

Summary

The evaluation provides an analysis of the efficiency, effectiveness and impact on employment and labour mobility of the investments of the European Union Structural Funds and Cohesion Fund for the 2014-2020 programming period under the Operational Programme "Growth and Employment". The evaluation assesses the following investments under the priority axis "Employment and Labour Mobility":

- **Investment priority 7.1:** Ensuring access to employment for jobseekers and inactive persons, including the long-term unemployed and persons at a distance from the labour market, as well as through local employment initiatives and support for labour mobility.
- **Investment priority 7.2:** Sustainable integration of young people into the labour market, with a particular focus on young people not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee scheme.
- **Investment priority 7.3:** Employee, enterprises and entrepreneurs adapting to change.

To achieve the evaluation objective, the following has been carried out: 1) analysis of the scientific and research literature on the impact of investments on promoting sustainable and quality employment and labour mobility; 2) analysis of investments of EU funds and other financial sources in employment and labour mobility in Latvia; 3) in-depth case studies: the cases of SO No 7.1.1 "Up-skilling the unemployed in line with labour market demand" and SO No 7.3.2 "Extending the working lives and employability of older employees". The analysis of the investments of the EU Funds and other financial sources was carried out using an evaluation model based on the Theory of Change, which analyses the needs of the target groups, the defined objectives, the planned activities and the resources available or foreseen for them, as well as the results achieved, their impact on the beneficiaries, their effectiveness and efficiency.

The evaluation used a variety of data sources and methods. EU and Latvian documents, legislation and investment reports provide information on the target groups of the intervention, their needs, the activities planned and implemented, the output and result indicators planned and achieved. Experts involved in project implementation, cooperation partners, implementation supervisors and employers provided valuable information for the evaluation when assessing achievements and challenges in achieving the planned objectives.

For the characterisation of beneficiaries, administrative data from the Management Information System for Cohesion Policy Funds (KPVIS) were used, while for the evaluation of the effectiveness of investments, data from several sources were used: the Management Information System for Cohesion Policy Funds (participants and EU fund investments), the State Employment Agency of Latvia and the State Revenue Service (SRS), as well as employment statistics compiled by the Central Statistical Bureau of Republic of Latvia (CSB). For the in-depth case studies, both target group surveys and in-depth interviews were carried out with (1) participants in actions supported by SO

No 7.1.1 (unemployed and jobseekers); and (2) participants in actions supported by SO No 7.3.2 (older (50+) employees).

Investment priority 7.1. The activities of the specific support objectives implemented under the investment priority 7.1. in the period from 2015 to 31 December 2021 have contributed to ensuring access to employment for jobseekers and inactive persons. In terms of impact, the most significant supported activities are (1) vocational training, (2) acquisition of continuing vocational training programmes and (3) acquisition of non-formal education programmes covering basic social and vocational skills, including national language proficiency tests. In total, the activities under SO No 7.1.1 "Upgrading qualifications and skills of the unemployed in line with labour market demand" have reached 95 242 unemployed (unique persons), including 33 045 unemployed over 50 years of age. Significantly, 26 492 participants in SO No 7.1.1 have acquired a qualification immediately after participating in the training, while the number of participants employed six months after the end of the measure is 36 062. These results show that measures to improve the qualifications and skills of the unemployed make a significant contribution to tackling the unemployment situation, but this is further illustrated by the results of the counterfactual analysis carried out in the Evaluation.

According to the results of the counterfactual analysis, participation in vocational training over the period 2016-2020 has increased the participant's employability to a greater extent than participation in non-formal education programmes. The following thematic groups of vocational training have had a higher positive impact on employment participation over the 6-, 12- and 18-month period: logistics worker, warehouse manager, project management and marketing, customer service, record keeping, retail salesclerk, hospitality professionals, hairdressers and spa professionals, caregiver and security work; over the 6- and 12-month period also accounting and taxation.

In non-formal education, the following training programmes have had a higher positive impact on employment over the 6 and 12-month period: C, D and CE for drivers, Higher Intermediate Latvian, Higher Intermediate English and Business English (Lower Intermediate & Intermediate, Higher Intermediate, Advanced).

Investment priority 7.2. The measures under investment priority 7.2. for the sustainable integration of young people into the labour market, with a particular focus on young people not in employment, education or training, have been and continue to be implemented as a series of complementary measures and contribute to the transition of young people to employment. A positive impact on the share of those entering employment or self-employment 12 months after participation has been recorded in almost all activities of the measure. In the medium term, the positive impact on the take-up rate remains among those who have participated in the following training: foreign language training, driver training for vehicles and tractors, continuing vocational training and professional development programmes (total) and initial vocational training programmes (total). However, it should be pointed out that future planning of similar activities should avoid defining the target group in such detail, which created administrative burdens and complications in the implementation of the activities.

