



## Final Report

### EVALUATION OF ETF LABOUR MARKET ACTIVITIES

Assignment number: 02

European Training Foundation (ETF)

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## ACKNOWLEDGEMENTS

This report draws on the results of extensive deskwork, consultations with staff at the ETF in Turin, with relevant staff at the European Commission in Brussels, and stakeholder consultations during field visits in Montenegro and Ukraine. During the project, the evaluation team interviewed a large range of stakeholders, from ministerial contacts and senior officials in government, through to representatives of the social partners and labour market experts who worked with the ETF in the countries. At the ETF, discussions took place with thematic labour market experts and country managers, as well as other relevant staff. The evaluation team acknowledges their willingness to participate and the helpful contributions and valuable feedback given.

The team would also like to thank the staff of ETF for their open and constructive approach to these consultations, and for the practical assistance they provided to us by making available project information, mission reports and other relevant documentation. The ETF also supported the evaluation team by compiling a list of stakeholders and experts it had worked with in Montenegro and Ukraine during the period 2005-2010.

Two senior experts, **Mr Ton Farla** (Team Leader - Vocational Training Expert) and **Mr Ken Walsh** (Labour Market Expert) comprised the external evaluation team and authored this report.

The views and opinions expressed in the report are those of the evaluators and, as such; do not necessarily reflect those of the European Training Foundation. The European Training Foundation does not guarantee the accuracy of the data included in this report and accepts no responsibility for any consequences of their use.

## LIST OF ABBREVIATIONS

CEDEFOP	European Centre for the Development of Vocational Training
CM	Country Manager
CP	Country Plan
DEVCO	Directorate-General EuropeAid, Development and Cooperation
DG EMPL	Directorate-General Employment, Social Affairs and Inclusion
DG RELEX	Directorate-General for External Relations
DAC	Development Assistance Committee – at the OECD
EEAS	European External Action Service
EC	European Commission
EP	European Parliament
DG HOME	Directorate-General Home Affairs
DG EAC	Directorate-General Education and Culture
ENPI	European Neighbourhood and Partnership Instrument
ET	Evaluation Team
ETF	European Training Foundation
EU	European Union
HCD	Human Capital Development
HRD	Human Resources Development
ICB	Institution Capacity Building
IPA	Instrument for Pre-accession Assistance
LFS	Labour Force Survey
LLL	Life-Long Learning
LM	Labour Market
LMI	Labour Market Information
MEDA	Euro-Mediterranean Partnership
MoE	Ministry of Education
MoL	Ministry of Labour
MS	Member State
OP	Operational Department
PC	Partner Country
PIP	Project Implementation Plan
SC	Steering Committee
SME	Small & Medium Sized Enterprise
SWAP	Sector Wide Approach

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ToR	Terms of Reference
TVET	Technical & Vocational Education and Training
VET	Vocational Education and Training
WP	Work Plan

# 1 Executive Summary

## 1.1 Purpose of the Evaluation

The principal objective of this evaluation is the overall assessment of the labour market (LM) activities carried out by the European Training Foundation (ETF) in the Partner Countries (PCs) for the period 2006-2010. The findings are intended to provide increased awareness of the relevance, efficiency, effectiveness, impact, sustainability and added value of the ETF labour market activities in the ETF, European Commission (EC) services, and PCs through setting out recommendations for the future focus, design and implementation of ETF labour market activities from 2012 onwards.

Taking into consideration the specific mandate and role of the ETF, the *five key Development Assistance Committee (DAC)* evaluation criteria, plus one additional criterion, have been used in this assessment and are summarised as follows:

- Assess the **relevance** of ETF activities in the PCs to the country's needs and priorities and to the EC objectives.
- Assess **effectiveness** in terms of how the intended outputs and results were achieved.
- Assess the **efficiency** in terms of how economically ETF resources (funds, expertise, and time) were converted to results.
- Identify and assess the intended and unintended **impact** of the activities, the presence and role of the ETF in the PCs.
- Assess the **sustainability** in terms of how results and achievements will be maintained.
- Assess the **value-added** of ETF compared to possible alternative options of implementing ETF activities.

These six criteria have permeated the evaluation activity and form the basis for the ensuing evaluation report.

## 1.2 Methodology

The evaluation team deployed a mix of complementary methods in three distinct, though interrelated phases of activity as described below.

**Phase 1** consisted of desk work focused on the collection of information, the processing and analysis of data and a presentation of the initial findings in a standard comparable format. The information assessed during this phase was derived from a range of sources, including accessing the readily available reports on the ETF website, receiving reports and data directly from ETF staff, and assessing any additional material from individual countries that came to light during the fieldwork.

**Phase 2** involved face-to-face discussions with ETF staff closely involved in the LM thematic area and other selected staff from the relevant EC services such as DG EMPL, DEVCO, DG RELEX and DG EAC (contact details were provided by the ETF). For these semi-structured interviews, an interview checklist was used to provide a basic consistency to the questioning, while allowing exploration of the



issues as they arose. Additionally, the available relevant documentation on projects used as justification for commissioning the work and any monitoring and evaluation carried out at this level were requested.

**Phase 3** focused on in-depth fieldwork in two PCs, Montenegro and Ukraine. A series of semi-structured interviews were held with key stakeholders (the main contacts were provided by the ETF) involved in the commissioning, implementation and use of the LM projects. The principal objective was to assess their levels of satisfaction with the LM projects undertaken by ETF, their involvement in the conceptualisation of activities, and an exploration of the value-added and the impact of the labour market and employment projects in the respective countries. However, it should be noted that these two contrasting countries are not necessarily representative of all PCs in cope to the ETF.

### 1.3 Analysis and main findings

The ETF LM activities in the PCs were designed and planned in close relation with the agenda & priorities of the EC services. The main rationale for ETF intervention in the LM thematic area appears to be based on a desire to assess and understand the LM needs of PCs, although the LM projects are not necessarily initiated by the PCs themselves.

The importance of the LM work in the ETF was growing, partly as a result of requests from EC services, but also because of the increasing recognition that VET policy is inextricably linked to LM factors. It was also expected that this perceived importance would continue to grow under the EC's 'Agenda for New Skills and Jobs', part of the Europe 2020 strategy.

In the operational sense, the interaction between EC services and the ETF appeared to depend, to a great extent, on bilateral contacts between staff, rather than following any prescribed route for contact. These contacts appeared to vary, but where they worked well, the understanding of each others' position suggested that more value was derived from the relevant ETF LM project.

A common view was that the ETF LM projects would be more effective if they developed more concrete outcomes and action points that can be followed through (with support for the follow through also desirable). Currently most LM projects were seen as having generalised outcomes that were difficult to turn into firm actions. This view was particularly prevalent in the PCs.

The recommendations given in the LM reports tended to lack sufficient detail such as the actions required to be taken, the timing of these actions, the actors to be involved, and the implications this will have in terms of the resources required. The available resources within project budgets for helping set out the recommendations to be implemented are limited, and often it may be down to the ETF Country Manager to try and do any follow up activity.

Many felt that the key strength of the ETF is to 'fertilise ideas' and facilitating stakeholder collaboration on issues of common concern. It was also felt that the ETF can offer sound methodological approaches and can also facilitate access to information from other sources which might ultimately help raise the standard of Labour Market Information (LMI) in general in the PCs.

EC services (such as DG EMPL) tend to use some of the reports (such as the country reviews and HRD reports) in relation to the applicant process for EU membership and for programming activities in support of this objective. However, the ETF work would be just one part of a much wider information gathering exercise within these EC services. In the PCs the reports appear to have variable impact.

ETF staff generally felt that the LM activities within the ETF should be seen as feeding in to its core work focused on VET, while at the same time delivering a project of value to the PC. The impact that a LM project report has in a PC depends, to a great extent, on the resources that the country is able (or willing) to devote to LM activities related to the project objectives – or the resources that additional donor agencies supply.

In general, the ETF LM studies are not specifically designed with sustainability in mind<sup>1</sup> – for the most part they are one-off studies completed on a 'task and finish' basis. This was not seen as a major problem by the EC services, who were generally comfortable with the 'snap shot' approach. However it was not necessarily the best basis for optimising the value from studies for PCs.

The EC services contacts and those in the two case study PCs generally valued the difference of ETF to other international agencies. These positive views were based on the more 'hands on approach' that was evident in the LM studies and the individual contact with ETF LM (and other) experts. The inputs of ETF experts to wider forums were also appreciated.

Comments from various sources suggested that there sometimes appeared to be a 'silo' mentality whereby ETF experts were not always aware of activities across all the ETF thematic areas. This was also raised as an issue when it came to transferring the experience of other EU agencies to the PCs. In particular the relevant work of agencies such as Cedefop and Eurofound were not being systematically mined for LM projects and the ETF appeared to be missing an opportunity to act as a valuable conduit for sharing this LM experience with PCs.

## 1.4 Summary of the main conclusions and recommendations

While the role of EC services and the ETF in setting the agenda for LM studies is important, the greater involvement of the PCs in the decision making process would help ensure that the projects commissioned are designed as much as possible to the needs of the PCs and thus helping optimise the outcomes.

The principal output of LM projects is a report but other activities such as mutual learning, training local experts, may provide additional or alternative outputs of value. For example, the option of using the limited resources for pilot projects in PCs (such as the Long-term Unemployment (LTU) study in Montenegro) should be investigated further as this offers the prospect of helping achieve real outcomes of benefit to the country concerned.

