



# **Study for the Evaluation of ESF Support to Youth Employment**

Annex 5: Case Study - Portugal

(Contract VC/2018/0715)

## **EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
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## **List of abbreviations and acronyms**

AIR	Annual Implementation Report
ALMP	Active Labour Market Policy
CLDS Social	Contratos Locais de Desenvolvimento Social (Local Contracts for Development)
CSR	Country-specific recommendations
DG EMPL	Directorate-General Employment, Social Affairs & Inclusion
DREQP Açores	Direção Regional do Emprego e Qualificação Profissional (Regional Directorate for Employment and Professional Qualification of the Azores)
EC	European Commission
EJÁ	Empreende Já – Rede de Perceção e Gestão de Negócios (Network for Business Perception and Management)
EQ	Evaluation question
ESF	European Social Fund
EU	European Union
EUR	Euro
ILO	International Labour Organisation
IP	Investment Priority
IPDJ	Instituto Português para o Desporto e Juventude (Portuguese Institute for Sports and Youth)
ISCED	International Standard Classification of Education
LFS	Labour Force Survey
LMP	Labour market policy
NEET	Person not in employment, education or training
NGO	Non-governmental organisation
OP	Operational Programme
PA	Priority Axis
PES	Public employment service
pp	Percentage point
TO	Thematic Objective
YE	Youth Employment
YEI	Youth Employment Initiative
YG	Youth Guarantee

# 1 Background and Context

## 1.1 Labour market context

In 2018, less than one in ten (8.4%) young people aged 15 to 24 in Portugal were not in employment, education or training (NEET). This represents an improvement since the beginning of the programming period in 2014 (12.3%) and is considerably below the rate observed at the EU level (10.5%, see Table 1). However, the proportion of active young people of the same age that were unemployed stood at 20.3%, considerably higher than at EU level (15.2%), even if substantially down from 34.8% in 2014. The situation for those aged 25 to 29 seems better as NEET rates in 2018 were lower than those at the EU level (12.1% vs 17.1%), while unemployment rates were practically the same (9.3% and 9.2%). For both age groups the situation of women was in 2018 similar to that of men – NEET rates for women aged 25 to 29 being the only exception as they remained 2.3 pp higher than that of men. Since 2014 there has been a noticeable decrease in the rate of early school leavers<sup>1</sup> from 17.4% to 11.8% but that is still above the EU level of 10.6%.

Both of the Operational Programmes covered by the case study (the Operational Programme Social Inclusion and Employment (POISE) and the regional Operational Programme Azores) cover only less developed regions. Although the 2014 data show no major differences in NEET rates across the different types of region (see Table 1), there are important differentiations at lower level with the NEET rate in the Azores being almost double that across all less developed regions (24.1% vs 12.3%). By 2018, the NEET rate in the Azores dropped to 17.8% but is still well above the overall rate for less developed regions of 8.4%. Similarly, although unemployment rates in 2014 in less developed regions were slightly lower than at national level (33.9% vs 34.8%), there were regions with much higher unemployment rates (e.g. 41.5% in the Azores). Between 2014 and 2018, there has been convergence between the types of region – NEET rates were already similar across types of region since 2014, unemployment rates converged to 20-22% while school leaving rates for more and less developed regions converged to about 12% and only in transition regions the respective rate remains much higher (20.1%).

Table 1. Key figures on the labour market situation of young people, Portugal, 2014 and 2018

		NEET rate (% pop.)		Unemployment rate (% of active pop.)		Early school leaving rate (18-24)	
		2014	2018	2014	2018	2014	2018
EU28							
15-24		12.5	10.5	22.2	15.2	11.2	10.6
25-29		20.4	17.1	13.6	9.2		
National level							
Total	15-24	12.3	8.4	34.8	20.3	17.4	11.8
	25-29	19.2	12.1	18.3	9.3		
Men	15-24	12.3	8.4	34.2	19.8	20.7	14.7
	25-29	17.4	11.0	16.9	9.1		
Women	15-24	12.3	8.4	35.4	20.9	14.1	8.7
	25-29	21.0	13.3	19.7	9.6		
Regional level (15-24)							
More developed		12.2	8.3	38.0	21.3	15.3	12.3*
Transition		12.3	8.5**	30.1	21.9	21.9	20.1
Less developed		12.3	8.4	33.9	19.8	18.0	11.4

Source: Eurostat, Labour Force Survey (EU-LFS, yth\_empl\_150, edat\_lfse\_22, yth\_empl\_110, edat\_lfse\_16), data extracted on 26.06.19.

<sup>1</sup> The early school leaving rate refers to the proportion of people aged 18 to 24 who have attained at most lower secondary education and who are not currently (within the last 4 weeks) participating in any further education or training: [https://ec.europa.eu/eurostat/cache/metadata/en/edat1\\_esms.htm](https://ec.europa.eu/eurostat/cache/metadata/en/edat1_esms.htm)



\*Data for one of the more developed regions refer to 2016.

\*\*Data refer to Algarve and are not published by Eurostat due to small sample size. Rate is calculated based on available data at national level and data remaining types of region.

## **1.2 National ALMP targeting young people**

In Portugal, the provision of public services related to youth employment is a competence of the national Public Employment Service (Instituto do Emprego e Formação Profissional) which is also responsible for the implementation of the national Youth Guarantee scheme and for coordinating partnerships across all levels and sectors of the country. Implementation involves ministries, youth organisations, trade organisations, as well as social partner organisations and other relevant institutions working on education and vocational training and social inclusion.

During the programming period, young people residing in Portugal could benefit from 14 active labour market policy (ALMP) operations funded only by national funds but were identified as a specific target group in only two operations providing employment incentives to employers (exemptions from payment of social security contributions) for hiring young people<sup>2</sup>. Both interventions are open to people aged 15 to 29.

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<sup>2</sup> Based on information from the LMP database:  
<https://ec.europa.eu/social/main.jsp?catId=1143&intPageId=3227&langId=en>

## 2 The ESF / YEI in Portugal

### 2.1 Role of the ESF / YEI

As we can see from the table below, the role of the ESF in Portugal in terms of financial value is large compared to the national funding for ALMP operations for young people. These figures are not exact as they cover interventions in LMP categories 2-7<sup>3</sup> only. Expenditure on young people is estimated for each intervention as total expenditure times the proportion of young people (<25) amongst total participants (using the observation of average annual stock where available and otherwise entrants by age). It should be mentioned at this stage that Portugal includes young people up to 30 years of age in its YEI programme but the figures taken from the common indicators cover only those up to 25. Interventions with missing data on either expenditure or participants are excluded from the analysis. However, they provide an idea of the scale of interventions funded by the ESF compared to national interventions.

*Table 2. Distribution of expenditure on young people (<25) participating in active labour market operations by source of funding and type of intervention (Million and %), Portugal, 2014-17*

Type of intervention	Distribution of expenditure			
	Nationally funded interventions		ESF (co)funded interventions	
	Million	%	Million	%
Institutional training	0.0	0.0%	128.3	12.9%
Traineeships	0.0	0.0%	398.6	40.1%
Apprenticeships	0.1	0.1%	313.2	31.5%
Not specified training	0.0	0.0%	0.0	0.0%
Employment incentives	165.7	91.4%	125.1	12.6%
Sheltered/supported employment	0.2	0.1%	9.8	1.0%
Direct job creation	14.7	8.1%	17.9	1.8%
Start-up incentives	0.6	0.3%	0.4	0.0%
Total	181.3	100%	993.3	100%

Source: LMP database, data extracted on 03.07.19.

Note: Data cover interventions in LMP categories 2-7 only. Expenditure on young people is estimated for each intervention as total expenditure times the proportion of young people (<25) amongst total participants (using the observation of average annual stock where available and otherwise entrants by age). Interventions with missing data on either expenditure or participants are excluded from the analysis. For Portugal, information was available for 99.9% of expenditure. The source of funding for each intervention is based on responses to item 12 of the LMP questionnaire.

The analysis of the figures in Table 2 clearly shows the different focusses of nationally funded and ESF (co)funded interventions. In fact, while the national funds highly concentrated on employment incentives, the ESF covered a wider range of interventions while the main focusses were traineeships and apprenticeships.

#### 2.1.1 CSRs addressed by the ESF

Interventions clearly address the country-specific recommendations in this field made to Portugal in the beginning of the programming period. Most notably they address the

<sup>3</sup> 2. Training  
3. Job rotation and job sharing (Not used anymore – included in category 4)  
4. Employment incentives  
5. Supported employment and rehabilitation  
6. Direct job creation  
7. Start-up incentives

high youth unemployment, especially by effective anticipation of skills and outreach to non-registered young people, in line with the objectives of the Youth Guarantee (2014) and improving the efficiency of the Public Employment Service, in particular by increasing outreach to non-registered young people (2015).

## 2.2 Programme architecture

Relevant operation within the Operational Programme Azores are organised in two different Priority Axes (PAs). Priority Axis 8 includes operations more directly aimed at employment while Priority Axis 10 includes operations within the field of education/training. Operations funded by the Youth Employment Initiative (YEI) within the Operational Programme Social Inclusion and Employment concentrate in Priority Axis 2 and include a different set of actions (see Table 3).

