were focused on strategies development both HRD (12.5%) and companies strategies (5.5%).
- Even if in total 80.2% of promoters developed their projects in partnership there is still a worrying percentage of 19.8% promoters that had no partners for the projects implemented and the situation should be carefully tackled in the perspective of accessing ESF. The newly created regional employment pacts/partnerships and the development of regional employment action plans (REAPs) should be an asset for future ESF type projects.
- Unfortunately the implication of social partners as promoters as well as partners was very limited. There are only 3 Unions and 3 Employers Associations among promoters which represents 0.9 % for each of the two categories mentioned above.
- With regard to the quality of the established partnership most of the respondents (78%) perceived partnerships as very good or good and 75% of the respondents declared that they continued the partnership in an efficient way also after the project ended.
- The analysis of the target groups revealed some problems in explicitly defining them by project promoters, particularly the group of the disadvantaged persons both at the project initiation and during their implementation. There was not a clear separation between different target groups, envisaged outputs and activities for each of them which affected the accuracy of the results and outputs evaluation.

Efficiency

- The information available for the programme (from MEI database and web page, RDAs reports) was in general not enough and also not sufficiently well structured to allow us, during the evaluation, to perform the three types of efficiency analysis in terms of: outputs, results and impact compared to the respective level of costs. Also discrepancy between information presented by the various sources named above lead to additional work to clarify the information and obtain accuracy of it.
- However, we can observe that the NE, SE, Centre and SW regions, that were mostly affected by industrial restructuring, including mine closure, have the highest rate of allocation and disbursement of funds for both priorities. In general, the projects in the HRD component demonstrated an good overall capacity of funds absorption (between 96,54 and 96.56%) higher than the one in Phare 2000 HRD (85.6%).
- The analyse of our sample of promoters showed that smaller rates of absorption were recorded mainly for the Chambers of Commerce (including their Romanian Business Schools), Universities, TVET schools, and also big companies who implemented this kind of project for the first time.

- The percentage of the total equipment costs was 17.6% from the total project budget which was lower than that of Phare 2000 HRD (27.8%).
- The training cost/participant was 113 Euro which was lower than the one for Phare 2000 HRD (210 Euro/participant) with a proportion of 26.5 % of the total projects budget held by the budget for training.
- The cost for placement was 386 Euro per person. We do not have comparative figures for the placement cost per person for Phare 2000 HRD programme but we know that the one presented by NAE is of 50 Euro/person placed which seems unrealistic. The average placement rate for priority 2 was: 35.08 % in comparison with the 40.3 % placement rate announced by ANOFM for 2005 (figures presented by ANOFM into its annual report published in Monitorul Oficial (part 3, no. 554, at 30.06.2006).
- We could not identify in the Phare 2000 HRD ex-post evaluation report the placement rate for we could not compare with them.

Impact, Utility and Sustainability

- A 82.3% (32% new training centres and 50.4% refurbished centres) of the projects aimed at building and strengthening institutional capacity which highlighted one of the goals of the EU/Phare 2002 Programme concerning the need to increase the institutional capacity to ensure efficient absorption of HRD funding and showed once again that the continuous training aspects are still sensitive in case of Romania where investment in HRD remained an important issue which needs to be addressed. More than half the number of projects (55%) implemented two, three, or four of the measures targeted which contributed to an increase of their institutional capacity also.
- The training measures have occupied a very important place within the PHARE HRD 2002 projects and almost 96% of promoters developed training course during the project. Employees benefited the most from the training measures and the courses focused on competence upgrading or acquiring new competences and less on training of low qualified persons or disadvantaged target groups.

For companies the most important benefits were considered the fact that the employees being better trained could perform their work more efficiently and could produce better quality work, which are in line with the priority 1 objectives.

The companies mentioned as positive impact that:

- for 58,6% of the companies work productivity has increased;
- 39.6% of the companies decided to increase the budget allocated for training their staff;
- for 39.6% of the number of employees attending training courses has increased;
- for 56.8% company turnover has increased;
- for 34.5% profit was higher;
- 29.3% of companies introduced new production lines or new services;
- 29.3% obtained a better human resources management through a better manpower planning;
- 27.6% paid more attention towards human resources development including their vocational training;

- 31% had more interest for development of the human resources strategy including efficient HR procedures and in line with the company's strategy.

Promoters used a combination of promotion and dissemination methods that amplified the impact of their projects at a larger scale. The most popular means for dissemination remained the printed materials followed by the mass media appearances. Almost 56% from the promoters declared themselves highly satisfied with the impact of project results' dissemination and considered that the proper dissemination led in their case to : increase of requests for their services from additional clients; increase of requests from their beneficiaries for additional services during project implementation; increased request for other partnerships; consolidation of their position as service providers in the community; requests for sharing good practices within stakeholders, beneficiaries and other similar organisations.

The impact at organisational level was perceived as the most important impact for 58.6% of companies, 55.5% of Chambers of Commerce and 70 % of TVET schools. A percentage of 90% of TVET schools, 77 % of Chambers of Commerce and local public administrations, 68.7% of NGOs and 58.6% of companies, considered that their projects had a strong impact at local level. At regional level the 60% of universities followed by 39.6% of companies considered that their project had a strong impact at regional level while only one Chamber of Commerce and two NGOs (which are working at national level in fact) considered that their project had an impact at national level.

Unfortunately only 14.5% from the respondents (less than the 25% in Phare 2000 HRD programme) considered that the project contributed also to the improvement of the human resources management into their organisation. This is a rather sad conclusion because it may mean that some of the training activities have been designed without taking into account the real target group needs, the real project potential and failed to involve all decision –makers at organisational level.

At employee level, the most important effects were considered to be the fact that people could improve their skills for their job and their employability and could better organise their work, which are again corresponding with the priority 1 objectives.

As regards the impact for priority 1 beneficiaries, the majority of the people interviewed considered their professional life has progressed in terms of the quality of work they perform, job responsibilities and job efficiency. A large percentage (65.1%) of priority 1 beneficiaries declared that their position in the company remained unchanged after the training but they felt improvements regarding their quality of work and efficiency. 16% of them have been promoted and 7.6% changed their job in the same company as a result of the training. To a large extent, the beneficiaries attending training programmes reported a better (23.6%) or at least the same situation (65.1%) after the project ended.

Within the projects financed under Priority 2 of the programme a total number of 11279 persons received training from which 35.08% of the beneficiaries became employed after graduating the courses(according to our survey)

Within the priority 2 projects, the majority of the unemployed beneficiaries included in the sample considered that the training programme were useful and helped them to find a job. The survey shows an improvement for more than 60% of those who were unemployed at the beginning of the training programme. 26.9% are now in full time employment and 24.6% have part time employment. 12.5% of the surveyed developed their own business. The percentage of 33 % who are still looking for a job is smaller than in the case of Phare 2000 HRD programme (40%).

Comparison experimental group (the group of beneficiaries selected for our sample for priority 2 projects)-control group

The percentage of people having a job is quite similar in the two groups (experimental 49.2% and control group 55.3%. However, the difference is greater for those who have their own business: 12.5% from the experimental group started their own business in comparison with only 1.1% from the control group. This can lead to the conclusion that a total of 61.7% from the experimental group have a job (working for others or being self employed) in comparison with 56.4% from the control group. This could signify that the experimental group managed to diversify in terms of their options and were more proactive.

While a total of 66% of the beneficiaries from the experimental group considered the training helpful in obtaining a job, a high percentage of 50% of the control group beneficiaries who

attended courses declared that the courses were not at all useful for them in trying to find a job which raises the issue of quality of training.

The data gathering, recording, processing, and reporting system related to the implemented projects has posed major difficulties in the evaluation of the program impact and the system of collecting data and monitoring of projects needs to be improved.

Recommendations

Programme Management

- More attention paid during the selection of applications on the financial and organisational capacity of the applicant in order to avoid the incapacity of providing the co-financing for the project and to increase the chances for project's continuation after the grant ends. Also the same aspects should be checked during the site visits in the pre contracting phase.
- Clear implementation procedures fixed from the beginning of the programme and respected until the end of the contract written in a manual to the applicants in order to avoid gaps in project management due to misunderstandings of procedures or unexpected changes imposed by contracting authorities during the contract life.
- Improved skills of personnel involved in project monitoring at all levels (ministry, regional, local) and a common, unique, clear and coherent methodology established.
- Time necessary for endorsement of mid term and final reports should be shortened and the periods to transfer/pay the corresponding funds also.
- Introduction of a uniform system for data collection and data management used by the institutions in charge with project monitoring that can obviously generate same structure of information and reports for each region. This system should be completed in timely manner and be friendly user.
- Project promoters should be provided from the beginning of the project implementation with templates/tools and training on how to record the necessary data for the monitoring and evaluations purposes that would be corresponding with the structure of the database and would remain unchanged until the projects end.
- Whenever possible recording data and reporting in electronic format should be preferred to the ones on hard copies in order to save time and money for both parties.
- We suggest that each final technical report submitted by the promoters to include a chapter on beneficiaries satisfaction and partners' and stakeholders satisfaction (a model for this can be provided within the implementation manual). These information can be valuable for future evaluations and would give another weight to the role and importance of beneficiaries and partners in the project frame (we may eliminate to a certain extent the partnership created only on paper in order to receive a better score in the evaluation grid).
- Assistance should be offered more to promoters during the project implementation with an attempt to make procedures more flexible (whenever possible, as for example for experts replacement) to increase funds absorption and sustainability after the projects end.
- In future evaluations we recommend that collection of data through field operators to be preferred whenever possible to the one of using the mailing for increasing the response rate and the accuracy of the information provided.

Programme content and characteristics

- It is vital that the training and vocational training offered to employees to correspond to the companies' human resources and business strategies as well as participants needs and to increase their employability and work efficiency. As for the unemployed it is vital that the

training and the active measures received to help them move into employment, to respond to skills shortage on the labour market and again increase their employability and living standards. For these reasons we recommend that future HRD programmes should ask for compulsory training needs analyses carried on before or during the project implementation as well as labour market analyses done by specialised institutions before or during the project implementation that would be correlated with the strategic documents such as regional development plans, VET development plans (PRAIs) and regional employment plans (REAPs), etc.

- We also recommend that future HRD programmes should emphasize the importance of developing human resources strategies and implementing modern human resources management techniques in the companies in conjunction with training delivery. In the case of programmes targeting unemployed we suggest that more active measures should be applied whenever appropriate in conjunction with vocational training delivery. In short, this means that training needs analysis, skills audit, career counselling and other active measures should play a crucial role in future HRD programmes and that training should be demand driven and not supply driven anymore.
- As regards the quality of the trainings and vocational training offered on the market, again a particular attention should be paid to accreditation of training providers, quality of training curricula, training design, training materials and training delivery process by the institutions involved in checking the quality of the training available on the labour market but also by the training providers and beneficiaries themselves.
- A special attention should be paid to encouraging the involvement of the social partners in HRD activities through creating strong partnerships with project promoters.

1. EVALUATION METHODOLOGY

1.1 Objectives of the evaluation

The report presents the ex-post evaluation of the PRE-ESF PHARE 2002 HRD GRANT SCHEME IN ROMANIA.

The overall objective of the assignment as identified in the Terms of Reference was:

- to further develop and strengthen the local capacity to evaluate ESF type activities for Human Resources Development.

The specific objectives identified were that the evaluation should focus on the impact of the programme on promoters, project partners and final beneficiaries for the two programme priorities, which are:

- Priority1. Qualification and re-qualification of the work force to make it more respondent to the evolving needs of the labour market, and
- Priority2. Enhancement of Active Employment Measures as a systemic tool to foster employment.

1.2 Evaluation model

Evaluating **the impact** of a programme ex post requires the use of a wide variety of variables, which may have different weights according to the characteristics of the programme evaluated and the territorial area in which the programme is implemented. Impact evaluations need and indeed should take account of the fact that the results of HRD programmes are greatly affected by:

- the economic and institutional conditions of the labour markets where they are implemented (for example the interactions with other interventions in the target area should be considered as they may affect results);
- the way they are implemented (for example the degree of decentralization in policy design and/or delivery, the number of actors involved in the implementation and the delivery choices etc.);
- the behaviour of participants (especially in relation to their participation decision and their interactions with training providers).

In the case of active measures programmes, the ultimate aim is to increase the employability of individuals who have faced difficulties in finding a job (this is especially the case with employment subsidies, the provision of temporary jobs in the public sector and vocational training), and to improve the functioning of the labour market by improving the matching process between labour supply and demand. The policy effects may be considered at the individual level (micro level evaluations) or at the aggregate level, by estimating the effects of the policy on aggregate employment, unemployment and wages (macro or aggregate evaluations).

At the *micro level* the main impact evaluation question is the effect of the policy on participants. That is: "How did their labour market outcomes change relative to what would have occurred in the absence of the programme?"

At the *aggregate (macro) level* the main evaluation questions are concerned with the effect of the policy on participants and non participants, and whether any changes in aggregate labour market variables have been due only to the programme.

A general comment on the proposed approach is that even the most advanced evaluation techniques operate with carefully selected control groups and aim at comparing the

effectiveness of different programmes to reach a common target. To summarize, what is a complex issue, evaluation research shows that the effects of programmes on employment and wages are usually small and positive, but not in all cases. These results have to do with several perverse effects such as:

- deadweight (the same result would have been achieved in the absence of a particular programme);
- substitution (subsidized persons may displace unsubsidized persons);
- displacement (subsidized activities may displace other activities in the economy); and
- creaming (only the most employable among the unemployed are able to access jobs through policy intervention).

However, these studies usually only measure the economic effects of active measures programmes, which clearly also have social implications. Even the measurement of the economic effects seem to be too narrow, as only the employment effect (has the person been integrated in the labour market) and the wage effect (have wages increased after participation) are typically measured. The net value of a programme cannot be assessed without also taking into account the positive multiplier effects of spending on programmes or its endogenous growth effects.

There are two elements of fundamental importance in gaining a full understanding of the programme during the evaluation:

- the outcomes – what was achieved and with what results; and
- the process – how the outputs were achieved, including how the programme was managed (including the partnership issues).

Most evaluations tend to focus on **outcomes** – what was achieved by a programme, and whether or not this represents success or failure. The main focus is on labour market outcomes for participants. One or a few quantitative outcome variables may be measured, such as rates of employment, unemployment and earnings; these are largely interrelated, although in certain respects their policy implications are different.

However, very often the essential “message” of evaluations is simply a yes or no answer to the question whether an impact is significant - *i.e.* whether the programme features under study make a difference.

Such analysis is partial in two respects. Firstly, it does not consider all possible goal variables. This limitation must be taken into account when policy conclusions are drawn, but it is necessary for purposes of comparative analysis.

The interest of evaluation depends to a great extent on the scope it creates for comparing many policy options, something which presumes a focus on variables which can be compared. Secondly, due to the focus on outcomes, impact studies treat programmes as “black boxes”, ignoring most questions on how they work. It is crucial that evaluation should also cover processes, *i.e.* it should draw out the learning points from the programme’s overall approach, such as:

- programme design and methodology;
- programme management;
- service delivery mechanisms;
- feasibility of the programme’s outcomes.

Process evaluation may also look at other less tangible features, *e.g.* the quality of the co-operation with partner organisations, and innovation (if any).

The ESF Regulation encourages the quantification of objectives. However, this is not always possible. To show how programmes and measures meet agreed objectives it is necessary for indicators to be defined within a monitoring and evaluation system.

When working with indicator terminology, it is necessary to ensure that it is fully compatible with the “log frame” approach frequently used for programme planning and involve a similar hierarchy of objectives. The following figures illustrate the intervention logic and the terminology used (see Figure 1a, 1b -The Logical Framework²).

Broadly speaking:

“impacts” = overall (long-term general) objectives

“results” = specific/immediate objectives/programme purpose

“outputs” = expected results

“inputs” = activities.

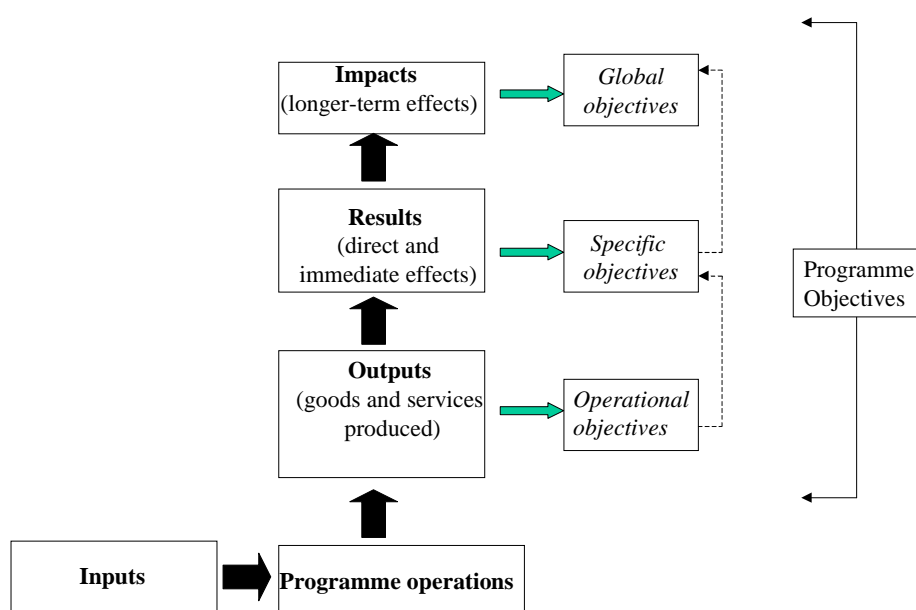


Figure 1a-The Logical Framework

Thus, in programme planning, a key benefit of the indicator approach is that it demands clarity at all levels, i.e. what can be defined in quantitative measurable terms.

² EC – the new programming Period 2007-13 “Indicators for monitoring and evaluation- A Practical Guide”.

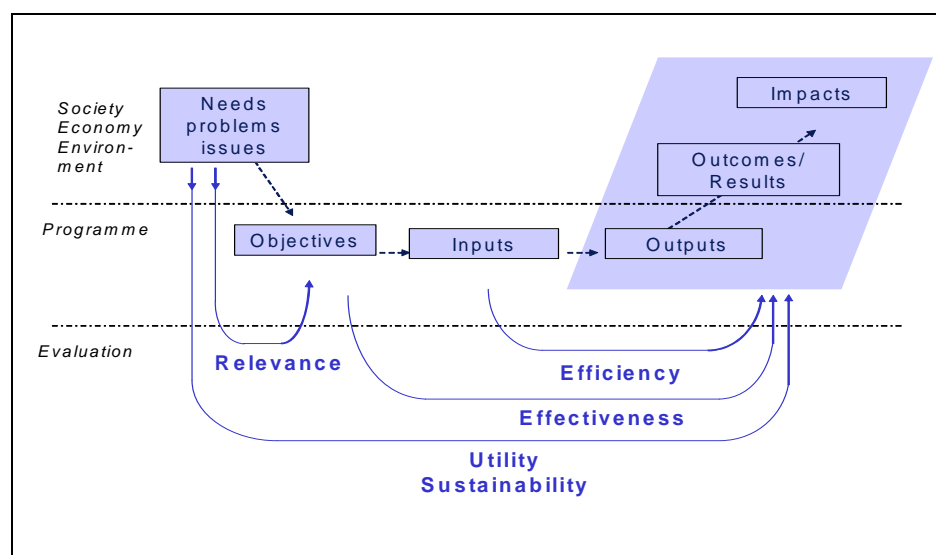


Figure 1 b: The programme and its environment

The design and implementation of Structural Funds and Cohesion Fund programmes need the commitment and work of a multitude of stakeholders. This process does not only deliver (intended and unintended) outputs, results and impacts of a programme, as illustrated above, but influences and changes the knowledge, working methods, social competences, etc., of the stakeholders themselves.

1.3 Methods of investigation

The evaluation of the HRD Component of the PHARE 2002 ESC Programme has taken place based on a complex methodology, with the use of diverse investigation methods in accordance with TOR. A mix of quantitative (desk research, surveys, analysis of databases) and qualitative (interviews) methods of investigation have been used. The survey has addressed the project promoters and the direct beneficiaries of the two priorities together with the control group members. We present below the methods applied:

- undertook desk research of available documentation related to the programme (programme documents, reports of Regional Development Agencies (RDA's), previous assessment and evaluation reports, etc);
- undertook secondary analysis of the database of projects held by the MEI(IRIS);
- undertook analysis of the NTBA database of authorised training providers/training centres;
- development and administration of questionnaires for project promoters and a survey taken of all project promoters for each of the two priorities (Active Employment Measures, Qualification and Re-Qualification of the Work Force);
- development of samples and interview guidelines for the visits and telephone interviews; 30 telephone interviews and 38 visit interviews were conducted based on samples established; qualitative analysis based on project visits and telephone interviews;
- development of questionnaires and a survey conducted among the 2 samples of final beneficiaries, one for each of the two programme priorities;
- development of a sample and selection (in collaboration with NAE) of a control group for Priority 2 "Active Employment Measures", tailored to the characteristics of the beneficiaries that responded to the final beneficiaries surveys. Conducted the survey among the control group sample for Priority 2 "Active Employment Measures";

- conducted statistical analysis of the surveys results, data processing and analysis; reporting including.

A. Desk research and secondary analysis of the MEI's database

After analysing the projects database held by the MEI (IRIS) we found that the database was not fully completed and while some regions had input the necessary information most had failed to do so. For this reason we used the information from IRIS, RDA s reports and other documents and created for work purposes a new database.

However, one of the difficulties met in creating such a database and analyzing its data was represented by the fact that the presentation of the data in the 7 reports of the Regional Development Agencies was not uniform.

Some fields in the RDAs reports were incomplete, some used different formats (in word or excel with different functions) and some data was missing (e.g one region had zero Euro registered at disbursement fields which obviously is incorrect). As such, the statistical analyses are methodological reserved due to the lack of quantitative support of some indicators for a series of promoters, for which, de facto, the data is not missing, but not properly and uniformly recorded.

B. Project promoters survey

Questionnaires: The survey of the **project promoters** was exhaustive, as each of the promoters received a questionnaire. Out of 297 promoters that finalised the projects (out of 311 promoters), 131 answered the questionnaire, representing 44.10 %. A total number of 18 envelopes (6.0%) were returned because of the change of promoters' addresses.

Reminder to project promoters: in the first 3 weeks following the issue of the questionnaires to promoters the answer rate was very low (10%). Reminders were sent by email and telephone. As a result the response rate increased from 10% to 44.10%. Comments and recommendation regarding the difficulties in gathering the data are presented in the next section of the report (1.4. Experiences with gathering data).

Interviews with project promoters

38 individual promoters were visited and interviews undertaken. Promoters were selected on the basis of the following criteria:

- development region,
- type of organization,
- priority addressed.

Promoters were selected from the counties of Neamt, Suceava, Buzau, Braila, Vrancea, Galati, Arges, Dambovit, Dolj (activities also covered Mehedinti and Olt counties), Timis, Hunedoara, Caras Severin, Cluj, Bihor, Alba and Brasov representing all the 7 development regions eligible for the programme.

30 telephone interviews were undertaken with project promoters, selected on the basis of the following criteria: development region, type of organization, priority addressed from the following counties: Botosani, Iasi, Suceava, Vaslui, Neamt, Tulcea, Vrancea, Buzau, Arges, Dambovit, Dolj (activities covered also Mehedinti and Olt counties), Gorj, Valcea, Caras Severin (activities included also Hunedoara county), Timis, Cluj, Maramures, Bistrita Nasaud, Brasov representing all the 7 development regions eligible for the programme.

Qualitative analysis was carried on the 68 interviews undertaken.

C. Beneficiaries survey for both priorities

The sample of beneficiaries sent the questionnaires from each of the two priorities was based on the lists of participants in the training programmes completed by the project promoters and identified as part of promoters' questionnaires.

The selection criteria for samples are presented below. The resulting samples were of a relatively equal size - 1005 for Priority 2 targeting unemployed and of 1004 for Priority 1 targeting employed people. The 2009 individuals were sent the questionnaire by mail and email (upon request) and a total number of 608 participants responded (anonymously). The number of respondents represents 30.26% of the total selected sample.

A further 109 questionnaires, representing 5.42% were returned as a result of incorrect contact details and 30 questionnaires (1.5%) were received after the deadline for commencing the analysis.

Development of the sample for priority 1-employed people

The stratification was based on criteria related to region, county and locality. For each level of the sample the numbers of persons were established proportionally with the total number of employees involved in projects for that level. The selection of final subjects was done by sampling rate from the lists with trainees provided by promoters.

Projected size of the sample: 1004 individuals.

Number of answers received: 344 individuals answered the questionnaire (34.26%).

Development of the sample for priority 2-targeting unemployed

The sample was established using the lists of the participants in the training programmes completed by the project promoters and submitted as part of promoters questionnaires. Information regarding the total number of unemployed per region, per county and locality where the project was implemented, were registered into our database in SPSS and used for sampling purposes. Due to the inconsistency and non uniformity of the information transmitted by the promoters in their lists of trainees, some variables such as „gender” or „last school graduated” could not been taken into consideration in our sampling. A consistency variable used was the one referring to the target group (women, disadvantaged groups, Roma, youth, etc).

Projected size of the sample: 1005 individuals.

Number of answers received: 264 individuals answered the questionnaire (26.2%).

D. Control group survey

A control group of 900 individuals was selected from of a list of 3000 unemployed persons registered with National Agency for Employment (NAE) in the first semester of 2005. The selection was undertaken in liaison with NAE and the control group was tailored to the characteristics of the beneficiaries from Priority 2-“Active Employment Measures” that responded at the questionnaires sent within the beneficiaries survey. The survey of the control group was concentrated on issues related to impact. A total number of 96 respondents answered the questionnaire, representing 10.66% of the total selected sample. A total number of 20 envelopes (2.2%) were returned as addresses had changed.

The sample for the control group was stratified proportionally. The variables used for the selection of the subjects were: region, county, total number of persons, last school graduated, gender, age range. Within the groups the subjects were selected by random-route, from the database offered by NAE. The questionnaires were prepared and put into envelopes by our team and the names and contact details as well as the mailing was carried out by NAE, due to confidentiality reasons.

Projected size of the sample: 900 individuals.

Number of answers received: 96 subjects answered (10.6%).

Analysis of data

The database and its processing were carried out in SPSS. As for the SPSS programme a short analysis (syntax) programme was designed for the main indicators analysed.

We have determined **quantitative variables** - concerning the material and financial resources of the project (the budget and its main expenditure items), the number of beneficiaries of the training programmes and number of the training courses organised (for more details see Annex 3).

1.4 Experiences with gathering data

Overlapping of similar activities between programmes and institutions:

The ETF ex post evaluation for Phare 2002 HRD overlapped with the RDA ex post monitoring/evaluation and with the MEI's control actions for the same programme which led to confusion among promoters and an extra workload for the promoters who had to answer in a very short period of time a variety of questionnaires, interviews, be subject to control and monitoring visits without a clear understanding as to what was happening. This, not surprisingly caused confusion and some promoters sent the answers to our questionnaire to RDAs, some refused to answer our questionnaire indicating that they had already recently answered to the questionnaire from the RDA's and some just refused to co-operate with the interviews.

Difficulties in communication with promoters and beneficiaries

We encountered difficulties in finding email addresses of promoters (not included in the database received from MEI) and updated telephone numbers. Some addresses from MEI database were incomplete or wrong at the date of our survey.