Investment priority 7.3. The activities of the specific support objectives implemented under the investment priority 7.3. have contributed to improving the safety and health protection of employees and to improving the working environment in line with the

requirements of labour protection and labour law, and the implementation of the activities contributes to the creation of quality jobs in the long term. The wide range of activities implemented has contributed to the improvement of labour protection issues in enterprises, to informing different groups of society, including employers, on issues related to the improvement of the working environment and the preservation of employees' health and fitness for work, to obtaining research-based information on labour protection in Latvia, and to improving the capacity of The State Labour Inspectorate (SLI) specialists through training and experience exchange visits. However, the analysis of support measures for employers under both SO No 7.3.1 and SO No 7.3.2, as well as for older employees, shows that the approaches chosen are relatively financially intensive and there is a lack of awareness among beneficiaries of the importance of the support provided. At the same time, the safety of the working environment and the preservation of working capacity are very important issues that need to be further addressed. This leads to conclude that there is a need to continue to inform the public, employers, and employees about work safety and preservation of working capacity, but support activities should be provided in another way.

Based on the analysis of the evaluation, the following main recommendations are made to improve access to employment and other measures implemented:

1) To improve profiling of the unemployed in the branches of the State Employment Agency of Latvia, it is necessary to select the type of training (together with the unemployed) that has the highest potential to result in finding a job:

- Avoid offering training to an unemployed person if two conditions that have a negative impact on the result are fulfilled at the same time: (a) there are no suitable vacancies in the place of residence and (b) the unemployed person does not express readiness for regional mobility after the conclusion of participation in professional training;
- The situation should be avoided when new professional training is offered to an unemployed person whose previous participation in professional training organized by the NVA has not resulted in employment in general and/or finding a job in the specific profession learned in professional training. The assessment should include longer time periods than the two-year period currently stipulated in the legislation, during which re-engagement of the unemployed person in vocational training is not allowed (for example, three to five years), by performing an in-depth assessment of risk factors for such unemployed people and assessing the need to offer a more specific support program with additional measures, which would be closer to the individual needs of the person;
- Avoid the situation where professional training is offered to an unemployed person who does not have adequate opportunities to find a job in a particular occupation due to certain constraints, including for example training in an occupation requiring certain physical abilities or skills that are not available or need to be developed before entering vocational training (health limitations, language skills limitations, etc.);
- At the conclusion of non-formal education programmes in national language or computer skills training at the lower skill levels (both basic and intermediate) required by every Latvian, encourage the unemployed to follow programmes of a higher level of difficulty in order to ensure the attainment of skill levels that lead to better employability.

2) There is a need to strengthen the professionalism and capacity of State Employment Agency of Latvia staff in order to:

- Improve profiling of the unemployed and focus more on the potential of training to result in finding a job;
- Encourage the State Employment Agency of Latvia staff to work proactively with employers, reaching out to them, identifying their specific needs for skilled labour, assessing how this labour can be provided through existing training programmes organised by the State Employment Agency of Latvia, and motivating them to apply for the “Employer Training” or other programmes that are proving to be highly effective;
- Raise awareness among State Employment Agency of Latvia staff of the support and supervision needed for the unemployed during training and after placement;
- Increase the capacity of State Employment Agency of Latvia staff to cooperate with other stakeholders in identifying and supporting unemployed people at higher risk of social exclusion;
- Increase the skills of State Employment Agency of Latvia staff to work with particularly difficult to engage and unmotivated long-term unemployed, especially for long-term unemployed men aged 50 and over.

3) To ensure quality provision of education services to the unemployed, it is necessary to continue the work on monitoring and quality control of educational institutions involved in the training of the unemployed, including the provision of expertise, methodological guidance and implementation monitoring of the training programmes implemented by the State Education Quality Service Republic of Latvia under SO No 7.1.1. Monitoring and control should be ensured at least at the current level, with additional funding for the expertise of training programmes (in particular computer skills programmes), which could be carried out by contracted experts in the field.

4) Given the high employment performance of the employer-based training programme, there is a need to promote more actively the involvement of employers in this programme, as well as the involvement of certain groups of the unemployed:

- There is a need to more actively involve the unemployed aged 50 and over in the employer training programme under SO No 7.1.1, especially in the Latgale region where the number of available vacancies is lower than elsewhere;
- Given that employer training can also be provided by medical institutions from 2022, it is recommended to assess whether the State Employment Agency of Latvia can establish cooperation with regional hospitals facing shortages of low- and medium-skilled labour, with the aim of placing the long-term unemployed who have trained as carers or similar professions into employment as nursing assistants, cooks and similar professions. The active role of the State Employment Agency of Latvia in reaching out to and motivating relevant employers to cooperate is also crucial in achieving this objective.

5) In order to avoid delays in the start-up of projects or activities and to reduce the need to amend the conditions of implementation, the following recommendations should be taken into account in future actions involving new activities and pilot projects where

the service or activity has to be completely redesigned and needs to be discussed with all partners involved, as well as to understand the interest and capacity of clients to benefit from it:

- During the project planning phase, a more thorough assessment of the expected workload from both a project management and control perspective is needed, taking into account in particular the need for participant recording and verification, the complexity of the project, the number of activities and the experience of the implementer in implementing specific activities;
- It is important to take into account that the development of new support services requires considerably more time and work, i.e. resources, at the start of the project, while the algorithms for implementing the activities are being established and stabilised;
- It is also desirable to provide for the possibility to test certain services before tendering in order to better prepare an appropriate procurement specification for larger volumes of services.