Table 3. Programme architecture

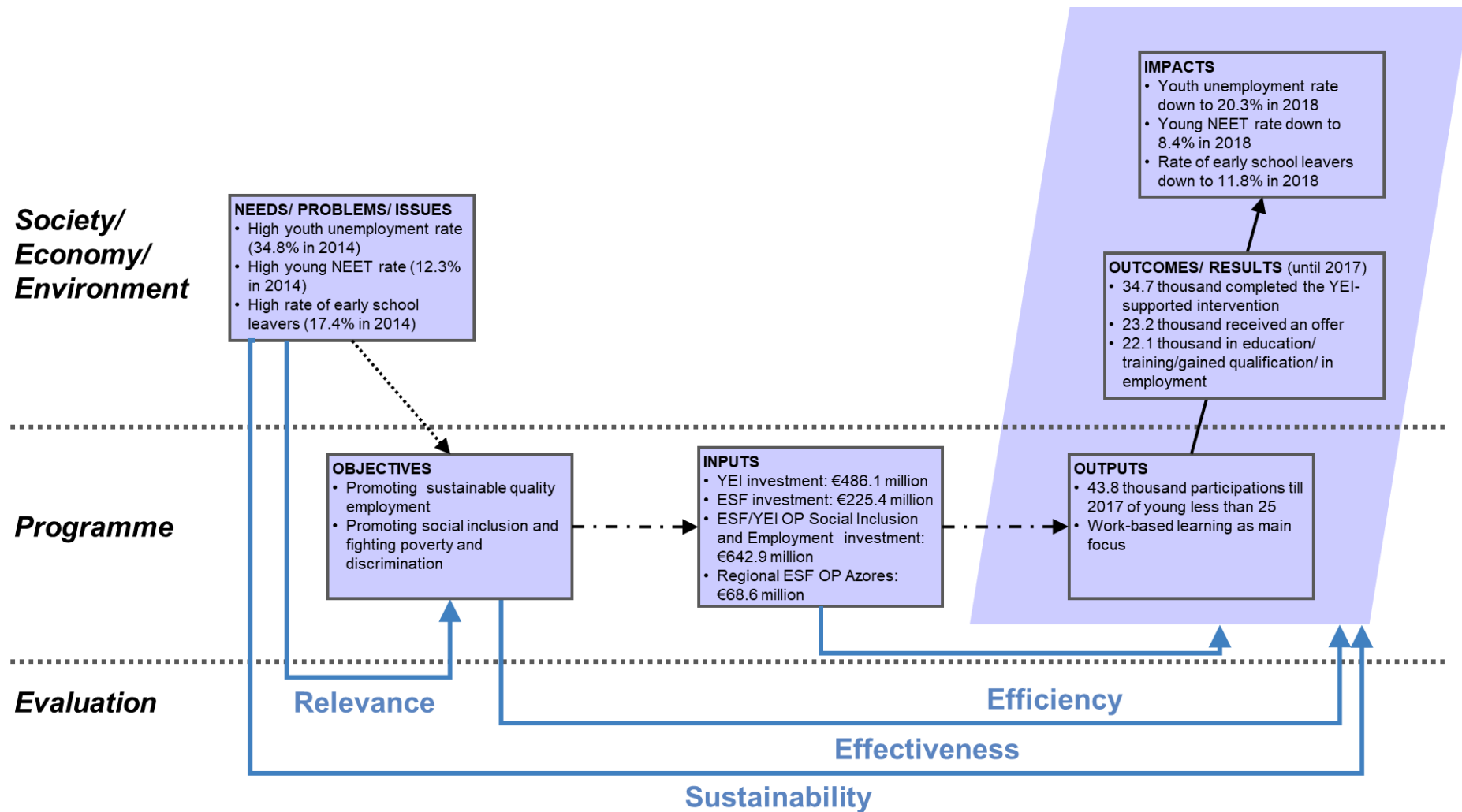
Programme architecture			Main Actions
OP	Action level		
	PAx	ESF/ YEI	
OP Social Inclusion and Employment	2	YEI	<ul style="list-style-type: none"><li>• Support to the hiring of workers and to self-employment</li><li>• Professional traineeships (Employment-traineeships, INOV Contacto, PEPAC, PEPAL, Estagiar T, Active Youth Employment)</li><li>• Qualification/education actions</li><li>• Programme Retomar to support tertiary attainment of young people having dropped-out from higher education</li><li>• Programme for vocational retraining AGIR</li><li>• Support to the entrepreneurship of young people</li></ul>
OP Azores 2020	8	ESF	<ul style="list-style-type: none"><li>• Professional traineeships</li><li>• Vocational retraining traineeships (agriculture and processing industries)</li><li>• Support to the hiring of workers</li></ul>
OP Azores 2020	10	ESF	<ul style="list-style-type: none"><li>• Education and training offers and projects of pedagogical support aiming at the decrease of early school leaving and school failure.</li></ul>

Sources: Task 1/SFC2014, ESF website, other documents

## 2.3 Intervention logic

By the beginning of the programming period, in 2014, Portugal registered high rates of youth unemployment (34.8%), of young NEETs (12.3%) and of early school leavers (17.4%). As a means of facing these challenges the Portuguese OPs established the objectives of promoting sustainable quality employment and promoting social inclusion and fighting poverty and discrimination. Over EUR 711 million were allocated to the two operational programmes considered in this study especially for operations linked to work-based learning (for further details see the next sections). Until 2017, nearly 44 000 young people aged <25 participated in operations with positive outcomes which led to a significant improvement regarding the challenges verified in 2014 (see Figure 1).

Figure 1. Logic of intervention



Sources: Chapter 1 and 2 of this report, interview

### 3 Scale of ESF / YEI investment and financial progress

ESF/YEI investment in the two Operational Programmes considered in this study (Operational Programme Social Inclusion and Employment – POISE and Operational Programme Azores 2020) totals EUR 712 million, 68.3% of which are YEI investment<sup>4</sup> (EUR 486 million) and 31.7% ESF investment<sup>5</sup> (EUR 225 million). The national POISE represents over 90% of the total and nearly 70% of ESF investment. The regional Operational Programme Azores covers ESF only (see Table 4).

*Table 4. Allocations to Youth Employment ESF + YEI – including Operational Programme amendments until 2018*

OP	ESF <sup>6</sup>		YEI <sup>7</sup>		Total		Share of total funding allocated to IP8.ii of TO8 in %
	EU amount in Mio. EUR	Total in Mio. EUR	EU amount in Mio. EUR	Total in Mio. EUR	EU amount in Mio. EUR	Total in Mio. EUR	
ESF/YEI OP Social Inclusion and Employment	133	157	447	486	580	643	37%
Regional ESF OP Azores (Autonomous Region)	58	69	-	-	-	69	-
<b>Grand total</b>	<b>192</b>	<b>225</b>	<b>447</b>	<b>486</b>	<b>638</b>	<b>712</b>	<b>37%</b>

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Rounding errors at sum might occur due to already rounded up values (in Mio. EUR)

Since the start of the programming, the POISE was reinforced with an allocation of EUR 136.2 million for the YEI, representing an increase of nearly 39% regarding the initial allocation for the YEI. On the contrary, ESF within POISE registered a decrease of EUR 156.8 million. The OP Azores 2020 registered a slight decrease of EUR 2.7 million (see Table 5).

*Table 5. Changes to Youth Employment allocations in Operational Programme since start programming*

OP	ESF <sup>8</sup>		YEI <sup>9</sup>		Total	
	EU amount in Mio. EUR	Total in Mio. EUR	EU amount in Mio. EUR	Total in Mio. EUR	EU amount in Mio. EUR	Total in Mio. EUR
ESF/YEI OP Social Inclusion and Employment	-133.3	-156.8	125.2	136.2	-8.1	-20.6
Regional ESF OP Azores (Autonomous Region)	-2.3	-2.7	0	0	-2.3	-2.7

In 2018, over 90% of the budget of EUR 486 million allocated to youth employment had already been reported as eligible costs and expenditure declared amounted to 68% (see Table 6).

<sup>4</sup> Includes ESF allocations to YEI

<sup>5</sup> Excludes ESF allocations to YEI

<sup>6</sup> Excludes ESF allocations to YEI

<sup>7</sup> Includes ESF allocations to YEI

<sup>8</sup> Excludes ESF allocations to YEI

<sup>9</sup> Includes ESF allocations to YEI

Table 6. Overview of the financial progress - ESF / YEI

OP / IP8.ii	Allocated budget to YE in Mio. EUR	Eligible costs reported in Mio. EUR	Project selection rate IP8.ii (%) 2018	Project selection rate TO8 (%) 2018	Expenditure declared in Mio. EUR	Expenditure declared IP8.ii (%) 2018	Expenditure declared TO8 (%) 2018
<b>YEI</b>							
ESF/YEI OP Social Inclusion and Employment	486.1	442.3	91%	80%	332.5	68%	43%

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Rounding errors at sum might occur due to already rounded up values (in Mio. EUR)

Within the POISE, the progress of the project selection rate and the percentage of expenditure declared were abrupt regarding the ESF reaching 98% - and 44% respectively already in 2016 - and more gradual regarding the YEI. Regarding the ESF, in 2017 the project selection rate and the percentage of expenditure declared exceeded the figure of EU28 (regarding 2018) in the POISE and were below average in the Operational Programme Azores. The project selection regarding the YEI stood at 91% in 2018, and thus below the EU28 average of 98%. However, also in 2018 the percentage of expenditure declared already amounted to 68%, which was significantly above the EU28 average of 49% (see Table 7).

