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Horizontal and international issues  
**Evaluation**

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**Technical Group**  
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**Discussion Paper**

**Evaluation of Local Employment and**  
**Development initiatives in the ESF 2000-2006**

*Some potential questions for reviewing this document are the following:*

- *does it correctly describe LEDI in the context of the ESF?*
- *does it identify useful questions on the link between ESF and LEDI?*
- *what alternative approaches can be used to analyse this linkage?*

*Some accompanying questions to promote discussion are:*

- *how, if at all, do evaluation mandates specify work on LEDI in the ESF?*
- *how, if at all, do monitoring and information systems cover LEDI?*
- *are there useful non-ESF examples of how LEDI can be evaluated?*

## **1 Background**

Support to local initiatives concerning employment is an ESF Regulation 'horizontal priority'. As such evaluation of ESF interventions should assess this theme. For the purpose of this document the term **LEDI** (local employment and development initiatives) is used. Quite apart from specific reference to LEDI in the ESF Regulation, local issues have received increasing policy attention at EU level. One example is the consistent reference to the employment potential of local initiatives which can be found in specific guidelines of the European Employment Strategy.

## 2 Objectives

This document aims to foster discussion during method co-operation workshops of the ESF evaluation partnership. It may lead to developing a more complete paper to guide evaluators whose terms of reference include assessing how the ESF supports LEDI. This may allow evaluators to work on a thematic synthesis based on evaluations carried out in Member States by identifying expected mid term evaluation content. The paper could be extended during the programming period to cover methods to assess effects so as to allow a review of results and impacts during final evaluations.

## 3 Regulatory and Policy Context of LEDI in ESF interventions

### 3.1 The European Social Fund Regulation

The text of the ESF Regulation contains **two cases** which are related to LEDI. **First**, under **Article 2.2.a**, ESF action shall “*take account of support for local initiatives concerning employment, in particular initiatives to support local employment and territorial employment pacts*”. The Regulation states it can be in any of the policy fields: “*within the policy fields set out in paragraph 1 the Fund shall take account of*”.

One LEDI example is given: Territorial Employment Pacts. TEPs are packages of activity based on a strategic rationalisation in a small geographic area. In the case of TEPs supported by the Structural Funds in the previous programming period, funding for the strategic component was from technical assistance, while funding of activity itself was supposed to come from conventional measures.

**Second**, although the Regulation does not specifically link a type of support, or eligible activity to LEDI article 4.2 and recital 14 make reference to arrangements for access to ESF finance for local actors and NGOs. In the case of article 4.2 no particular type of action or policy field is identified. In the case of recital 14 specific reference is made to “operations concerned with combating social exclusion”.

To **clarify the link between ESF action and ‘local development’** DG Employment addressed this theme in its **‘Questions and Answers’ document** issues to Member States. The relevant questions are 26 - 32. The general introduction for this section states that in terms of programming LEDI issues should be dealt with in two stages. The first is a strategic view of LEDI use in “*the plan*”. The second is a more precise description on implementation “*at the level of the programming supplement*”.

**Question 26** covers how LEDI can be “*operationalised*”. The text states that “*local development should appear in each policy field in which a Member State carried out activities*” and that LEDI/TEPs “*cannot be restricted to one specific policy field*”.

**Question 27** raises the issue of how ESF support responds to LEDI needs. It is stated that “*measures related to ALMP, education and training, counselling, development of entrepreneurship and of new sources of employment can perfectly well contain a local development dimension*”. The text places emphasis on the need for “*a comprehensive supporting framework*” as a condition for effective LEDI operation.

**Question 28** concerns local partnerships and delivery mechanisms. Emphasis is placed on developing comprehensive support structures for LEDIs. It is suggested that the appropriate policy fields to be used are “*entrepreneurship and conditions facilitating job creation*”. Two possible approaches are suggested. First “*a ‘segmented approach’, would provide facilities through the various measures of an operational programme*”. Second, “*a holistic approach*” which includes “*in an **integrated manner** the whole range of policy fields specified in art. 2 and, as far as possible, be managed within one single financial/administrative framework*”. Global grants could be used in this second case.