Due to the very low answering rate in the first 3 weeks since the promoters questionnaires were mailed a new approach was used and reminders were sent to promoters by email and phone calls in order to expedite matters and to clarify any concerns/ uncertainties of promoters; This approach led to a significant increase in direct costs for the communication with promoters and beneficiaries and involved an additional workload for the team, not initially foreseen. Some of the RDAs were very helpful and supported us to find more email addresses. Another source of information was the web pages of promoters which contained their updated details.

Promoters were not fully aware of their responsibility not only in using the funds but also to participate in evaluations. Some refused to answer to interviews claiming the lack of personnel and the busy work schedule. Some were reluctant to agree for the interviews / conversations being recorded. Bigger organisations where bureaucracy appeared to be more prevalent, such as some Universities and Chambers of Commerce, were difficult to contact because of the fact that the original project managers were no longer working for that organisation, or were having a limited/part time role in the organisation. Other difficulties were encountered because some of the promoters found difficulty in completing the lists with details of hundreds of participants and some sent incomplete lists. In other cases some sent information different to that requested in the questionnaire (for e.g some promoters recorded individuals identity cards (CNP) numbers instead of the participants' full addresses and email addresses).

These difficulties were mainly encountered for the Priority 1 projects targeting employed, where the training activities were offered many times by the employer to its own employees. In these cases when the employers refused or were not able to provide us with the beneficiaries contact details we had to mail the questionnaires (anonymously) to the employer who then distributed them to the beneficiaries and when completed returned the questionnaires to us.

Cross check with NAE of the present status of the beneficiaries targeted by our survey for Priority 2(unemployed).

Due to the fact that answers to the questionnaires received from beneficiaries were anonymous and due to the legislation regarding protection of personal data we could not check with NAE the present status of the project beneficiaries from Priority 2(unemployed), both for those who responded and for those who did not respond to our survey.

Difficulties in selecting and applying the questionnaires for the control group

Difficulties in applying the questionnaire to the control group members were encountered due to "confidentiality reasons".

This caused a great delay of several weeks in the mailing process until a solution was found, namely that NAE mailed the envelopes prepared by us and received the answers. For the reasons mentioned above, unfortunately, reminders could not be sent to increase the response rate.

Conclusions and recommendations for the information and data collection: We estimate that both the response rate and the duration of the process can be improved if:

- the grantees are better informed and made aware of the entire process from application for a grant through to the monitoring and evaluation of the projects and programme so they can understand and accept the role of each of the activities including the ex-post evaluation;
- a uniform system for data collection is introduced, namely that information collected during project implementation, project monitoring and project evaluation is similar and coherent (whenever possible), completed in time and registered in friendly user databases;

- project beneficiaries are asked to agree from the beginning of their involvement in the project for their data to be used for research purposes for a period of 5 years;
- project beneficiaries are provided from the beginning of the project implementation with templates/tools to record the necessary data for the ex-post monitoring and evaluations (e.g templates for the lists of participants; templates for recording number of hours of training per topic, etc);
- collection of data through field operators is preferred whenever possible to the one using the mailing system which will increase the response rate and the accuracy of the information provided.

2. CONTEXT

In this section, we examine the background to the study including the 2002 programme aims and overall policy context.

2.1 Analysis of the employment and training background in România

2.1.1 Employment

The active population of Romanian decreased during 1999-2003 by 2.6% (Table1).

Table 1: Main employment indicators * (1999-2003)

Indicator	Romania					EU-25
	1999	2000	2001	2002	2003	2003
Total active population Thousand persons.	11.566	11.585	11.447	10.079	9.915	
Activity rate—years15-64 (%)	68,7	68,6	67,5	63,6	62,4	69,3
Employment rate (%)	63,5	63,2	62,6	58,0	57,8	62,9
ILO unemployment rate (%)	6,8	7,1	6,6	8,4	7,0	9,0

* sources: Labour Force Survey (AMIGO) – NIS Romania; Eurostat, EU Labour Force Survey and National accounts (EU)

The employed population is continuing to register a slow but constant decline in the case of the 15 + age bracket, the employment rate in 2003 decreasing by 5.7 percentage points in the context of active population reduction.

Generated mainly by the restructuring of the industrial sector, the decrease in the employed population was a phenomenon recorded country wide, though amplitude and depth varied from one region to another and from one county to another.

In Table 1 the employment rate of the population aged 15 and over (end of 2003) is 57.8%. Against the Lisbon goals for employment, Romania has, by 2010, to increase its employment rate by 12.2% which will not be an easy task when considering the position shown in Figure 2- Annual Change in real GDP and employment in Romania shows 1996-2007 where 2004-2007 are forecasts.

Figure 2 “Annual Changes in real GDP and Employment in Romania (1996-2007 - note 2004-2007 are forecasts)”, shows the status of employment trends related to economic development from which it will be seen that growth in employment fails to respond to the growth in the economy.

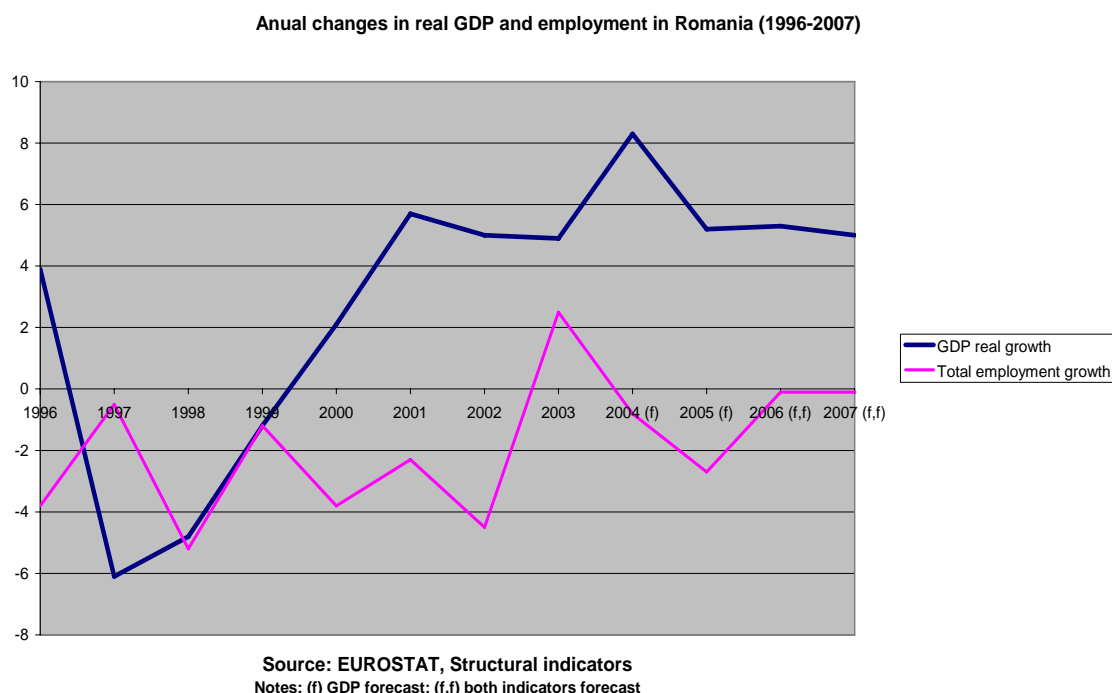


Figure 2

As growth in employment is not appearing to keep pace with economic growth – is there a need to consider whether some specific actions are required in relation to employment policies. This situation may be the result of several constraints. But, keeping in mind the intense restructuring process that followed the country's democratisation, it may be, at least in part, a result that economic growth is fully absorbed by transitions from underemployment to employment, which global statistics don't identify.

It is clear that Lisbon targets will not be reached if reliance is placed purely on economic growth.

The general tendency of decreases in the employment rate for the population of Romania as a whole was maintained for the three age groups taken into consideration in Table 2. But, if for the age group of 25-54 the decline took the same form as for the 15-64 (a decrease of about 5%) there are two age groups where employment rate fell dramatically: the age group of 55-64 with a decrease of more than double (11.5%) and youth group with a reduction in employment rate of approximately 8%.

These two groups will continue to be target groups for employment promotion policies.

Table 2. Employment rate by age groups* (1999-2003) (%)

Age group		15-64	15-24	25-54	55-64
Year					
1999		63.5	35.7	78.1	49.6
2000		63.2	35.1	77.5	49.5
2001		62.9	34.3	76.7	48.2
2002		58.0	30.5	72.8	37.7
2003	RO	57.8	27.9	73.1	38.1
	25 EU	62.9	36.9	76.4	40.2

* sources: Labour Force Survey (AMIGO), done by National Institute for Statistic (Romania); Eurostat, EU Labour Force Survey and National accounts (EU)

The decline in the employment rate for females follows in general the trend of the employment rate for the population in the reporting period. As will be seen from Table 3 there is a

difference in employment levels for the two genders with male employment being the higher. However the figures reflect a smaller gender gap in employment rate in Romania than in EU25.

Table 3 Employment rate by gender* (1999-2003) (%)

Year		Age group 15-64		
		Total	Male	Female
1999		63,5	69,5	57,5
2000		63,2	69,1	57,5
2001		62,6	68,2	57,1
2002		58,0	64,1	52,0
2003	Romania	57,8	64,1	51,5
	EU -25	62,9	70,8	55,0

*sources: Labour Force Survey (AMIGO), done by National Institute for Statistic (Romania); Eurostat, EU Labour Force Survey and National accounts (EU)

Out of the total number of the employed population in 2003, the highest percentage (59.5%) is held by people with an ISCED 3 -4 level of education (high school, vocational school and further education).

These in turn are followed by people with levels ISCED 0 to 2 (30.1%) and ISCED 5 to 6 (10.4%) - levels ISCED 5 to 6 remain constant with 2002 figures. (Table 4).

Table 4: Structure of employed population according to level of education and training (%)

Level education/ training	1999	2000	2001	2002	2003
Low level (ISCED 0-2)	36.1	35.8	34.7	30.3	30.1
Medium (ISCED 3- 4)	55.4	55.1	56.0	59.3	59.5
Higher ed. (ISCED 5-6)	8.5	9.1	9.3	10.4	10.4

Source: NIS

The transition of youths from school to active life and labour market integration remains one of the most critical problems within the labour market and has strong economic and social impacts.

In general, job integration proves more difficult for young people with a low level of education (ISCED 0 to 2) and for those with an ISCED 3 level of education (general education).

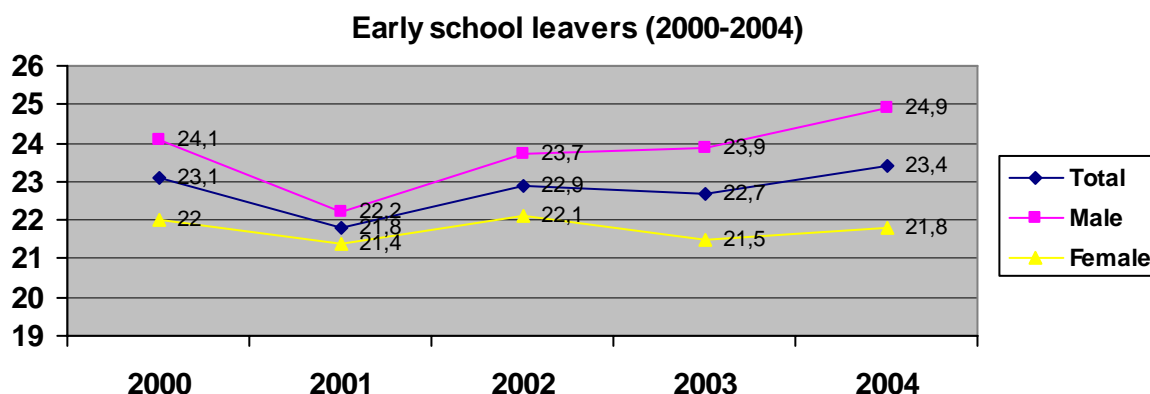


Figure 3

The rate of early school leavers increases again in 2004 (Figure 3). This evolution may explain the insufficient responsiveness to the labour market needs/opportunities and correlation with the education system.

The situation calls for urgent changes in the educational sector because if these are delayed the future labour market of Romania will suffer from the lack of high skilled labour. Such a labour force will be an important “driver” in setting Romania, and its regional and local economy on the right track after accession to the European Union.

The ILO unemployment rate registers between 6.6-8.4% as shown in the Table 5.

Table 5 Unemployment rate according to ILO methodology (%)

	1999	2000	2001	2002	2003	2004
ILO unemployment rate	6,8	7,1	6,6	8,4	7,0	7.1
ILO unemployment rate–LTU	3,0	3,6	3,2	4,5	4,3	4.2
ILO unemployment rate –youth	18,8	18,6	17,5	21,7	18,5	21.4
EU 25 unemployment rate*	9.1	8.6	8.4	8.7	9.0	9.0
EU –25 LTU *	4.1	3.9	3.8	3.9	4.0	4.1
EU – 25 youth* unemployment	18.4	17.4	17.6	18.1	18.6	18.7

Source: Romania NIS, Labour Force Survey (AMIGO); there are differences with those Eurostat for Romania EU 25 MS -Eurostat

The tendencies in employment seem to confirm the existence on the Romanian labour market of several characteristics: a “buffer zone” consisting of agricultural under-employment and low productivity employment, employment in the informal economy, and the labour migration abroad.

The ILO long-term unemployment is still very high despite the decrease of the general unemployment level; it increased from 3.0% in 1999, to 4.3% in 2003. Another group which needs some attention in policy making is the group of LTU which according to available data increased 50% over a 4 year period (1999-2002). The latest developments show a slow reduction but special measures should be made for this group in promoting their employment.

Youth unemployment rate according to ILO (15-24 years) remains rather steady during 1999-2003 (around 3.4 times higher than the rate registered for the category 25 years old and over in 2003), from 18.8% in 1999 to 21.4% in 2004, comparable with the value of 18.7%, registered in EU 25 in 2003. This can be explained in a positive manner which is related to the participation of youngsters in education for the next levels but can also be considered as difficult access of the young population to employment after graduation.

Amongst the reasons for youth unemployment could be: the lack of correlation between the labour market supply and demand in terms of adequate qualifications, relevant skills, and insufficient preparation to enter on the labour market, failure to adapt to the requirements as an employee and reluctance of employers to hire young people due to the lack of experience.

2.1.2 Vocational training

There is little statistical information about the participation in CVT for Romania. Continuous vocational training in enterprises is under-developed. According to the CVTS2³, in 1999, only 11% of the enterprises provided continuing training. Participants in CVT courses represented about 8% of all employees and 20% of the total staff of those enterprises providing training. The participation rate was similar for men and for women. In small enterprises (with 10–49 employees), the participation rates were the highest (30% of total staff of the training-providing enterprises in comparison with 19% for enterprises with 50-249 employees and 20% for large enterprises). With respect to activity sectors, excepting the financial brokerage, the highest participation rates were registered in community service, social, HRD activities and transport.

The analysis of the access conditions to continuous training shows no discrimination as regards adult access to continuous vocational training in Romania. However, people's low income is likely to restrict their access to vocational training.

³Eurostat, Continuing Vocational Training Survey in Romania

The situation on CVT determines provision in JAP⁴, assessment “At the moment, participation in training is extremely low for those unemployed and for those employed. Fundamental problems such as employers' attitude towards training, the lack of funding and incentives for employers and workers need to be addressed as an urgent priority in a context of major on-going and future restructuring. To be meaningful, such an effort should closely involve the social partners in designing the continuing training offer, financing, monitoring and evaluating training programmes.”

The level of participation in CVT in Romania is the lowest in Europe⁵. The most recent nationwide survey, which was carried out as a special lifelong learning module as part of the Labour Force Survey in 2003, showed that only one in nine employees and one in 40 unemployed people participated in lifelong learning.

Participation in training continues to remain very low. In 2004, according to the National Institute of Statistics survey (LFS), the participation rates were about 1% for employed persons, 0.5% for unemployed and 1.7% for non-economically active persons. Excepting the last category, in the other groups the women participation rate was higher than that of the men (Table 6).

Table 6. Participation Rate in Education and Training (25-64 age group) by Gender (2001-04) (%)

	2001			2002			2003			2004		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Persons having training or education 4 weeks prior to the survey	1.1	1.0	1.0	1.0	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2
Employed persons having training or education 4 weeks prior to the survey	0.6	0.7	0.6	0.6	0.7	0.7	0.7	1.0	0.8	0.9	1.2	1.0
Unemployed having training or education 4 weeks prior to the survey	0.5	0.4	0.5	0.4	0.6	0.5	0.7	0.9	0.8	0.4	0.8	0.5
Non-economically active persons having training or education 4 weeks prior to the survey	4.0	1.6	2.4	2.8	1.4	1.8	2.7	1.6	2.0	2.5	1.3	1.7

Source: NIS- LFS

In spite of the recognized importance of lifelong education and training, reform in the CVT field continues to face many difficulties ⁶such as: lack of consistency in the existing legal framework, with provisions either overlapping or contradicting one another; lack of financial incentives to motivate employers to invest in in-house training; lack of expertise at community level and insufficient involvement in the development of community lifelong training structures; etc.

As in other countries, the responsibility for CVT is shared between enterprises, individuals, providers and the government. The financing and organisation of CVT is mainly the responsibility of enterprises and individuals. The government is responsible for providing a policy framework that should stimulate participation and quality in CVT provision, while ensuring that CVT is accessible and the outcomes of CVT are recognized. New government initiatives were taken in 2003 and 2004 in order to increase participation in CVT, while the Labour Code (2003) made just half way in promoting CVT (According to the Labour Code each company should make a training programme and each individual employee should have a CVT course at each two years but no instruments / available resources or punishment if not doing this) the Law⁷ No.107/2004 brought some incentives to employers who invest in their human resources. No data concerning positive results is currently available.

The Skills Audit Survey⁸ undertaken in 2003, took the form of in-depth interviews with 100 companies. It revealed that almost half of the companies surveyed prefer to fill skill gaps

4Joint Assessment of Employment Priorities in Romania – October 2002

5The CVT Peer Review - Romania - 2004

6National Action Plan for Employment 2003-2004

7 Law No.107/2004 amended Law No.76/2002 on employment promotion and insurance of the unemployment

8 Skills audit survey Romania, Romanian National Observatory, 2003.

using their own staff. Although Romanian enterprises are experiencing new skill needs and pressure for productivity gains, they tend to resort to passive strategies (such as laying off surplus labour and filling skill gaps using existing internal resources) rather than promoting active development of existing staff and recruitment of new staff.

2.1.3 Low level of public expense in Active Labour Market Policies (ALMPs)

In the absence of a favourable macro environment for increased investment, growth and employment, active measures can provide temporary support to those displaced by structural and business cycle change. LMPs, particularly active policies, should be viewed as the work-based elements of social protection which respond to a defined need. When Active Labour Market Policies are being designed four broad objectives need to be considered: employment growth; security in change; equity and poverty reduction. ALMPs should integrate both economic and social goals.

Passive and active labour market policies have acquired the status of budget items in state budgets and have, in some countries reached considerable expenditure levels related to national GDP. In the case of Romania according to Second Progress Report on JAP⁹ yearly percentages in expenses are shown in Table 7.

Table 7 Expenditures on passive and active measures (%)

	2000	2001	2002	2003	2004
Total passive measures as % in GDP	0.96	0.64	0.59	0.55	0.53
Total active measures as % in GDP	0.03	0.10	0.10	0.16	0.12
Ratio passive/active measures	36.70	6.70	5.70	3.50	4.40

Source: NIS

This Table responds to some extent to one of the issues raised in JAP related to Passive Labour Market Measures which at that time continued to represent the bulk of labour market expenditure financed via the Unemployment Fund. The policy makers tried to reduce the ratio in favour of ALMPs and the table confirms the partial success of those efforts.

If these expenditures are related to those of EU Member States (Figure 4) it appears that Romania has the lowest investment in active labour market policies and is comparable with the UK in budgeting labour market policies but, the absolute figures in GDP between the two (Romania and UK) should be taken into consideration.

⁹ Second JAP progress report Romania (2005)

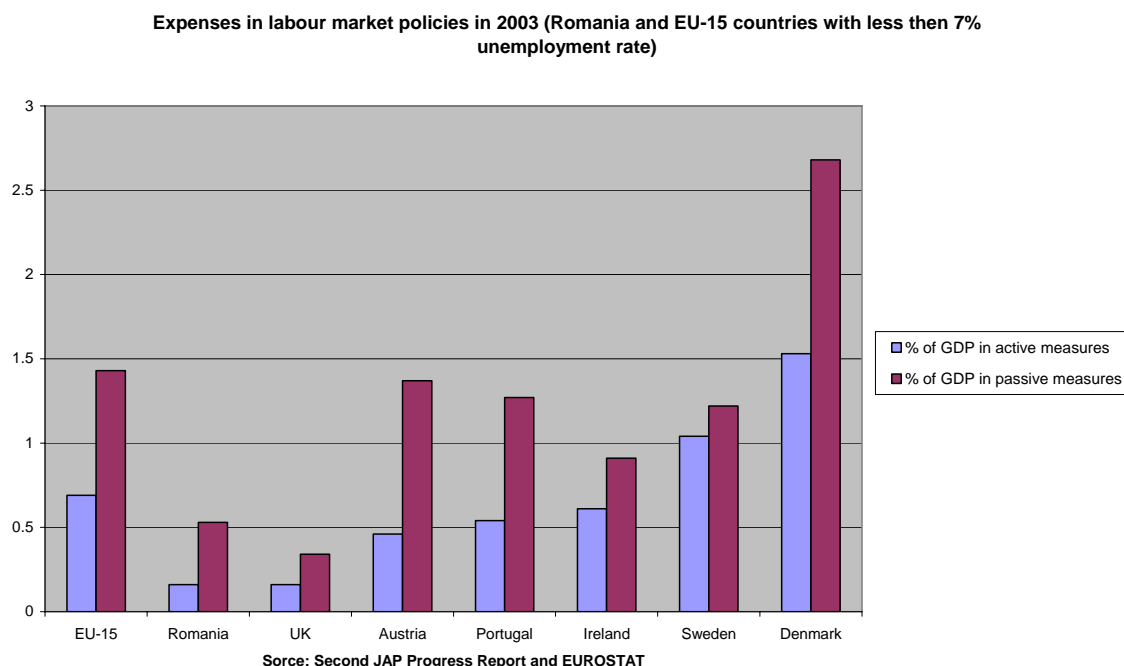


Figure 4 LMPs expenditures for Romania and some EU member states .

2.2 Phare 2002 programme Investments in Economic and Social Cohesion (ESC) - 2002 Human Resources Development component

The Overall Objective of the Phare 2002 investments was to support the Romanian Government to implement an integrated pluri-annual regional development policy through investment projects in priority sectors, in order to enhance the indigenous economic and social potential of the identified target areas facing severe industrial restructuring and demonstrating potential for economic growth, in line with the provisions of the National Development Plan (NDP) and in close correlation with the institution building support provided for designing national economic and social cohesion policies in line with the EU policies and practices.

The achievement of the wider objective was designed to be attained through an integrated set of measures, with the following specific immediate objectives:

- Technical and Vocational Education and Training (TVET)
- **Human Resources Development**
- Regional/large-scale infrastructure
- Awareness Campaign, Selection, Monitoring and Site Supervision

With a budget of 16 M Euro, out of which 12 M Euro Phare support and 4 M Euro national co-financing, the **Human Resources Development component** aimed at the specific objectives:

- To develop labour force skills to become more adaptable to structural changes according to identified labour market skill shortages, with special focus on business management abilities and entrepreneurship development in order to encourage future economic growth.
- To facilitate access to employment for job seekers by enhancement of active employment measures and to develop new skills according to evolving needs of the labour market, promoting equal employment opportunities for vulnerable groups, such as long-term unemployed, unemployed aged over 45, young persons leaving the institutions, roma, single women or women returning to the labour market.

The main characteristic of the assistance under PHARE 2002 was related to the eligibility areas where projects could be promoted. Romania identified 11 "priority zones/target areas" (at sub-regional level) hereinafter called "priority areas"- where the investment component of Economic and Social Cohesion Phare 2002 Programme was devoted.

This was a result of the disparities identified within the Development Regions, between the Judets (counties), towns and communes, larger than those between the NUTS II regions. There were Judets/counties with more difficult problems as a result of the industrial restructuring process and as characteristics of being predominantly agricultural. The financial assistance of Phare 2002 was focused within the areas most seriously affected by industrial restructuring, identified at a sub-regional level, taking into account the particular situation of the areas concerned.

The programme had two priorities:

Priority 1: Qualification and re-qualification of the work force to make it more respondent to the evolving needs of the labour market.

The actions eligible for support under this priority should focus on:

- Improving the quality of continuing vocational training and develop training packages in accordance with identified labour market needs and identified skill shortages.
- Training of SMEs staff to maximise the use of new production technologies and practices and develop new products.
- Training programmes, which enable staff, particularly in SMEs, to develop the capacity to utilise new Information and Communication Technologies.
- Training in management skills including environmental, innovation, quality control and human resources management, especially in SME's.
- Training for entrepreneurs, with priority in high value added industries, to support business development. Particular attention shall be given to the promotion of women.
- Enhancing Human Resources Development in the context of industrial restructuring; good practice in SMEs through for example developing workforce development strategies or training plans; in-company key workers (manager/company training adviser/personnel staff/trade union officer) to develop a life-long learning culture for all employees within enterprises and HRD good practice networks (provision of high quality counselling and guidance).

Priority 2: Enhancement of Active Employment Measures as systemic tool to foster employment

The actions eligible for support under this priority should focus on:

- Development and delivery of training programmes for the unemployed, which address skill shortage opportunities.
- Training needs analysis and identification of current and future skill needs required by the labour market to be used as tools by the local employment offices, in their current activities.
- Supporting employment of the long-term unemployed and other vulnerable groups such as young people, single women or women returning to the labour market, unemployed aged over 45 years, by specific training and placement schemes.
- Vocational guidance and training in business-related services for identified potential entrepreneurs.

- Advice and guidance for business start-up in order to promote entrepreneurship and job creation.
- Range of support measures for unemployed people, especially young unemployed, to return or enter the labour market (including professional counselling and vocational guidance, job search, job clubs, individual training/development action planning, work trials, work placements, pre-vocational and vocational training and retraining, mentor support, links to employment opportunities and mediation services).

Coherence between enterprises needs and training programmes will be ensured, in order to foster the increasing competitiveness among the SMEs. Projects should be supported with labour market studies or clear evidence of the needs for the proposed training programme. In order to increase the impact of such projects they should ensure a minimum rate of job placement for the unemployed.

Beneficiaries/applicants: non-profit making or profit-making organisations submitting an application as an individual applicant or associate in a consortium with other partners; the applicants may be: Vocational Training Agencies, Education and/or training providers and Associations of Training Providers, Chambers of Commerce, Trade Unions, Local Public Administrations and decentralised services of the central administration, Universities, Employers' Organisations, Private companies, Research Bodies, Employment brokers, other relevant profit and non profit organisations. In any project the service provider should be clearly identified no matter who the project beneficiary is. The service provider shall comply with legal regulations in force concerning the provision of the services.

Target groups: All management levels in enterprises (top, middle, line managers), as well as regular staff within state or private owned enterprises; persons returning to the labour market after a period of absence, unemployed or other job seekers with special focus on young graduates, young persons leaving the institutions, long-term unemployed, unemployed aged over 45 and women.