Table 7. Financial progress

OP / IP8.ii	Project selection rate (%)				% expenditure declared			
	2015	2016	2017	2018	2015	2016	2017	2018
<b>ESF – IP8.ii</b>								
ESF/YEI OP Social Inclusion and Employment	0%	98%	98%	-	0%	44%	44%	-
Regional ESF OP Azores	0%	31%	43%	-	0%	21%	28%	-
<b>YEI– IP8.ii</b>								
ESF/YEI OP Social Inclusion and Employment	52%	76%	85%	91%	34%	37%	57%	68%
<b>ESF EU-28 IP8.ii</b>				77%				36%
<b>YEI EU-28 IP8.ii</b>				98%				49%

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Rounding errors at sum might occur due to already rounded up values (in Mio. EUR)

## 4 Effectiveness

EQ 1 – How effective is the YEI, and other ESF-funded youth employment operations, in achieving their objectives?

### 4.1 Data based on the AIR 2018

This sub-section provides basic data from the AIR 2018 relevant to effectiveness.

#### 4.1.1 Outputs

Data available from the SFC2014 and on the basis of the AIR 2018 shows a total number of about 83 600 participations, the vast majority of which in POISE (96.3%). In this Operational Programme, YEI participations represent 73.6% of the total. Participations in the Operational Programme Azores regard ESF only and represent 12.7% of the total number of participations within the ESF. Women represented between 56% and 65% of the total participants. Similarly, between 57% and 60% of the participants were younger than 25.

Table 8. Number of participations under Investment Priority 8.ii (ESF and YEI)

OP / IP8.ii	ESF <sup>10</sup>			YEI <sup>11</sup>			Total number of participations	Share of total number of IP8.ii participation of TO8 in %
	Total number of participations	Share of women in %	Share of participations <25 years in %	Total number of participations	Share of women in %	Share of participations <25 years in %		
ESF/YEI OP Social Inclusion and Employment	21 241	56%	58%	59 276	57%	57%	80 517	13%
Regional ESF OP Azores	3 082	65%	60%	-	-	-	3 082	-
<b>Grand total</b>	<b>24 323</b>	<b>57%</b>	<b>58%</b>	<b>59 276</b>	<b>57%</b>	<b>58%</b>	<b>83 599</b>	<b>13%</b>

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

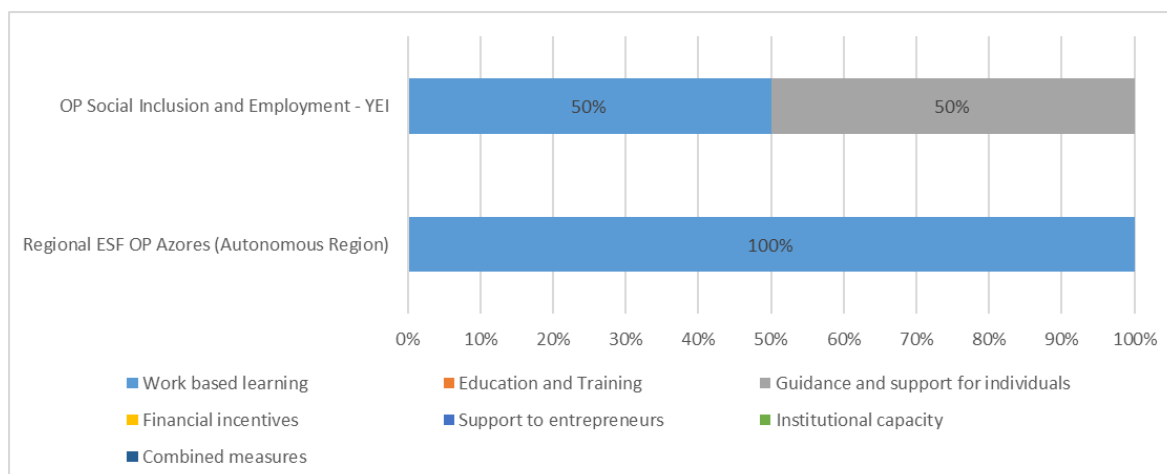
#### 4.1.1.1 Types of operations

According to Figure 2, all eligible costs in Operational Programme Azores regarded work-based learning while in Operational Programme Social Inclusion and Employment these regarded 50% with the other 50% linking to guidance and support for individuals.

<sup>10</sup> Excludes ESF allocations to YEI

<sup>11</sup> Includes ESF allocations to YEI

Figure 2. Share of eligible costs by type of intervention, 2015-2018



Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

#### 4.1.2 Results

Table 9 provides an overview of results regarding the YEI – Investment Priority 8.ii. It shows that nearly 44 000 unemployed participants completed a YEI-supported intervention, 59% of which gained a qualification or were in education/training or in employment (including self-employment) upon leaving. Considering also any possible offer of employment, continued education, apprenticeship or traineeship upon leaving, the figure increases to 68%. Considering the long-term unemployed participants only, the aforementioned figures are slightly lower: 55% and 61%, respectively.

Table 9. Overview results – Investment Priority 8.ii - YEI (1)

	Unemployed participants			Long-term unemployed participants		
	who completed the YEI-supported intervention	who received an offer of employment, continued education, apprenticeship or traineeship upon leaving	in education / training, gain a qualification, or in employment, including self-employment, upon leaving	who completed the YEI-supported intervention	who received an offer of employment, continued education, apprenticeship or traineeship upon leaving	in education / training, gain a qualification, or are in employment, including self-employment, upon leaving
ESF/YEI OP Social Inclusion and Employment	43 812	29 750	25 823	3 620	2 212	1 993
<b>Grand total</b>	<b>43 812</b>	<b>29 750</b>	<b>25 823</b>	<b>3 620</b>	<b>2 212</b>	<b>1 993</b>

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Six months after leaving, nearly 33 000 participants were in employment and over 1 700 were in continued education or training leading to a qualification, an apprenticeship or a traineeship. Only in a few cases participants were self-employed (see Table 10).



Table 10. Overview results – Investment Priority 8.ii - YEI (2)

	Inactive participants			All participants, six months after leaving		
	who completed the YEI-supported intervention	who received an offer of employment, continued education, apprenticeship or traineeship upon leaving	in education / training, gain a qualification, or are in employment, including self-employment, upon leaving	in continued education, training leading to a qualification, apprenticeship or a traineeship	in employment	in self-employment
ESF/YEI OP Social Inclusion and Employment	0	0	0	1 731	32 982	335
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 731</b>	<b>32 982</b>	<b>335</b>

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

#### 4.1.2.1 Target achievements

A total of 249 output indicators and 121 result indicators were defined under Investment Priority 8.ii, 22 and respectively 31 had an associated target. The vast majority of both output indicators and result indicators regarded the ESF while the remainder regarded the YEI (see Table 11).

Table 11. Overview of number of indicators with targets under Investment Priority 8.ii

	Total number of indicators	Number of indicators with a target
Output indicators - ESF	230	19
Output indicators - YEI	19	3
<b>Total output</b>	<b>249</b>	<b>22</b>
Result indicators - ESF	100	19
Result indicators - YEI	21	12
<b>Total result</b>	<b>121</b>	<b>31</b>

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

The average achievement rate of targets in the POISE in terms of participations was higher than the Thematic Objective 8 achievement rate, but lower than in the EU28 Investment Priority 8.ii achievement rate (47% compared to 40% and 67% respectively) (see Table 12).

Table 12. Average achievement rate of targets by Operational Programme

	Average achievement rate under IP8.ii (%)				Benchmark in (%)	
	ESF		YEI		TO8 Achievement rate	EU28 IP8.ii
	Total	Women	Total	Women	Total	Total
<b>Participations</b>						
ESF/YEI OP Social Inclusion and Employment	-	-	47%	38%	40%	67%
Regional ESF OP Azores	-	-	-	-	-	-
<b>Results</b>						
ESF/YEI OP Social Inclusion and Employment	-	-	0%	0%	27%	59%

	Average achievement rate under IP8.ii (%)				Benchmark in (%)	
	ESF		YEI		TO8 Achievement rate	EU28 IP8.ii
	Total	Women	Total	Women	Total	Total
Regional ESF OP Azores	-	-	-	-	-	-
<i>Empty fields mean that no targets have been defined by Operational Programme in that Member State for youth employment</i>						

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

## 4.2 Answers to the Evaluation Question

The **POISE** is deemed to have been somehow designed too ambitiously. Sixteen types of intervention were considered but not all of them ended up being implemented in practice. Some operations were new, i.e. there was no experience from the previous programming period but in many cases they represented to a larger or smaller extent the continuation of previous operations.