More attention should be paid in ETF LM studies to developing conclusions and recommendations of direct relevance to the PC(s) concerned, with the emphasis on action points, along and with an indication of where the key responsibilities lie for implementation and the setting a realistic timeframe. Follow up activities should be considered in the form of providing resources for complementary projects, laying the foundations for other agencies (such as international donor bodies) to carry things forward, or more simply involving the ETF Country Manager as a catalyst for follow up activity

The ETF should ensure that new LM projects recognise what has gone before and what is already going on in a PC and take steps to collaborate with the relevant players. In this the role, the ETF Country

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<sup>1</sup> Innovation and Learning projects (ILP's) take a longer term stance

Manager is important, acting as the conduit for linking both across the ETF thematic areas and between the ETF and other international agencies. The ETF should therefore work more closely with the relevant EC services in finding out about shared funding opportunities. It also needs to engage more at a PC level with resident donor agencies to better coordinate projects and this may require an enhanced role for ETF staff on the ground, or the use of LM experts in a more direct role in the PCs.

There is a strong case for the funding for LM projects to be used for more in depth work in selected PCs rather than spreading it across many countries, and this is likely to involve a programme of activities beyond the normal 12 month cycle. This approach should be accompanied by giving more attention to bringing those PCs not subjected to the in-depth work into follow up activity, achieved, for example, through the organization of mutual learning activities (peer reviews, for example), involving countries with similar interests and at similar stages of LM development (though not exclusively so) as an alternative to replicating similar studies in each PC.

More efficient use of ETF resources across all thematic areas needs to be made, avoiding a 'silo' mentality whereby projects are seen in rigid thematic areas or in rigid project boundaries. By exploring synergies in subject areas (for example, the development of NQFs and skills needs forecasting) better outcomes can be derived from LM studies (as well as other thematic work).

The ways in which LM projects are carried out needs to be reviewed in order to maximise the value to the PCs concerned. The wider benefits from projects should be encouraged through greater engagement of local experts in future projects – for example, taking on more of the work under the guidance of ETF experts – and the organization of more mutual learning activities, in particular exposing PC experts to the best practice in the EU.

The ETF should recognise the central role played by LMI as a foundation for most of the LM studies it commissions and the variable levels of expertise in the PCs. In particular, the growing interest in forward-looking analysis (including skills needs forecasting and scenario building) is likely to provide a strong future focus for work. It should take steps to develop this sort of work in the PCs in collaboration with other EU agencies (such as Eurostat, Cedefop and Eurofound) and with other international agencies (such as the ILO and World Bank).

## 2 Introduction

### 2.1 ETF objectives and functional dimensions

- S1. The European Training Foundation (ETF) is a specialised agency of the European Union (EU) based in Turin, Italy. The objective of the ETF is to contribute, in the context of EU external relations policies, to improving human capital development in countries eligible for assistance under the Instrument for Pre-Accession Assistance (IPA), and the European Neighbourhood and Partnership Instrument (ENPI), as well as other countries designated by decision of the Governing Board Regulation (EC) No 1339/2008 of the European Parliament and of the Council of 16 December 2008 establishing a European Training Foundation, article 1 - *ETF's thematic mandate of vocational education and training (VET) in a lifelong learning perspective in the broader context of human capital development*. In July 2009, the ETF approved a new Mid Term Perspective for the period 2010-13 to support the implementation of the ETF's new Council Regulation.
- S2. The functional dimension relates to the specific functions that the ETF undertakes in carrying out its mandate. ETF planning relates to the performance of four main functions<sup>2</sup> as shown in the system view in Figure 1. The ETF is typically working within a triangle comprising the demands of the EC services and PCs, in addition to its own institutional requirements<sup>3</sup>, and these sometimes 'competing' demands need to be reconciled. This may lead to compromises being made in the type of coverage of projects undertaken. It also makes it potentially difficult to produce outputs that satisfy the needs of all interest groups.

### 2.2 Political, economic, social and cultural context

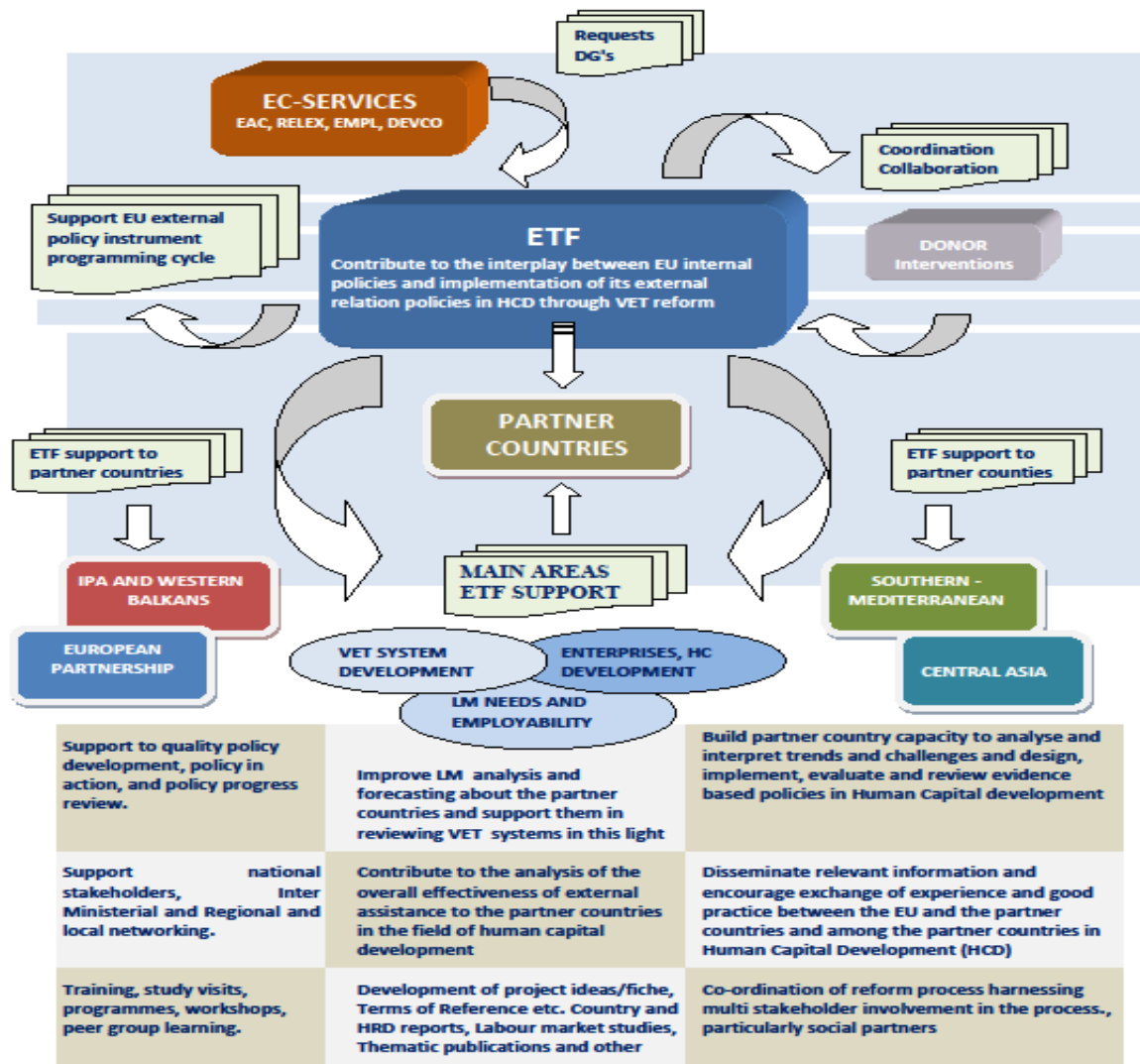
- S3. Since 2007, in the area of external relations the EU introduced new external assistance instruments aimed at establishing clearer relationships between the EU and its PCs. Candidate and potential candidate countries can move progressively towards accession through support from the IPA. Furthermore, countries covered by the ENPI can develop closer relations with the EU and its internal market through mutually agreed action plans.
- S4. IPA countries undertake initiatives to adapt their education and training systems to meet national employment, social inclusion and competitiveness goals. However, implementation often lags behind declared policy goals. Persistent challenges include a widening of choices and the improvement of quality in vocational education and training (VET) and adult learning, the active engagement of social partners, the furthering of key competences and, in particular, fostering the people's sense of innovation and entrepreneurship, as well as enhancing teachers' competences for inclusive education and reducing early school-leaving in the contexts of socially and culturally diverse societies.

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<sup>2</sup> These functions were identified by clustering eight separate regulatory functions. Article 2, paragraph (a)-(h) ETF Regulation.

<sup>3</sup> Within the ETF, the labour market, country reports and thematic studies produced helps inform colleagues working in other subject areas.

Figure 1: The ETF: A Systems View<sup>4</sup>



Source: Evaluation Team

S5. The ENPI region covers a wide range of countries with common challenges, such as the governance of education and training systems (which is emphasized in the respective ENPI Action Plans), greater autonomy to schools, optimisation of resources, social dialogue, and the development of social partnerships at all levels in the system are key elements to be addressed in all countries. A second common area of challenge relates to lifelong learning. This includes the poor links between different education subsectors, the often missing or underdeveloped continuing training systems, and the absence

<sup>4</sup> The system view reflects the interplay, interfaces and roles of ETF, Commission services, Partner countries and bilateral large donors as well as main areas of support.

of clear and comprehensive qualification systems to enable better access and mobility of individuals and improved links with labour markets.