**Question 29** discusses the role of TEPs. The text restates the need for Member States to include a synthesis on TEP use in their plans and provide further detail in programme complements. It is also possible for Member States to identify TEPs as a separate OP or a specific measure within an OP. Based on articles 9 and 27 of the General Regulation the text states that “*Member States should .... be encouraged to consider this way of implementation for the measures within the framework of their TEPs and indicate in their plans if they wish to do so.*”

Although the Regulation does not define TEPs, emphasis should be given to “*(i) bottom up approach (ii) local partnership (iii) and elements of innovation and integration*”. Furthermore TEPs should “*(i) only cover an identifiable, relatively small area, which will often be identical with an administrative unit*” (ii) “*be based on a description and analysis of the social and economic situation, notably the employment situation, and should contain a clear strategy as regards employment related objectives*”. It is suggested that “*...a particular reference only to one of the five policy fields does not seem to be feasible or desirable. It is likely that the pacts will include operations which are covered by two or more policy fields and thus represent the whole range of local employment measures.*”

The text also states that “*The amounts for TA provided in the SPD or OP should therefore include an additional indication of the amount of TA specifically required for operations in the field of local initiatives and the TEPs.*” It continues with a linkage to the small grants mechanism: “*thematic connections should be established with the small grants schemes for NGOs and local partnerships (local social capital) referred in Art.4.2. (cf. question and responses on that issue). The local social capital is a mechanism particularly well placed to cater for the segment of small local development operators facing difficulties of access to traditional ESF mainstream operations, whereas LEDI or TEPs are addressed to the more traditional ESF constituency of operators.*”

**Questions 30 - 32** deal with the small grants mechanism. According to the text, the purpose of the mechanism is to increase ESF effectiveness “*by bringing a new range of partners into the ESF world*”. Normal rules for global grant use should be applied. It is also suggested that if the small grants mechanism is used Member States should ensure that it responds to a NAP policy priority.

### 3.2 The ESF contribution to the European Employment Strategy

From the outset, the annual Guidelines of the European Employment Strategy have contained references to 'sub-national' issues. This focus has evolved over time.

For the 1999 exercise, guideline 12 is as follows “*promote measures to exploit fully the possibilities offered by job creation at local level, in the social economy, in the area of environmental technologies and in new activities linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles in the way of such measures. In this respect, the special role of local authorities and the social partners should be taken into account*”

For the 2000 exercise, guideline 12 reads as follows “*promote measures to exploit fully the possibilities offered by job creation at local level and in the social economy, especially in new activities linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles in the way of such measures. In this respect, the special role and responsibility of local and regional authorities, other partners at the regional and local levels, as well as the social partners, needs to be more fully recognised and supported. In addition, the role of the public employment services in identifying local employment opportunities and improving the functioning of local labour markets, should be fully exploited.*”

For the Guidelines of year 2001 the text reads “**Regional and local action for employment:** *All actors at the regional and local levels, including the social partners, must be mobilised to implement the European Employment Strategy by identifying the potential of job creation at local level and strengthening partnerships to this end. 11. Member States will:*

- (i) take into account, where appropriate, in their overall employment policy the regional development dimension;*
- (ii) encourage local and regional authorities to develop strategies for employment in order to exploit fully the possibilities offered by job creation at local level and promote partnerships to this end with all the actors concerned, including the representatives of civil society;*
- (iii) promote measures to enhance the competitive development and job creation capacity of the social economy, especially the provision of goods and services linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles to such measures;*
- (iv) strengthen the role of the Public Employment Services at all levels in identifying local employment opportunities and improving the functioning of local labour markets.....”*

For year 2002 the text of Guideline 11 is identical to that of 2001.

A first analysis of coherence and appropriateness of ESF-NAP links would logically be based on the Guidelines in use at the time of preparation and negotiation of programming documents. Detailed assessment could subsequently focus on how, if at all, programming has adapted to the introduction of new themes.

#### **4 Detailed questions relating to specific evaluation concerns**

Having identified textual references to LEDI, some general questions can be identified (in bold below). More detailed questions which contribute to answering general questions can be developed (in normal text). These are all for discussion.

##### **(i) how does ESF programming approach LEDI?**

- How are LEDI to be used within and across the policy fields?
- Does the approach to LEDI vary from one policy field to another?
- How should LEDI respond to local needs and target groups?
- Are LEDI to be used in a targeted fashion?
- Is any linkage established between LEDI and the Employment Strategy?
- Are expectations about LEDI objectives or effects described?
- What financial resources are identified for LEDI use?
- What is the quality of the justification for the use of LEDI?
- Is any co-ordination between LEDI foreseen?
- What, if any, co-ordination of LEDI is foreseen with ERDF support ?
- Are LEDI linked to national experience or approaches?