Envisaged results

- Studies to identify labour market needs existing.
- Labour force will have increased knowledge and acquire better and new skills according to labour market needs, due to increased responsiveness of training providers.
- Improved management skills in SMEs will ensure the survival and development of enterprises, increasing also their competitiveness on the market.
- New jobs as a result of enterprises being established following entrepreneurial skills development.
- Improvement of human resources management through development of human resources strategies including training needs analysis in enterprises.
- Improved skills and advice to facilitate access to employment for job seekers and unemployed people shall rank also among the programme results.
- Social inclusion of the most disadvantaged groups on the labour market, through promoting active employment measures.

Appraisal and selection of projects

A Regional Selection Committee approved by the Regional Development Board, chaired by RDA, was carrying out the technical and financial appraisal of grant applications. The Regional Selection Committee comprised one or more experts agreed by EC Delegation, as independent voting members and members from line ministry and MDP were designated as compulsory participants in the Regional Selection Committee as observers. MEI and EC Delegation were also invited to participate in the Regional Selection Committee as observers. The evaluation reports were submitted to the Ministry of Development and Prognosis and

endorsed by the EC Delegation. The list of the selected projects was approved by the Regional Development Board and endorsed by the Delegation of the European Commission.

2.3 Convergence of the PHARE 2002 Programme Objectives with the European and national policies

The European Employment Strategy¹⁰ (EES) was intended to send a strong signal that the EU considered employment to be a top priority. The Lisbon European Council (March 2000) gave further impetus to the EES by linking it to the broader economic and social agenda for the EU.

In March 2000, European leaders committed the EU to become by 2010 'the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment'. The Lisbon Strategy, as it has come to be known, was a comprehensive but interdependent series of reforms.

The basic role of the EES – *the promotion of more and better jobs* – was set out in the Employment Guidelines approved by the Council in 2003 for the period 2003-2005. These employment guidelines set three overarching objectives: i) full employment; ii) quality and productivity at work; and iii) strengthening social cohesion and inclusion. They comprise ten specific guidelines plus guidance on improving the governance of employment policies. More specific the horizontal objectives of the EU employment strategy were designed in:

- increasing the rate of employment;
- development of national strategies for lifelong learning;
- development of social partnership and integration of regional dimensions in the processes of drawing up, implementing and monitoring employment action plans; and
- development of a system of market indicators comparable to what exists on the European level.

An Employment Taskforce report as independent review was commissioned¹¹ to contribute in identification of measures which together form a consistent strategy for the European economies to achieve the Lisbon objectives and targets. The Report¹² identified the need for more focus on employment strategies in the EU and stated the need for reducing unemployment and boosting employment through means of increasing adaptability of workers and enterprises, attracting more people to the labour market, investing more and more effectively in human capital, and ensuring effective implementation of reforms through better governance.

Emphasizing the needs to invest more in human capital, the Report stated: "Too many people do not enter the labour market because of a lack of skills, or due to skills mismatches. Knowledge-based and service-based economies require different skills from traditional industries; skills which also constantly need updating in the face of technological change. Workers, if they are to remain and progress in work, need to accumulate and renew skills regularly. The productivity of enterprises, and the overall competitiveness of our economy, is directly dependent on building and maintaining a well-educated, skilled and adaptable workforce that is able to embrace change".

The conclusions of the Employment Taskforce report indicated that action must focus on four priorities: increasing adaptability of workers and enterprises; attracting more people to enter and remain in the labour market; investing more and more effectively in human capital and lifelong learning; and ensuring effective implementation of reforms through better governance. The Council and the Commission stressed that these are the priorities for the European Union in the area of employment policy within the context of the European Employment Strategy as

¹⁰ launched in November 1997 at a special European Council in Luxembourg

¹¹ The European Council - Brussels March 2004

¹² "Facing the Challenge", Report from the High Level Group chaired by Wim Kok, November 2004

part of a focused Lisbon process. The pace of reforms in these areas needs to accelerate if the European Union is to keep sight of its employment objectives.

In a Communication to the Spring European Council¹³, the European Commission called for the renewal of the Lisbon Strategy, to refocus it on growth and jobs. In a subsequent Communication¹⁴, the European Commission set out the first integrated guidelines for growth and jobs¹⁵, for the period 2005-08, which were presented in one comprehensive document with two parts, taking account of the interrelations and synergies between micro/macroeconomic and employment policies.

The adoption of this revitalised strategy was also considered to be a necessary condition¹⁶, – although not wholly sufficient – for securing the environmental sustainability of growth and for modernizing and advancing Europe's social model.

To achieve the aims, the National and European Union policies, including their budgets, must better reflect the Lisbon priorities. In order to ensure that Member States take up their responsibilities, a new focus is required along three lines: more coherence and consistency between policies and participants, improving the process for delivery by involving national parliaments and social partners, and clearer communication on objectives and achievements

At National level, due to the process of accession, Romania faced increased challenges and required important efforts to develop co-ordinated approaches and to ensure that the various instruments and policies were mutually supportive and in line with the new and updated European Union developments.

An important step in development of employment policies was taken by "The Joint Assessment Paper on Evaluation of Employment Policies (JAP)" and its progress reports which detailed the important aspects to be considered by the Romanian Government in terms of priority in employment policies. Furthermore the two National Action Plans for Employment 2002-03 and 2004-05, the National Strategy for Employment 2005-2010, the strategy of the short and medium term continuous vocational training 2005-2010 and The Joint Inclusion Memorandum on Social Inclusion (JIM) were more specific human resources related documents which assessed the state of development and emphasized the need to focus on HRD intervention topics.

As the main programming document - NDP for 2002-2005 represented a substantial and ambitious step forward from predecessor programming documents particularly with regard to:

- its efforts to develop a Programme for National Development on a broad front;
- its taking account of the national development context as well as the regional context;
- the co-ordination of Ministries having sectoral responsibilities that are both vertical and horizontal;
- its efforts to co-ordinate national and EU funding.

It appears that the policy documents both at European and National level have guided the process of designing the objectives and priorities of interventions (in terms of eligible subjects and eligible areas) for the HRD Component of the Phare 2002 programme.

In the next paragraphs we attempt to analyze the extent to which the European and National policies cover/relate to the Phare 2002 HRD programme.

This programme had 2 priorities:

13 Communication to the Spring European Council Working together for growth and jobs – a new start for the Lisbon Strategy,

14 Communication of the European Commission Integrated Guidelines for Growth and Jobs,

15" Including both the Broad Economic Policy Guidelines and the Employment Guidelines

16" Achieving higher growth potential and more jobs will provide an essential contribution to sustainable development and cohesion

Priority 1: Qualification and re-qualification of the work force to make it more respondent to the evolving needs of the labour market

At European level :

Employment policies have been in focus in European politics since the amendment of the European Social Charter, ratified in the treaties of Maastricht and Amsterdam and of specific concern of the Lisbon Agreement. In the revised Lisbon Strategy the EU aims to establish a European area for long life learning.

At National level:

Regional development policy for Romania as it was included in the National Development Plan 2002-05, established that one among seven axes of intervention targeting development should be: Enhancement of human resources potential and capacity to adapt to the needs and requirements from the labour market. In this respect the Romanian social policy should focus on reducing the social inequities and imbalances and in promoting the economic and social cohesion; the social policy should be accompanied by the economic growth and employment promotion policies as the most adequate mechanisms in poverty reduction and in increasing life and working conditions and making better quality of life.

Even if considerable progress will be required before the Plan (NDP 2002-05) attains the standard that would be required in a successful negotiation of a Community Support Framework it should be recognized that the Plan incorporates concepts of sustainable economic growth with more and better jobs and greater social cohesion as required through the European Strategies.

A set of profiles and SWOT analyses were presented in the NDP 2002-05 before the decision of 11 industrial reconstruction zones was taken in concentration of funds and in which PHARE funding has been prioritised namely: Industrial Restructuring Zones with Potential for Economic Growth

The National Action Plan for Employment 2002-03 was drawn up in compliance with the European Employment Strategy guidelines and complying with the horizontal objectives of the EES: increasing the rate of employment, the development of national strategies for lifelong learning, the development of social partnership, the integration of regional dimensions in the processes being drawing up, implementing and monitoring NAPE; and the development of a system of market indicators comparable to what exists on the European level. The NAPE 2002-03 developed measures under the "Guideline 4 - Developing skills for the new labour market in the context of lifelong learning" the PHARE 2002 programme being consistent in approach.

The NAPE 2004-05 under "Guideline 4 – Promote development of human capital and lifelong learning" Actions were decided to be taken aiming to achieve an increase in investment in human resources considering a significant increase in investment by enterprises in the training of adults with a view to promoting productivity, competitiveness and active ageing.

Efficient investment in human capital by employers and individuals was considered to be facilitated and again, the PHARE 2002 HRD component was coming to complement and support the Plan.

Priority 2: Enhancement of active employment measures as systemic tool to foster employment

At European level:

In April 2005 the European Commission adopted a new 3- year "Integrated Guidelines Package"³ for the period 2005 to 2008, designed to spur growth and jobs in Europe.

Recommending concrete priority actions, it lays out a comprehensive strategy of macroeconomic, microeconomic and employment policies to redress Europe's weak growth performance and insufficient job creation. The new integrated guidelines bring simpler, more focused EU economic governance by reducing the number of guidelines and by concentrating on core measures to create growth and jobs. On the basis of the guidelines, Member States will draw up 3-year national reform programmes and will report each autumn on the reform programmes in a single national Lisbon report.

The new set of eight Employment Guidelines advocated a “lifecycle approach to work” that tackles the problems faced by all age groups. They address the need to: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion; Promote a lifecycle approach to work; ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive; improve matching of labour market needs; promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of social partners; ensure employment-friendly labour cost developments and wage-setting mechanisms; expand and improve investment in human capital; adapt education and training systems in response to new skill requirements.

In response to the structural labour market problems linked to the low participation rates and a lack of skilled workforce in specific regions and occupations, a strong focus should be given to the promotion of HRD. High priority should be given to delivery of active labour market (and LLL) policies targeting the unemployed (including youth and older workers), the low skilled and vulnerable groups. Special emphasis should also be put on the problem of the rural areas. The phenomenon of hidden unemployment and under-employment in rural areas requires specific action in relation with identifying and maximising opportunities for integration (searching for niches of non-agricultural employment in rural areas).

At National level:

In line with the provisions of the National Development Plan (NDP) and in close correlation with the institution building support provided for designing national economic and social cohesion policies the objective of the Phare 2002 investments was to support the Romanian Government to implement investment projects in priority sectors, in order to enhance the indigenous economic and social potential of the identified target areas facing severe industrial restructuring and demonstrating potential for economic growth.

At the end of 2003, the Romanian Government approved the 2004-06 National Development Plan (NDP). The goal was to support Romania's economic and social development, as required to achieve the objectives of the European Union in terms of economic and social cohesion.

The 2004-06 NDP was the first document to set up multi-annual planning and scheduling of the public investments in infrastructure, business community, human resources, environmental protection, etc. These investments will result in greater economic and social cohesion in Romania and better institution building.

Since this is the last Plan to be developed before Romania's accession to the EU - being a predecessor of the plan on which negotiations for the Community Support Framework will be based - the 2004-06 NDP was prepared in close cooperation with the European Commission and in accordance with both the EU's methodology and the underlying principles of allocating the Structural Funds.

The 2004-06 NDP was based on sector planning documents - documents developed by the sector, representative ministries and Regional Development Plans (RDP), which have been prepared under the coordination of the Regional Development Agencies. The NDP correlates the regional development plans with sectoral priorities.

The Romanian National Development Plan 2004-06, providing the Romanian Government's overall strategy for the country and substantiating Romania's application for EU pre-accession funds, identifies the strategic priority of investing in human resources as a way both to increase employability and to fight social exclusion. In particular, the NDP specifies the need to:

- Reduce the problems generated by structural unemployment.
- Create job opportunities for the disadvantaged and socially excluded categories of the population.
- Improve vocational training (qualifications) in accordance with the new curriculum, in order to meet the needs of the labour market and the lifetime education demand.

- Develop permanent education, including for staff in the education system.
- Create job opportunities for women.

In order to face these challenges, a strategy has been set out around three main pillars:

- i) improving long-term labour market adaptability;
- ii) tackling structural unemployment;
- iii) actively combating social exclusion.

As previously mentioned, an important review of Romania's labour market policies was carried out through the drafting of the Joint Assessment Paper of Employment Policy Priorities in Romania in 2002 and the progress report in 2004. Both of these documents outlined a number of key challenges grouped together according to policy priorities: Increase the activity rate as a precondition for economic and social development and increasing employment to support economic growth.

- Support the economic restructuring by ensuring a functional labour market.
- Increase and adapt labour force skills.
- Strengthen the legal and institutional framework.

Among the Joint Inclusion Memorandum (JIM) key challenges are: "Labour market liberalization, increasing the employment and reducing the unemployment rate; to create a flexible, inclusive labour market, based on better quality of the jobs on offer, increased productivity resulting in real income growth and sustainable change in the structure of employment".

These can be actively considered by an increase of resources for funding active labour market programmes targeting:

- Increasing the efficiency of prevention and absorption of unemployment for high-risk groups: young people, long-term unemployed, persons in rural areas, Roma, and persons with disabilities.
- Promoting efficient ways of combating occupational discrimination, relating in particular to Roma, but also to other risk groups: young adults of 18 leaving placement centres, released prisoners, elderly persons, and women.
- Identifying more efficient forms to improve job creation in areas undergoing economic recession (mining regions and areas of subsistence farming).
- Identifying and implementing measures to encourage employment of people over 45.

Various labour market assessment documents identified the need to increase funding in employment promotion actions as a systematic tool for encouraging labour force employment, including a better targeting and focus towards those groups in need. They are consistent with the Phare 2002 priorities of interventions both in type of actions and areas to be addressed.

A key feature of the project will be the need to build a system and culture which encourages individuals from all social groups to maintain an interest in continuous personal development. A free labour market requires that individuals be empowered as far as possible to make, and take, their own career decisions. As a basis for this they will require the technical vocational skills required by employers. However, they also require the knowledge and skills to research the labour market and apply for jobs. They must be empowered to understand their own skills and experience in employment terms and thereby identify areas for continuous updating and improvement in order to remain employable.

2.4 Former programmes

Evaluation of previous implemented programmes could be a very important part of the assistance provided to Romania. It can bring substantial information on the implementation of the assistance and contribute to improving the planning of the EU co-financed programmes for the coming years. In this respect ETF working programme for Romania with these ex-post evaluation actions in our opinion targeted two different aims: firstly to provide information for the Romanian stakeholders related to results of various interventions and lessons to be learned in the next planning context and secondly to contribute to the capacity building in developing assistance for programmes evaluation.

Phare 1998-HRD component ¹⁷, aimed through its 2 calls for proposals at developing the human resource basis within an integrated regional development context. Its immediate objectives were two-fold:

- to fight against long-term unemployment and to facilitate the integration into the working life of young people and of those excluded from the labour market;
- to facilitate the adaptation of workers to industrial changes and to the diversification in the production cycle.

Despite unfavourable conditions and constraints, the key conclusion of the evaluation was that the HRD projects had a positive impact on the development of local implementation capacity in human resources and that they were useful for the local areas where implemented. They contributed to the improvement of knowledge on broader subjects (entrepreneurship, IT, management), a better involvement of the community in solving local problems (informal partnerships), higher interest of public and private institutions in developing their own human resources capital, development of institutions capable of raising funds and investing in HR. Being the first programme of this sort and in the absence of technical assistance, this is a significant achievement for the MDP and RDAs. It constituted a good basis upon which future HRD projects could be built and to genuinely contribute to integrated development of the regions.

Phare 1999 (RICOP programme), with a budget of 100 million Euro the programme aimed to reduce the social impact of the massive restructuring process for the large state owned companies in 17 counties. It comprised 5 different subcomponents (Public works, active measures, social response measures, outplacement, and SMEs development) from which 4 offered grants and one-the outplacement project-offered only services. The statistical information presented below tries to compensate the absence of a ex post evaluation report to the programme.

The outplacement component offered services including career guidance, job search techniques training, interview preparation and job identification on a one to one basis. The total budget was 1.15 MEURO and the outcomes were: a total number of 8625 clients registered to use the service out of which 1339 clients were placed into new jobs, 701 placed into vocational training, 480 opened their own business and 2719 were transferred and received services from the other RICOP components. The percentage of job placement was of 15.5% for this component without taking into consideration the successful placement of the clients referred to the other RICOP components.

The active measures component had a total budget of 4,68 MEuro and targeted 41385 clients out of which 25.3% received vocational training, 61.9% received career guidance and counselling services and 12,8% were placed into jobs.

The social response component had a total budget of 4,84 MEuro and targeted 31289 clients out of which 997 clients were placed into new jobs. The target group was mainly from disadvantaged categories.

The SMEs development component had a total budget of 33, 62 MEuro and created 11195 jobs at an average cost of 3003 Euro per job. The distribution per target groups of the jobs created was:

- 17.2% hired persons were long term unemployed;

¹⁷ Source ex post evaluation report for Phare 1998 HRD programme

- 32.6% from hired persons were women under 25 yrs old (young people);
- 17.2 % jobs were created in the rural areas;
- 82.8% jobs were created in the urban areas;
- 906 persons were trained;
- 22 start ups businesses financed.

Public works component was beneficial especially for long term unemployed as it offered temporary work. A total budget of 18.17 MEuro for 2695 jobs created which meant that the cost per job was 6743 Euro; almost double that of the SMEs development.

Lessons learned were related to the difficulties of coordination between components for a massive and complex programme. It has been accepted that the interrelationship between components did not function particularly effectively due to delays in implementation of the programme as a whole and its individual components. The impact report for SME's component undertaken at national level emphasized the importance of the networking, within the different programme components in maximising the project success rate.

Phare 2000-HRD component: The main goal of the programme was to support the Romanian Government in implementing an integrated regional development policy in line with the economic and social cohesion strategy adopted within the context of the pre-accession process, through regional development investment projects in priority sectors (Human Resource Development, SMEs and local and regional infrastructure) identified in Romania's National Development Plan and in Romania's Regional Plans. Support to these sectors aimed at developing, through an integrated approach, the indigenous economic and social potential of the development regions.

This programme had 3 priorities:

Priority 1: Training and retraining of the labour force to make it more adaptable to the continuous evolving needs on the labour market (targeting the employed people in order to improve their professional skills and reduce the work fluctuation).

Priority 2: Improvement of active employment measures as a systematic tool for encouraging labour force employment (targeting the unemployed).

Priority 3: Promoting social inclusion of disadvantaged groups (physically, mentally and socially disabled, Roma, young people that left the institutions, women that enter or re-enter on labour market, unemployed over 45 year olds, single parents and young people who abandoned school with no or low qualifications).

The feed back from the evaluation of previous financed programmes dedicated to HRD shows that in order to increase their impact in the perspective of EU accession attention should be paid to: better preparation and launch of HRD schemes; demand driven rather than supply driven programmes; increased relevance and added value of the projects financed; more support to the applicants/grantees in programming and managing their projects for a better impact on target groups; increase the institutional capacity for planning and managing HRD programmes; better definition of roles and better networking of authorities responsible with HRD interventions; better project monitoring and evaluation and flexible administration mechanisms; avoiding overlapping in the implementation of different schemes and projects; ensure synergy and complementarity with Structural Funds and particularly with ESF.

3. RESOURCES/INPUTS

3.1 Funding by region

The analysis of the financial documents provided by MEI and the analysis of the final financial reports from the RDA's following project completion, provided information on the way the funds were distributed and absorbed nationally and by each development region.

In terms of financing, the programme had three types of resources: Phare, national budget and project promoters own contribution (cash).

Important information related to the allocation of funds per regions for each priority is presented in Tables 8a and 8b.

Table 8a. Funds distribution per region for both priorities(per programme

	Total Phare and co-financing by the state allocations (Euro)	Applicants contributions (Euro)	Total (Euro)	% of total funds allocation
NE region	3334628,56	558666,06	3893294,62	21,63
SE region	2639168,4	398467,85	3037636,25	16,88
SM region	1677417,57	246366,77	1923784,34	10,69
SW region	1933432,4	363311,6	2296744,00	12,76
WEST region	1618872,95	307675,53	1926548,48	10,70
NW region	1959325,6	352369,22	2311694,82	12,84
CENTRE region	2221922,53	387247,84	2609170,37	14,50
Total country	15384768,03	2614105,87	17998873,90	100,00

Source : Website MEI –information regarding the 311 projects contracted (October 2005)

Table 8b. Funds distribution by region and priority

	Region	Funds allocated (Phare and National budget) Euro	Applicants Contribution allocated Euro	Funds spent (Phare and National budget) Euro	Applicants Contribution spent Euro	% of funds allocated per region from total funds allocated for priority1(*)	% of funds spent per region from total funds spent for priority 1 (*)
Priority 1	North-East	1554793,4	423204,6	1408045,95	365617,1	21,02%	21,75%
	South East	1078752,2	264833,8	937121,65	208156,86	14,4%	14,04%
	South Muntenia	845878,88	189913,77	689224,37	150659,61	11,01%	10,29%
	South West	1073171,4	299514,6	943377,41	245016,91	14,6%	14,58%
	West	851914,8	253753,2	778387,05	217323,1	11,75%	12,20%
	North West	942833,64	235407,72	851480,64	178617,16	12,52%	12,64%
	Centre	1121962	271205	973620,37	208897,9	14,8%	14,50%
Total (EURO)		7469306,32	1937833,69	6581257,44	1574288,64	100%	100%

	Region	Funds allocated (Phare and National budget) Euro	Applicants Contribution allocated Euro	Funds spent (Phare and National budget) Euro	Applicants Contribution spent Euro	% of funds allocated per region from total funds allocated for priority 2 (*)	% of funds spent per region from total funds spent for priority 2 (*)
Priority 2	North-East	1779835,16	135461,46	1357701,75	99269,3	22,29%	20,57%
	South East	1560416,2	133634,05	1319202,36	110248,75	19,7%	20,17%
	South Muntenia	831538,67	56453	729329,22	47731,47	10,33%	10,98%
	South West	860261	63797	699911,91	49073,9	10,77%	10,58%
	West	766958,15	53922,33	674210,65	46484,68	9,56%	10,18%
	North West	1016492	116961,5	839765,87	95558,83	13,19%	13,21%
	Centre	1099960,53	116042,84	928821,04	83784,14	14,16%	14,31%
Total (EURO)		7915461,71	676272,18	6548942,8	532151,07	100%	100%

Source :Our calculation based on information supplied by MEI website at October 2005(contractd) and December 2006(payments)

(*) We considered both the grant and the applicant's contribution when calculating the % of funds allocated or spent

Our analysis of the distribution of funds per region showed that NE, SE and Centre regions have the highest rate of allocation and disbursement of funds for both priorities. Whether for Priority 1 targeting employees the descending order is NE, Centre, SW and SE and for Priority 2 targeting unemployed the situation is changed slightly in that the descending order is NE, SE, Centre and NW. This situation can be explained through the fact that these are the regions affected by massive industrial restructuring and in some cases the predominance of agriculture. The presence of SW Oltenia region in the top group of regions attracting money for Priority 1 can be explained by the fact that mines closure and heavy industry restructuring required retraining of employees and acquisition of new skills to increase their employability. With regard to Priority 2 it is not surprising that regions affected by restructuring such as SE and Centre regions are in the top of financing for the same reasons mentioned above.

The national average value of the grant was 47575,20 EURO for Priority 1 and 51399,1 Euro for Priority 2. In the regions the average grant spent per project for priority 1 compared in % with the national average grant varies between 88.76% (Region Centre) to 123.61% (Region NE).

Per regions the average grant spent per project for priority 2 compared in % with the national average grant varies between 86.16% (Region South Muntenia) to 116.41% (Region West).

It is interesting to note that when it comes to average applicant's contribution spent for Priority 1, it varies between 79.62% (Region Centre) and 134.18% (Region NE) while for Priority 2, it varies between 69.40% (Region SM) and 138.93% (Region NW), in comparison with the national average.

This means that the highest average grants for Priority 1 were requested in region NE but also applicants from this region also made the largest contribution. For Priority 2, the highest average grants were awarded for region NW which also had the largest contribution from applicants.

The following Tables 9a and 9b present the results of the calculation of the average values for grants and applicants' contribution in comparison with the national average for each of the 2 priorities.

Table 9a Results of the calculation of the average values for grants and applicants' contribution in comparison with the national average for priority 1.

Priority 1	Region	Average funds allocated (Phare and National budget)	Average applicants contribution allocated	Average funds spent (Phare and National budget)	Average applicants contribution spent
0	1	2	3	4	5
Amount Euro	North-East	57584,94	15674,24	52149,85	13541,37
% (region from average value per country)		121.04	126.99	123.61	134.18
Amount Euro	South-East	49034.19	12037.90	42596.44	9461.68
% (region from average value per country)		103.07	97.53	100.97	93.76
Amount Euro	South-Muntenia	49757.58	1171.40	43076.52	9416.23
% (region from average value per country)		104.59	90.51	102.11	93.31
Amount Euro	South West	44715.48	12479.78	39307.39	10209.04
% (region from average value per country)		93,99	101,11	93,17	101,16
Amount Euro	West	42595,74	12687,66	38919,35	10866,16
% (region from average value per country)		89,52	102,79	92,25	107,68
Amount Euro	North West	44896,84	11209,89	40546,70	8505,58
% (region from average value per country)		94,37	90,82	96,11	84,28
Amount Euro	Centre	43152,38	10430,96	37446,94	8034,53
% (region from average value per country)		90,70	84,51	88,76	79,62

Table 9b Results of the calculation of the average values for grants and applicants' contribution in comparison with the national average for priority 2.