There were significant difficulties to start the Operational Programme as there were delays e.g. regarding the establishment of the Managing Authority. Additionally, there were problems with the information system. These difficulties led to delays in the implementation of operations.

In any case, the Managing Authority considers the situation in terms of financial and physical implementation of the Operational Programme and especially of the YEI as comfortable further emphasising that, since the start, the Operational Programme's Priority Axis 2 (regarding the YEI) has the highest implementation rate. The figures on the implementation could be even higher as it continued on a regular basis.

However, as 2018 was a crucial year in terms of performance framework the Managing Authority decided to work more thoroughly in Priority Axis 1 and Priority Axis 3 (ESF) to which a performance reserve was allocated, and not as much in Priority Axis 2 (YEI) to which no performance reserve was allocated. Thus, the Managing Authority did not have the same capacity as in previous years to analyse and validate implementation and for closing balances.

According to the Managing Authority, there was no implementation regarding the participation of young NEETs in qualification/training activities because of difficulties felt by the promoters and by the Managing Authority in the assemblage of the information system. Additionally, it was felt that training operations were structured to complement or to reorient qualification but not to structure the qualification of a young person. Thus, with the reprogramming exercise, implementation of these operations stopped within the scope of the POISE in 2016 and were ensured instead within the scope of the Operational Programme Human Capital.

As regards the financial implementation of the YEI, the initial budget was further reinforced reaching EUR 486 million. Currently, EUR 378 million have already been approved. In terms of results, 70% of YEI participants conclude the interventions, well above the established goal of 60%. With the reprogramming, financial allocation was further concentrated in professional traineeships passing from 70% to 80% while qualification/training decreased from 9% to 3.5%.

As emphasised by the Commission's executive decision C(2018) 8325 final issued on 04.12.18, reprogramming is justified by the need to reorient and concentrate support in priority areas aligned with the political and strategical priorities of the Portuguese government and with the current socioeconomic context (EC, 2018: 3).

Also the **Operational Programme Azores 2020** is deemed to have been designed too ambitiously, envisioning a too large number of typologies. Thus, there was the need to concentrate operations and to focus on those considered as more important.

There was a profound reprogramming and the need to eliminate some typologies due to the understanding that it would not be feasible to fund them all. The Priority Axis remained the same, but within each Investment Priority there were operations which were being funded by the regional budget. At the same time, it was decided to concentrate funding on the operations deemed to contribute more effectively and efficiently to the ultimate objectives. As such, the bulk of operations regard professional traineeships and support to hiring. Financial allocations to support to hiring were reinforced. This was not the case for traineeships.

The evolution of Operational Programme Azores is described as positive with the goals always being achieved in time. As from 2016 to 2017, the target achievement was nearly reached and in 2018 it was surpassed. Between 2013 and 2015 the achievement of the goals was not as positive given the context of the financial and economic crisis but after that the upswing of the economy helped achieving the goals.

The results regarding Priority Axis 10 – qualification – are described as not being ideal but as satisfactory. There were delays in implementation. Currently, delays regard validation of implementation by the Managing Authority rather than implementation itself which is described as in accordance with the goals. The number of dropouts remains a source of concern though.

In both Operational Programmes the operations are considered to have contributed very positively to the **achievement of the general objective of sustainable integration of young people into the labour market and to the specific objectives under the ESF**. Stakeholders interviewed agree that even if it is not possible to establish direct causal links, the operations have certainly contributed for the positive evolution of the macroeconomic indicators in the last few years. There was a very significant decrease of the youth unemployment rate from over 40% in the beginning of 2013 to 17%. Likewise the young NEETs rate nearly halved.

According to the Managing Authority of POISE, 45% of YEI participants entered in employment, a traineeship or proceeded with their studies after the end of the operation, above the goal of 40%. The Public Employment Service (PES) informed that professional traineeships have reached an integration rate of 70%, most of which were sustained over time.

In the Azores, the indicators regarding integration into the labour market (after six months) are higher than 50% regarding the professional traineeships and even higher regarding support to hiring. This was underlined by a respondent stating "This reveals that these youngsters are integrated in the labour market and that the measures had a positive impact".

Stakeholders interviewed within the scope of both Operational Programmes tend to agree that results were boosted by the crisis in the sense that it turned the operations even more attractive for both companies and for young people. A few respondents even emphasised that, in the peak of the crisis and of (youth) unemployment rates, many young people did not even search for a job, but rather for an opportunity to undertake a traineeship. In any case, this is not deemed to withdraw merits to the operation as there is a feeling that professional traineeships are always a relevant political operation which is boosted by periods of crisis and unemployment.

Both, stakeholders interviewed and participants of the focus group, seem to agree that the combination between training operations and operations aiming directly at the integration into the labour market such as professional traineeships and support to hiring allowed **reaching a wide range of young people**. However, they also agree that the latter operations reached, most of all, the NEETs with at least ISCED 4 level and especially those with ISCED 5 or 6 levels. Those leaving education without qualifications were to be reached by operations of vocational training but the increased difficulty of reaching the poorly qualified resisting engaging into a qualification process is widely recognised. As noted by one of the interviewees, "at a certain moment, we were able to identify these young people but we were not able to integrate them in

operations". In both Operational Programmes partnerships for the identification of young NEETs were established.

The Managing Authority of POISE highlighted that there are differences in the way the European Commission and the Managing Authority envisaged target groups. Nationally, programming did not mention any sub-groups specifically referring only to young unemployed and young inactive people. Thus, information gathered did not include the indicators needed to differentiate participants further. In any case, some operations included an increase in the amount of the support for vulnerable groups such as the long-term unemployed, ex-prisoners, people with disabilities, etc.

In the Azores, this seems to have been considered more specifically. As put by an interviewee, "overall, I would say that all groups have been reached. The group where perhaps this has not been achieved so fully is that of young people with disabilities. There is still a lot of stigma associated to the professional integration of people with disabilities. (...) The territory is disperse (nine islands). However, and I am sorry for being immodest, we have been able to reach young people in all of them. There is a lot of information at their disposal and the PES go to them, they go to schools and they organise events".

Participants in the focus group highlighted the fact that the majority of interventions in place are ESF- or YEI-funded which makes it nearly impossible to say that their role was not important. One of the participants noted: "Regarding the YEI, if we look at its dynamics of implementation and at the evolution of indicators, we see that they go largely in parallel, there seems to be an evident relation."

However, assessing the degree of importance is more difficult for this participant: "Portugal recovered a bit, economically speaking; we may wonder how the indicators would change without the YEI, just as a more 'natural' consequence of employment dynamics". Another participant of the focus group adds: "There is not much outside the ESF and the YEI. However, getting into an attribution, into a weight (...) then we would have to have counterfactual analyses".

This same participant identifies, however, the possible exception of education and training operations: "I would say that, within the ESF, the expansion of vocational education – given its volume both in terms of funding and numbers, with almost 50% of upper secondary students enrolled in vocational education courses – has certainly had a very relevant contribution for decreasing early school leaving".

Overall, **quality and timeliness of the offers received by the participants are described positively** by stakeholders interviewed, regarding both Operational Programmes. The objective of providing a quality proposal within four months is considered to have been ambitious but globally achieved. Operations are thought to have been implemented quickly and that there was overall knowledge of what was available. In the words of a respondent, "the operations we develop are very swift. The deadlines are established and respected. The process is quite fast. In the first phase, applications are in August, evaluation is published in September and traineeships begin on the October, 1st".

It should be mentioned, however, that such a calendar is not considered the most adequate by all stakeholders interviewed as it occurs in a traditional period of holidays and does not allow for the application of those young people who finish their qualification only in September.

As for quality, this is deemed to have increased in both Operational Programmes when macroeconomic indicators improved inducing a lower pressure on services to present figures. As mentioned by a respondent, at the first stage, the main concern has been to provide an offer to those who were registered at the PES but then "at a certain point we became aware that some young people were registered for one or two years and we decided that it would be important to act on them".

Currently, the professional traineeships programme is not open on a permanent basis which is considered to place additional responsibility for the presentation of quality applications leading to quality traineeships. Additionally, evaluation of operations by participants was eminently positive.

Most stakeholders interviewed agree that professional traineeships (within the firm and with certification) are the **most effective and most sustainable type of intervention**. As mentioned by an interviewee "you cannot buy professional experience, you have to go through it". This type of intervention benefited from the accumulated experience as it has been in place, through different names and models, for over twenty years.

Stakeholders provide different inputs regarding geographical differences. If regions are considered, no major differences were identified. It should be mentioned that operations could include all the regions of the country because all regions registered a youth unemployment rate higher than 25%.

However, there is also some feeling that this type of intervention proves more effective for those more qualified and for those living in urban areas with a higher density of the entrepreneurial tissue. A respondent points out: "I have the feeling that professional traineeships worked better in more industrialised regions and in urban areas. Bigger companies are better able to use this type of operation. All operations had more difficulties in rural and/or less developed areas. If there are no companies the possibilities of a young person to participate in an operation are lower. In this sense, operations promoting self-employment and entrepreneurship may better target young people in these regions". Another respondent adds: "there are areas where there are not enough young people to create a training group and there are less companies where the young may undertake a professional traineeship".

