

The evaluation report aimed at supporting the management of Operational Programme Human Capital 2014-2020 (OPHC) Priority Axis 1 Youth Employment Initiative. The evaluation assesses the situation of young NEETs, not in education, employment or training young people under 25, in order to identify mechanisms which best contribute this situation improvement.

The assessment was coordinated by the Evaluation Central Unit of the Ministry of European Funds (MEF) Directorate General for Analysis, Programming and Evaluation and it was implemented between April and May 2016 by a team of experts managed by QURES Quality Research and Support. The evaluation report is finalised based on discussions carried out in the framework of the Evaluation Coordination Committee (ECC) and takes into consideration its members' remarks.

The evaluation methodology allowed the identification of lessons learned from the implementation of two pilot projects targeting young NEETs, funded by the Sectoral Operational Programme Human Resources Development 2007-2013 (SOPHRD). Moreover, the evaluation is based on an extensive desk research of the SOPHRD and OPHC programmatic documents, of other studies and evaluations of interventions regarding the young NEETs in Romania and the European Union and of the legislative and strategic European and national relevant framework. Primary data was collected through interviews, focus-groups and on-line surveys from central institutions (Ministries and Public Employment Service), regional and local public and private stakeholders (in the Brasov, Giurgiu and Galati counties), project partners, young NEETs themselves and employment counsellors.

The statistical data provided by the National Institute of Statistics (NIS) and the primary data collected through surveys were analysed using statistical methods, as it was the case for the calculation of unit costs for several interventions targeting young NEETs. Therefore, the evaluation methodology allowed the collection of evidence through various methods, from different sources as well as their analysis based on statistical tools and the principle of triangulation.

Evaluation question no. 1: How did the situation of the young NEETs evolve, including of the young NEETs of Roma ethnicity, in targeted areas (development regions, urban vs. rural areas, the Danube Delta ITI area) since the programme adoption?

The number of the young NEETs in Romania had a fluctuating evolution over the period during 2007-2015 and recorded an increase of 3.6% from 2014 until 2015, despite the negative demographic trends of the population aged between 15 and 24 years old and of the slight increase in the activity and employment rates for this category in the same period.

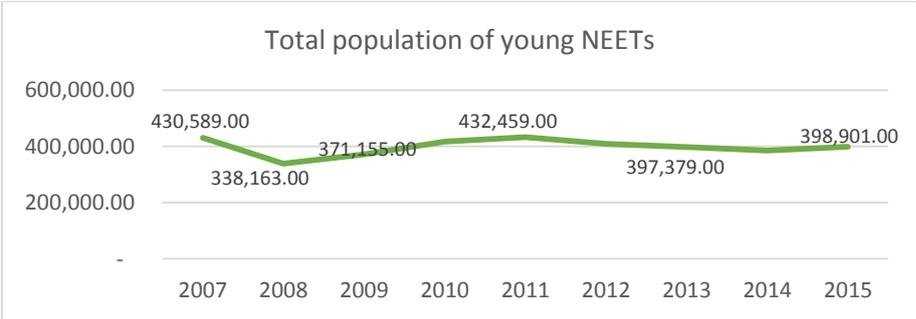


Figure no. 1. Total number of young NEETs in 2007-2015

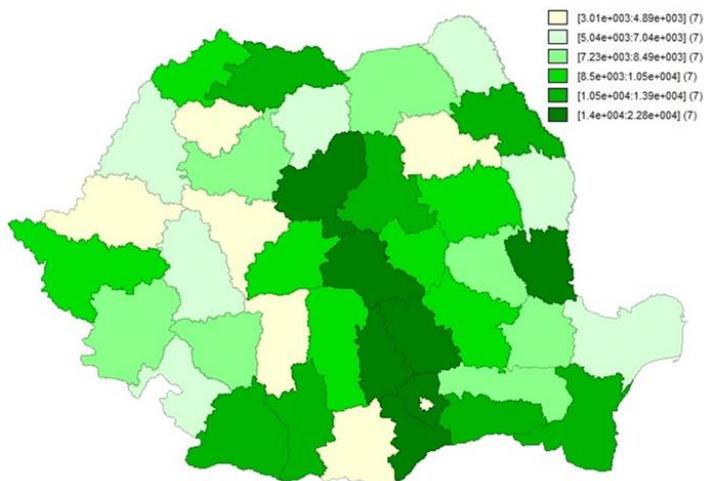


Figure no. 2. Young NEETs distribution by county in 2015

Considering the number of young NEETs Romania registers severe regional disparities, in 2015 the increase of the number of young NEETs being registered in regions where their number was higher starting with 2007 (Sud-Muntenia, Centre, Southeast, regions eligible under YEI). Furthermore, the NEETs population in the urban areas increased in 2015 compared to 2014 as a share in the total number of NEETs. The evolution of the young NEETS population of Roma ethnicity and in the Danube Delta ITI area follows the same trends as the entire category, namely an increase in 2015 compared to 2014, stronger in the urban areas. There are significant discrepancies in the distribution of the youth and of the young NEETS at county level.