Priority 2	Region	Average funds allocated (Phare and National budget)	Average applicants contribution allocated	Average funds spent (Phare and National budget)	Average applicants contribution spent
Amount Euro	North-East	52348,09	3984,16	43796,83	3202,24
% (region from average value per country)		101.85	90,73	98,31	88,46
Amount Euro	South-East	53807.46	4608.07	47114.37	3937.46
% (region from average value per country)		104.69	104.93	105.75	108.77
Amount Euro	South-Muntenia	41576.93	2822.65	38385.75	2512.18
% (region from average value per country)		80.89	64.28	86.16	69.40
Amount Euro	South West	53766.31	3987,31	46660,79	3271,59
% (region from average value per country)		104,61	90,80	104,74	90,37
Amount Euro	West	58996,78	4147,87	51862,36	3575,74
% (region from average value per country)		114,78	94,45	116,41	98,78
Amount Euro	North West	50824,6	5848,08	44198,20	5029,41
% (region from average value per country)		98,88	133,17	99,21	138,93
Amount Euro	Centre	49998,21	5274,67	42219,14	3808,37
% (region from average value per country)		97,27	120,11	94,77	105,20

3.2 Profile of projects promoters

Typology of project promoters

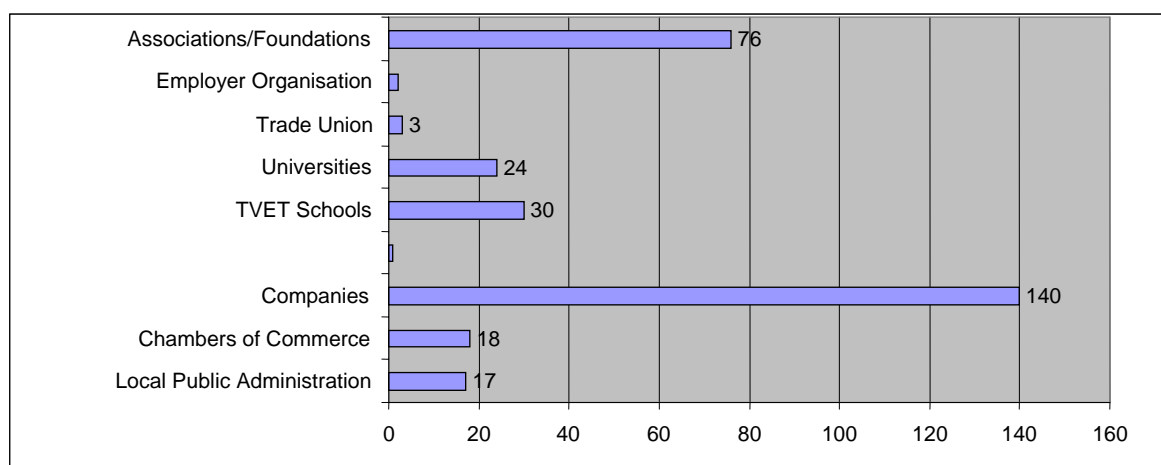
In this section of the report we present the typology of project promoters awarded contracts within the Phare 2002 HRD grant scheme. As previously mentioned only 11 geographic areas were eligible for this component and in comparison with Phare 2000 there was only one size for the proposed projects , with the maximum grant being 75 000 Euro. Following the evaluation process a total of 286 promoters were awarded a total number of 311 projects. However, only 297 projects submitted by 272 promoters were finalised under Phare 2002 HRD component. Regarding the profile of projects promoters that were awarded contracts: 45.01 % were companies, 24.4% NGOs, 9.6% TVET schools, 7.7% universities, 5.7% Chambers of Commerce, 5.4 % Local Public Authorities(LPA) and 1,9% others **Table 10).**

Table 10: Promoters by profile/organizational structures (total contracts awarded)

	NGOs	Companies	LPA	TVET schools	Univ.	Chambers of Commerce	Others	Total contracts awarded
Reg.1_NE	10	30	5	11	3	1	1	61
Reg.2_SE	12	21	1	2	8	3	4	51
Reg.3_SM	14	18	0	3	2	0		37
Reg.4_SW	9	18	1	5	3	3	1	40
Reg.5_W	5	21	1	2	2	2		33
Reg.6_NW	12	15	5	2	2	5		41
Reg.7_C	14	17	4	5	4	4		48
TOTAL	76	140	17	30	24	18	6	311

Source : Our calculation based on MEI information(including the contracts that were not finalised)

A better illustration of the figures presented above are shown in the figure 5 below:

Figure 5: Distribution of Promoters by profile/organizational structures at national level (total contracts awarded)

A number of promoters developed more than one project either for the same priority or for the other priority. The maximum number of projects implemented by a promoter was 7 projects in region SE, where a university finalised the 7 contracts.

The analysis of the information received from our sample revealed similar conclusions. A total of 131 promoters responded to the questionnaire with a response rate of 44.1%. Out of 131 respondents: 44.27% (58 promoters) declared as being companies, and 24.42% (32 promoters) declared to be non-governmental organisations (NGOs). The Local Public Administrations, Chambers of Commerce, Universities and TVET schools represented the remainder of 31.31% from the total respondents. It is noted that companies and NGOs awarded contracts represented a total of 69.4% from the total of promoters followed by TVET schools with a proportion of 9.6%. This can be explained by the fact that companies and NGOs are well skilled in accessing and managing Phare funds in comparison with the other categories of applicants. Another explanation for the high number of companies among promoters can also be the fact that companies due to their financial power can more easily provide their own contribution. As presented further in the report, for priority 1 the promoters included not only the production and service based companies that applied for their own personnel but also Training and HRD companies that applied for funds in order to deliver training and HRD services to their partners or beneficiaries. A comparison between the companies that applied for training to be delivered to their own personnel and Training and HRD companies is presented in Table 11 below.

Table 11a: Structure of respondents' promoters by priority, region and profile. Priority 1

Region	Total no of respondents per priority and region	Total no of companies promoters	Total no of companies that are not HRD providers and applied for own staff *	Training and HRD providers	Comments
0	1	2	3	4	5
NE	16	11	5	11 from which: <ul style="list-style-type: none"> 6 Companies, 2 TVET schools 2 Universities 1 NGO 	Most of the training & HRD services providers have both training and consultancy activities
SE	10	3	3	7 from which: <ul style="list-style-type: none"> 4 NGOs 2 Chambers of Commerce 1 University 	
SM	7	4	3	4 from which: <ul style="list-style-type: none"> 1 Company 2 TVET schools 1 Local Public Administration (LPA) 	
SW	7	4	1	6 from which: <ul style="list-style-type: none"> 3 Companies 1 University 1 NGO 1 LPA 	
W	9	6	-	9 from which: <ul style="list-style-type: none"> 6 Companies 1 Chamber of Commerce 1 University 1 NGO 	
NW	11	4	2	9 from which: <ul style="list-style-type: none"> 2 Companies 3 Chambers of Commerce 1 University 3 NGOs 	
Centre	12	5	1	11 from which: <ul style="list-style-type: none"> 4 Companies 3 NGOs 3 Universities 1 Chamber of Commerce 	
Total a	72	37	15	57	

Table 11b: Structure of respondents' promoters by priority, region and profile. Priority 2

Region	Total no of respondents per priority and region	Total no of companies	Total no of companies that are not HRD providers and applied for own staff	Training and HRD providers***	Comments
NE	15	4	NA**	15 from which: ▪ 4 Companies ▪ 2 LPA ▪ 5 NGOs ▪ 4 TVET schools	
SE	10	6	NA	10 from which: ▪ 6 Companies ▪ 2 NGOs ▪ 1 Chamber of Commerce ▪ 1 School Inspectorate	
SM	7	2	NA	7 from which: ▪ 2 Companies ▪ 4 NGOs ▪ 1 LPA	
SW	5	1	NA	5 from which: ▪ 1 Company ▪ 2 NGOs ▪ 1 TVET Schools ▪ 1 Owners Association	
W	6	2	NA	6 from which: ▪ 2 Companies ▪ 3 NGOs ▪ 1 University	
NW	7	1	NA	7 from which: ▪ 1 Company ▪ 1 NGO ▪ 1 Chamber of Commerce ▪ 3 LPA ▪ 1 County Agricultural Consultancy Centre	
Centre	9	5	NA	9 from which: ▪ 5 Companies ▪ 2 NGOs ▪ 1 TVET School ▪ 1 LPA	
Total b	59	21	NA	59	
Total a+b	131	58	15	116	131=15+116

Source: Analyze of promoters questionnaires (Q2 from promoters questionnaire)

* Even if some of the companies mentioned in this category, have the CAEN codes for training or HRD consultancy their main activity is production and services. As a conclusion the fact that they have in their by-law the code for training and HRD means that they prefer to have the possibility, to undertake in- house some vocational courses, using their own personnel or personnel directly hired.

*** NA-because the target group for priority 2 were the unemployed and not own staff*

**** Most of the respondents have at least 2 out of the 3 codes meaning that most of them have the codes for training and consultancy and some of them had the code for job placement.*

An Initial conclusion resulting from Tables 11a,b is that for Priority 1 almost 40% of the companies applied to train their own staff even if they also had HRD organisations as partners while almost 60% from the companies represented pure training and other HRD service providers that applied in order to deliver these services to the partners who were in these cases providing the target group. As for the latter category an explanation can be the fact again that this group of promoters are more skilled in accessing funds so the consortia agreed for the HRD company to apply as promoter even if then the production company and its personnel was the beneficiary of the training. In addition, the percentage the HRD providers amongst the respondents was very high (88.5% representing 116 out of a total of 131 respondents).

The responses (q7.2 from questionnaire) regarding the main activity area(NACE/CAEN code) revealed that from the 58 companies a number of 30 companies(52.6%) are mainly consultancy companies (NACE 7414), 17 companies (28.1%) are mainly training providers (have NACE 8042) and 11 companies (19.3%) are mainly job placement providers(have NACE 7450). Almost 48.3% of the companies have more than 25 employees (Table 12) which can explain again the existence of an administrative structure capable to implement the project.

Table 12 Companies by the number of employees

Employees	Under 10	11-25	26-50	51-100	101-250	251-500	Over 5000	Total
Companies	23	7	6	4	9	4	5	58

Source: Analyze of promoters questionnaires (Q 7.3 from promoters questionnaire)

The survey succeeded in supplying more qualitative information related the companies involved in the programme. Most of the companies (44) are entirely privately owned and were set up at least 5-6 years ago while only 14 of them have functioned for less than five years.

The remainder of the contracts – 30.6% were awarded to local public authorities, universities, chambers of commerce and TVET schools and other and each category represented a small percentage among promoters. There can be various explanations for this including: probably lack of (access) to co-financing resources, higher bureaucracy and less flexibility in funds management, higher bureaucracy in decision making process in terms of project development and implementation, no or small financial incentive for the staff involved in the project (for e.g civil servants who cannot be paid unless they deliver training, etc), lack of staff experienced in proposal writing and project management, etc. It should be noted that only public schools and universities are among the project promoters. No private schools or universities are among the promoters (this is a similar situation to that found in the Phare 1998 and Phare 2000 programmes).

One of the surprising facts is that there were only 3 Trade Unions and 3 Employers/Owners Associations among promoters which represents 0.9 % for each of the two categories mentioned above. While the Employers Associations focused mainly on Priority 1 targeting employees (2 out of 3 projects) the trade unions focused (100%) on Priority 2 targeting unemployed which is understandable. We do not have any formal explanation for this poor representation among promoters but we assume that lack of funds for co-financing and lack of skills in proposal writing and project management was a barrier for these 2 categories of promoters.

3.3 Partners and Partnership

The partnerships should have an important role to play in strengthening local capacity to tackle social exclusion and promote development and that is why special attention will be given to this matter in this section of the report.

The documents received from MEI and RDAs did not contain information on partnerships so the number of partners, type of partners and area of partnership could not be analysed. For this reason, this section of the report is based only on our quantitative and qualitative analysis of promoters' questionnaires and interviews from the samples selected. This issue has been raised in the previous evaluation reports for Phare 1998 and Phare 2000 and has still not been resolved.

A total number of 26 respondents, representing 19.8% from the total respondents had no partners. However most of the projects were developed in partnership. 58.7% of respondents had one partner and 10.7% had two partners and a further 10.6 % had more than two partners which means that in total 80.2% of promoters developed their projects in partnership.

Table 13. Project distribution by number of partners

No of partners	No partner	One partner	Two partners	Three partners	Four partners	More than four partners	Total
No of promoters (projects)	26	77	14	7	4	3	131
%	19,8 %	58,7 %	10,6 %	5,34 %	3,95 %	1,61 %	100 %

Source: Calculated based on the analyses of promoters' questionnaires

The partners involved in the projects had, in most cases, a different area of activity from that of the promoter (even if they all were companies or NGOs) showing that the partnership was developed mainly due to the need for covering the areas of activities required by the project. One explanation can also be the fact that among the eligibility criteria for the HRD training and services providers was the one regarding the obligation of having the CAEN codes 8042, 7414 and/or 7450 corresponding to the project activity. This generated, according to some interviews, new partnerships that covered these eligibility criteria.

Table 14. Distribution of partnership(no of partners) by type of promoter

Promoter \ Partner	TVET school	Company	Univ.	Chamber of Commerce	LPA	NGO	Other
TVET schools		6	3	1	1	3	5
Company	5	32	5	4	1	11	1
University		7	2	1	1	2	1
Chamber of Commerce			1			3	
Local public administration	1		1	1	2	8	
NGO	1	12	3	3	2	18	
Other	2	2	2			4	7
TOTAL no of partners	9	59	17	10	7	49	14

Source: Calculated based on the analyses of promoters' questionnaires

An analysis of the types of main partners preferred by each type of promoter is shown in Table 14 above. It will be noticed that as promoters, companies established most of the partnerships (59) followed by NGOs with 49 partnerships. As already mentioned, one explanation can be the CAEN codes. For priority 1, the companies that applied for training

their own staff, even if sometimes they had the required CAEN codes for activities, were lacking the expertise in HRD so they chose to partner either with other companies or with NGOs with experience both in HRD and project implementation. It appears that companies were interested to partner either with other companies and also with NGOs, TVET schools and Universities but not with Local Public Administration. However, NGOs were interested to partner with other NGOs, companies and also with Local Public Administration. We can explain the interest of NGOs for partnership with Public Administration (LPA) on one hand due to previous experience in partnership with LPA but also due to the lack of funds for co-financing the projects. There was an absence of partnership (from our sample) between TVET schools and between companies and LPA. The smallest number of partnerships was initiated/established by Local Public Administration as promoter. This can be explained through the lack of culture and tradition for partnership among LPA's and through the existing bureaucracy within LPAs.

The analysis of responses received from promoters during the survey identified some of the main motivation factors of promoters for establishing partnerships were:

- Training curricula, training materials development and training delivery as well as for HRD consultancy - 85%.
- Providing the target group for the project.
- Logistic support and space for the project activities(mainly for vocational training).
- Co- financing the project.
- Support for the management of the project due to partners high experience in Phare projects.

As indicated above, the main role of the partners was either for providing the target group for Priority 1 projects that were targeting employees or for training. Also the highest number of responses mentioned the partner's role in training and HRD activities which supports the comments already made about the large number of companies and HRD providers among promoters and partners.

One positive aspect was the fact that many projects continued the already existing partnerships. The number of respondents that declared that the projects continued previous partnerships was almost 50% higher than the number of organisations that established a new partnership especially for this particular programme.

Table 15 History of partnership by promoters (according to the 131 responses received from promoters for Q 14 and Q 15)

Type of promoter organisation	Did the partnership exist before the project start?				
	Yes	Partially	No	No Response /no partner	Total
TVET schools	5	1	2	2	10
Company	17	7	23	11	58
University	1	2	5	2	10
Chamber of Commerce	7	1		1	9
Local public administration	3		3	3	9
Non-governmental organisation	14	4	9	5	32
Other	1			2	3
Total	48	15	42	26	131

Source: Calculated based on the analyses of promoters questionnaires

- Table 15 shows that companies represent the promoters with the highest number of partnerships established especially for these projects (39.6% from the partnerships established by companies were new and set up specifically for Phare 2002 HRD project purposes) followed by NGOs with a 29% of newly established partnerships. However, it

should be noted that in the case of NGOs 45% continued during Phare 2002 HRD the partnerships already existing from previous projects. This proves that there is a practice within NGO sector for encouraging partnerships while this practice does not exist among companies which are mainly reluctant to cooperate with others for projects implementation if the nature of the programme is not “forcing” them to do it (for example due to eligibility criteria);

- stimulated informal alliances and practical agreements between different actors: 36% from respondents (48 respondents) declared that they continued previous partnership and another 11% (15 respondents) used the project to strengthen a partial partnership that started prior to project implementation;
- involved many stakeholders and authorities in dialogue and common tangible actions: 25% from public sector (local authorities, school and universities) made common efforts to develop projects with private or non –governmental sector in order to contribute to the human resources development in the community.

Unfortunately the number of social partners involved in the project was not significant (Table 16). We could not find an explanation for this so we can only assume that the social partners do not sufficiently promote the role they can play in the economy and do not know how to “sell” their particular strengths to promoters. Another explanation could well be that many of the companies who received grants were SMEs where the organisational culture gives very little importance to the social partners.

Table 16: Involvement of social partners(Q 22 from promoters questionnaire)

Q 22-Were social partners (unions, owner organisations) involved in the project?						
Type of organisation	Largely	Enough	Slightly	Not at all	NS/NR *	Total
TVET schools			3	4	3	10
Company	1	5	11	36	5	58
University		1	3	4	2	10
Chamber of Commerce			1	7	1	9
Local public administration		3		5	1	9
Non-governmental organisation		1	4	22	5	32
Other				3		3
Total	1	10	22	81	17	131

*NS/NR no specify/no response

With regard to the quality of the established partnership, according to responses from questionnaires, 78% respondents (103 respondents out of 131) perceived partnerships as very good or good, 3% respondents evaluated the partnership as satisfactory or unsatisfactory and the remainder - 19% either did not respond to this question or had no partnership for the project (Table 17).

Table 17: Cooperation between project partners

Q16-How do you evaluate the partnership during the project?						
Type of organisation	Very good	Good	Satisfactory	Non-satisfactory	NR/NS*	Total
TVET schools	6		1		3	10
Company	40	4	2		12	58
University	7	1			2	10
Chamber of Commerce	7	1			1	9
Local public administration	5	2			2	9
Non-governmental organisation	16	9	1	1	5	32
Other	3					3

Total	84	17	4	1	25	131
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**NS/NR no specify/no response*

In analysing the responses presented in Table 17 together with those presented in the following Table 18 where 75% of the respondents declared that the partnership continued also after the project implementation ended, we can envisage long term benefits of the project. A total number of 32 promoters (representing aprox 25%) out of 131 declared in their responses that they did not continue the partnership after the project ended. Amongst the reasons given for ceasing the partnership were: the common objective and interest ended on project completion; lack of financial resources; lack of real involvement from the partner; lack of requests/needs for training in the partner's area of expertise; changes of the rules from the ones published in the guidelines were not acceptable for the partner, etc. We can draw the conclusion that for 25% of the respondents the partnership was set up only for delivering of specific services, mainly training and consultancy for the determined period of the contract and once the activities were accomplished the partnership was cancelled. It means that it is possible that in one out of four cases the partnership was set up in order to gain points in the evaluation process or to cover activities which would have been otherwise subcontracted.

Table 18 Partnership continuation

Q 18-Did the partnership between your organisation and the partner institutions continued after the project ended?					
Type of organisation	Yes, with all partners	Yes, with some of them	No	NR/NS*	Total
TVET schools	7	1		2	10
Company	39	2	5	12	58
University	8			2	10
Chamber of Commerce	7	1		1	9
Local public administration	9	-		-	9
Non-governmental organisation	17	6	4	5	32
Other		1			3
Total	87	12	9	23	131

**NR/NS no specify/no response*

Table 19 introduces the areas of cooperation between partners after the projects ended. It is important to mention that the majority of activities developed in partnership (62.9%) were related to training, starting with the training needs analysis (24%), followed by development of the training curricula and materials (13.9%) and ending with training delivery (25%). In addition a 18% of the activities developed in partnership were focused on strategies development both HRD (12.5%) and companies strategies (5.5%).

Table 19 Main areas in which the organisations cooperate currently with the partners involved in projects(Q 19 from promoters questionnaire)

Organisation	Dev. of HR strategy	TNA/ Training needs analysis	Training delivery	Staff perform. evaluation	Dev. of training curricula and materials	Dev. of companies strategies	Elaboration of marketing studies	Dev. Economic relations	Other
TVET school	3	4	6	2	2	1		1	2
Company	12	20	22	6	17	5	3	7	3
University	3	6	3		3	3			1
CCI	1	3	6		1			2	1
Local authority	1	6	4		2	1			2
NGOs	7	12	13		5	2	2	3	6
Other		1							
Total	27	52	54	8	30	12	5	13	15

Table 20. Continuation of partnership for accessing structural funds

Q 20-Do you intend to apply for the European structural funds together with your partners?					
Type of organisation	Yes	No	Don't know yet	NS/NR*	Total
TVET schools	3		4	3	10
Company	27	2	19	10	58
University	4		4	2	10
Chamber of Commerce	5		2	2	9
Local public administration	3		4	2	9
Non-governmental organisation	18	2	7	5	32
Other	1			2	3
Total	61	4	40	26	131

**NS/NR not specified/no response*

Concerning the intention of accessing structural funds, almost half of the respondents (46.6%) will maintain the partnerships for accessing structural funds, while one third(30,5%) are undecided. An insignificant number of respondents (3%) stated that collaboration was excluded with the former project partners. We interpreted the fact that one third of the respondents were undecided on the possibility of accessing structural funds together with their partners due to the uncertainty of future business strategy and the low level of knowledge of the procedures required to access structural funds.

3.4 Costs

The survey data showed that the 131 respondents used a total budget of 6.66 MEURO (grants+own contribution) from the 9,84 MEURO disbursed for the entire programme. The projects' budgets ranged between 19.000 and 94.000 Euro, the average being 55 000 Euro. The most important category of expenses was the expenses for training followed by the expenses for equipment (17.6%).

3.4.1 Expenditure on equipment

As shown in Table 21 below, for the equipment, the majority of funds were allocated to the purchase of IT equipment (70.8%), where software was the highest percentage, followed by auxiliary learning materials (9.4%), furniture (6.3%) and training equipment (1.3%) A further 12% was spent on other categories which according to respondents varied from purchases of video cameras to air conditioning installations.

Table 21 Costs per type of equipment

Q 36-Equipment category	Number of respondents	Pieces/units	Total cost per category	Average cost - euro-
Furniture (6.3%) T: 74182,79				
Study tables	22	295	16543,02	56,08
Working tables	13	108	8313,20	76,97
Chairs	40	870	22717,09	26,11
Cabinets	31	122	14136,11	115,87
Desks	32	126	12473,37	98,99
Training equipment (1.3%) T: 5619,85				
Glass or wooden board	2	3	230,00	76,67
Magnetic board	11	14	1907,53	136,25
Screen	17	19	7230,52	380,55
Flipchart	26	32	3591,80	112,24
Maps, educational stuff(flipcharts)	3	32	2660,00	83,13
IT equipment (70.8%) T: 825010,28				
Computers	95	397	397803,85	1002,02
Server	8	9	9313,00	1034,78
Printer	55	74	37877,35	511,86
Scanner	12	17	3762,82	221,34
Video projector	41	44	89852,77	2042,11
Overhead projector	11	12	10620,86	885,07
Copier/copy machine	49	52	90043,20	1731,60
Soft	51	271	185736,43	685,37
Auxiliary learning materials (9.4%) T:109740,32				
Manuals, guides, encyclopaedias, dictionaries	31	24251	60769,15	2,51
Equipment simulating the work processes	4	35	14044,20	401,26
Production equipment	8	412	34926,97	84,77
Other(12%)	46	348	T:140846,26	404,73
Total(100%)		27543	1165399,50	

We noted that the costs for equipment, according to our survey data, represents a percentage of only 17.6% from the total budget which is much lower than the percentage of 27.8% used for Phare 2000 HRD programme from which we can interpret that the promoters only purchased items of equipment which were absolutely essential for the success of the project.

70% of the respondents evaluated that the equipment purchased was sufficient for the project requirements and contributed to the progress of the project (see Table 22) which can again be proof that the promoters only purchased those items of equipment which were essential for project implementation.

Table 22: Adequacy and sufficiency of equipment for the project implementation

Q 37-In relation to the requirements for a proper project implementation, the purchased equipment was:					
Type of organisation	Enough	Rather enough	Insufficient	NR/NS *	Total
TVET schools	8	2			10
Company	38	17	1	2	58
University	8	2			10
Chamber of Commerce	5	4			9
Local public administration	5	3		1	9
Non-governmental organisation	26	5		1	32
Other	3				3
Total	93	33	1	4	131

*NR/NS no specify/no response

Most of the promoters (61.8%) declared that the equipment is currently used at maximum capacity for training and 19.8% declared the equipment is used at 75% of its capacity for training. We understand from these responses that in fact the equipment purchased is properly used for the purpose for which it was purchased (training) in a proportion of 81.6% (107 out of 131 promoters). The training and HRD providers such as universities and TVET schools continue to use 90% of the equipment at maximum capacity whilst a significant number of respondents (companies and non-governmental organisations) use the equipment at 75% capacity (see Table 23).

Table 23 present usage of purchased equipment for training

Q 38-Currently, the purchased equipment is now used in training programs							
Type of organisation	At max capacity	75% capacity	50% capacity	25% capacity	Under 25% capacity	NS/NR*	Total
TVET schools	9	1					10
Company	35	9	6		5	3	58
University	9	1					10
Chamber of Commerce	6	2	1				9
Local public administration	6	1	1		1		9
Non-governmental organisation	13	12	3	1	1	2	32
Other	3						3
Total	81	26	11	1	7	5	131

*NS/NR no specify/no response

Source: our calculation based on survey data

We can see from Table 24 that 44% of the companies declared they used the equipment purchased both for production and training. This is in accordance with the fact that 40% of the companies were production and service companies that applied for training their own staff so it appeared natural to use especially the production equipment purchased for both training and production.

We consider that this did not affect the quality of the training and indeed probably increased the quality of production and in addition will have long term positive effects on the working conditions for staff.

Table 24: Current usage of the purchased equipment

Currently, the purchased equipment is used:				
Type of organisation	Only for training	Both for training and for production	NS/NR*	Total
TVET school	8	2		10
Company	28	26	4	58
University	6	3	1	10
Chamber of Commerce	2	6	1	9
Local public administration	5	3	1	9
Non-governmental organisation	20	8	4	32
Other	3			3
Total	72	48	11	131

*NS/NR no specify/no response

As for the 25% of NGOs who declared they used the purchased equipment for both training and production and taking into consideration that the NGOs do not produce goods or products, we consider that what they meant was that they used the equipment also for their daily organisational operations which again can only be for the long term benefit of the organisation.

3.4.2 Training costs

The information presented below in Table 25 is based on the responses from 110 promoters (out of 131 respondents) to the questions Q 33-Q 35 regarding the training courses and budget expenditure.

Table 25 Training costs in Euro

	Training fees (trainers, instructors, professors, evaluators) Euro	Elaboration of the training modules	Total project budget
Minimum	1116,00	173,00	19000,00
Maximum	57100,00	43810,00	94000,00
Total Sum	1526913,63	241973,98	6661054,10

There is no information available in the databases and reports received from MEI and RDA's regarding the costs per training or how costs were calculated. In addition, there is no statistical information regarding number of hours of training including any details as to the levels of qualifications obtained. We tried to gather this information from promoters' questionnaires (Q 30) but information received was of little value for our purposes.

As previously mentioned at chapter 1.4-Experiences with gathering data, some of the promoters recognised that it was difficult for them to include tables with all participants and courses duration so they provided the information only partially. Under these circumstances we can only interpret from the Table above that the total budget declared as spent for training by the 110 respondents was 1 768 887,61EURO representing 26.5 % of the total projects budget.

The total budget for training - 1 768 887,61EURO was used in a proportion of 86.3% for payment of trainers and 13.7% for elaboration of training modules. An explanation for this can be that most of the training providers used the information and resources developed in previous projects and adapted them to the needs of the new clients so costs of elaboration of training materials were much less expensive than those for training delivery.

As the survey data did not allow us to estimate the other costs such as costs for hiring training rooms and utilities, consumables, etc we calculated the average training cost per participant only taking into consideration the costs for fees and preparation of courses.

According to the promoters, a total of 15670 persons have been trained out of which 14899 persons graduated. These figures lead to an average cost of 113 Euro/participant trained and of 119 Euro/participant that graduated which is less than the cost estimated by Phare 2000 HRD ex-post evaluation (210 Euro). This can be explained by the fact that some of the promoters already had training courses developed and part of the 40% companies that trained their own staff also used their in- house human resources for the training delivery.