Some respondents consider that there is the need to increase the duration of traineeships (usually of nine months) in some smaller and/or rural territories revealing more difficulties to keep their young population. Looking into the specific case of trainings, a respondent establishes a clear difference of effectiveness: "I consider that the courses for young people aged 16 or 17 who are still in the mandatory schooling age are even more effective than those for NEET young people aged 20 or 21 as it prevents further reinforcement of the number of NEETs instead of acting when the situation is already declared".

The results of the audit undertaken by the European Court of Auditors emphasising that professional traineeships did not have the specific objective of reaching the most vulnerable groups were also mentioned during the interviewing process. A respondent justifies the option taken by saying that "in a moment of crisis the objective was clear: to fight youth unemployment regardless of the young person's particular situation. There was the assumption that unemployment is, by itself, a situation of vulnerability. Moreover, these are abstract concepts difficult to concretise in practice".

Participants of the focus group emphasised a similar reasoning, one of them stated: "Those registered, those more qualified, older young people also needed an answer. By 2012/2014 the unemployment rate for them was very high and needed to be addressed."

A relevant factor for effectiveness mentioned was the change of focus of public policy from numbers to results deemed to have been pushed by two main factors. First, stakeholders consider that the current programming period placed an increased emphasis on results rather than on outputs. Second, throughout the programming period, the Operational Programmes themselves placed increased emphasis on results as the rate of youth unemployment and the NEET rate decreased.

Both the YEI and the ESF are considered to have contributed to **structural changes in national systems**. Stakeholders interviewed emphasised the fact that there were three European summits on youth unemployment which was something deemed as

unthinkable a few years ago. This had consequences and the placement of youth unemployment on the political agenda led to changes in Member States.

Interviewees identify impacts in the PES and other public agencies which had to adjust their services, including the way clients are envisaged and also referred which now obeys to stricter criteria. The need to target specifically the young NEETs is referred to be, to a great extent, something new which implied the development of strong networks with local entities, including youth associations. As a respondent put it: "It made us think differently; it made us look into this specific target group in an intersectoral way as regional policies tend to be defined by sectors without being integrated into a system. Cooperation between different fields is higher than in the past".

However, participants of the focus group alerted for the need to continue incentivising this type of cooperation, one of them stated: "That is the answer, to involve the entities which are in close contact with young people and ensure that they are referred adequately. But these are dynamics that take some time not forgetting that they started nearly from scratch. We do not have this logic, the tradition of doing things this way. (...) If the client does not approach the PES, it will not be easy for the PES to approach them. These are the dynamics that need to change and we are going important steps towards that which is crucial for sustaining results".

Interviewees diverge in their opinions regarding changes in the education and training system. On the one hand, there is the feeling that these systems were included in the wider movement of change as part of the answer. On the other, it is felt that there is still segregation between regular schooling and vocational schooling. This duality seems to be expressed in the words of a respondent: "I think that it raised the awareness of stakeholders to the fact that the system was eminently preparing young people to pathways of continuation of studies. This was conceptually wrong in terms of linkage to reality and turning many young people into NEETs. However, there is still a long way to go as regards the change of mentalities".

In the specific case of the Azores it was also mentioned that the designation of the local PES changed from employment centres to agencies for qualification and employment, which is deemed important as a means for people to understand the importance of qualification.

## 5 Efficiency

EQ 2 – How efficient has the YEI, and other youth-employment operations funded by the ESF, been in the achievement of their objectives?

### 5.1 Data based on the AIR 2018

This sub-section provides basic data from the AIR 2018 relevant to efficiency.

Unit costs (per participation) for Investment Priority 8.ii are significantly higher in the OP Azores than the average in EU28. The same is true regarding the POISE in what regards the YEI. On the contrary, unit costs for Investment Priority 8.ii in POISE within the scope of the ESF are lower than the average in EU28 (see Table 13). If immediate results achieved are considered, unit costs are always higher than the average of Investment Priority 8.ii in EU28 (see Table 14).

Table 13. Eligible expenditures declared to EC per participation

OP	ESF			YEI		
	Total participation 8ii	Expenditure declared 8ii in EUR	Overall unit cost 8ii in EUR	Total participation	Expenditure declared in EUR	Overall unit cost in EUR
<b>Youth Employment</b>						
ESF/YEI OP Social Incl. and Employment	21 241	68 538 889	3 227	59 276	332 458 782	5 609
Regional ESF OP Azores	3 082	19 434 728	6 306	-	-	-
<b>EU28 – IP8.ii average</b>			3 591			3 096

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Table 14. Eligible expenditures declared to EC per immediate result achieved

OP	ESF			YEI		
	Total results 8ii	Expenditure declared 8ii in EUR	Overall unit cost 8ii in EUR	Total results	Expenditure declared in EUR	Overall unit cost in EUR
<b>Youth Employment</b>						
ESF/YEI OP Social Inclusion and Employment	3 330	68 538 889	20 582	26 017		5 653
Regional ESF OP Azores	16	19 434 728	1 214 671	-	-	-
<b>EU28 – IP8.ii</b>			13 666			2 753

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

### 5.2 Answers to the Evaluation Question

Overall, **YEI and other youth-employment ESF-funded operations are considered to be efficient**. Respondents did not provide particularly rich information in this respect. In any case, efficiency is considered to have increased when the urgency of numbers became less crucial. As it was emphasised by an interviewee, "Now that the [macroeconomic] situation is better and pressure is lower it becomes easier to target more selectively."

As for the **most cost-effective operations**, again respondents chose not to be very detailed, in any case emphasising the merits of the operations they were more directly involved in. An example regards a respondent developing training operations: "My opinion may be biased, but I believe that measures including a training component of

medium duration and a traineeship at the end are more effective and efficient as participants increase their hard and soft skills, and this contributes to increasing their employability. Professional traineeships often represent a support to companies and when trainees are not integrated into the labour market, there is no return on investment." Furthermore, they noted the lack of success of some operations such as Retomar, Vida Ativa and AGIR.

Regarding differences according to **contexts of implementation**, again respondents were eminently evasive emphasising that unit costs eliminate cost differences between regions and that, because of this, such an indicator is not gathered. Nonetheless, they acknowledge that there are cases where the young must travel or move to another location to undertake training. In the Azores, the costs with traineeships and support to hiring do not vary between islands as they are unitary costs. However, regarding training, costs are higher in smaller islands due to the increased travelling costs for some trainers. Additionally, there are cases of trainees that have to travel to another island to undertake training. In these cases, they are entitled to a benefit covering the additional expenses they incur.

In Mainland Portugal there were also cases of young people who had to travel to another location, sometimes to a different district because they were not enough to justify the opening of a class in the place they lived. In these cases, it was sometimes possible to make an agreement e.g. with the entity managing the network of youth hostels so that they could rent a room at these facilities at a lower price during their training. However, these extra costs had to be covered by national funding only. Another problem mentioned is that trainees had to pay in advance from their own money and then be reimbursed for these expenses.

The **management system is deemed to have contributed to a loss of efficiency**, utterly because of the problems with the information system. The information system of the previous programming period is described by a few respondents as having worked well. However, it was not used for the current programming period and a new system was built which led to delays, increased administrative burden and stress. As put by a respondent, "this was not easy at all. When we wanted to start operations there was no system where to record it." Another respondent considers that "the assembling of a new unique and national information system proved to be disastrous. In 2019, we are still solving problems regarding the first reimbursement claims made in 2014. There have been improvements throughout time but the negative impacts are still visible."

Respondents also note that, at the beginning of the programming period, which coincided with the peak of the crisis, delays were also caused by the very large number of applications to some operations such as the professional traineeships. As mentioned specifically by one respondent, "In a context of huge growth of unemployment, human resources of the Public Employment Service were not reinforced."

The management and control system is described as very different from what was previously in place. There were changes regarding risk management, anti-fraud strategy, annual presentation of accounts and the principle of orientation for results. There were also significant changes regarding the verification of expenses.

For some respondents, it is sometimes not easy to reconcile verification and simplification. "There are things that are not consistent with the principle of simplification. How can I verify public hiring in projects with simplified costs when I do not have access to expenses? (...) I think that the whole process regarding the Operational Programme is very bureaucratic and with a significant administrative burden. Regarding the audit, there is still the requirement of having evidence on paper so that everything is checked on paper, and this implies a lot of work." A second respondent also argues against the 'primacy of paper': "The administrative burden is not heavy. However, it does not seem to make sense to keep the obligation of printing



all the documents. Having the documents in digital format and then print a document if necessary would seem enough". A third respondent adds: "When the funding of training is made on the basis of real costs, there tends to be a heavier administrative burden often justified with the argument that it corresponds to demands from Brussels." Still another respondent affirms his wish for simplification although noting that "there are things that cannot be averted and much of it derives from impositions from the OPs and, ultimately, from the EC. Perhaps because there were frauds in the past and there is the need to be careful."