The legislative, institutional and strategic framework relevant for the young NEETs was stable between February 2016 when OPHC 2014-2020 was adopted and the cut-off date of this evaluation, both at national and European level. The elements with a potential impact on the situation of the young NEETs in the coming years are to be found rather in national strategies such as the "National Strategy for Employment 2014-2020", "The Romanian Education and Training Strategy for the years 2014-2020", "The Strategy to Reduce Early School Leaving in Romania".

The main interventions implemented or planned with a view to improving the situation of young people in general and especially of the young NEETs in Romania have been or will be financed mainly from different European funds. Of these we name the European Social Fund through SOPHRD/OPHC, on the first place, followed by the European Regional Development Fund through the Regional Operational Programme (in the past programming period) and the European Agricultural Fund for the Rural Development through the National Plan for Rural Development (in the programming period 2014-2020).

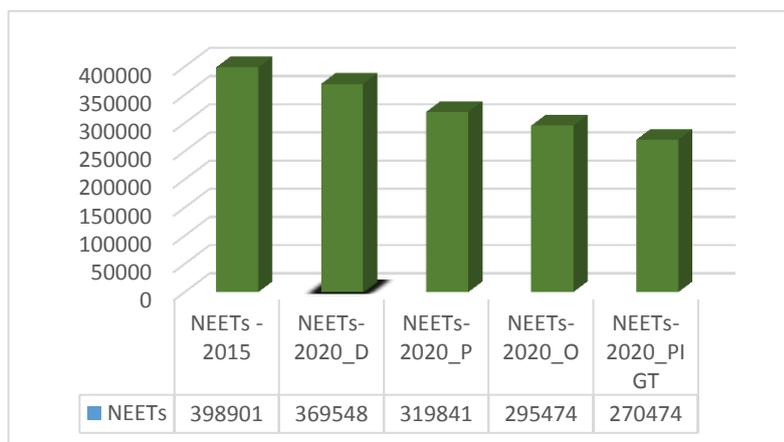


Figure no. 3. Future evolution of the number young NEETs after OPHC implementation

The future evolution of the young NEETs depends mostly on the general demographic and economic developments in Romania, as well as on the effectiveness of future measures aimed to improve their situation, particularly implemented through OPHC, Priority Axes 1, 2, 3 and 6. The number of young NEETs will decrease in any context but the problem of the young NEETs will be only partly solved until 2020, therefore it will persist in the future programming period (2021-2026).

Evaluation question no. 2: What mechanisms (types of intervention, inter-institutional relationships, project selection, monitoring and reimbursement mechanisms etc.) affect the situation of the young NEETs and how?

The group of young NEETs raise considerable challenges both in terms of identification and activation but also as regards qualification and employment. A small number of them is or can be brought close to the labour market. There are sub-categories of young NEETs who have particular needs and in their case the logic of intervention needs to be personalised. The most important criterion dividing the young NEETs into sub-categories is the education level, followed by the area of residence (urban / rural) and their belonging to vulnerable groups.

The support delivered to young NEETs within the two pilot projects analysed in depth was largely relevant to the needs of the young NEETs participants. An improved intervention logic of the future projects could foresee the following additional elements: *individual* information, counselling and guidance on the labour market, psychological counselling, activities ensuring the support of the family members; activities which tackle functional illiteracy, accompanying for a period of time the young NEET at the apprenticeship/work place.

The most effective interventions identified by this evaluation were the following: (1) vocational training, provided that the related applied component is conducted in accordance with requirements in place and needs of both supply and demand of labour, (2) job-search and labour mediation services offered individually and (3) information, counselling and vocational guidance.

The less effective measures and less efficient in the context of the two projects analysed were found to be: (1) training and support measures in the field of entrepreneurship, (2) apprenticeship and (3) initial training courses. The interventions aimed to enhance entrepreneurship among young NEETs are relevant and effective only for a limited number of young NEETs. In its current form provided by Law 279/2005 with all subsequent amendments, the apprenticeship, although relevant as a generic type of intervention, is less effective and efficient because of its long duration and, in particular, the administrative and reporting burdening and high costs generated for the employers.

A number of implementation mechanisms significantly influence the effectiveness of the interventions targeting young NEETs. The most important mechanism in this context is the reimbursement of the costs and payments requests incurred by the SOPHRD beneficiaries. The provision of different subsidies to participants from project to project created a „competition” system between projects co-financed by SOPHRD in the same area, with the same effects. The evidences analysed indicate that projects were more effective in counties where the collaboration between project partners and the relevant Public Employment Service (AJOFM) was strong, including as respects to apprenticeship, and where guarantee centres were operationalized at the county, not regional, level. The institutions involved have strengthened their capacity as regards project monitoring and reporting, which constitutes a benefit in the context of the new programme and new rules on data collection at participant level.

From the perspective of sustainability of results obtained, the projects have a moderate success. Six months after the project completion, a majority of the treated young NEETs have maintained the acquired knowledge but only 35-37% continued to be employed.