4. IMPLEMENTATION/OPERATIONS

4.1 Programme priorities addressed

Within the Phare 2002 Human Resources Development component, 311 projects were contracted (157 for priority 1 and 154 for priority 2), from which: 297 were finalised, 12 were cancelled and 2 had payments suspended. The distribution by region of the 311 contracts awarded is presented below in Table 26:

No of contracts awarded per region	Priority 1	Priority 2	No of contracts finalised	Priority 1	Priority 2
NE	27	34	NE	26	27
SE	22	29	SE	22	27
SM	17	20	SM	16	19
SW	24	26	SW	24	15
W	20	13	W	20	13
NW	21	20	NW	21	20
Centre	26	22	Centre	26	21
Total	157	154	Total	155	142

Table 26-Source: our calculation based on MEI database

Even if the number of contracts awarded for each of the two priorities is almost equal we noted that whilst only 2 contracts were not finalised for Priority 1, there were 13 contracts (8.3%) not finalised for Priority 2. This aspect is further detailed and commented upon in Chapter 5.Outputs.

Out of the **297 projects finalised**, 155 (**52.19%**) were for **Priority 1** "Qualification and re-qualification of the labour force" and 142 (**47.81%**) projects for **Priority 2** "Enhancement of active employment measures".

We present below the results of our analysis based on the responses from promoters' questionnaires.

We received 131 responses to the promoters' questionnaire as follows:

- **54.96%** of respondents implemented projects addressing Priority 1 "Qualification and re-qualification of the work force to answer better the emerging demands of the labour force market"; and
- **42.74%** of respondents implemented projects addressing Priority 2.

In the Table 28 below we present details of the distribution for the two priorities for each type of promoters participating in our survey. As presented also at "Chapter 3.Promoters Profile" we can see that the majority of the projects were implemented by companies (44.28%) and NGOs (24.44%).

The public local administrations, the NGOs, TVET schools, Employers Associations and other public institutions oriented their activities towards priority 2 enhancing unemployed skills through better active measures of occupation whilst universities, Companies and Chambers of Commerce were more focused on priority 1 dedicated to employed people (qualification and re-qualification of the work force).

Table 27: Distribution of projects per priorities and category of promoters' respondents - projects implemented by respondents

Promoters	P1: Qualification and re- qualification of the labour force		P2: Enhancement of the active employment measures		Total	
	no	% per priority	no	% per priority	no	% per program
TVET Schools	4	5,6	6	10,2	10	7,63
Companies	37	51,4	21	35,5	58	44,28
Universities	9	12,5	1	1,7	10	7,63
Chambers of commerce	7	9,7	2	3,4	9	6,87
Local public admin	2	2,7	7	11,9	9	6,87
NGOs	13	18,10	19	32,20	32	24,44
Employers association	-	-	1	1,7	1	0,76
Other(school inspectorate, county agriculture consultancy office)	-	-	2	3,4	2	1,52
Total	72	100	59	100	131	100

Source: Analysis of the promoters' questionnaires (Q10)

4.2 Programme measures addressed

We present herewith our conclusions based on the analysis of the 131 questionnaires regarding the programme measures addressed, for each of the two priorities.

Table 28. Priority 1- Projects distribution by target measures - projects implemented by respondents

Target measures		Total respondents	
		no	%
1.1	Development and delivery of training to all categories of staff in enterprises (including in SMEs).	22	30.56
1.2	Development and delivery of vocational training programmes to staff	29	40.28
1.3	Development and delivery of training in management skills to management personnel of companies	38	52.78
1.4	Assistance and consultancy to companies for developing their human resources strategies, policies and training strategies	14	19.44
1.5	Other	3	4.17

Source: analysis of the questionnaires (Q11 from promoter's questionnaire)

Our analysis of the responses of promoters correlated with the interviews and revealed the fact that projects financed for Priority 1 were more than half (52.78%) focused on managerial training followed by delivery of vocational training (40.28%) while only 14% addressed HR development strategies, policies, training needs analysis and plans, etc. However we have to take into consideration when analysing these trends that at least half of the projects were addressing more than one target measure which meant that there were many projects where in addition to vocational training, the workers were also offered, for example, English language lessons or quality management or human resources management courses (directed specifically at level of knowledge they required) or projects targeting management of the company but also associated with vocational trainings for workers and consultancy for the

HRD within the organisation. We consider this a positive aspect for Priority 1 projects. However, we would like to emphasize that only a small percentage of projects focused on technical assistance for human resources development of the organisations (14%) in comparison with the remainder of 86% which focused mainly on training. Even if vocational training was included in this figure it is considered that this can lead to the dangerous situation of “delivering training “for the sake of training. The Phare 1998 and Phare 2000 ex post evaluations also raised this issue, and suggested that training needs analyses (TNA) and labour market analyses undertaken by professionals should be used as the fundamental basis for project applications. The Phare 2002 HRD programme guidelines themselves required training needs analyses for projects involving training programmes and labour market studies for active measures projects but this has in many cases been undertaken very superficially. For example, we do not consider that merely addressing a small number of questionnaires to managers of companies can be construed as a serious or meaningful TNA to be taken into consideration if at the very least is not combined with some other specific investigations prior to undertaking a project.

For this reason we strongly recommend for future HRD programmes to finance labour market studies and other appropriate studies as being integral to the success of projects. Also, we strongly recommend that all projects involving training of employees should have a component of human resources audit and human resources strategy development, including a training needs analysis to ensure that the training offered through the project is the one the company and its staff really require and not just some “fashionable” topics such as (Structural Funds or Computer training courses) or topics for which the training providers are authorised/accredited. We suggest that if the training needs analysis is part of the project activities, the applicant should have the liberty of choosing at least 50% of the topics for the training after the analysis is completed. In addition, we suggest that the “accreditation” for training be used in a flexible, logical and realistic way which does not push the training providers to obtain accreditation for any type of training (for the sake of being able to provide “diplomas”) especially for training connected with improving some of the personnel and management skills but to encourage constructive competition where the quality of the materials, training design and training delivery to have a n important role, in comparison with vocational training where we do recognise the need for the training provider to have the necessary accreditation.

The distribution of projects financed for Priority 2 by target measures is presented below in Table 29.

Table 29. Project distribution by target measures. Priority 2 - projects implemented by respondents

Target measures		Total respondents	
		No	%
2.1	Career counselling and guidance/job mediation services	32	57.14
2.2	Vocational training, aimed to facilitate the access to vacancies of the unemployed persons and to address skill shortages on the labour market	41	73.21
2.3	Counselling and training for business start-ups or activities to assist self-employment for potential entrepreneurs	22	39.29
2.4	Other measures meant to assist the target groups enter or return to the labour market	11	19.64
2.5	Other	6	10.71

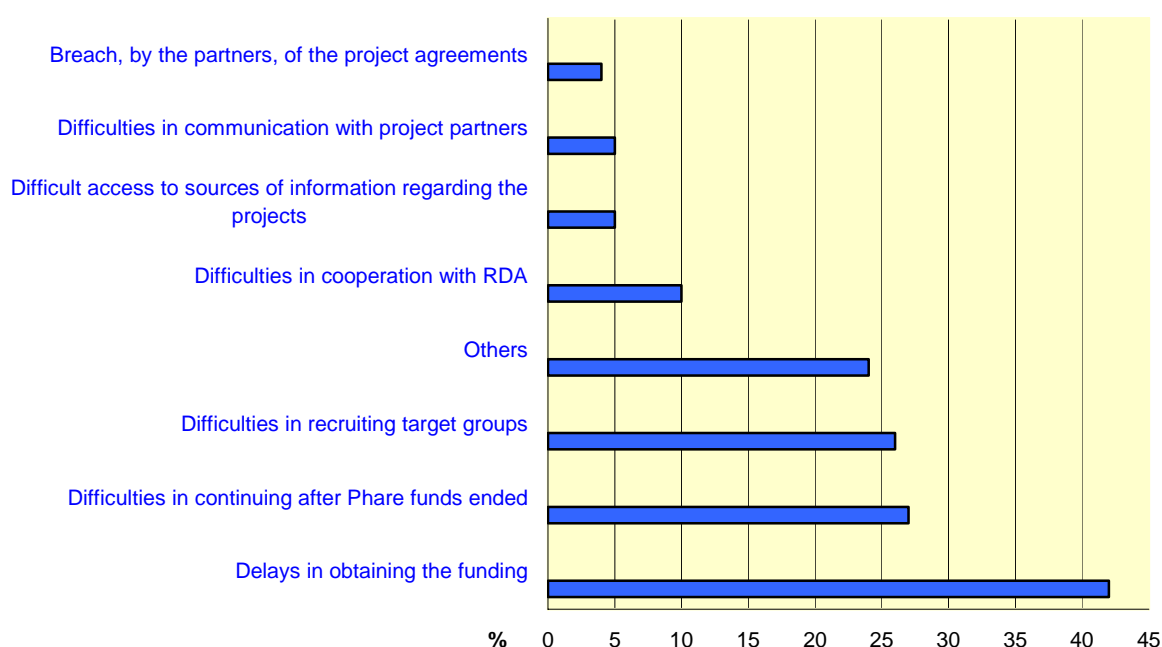
Source: analyse of the questionnaires (Q11 from promoter's questionnaire)

In the case of projects focused on Priority 2, the distribution between target measures is more balanced with a high percentage of projects targeting vocational training for unemployed followed by career counselling, career guidance and job mediation and by measures to support self employment and business start ups. We would once again like to raise the issue of offering vocational training based on real skills shortages as identified within the local labour market and also identified as priorities within the Regional Employment Action Plans (REAPS) and the Regional Development Plans.

We consider that for Priority 2 projects we have to face the danger and reality of delivering mainly vocational training for “fashionable” jobs such as “waiter” or “computer operator” or for those professions for which the training provider has the necessary training authorisation/accreditation. We do think it is compulsory for the vocational training provider to be able to offer the participants a diploma nationally recognised for that profession but the selection of the topics for vocational training should be strongly justified with existing documents and plans prepared by qualified institutions. As regards the training and technical assistance for business start ups or moving to self employment we do consider that these measures should be applied in conjunction with a careful analysis of the participants background and capability for starting up a business as well as in liaison with a proper understanding of the socio economic reality and should be followed up by technical assistance for the newly established businesses for at least the early months following start-up in order to prevent having numerous trained “entrepreneurs” that cannot run the newly established business.

4.3 Problems in initiation and implementation

The main problems encountered in project initiation and implementations, indicated by project



promoters, are presented in the figure 6 below and also in the following Table 30.

Figure 6

Table. 30 Main problems in project initiation and implementation indicated by project promoters

Main problems in project initiation and implementation indicated by project promoters - multiple choice																
Category of promoters	Difficult access to sources of information regarding the projects		Delays in obtaining the funding		Difficulties in communication with project partners		Breach, by the partners, of the project agreements		Difficulties in cooperation with RDA		Difficulties in recruiting target groups		Difficulties in continuing after Phare financing ended		Others	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
1. 1 TVET school	1	0,76	3	2,29			1	0,76	1	0,76	2	1,53	7	5,34	1	0,76
2. Company	4	3,05	26	19,85	1	0,76	1	0,76	3	2,29	15	11,45	9	6,87	14	10,69
3. University			5	3,82					1	0,76	1	0,76	4	3,05	2	1,53
4. Chamber of Commerce			4	3,05			1	0,76	1	0,76	1	0,76	1	0,76	1	0,76
5. Local public administration	1	0,76	4	3,05	1	0,76	1	0,76	1	0,76	3	2,29	2	1,53	4	3,05
6. NGO			13	9,92	4	3,05	1	0,76	6	4,58	12	9,16	12	9,16	9	6,87
Total	6	4,58	55	41,98	6	4,58	5	3,82	13	9,92	34	25,95	35	26,72	31	23,66

Source: Our analyse of the questionnaires (Q48 from promoter's questionnaire)

Other problems identified by project promoters during interviews were related to:

- difficulties and constraints regarding the accreditation of training providers for adult training courses under the current legislation in the field;
- availability of experts for the project due to the very long period of time between the submission of the application and the start for the project;
- difficulties caused by the discrepancies and changes of procedures between the programme guidelines and the implementation procedures applied after the contract signature. Including lack of written procedures regarding implementation/modification throughout the life of the project;
- delays in transferring funds needed to implement the project;
- bureaucracy and inflexibility of the Managing/Contracting authorities.

We would like to stress that the main three major difficulties appeared to focus on Phare 2002 programme management, target groups and project continuation (sustainability). It would appear that the solutions to the first two difficulties identified will come under the remit of the institutions that will manage future funds. The solutions to the last problem is in the "hands" of the applicants and here a more careful analysis of the sustainability of the projects during the selection phase should be compulsory. If we reflect on the problems, emanating from the management of the Phare 2002 programme one recommendation we would make relates to the setting up of clear rules and procedures from the stage of elaboration of project guidelines, which would be respected and maintained during the whole duration of the project implementation. We also strongly recommend that the staff responsible for the management of the programme adopt a more customer focused and helpful approach to grantees which would go a long way to ensure the smooth running of projects and the resolution of issues as and when they arise rather than as now, trying to resolve issues when the project has already been completed. We also recommend an open minded flexible and customer oriented approach during the monitoring process with the aim of finding the best solutions to enable the applicants to fully achieve the objectives of the project. As an example – adopting a more flexible and certainly a more timely approach to the replacement of experts originally identified as part of the project who find that they are no longer available because of delays in the approval of the projects.

5. OUTPUTS

5.1 Number of Successful and Unsuccessful Projects

Under the Phare 2002 Human Resources Development grant scheme, **311 projects** were contracted, out of which: **297 were finalised, 12 were cancelled and 2 had payments suspended**. The 14 contracts that were not finalised represented a ratio of 4.50% of the total number of selected projects. It should be noted that 50% of the non finalised contracts came under the responsibility of Companies.

The highest rate of cancelled projects recorded in the North-East Region (13.1%), followed by the South Muntenia Region (5.4%), as opposed to the West and North West regions where no projects cancelled.

Table 31 Total projects and cancelled projects (in numbers)

	NE	SE	SM	SW	W	NW	C	Total
Total contracts	61	51	37	40	33	41	48	311
Cancelled/not finalized contracts (total)	8	2	2	1	0	0	1	14
Cancelled contracts priority 1	1	0	1	0	0	0	0	2
Cancelled contracts priority 2	7	2	1	1	0	0	1	12
Cancelling rate (%)	13.1	3.9	5.4	2.5	0	0	2.08	4.5

Source: our calculation based on MEI Phare 2002 database and RDAs reports

Whilst the number of contracts awarded for each of the two priorities was almost equal in number it is noted that only 2 contracts were not finalised for Priority 1, whereas 13 contracts (8.3%) were not finalised for Priority 2.

As indicated in the reports of the Regional Development Agencies (RDA), most contracts (57.10%) were terminated at the request of the promoters due to various reasons such as: the partner resigned from the project, the promoter had problems with procurement procedures; promoter could not select the target group; the incapacity of the promoter to cover the individual financial contribution. Among the problems most frequently mentioned in the reports of the RDA were : the problems of difficult and time consuming implementation procedures that required an addendum to the contract when the replacement of different experts was required; problems regarding the financial management of the project, complicated procurement procedures not respected by promoters. With regard to the replacement of experts within the projects many of the promoters had either to freeze the project until the addendum was signed (which often took too long a time) or to loose money as they couldn't pay the new experts before approval of the addendum. In so far as the financial issues are concerned in many cases some of the expenses became non eligible and promoters had to cover them from their own resources which in effect meant additional costs being bourn by the promoters. A special situation was noticed in the NE Region where 8 contracts were not finalised (6 cancelled and 2 with payments suspended) of which 2 had TVET schools as promoters (lack of funds for co-financing), 3 were promoted by Local Public Administration (advance payment used for other purposes, reporting procedures not respected) and 2 were promoted by companies(bankruptcy, the advance payment used for other purposes) . For this region the majority of contracts were not finalised due to financial irregularities or problems which leads to the conclusion that a more careful check of the financial capacity of promoters financial position should be undertaken at the selection phase and during the pre-contracting period.

Project distribution by type of organisation terminating the contract

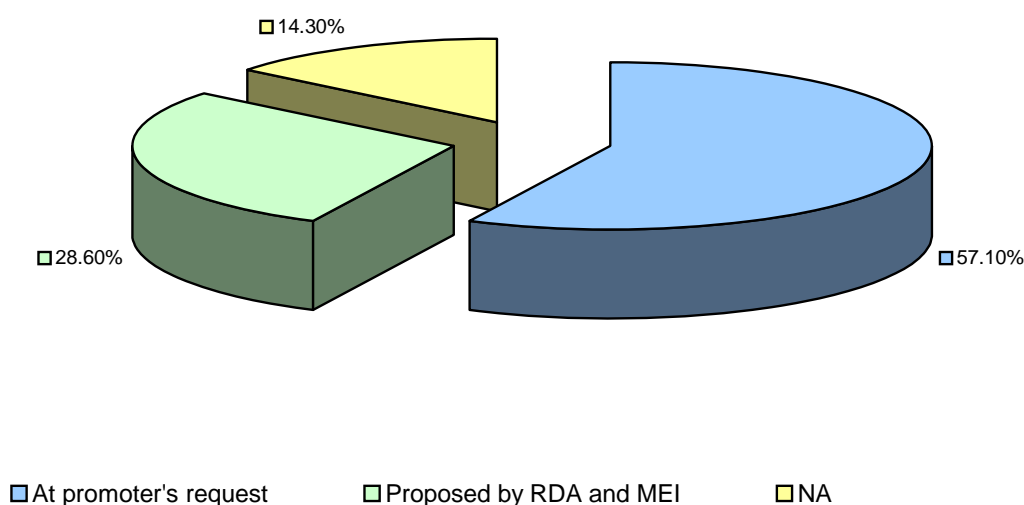


Figure 7

5.2 Funds Absorption Capacity

In general, the projects in the HRD component demonstrated a good overall capacity of funds absorption (between 96,54 and 96.56%). A slightly higher absorption capacity for Phare funds can be observed in the case of South Muntenia (98.14%) and West (97.82%) Regions, compared with Centre Region (93.37%). The situation is similar with the one for the funds provided by the national budget and promoters' contribution.

Table 32. Funds absorption, PHARE/national budget source- total country (%)

Funds	Absorption rate %
Phare Funds	96,54
Co-financing from the state	96,56
Own contribution of the applicant	90,23

Source : website MEI-Regional development-Phare RO 2002/000-586.05.02.02(updated situation at 1.02.2007)

Table 33. Situation by region. Rate of Phare funds absorption

Region	Committed (EURO)	Disbursed (EURO)	Absorption rate (%)
NE region	2,134399.49	2,073992.98	97,17
SE region	1,764015.47	1,692013.84	95,91
SM region	1,084073.84	1,063915.19	98,14
SW region	1,272699.76	1,232470.84	96,83
WEST region	1,113726.78	1,089448.28	97,82
NW region	1,303292.27	1,268434.82	97.33
CENTRE region	1,528019.25	1,426831.56	93.37
Total Country	10,200226.86	9,847107.51	96,54

Source: website MEI-Regional development-Phare RO 2002/000-586.05.02.02(updated situation at December 2006)

Table no. 34. Situation by region. Rate of state budget funds absorption

Region	Committed (EURO)	Disbursed (EURO)	Absorption rate (%)
NE region	711466.52	691754.72	97,22
SE region	588005.16	564310.17	95,97
SM region	361357.95	354638.4	98.14
SW region	424233.26	410818.48	96,83
WEST region	371242.25	363149.42	97,82
NW region	434430.84	422811.69	97,32
CENTRE region	509339,75	475609.85	93,37
Total Country	3400075.73	3283092.73	96,56

Source : website MEI-Regional development-Phare RO 2002/000-586.05.02.02(updated situation at December 2006)

Table no 35. Situation by region. Rate of co-financing by the promoters

Region	Committed (EURO)	Disbursed (EURO)	Absorption rate (%)
NE region	495941.38	464886.40	93.73
SE region	361786.26	318405.61	88.00
SM region	203631.39	198391.08	97.42
SW region	320930.52	294090.81	91.16
WEST region	288587.37	263807.78	91.41
NW region	299246.11	274175.99	91.62
CENTRE region	364495.87	292682.04	80.29
Total Country	2,334618.9	2.106439.71	90.23

Source : website MEI-Regional development-Phare RO 2002/000-586.05.02.02(updated situation at December 2006)

The analyse of our sample of promoters showed that smaller rates of absorbtion were recorded mainly for the Chambers of Commerce(including their Romanian Business Schools), Universities, TVET schools, and also big companies who implemented this kind of project for the first time. Our calculations showed that a number of 46 projects out of the 297 finalised projects had an absorption rate less than 80%. This can be explained by the financial difficulties faced by promoters in either providing their contribution and to advance money for the final rate of the grant until the final report had been approved and final payment made, but also through the lack of project management experience correlated with the delays in approval of different changes due to the slowness and bureaucratic procedures led to many expenses becoming non eligible.

5.3 Output of training courses

Characteristics of the training courses

The training measures had a very important role within the PHARE HRD 2002 projects. According to the present survey, out of a total 131 respondents almost 96 % developed training courses during the project. The training courses developed, according to the survey, cover all the development regions, in different proportions. The courses focused more on competence upgrading or acquiring new competences and qualification. The number of hours and duration were tailored to clients needs.

The service sector was the main beneficiary of the training courses developed(IT, e-commerce, ECDL, sales, tourism urban and rural, hairdressing, waiters).More than half of the courses organised within the investigated projects were targeted to the service sector, followed by the industrial sector(textile industry, food industry, energy industry) (22.1%). Only 7.2 % of the courses had trained human resources for agriculture, while 5.1% trained people for the construction sector. The interest of the promoters to develop training courses in the

service sector is part of the economic development strategy of Romania, within which the development of the service sector is a priority.

There is high diversity of the course duration, depending on the theme, scope and economic field of the training course. The average duration of a training course calculated in the research sample is 190 hours/course.

The average duration of the vocational training/re-conversion courses is 374 hours/course, while the vocational development courses have an average duration almost 4-times shorter (97 hours /course). However, standard deviation data shows a high diversity of the course duration, depending on different variables. Therefore it is difficult to find a specific trend in the average length of the courses developed. The reason could be that each training provider organised the course duration according to its clients needs.

As stated before in chapter 4-Project target measures addressed, it is vital that the training and vocational training offered to beneficiaries for Priority 1 corresponds to the companies human resources and business strategies as well as participants needs and to increase their employability. As for Priority 2 it is vital that the training received by beneficiaries will help them to respond to skills shortages on the labour market and again increase their employability and living standards. For these reasons training needs analyses should be carried out as well as labour market analyses taking also in consideration the regional development documents such as regional development plans, VET development plans(PRAIs) and regional employment action plans(REAPs). We did not consider relevant for this report a division of training by qualification or profession as long as there is no clear evidence of the way the training needs and skills shortage were identified for these projects.

People trained

Within the projects financed under **Priority 1** of the programme, the number of employees trained was **17746 (see table 36 below)**. According to the data extracted from the RDAs reports, from the employed persons trained, 3.3% were reintegrated into other professional structures (other jobs and professions) than they had before their participation on the training courses. **22%** of the trainees received graduation certificates (this percent does not represent a graduation rate, but the weight of the number of persons who received a diploma from the total number of trained persons, as resulted from the data contained by the RDAs reports).

Within the projects financed under **Priority 2** of the programme a total number of 11279 persons received training (**see Table 36 below**) from which 35.08% of the beneficiaries became employed after graduating the courses.

Also, according the data presented by the RDAs reports, **1768** of unemployed persons received graduation certificates and **81** set up their own companies.

Table 36. People trained

Beneficiaries of the projects developed under Priority 1					EMPLOYEES		
Total Persons trained					17746		
Priority 1	NE	NW	SM	Centre	SE	SW	W
Persons trained	3.657	2674	2053	2154	2039	3479	1690
Beneficiaries of the projects developed under Priority 2					UNEMPLOYED		
Total Persons trained/unemployed persons trained					11279		
Priority 2	NE	NW	SM	Centre	SE	SW	W
Persons trained	1827	1035	3455	1863	1418	857	824

Training materials

For the courses development of the financed projects, a total number of **411** course modules were developed, **9957** manuals were printed and over **11000** of brochures /guidelines for job search, business start ups, legislation for business, quality management, labour legislation, etc. were given to the beneficiaries, either unemployed or employed.

Table 37. Training materials developed

Materials for courses developed & printed	Priority 1	Priority 2
	no. of units	no. of units
Manuals for the training delivered	7353	2604
Courses modules developed on various topics	294	117
Brochures/guidelines for job search, business start ups, legislation for business, quality management, labour legislation, etc	4354	6740
Acquisition of books/training materials	81	1209

Chapter 6 details more the training activities in terms of results and effects.

5.4 Placement rate

Table 38. Placement rate

Priority 2	NE	NW	SM	Centre	SE	SW	W
Persons trained	1827	1035	3455	1863	1418	857	824
Persons employed/professionally reintegrated	795	315	1113	419	419	362	534
Placement rate (%)	43,51	30,43	32,21	22,49	29,55	42,24	64,81

According to the Guidelines for Applicants, for Priority 2, the compulsory minimum placement rate required was of 15%. As presented in Table 38 above the placement rate varied between 64.81%) for the West region and 22.49% for Centre region but anyway higher than the minimum required. This factor underlines the social and economical disparities (rate of absorption of the work force, economical development) existing between the different development regions.

5.5 Characteristics of Beneficiaries

The data available in Table 39 provides important information on the characteristics of the target groups participating in activities under the two programme priorities. For Priority1, the career guidance and counselling activities were not so important as the trainees were already employed persons and only 8.6 % from the training participants were involved in this type of activity. However, for Priority2 which targeted unemployed a 46.84% of the participants were included in the career guidance and counselling activity. There is no clear evidence to show how many people who participated in career guidance and counselling were also involved in other training activities. It appears that the projects were adapted to the needs of the target groups and delivered accordingly. Another difference between the two priorities related to the training programmes comes from the placement rates. Priority1 addressed mainly employed person and it appears that the placement rate was not a high priority as only 3.3% of the training participants changed their working place as a result of participating on the programme. The placement rate realised under the Priority 2 is more than ten times higher (35.8%) which shows the value of an active intervention for employment promotion among the unemployed persons.

Table 39: Number of beneficiaries by categories, type of measure and priority

No	Beneficiaries	Priority 1	Priority 2	Total
		Employed	Unemployed	
1	Participants in training activities	17 746 (61.15%)	11 279 (38.85%)	29 025
2	Participants in career guidance and counselling	1 538 (8.6%)	9 939 (46.84%)	11 477
3	Placed into a new position/job	570 (3.3%)	3 957(35.8%)	4 527

Source: our calculation is based on the RDAs monitoring reports

The survey data showed that the courses were attended by a total of 15670 persons, from which a number of 14899 (95.1%) of them graduated the courses. According to the promoters responses the majority of participants in the training events are the disadvantaged persons on the labour market and unemployed (59.3%) followed by employed persons (35.8%).

The dropout rate was 14.30% for all categories of beneficiaries, being higher in the case of administrative officials (42.20%), technicians and assimilated foremen (23.65%), unskilled young unemployed and women from disadvantaged groups (21.84%).

5.6 Institutional capacity building

More than half the number of projects (55 %) implemented two, three, or four of the measures targeted which also contributed to an increase of their institutional capacity. We can enumerate creation of a new training centres, development of their training capacity (provision of new classrooms, new training equipment); enhancing the training offer (new training programmes, new target groups, development of partnerships for future trainings); development of their training expertise (training of trainers, accreditation for different training programmes), etc.