### 2.3 ETF Activities in the Partner Countries

S6. The ETF can assist in the implementation of the ENPI initiatives, adding value and being complementary to EU interventions in general. Similarly, the Regional Cooperation Council in the IPA region and initiatives in Central Asia are regional platforms with which the ETF expects to work. The Union for the Mediterranean and the Eastern Partnership (MEDA), together with the Black Sea Synergy Initiative, are key areas for ETF support in the European neighbourhood region.

**Figure 2: The ETF Partner Countries**



Source: The ETF spotlight on activities 2010

- S7. Figure 2 illustrates the extent of the ETF's PCs and how they represent a wide range of regions, socio-economic backgrounds and human development issues. ETF activities contribute to human capital development (fitting the national context and striving for excellence, while building upon EU experiences and policies) in Eastern Europe to the Balkans, the Caucasus, Central Asia, North Africa and the Middle East. Key issues arising in all regions in relation to human capital development can be grouped under the area of LM management and in particular the subjects of unemployment, skills mismatch and labour mobility, employability and entrepreneurship. The area of education reform is also prominent, with renewed attention placed on VET at all levels in the context of lifelong learning, governance and the content of VET provision, access and inclusion, and increased attention to the benefits of social partnerships in terms of linking education and work.
- S8. Unemployment is a universal key challenge. The EU's 'Agenda on New Skills and Jobs' is a fundamental part of the Europe 2020 Strategy<sup>5</sup> which offers an important reference point for the neighbourhood region during a time of high unemployment (aggravated by the financial and economic crisis). Understanding the dynamics of LMs (such as mismatches between skills supply and demand, the level of efficiency of the matching mechanisms, etc) and the key levers for employment promotion (such as the importance of entrepreneurship, SME development and enterprise competitiveness, and equality of opportunity) remain crucial for the provision of relevant policy advice on human capital

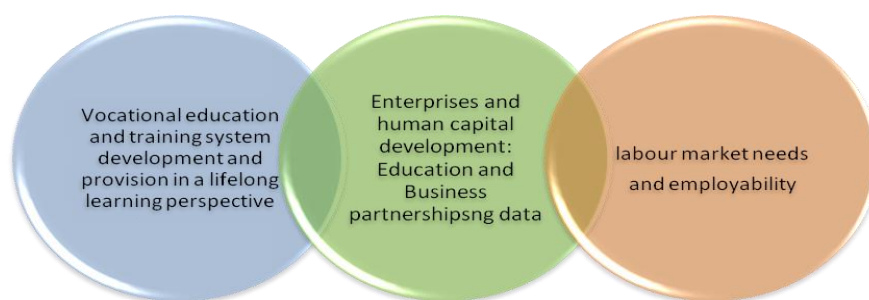
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<sup>5</sup> Further information this aspect of the Europe 2020 Strategy is available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

development. Furthermore, in the light of increased labour mobility and cross border migration flows, the need for transparent and relevant information on education and training systems is crucial as a basis for helping manage the effects of labour migration on both recipient and losing countries.

S9. The main thematic areas of support in the ETF are shown in Figure 3 and activities on LM needs and employment issues cover a spectrum of themes ranging from broad LM analyses, to the examination of specific topics such as flexicurity and lifelong learning, the transition from education to work, the employment of youth, migration, assessment of institutional capacities for employment policy development and implementation, adult learning and role of public employment services (PES), and women's access to the LM. Three thematic dimensions provide a basis for addressing the scope of human capital adopted by the Council Regulation<sup>6</sup>. Human capital includes not only formal vocational education, but also LM efficiency in terms of the use and development of skills within entrepreneurial contexts

**Figure 3: ETF – Main Thematic Areas of support**



Source: Work programme ETF 2010 - Paragraph 2.3. p.14

S10. A key part of the evaluation involved gathering more detailed information on selected countries that had been involved in various LM projects during the reference period and resources allowed for two of the 29 PCs to be studied in depth. As such, the countries chosen could never be considered representative of the whole and so the criteria for selection were based more on the extent of their ETF LM activities, accessibility within the tight timeframe for the evaluation, and their relationship with the EU. Following preliminary desk research and discussions during the inception period with ETF staff, the evaluation team proposed Montenegro and Ukraine as suitable countries for in-depth study.

## 2.4 Selected Countries for in-depth study

S11. In the case of Montenegro, the ETF offers support to stakeholders for enhancing the reforms in human capital development focused on the country's status for EU accession, confirmed as a potential candidate country in 2010<sup>7</sup>. Specific emphasis has been given to two areas: development of the vocational

<sup>6</sup> These thematic areas were identified by clustering seven thematic areas identified and contained in the ETF regulation article 2, paragraph (a)-(h) ,

<sup>7</sup> Montenegro's status as a potential candidate country was set out in the Commission's Opinion of November 2010. Further information is available at: [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/package/mn\\_opinion\\_2010\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/mn_opinion_2010_en.pdf)

training system, and the provision and adaptability of enterprises and education-business partnerships. Regarding the first area, policy advice for improving teachers' skills for inclusive education and for teaching key competences has been provided, based on the findings and recommendations of the ETF's regional project on inclusive education and training policies and practices in the Western Balkans. Regarding the second area, policy and human resources development measures for competitive businesses have been designed and piloted in synergy with the cross-regional, multi-country ETF project on entrepreneurial learning.

- S12. Following a request from DG EMPL, and in extension of Montenegro's application for EU membership in 2008 (as well as an input into the preparations of IPA component IV) in 2010 the ETF undertook an in-depth country review. This included recommendations for future areas of EU intervention, focusing on employment and active labour market measures, education and training in the context of lifelong learning and relationships with social inclusion. Also in this area, the ETF launched and implemented a study in 2010 on long-term unemployment which focused on the three municipalities of Rožaje, Plav and Kolasin, in the northern region of the country, selected by the Montenegrin Ministry of Labour and Social Welfare (MLSW).
- S13. In Ukraine, the ETF is facilitating policy development by introducing international best practices and expertise, and building on this base it is focusing on those areas of strongest need in the country and where the ETF has a comparative advantage in terms of its remit and ability to offer support. The Ukraine programme promotes the development and piloting of specific policies and more effective mechanisms for the increased quality and relevance of the education and training system to satisfy the needs of the LM and the modern economy as a whole. It also continues to support the development and implementation of policies for building the country's national qualifications system and the associated National Qualifications Framework (NQF), improving the transparency and portability of skills, as well as ensuring the efficiency of the financing and sustainable development of the VET system.
- S14. The ETF also supports the enhancement of the effectiveness of social partnerships, firstly on the close involvement of employers in the definition of modern skills needs and, secondly, in supporting various forms of employer engagement in the delivery of education and training to help ensure the better employability of vocational training graduates in the context of lifelong learning. Also related to this area was the project 'Flexicurity and the role of lifelong learning in Ukraine' which is consistent with EC policy and country reform priorities. The study examined the Ukraine LM using three main sources: discussions with stakeholders; official data (in particular the Labour Force Survey (LFS)); and secondary sources. Key stakeholders in Ukraine were consulted on what should be the focus for the report and this was agreed to be the link between flexicurity and socially responsible economic restructuring. The report was finalised after consultation with the key stakeholders.

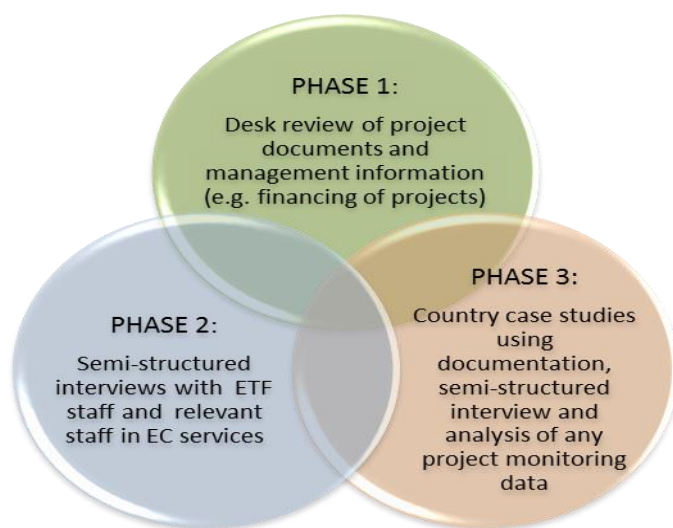


## 3 Methodology of the evaluation

### 3.1 The evaluation approach

S15. In order to secure valid evaluation results and to derive maximum benefit from the different sources of information available, the Evaluation Team (ET) deployed a mix of complementary methods using the key instruments across three interrelated phases, as depicted in Figure 4.

**Figure 4: Research Methods Deployed in the Evaluation**



Source: The Evaluation Team

### 3.2 The methodology in phase 1

S16. Phase 1 consisted of desk work focused on the collection of information, the processing and analysis of data, and a presentation of the initial findings in a standard comparable format. This desk review also served as a basis for the subsequent meetings and interviews with ETF project staff, including the drafting of an interview checklist (Annex 2). The documentation was also used during the inception phase to compile a comparative matrix (Annex 3) summarising the key details of the individual projects. The information assessed during this phase was derived from a range of sources including accessing the readily available reports on the ETF website, receiving reports and data directly from ETF staff, and assessing any additional material from individual countries that came to light during the fieldwork.