In any case, respondents tend to recognise signs of **gold-plating** even if some also consider that the demands of European legislation in this programming period were higher than in the past and that sometimes it is difficult to differentiate between EU requirements and requirements that were added by national stakeholders. One of them mentioned: "There are some requirements in national calls that are not evident in ESF requirements. We witness an increase in the number of requirements as we move from ESF rules to the rules of a specific operation. I can make a comparison with Erasmus+ which is run directly by the EC and requirements are easier to meet. Access may perhaps be more difficult as the application may perhaps be more demanding but then administrative burden is not as heavy".

The **procedures for reporting and monitoring** are considered by a few respondents to be timely but not always as efficient. One respondent highlights that "the gathering of information regarding the participants' household implied a lot of work, it was difficult to implement and afterwards it was not used". Another respondent notes, "We are always surprised by the clarifications we are asked to provide. We never know what they are going to ask next. The requests vary not allowing us to plan our work. There were difficulties arising e.g. from the fact that we were asked to apply monitoring surveys to the young who had left the programme, something that was not foreseen from the start. And sometimes we have the feeling that the request for clarifications is made only as a way of buying time. That is a known trick."

The **YEI and other ESF-funded youth employment operations are considered to have been quite visible**. Each intermediate body disseminated the operations they were responsible for. In several operations the demand was largely higher than the offer.

Communication actions took place. Portugal was referred as being one of the countries involved in a pilot project to define a communication plan that could be used by all countries. Different channels were used and were visible. These included the media and social networks, having some youtubers addressing the subject, participating in vocational orientation fairs. One action included the placement of teasers in the staircases of some subway stations in Lisbon. Another action consisted of advertising (for free) the initiative in the tray covers of the McDonald's restaurants. The number of visits to the website increased substantially every time an action or campaign took place. Interestingly, it was mentioned that, in many cases, it was noticeable that the first contacts were made not by the young but rather by their parents.

One difficulty regarded the fact that the POISE did not cover dissemination expenses. These had to be covered by own funding which created a difficulty which was sometimes only possible to overcome due to internal resources/endeavour and free support by outside entities. Visibility is also said to have heavily depended of the local networks which have been established within the scope of the operations.

## 6 Relevance

EQ 3 – How relevant is the YEI, and the other ESF-funded youth employment operations?

The **YEI and the other ESF-funded youth employment operations are considered to have been relevant**. Overall, they were relevant for and fit well the stakeholders' regular activities. Nonetheless, it becomes evident that assumed relevance of different operations oscillates according to the specific interests of the stakeholders. As an example, a respondent involved in training operations emphasises: "I would not have allocated the same amount of money to support hiring and occupational programmes. Rather, I would have invested more money in training and qualification measures."

They are also deemed relevant for the needs of the targeted young people which, as mentioned above, were defined by the Managing Authority as young unemployed and young inactive people without further specifications, regional or other. In any case, mark-ups allowing for the positive discrimination of some groups, e.g. women, people with disabilities, ex-prisoners, long-term unemployed, etc. were mentioned.

The importance of professional traineeships which, as mentioned above (see section 4.2), represented the bulk of financial allocations, was specifically noted by a few respondents who highlighted that at the peak of the crisis and of (youth) unemployment rates, many young people did not even search for a job but rather for an opportunity to undertake a traineeship.

In any case, respondents widely assume that traineeships are particularly relevant for young people with at least a level 4 qualification, i.e. the 12th grade of schooling, but not for those with lower qualifications for whom training courses are deemed to represent the most relevant type of intervention. However, considering the challenges Portugal still faces regarding low qualifications and early school leaving, even among the young, there is a cohort of young people for whom it is difficult to find the most suitable type of intervention as they are poorly qualified, sometimes even lacking basic and soft skills and not easily or successfully engaged in qualification processes.

Demand for most operations exceeded expectations. The economic and financial crisis faced by the country increased even further the relevance of operations and boosted demand. The YEI and the ESF operations are considered to have provided a concrete and decisive response to the huge unemployment and the young NEET rates Portugal was facing. As emphasised by a respondent, "It is not possible to establish causal links between the operations and the decrease of these rates but we cannot look at this state of affairs and think that there was no positive influence from operations. It is still not demonstrated but I think that we will get there."

Even so, there seems to be **room for improvement**. A concrete example mentioned regarded the lack of offers for the young who have not completed compulsory education and did not want to proceed with schooling. Another example regarded operations supporting entrepreneurship. Some participants mentioned that they would need to acquire skills e.g. in English and this was not contemplated in the training programme. Additionally, the rules established that participants could not work during the six-month period they were being trained and receiving a grant. This prevented them also from starting their business while still being trained, something that is considered to have been useful, at least in some cases.

A respondent notes, "we realised that young people were not used to the idea of showcasing themselves for the labour market. The implementation of these measures showed the PES that there is the need to work closely with the youngsters providing them with professional orientation and soft skills."

There was also criticism that, at the start, operations were not covering most of all those registered in the PES. This is something stakeholders tend to characterise as

normal and expected as they were more easily reached and there was a huge pressure to start implementation and face the large numbers of young unemployed. However, as mentioned by a respondent, "from the start we thought about and developed a partnership network for reaching out to those further away from the labour market which represent approximately half of the young people. This includes 'juntas de freguesia', young people's associations, NGOs, solidarities, etc. and comprises around 1 500 partners".

This partnership is also deemed to represent the **capability of stakeholders to be flexible and adapt to changes in the implementation context**. For instance, one respondent mentioned: "we had to adapt because, at a certain moment, we were not being able to find the NEET young people for our operations, even though the NEET rate was so high."

Other examples of adaptation provided regard reprogramming and the capacity of beneficiaries to overcome the challenges imposed by EU funding, especially by reimbursement claims. An interviewee notes "we were able to ensure that the trainees always received their grant on time but this implied a lot of effort. This implied compromising our internal planning as we had to divert funds from other activities and postpone them". Furthermore, the respondent highlights that this becomes even more problematic when beneficiaries are not public entities: "We also had this experience indirectly because many associations called us in despair due to the delays in payments".

Another respondent highlighted that "there has been a great effort to ensure that payments are made in due time and the Azorean regional government even resorted to bank loans to ensure this given the blockages originated by the information system".

Regarding reprogramming, one interviewee emphasised that "when we reprogrammed in 2017, we did not just allocate the extra-funding. We looked at the way the YEI was defined and we adjusted according to results. We could have not done it, we could have just distributed the extra money. The reprogramming is clearly an example of our wish to adapt to the implementation context".

## 7 Coherence

EQ 4 –How coherent are YEI and the other ESF-funded youth employment operations among themselves, and with other actions in the same field?

Overall, the **YEI and the other ESF-funded youth employment operations are considered to be coherent and complementary among themselves and with other actions in the same field.** Respondents agree that there were operations covering different dimensions, different needs of the young people (training, traineeships, entrepreneurship, etc.) some funded by the YEI, some by the ESF.

One example of complementarity regards the articulation between the YEI and the education and training operations under the Operational Programme Human Capital. There is a network for employment and a network for qualification where both Operational Programme Human Capital and POISE are represented. As already mentioned, young people with higher levels of qualification are more easily integrated into the labour market while those with lower levels of qualification should be integrated in operations aiming at increasing their qualifications. This articulation is mentioned as not having resulted from protocols or from any collaborative work between Operational Programmes but rather from the fact that, in the previous programming period both types of operation were under one Operational Programme and this complementarity continued in the current programming period even if operations ran under two different Operational Programmes.

Additionally, respondents pointed out examples of young people who first attended vocational training, then undertook a professional traineeship and finally had their integration into the labour market supported by support to hiring or by support for entrepreneurship.

Participants in the focus group agree regarding coherence and complementarity, for instance one of them said: "When there are the programme Escolhas, vocational education courses, employment measures, measures supporting entrepreneurship, we end up with a complete set of measures not only covering different targets but also able to address the same target groups in different phases of their lives".

They also considered that the vulnerable economic situation experienced by the country may have increased coherence and complementarity between different actions as a means to overcome financial restraints.

However, complementarity was not fully achieved, at least not from the start. Respondents identified cases where different operations supporting entrepreneurship were somehow competing. One of them notes that "the PES also had an operation in the field of entrepreneurship and its implementation rate was not good as this is not their core subject and they focus on other operations leading them to reprogramme funding allocation to other operations." Somehow similar justifications were used regarding other operations. One respondent mentions that "when qualification operations under the POISE were discontinued in 2017, justification was that it should be included and supported under the OP Human Capital".

Respondents were more evasive regarding the **complementary and coherence with other policy objectives funded by the ESF and other EU programmes and policy initiatives oriented to young people and youth employment.**

Within the POISE, complementarity was mentioned between the YEI and other programmes operating in the field of social inclusion where employment is a relevant issue (e.g. the CLDS programme (Local Contracts for Social Development) and the programme Escolhas).

It was also mentioned that the PES is a partner of the Eures network and publicised this as complementary option regarding the national operations; and complementarity with Erasmus+ and with the grants from the European Economic Area (EEA)

programme which had an operation focusing on young unemployed. Respondents emphasised that entities working with different programmes are often the same and they try and complement operations in a coherent way, e.g. by collaborating in the signalling of young NEETs to YEI or ESF operations through the national strategy for the identification of inactive young people, supported by the EU and the International Labour Organisation (ILO).