We analyse in more detail the creation and development of the training centres in chapter 6- results/effects. As indicated in the first part of the report investment in continuous training is still a sensitive issue in Romania where investment in human resources development is still an area that needs development.

There were differences of investments in institutional capacity building between regions of development. The situation could be generated by such factors as: a different level of socio-economic development of the regions; the different funding available for regions; the different fund absorption capacity; characteristics of the training market (number of trainers, diversity of offers, quality of trainers, etc.); the differing training needs at regional level of the various target groups.

6. RESULTS/EFFECTS

6.1 General aspects related training activities

The legal framework regarding adult vocational training (established by the Government Ordinance 129/2000 with subsequent amendments and additions, approved by Law 375/2002) gave the background in which national recognized training programmes are to be organized. This implies training provider's authorisation with National Training Board for Adults and the County Authorization Committees.

The procedure for the authorisation is less related to the training provider but more related to the training programme. In our research we acknowledge the specificity of accreditation. A training provider should have accreditation for each of the training programmes they deliver and for each county location where training is delivered. Each of the 4 years authorized training programmes are organized and linked to the name and location of the training provider or related to the domain of qualification delivered into the Register of authorized training providers on the NTBA web-site.

Before making the analysis related to the registration of the training providers within the NTBA there are number of important issues we feel should be considered.

Firstly according to the Applicant Guide for PHARE 2002 Projects, in the case of training courses these could be delivered by companies registered with NACE 8042 among its specific activities. However, in the case of a partnership it was compulsory for only one partner to have respective NACE registration in order to qualify the consortium to deliver training under the project. This could mean (and it was the case for many projects) that although the promoter was not eligible or authorized for training delivery, the actual training programme was authorized (and training certified with national recognition) due the contribution of the partners.

With the information available to us we were not in the position to identify this particular part of the partners' authorization for all projects. There were some isolated cases identified as a result of the interviews undertaken but, in order to be consistent, and as a general rule we only checked the promoters from the perspective of a NTBA certified training provider.

Secondly, it was difficult to identify for each project what type of training programme delivered (all individual project qualifications) and to match this with the authorized training programme for each training provider. It was considered that if a training provider was authorized for a training programme, than the required "know how" and infrastructure could be used in authorizing the next training programme.

In the third comment we should stress the fact that according to the law a training provider should authorize a training programme in each of the county for delivery of the training programme. Related to this in our analyse we counted all authorized training providers as they are registered into the locality of their headquarters, although in the project implementation locality they did not authorize their training programme. Any how these cases are separately registered in the table below.

Could be a last comment somehow related to adult training courses accreditation and to specific types of recognition for qualification; the driving licence could be examples both for cars and computers. The rules and standards for national recognition of certificates, not necessarily comply with the general adult training methodologies (NTBA ones) but gives the national recognition under special conditions. Those training providers were not included into the list of those authorized by NTBA, since they were not authorised by them. Could be as well, situations related to accreditation as training provider under the Ministry of Education rules: most of the universities delivering training under the Phare 2002 HRD schemes did not authorized the training programs with NTBA as training programmes for adults.

6.2 Viability of the training centres / facilities

As table 40 explains, among the project promoters 130 were identified as authorized training providers in the NTBA data base, 95.4% are authorized in the county in which they deliver the training and only less than 5% delivering training in an place in which they are not registered as authorized training providers-an aspect which in our opinion does not necessarily affect the quality of the training.

Table 40: Projects and promoters registered with NTBA as authorised training providers (in numbers)

	Development Region	Accredited promoters			Notes **
		From related county	From another county*	Total	
1	Region NE	18	-	18	IT training ECDL
2	Region SE	21	-	21	-Car driving licence - ECDL
3	Region SM	18	2	20	-
4	Region SW	16	-	16	E-learning
5	Region W	15	-	15	ECDL - Integrated system ERP
6	Region NW	17	2	19	CAD modelling
7	Region Centre	19	2	21	Distance Learning ConfEXpert, CAD
	Total	124	6	130	

Source: our calculation is based of NTBA training providers data base

* projects whose promoters are accredited training providers in the counties they belong to but which did not accredit the training course in the county they implemented the projects

** specific training programme whose accreditation follows another national recognition certification rule

The situation in the Table above shows that only 43.7% of the promoters from the Phare 2002 HRD (out of 297 projects finalised), are registered with NTBA as authorized training providers, the situation being different from region to region as South Muntenia Region registers 54 % and the other extreme North – East Region 29.5% of projects delivering training have authorized promoters. It is evident that on the ground the situation could be changed since partners could be authorized training providers as well but, as mentioned earlier a comprehensive assessment of the situation was not into the “hands” of the actual evaluation.

Analyzing the information resulting from questionnaires it appears that from 131 projects, in 32% of cases the projects developed new training centres and in 50.4% of the cases the promoters invested in developing existent training capacities in terms of developing training centre infrastructure. Less than 7.6% of projects targeted investments in development of their own human resources such as to train the trainers. Table 41.

This information could be an indication to what extend new and better quality training promoters and programmes are prepared to become available on the market. In the regions there is an increased capacity of CVT as result of Phare 2002 HRD schemes implemented since of the 131 project promoters, 82.4% developed training facilities in terms of new training centres or increased infrastructure for the old ones. As introduced in the first part of the report the continuous training aspects are still sensitive in case of Romania where investment in HRD remains an important issue which needs to be addressed.

Allocation of training projects per development regions is presented in table 41 below:

Table 41: Development of training facilities -no of projects -

No	Development Region	New training centre	Development Training centre infrastructure	Training the trainers
1	Region NE	8	18	
2	Region SE	7	12	2
3	Region S	9	2	1
4	Region SW	7	7	3
5	Region W	3	8	2
6	Region NW	3	9	1
7	Region Centre	5	10	1
	Total	42	66	10

Source : Q25 from promoters questionnaire

The larger investment in development of new centres and increased infrastructure of the exiting ones is in the NE Region where it was the 22% of the total increased capacity. The other regions are more closed one another their investment in terms of training centres vary among 17.8% and 10.2%.

Analyzing the interview responses from the perspective of the training programme delivered, 30% of responders declared that they as promoters decided alone the training programme to be delivered during the project implementation and 46.6% of them declared that used as trainers their own staff. 26.6 % responders declared that the training programme was decided by the partner and they use as trainers the partner staff. 13.3% of responders declared that they selected the trainers for training programme from the training market and only 3.3% declared that they contracted the training as whole package from the market.

Interesting was to mention that only 30 % from responders declared that they use training standards or occupational standards when they develop their training curriculum. Here is an indication about the low-level still in quality assurance for the adult training programmes. As well this aspect can give indications related to the lack of available information on the training market and related to the degree of quality ensured through the accreditation which looks that not necessary managed yet the entire process. Its important to say that since the process of Romanian qualification framework development is on going and quite in early stages, not much was done in new or revised occupational standards development. An alternative for the training providers could be the use of the training standards developed through the technical and vocational education and training system. There are two aspects which should be considered here, first related to the existing qualification domains developed within the education for which the training standards are available and second the extend to which exist the awareness and knowledge among training providers related to available training standards developed in technical and vocational education system.

It is understandable that the training providers sometimes complain about the access to authorization as being a difficult and odd process (one aspect mentioned by project promoters during the interview).

The most important part of the investments in training centres development were made in preparing the training rooms, their furnished and equipments.

In numbers, the IT and software equipments acquired for the courses provided under first priority is almost three time (respective two times) higher, than to those offered under the second one (to the unemployed and job seekers) although in terms of participants in CVT of the employed persons this represented 60.1% from the total number participants in training (according to the RDAs administrative data) Table 42.

Table 42 Investment in training centres infrastructures (No. of units)

Equipments acquired in order to implement the projects	Priority 1	Priority 2
Office equipments	724	474
Software/licenses	401	209
Furniture	1873	2194
IT equipments	122	45
Training room arranged	107	45

Source: our calculation based on Q 36

6.3 Completion of training and drop-out at the beneficiary level

According to RDAs administrative data under the two priorities of the 2002 Human Resources Development programme, 29 025 persons were trained and 60.1% of them were employed persons participating into a CVT (continuous vocational training) course.

According to the promoters responses to the questionnaires, 15670 persons attended the training courses organised under the 2002 HRD schemes and 95.1% from participants graduated the training courses.

According to the promoters responses the majority of participants in the training events are the socially disadvantaged and the unemployed (59,3%) followed by employed persons (35.8%)Table 43.

Table 43 Summary of the training delivered under the programme no.

Categories of trainees	Total registered	Number drop outs	Number of graduates
Employed persons, out of which	5613	197	5416
Management levels in the public administration and socio-economic units	1809	42	1767
Specialists (engineers, professors, trainers, counsellors for professional guidance)	1594	44	1550
Technicians, foremen and assimilated	554	7	547
Administrative officials	173	9	164
Operative workers in services, trade and assimilated	1145	76	1069
Unskilled workers	338	19	319
Entrepreneurs / potential entrepreneurs	769	30	739
Unemployed	3234	153	3081
Socially disadvantaged , out of which	6054	391	5663
Unskilled job seekers	1584	90	1494
Unskilled young people coming from protection institutions	179	28	151
Long-term unemployed	2071	204	1867
Persons wanting to return to the labour force market after a period of absence	670	14	656
Roma	211	22	189
Women	1116	28	1088
Other	223	5	218
Total beneficiaries	15670	771	14899

Source : our calculus based on responses to the questionnaires (Q31)

The dropout rate was 4.9% for all categories of beneficiaries, being higher for the category of socially disadvantaged (6.4%) and lower for the category of employed trainees (3.5%). Inside

the category of socially disadvantaged, the highest rate of drop out, 15.6%, is registered with the unskilled young people coming from protection institutions, followed by roma population (10.4%) and the long-term unemployed (9.8%).

Among those 42% from promoters who indicated in the questionnaire reasons of drop out, 16% indicated as reason the need of going to work abroad followed by 11% referring to personal, health and family reasons. 27% of respondents declared difficulties in adapting to the training process (schooling hours and process, learning difficulties), 16% declared as justification no interest of the trainee in the course. The rest declared as reasons hard work and lack of time for participation in training sessions or changing the status in employment.

An interesting aspect is revealed when analysing regionally the rate of employment at the end of a training process for the unemployed beneficiaries (calculated as a ratio between the number of trained unemployed persons and the number of unemployed persons trained/professionally reintegrated).

As can be seen in Figure 10 this employment rate could be three times bigger between two of the development regions (West and Centre), an aspect which can be interpreted as a better targeted training in the domains required by the labour market or a more intense economic development with new available jobs in the region with the highest employment rate.

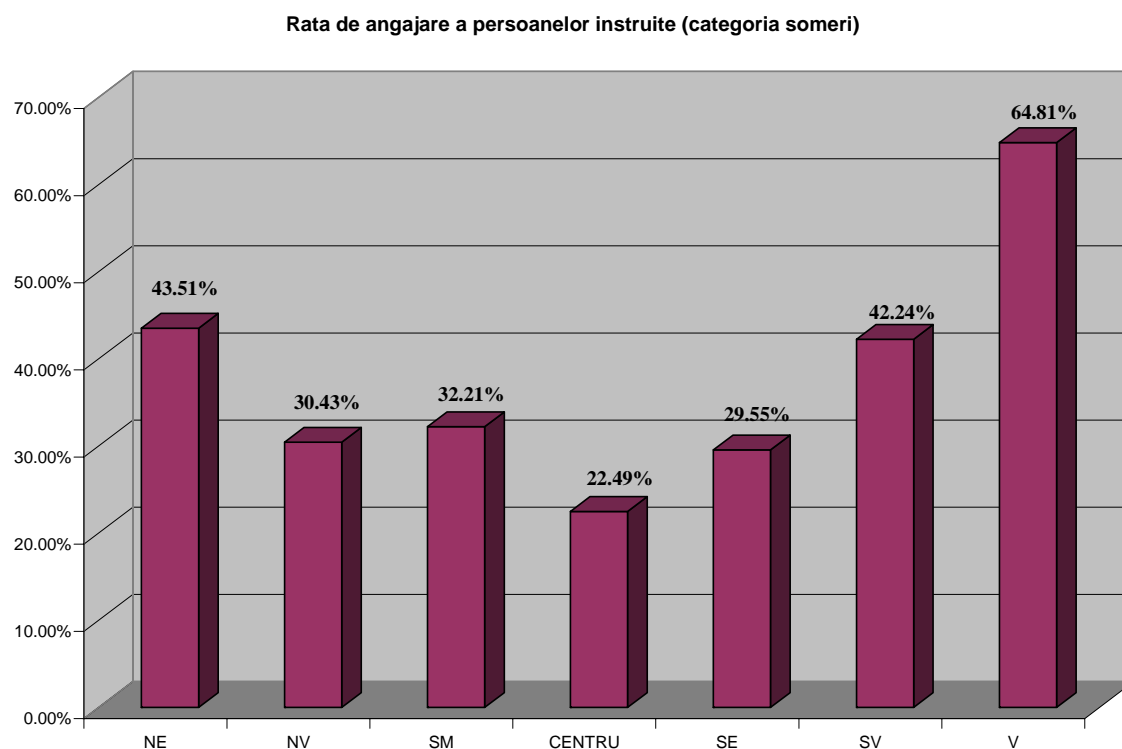
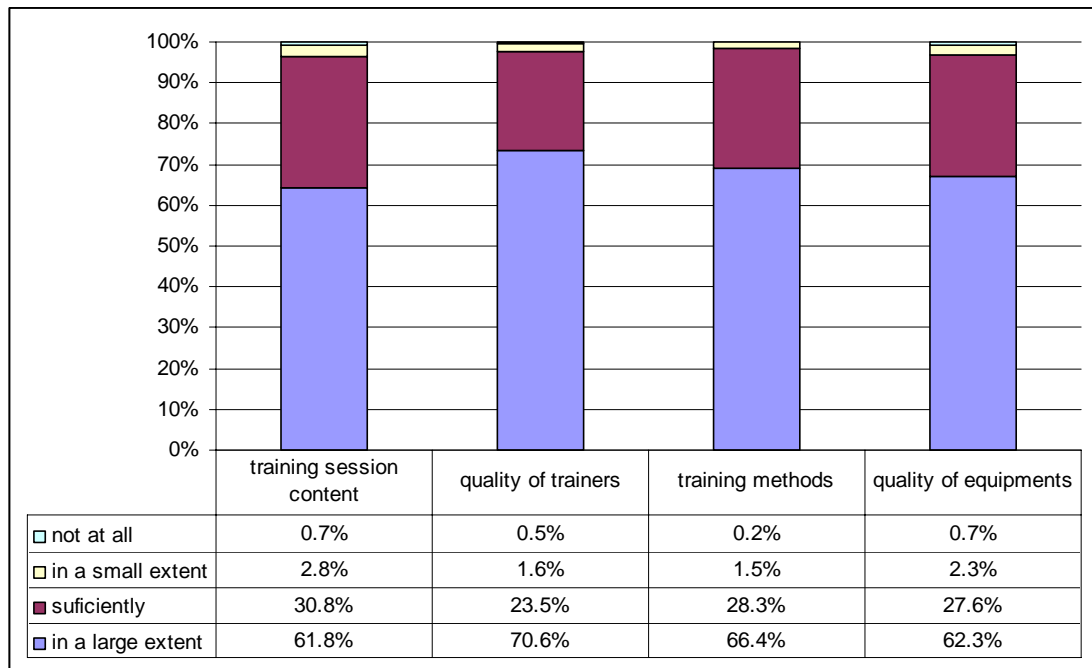


Figure 8 Rate of employment for the unemployed as result of participation in a training course (Source : our calculation is based on RDAs reports)

6.4 Client satisfaction with the training program

In order to evaluate the client satisfaction with the training programme, were used four indicators associated with training session: content, quality of trainers, training methods and quality of equipments utilised. The responses to questionnaires shows that to a large extent the trainees were happy with the training content (61.8%), trainers (70%), training methods (66.4%) and training equipment (62.3%) which gives important information about quality in training delivery. (Figure 9).

Figure 9

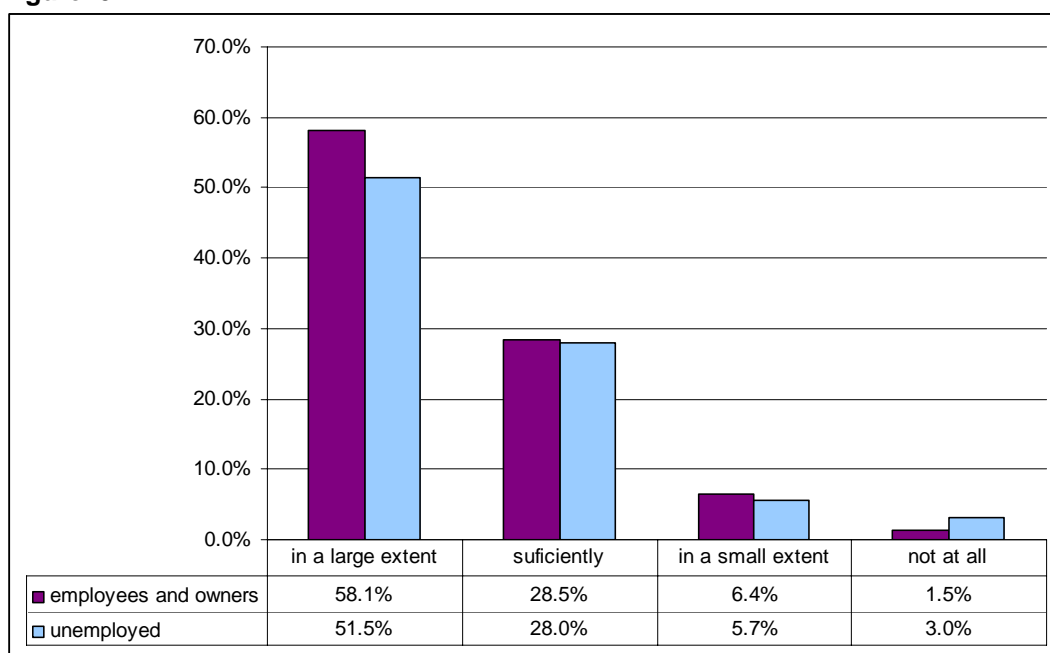


(Q18-Q21 The data are counted from the total (608 cases))

The data presented in the previous Figure are consistent with those comprised in Figure 10 which are the processed results from the question referring the use of equipment and materials during the training sessions. A 5.7 % from the unemployed and 6,4% employees and self employed in the sample responding to the questionnaire , said they utilised the equipment to a small extent and 3.0% of the unemployed and 1,5 % from the employed/self employed didn't use equipment at all. The rest declared that they used the equipment to some and to a large extent.

Is interesting to see (Figure 10) that the employed trainees have higher access rate to equipment available for the training, an aspect which could be explained and correlated with previous results (Table 42) which states that under the first priority the equipment acquisition was more important.

Figure10

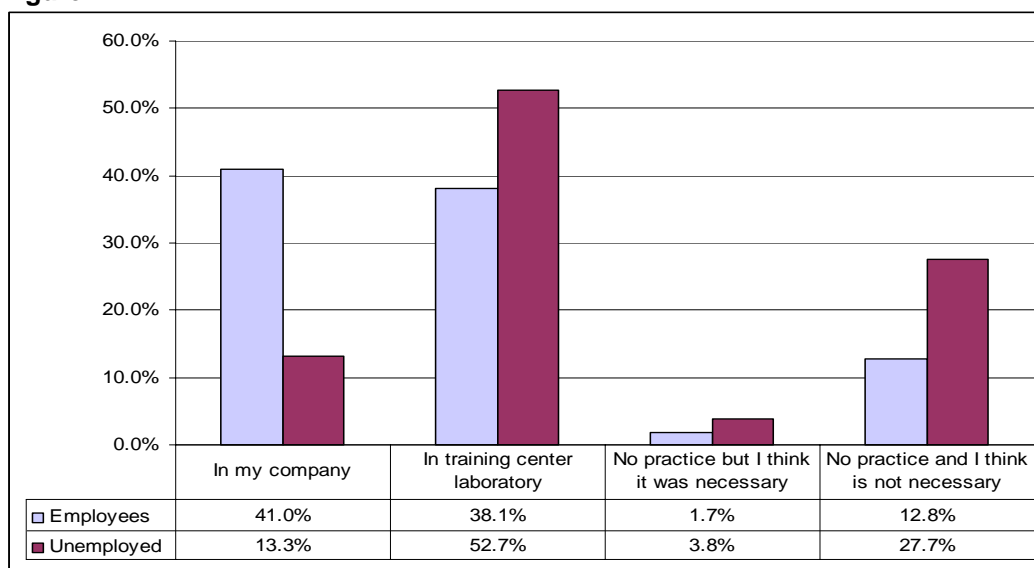


(Q 22. Did you use the equipments in training sessions?)

The answers to the Q23 referring the place of delivery for practical training again shows differences among the two groups:

- of the employees/self employed where 41% declared that they made the practical training in their companies and 38.1% in training centre laboratories; and
- of the unemployed group who participated in practical training mainly in workshops/ laboratories belonging to the training centres (52.7%) and only 13.3 % of them declared their practical training within enterprises. In this category more than one third (31.5%) declared that they did not have modules of practice in their training programme, a fact which again gives some information about the quality of the training programmes.

Figure11



(Q23 Where took place the practice?)

In terms of assistance offered through the project related to the way of organizing the training course both groups (employed and unemployed) to a large extent mentioned (around 90% well and very well) their appreciation related to this important element of any training programme Table 44.

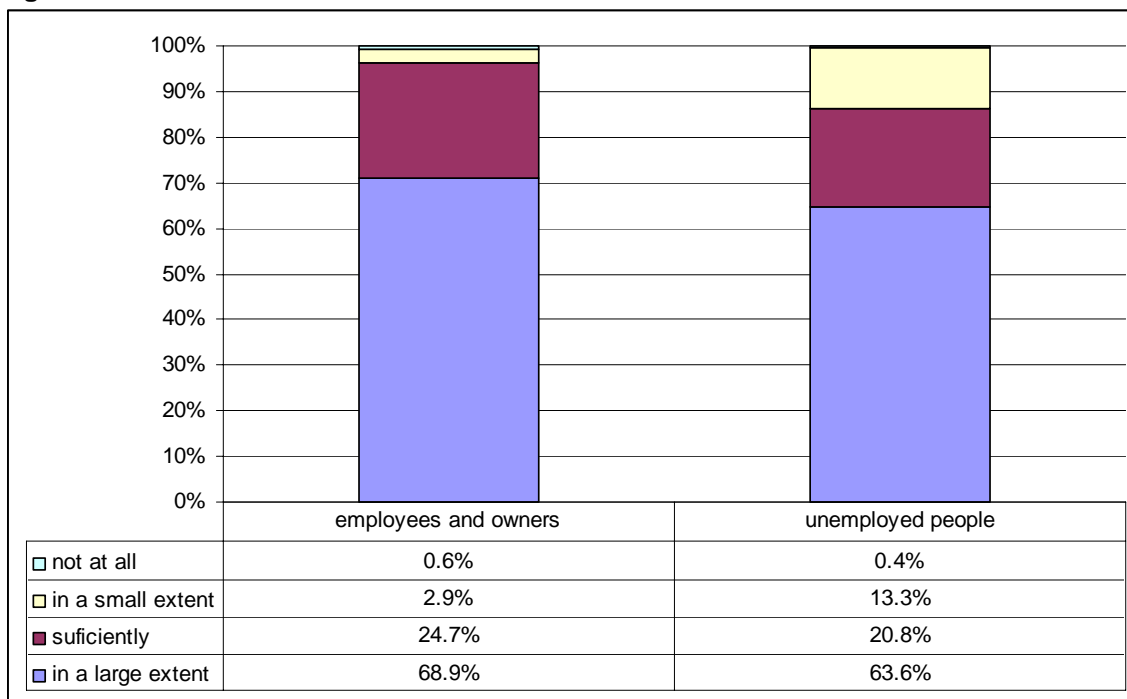
Table 44 (%)

	Unemployed people	Employees and self-employed
Very well	60.2	61.3
Well	29.5	28.5
Satisfying	6.1	6.7
Unsatisfying	1.1	0.3
No contact with the organizers	1.1	0.3

Q37 How do you appreciate the assistance offered by course organisers?

Important information about the quality of the training programmes are introduced by Figure 12 in which more than 63% of the participants belonging to the two groups expressed their interest to a large extent in participation, again, in a similar training programme. This demonstrates also the satisfaction of the participants in relation to the training programmes and their open "appetite" for new training programmes.

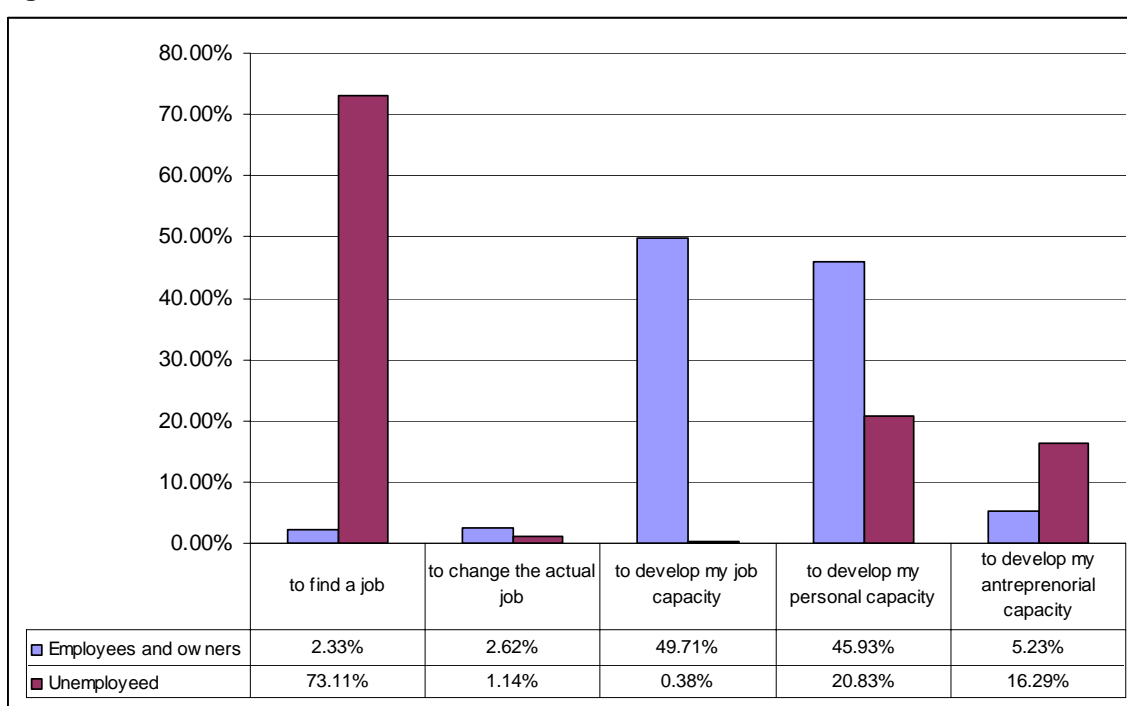
Figure12



(Q38 Are you interested to participate in similar training program in the future?)