S17. The comparative matrix examined all the available information on the LM and employment related activities designed and implemented by the ETF, covering the project objectives, indicators of success and dissemination amongst key stakeholders in the PC and EC services, such as DG EMPL, DEVCO, DG RELEX and DG EAC. The matrix provided a platform to address specific questions to sector specialists and country managers in the ETF, as well as to decide which countries should be shortlisted for the in-depth fieldwork.

The ET proposed two countries for the in-depth studies, each offering interesting and contrasting LMs in different geographical areas and with different levels of affiliation to the EU. In both countries, the ETF activities were to a great extent instigated at the request of EC services, though with varying degrees of local influence on the final focus of each project. Consultations with ETF staff informed the final selection of the two countries chosen for the fieldwork – Montenegro and Ukraine (see Annex 7 for details justifying their inclusion).

### 3.3 The methodology in phase 2 and 3

- S18. The methodology in Phase 2 focused on semi-structured interviews with EC services staff (in particular from DG EMPL, who held a direct interest in the commissioning and use of ETF LM projects. The initial list of appropriate contacts was provided by the ETF. In these discussions, an interview checklist (Annex 2) was used to provide a basic consistency to the questioning, while allowing exploration of the issues as they arose. Additionally the available relevant project documentation was used as justification for commissioning the work, plus any monitoring and evaluation carried out at this level were requested and, where provided, used.
- S19. Phase 3 focused on the fieldwork in Montenegro and Ukraine. A series of semi-structured interviews were held with key stakeholders (the main contacts were provided by the ETF) involved in the commissioning, implementation and use of the projects in order to assess their levels of satisfaction with the LM projects undertaken by ETF, their involvement in the conceptualisation of activities, and an exploration of the value-added and the impact of projects in the respective countries. The format of the checklist was structured according to the five DAC criteria and the additional 'value added' criterion (Annex 2).
- S20. The choice of Ukraine was partly conditioned by the extensive work the ETF had been involved with over the review period (and since) – across all three thematic areas, plus the attention from EC services and international donor agencies. The majority of the discussions held in the country were with well informed experts from the research community, who had worked on various ETF LM projects. By contrast, in Montenegro most of the interviews were with those in administrative or quasi political roles, partly reflecting the relatively underdeveloped research base in this comparatively small PC, but also reflecting the country's stronger affiliation to the EU as an applicant country. Neither country is presented as representative of all ETF PCs or of groups of PCs, though the findings do offer as degree of example relevant to other countries.

### 3.4 Completion of the three phases

- S21. Underpinning all of the above activity was a focus on gathering information that informs the outcomes and impact of the ETF LM projects. The main source of information was the qualitative findings from the interviews with the three distinctive groups of ETF staff, EC services staff, and stakeholders in the two case study countries which, from the outset, were designed to help ensure a high degree of

consistency in the approach across each source<sup>8</sup>. As such, the volume of quantitative information at the disposal of the ET was limited. For example, some information on the resources inputs and financing of projects was provided by the ETF and discussed at the inception stage.

S22. On completion of all three phases of the work, the findings were amalgamated and analysed for the production of a draft final report for consideration by the ETF. This final version of the report takes on board the comments received..Subsequently the findings will be discussed at a workshop at the ETF in Turin.

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<sup>8</sup> The interview checklists (see Annex 2) follow a consistent structure, though with appropriate emphasis for each group allowing a degree of freedom for the interviewers to explore additional or associated points while at the same time facilitating the report writing.

## 4 Overall Assessment of the ETF projects

### 4.1 Findings and conclusions

S23. In this section of the report the DAC evaluation questions are set out with the corresponding findings and conclusions explored, drawing on all the sources of information deployed in the evaluation. This sets the context for a more discursive exploration of the recommendations in Section 4.2.

#### 4.1.1 Relevance

##### RELEVANCE

The ETF LM activities in the PCs were generally designed and planned in association with the agenda & priorities of the EC services. The main rationale for ETF intervention in the LM thematic area appears to be based on a desire to assess and understand the LM structures and needs of PCs. For the most part, the LM projects are not necessarily initiated by the PCs themselves.

The importance of the LM work was growing, partly as a result of requests from EC services, but also because of the increasing recognition that VET policy is inextricably linked to LM factors. It was also expected that this perceived importance would continue to grow under the EC's 'New Skills and Jobs' agenda of the Europe 2020 strategy.

S24. In general the ETF sees three principal 'clients' for its LM work – EC services, the ETF itself and the PCs. The ETF LM projects can be initiated by the EC or by PCs, and in some cases by the ETF. The majority of projects are initiated by EC services, though this does not necessarily mean that these projects are not welcomed by the PCs. However, there were instances where concepts and ideas were new to PCs, and they may not have been ready to tackle such issues or had a LM institutional structure that did not lend itself to the ready acceptance and implementation of such novel ideas. Overall it was not clear from the evaluation how the needs and wishes of the three main players – the EC services, the PCs and the ETF itself – were balanced; there did not appear to be any clear mechanism for this.

S25. The ETF LM activities initiated and carried out between 2006 and 2010 appeared to be designed and planned in close relation with the agenda and priorities of the EC services, such as DG EMPL and DG RELEX. Good examples of this are evident in the country reviews such as those in Montenegro and Serbia. These were carried out following a request from DG EMPL and in relation to their applicant status for EU membership, as well as an input into the preparations for IPA component IV. In these cases, the recommendations focus on employment and active labour market measures, and education and training in the context of lifelong learning and their relations to social inclusion.

S26. DG EMPL has encouraged certain projects (for example the HRD and LM reports) but does not appear to exert a direct influence on what is done by ETF. The Black Sea LM reports and HRD reports were given as an example where they were not primarily done for the EC, though DG EMPL used them as a basis for holding discussions with the experts involved and subsequently in a 2010 conference co-organised by DG EMPL and the ETF. Similarly the flexicurity reports did not appear to emanate from DG EMPL, though there were informal discussions with ETF on what they should cover. They appeared to be aimed at exploring the concepts underpinning flexicurity in the PCs where the studies were carried out.

- S27. The main rationale for ETF intervention in the LM thematic area appears to be based on a desire to assess and understand the LM needs of PCs. The HRD and LM Review projects in some cases played a role in developing the PCs' strategic direction, programming and operational plans. However, with other reports their roles were less clear (for example those on flexicurity). The Black Sea LM reviews were seen in some cases as useful baselines for the ETF and the PCs concerned, though they do not appear to have been extensively used in policy orientation.
- S28. The limited resources of the ETF for LM work tend to be spread across all of the PCs rather than concentrating on a few countries. The coverage of 'sub regions' such as the Western Balkans or Black Sea makes some sense because countries are often more interested in their near neighbours (though this was not always the case, as evidenced in the two case study countries).
- S29. The determination of LM projects appears to be led mostly by the requirements of the ETF and/or EC services. Discussions in the two case study countries tended to show a preference for reports and studies that were specific to their own country and the important LM issues therein. Comparisons across countries can be problematic as contexts can vary greatly. Regional LM reviews (such as those in the Black Sea region) were felt to be less useful and normally fail to lead to any practical actions in the PCs concerned.
- S30. The ETF staff interviewed generally felt that the LM activities within the ETF should be seen as feeding in to its core work focused on VET and not be judged simply on its impact on PCs. The LM work helps inform colleagues working in other thematic areas and, furthermore, the EC services may use the project reports in support of directing their own activities in or towards PCs. The number of LM specialists (currently five) is relatively small and some are not wholly engaged in LM work. However, it was perceived that the relevance of the work was growing, partly as a result of pressure from EC services, but also because of the increasing recognition that VET policy is inextricably linked to LM factors.

#### 4.1.2 Effectiveness

##### EFFECTIVENESS

The interaction between EC services and the ETF appeared to depend to a great extent on bilateral contacts between staff rather than any prescribed process for interaction. However, the effectiveness of these contacts appeared to vary, but where they worked well, the understanding of each others' position suggested that more value was derived from the LM projects

A common view among the case study PCs in particular was that the ETF LM projects would be more effective if they set out more concrete outcomes and action points that can be followed through (with appropriate support if possible). Currently most LM projects were seen as having fairly generalised outcomes that were difficult to turn into firm actions.

- S31. Views on who drives the ETF LM work varied. DG EMPL in particular tends to encourage certain projects (for example the HRD and LM reports) but ETF takes responsibility for the final decision to proceed with the work. Reports are used as inputs to wider strategy determination by most client groups – but to varying extents. In most cases, others serve as a background resource. The LM reports are not always considered readily usable by DEVCO, with some tending to need more work. However, contacts in DG EMPL considered the reports to be tailored sufficiently for input to programming and monitoring – *'they are exactly what we are looking for'* as one interviewee stated. However, it was felt that the reports were to a certain extent overly 'academic' and do not necessarily give much practical

information that could be used for follow-up activities. It was suggested that a key to the effectiveness of the ETF LM work is collaboration with other agencies working in the countries. Not being a donor organization, the ETF should work within its constraints of expertise and funding, but by collaborating it could extend its sphere of influence.