Participants of the focus group agreed that a satisfactory degree of coherence and complementarity was achieved. However, they also highlighted that additional steps could be taken, for instance, for strengthening networking. A participant mentions that "the EEA Grants Programme funds NGOs capacity building. This could be crucial for supporting networks but the rules say that applications should be individual. This means that each organisation will focus on its own objectives, on its own internal strategy, etc."

Within the Operational Programme Azores, operation Emprego+ allows companies to apply simultaneously for investment in infrastructure through the European Regional Development Fund (ERDF) and to support hiring through the ESF. In the concrete case of one of the stakeholders interviewed, the facilities where ESF-funded training takes place were built with ERDF funding. Also examples of articulation and complementarity with Eures and Eurodyssey were pointed out.

Three events – open days – regarding youth employment were organised with the cooperation of the Azorean Regional Directorate for Youth. All unemployed young people could participate whether they were registered or not. Companies and different governmental offices were present. Over 5 000 young people participated and over 430 job offers were made available. Approximately 56% of these offers were occupied. In 2016, a regional fair of employment and vocational training was organised in cooperation with professional schools.

## 8 Added value

EQ 5 –What is the EU added value of the YEI and other ESF-funded youth employment operations?

Respondents unanimously consider that the YEI and other ESF-funded operations produced effects at the national -and regional level that would not have taken place without the EU intervention. Such a consideration is not new and has characterised previous programming periods but resulted even more evidently in this period considering the economic and financial crisis faced by the country, especially in the first part of the period.

Aside from the increase in the (youth) unemployment and NEET rates, the country also faced and is still facing severe constraints in public spending. Thus, it seems clear that there was added value in terms of scope and volume. As emphasised by a respondent: "Clearly the interventions would have not had the same scale. Portugal experienced difficult times and hardly there would be enough funding for that. (...) The decrease in the unemployment rate and in the NEET rate would probably not have been so sharp and/or would have taken more time." In the words of another respondent: "the IEFP [the PES] could have never promoted the number of traineeships as it did in 2014-2015 without European funding." A third respondent highlights that EU funding represents about one third of a beneficiary's (a public entity) total budget and that if national co-funding is added, the total clings up to nearly half of the budget: "It is easy to see that it would never be possible to develop the operations without European funding."

Still another respondent considers that "probably we would still be investing eminently in traditional education. The number of participants involved in the operations would have certainly been significantly lower and probably in a more restricted number of areas."

## 9 Sustainability

EQ 6 – How sustainable are YEI and the other ESF-funded youth employment operations?

The YEI and the other ESF-funded youth employment operations are considered to remain a need in Portugal and thus sustainable in that sense as the country should always consider them and fund them. However, respondents unanimously consider that it is virtually impossible to keep the same pace without EU funds.

The effects of support at individual level are characterised as very significant and sustainable. The skills acquired through training and traineeships will remain with the young and put in practice. The numbers of those staying in the labour market six months after completion is considered encouraging. This does not mean, however, that challenges are overcome. As pointed out by a respondent: "We have to work more thoroughly regarding the sustainability of training and qualification as effects are sustainable per se. We need to ensure as much training and qualification for these young people and to ensure that they understand that this is the best way to ensure the sustainability of their integration into the labour market. This is a great challenge and something we should focus on in the next programming period. It is something we should bet on because people seem to have difficulties in understanding this. They have to understand that they are agents of their own change and this change depends on qualification".

Additionally, skills acquisition and the linkage to the labour market are expected to reduce their future vulnerability to unemployment and/or a situation of being NEET. Respondents also highlighted the sustained decrease in youth unemployment and young NEET rates as examples of sustainability.

Researchers who participated in the focus group discussion somehow question sustainability as there is the feeling that, in some cases, medium- and long-term integration into the labour market ends up not being achieved, e.g. one of them stated: "I have the feeling that sometimes a young person takes a traineeship and afterwards engages into an active labour market policy but that after that there are difficulties to continue in the labour market on a regular basis." As for the effects at the youth employment policy level, respondents consider that the change in terms of directionality, i.e. the experience of outreaching to those further away from the PES rather than just making operations available to those who approach the PES is already a given fact. It was also highlighted that sustainability in terms of employment policies may benefit from the fact that entities representative of the young started to be represented in the Economic and Social Council and participating in social dialogue. In the words of a respondent: "I believe that this coincidence is not by accident and was fostered by the YEI."

Participants in the focus group emphasised that sustainability would be increased if there were clearer efforts from different stakeholders, providing the concrete example of networking and the establishment of partnerships. One of them, for instance, stated: "We are making important steps but this is not entirely new. The Programme Rede Social had that concept and also the CLDS. But things seem to be compartmentalised. When there is funding, e.g. for the CLDS, we create a network for this purpose but then when funding ends, the network ends and all that work is lost. We may also lose the experience of those professionals and if there is a second edition of the programme we will have to hire new professionals and start again."

## **10 Gender sensitivity**

Gender sensitivity does not seem to be widely in place in a direct and conscious way. Some respondents emphasise that operations were put in place for the target groups established, i.e. young unemployed and young NEETs without any further distinction. Gender sensitivity is also assumed not to have been specifically addressed considering the extremely high unemployment and NEET rates, which affected both sexes and needed to be urgently tackled.

This does not mean that e.g. inclusive language and gender in the design of graphic materials has not been considered. One of the respondents added that, regarding an operation supporting entrepreneurship, the requirement to represent both genders when a company was established by more than one person was included. In some cases, gender sensitivity was not initially considered but later included as one interviewee stated: "We did not foresee pregnancies in our regulations. When the situation occurred we had to adapt to it and it was possible to do it."

In the Azores, the operation Berço de Emprego [Employment Cot] was mentioned specifically as it aims at replacing people during their parental leaves. Initially, the target group for the operation were women but this was changed and it now covers both women and men.

Despite not having been specifically considered, the number of participations is relatively balanced with slightly more women than men. One respondent noted that "data show us that unemployment was higher among women and that participants were mostly women".



## 11 Conclusions

The two OPs covered by the study (Operational Programme Social Inclusion and Employment – POISE and the Operational Programme Azores 2020) are deemed to have been designed too ambitiously, comprising a too large number of types of intervention. Through reprogramming exercises the number was adjusted and some types of intervention were discontinued and/or ensured by other Operational Programmes.

Financial and physical implementation is described as proceeding well and operations are considered to have contributed very positively to the achievement of the general objective of sustainable integration of young people into the labour market and to the specific objectives under ESF. Since their peak in 2013, there was a very significant decrease of the youth unemployment rate from over 40% to 17%. Likewise the young NEETs rate nearly halved.

Given the significant dimension of the challenges, the Operational Programmes decided not to make a concrete distinction in terms of target groups also assuming that unemployment and being in a situation of NEETs is, by itself, a vulnerability. Also due to this, and despite a few examples where gender is considered, gender sensitivity does not seem to be widely in place in a direct and conscious way. In any case, the number of participations is relatively balanced with slightly more women than men.

Stakeholders tend to assume that the combination between training operations and operations aiming directly at the integration into the labour market such as professional traineeships and support to hiring allowed reaching a wide range of young people, describing them as coherent and complementary among themselves, with other actions in the same field, with other policy objectives funded by the ESF and other EU programmes and policy initiatives oriented to young people and youth employment. They also consider the operations as relevant and targeting the needs of young people.

Stakeholders tend to highlight the merits of the interventions they are more directly connected to, but overall, professional traineeships are considered to be the most effective and most sustainable type of intervention, also benefiting from accumulated experience as it has been in place, through different names and models, for over twenty years.

Those registered at the PES were the easiest (and the first) group to engage in operations which led to criticism, also from the European Commission and the European Court of Auditors, that those further away from the labour market were not being outreached.

This is deemed to have been overcome in a second step through the establishment of formal partnership networks with local entities. These are also considered as an example of a set of structural changes in national systems to which the YEI and the ESF contributed.

This is also considered by respondents as an example of capability of stakeholders to be flexible and to adapt to changes in the implementation context. Other examples of adaptation provided regard reprogramming and the capacity of beneficiaries to overcome the challenges imposed by EU funding, e.g. by reimbursement claims and delays in payment even if, in some cases, having to resort to bank loans.

Overall, the visibility of operations and the timeliness of the offers received by the participants are described positively and demand exceeded expectations for most operations. As for quality this is deemed to have increased when macroeconomic indicators improved inducing a lower pressure on services to present figures, allowing them to focus more thoroughly on results.

This is also expected to have contributed to increased efficiency of interventions over time, contrary to the management system and especially the information system. The problems it registered are said to have led to delays and to an increase of the already significant administrative burden for all stakeholders involved. The procedures for reporting and monitoring are considered by a few respondents to be timely but not always as efficient.

Respondents detect signs of gold-plating even if some also consider that the demands of European legislation in this programming period were higher than in the past and that it is difficult sometimes to differentiate between EU requirements and requirements that were added by national stakeholders.