When questioning the reasons for attending the training courses, responses relate to a large extent to employment status of the training beneficiary. Therefore, 73% from the unemployed trainees have expectations related to the changing of their status in the labour market respectively to find the appropriate job and 37 % declared as an interest in the development of their personal or entrepreneurial capacity. The expectations of the other group of employed trainees are more connected with their career progress and development (49.7%) and their personal capacity development (43.9%).

Figure 13



(Q13 the rationale to participate at this course was....) (Multiple choices)

The majority of people who participated in the training sessions declared satisfied or quite satisfied with their experience.

7. RELEVANCE

The analysis of relevance was undertaken by looking at the appropriateness of project priorities in terms of the needs which it was supposed to address. In order to identify in the analysis the place of relevance, we considered information resulting mainly from responses to several issues raised in the questionnaire. Some data and qualitative results arising from the interviews will also be discussed.

As introduced in the Chapter 2, the labour market in Romania is affected by the situation related to the employed population which continues to register a slow but constant decline generated mainly by the restructuring of the industrial sector. Achieving the Lisbon goals for employment by 2010 will not be an easy task since growth in employment fails to respond to the new growth tendencies in the economy. There are age groups more affected by the process: the age group of 55-64 and the youth group. The transition of youths from school to active life remains a critical issue within the labour market; it being more difficult for young people with a low level of education or with more general education to achieve this. The reintegration of older workers or of other vulnerable groups (the long term unemployed, young peoples leaving institution, roma population, etc) requires special attention. But, the active intervention on the labour market which comes to provide temporary support to the structural changes was in terms of investment, the lowest in Europe although such structural changes will be important for the new Romanian economy.

A second important characteristic of the Romanian labour market is the level of participation in CVT where Romania has the lowest participation in Europe due to some existing problems such as the general attitude towards training resulting mainly from lack of funding and incentives and lack of expertise at community level in the development of community lifelong training structures.

In making this inventory of the needs of the Romanian labour market we intend just to refresh some characteristics and the background in which the HRD 2002 Phare assistance was implemented.

According to the promoters responses to the question 10 referring to projects priorities, 55% of the assistance was dedicated CVT (72 projects) and in the case of 43% interventions (56 projects) were implemented under active labour market measures. There were 3 promoters (2%) who did not respond.

Inside the projects implemented targeting CVT the key features are shown in Figure 14 below.

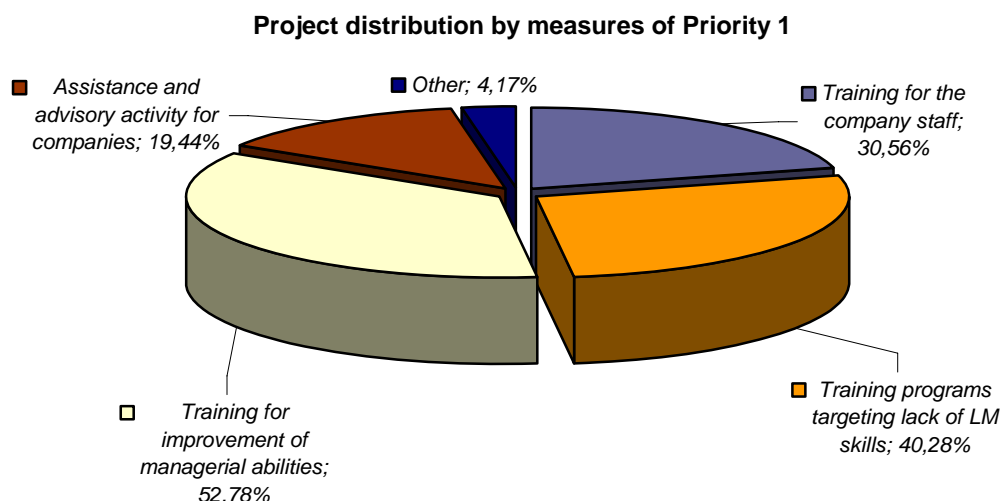


Figure 14. Training the labour for better response to the LM needs
(Promoters Questionnaire – Q11.1)

It is important to note that 40.28% from the measures developed under this priority targeted the development and delivery of training programmes addressing the labour market skills shortage in various economic sectors such as utilities and services. CVT in companies accounted for a large part of the programme since in the first priority, 83.34% of the measures targeted the increased competencies of the general and managerial staff in companies faced with having to deal with the evolving, competitive and globalized business environment. A 19.44% of the measures developed under this priority were addressed to more deep-rooted actions related to HRD targeting a strategic approach of the subject.

The multiple responses given to the Q 11.1 gives a clear indication that more than one measure was implemented in some of the projects.

Figure 15 makes an inventory of the employment measures developed by the projects under second priority as a tool for fostering employment.

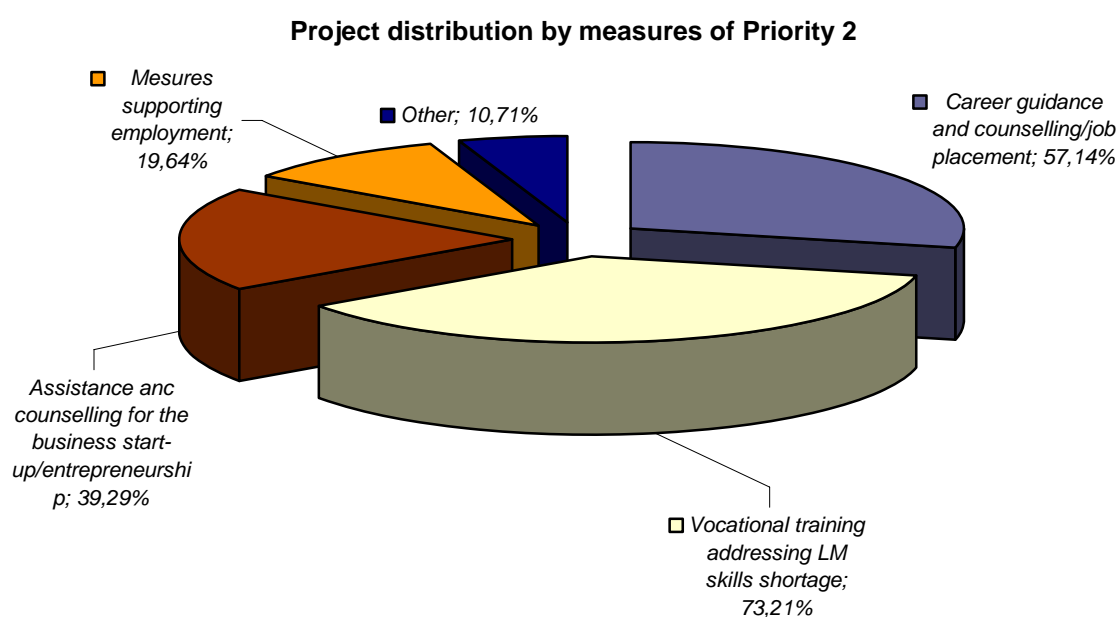


Figure 15. Enhancement of ALM measures (Promoters Questionnaire – Q11.2)

73.21% of the measures implemented by projects were dedicated to vocational training of the unemployed or other vulnerable groups on the labour market aiming both promotion of employment and addressing existing labour market shortages. The next 57.14% of assistance was dedicated to career guidance and counselling and job placement activities as important tools in the identification of individual needs and potential for the further development of assistance. An important weight in assistance was dedicated to the support and counselling for the business start up and entrepreneurship aspects (39.29%) as important tools of income and employment generation on the labour market. It is important to sum up that most of the measures implemented under the second priority targeted the long term results and only 19.64% were addressed to the immediate employment of various groups with difficulties in accessing employment.

An average of 2.2 measures per project gave the valuable information that there were projects with more than one action targeting employment promotion under the second priority.

The projects implemented under HRD 2002 component addressed through measures as well as the individual needs and Table 45 contains an inventory of measures addressing the projects target groups.

According to the declarations in the 131 responses received for the 72 projects addressing the first programme priority there were 92 groups considered for assistance which give an average of 1.28 group per project meaning that about 1/3 of the projects developed actions dedicated both to managerial and non- managerial staff.

For the second priority an average of 2.56 groups per project gives the information that measures implemented by the project addressed more than one of the vulnerable groups.

In terms of CVT the preferred target group constituted all management groups (58%) the regular training of employees coming in second position (48%).

Table 45 Situation of project target groups

Priority	Type of target groups	no
1	All management groups	53
	Non-management levels – regular staff	39
	Total priority 1	92
2	Young unemployed without qualification/ not relevant skills	46
	Young non skilled people from protection institutions	11
	Long term unemployed – (of min. 9 months)	42
	Re entering labour market job seekers	29
	Other vulnerable groups , focus on roma population	14
	Total priority 2	142
	Total programme	234

Source: promoters questionnaire Q 12

In those which concern priority 2 interventions, the most frequent target group is that for young (unemployed, unskilled and from protection institution) with 40%, followed by the long term unemployed with 30%, and other vulnerable groups (job seekers re-entering the labour market, roma population etc.) with another 30% . This distribution of the target group complies with the information resulting from the brief introduction of labour market characteristics.

In general an average of 1.79 target group correspond to those 131 projects giving the information that more than 2/3 of the projects had more than one target group.

Reviewing the information resulting from interviews only 43 % declared that the decision related to the project and the target group came as a result of the organization activity or from previous experiences in partnerships. This can lead to the conclusion that some of the projects were supply driven and not demand driven.

The remainder -57% declared that the decision on the target groups for projects were subject of researches for identification of needs (LM studies, internet research, available information in the County Agencies for Employment, regional strategies and plans, programme guide etc) giving an indication of a demand side approach.

Referring to the extent to which the decision on service delivery was adapted to the identified needs, 29% adapted the standard offer of services to the individual identified needs, 29% adapted the services to the labour market needs and available opportunities, 26% adapted the services to the target group and the remainder of 17% proposed the services following the consultation with the partners.

The 2002 Phare programme assisting the HRD domain was in our opinion highly relevant to the domain needs. Wider and immediate objectives were well structured, addressing fields of crucial importance to the HRD domain (e.g. CVT in enterprises, active employment measures, support for new entrepreneurial activities). The assistance built upon the achievements of earlier Phare programmes since investments were made in the development of existing infrastructures (more than 50% of investments were dedicated to upgrading and improving the capacities developed previously)

We noted the fact that 82.3% (32% new training centres and 50.4% refurbished centres) of the projects aimed at building and strengthening institutional capacity which highlighted one

of the goals of the EU/Phare 2002 Programme concerning the need to increase the institutional capacity to ensure efficient absorption of HRD funding.

8. EFFICIENCY

The information available for the programme was in general not sufficiently well structured to allow us during the evaluation to perform the three types of efficiency analysis in terms of: outputs, results and impact compared to the respective level of costs (**presented in Table 46 below**).

Table 46: Effectiveness and efficiency indicators at different programming level

Objectives	Indicators	Effectiveness	Efficiency
Measure/action	Financial/physical output	Actual/planned output	Output compared to cost
Priority	Result (impact)	Actual/planned results	Result compared to cost
Programme	Impact (results)	Actual/planned impact	Impact compared to cost

Source: European Commission, Directorate General-Regional Policy, The New Programming Period, 2007-13: Methodological Working Papers, Indicators for monitoring and evaluation -A practical Guide

The analysis of the information from the MEI's database and website and from the reports of the RDA's only provided information on the quantitative indicators for achievement of outputs and results and general financial information. This was not sufficient to allow us to make calculations in terms of efficiency.

For this reason, we had to rely only on the analysis of the survey data in order to be able to calculate costs for equipment and training and to compare with the project budget. As shown at Chapter 3 Inputs and Chapter 5 Outputs:

- the percentage of the total equipment costs was 17.6% from the total project budget which was lower than that in Phare 2000 HRD (27.8%);
- the training cost/participant was 113 Euro which was lower than the one calculated for Phare 2000 HRD (210 Euro/participant);
- the average placement rate for priority 2 was: 35.08 % in comparison with the 40.3 % placement rate announced by ANOFM for 2005. We could not identify in the Phare 2000 HRD ex-post evaluation report the placement rate announced by ANOFM so were unable to make a comparison;
- cost of placement was 386,08 Euro per person. We do not have comparative figures for the placement cost per person for Phare 2000 HRD programme;
- absorption rate was high (96.54-96.56%) for Phare and national budget funds and was higher than Phare 2000 HRD (85.6%).

Explanations for each of the above mentioned findings have been given in the specific chapters and paragraphs (chapters 3 and 5). However when comparing the efficiency of the Phare 2000 and Phare 2002 HRD programmes we have to take into account the major differences between the two programmes among which we need to mention:

- Phare 2000 addressed 3 priorities in comparison with Phare 2002 which addressed only 2 priorities;
- one project could cover more priorities for Phare 2000 in comparison with Phare 2002 HRD where each project could address only one priority;
- there were large scale and small scale projects in Phare 2000 HRD in comparison with Phare 2002 where only small size projects were funded (grant up to 75000 Euro).

As a principle for the next programming period, the establishment of a more structured and unitary indicator system should be integrated in the programme planning at an early stage. Experience shows that an indicator system is effective when it starts to measure the

programme implementation from the very beginning. It is recognized that indicators represent a major source of information on which evaluations are based and they should be used at the different evaluation stages.

We suggest that for measuring the efficiency of future programmes there is a need to include into the promoters final reports and Implementing Authority reports, at least the following indicators referring to:

- cost per hour of training for each category of training and level of qualification;
- cost per person that benefited from counselling, job mediation and other active measures;
- cost per person placed into a job (including training and active measures);
- cost per job created;
- cost per hour of new training module developed (including training curricula, training materials, etc);
- number of persons that benefited from each of the services and that benefited by multiple services (e.g training under several active measures).

We consider that it would be far easier if both promoters and monitors register the information necessary for calculating these indicators from the early stage of project implementation and do the final calculation at the end. This will greatly improve the accuracy of the data obtained in comparison with that obtained from the analysis of data during the future surveys.

We also recommend that promoters receive full training together with ongoing advice and guidance (this could be given by their monitors) to ensure that they fully understand the relevance and importance of these indicators and how to calculate them accurately.

9. IMPACT

9.1 Project promotion and dissemination of results

After analysing the data from RDAs reports and our survey data (questionnaires and interviews with promoters) we could reach to the conclusions presented below.

One important conclusion is that promoters used a combination of promotion and dissemination methods that amplified the impact of their projects at a larger scale.

Promotion of the projects

For projects implemented under Priority 1, the promotion of services was developed using printed materials such as brochures, leaflets, flyers and posters. Over 56000 items of materials were printed in order to be used in promoting the services.

For projects implemented under Priority 2, the promotion was based on the same type of materials. The number of promotion materials exceeded 61000 items.

Dissemination of results

Again a variety of methods have been used among which, according to promoters' answers, the most popular one remained the printed leaflets, brochures and promotional materials. We consider this a positive aspect because printed materials are easily distributed on a wide area and to a large numbers of the population and can increase the project dissemination effects, from local to regional and national level. However, unfortunately, the costs of printed materials are higher than the ones for internet dissemination, so a balance should be found between the two methods.

Table 47 Dissemination methods

	Projects Priority 1	Projects Priority 2
	No. of units	No. of units
Web page	43	34
Luminous sign board	1	
Billboard	8	
Leaflets	34894	30135
Brochures	18522	11100
Banner	16	9
Posters	1180	4011
Mass media appearances	313	565
Flyers	2000	15900
Ad clips		1
Promotion materials	25625	11390

Source: RDA reports

Another positive aspect of the dissemination of results, was the fact that promoters successfully used mass media which on the one hand contributed to an easy dissemination of information at local and regional level but also, in the longer term, may contribute to the attraction of more support for projects activities from the regional stakeholders and beneficiaries themselves. We suggest encouraging in future programmes a larger and more effective use of the mass media.

Almost 56% of the promoters interviewed declared themselves highly satisfied with the impact of project results' dissemination and considered that the proper dissemination led in their case to:

- Increase of requests for their services from additional clients;

- Increase of requests, from their beneficiaries, for additional services during project implementation;
- Increased requests for other partnerships;
- Consolidation of their position as service providers in the community;
- Requests for sharing good practices within stakeholders, beneficiaries and other similar organisations.

The dissemination activities were carefully planned and ran throughout the implementation of the project progress, which contributed to a better understanding of the problems and issues solved by the project.

In addition to the promotion materials, models of good practice were also disseminated to support other potential promoters in starting to develop new projects.

9.2 Impact in promoter's opinion

Impact at organisational level

The survey data showed that the impact at organisational level was perceived as the most important impact for 58.6% of companies, 55.5% of Chambers of Commerce and 70 % of TVET schools (see also table 48).

Table 48 Impact at organisational level (in numbers)

The most important impact of the project was observed at the organisation/company level				
Type of organisation	No	Yes	NR/Don't Know	Total
TVET schools	2	7	1	10
Company	13	34	11	58
University	5	3	2	10
Chamber of Commerce	2	5	2	9
Local public administration	3	3	3	9
Non-governmental organisation	10	9	13	32
Other		2	1	3
Total	35	63	33	131

Source: our calculations based on promoter's survey

The data presented in Table 49 below, show which were considered by promoters, to be the most important benefits of the project at organisational level, for the companies and for the employees. For companies the most important benefits were considered the fact that the employees being better trained could perform their work more efficiently and could produce better quality work, which are in line with the Priority 1 objectives.

At employee level, the most important effects were considered to be the fact that people could improve their skills for their job and their employability and could better organise their work, which are again corresponding with the Priority 1 objectives.

Table 49. Effects at organisational level for companies and employees (in numbers)

	Impact categories (58 companies)	Impact level				
		Good	Satisf.	Unsatis f.	It is not the case	NR/Don't Know
Effects at company level						
	Increase human resources quality	35	3	0	3	17
	Increase work quality in the company	30	5	0	3	20
	Increase work efficiency in the company	28	6	0	4	20
	Increase company competitiveness	29	10	0	2	17
	Increased capacity of technical development of the company	19	7	0	9	23
	Increased organisational cohesion of the company	24	7	0	3	24
	Increased interest for the quality standards	28	5	0	4	21
Effects at employee level						
	Development of professional competencies and of other types of competencies following the attendance of training programs	32	1	0	1	24
	Increased work responsibility	21	8	0	3	26
	Better work organisation	26	8	0	0	24
	Changes in the professional status of the company / enterprise following attendance of training courses (promotion, new responsibilities in the enterprise/company, pay rise)	14	10	0	8	26
	Development of trainees interest to attend training programs	24	6	1	1	26

Source: data from promoters' survey

We would like to mention that only 14.5% from the respondents (less than the 25% in Phare 2000 HRD programme) considered that the project contributed also to the improvement of the human resources management into their organisation which is the same conclusion we draw in chapter 4.2 Programme measures addressed. This is a rather sad conclusion because it may mean that some of the training activities have been designed without taking into account the real target group needs, the real project potential and failed to involve all decision – makers at organisational level (see also chapter 7-Relevance).

We would like to present for the companies that responded to our survey some additional important conclusions regarding the impact of the projects at the organisational level as presented below in the Tables 49 and 50.

Table 50 (Q 43-promoters questionnaire) Evolution of the following indicators at the company's level after the project implementation (in numbers)

		increased	reduced	unchanged	Do not know, cannot tell
1	Number of employees	11	9	12	26
2	Work productivity	34	-	5	19
3	Budget allocated for training	23	-	10	25
4	Number of employees attending training courses	23	8	5	22
5	Investments in technology/new equipment	31	1	8	18
6	Company turnover (actual value)	33	1	4	20
7	Number of orders	29	-	7	22
8	New production lines or new services	17	1	11	29
9	Profit level	20	2	9	27
10	Efficiency of marketing strategies	21	-	7	30

Among the positive effects of the projects implemented in the 58 companies that responded to our survey we can mention that:

- Work productivity has increased in 58,6% of companies.
- 39.6% of companies decided to increase the budget allocated for training their staff.
- The number of employees attending training courses has increased in 39,6% of the companies.
- Company turnover has increased for 56,8% of them and profit was higher for 34.5% of the companies.
- 29.3% of companies introduced new production lines or new services.

Even if the above presented indicators seem to produce more positive effects at company level there is no doubt that to some extent they contributed to securing jobs for employees, continuing to increase their skills and employability, providing better working conditions with new and modern technologies and potentially increasing their income as an effect of the increased profitability of the company's.

As regard Table 51 below, even if the percentages are not as spectacular as for the company's change, we can still see an improvement regarding:

- Better human resources management through a better manpower planning for 29.3% of companies.
- More attention paid towards human resources development including their vocational training for 27.5% of the companies.
- More interest for development of the human resources strategy including efficient HR procedures and in line with the company's strategy for 31% of companies.

Table 51 (Q 45 from promoters questionnaire)-Evolution of indicators at company level, following the implementation, during the project, of a new human resources management system

	increased	reduced	unchanged	Do not know, cannot tell
Control over personnel issues/needs	17	-	1	40
Control over forecast no. of personnel	15	-	4	39
Attention paid by company management to human resources development	16	-	3	39
Interest in a company strategy for continuing vocational training	18	-	1	39
Efficiency of human resources scheme	12	-	3	43
Human resources stability	6	1	8	43
Efficiency of recruitment schemes	13	-	4	41

We have also to take into consideration that it may still be early days for seeing the real impact of the projects upon the promoters.

Impact at local, regional and national level

Table 52. Impact at local, regional and national level for all type of promoters (in numbers)

The important impact of the project was observed at the local, regional, national level				
Type of organisation	Total	Local level	Regional level	National level
TVET	10	9	1	-
Company	58	34	23	-
University	10	4	6	-
Chamber of Commerce	9*	7	4	1
Local public administration	9	7	2	-
Non-governmental organisation	32*	22	10	2
Other(School Inspectorate, Employers Association, etc)	3	2	1 (School Inspectorate)	-
Total	131	85	47	3

** Some of the organisations considered that their project had impact at different levels such as local, regional and national ones.*

We notice from table 52 above that 90% of TVET schools, 77 % of Chambers of Commerce and local public administrations, 68.7% of NGOs and 58.6% of companies, consider that their projects had a strong impact at local level. If we look at the impact at regional level we can see that the 60% of universities followed by 39.6% of companies considered that their project had a strong impact at regional level while only one Chamber of Commerce and two NGOs (which are working at national level) considered that their project had an impact at national level.

The fact that only 10% of TVET schools and 22% of local public administrations considered that their projects had an impact at regional level is not encouraging and based on the information presented above we consider that future HRD programmes should encourage far more the dissemination of results and best practices at regional level in order to increase the impact and multiply the effects.

9.3 Sustainability of effects on beneficiaries

Impact on the employees – Priority 1

The impact for Priority 1 beneficiaries was evaluated at two levels : changes in their quality of work and competences and changes in their job and position in the company. The majority of the people interviewed considered their professional life has progressed in terms of the quality of work they perform, job responsibilities and job efficiency (See Table 53).

Table 53 Impact on the employees quality of work(competences)

I increased my work quality	29.1%
My responsibility is enhanced	20.6%
I am more efficient in organizing my activity	30.5%
No significant progress	6.4%
I can not appreciate impact	8.7%

(Q26 How do you appreciate your job activity after training? (3 choices))

A large percentage (65.1%) of beneficiaries surveyed declared that their position in the company remained unchanged after the training but as already shown in Table 50 they felt improvements had occurred in their quality of work and efficiency. Another positive aspect is the fact that 16% of them have been promoted and 7.6% changed their job in the same company as a result of the training. The percentage of people who lost their job is insignificant (0.3%) and cannot be proved as being in any way connected with the project itself. To a large extent, the beneficiaries attending training programmes reported a better (23.6%) or at least the same situation (65.1%) after the project ended.(see table 54).

Table 54 Impact on the employees (changes in work situation)

I was promoted	16.0%
I changed my job in the same company	7.6%
My situation is unchanged	65.1%
I moved to a different company	7.3%
I lost my job	0.3%

(Q25 What changes occurred in the professional situation after the program participation?)

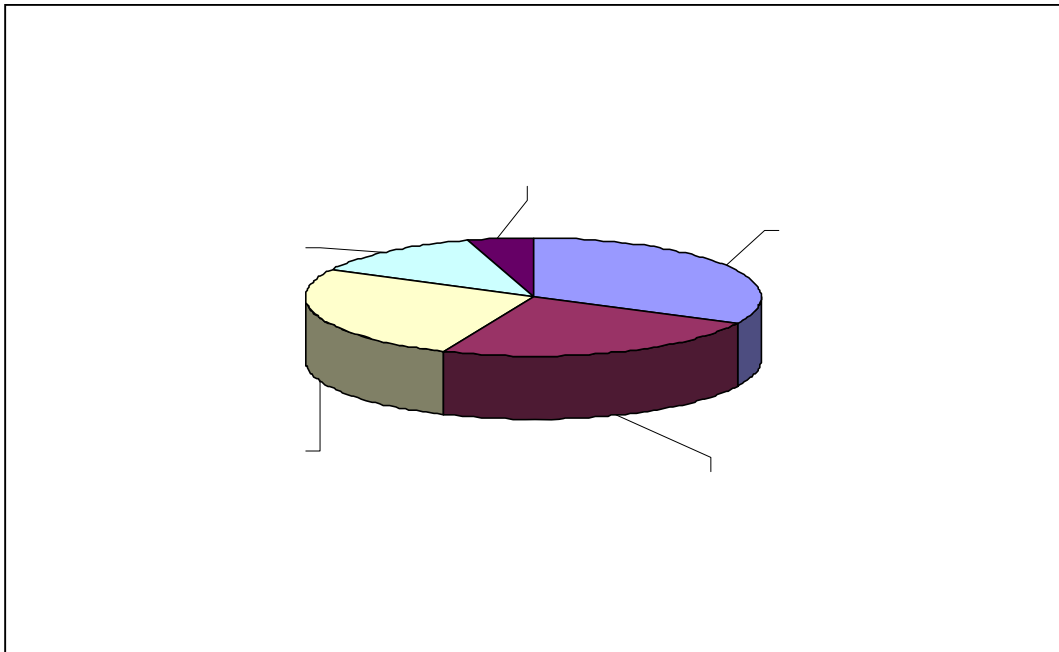
Impact on unemployed- Priority 2

The results of our survey on beneficiaries of the project are presented below in Figure 16. and shows an improvement for 64 % of those who were unemployed at the beginning of the training programmes as follows:

- 26.9% are now in full time employment, while 24.6% have part time employment;
- 12.5% developed their own business.

However there is still a percentage of 33 % who are still looking for a job even if this is smaller than in the case of Phare 2000 HRD programme (40%).