- S32. The effectiveness of the interaction between EC services and the ETF appeared to depend to a great extent on bilateral contacts between staff rather than any prescribed route for interaction. Where the personal contacts worked well, the understanding of each others' position seemed to encourage more value from the ETF LM projects. However, relaying the experience derived from the LM work to the PCs was variable. EC projects (which were generally funded to a much higher level than ETF projects) appeared to take precedence. In the two case study PCs, interviewees generally felt that they exerted little control over the choice or implementation of the ETF LM projects. S57. The LM Reports, HRD Reports and Country Reports were felt to be well elaborated in most cases and were, for the most part, initiated by the EC services and/or the ETF, but not the PCs. The reports in general made good use of the available labour market information (LMI) (including benchmark sources such as Labour Force Survey (LFS), Census of Population, etc.). The HRD reports, for example, were largely initiated by DG EMPL to tie in with their own reporting requirements. However, they were likely to have limited potential for capacity building in the country, in particular the recommendations were seen to be very general, such as setting out priorities with common messages for many PCs. As such they lack a national focus and had little or no exploration on how these priorities might be taken forward. However, the reports can be effective in providing background for other EC services and ETF projects (such as work on the development of NQFs).
- S33. A less 'academic' style to the LM reports was considered to be helpful in bringing the findings to a wider readership and therefore greater acceptance of any recommendations and follow up actions. Even translated, it was considered by some (particularly in the two case study PCs) that reports produced by ETF are sometimes difficult to fully understand for all stakeholders in the PCs. It was felt that they may, for example, benefit from short summaries geared to the different reader groups.
- S34. Many of the reports are focused on education and training, employment (and specifically combating youth unemployment) and social inclusion – key themes within the wider ETF remit and so with the potential to extend their effectiveness. Reports completed on the same theme in different PCs (for example the series of Labour Market Reviews) are very similar to each other, which is underpinned by the standard structure followed. The Black Sea LM Reviews were seen as informative, though in the case of Ukraine, according to the stakeholders interviewed there was limited value in sharing information and practice with other Black Sea countries, whereas learning from the experience of EU Member States was considered potentially more valuable. This was less the case in the Western Balkans where there was more evidence of shared goals (principally EU membership) and acceptance that countries were similar in terms of, for example, LM institutions, policies and practices.
- S35. The information sources used in the LM reports are not always of a consistent quality across PCs and sometimes suffered from being out of date, thereby failing to provide a current perspective which diminished their effectiveness. Where there is a series of individual reports on a number of countries (for example the HRD reports), conforming to the structure, size and content may restrict the analysis in

terms of the depth of coverage of certain areas<sup>9</sup>. It suggests that the one-size-fits all approach in terms of reporting may work in a practical way, but may not be the most effective approach for each PC.

### 4.1.3 Efficiency

#### EFFICIENCY

A common view among interviewees was that a key strength of the ETF was to ‘fertilise ideas’ and facilitate stakeholder collaboration on issues of common concern. It was also felt that the ETF can offer sound methodological approaches and can also facilitate access to information from other sources which might ultimately help raise the standard of LMI in PCs.

LM Report recommendations can lack sufficient detail on the actions required, their timing, actors to be involved, and resource implications. The available resources within project budgets for helping report recommendations to be implemented are limited, and often it may be down to the ETF Country Manager to try and do any follow up activity.

S36. The number of LM specialists at the ETF (currently five) is relatively small in relation to the overall establishment of the agency and some are not wholly engaged in LM work. Often the boundaries between what can be considered a LM project and projects in other ETF thematic areas are not always clear. For example, LM projects should be seen as complementary to work on the development of NQFs and future skills needs determination. However, there are signs of greater recognition of these linkages in the ETF and it has helped raise the profile of LM work, also encouraged by similar recognition across the EC services and this can contribute to the efficiency with which the limited resources are allocated. In PCs there appears to be less demarcation between LM projects and other related activities in, for example, VET and higher education, though in many cases LM experts in PCs have been used on a range of ETF projects which is something to encourage.

S37. LM projects typically have a report as their principal output, normally available in the English language initially, though some PCs (and this was particularly the case in Ukraine, for example) make an effort to provide a translated version to help reach a wider readership. Most projects appear to run to schedule and delays, if any, are often attributed to local circumstances<sup>10</sup>. However, the timing of the reports did not appear to be as critical to the PCs as it was to the ETF and to EC services where they often had to fit into a wider policy brief. However, meetings and seminars to discuss LM reports were a common output and here the timing was more critical if they were to be used as a ‘validation’ activity before finalisation of a report, though here according to the case study countries, attendance often comprised stakeholder representatives from too high a level who tended to be remote from the projects and their implications. There was a view that a key strength of the ETF was to ‘fertilise ideas’ and facilitate stakeholder collaboration on issues of common concern. It was also felt that the ETF can offer sound methodological approaches and can also facilitate access to information from alternative sources which might ultimately help raise the general standard of LMI in PCs.

S38. Common methodologies are often used for reports in different PCs (e.g. the HRD and Black Sea LM Reviews) and can offer efficiencies. However, the sources of LMI available in each PC are not always

<sup>9</sup> The West Bank & Gaza Strip HRD Report, for example, mentioned the limitations the report structure placed on the authors’ analysis of this country.

<sup>10</sup> For example, the LM Review in Ukraine was delayed by the change of sector focus when the project was well underway.

of a consistent quality and can often be out of date. It can also lead to similar broad conclusions and recommendations, without the necessary country-specific focus that can help encourage follow up activity. Nevertheless, economies of scale derived from such a common methodology can be important when the ETF resources for LM work are limited. In addition, the similarity of reports in terms of methodology and structure can help EC services and the ETF take an aggregate view of the findings across PCs, which is evident in some of the multi country reports.

- S39. Reports aimed at presenting the state of play with HRD in general and VET in particular, generally succeed in highlighting the main issues and challenges to address. The recommendations tend to represent a mix of ideas such as improving the quality of education and training, fighting informal employment, modernising labour offices, and better teacher training. Reports with a ‘draft’ or ‘internal use’ status sometimes provide no overall conclusions or recommendations for action.
- S40. Discussions on what constitutes an ETF LM project in terms of activities and end products identified a report as representing the most visible output from a project, and production of them inevitably takes up most of the project resources. Other outputs might include a stakeholder seminar held with the dual function of validating the draft report and disseminating the findings in the PC. However, a distinction needs to be made between *outputs* and *outcomes* and it is this latter result from a project that is more difficult to define and assess. Some reports suggest a set of priorities that affects some or all PCs such as youth unemployment; the socio-economic participation of women; equal opportunity of various socio-economic and ethnic groups; and transformation of informal employment to decent work. However, while the list is extensive and likely to be relevant in most cases, there exploration on how these priorities might be acted upon and who the key actors should be tends to be lacking and it is not clear how the sharing of these problems can be efficient in bringing about a policy response.
- S41. In the case of one part of EC services, the ETF LM reports do not appear to be readily usable, tending to need further work on, for example, the interpretation of outcomes. Some of the reports are seen to be ‘too academic’ by some stakeholders in the two case study PCs and to some extent in EC services,. They may also fail to respond to the needs of the different client groups, which could be met, in part, by issuing summary reports in different styles (to match the target groups). For some (in particular the interviewees in EC services) language was not felt to be the issue, more the context and interpretation of terms within the.

#### 4.1.4 Impact

##### IMPACT

EC services tended to use some of the ETF LM reports (such as the country reviews and HRD reports) in relation to the application process for EU membership and for programming activities in support of this objective. However, the ETF work would be just one part of a much wider information gathering exercise. In the PCs the reports appear to have variable impact.

ETF staff generally felt that the LM activities within the ETF should be seen as feeding in to its core work focused on VET, while at the same time delivering a project of value to the PC. The impact a LM project report will have in a PC depended to a great extent on the resources that the country is able (or willing) to devote to LM activities related to the project objectives – or are able to harness resources from other donor agencies.