##### **(ii) how have ESF programmes actually supported LEDI?**

- How are LEDI selected?
- How is access to ESF support measures ensured for all local actors?
- Have special or simplified arrangements been made to facilitate access of NGOs and local partnerships?
- Have simplified access and application procedures been set up?
- What use has been made of global grants?
- What implementation problems are encountered for small grants?
- What was the balance between capacity building and financial support?
- What arrangements are present to monitor or support LEDI?
- How, if at all, has non-LEDI activity been linked to LEDI?

##### **(iii) how do LEDI contribute to the effects generated by ESF support?**

- What is the ESF contribution to LEDI across the different policy fields?
- What is the proportion of LEDI to non LEDI funding in each policy field?
- What coverage of beneficiaries is achieved by LEDI?
- How have LEDI activities covered particular target groups, in particular the most disadvantaged or those that are poorly covered by ESF support?
- Are there any differential effects in terms of efficiency and effectiveness?
- Have new local actors become involved in ESF operations?
- What are the target group level effects?
- What are the system level effects?
- What are the job-creation effects?
- How do effects vary over times?
- Does support to LEDI generate cascade or knock-on effects?

##### **(iv) does ESF LEDI support generate to ESF community added value?**

Apart from the above some further questions can contribute to assessing CAV:

- How do LEDI affect ESF methods and operation in a Member State?

- Has do LEDI influence Member State policy or spending?
- How, if at all, have LEDI changed the behaviour of ‘stakeholders’?
- Have LEDI enriched partnership or improved its operation?

## 5 Data and Indicators

It appears appropriate to discuss data and indicators in relation to LEDI at a stage when evaluation questions have been discussed. It may be appropriate to follow the same structure of indicators as identified in the method paper on equal opportunities, i.e.: (i) context (ii) objective quantification (iii) information relating to the common minimum (iv) information specific to measures (v) supplementary information and data. This too can be a subject for discussion.

## 6 ESF evaluation cycle and possible evolution of this paper

It is a commonplace that the focus of each stage of Structural Fund evaluation varies. *Ex ante evaluation* aims to assess the adequacy of programme logic. LEDI coverage in programming documents should have conformed to the official guidance produced.

*Mid term evaluation (in preparation/under way)* assesses the extent to which action follows planning, and gives first impressions concerning possible impacts. The adjustment of programmes at the close of 2003, obliges evaluators to make statements on the basis of their work. The following issues can be expected:

- How is it possible to increase the impact of LEDI?
- How can programmes be changed to take account of changes relevant to LEDI?
- Should LEDI objectives be changed due to change in EES guidelines?
- What would be the implications of mid term conclusions on LEDI if applied to the ESF for the forthcoming programming period (2007+)?

*Final evaluation (foreseen summer 2005)* develops the analyses of the mid term and looks forward to the preparation of subsequent operations. In particular:

- further development and deepening of all analyses conducted in the mid term
- results of the performance reserve being attributed
- further analysis on community added value
- impact ideas: do LEDI contribute to the impact of the ESF?
- dead-weight and substitution effects
- conclusions on added value

*Ex post (preparation foreseen in 2007/8)* covers use of resources, effectiveness, efficiency, impact, and draws conclusions on policy for economic and social cohesion. It covers causes for the success/failure of implementation, achievements and results, including their sustainability.

### **Annex 1: reference documents (to be expanded)**

- Regulation 1260/99 (General)
- Regulation 1784/99 (European Social Fund)
- Council Recommendation on implementation of Member State Employment Policies of 18.2.02

### **Annex 2: evaluation reports (to be expanded)**

At Member State Level (to be expanded)

At EU Level

- Evaluation of Territorial Employment Pacts (in progress)
- Evaluation of Preparatory Measures for Employment 2000 (in progress)
- Evaluation of Local Social Capital pilot (in progress)

### **Annex 3: methodological approaches (to be expanded)**

- Guidelines for systems of monitoring and evaluation of ESF assistance in the period ESF 2000-2006 (7.99)
- ESF questions and answers document
- Working Document 8 on mid term evaluation (12.2000)