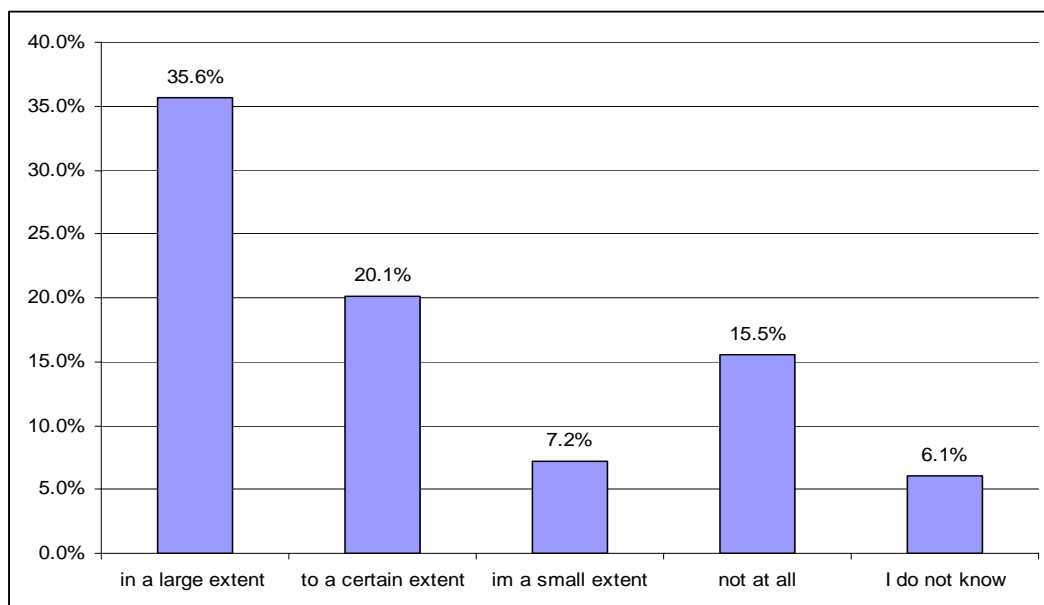
Figure 16



(Q27 What is your current situation?)

Another interesting aspect as can be seen from Figure 17 is that the majority of the unemployed beneficiaries included in the sample considered that the training programme were useful and helped them to find a job*.

Figure 17

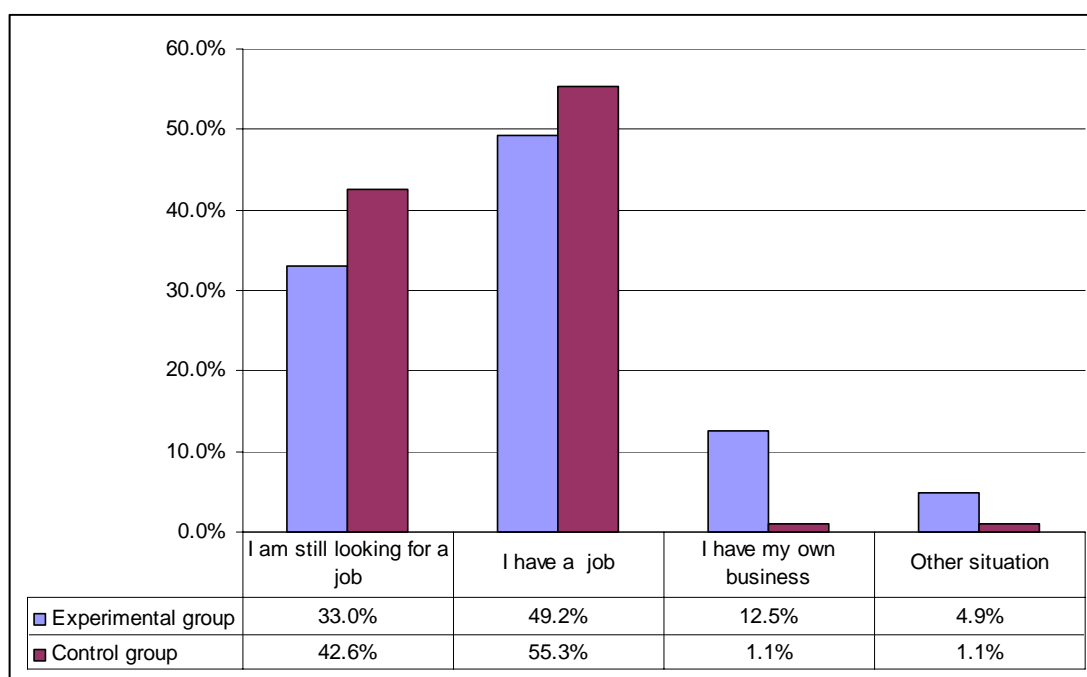


(Q30 How much the training program helped you in order o find a job?)

Comparison experimental group (the group of beneficiaries selected for our sample for priority 2 projects)-control group

As presented in Figure 18 below, the proportion of the people having a job¹⁸ is quite similar (a bit lower for the experimental group in comparison with the control group) but this difference is balanced by the percentage of 12.5% from the experimental group that started their own business in comparison with only 1.1% from the control group who declared as having their own business. This can lead to the conclusion that a total of 61.7% from the experimental group have a job (working for others or being self employed) in comparison with 56.4% from the control group that have a job but people from the experimental group managed to diversify in terms of their options and were more proactive by amongst other things starting their own business in comparison with the control group.

Figure 18

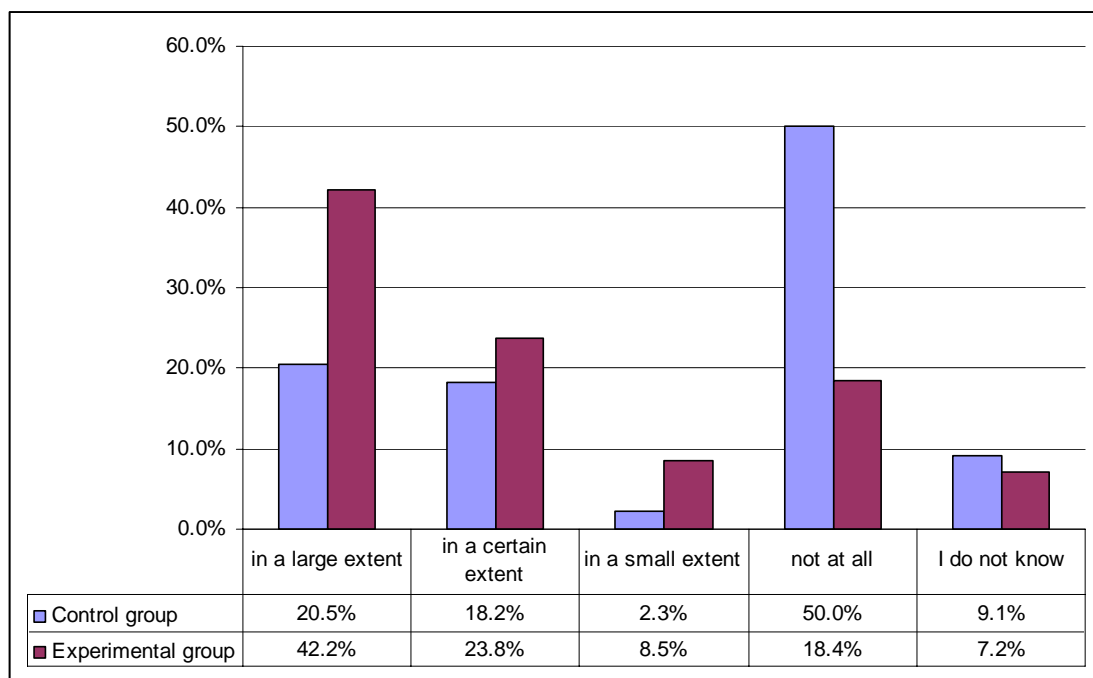


(Q27 Q17 What is your current situation?)

If we analyse the role of training programmes in helping unemployed to move into employment we can see from Figure 19 that the experimental group appeared to be more satisfied with the training programme than the control group. Whilst a total of 66% of the beneficiaries from the experimental group considered the training to be helpful in obtaining a job, 50% of the control group beneficiaries who attended courses declared that the courses were not at all useful for them in trying to find a job.

* We included here the both part time and full time jobs.

Figure 19



(Q20. How much the training courses helped you in obtaining a job?)

This situation should be considered as an alarm bell for the accredited training providers on the open market as well as for the institutions involved in checking the quality of the training available on the labour market. In addition, it leads again to the conclusion that training needs analysis, skills audit, career counselling and other active measures should play a crucial role in future HRD programmes and that training should in the future be demand driven and not supply driven (please see also chapter 7-relevance).

10. CONCLUSIONS AND RECOMMENDATIONS

The conclusions resulting from the evaluation are presented below, according to the evaluation model, following the structure of relevance, effectiveness, efficiency, impact and sustainability.

PRELIMINARY CONCLUSIONS

Relevance

- The employed population in Romania is continuing to register a slow but constant decline generated mainly by the restructuring of the industrial sector, agricultural under-employment and low productivity employment, employment in the informal economy, and the labour migration abroad. The age groups more affected by the process are youth and the age group of 55-64 years. Economic growth does not reflect immediately in the increase of employment in the country so the human resources development programmes have to carefully tackle these problems.
- A second important characteristic of the Romanian labour market is the level of participation in continuous vocational training where Romania has the lowest participation in Europe due to some existing problems such as the general attitude towards training resulting mainly from lack of funding and incentives for it and lack of expertise at community level in the development of community lifelong training structures.
- The Phare 2002 HRD programme stimulated through its two priorities, participation of employees and unemployed, in life long learning and continuous vocational training activities as well as active measures, with the purpose of increasing their employability and work skills as well as their adaptability to labour market requirements. The youth was one of the major target group for Priority 2 (43% of the grants) while the 25-64 years were the main beneficiaries for Priority 1 (55% of the grants).
- The Phare 2002 HRD programme was in our opinion highly relevant to the domain needs. Wider and immediate objectives were well structured, addressing fields of crucial importance to the HRD domain (e.g. continuous vocational training (CVT) in enterprises, active employment measures, support for new entrepreneurial activities). The assistance built upon the achievements of previous Phare programmes since investments were made in development of existing infrastructures (more than 50% from investments were dedicated to upgrading and improving the capacities previously developed).

Effectiveness

- The Phare HRD 2002 programme stimulated the participation of various organizations, most of which had a medium level of prior experience in the matter.
- The profile of projects promoters showed that of the awarded contracts: 45.01 % were companies, 24.4% NGOs, 9.6% TVET schools, 7.7% Universities, 5.7% Chambers of Commerce, 5.4 % Local Public Authorities(LPA) and 1,9% others(ex Employers associations, School Inspectorates, Unions, etc). The companies' financial power that allowed them to easily provide their own contribution contributed to the high percentage of them among promoters whilst the NGOs' experience in accessing and management of internationally funded projects placed them on the second position in the number of contracts awarded. Most of the companies (75%) are entirely privately owned, have less than 100 employees and were set up at least 5-6 years ago which proves the higher interest of private sector in improving the quality of their human resources.
- A percentage of 40% of the companies (production and services companies) applied to train their own staff while almost 60% from the companies represented pure training and

other HRD service providers that applied in order to deliver these services to the partners who were in these cases providing the target group.

- However, only a small percentage of projects focused on technical assistance for human resources development of the organisations (14%) in comparison with the remainder of 86% which focused mainly on training. Even if vocational training was included in this figure it is considered that this can lead to the dangerous situation of “delivering training for the sake of training. The training courses covered all the development regions, in different proportions and focused more on competence upgrading or acquiring new competences and qualification. The number of hours and duration of the training was tailored to clients needs.
- The programme was more demand than supply driven with 43 % of promoters declaring that the decision related to the project and the target group came as result of the organizations activity or from previous experiences in partnerships while 57% declared that the decision on the target groups for projects were subject of researches for identification of needs (LM studies, internet research, available information in the County Agencies for Employment, regional strategies and plans, programme guidelines etc).
- The public local administrations, NGOs, TVET schools, Employers Associations and other public institutions oriented their activities towards Priority 2 enhancing unemployed skills through better active measures of occupation, whilst universities, companies and Chambers of Commerce were more focused on Priority 1 dedicated to employed people (qualification and re-qualification of the work force).
- The partnership seems to be rather medium in terms of number and profile of partner organizations. Social partners have been involved to a very low degree in partnerships with potential negative implications at local, regional and national level, probably due to the fact that there is not enough knowledge and awareness of the role they can play in the economy and of the strengths they can bring for the projects. The Local Public Administration was on the second place regarding the small number of partnerships established as promoter, probably due to the lack of culture and tradition for partnership among LPA's and to the existing bureaucracy in fund management within LPAs.
- The partners involved in the projects had, in most cases, a different area of activity from that of the promoter (even if they all were companies or NGOs) showing that the partnership was developed mainly due to the need for covering the areas of activities required by the project and sometimes in order to meet the NACE (CAEN) eligibility criteria. The majority of activities developed in partnership (62.9%) were related to training, starting with the training needs analysis (24%), followed by development of the training curricula and materials (13.9%) and ending with training delivery (25%). In addition 18% of the activities developed in partnership were focused on strategies development both HRD (12.5%) and companies strategies (5.5%).
- Even if in total 80.2% of promoters developed their projects in partnership there is still a worrying percentage of 19.8% of promoters that had no partners for the projects implemented and the situation should be carefully tackled in the perspective of accessing ESF. The newly created regional employment pacts/partnerships and the development of regional employment action plans (REAPs) should be an asset for future ESF type projects.
- Unfortunately the implication of social partners as promoters as well as partners was very limited. There are only 3 Unions and 3 Employers Associations among promoters which represents 0.9 % for each of the two categories mentioned above. While the Employers Associations focused mainly on Priority 1 targeting employees (2 out of 3 projects) the unions focused (100%) on Priority 2 targeting unemployed which is understandable.

- With regard to the quality of the established partnership most of the respondents (78%) perceived partnerships as very good or good and 75% of the respondents declared that they continued the partnership in an efficient way following the completion of the projects.
- The analysis of the target groups revealed some problems in explicitly defining them by project promoters, particularly the group of the disadvantaged persons both at the project initiation and during implementation. There was not a clear separation between different target groups, envisaged outputs and activities for each of them which affected the accuracy of the results and evaluation of outputs.

Efficiency

- The information available for the programme (from MEI database and web page, RDAs reports) was in general not enough and also not sufficiently well structured to allow us, during the evaluation, to perform the three types of efficiency analysis in terms of: outputs, results and impact compared to the respective level of costs. Also discrepancies between information presented by the various sources named above led to additional work to clarify the information and assess the accuracy of it.
- Our analysis of the distribution of funds per regions showed that NE, SE, Centre and SW regions, that were mostly affected by industrial restructuring, including mine closure, and large agricultural areas, have the highest rate of allocation and disbursement of funds for both priorities.
- In general, the projects in the HRD component demonstrated a good overall capacity of funds absorption (between 96,54 and 96.56%) higher than in Phare 2000 HRD (85.6%).
- The analysis of our sample of promoters showed that smaller rates of absorption were recorded mainly for the Chambers of Commerce (including their Romanian Business Schools), Universities, TVET schools, and also big companies who implemented this kind of project for the first time. The situation can be explained by the financial difficulties of promoters to either provide their contribution and to advance money for the final rate of the grant until the final report was approved but also through the lack of project management experience correlated with the delays in approval of different changes due to the slowness and bureaucratic procedures which led to many expenses to becoming non eligible.
- The percentage of the total equipment costs was 17.6% from the total project budget which was lower than in Phare 2000 HRD (27.8%).
- The training cost/participant was 113 Euro which was lower than for Phare 2000 HRD (210 Euro/participant) with a proportion of 26.5 % of the total projects budget being allocated to the training budget.
- The cost for placement was 386,08 Euro per person. We do not have comparative figures for the placement cost per person for Phare 2000 HRD programme but we know that the one presented by NAE is of 50 Euro/person placed seems to be very unrealistic.
- The average placement rate for Priority 2 was: 35.08 % in comparison with the 40.3 % placement rate announced by ANOFM for 2005. We could not identify in the Phare 2000 HRD ex-post evaluation report the placement rate so therefore we could not compare figures.

Impact, Utility and Sustainability

- Under the Phare 2002 Human Resources Development grant scheme, **311 projects** were contracted, out of which: **297 were finalised, 12 were cancelled and 2 had payments suspended**. The 14 contracts that were not finalised represented a ratio of 4.50% of the total number of selected projects. It should be noted that 50% of the non finalised contracts came under the responsibility of Companies. The highest rate of cancelled projects

recorded in the North-East Region (13.1%), followed by the South Muntenia Region (5.4%), as opposed to the West and North West regions where no projects cancelled.

- The main reasons for contract cancellation appeared to focus on management, target groups and project continuation (sustainability) such as: problems regarding the financial management of the project, the incapacity of the promoter to cover the individual financial contribution; partnership problems(resignation or poor performance of partner), difficulties in selecting the target group; difficult and time consuming implementation procedures especially with regard to the replacement of experts, complicated procurement procedures etc, which leads to the conclusion that a more careful check of the financial capacity of promoters should be undertaken at the selection phase and during the pre-contracting period and more assistance should be provided by the implementing authorities during project implementation.
- More than half the number of projects (55 %) implemented two, three, or four of the measures targeted which also contributed to an increase in their institutional capacity In this connection we can enumerate creation of new training centres, development of their training capacity (provision of new classrooms, new training equipment); enhancing the training offer (new training programmes, new target groups, development of partnerships for future trainings); development of their training expertise(training of trainers, accreditation for different training programmes), etc.
- 82.3% (32% new training centres and 50.4% refurbished centres) of the projects aimed at building and strengthening institutional capacity which highlighted one of the goals of the EU/Phare 2002 Programme concerning the need to increase the institutional capacity to ensure efficient absorption of HRD funding and showed once again that the continuous training aspects are still a sensitive issue in Romania where investment in HRD remains an urgent issue which needs to be addressed.
- The training measures have occupied a very important place within the PHARE HRD 2002 projects. Employees benefited the most from the training measures and the courses focused on competence upgrading or acquiring new competences and less on training of low qualified persons or disadvantaged groups.
- The dropout rate was 4.9% for all categories of beneficiaries, being higher for the category of socially disadvantaged (6.4%) and lower for the category of employed (3.5%). Inside the category of socially disadvantaged, the highest rate of drop out, of 15.6%, is registered by the unskilled young people coming from protection institutions, followed by roma population (10.4%) and the long-term unemployed (9.8%). The main reasons for drop out were given as: the need of going to work abroad, health and family reasons, difficulties in adapting to the training process (schooling hours and process, learning difficulties), need to earn their living instead of attending training programmes.
- Important information about the quality of the training programmes is supported by the fact that 63% from the participants expressed their interest to a large extent in further participation in a similar training programme. This demonstrates also the satisfaction of the participants in relation with the training programme. However the fact that only 30 % of promoters/training providers declared that they used training standards or occupational standards when they developed their training curricula gives a potential indication about the low-level in quality assurance for the adult training programmes and of the fact that on many occasions the trainees can not make the distinction between the different qualities of training programmes.
- Most of the promoters in a proportion of 81.6% declared that the equipment is currently used at maximum capacity for training .The training and HRD providers such as universities and TVET schools continue to use 90% of the equipment at maximum capacity

whilst a significant number of respondents (companies and non-governmental organisations) use the equipment at 75% capacity).

- Within the projects financed under Priority 2 a total number of 11279 persons received training from which 35.08% of the beneficiaries became employed after graduating the courses.
- Promoters used a combination of promotion and dissemination methods that amplified the impact of their projects on a larger scale.
- Almost 56% from the promoters interviewed declared themselves highly satisfied with the impact of project results' dissemination and considered that the proper dissemination led in their case to :increase of requests for their services from additional clients; increase of requests, from their beneficiaries, for additional services during project implementation; increased request for other partnerships; consolidation of their position as service providers in the community; requests for sharing good practices within stakeholders, beneficiaries and other similar organisations.
- The survey data showed that the impact at organisational level was perceived as the most important impact for 58.6% of companies, 55.5% of Chambers of Commerce and 70 % of TVET schools.
- For companies the most important benefits were considered to be that their employees were better trained and could perform their work more efficiently and could produce better quality work, which are in line with Priority 1 objectives.
- The companies in our survey mentioned as positive impacts that :work productivity has increased for 58,6% of companies; 39.6% decided to increase the budget allocated for training their staff; the number of employees attending training courses increased in 39,6% of companies; company turnover increased in 56,8% of cases and profit was higher in 34.5% of companies; 29.3% of companies introduced new production lines or new services; better human resources management through a better manpower planning for 29.3% of companies; more attention paid towards human resources development including their vocational training for 27.5% of them; more interest in development of the human resources strategy including efficient HR procedures and in line with the company's strategy for 31% of companies.
- At employee level, the most important effects were considered to be the fact that people could improve their skills in their job and their employability and could better organise their work, which are again correspond to Priority 1 objectives.
- Unfortunately only 14.5% from the respondents (less than the 25% in Phare 2000 HRD programme) considered that the project contributed also to the improvement of the human resources management in their organisation This is a rather sad conclusion because it may mean that some of the training activities have been designed without taking into account the real needs of the target group, the real project potential and failed to involve all decision – makers at organisational level.
- We noted that 90% of TVET schools, 77 % of Chambers of Commerce and Local Public Administrations, 68.7% of NGOs and 58.6% of companies, consider that their projects had a strong impact at local level. If we look at the impact at regional level we can see that the 60% of universities followed by 39.6% of companies considered that their projects had a strong impact at regional level whilst only one Chamber of Commerce and two NGOs (which are working at national level) considered that their projects had an impact at national level. The fact that only 10% of TVET schools and 22% of Local Public Administrations considered that their projects had an impact at regional level is not encouraging and we consider that future HRD programmes should encourage far more

the dissemination of results and best practices at regional level in order to increase the impact and multiply the effects.

- As regards the impact for Priority 1 beneficiaries: the majority of the people interviewed considered their professional life has progressed in terms of the quality of work they perform, job responsibilities and job efficiency.
- A large percentage (65.1%) of beneficiaries surveyed declared that their position in the company remained unchanged after the training but they felt improvements regarding their quality of work and efficiency. Another positive aspect is the fact that 16% of them have been promoted and 7.6% changed their job in the same company as a result of the training. To a large extent, the beneficiaries attending training programmes reported a better (23.6%) or at least the same situation (65.1%) in regard to their work situation after the project ended.
- The results of our survey of beneficiaries showed an improvement for 62,1% of those who were unemployed at the beginning of the training programmes and the percentage of 33 % who are still looking for a job is smaller than in the case of Phare 2000 HRD programme (40%). The majority of the unemployed beneficiaries included in the sample considered that the training programmes were useful and helped them to find a job.
- While a total of 66% of the beneficiaries from the experimental group considered the training helpful in obtaining a job, a high percentage of 50% of the control group beneficiaries who attended courses declared that the courses were not at all useful for them in trying to find a job which again raises the issue of the quality of training.
- The data gathering, recording, processing, and reporting system related to the implemented projects has posed major difficulties in the evaluation of the impact of the programme and the system of data collection and monitoring of projects needs to be greatly improved.

RECOMMENDATIONS

Programme Management

- We suggest that in the selection of applications more attention be given to the financial and organisational capacity of the applicant in order to avoid the incapacity of providing the co-financing for the project and to increase the chances of the project's continuation after the grant ends. Also the same aspects should be checked during the site visits in the pre contracting phase.
- Activities that train promoters on how to choose the partners, how to work in cooperation with them and how to maintain a relationship with the partners even after the projects have ended should be actively encouraged during future projects.
- During the awareness campaign to better inform the applicants and explain to them the entire process of selection, constraints and requirements of the programme, importance of a clear selection and definition of target groups, objectives, outputs and logframe.
- In the pre contracting phase the grantees should be far better informed and made aware of the entire process from application for a grant through to the monitoring and evaluation of the projects and programme so they can fully understand and accept the role of each of the activities including the ex-post evaluation.
- Clear implementation procedures be clearly established from the beginning and respected until the very end of the contract and provided to applicants in the form of a written manual in order to avoid gaps in project management due to misunderstandings of

procedures or unexpected changes imposed by contracting authorities during the contract life.

- Improving the skills of personnel involved in project monitoring at all levels (ministry, regional, local) and establishing a common, unique, clear and coherent methodologies.
- Application deadlines should be respected for project and funding proposals.
- The time necessary for endorsement of mid term and final reports should be shortened as should be the periods to grant the corresponding funds.
- Introduction of a uniform system for data collection and data management used by the institutions in charge with project monitoring that can obviously generate the same structure of information and reports for each region. This system should be completed in a timely manner and be user friendly.
- Project promoters should be provided from the beginning of the project implementation with templates/tools and training on how to record the necessary data for the monitoring and evaluations purposes that would be corresponding with the structure of the database and would remain unchanged until the projects end. Whenever possible recording data and reporting in electronic format should be preferable to hard copies in order to save time and money for both parties.
- We recommend that the system should record not only output and result indicators during the life of the project but also the values for the same indicators registered on the occasion of ex post monitoring visits (ex. How many training centres are still functional one year after the project ended, how many businesses are still running one year after the project's end, etc). In addition, it would be useful if information regarding costs and payments would be registered to allow efficient calculations(ex cost per hour of vocational training for level 1 of qualification for carpenters, cost per placement for a person, etc) as well as payments breakdown(which in fact exist in the financial promoters reports but not in the RDAs reports). We also recommend that information regarding partnership efficiency to be recorded during monitoring visits and registered in the database in order to ease the evaluation process.
- We suggest that each final technical report submitted by the promoters includes a chapter on beneficiaries satisfaction together with partners' and stakeholders satisfaction (a model for this can be provided within the implementation manual). This information can be valuable for future evaluations and would give another weight to the role and importance of beneficiaries and partners in the project frame (we may eliminate to a certain extent the partnership created only on paper in order to receive a better score in the evaluation grid).
- More assistance should be offered to promoters during the project implementation in an attempt to make procedures more flexible (whenever possible, as for example for experts replacement) to increase funds absorption and sustainability after the end of the projects.
- In future evaluations we recommend that collection of data be through field operators whenever possible rather than using the mail as we consider this method will increase the response rate and the accuracy of the information provided.

Programme content and characteristics

- It is vital that the training and vocational training offered to employees corresponds to the companies human resources and business strategies as well as to the needs of participants and to increase their employability and work efficiency . As for the unemployed it is vital that the training and the active measures received helps them move into employment, to respond to skills shortage on the labour market and again increase their employability and living standards. For these reasons we recommend that future HRD

programmes should ask for compulsory training needs analyses carried out before or during the project implementation as well as labour market analyses undertaken by specialised institutions before or during the project implementation and would correlate with strategic documents such as regional development plans, VET development plans (PRAIs) and regional employment plans (REAPs), etc.

- We also recommend that future HRD programmes should emphasize the importance of developing human resources strategies and implementing modern human resources management techniques in companies in conjunction with training delivery. In the case of programmes targeting unemployed we suggest that more active measures should be applied whenever appropriate in conjunction with vocational training delivery. In short, this means that training needs analysis, skills audit, career counselling and other active measures should play a crucial role in future HRD programmes and that in the future training should be demand driven and not supply driven.
- As regards the quality of the training and vocational training offered on the open market, again particular attention should be paid to accreditation of training providers, quality of training curricula, training design, training materials and the training delivery process by the institutions involved in checking the quality of the training available on the labour market but also by the training providers and beneficiaries themselves. We strongly consider that accreditation should not be perceived only as a tool for offering “nationally recognised diplomas” and that constructive competition between best quality training programmes should be encouraged to become the main leverage on the training market. This means in our opinion that flexibility should be used whenever it comes to “pushing” or making it compulsory for training providers to obtain various accreditations if these are not really necessary for the assurance of the quality standards.
- Special attention should be paid to encouraging the involvement of the social partners in HRD activities through creating strong partnerships with project promoters. However a balance should exist between the incentives for creating partnerships and the proof of real need for it in order to avoid “partnerships creation only on paper in order to collect points on the evaluation grid”. One solution can be an increased involvement of social partners as promoters of the projects so they can market the role they can play in the success of the projects.
- Another area of priority should focus on developing the entrepreneurship culture.