- S42. The principal output from a LM project is invariably a report. ETF staff generally felt that their LM activities should be seen as feeding in to its core work focused on VET, while at the same time delivering a project of value to the PC. EC services such as DG EMP tended to use some of the reports (such as the country reviews and HRD reports) in relation to the application process for EU membership and for programming activities in support of this objective as part of a much wider information gathering exercise. In the PCs, the LM reports appear to have variable impact. In Ukraine, for example, even though the focus of the flexicurity report was in part determined by the country, it did not appear to have had much impact. More broadly, the Black Sea LM reviews did not appear to have been much used by the EC services or PCs. In Ukraine there was a view among some interviewees that there was little to learn from the LM policies of its near neighbours, with the possible exception of Turkey and its more sophisticated LMI system.
- S43. In the two case study PCs, outcomes from the LM project outputs appear limited. However, looked at more broadly, in Ukraine cooperation with all ETF projects (across all thematic areas) has helped develop ongoing work on the NQF leading to the development of concrete projects designing national occupational standards in three pilot skills areas, all working closely with networks of employers. The work has meant promoting new ideas about qualifications and their importance in future labour supply and demand scenarios, including extending the involvement of employers beyond the traditional issues such as labour conditions and wages that tend to dominate the social and political dialogue. This suggests that the impact of LM projects is much greater when linked to other activities.
- S44. In Montenegro the Ministry of Labour and Social Welfare used the HRD report as an input to the later stages of an operational plan covering the LM, education and social development. Also in Montenegro, the LTU project in the north of the country was seen as a pilot activity that could be replicated in other areas if successful (and if resources were available for implementation). In this latter case the link between LM activities and an ETF project is much stronger.
- S45. In the two case study countries there was evidence that the ETF LM projects had contributed to raising the profile of LM studies and increased the capacity of individuals in particular to carry out such work. In Ukraine, where there was already a relatively competent range of organisations (including private sector consultancies, university departments and employer federations) and experts, involvement in the ETF projects has enabled some of those local experts to increase their experience of, for example, using and improving LMI, and networking with fellow experts in the country. To some extent it has also created a ‘market’ in LM research because the various individuals and agencies compete for the available work and this can be considered a positive outcome. In the case of Montenegro this is less the case because the very small size of the country offers fewer opportunities for developing project experience and this is reflected in the somewhat limited capacity of agencies. Nevertheless, even here there was a view that the ETF LM projects had helped create a ‘critical mass’ of good experts in Montenegro that provides a solid basis for development of expertise in LM analysis. Significantly (and in contrast to Ukraine) there is more evidence of networking between these individuals, probably because there is less analytical work available and so a less competitive environment between experts.
- S46. The ETF LM projects are largely seen by the ETF staff, EC services and the PCs as offering a different ‘product’ to those from traditional donor organisations such as the World Bank. This may account for the lack of any significant evidence that ETF LM projects are coordinated with other relevant activities in the PCs. In Ukraine, for example, the Ministry of Economy does not have the capacity to devote to this sort of collaborative facilitation activity. Even in a small country such as Montenegro, measures

taken to ensure projects are coordinated appear to be rare. The EU delegation to Ukraine, for example, has very limited resources to even keep up with all EU sponsored work let alone that from other donor agencies. ETF Country Managers tend to focus on ETF projects (across all thematic areas) and resource constraints would appear to limit what they can do in terms of liaising with other donor agencies. However, it remains likely that the better coordination of projects could lead to the sharing of ideas, and provide a platform for using other sources of funding for taking forward ideas that first emerge from ETF LM reports. Nevertheless, under this scenario the ETF's role can have most impact as a 'catalyst' for action.

- S47. Some LM reports suggest a low level of involvement of local key stakeholders and little sign of embedding any follow-up activities. This, of course, may be due to difficulties in engaging stakeholders in the first place, perhaps where there is no tradition of their opinions being sought or no established forums for them to engage with policymakers. However, through (regional) networking, (thematic) seminars, various studies, observatory functions, training, study visits and the like, the ETF does provide a valuable basis for stakeholders to engage with each other and this supports local capacity building. National seminars are held in most PCs to facilitate the involvement of stakeholders in the dissemination of reports and studies. However, no information has been found on an evaluation the impact of these seminars and workshops and the extent to which these seminars influence policy development. Gathering feedback on these events can provide a valuable source of information on not just their efficacy, but can also give useful ideas on how participants and their organisations can be further supported to maximise the value of any interventions in the medium to long terms.
- S48. All projects involve PCs in the preparation of reports, though the extent of this varies. At a minimum, where a report (such as the HRD Reports) are largely written by ETF staff, they will involve at least two short missions to the PC to gather information, both qualitative (normally through interviews with key stakeholders) and quantitative, with a validation and dissemination event at the draft report stage. However, these reports may tend to be seen by the PC as externally generated and so may not be adopted by the local actors as readily as other reports where there is more local involvement in their research and compilation. It seems that the ETF staff compiling these reports have only limited knowledge of the impact their work has had in the PCs, with some suggesting that this would be more within the remit of Country Managers.
- S49. The impact a LM project report will have in a PC depends to a great extent on the resources that the country is able (or willing) to devote to labour market activities related to the project objectives. It seems likely that DG EMPL, for example, would not expect much effect on unemployment since the reports are considered too general and small scale for that. Holding post report conferences helped to link the findings more to policy options and went some way towards building up capacity locally, which is consistent with the EPA approach. Other factors affecting the impact of projects include whether the PC has provided the most appropriate counterparts, or the extent of staff turnover in the partner institutions since continuity of staffing largely affects which activities are undertaken after a project has been completed.

#### 4.1.5 Sustainability

##### SUSTAINABILITY

In general the ETF LM studies are not specifically designed with sustainability in mind – for the most part

they are one-off studies. This was not seen as a major problem by the EC services that were generally comfortable with the ‘snap shot’ approach.

However, in the PCs’ perceptions were different. It was felt that the ETF LM studies are short-term in focus and do not have provision for follow-up and often end with a set of generalised conclusions and recommendations that do not lend themselves to the development of an action plan.

S50. A key characteristic of many of the ETF LM projects is their ‘one-off’ nature. They are essentially based on a ‘task and finish’ approach with little or no allowance for follow up activity. As such, it is difficult to ascribe subsequent actions directly to an ETF project - though there may be indirect results to consider. In most cases the ETF LM projects have not focused on institutional building but more on establishing baseline information (as in the LM Reviews and HRD reports). In the PCs the main durable benefit appears to be the encouragement of local expertise and networking among experts and this was certainly evident in Montenegro and Ukraine. This is a valuable benefit and in future the ETF could usefully help maintain and develop the capacity of the research communities in PCs. Some of this can be encouraged through LM projects, but also through the participation of local experts in seminars and workshops facilitated by the ETF. Durability will also come from focusing on topics of particular interest to the PCs. So, for example in Ukraine, skills needs forecasting techniques is already high on the agenda, but additionally topics such as the implications of an ageing workforce are particularly current and represent future challenges for the country.

S51. Because of reliance on the available LMI in PCs, the ETF LM projects principally take an historical perspective but using common sources such as Census of Population (particularly for benchmarking), LFS and administrative data. The problem is that the quality of these sources across the PCs varies, where the ‘latest’ information can be a few years old. In Ukraine, where the LMI situation is improving (though basic measures such as unemployment are still treated with caution), there is a growing interest in forward-looking LMI, exemplified by the current work on skills needs forecasting and local experts are receptive to EU (and other) expertise in this area. In Ukraine the results of studies on structural changes in the economy and the implications for occupational demand and the distribution of the labour force were discussed at a roundtable with high level participation with the aim of using the results for policy planning purposes. The ETF is just one stakeholder in this wider international context and has contributed through presenting views on the methodology and assessing the demand for skills in the future. In Montenegro the resources available for forward-looking assessments are fewer and MONSTAT, the national statistical agency, is more focused on bringing the principal sources of LMI (such as the LFS) into line with EU practice. However, the ETF LTU study in Northern Montenegro illustrates where skills needs forecasts would be particularly useful – showing which sectors and occupations offer the best prospect for reoriented LTU.

S52. In general terms, the overall quality of the ETF LM outputs (and here they are mainly reports) was considered high – though this is not to say that they are always in an optimum format to achieve maximum effect. In the EC services there was much praise for the rigor and professionalism with which the reports were completed and the quality of the inputs from ETF staff, and international and local experts. However, in the two case study PCs there was some criticism about the perceived ‘academic’ nature of the reports, their sometimes generalised conclusions and recommendations and a lack of interest in answering the ‘so what’ question.

S53. Taking the two case study countries, it was clear that the small number of ETF projects do not alone provide a critical mass of research for tackling issues such as LM forecasting, formalising informal

working, and other key topics of interest to the PCs. In Ukraine, for example, the skills needs forecasting work is progressing mainly due to the intervention of agencies other than the ETF, though some of the local experts working on the project have gained valuable experience on ETF projects. This contribution to building up local expertise was also evident to a lesser extent in Montenegro and underlines the important role the ETF can play in developing local LM expertise. This could be enhanced, for example, by future LM projects having more local inputs and with the ETF facilitating the sharing of experience from other EU agencies (such as Cedefop).

S54. The limited resources at the disposal of the ETF for LM projects restrict what they can do in terms of building in sustainable activities. More effort at collaboration and identifying follow through potential could be the way forward. However, there is a potential problem in that it is not always clear who the main client(s) is for the LM study in question - be it the EC, ETF, or the relevant agencies in the PCs, and there is a real danger that in trying to meet the needs of multiple clients none is wholly satisfied. The role of the ETF Country Manager could be crucial here and in one of the case study countries it was clear that the role of its Country Manager was an important factor in getting the best from the ETF studies across all thematic areas.

S55. The generally short-term nature of the ETF LM projects illustrates the limitations of the annual planning of a work programme. The project planning has to retain a certain degree of flexibility to respond to ad hoc requests (mostly from the EC services) and discussants in the EC and ETF generally felt that this was an important element to retain. However, there was some support for a portion of the budget to be available for longer term projects or sequential projects to avoid what can appear to be 'episodic' activities marked by the absence of any clear long term plan. Interviewees in DG EMPL in particular felt that the follow up of achievements by ETF of its LM projects would be useful, as would take a longer approach involving some follow through activities.

S56. It was generally felt that all reports emanating from the LM projects should be as accessible as possible to all key user groups. In particular there was support for local language versions of reports to be available and while this was sometimes the case, there did appear to be instances where (perhaps through budget restrictions, maybe due to a lack of local interest in the topic) only English language versions of reports were produced. Also, in a very few cases project reports were not published widely, perhaps due to quality concerns. Currently there does not appear to be any consistent monitoring of the use of LM project reports. For example, the ETF website hits are not recorded in terms of which reports, which countries, etc, are accessing the site and so there is no basic information on readership.