Unit costs				
	<i>Average unit costs in SOPHRD</i>	<i>Average unit costs in SOPHRD projects with more than 50% young participants</i>	<i>Guaranty for YOUth!</i>	<i>Investment in youth, investment in future!</i>
Informing and counselling	1,105	1,304	558.18	428.85
Training	4,005	4,907	3,395.29	4,500.40
Labour mediation and job searching	1,386	3,468	1,427.65	1,584.96
Training and consultancy for entrepreneurship	4,772	1,329	1,500.47	1,143.99

The projects are efficient, given that the unit costs calculated for the studied projects are in most cases much lower compared to the costs calculated by previous evaluations for SOPHRD projects that included in the target group a considerable number of young people. The differences in unit costs calculated for each of the 2 projects are explained by the different approach taken in implementation, such as outsourced training services versus trainings realised internally, by the partners' employees, organisation of job/career fairs versus individual job-search and labour mediation services, where the first variant implies lower costs.

Figure no. 4. Unit costs comparison between the analysed projects and SOPHRD

Evaluation question no. 3: To what extent the mechanisms are or may be improved for the programming period 2014-2020?

As regards reaching out to the young NEETs, but also in order to maintain them involved during the project lifetime and active beyond project completion, it is instrumental to consider the cooperation of project beneficiaries and partners with stakeholders such as County School Inspectorates, schools and mayoralities. Therefore, from an institutional perspective, PA 1 should better highlight the role of these actors and the key function PES should play in all the projects. The limited functional capacity of this institution should be consider more carefully.

Although PA 1 of OPHC envisages a customized and integrated approach, it insufficiently takes into account the different regional/county distribution of the young NEETs, and the particularities of the sub-categories of the target group. Similarly, PA1 of OPHC insufficiently took into account the limited relevance and effectiveness of activities targeting entrepreneurship, apprenticeships and initial training courses.

The best implementation mechanism of the PA1 of OPHC would contain elements that target certain types of interventions and of partnership. Five major types of interventions should be implemented: (1) interventions similar to the 2 pilot projects analysed in-depth (except for the entrepreneurship measures), targeting all young NEETs with the exception of those enrolled or who have completed the university education system (2) interventions similar to the 2 pilot projects analysed in-depth (except for the entrepreneurship measures), targeting the young NEETs enrolled or who have completed the university education system, (3) interventions similar to the 2 pilot projects analysed in-depth (except for the entrepreneurship measures), targeting the young NEETs belonging to different vulnerable categories: institutionalized young NEETs, NEETs whose parents are abroad, NEETs of Roma ethnicity, (4) interventions targeting employers as eligible beneficiaries who are subject to the state aid rules, (5) interventions focused on entrepreneurship, currently planned in the form of a global grant scheme. The first 3 types of projects in this category should be developed and implemented at the regional level but with a county approach, involving all the key actors: county councils, local councils, school inspectorates, regional development agencies, to ensure (1) access to young NEETs (2) demand for labour

force if there are no employers at the local/county level. The calibration of the project size at the county level should take into account the number of existent NEETs, as it was estimated in this study and in the analysis underlying the project. The last 2 types of interventions should be implemented through national-scale, but competitive projects. All types of interventions must propose specific measures for young people in the rural areas and for the young female NEETs.

Based on the findings and the drawn conclusions, a number of recommendations were formulated, to be implemented mainly by the OPHC Managing Authority, but also by intermediate bodies, beneficiaries, the Public Employment Service and the Ministry of Labour, Family, Social Protection and Elderly. Below are the important ones:

- ✓ The future projects to be funded under PA 1 should adequately consider the profile and individual needs of the young NEETs and the sub-categories thereof, which should be addressed in a personalized and integrated manner.
- ✓ In order to avoid a duplication of the outreach effort and in order to consider all needs of the target group, it is necessary to ensure at operational level the coordination between the interventions planned under PA 1 and PA 6 of OPHC
- ✓ It is necessary to ensure the effectiveness of the training activities implemented in the projects funded under PA 1 of OPHC, particularly its applied, practical character.
- ✓ It is necessary to ensure the participation of the employers in the actual implementation of the project activities, in accordance with the commitments set out in the financing agreement, in order to raise the employability level of young people.
- ✓ In order to ensure the effectiveness of the interventions entrepreneurship among young NEETs, it is necessary to ensure the selection of the most relevant representatives of this target group and to provide tutorship/mentorship programmes long enough to consolidate and maintain the legal persons newly created through projects.
- ✓ It is necessary to amend the Apprenticeship Law and the related implementation rules, in order to transform this public policy tool in an efficient and effective instrument, in accordance with the practice and the particular needs in Romania.
- ✓ It is necessary to grant equal subsidies to participants who benefit of similar services/an integrated package in all projects financed under the future PA 1 of OPHC.
- ✓ OPHC should ensure the efficiency of the process of expenditures reimbursement in the framework of the PA 1 of the programme, in order to ensure active involvement of the target group in project activities.
- ✓ In order to better underpin effectiveness and sustainability, it is necessary to ensure PES' involvement in the projects implemented under PA 1, and that PES institutions implement in this framework the required registration, information and counselling activities.