#### 4.1.6 Added value

##### ADDED VALUE

The EC services contacts and those in the two case study PCs generally valued the difference the ETF represented in comparison to other international agencies. These positive views were based on the more 'hands on approach' that was evident in the LM studies and individual contact with ETF LM (and other) experts. The inputs of ETF experts to wider forums were also appreciated.

However, one criticism was that there sometimes appeared to be a 'silo' mentality whereby ETF staff are not aware of other activities across all the thematic areas. This was also an issue when it came to bringing the experience of other EU agencies to PCs. In particular the very relevant work of Cedefop and Eurofound did not appear to be systematically mined for LM projects and the ETF could therefore be considered to be missing a

role as a conduit for sharing LM experience with PCs.

- S57. The principal interest of EC services is on the applicant countries and so this will colour their somewhat narrow view of the ETF LM activities. Even where the remit of individuals interviewed was wider (such as in the European External Action Service), most value from the ETF LM work appeared to be derived from personal contacts (with Country Managers and ETF experts on individual countries) rather than the reports themselves. However, in the PCs reports were sometimes seen as taking an overly academic approach which tended to pose a greater problem in translation and in developing follow up activity, which is one reason likely to account for why follow up is so limited.
- S58. Given the limited resources at the disposal of the ETF for LM projects, there is a case for going for depth rather than spread. In addition, those involved in a LM project do not always know (or seek out) about other initiatives in the PC, thereby potentially missing opportunities for collaboration and so adding further value to the studies. An assessment of any negative effects from the ETF LM projects is problematic. However, in general terms, it is clear that some of the more centrally determined studies (such as those on HRD and flexicurity) are unlikely to have been carried out under the auspices of the EC (though may have been reprised by other agencies such as the UNDP) had not the ETF taken the initiative. This suggests a very limited deadweight effect<sup>11</sup>.
- S59. The choice of subjects for the ETF LM projects is not particularly innovative from the perspective of the EU, though some projects might be seen as more challenging by the PCs. From the ETF and EC services perspectives, the projects commissioned are largely extensions of those issues already current in the EU – such as flexicurity, LM reviews and education to employment transitions. In some PCs they no doubt represent new ways of analysing aspects of the LM (particularly in the Mediterranean countries). However, in other cases they are simply putting a ‘wrapper’ around existing concepts and giving it prominence (as in the flexicurity study in Ukraine), though this can be a valuable contribution to the debate. The ETF would tend to add most value in bringing innovative LM ideas to PCs (such as in the area of LM forecasting and scenario planning) but the topics need to be seen as relevant by the PCs – they need to be ready to absorb, take ownership and act upon them.
- S60. The EC services contacts and those in the two case study PCs generally valued the difference of the ETF to other international agencies. These positive views were based on the more ‘hands on approach’ that was evident in the studies and the individual contact with ETF LM (and other) experts. The inputs of ETF LM experts to wider forums (for example in DG EMPL) were also appreciated. However, one criticism was that there can sometimes appear to be a ‘silo’ mentality whereby ETF experts are not fully aware of other activities in all the ETF thematic areas. Bringing the experience of other EU agencies into projects and PCs was also mentioned as lacking, particularly the relevant work of Cedefop and Eurofound were not being systematically mined for LM projects and it appeared that the ETF was missing an opportunity to act as a conduit for sharing this experience with PCs.
- S61. In the EC services the main source of information on the ETF LM projects was by accessing the reports. However, having ETF LM experts participate in seminars and workshops on relevant topics added value to these main outputs. Reports were principally available only in English and while this

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<sup>11</sup> Deadweight effect refers to the negative outcome from where studies would have been completed in any case without the intervention of the ETF funding – though the timing might have been different.

was not an issue for the EC services users, it clearly was for access among the Partner Countries<sup>12</sup>. In Montenegro the resources for translation were extremely limited and so little was translated – though this was tempered with the view of one interviewee who felt that even in translation, the ETF LM reports would have a very limited readership. Following on from this, there were suggestions that more emphasis needs to be placed on providing summaries and action points that appeal to the different target audiences (such as employers, government, etc). The use of end of project stakeholder meetings was common, though their effectiveness is hard to judge in the absence of any thorough post event evaluation. It was also questioned as to whether these events were reaching the right target audience. In Ukraine, for example, one meeting was attended by high level stakeholders when it would have been more effective to have practitioners who might be more effective in taking the messages forward.

S62. The ETF is seen both as an awareness raising provider, as well as serving as a platform for bringing stakeholders together to set reform priorities in the design and development of complex education reform processes in PCs. In the field of E-TVET reform, for example, there tends to be an appreciation by stakeholders in PCs that in comparison with other donors the ETF understands what needs to be done and its pool of expertise, its flexibility and responsiveness, as well as its dissemination of good practice are key elements of the value added generated by ETF. This appreciation of the role of the ETF does not yet appear to have permeated its LM activities.

## 4.2 Main recommendations

S63 In this section of the report the six DAC evaluation questions are set out in Figure 5 with the corresponding summary findings and recommendations in brief, drawing on all the sources of information deployed in the evaluation. Figure 6 clusters the recommendations into priority areas with the associated risks identified.

### 4.2.1 Summary Findings and Recommendations

The main findings from the evaluation and the recommendations arising from them are summarised below in five key headings, representing the principal areas for attention. Inevitably there is some degree of overlap under the five headings and so Figure 6 isolates and sets out the priority recommendations for consideration by the ETF.

#### Figure 5: Summary Findings and Recommendations

##### 1. BALANCING THE NEEDS OF THE DIFFERENT CLIENT GROUPS

- The ETF is typically working in a triangle of three clients – with PCs and EU services, in addition to its own requirements. In general, the ETF LM projects over the reference period for this evaluation showed a strong reflection of the priorities of EC services and were designed and planned in relatively

<sup>12</sup> In Ukraine, for example, the usefulness of reports in English was very limited and so translations (in Ukrainian and sometimes Russian) were generally arranged locally. In the *Transition from Education to Work* report, for example, there was no budget for translation and dissemination and it meant that as a result, the document could not reach a wider audience such as educationalists and careers advisers.

close relation with DG EMPL and DG RELEX, etc. ETF activities were less reflective of the needs of PCs, which might be explained by other priorities of the EC. In some cases concepts and ideas formulated in the EU were introduced in cases where PCs were perhaps not ready to tackle such issues. The ETF should therefore pay particular attention to the needs of the PCs when selecting studies or orienting those determined from Brussels or Turin to the particular circumstances of the PC. Each report has its own audience, but the selection of topics need not be different – for example the issues of skills needs forecasting and the needs of an ageing workforce are well within the ambit of the EU's 2020 strategy and of direct interest to PCs.

- The interaction between the EC services and the ETF on LM issues is variable and generally ad hoc, with a high degree of dependency on individual contacts making things happen and deriving most benefit from the studies. There is a good deal of overlap between the activities of some EC services and the ETF in the LM sphere (particularly in DG EMPL) yet the level of knowledge of what each is doing seems underdeveloped. In particular the work of EU agencies such as Cedefop and Eurofound offer a good deal of relevant experience that is not reaching the PCs and so the ETF should rise to this challenge through closer liaison with these services and identification of the best mechanisms for bringing their expertise to the attention of PCs.
- The main rationale for ETF interventions in the LM sector appears to be based upon a desire to access and understand the LM situation and needs of the PCs. Projects such as the HRD and LM reviews in some cases played a role in developing the strategic direction, programming and operational plans in PCs. For other reports, their role was less clear. Because projects such as LM reports were not initiated by the PCs, there is a danger that projects build up expectations that may not be realised due to funding and other constraints and this should be avoided as much as possible in future activities.
- Overall it was not clear how the needs and wishes of the different clients were balanced. However, which client has priority is a question that needs to be addressed by the ETF management. Also the impact on the key client groups for the ETF LM projects is difficult to quantify. Therefore, in order to gauge this on a systematic basis there needs to be more done on gathering feedback from users among these groups. This could take the form of the automatic issuing of a questionnaire on completion of the study – with the option of a repeat request after a suitable interval has elapsed (6-12 months).

## 2. BRINGING SYNERGY TO PROJECTS IN DIFFERENT THEMATIC AREAS

- The ETF spends only a small proportion of its budget on LM projects but the tendency is to spread it thinly across as many PCs as possible. This approach is to some extent understandable but does not necessarily represent the most productive use of the scarce resources. There is a case for the funding to be used for more in depth work in selected PCs, perhaps involving a programme of activities beyond the normal 12 month cycle. However, this approach would need to be accompanied by more attention to bringing those PCs not subjected to the in-depth work into the fold. This could be achieved through the ETF organising mutual learning activities (peer reviews, for example), involving countries with similar interests and at similar stages of LM development (though not exclusively so) as an alternative to replicating similar studies in each PC. This process should also involve the sharing of experience in the EU in agencies such as Cedefop and in individual Member States.
- The relatively small amount of ETF resources devoted to the LM thematic area should not be an impediment to expanding the work in this field. The overlap between LM work and other activities of

the ETF is significant (for example NQF development and skills needs forecasting) yet often a ‘silo’ mentality can mean that synergies are often not fully exploited. This is particularly so at the level of the PC and there needs to be more effort on the part of Country Managers and those ETF experts working on individual projects to pool their experience and share activities (for example survey work). Where LM studies on skills supply and demand or on the transition from education to work can be linked, for example, to projects on the development of qualifications, the likelihood is that impact will be increased. Therefore, the ETF should make more effort to coordinate studies in PCs across its main thematic areas as part of its short and longer term planning activities.

- For the most part, the ETF LM studies take a retrospective stance using the available LMI to provide a ‘snapshot’ of the situation in a PC. The problem is that the quality and timeliness of key LMI sources (such as the LFS and administrative data) vary between PCs and this complicates cross country comparisons. Clearly it is not the primary role of the ETF to develop a PC’s LMI base, though working with other EU agencies (such as Eurostat and Cedefop), linkages can help highlight deficiencies and help instigate changes to data collection practices and use. The ETF therefore needs to recognise the central role played by LMI in most of the LM studies it commissions and take steps to develop this.

### 3. MOVING TO MORE SUSTAINABILITY IN PROJECTS

- There was little sign that the ETF LM projects were taking much recognition of other international support activity in the PCs. Reports did not extensively refer to previous relevant work and little attempt was done to make contact with other international activities going on. However, collaboration is an obvious way to increase the impact of a study and also presents an opportunity of ensuring some ongoing activity after a project has formally ended. The ETF should therefore ensure that new projects recognise what has gone before and what is already going on in a PC and take steps to collaborate with the relevant players. In this, the role of the ETF Country Manager is important, acting as the conduit for linking both across the ETF thematic areas and between the ETF and other international agencies.
- In general the ETF LM projects are not specially designed with sustainability in mind. As such, it is difficult to ascribe subsequent actions directly to an ETF project - though there may be indirect results to consider. The ‘task and finish’ approach<sup>13</sup> to the ETF LM studies also mean that they are largely seen as one-off activities with no real attention to continuity. There was little evidence that projects had led to further activity after the reports had been submitted and accepted. Part of the problem is that reports are more about establishing a baseline (such as in the LM Reviews and HRD reports) rather than institutional building or capacity development and this is a missed opportunity.
- The continuity of ETF LM projects can be enhanced through consideration of the follow up of the action points. At present there is little if any ongoing support after a study has been completed. This can mean that the impetus and enthusiasm created by the project in a PC quickly dissipates, as local players move on to other things. Follow up activities in the form of providing resources for complementary projects, laying the foundations for other agencies (such as international donor bodies) to carry things forward, or more simply involving the ETF Country Manager as a catalyst for follow up activity.

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<sup>13</sup> Innovation and Learning projects (ILP's) take a longer term stance



- The effectiveness of individual projects was hard to gauge in the absence of any systematic attempt to evaluate project outcomes. This needs to be done swiftly after the conclusion of a project and then after a period of elapsed time (to be determined by the project specification) to see if any changes have emerged. Even dissemination events are not adequately monitored and yet they could provide a useful vehicle for providing both ideas for future projects and helping encourage sustainability in the work. This should be a priority for the ETF in its LM projects currently underway and those commissioned in future.

#### 4. MAXIMISING PROJECT OUTCOMES

- The ETF LM projects tend to be based on a traditional research format that invariably ends up producing a report as the main output and this raises the question is this always the best approach and output? Reports can have limited use (especially when not geared enough to local consumption through, for example, translation from English) and more thought needs to be put into whether project resources would be more effective when used for other activities such as mutual learning (for example, peer reviews, study trips, etc) and/or training of local experts in the techniques of LM analysis.
- The ETF LM studies are considered to be well written by all user groups, though this does not necessarily mean that they are optimally meeting their needs. Criticism of them being ‘too academic’ suggests that they need to be structured more to better serve the needs of all users. This is difficult when there are different user groups to contend with and it may require a set of outputs rather than one that is expected to serve all users. In particular there needs to be more use of summary reports and analyses and tighter narrative with annexes used to carry back up material. The perceived general view that reports tend not to have specific recommendations for follow up activities suggest that some clients would prefer more concrete and sustainable outcomes. More attention therefore needs to be paid to developing conclusions and recommendations of direct relevance to the PC(s) concerned, with the emphasis on actions points along with an indication of where the key responsibilities lie for implementation and setting a realistic timeframe.
- The ETF LM projects essentially worked to short-term timeframes and were generally completed to schedule. However, while this adherence to the timetable was appreciated by those in EC services (and of course the ETF itself), it was less critical to the PCs who were more concerned about allowing sufficient time for the different outputs to be absorbed and their implications understood. Therefore, it is important that the projects take into account local circumstances, in particular when scheduling stakeholder workshops or seminars and ensuring that appropriate lead times for feedback are built in.
- For the PCs the various LM studies appear to have had variable impact and it is difficult to detect any pattern to the most successful. Even where there has been some significant input to the project specification by the PC, this does not guarantee impact. At best it can help shape a study that was mainly determined outside the PC (for example by EC services) which increases the prospects of greater local impact. The PCs should, where possible, have an emphasis relevant to the PC’s needs and instigate appropriate monitoring mechanism. Furthermore, emphasis should be placed on bringing EU experience in LMI and LM analysis to PCs, structured around topics of direct interest to them.

#### 5. DEVELOPING LOCAL CAPACITY

- The main durable benefit from ETF LM projects is the encouragement of local expertise and networking among experts, and in the years to come, the ETF could usefully help maintain and develop the capacity of the small research community in PCs through LM projects. In Montenegro and Ukraine there was evidence that the ETF LM projects had helped raise the profile of LM analysis and developed the capacity of local experts and their employing organisations. Key to this has been the direct involvement of local experts in the LM project, working with ETF and international experts. This suggests that these wider benefits from projects can be encouraged through greater engagement of local experts in future projects – taking on more of the work under the guidance of ETF experts – and the ETF organising more mutual learning activities, in particular exposing PC experts to the best practice in the EU.
- The participation of local experts in seminars and workshops facilitated by the ETF can be an effective tool for local capacity building. However, too often the attendees consisted of those in higher positions in the relevant organisations who were not necessarily disposed to make use of the findings. Those tasked with the LM projects should try and ensure (as much as local circumstances allow) that participants at such dissemination events include practitioners who can learn from the work and use the outcomes in their own work.
- Studies carried out on a regional basis can offer a useful way of sharing experience. However, in some cases PCs are at very different stages of development and the peer review approach may offer little value to some countries (though can be of value to others). The sharing of experience is often more effective when EU Member States and PCs are involved together and this should be more the focus of such projects in the future – particularly relevant as methods of LM analysis such as skills needs forecasting become prominent in PCs. The role of the ETF as a developer of local LM expertise is clearly an important one and needs to be reflected in how projects are organised, in particular with more local inputs and with the ETF facilitating the sharing of experience from other EU agencies such as Cedefop.

#### 4.2.2 Summary priority recommendations<sup>14</sup>

##### Figure 6: Summary priority recommendations

### 1. BALANCING THE NEEDS OF THE DIFFERENT CLIENT GROUPS

- The ETF should pay particular attention to the needs of the PCs when selecting studies or orienting those determined from Brussels or Turin to the particular circumstances of the PC.
- This should involve the PCs in shaping the focus of projects to meet local needs and priorities, and close liaison with relevant EU agencies is fundamental to identify the best mechanisms for bringing this about.
- There needs to be more done on gathering feedback from users among the different client groups, for example by issuing an e-questionnaire automatically on completion of the study – with the option of a repeat request after a suitable interval has elapsed (6-12 months).

<sup>14</sup> The full priority recommendations and associated risks can be found in Annex 8

## 2. BRINGING SYNERGY TO PROJECTS IN DIFFERENT THEMATIC AREAS

- The ETF should make more effort to coordinate studies in PCs across its main thematic areas as part of its short and longer term planning activities. In addition, there should be more effort on the part of Country Managers and those ETF experts working on individual projects to pool their experience and share activities.
- The ETF needs to recognise the central role played by LMI in most of the LM studies it commissions and take steps to develop this in the PCs.

## 3. MOVING TO MORE SUSTAINABILITY IN PROJECTS

- The ETF should ensure that new projects recognise what has gone before and what is already going on in a PC and take steps to collaborate with the relevant players.
- The ETF Country Managers should act as the conduit for linking both across the ETF thematic areas and between the ETF and international agencies.
- Dissemination events should be adequately monitored to provide a useful vehicle for developing ideas for future projects and helping encourage sustainability in the work.

## 4. MAXIMISING PROJECT OUTCOMES

- More attention should be paid to developing project conclusions and recommendations of direct relevance to the PC(s) concerned, with the emphasis on actions points along with an indication of where the key responsibilities lie for implementation and setting a realistic timeframe.
- The ETF can add most value in bringing innovative ideas to PCs with maximum effectiveness from the selection of topics relevant by the PCs.
- More use of summary reports and analyses and tighter narrative with annexes used to carry back up material, with translation into local languages as appropriate.

## 5. DEVELOPING LOCAL CAPACITY BUILDING

- The role of the ETF as a developer of local LM expertise should be recognised more through the organisation of projects (for example, more local inputs) and facilitation of the sharing of experience from other EU agencies and Member States.
- Participants at dissemination events should include practitioners who can learn from the work and so be in a position to use the outcomes in their own roles.
- The ETF should help maintain and develop the capacity of the developing research communities in PCs through, for example, their participation of local experts in seminars and workshops facilitated by the ETF.