YEI and the other ESF-funded youth employment operations are considered to remain a need in Portugal and thus sustainable in that sense as the country should always consider them and fund them. However, respondents unanimously consider that it is virtually impossible to keep the same pace without EU funds.

The effects of support at individual level are characterised as very significant and sustainable. As for the effects at the youth employment policy level, respondents consider that the change in terms of directionality, i.e. the experience of outreaching those further away from the PES rather than just making operations available to those who approach the PES is already a given fact.

Respondents are unanimous in considering that the YEI and other ESF-funded operations produced effects at the national and regional level that would not have taken place without the EU intervention. Such a consideration is not new and has characterised previous programming periods. However, it became even more evident in this programming period, especially in its first part, considering the economic and financial crisis faced by the country.

Aside from the increase in the (youth) unemployment and NEET rates, the country also faced and is still facing severe constraints in public spending. Thus, it seems clear that there was added value in terms of scope and volume.

## 12 Good Practice

<p><b>Title:</b> Empreende Já – Rede de Perceção e Gestão de Negócios (EJÁ)</p> <p><b>Lead organisation:</b> Portuguese Institute for Sports and Youth (IPDJ)</p> <p><b>Partners:</b> Wide partnership network at the local level including e.g. the public employment services, municipalities, NGOs, juvenile associations, etc. and also the ILO. The monitoring committee of the programme Garantia Jovem was composed by public entities, social partners, the national youth council and other platforms.</p> <p>Implementation period: 2014 – ongoing</p> <p><b>Funding:</b> Youth Employment Initiative</p> <p><b>Target groups:</b> NEET young people aged 18 to 29</p> <p><b>Type of intervention:</b> Programme supporting entrepreneurship</p>
<p><b>Description of the operation</b></p> <p>The operation aimed at promoting creative and innovative entrepreneurship through the training of young NEETs and the provision of support for the development of projects leading to the creation of companies or entities within the social market economy and jobs by and for young NEETs.</p> <p>In the first phase, recipients undertake 125 hours of training, divided into five short-term training units of 25 hours each: a) profile and potential of the entrepreneurs; b) introduction to accounting; c) introduction to quality norms; d) introduction to taxation; e) right to equality and non-discrimination. In the second phase, recipients undertake 125 additional hours of training from a set of short-term training units of 25 hours or 50 hours each. The IPDJ defines the training plan that adapts best to the project presented. The training plan should become an annex to the contract established with the recipient.</p> <p>The operation also includes tutorship. Over a period of 30 hours, recipients benefit from tailored follow-up with a view to the elaboration of the project/business plan. This document is the basis for the evaluation of the projects that will be selected for the second stage.</p>
<p><b>Lessons learnt</b></p> <p>The need to target specifically the young NEETs was something new. The IPDJ had to adapt its methodologies of engagement because, even though the NEET rate was very high, it was not easy to find possible recipients. Thus, the IPDJ had to develop a strong network with local entities, especially with youth associations, in order to identify possible recipients for the operation. The strategy for the identification of young NEETs had a partnership with the International Labour Organisation (ILO) and included specific training for the entities involved.</p> <p>A difficulty regarded the fact that, in many cases, the Portuguese young NEETs are poorly qualified with qualifications below upper secondary schooling. Frequently, the best option for these young people is to engage them in the training of basic skills. Thus, the integration of these young people into the operation was often not appropriate. As a result, the vast majority of participants had at least twelve years of schooling and especially higher education.</p> <p>The experience in implementing the operation showed that it would have been useful, if the operation allowed the young to start their business while still being trained. One of the rules imposed by the POISE was that they could not work during the six-month period of being trained and receiving a grant. It also showed that there are cases where the young must travel or move to another location to undertake training. In such cases, they are required to pay the incurred costs from their own money in advance, which may in some situations pose concrete obstacles. Additionally, some participants identified the need for the training programme to include skills acquisition e.g. in English.</p>

## **13 Information sources**

### **13.1 Interviews**

#### **Operational Programme Social Inclusion and Employment (Programa Operacional Inclusão Social e Emprego - POISE)**

Vilela-Hansraj, Jessica  
European Commission  
[https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en)  
8 July 2018

Moura Pinheiro, Vítor  
Institute for Employment and Vocational Training (IEFP)  
<https://www.iefp.pt/>  
10 July 2019

Mauritti, Manuela  
POISE Management Authority  
<http://poise.portugal2020.pt/>  
15 July 2019

Vermelho, Sílvia  
Portuguese Institute for Sports and Youth (IPDJ)  
[www.ipdj.pt](http://www.ipdj.pt)  
19 July 2019

#### **Operational Programme Azores (Programa Operacional Açores 2020)**

Rodriguez, Eleutério  
European Commission  
[https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en)  
1 July 2019

Borges, Domingos  
Fundação de Ensino Profissional da Praia da Vitória (Foundation for Vocational Training of Praia da Vitória)  
<http://www.feppv.pt/>  
16 July 2019

Tapia, Sandra  
Grupo Bensaúde (Group Bensaúde)  
<https://www.grupobensaude.pt/en/>  
18 July 2019

Andrade, Paula  
Direção Regional do Emprego e Qualificação Profissional dos Açores (Regional Directorate for Employment and Professional Qualification of the Azores)  
<http://www.azores.gov.pt/portal/pt/entidades/vp-dreqp>  
8 July 2019

### **13.2 Focus group**

**Date:** 10 September 2019

**Place:** CESIS office – Av. 5 de Outubro, 12 – 4º esq. Lisboa

**Participants:**

CESIS office – Av. 5 de Outubro, 12 – 4º esq. Lisboa

CES - Centro de Estudos Sociais (Centre for Social Studies)  
(<https://www.ces.uc.pt/pt>)

GEP/MTSSS – Gabinete de Estratégia e Planeamento do Ministério do Trabalho, Solidariedade e Segurança Social (Office for Strategy and Planning of the Ministry of Labour, Solidarity and Social Security) (<http://gep.msess.gov.pt/>)

IESE – Instituto de Estudos Sociais e Económicos (Institute for Social and Economic Studies) (<http://www.iese.pt/>)

## 14 Annex

Table 15. Total common outputs for participations ESF/YEI under Investment Priority 8.ii, cumulative until 2018, by Operational Programme and indicator

Description Common Output indicator	ESF/YEI OP Social Inclusion and Employment						Total		
	ESF			YEI					
	Total	%	% of women	Total	%	% of women	Total	%	% of women
<b>Employment status</b>									
CO01 Unemployed	24 323	100%	57%	59 276	100%	57%	75 595	100%	
CO02 of which Long-term unemployed	1 276	5%	60%	5 371	9%	61%	5 567	7%	
CO03 Inactive	0	0%	-	0	0%		0	0%	
CO04 of which not in education or training	0	0%	-	0	0%		0	0%	
CO05 Employed, including self-employed	0	0%	-		0%		0	0%	
Total CO1+CO3+CO5	24 323	100%		59 276	100%	57%	75 595	100%	
<b>Age</b>									
CO06 Below 25 years of age	14 120	58%	57%	33 741	57%	57%	43 832	58%	
CO06a Between 25-54 years of age	10 203	42%	58%	25 535	43%	57%	31 763	42%	
CO07 Above 54 years of age	0	0%	-		0%		0	0%	
CO08 Above 54 years of age who are unemployed, or inactive	0	0%	-		0%		0	0%	
<b>Education level</b>									
CO09 With primary or lower secondary education (ISCED 1/2)	3 443	14%		7 378	12%	45%	7 378	12%	45%
CO10 With upper secondary or post-secondary Education (ISCED 3/4)	8 738	36%		21 046	36%	53%	21 046	36%	53%
CO11 With tertiary education (ISCED 5 to 8)	12 134	50%		30 834	52%	63%	30 834	52%	63%
CO11a Other / unknown ISCED	8	0%		18	0%	50%	18	0%	50%
<b>Other background characteristics</b>									
CO12 Participants who live in jobless households	21 842	90%			0%			0%	
CO13 Participants who live in jobless households with dependent children	1 113	5%			0%			0%	
CO14 Participants who live in a single adult household with dependent children	857	4%			0%			0%	
CO14a Other households	511	2%		59 276	100%	57%	59 276	100%	57%
CO15 Migrants, participants with a foreign background, minorities	0	0%		0	0%		0	0%	

Description Common Output indicator	ESF/YEI OP Social Inclusion and Employment						Total		
	ESF			YEI					
	Total	%	% of women	Total	%	% of women	Total	%	% of women
CO16 Participants with disabilities	0	0%		0	0%		0	0%	
CO17 Other disadvantaged	61	0%		705	1%	63%	705	1%	63%
CO18 Homeless or affected by housing exclusion	0	0%		0	0%		0	0%	
CO19 From rural areas	8 764	36%		14 895	25%	57%	14 895	25%	57%

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Table 16. Common Result Indicators Investment Priority 8.ii, ESF/ YEI, by Operational Programme (1)

OP / Fund / Indicator	ESF/YEI OP Social Inclusion and Employment			Regional ESF OP Azores			Total ESF	Total YEI	Total
	ESF	YEI	Total	ESF	YEI	Total			
inactive participants engaged in job searching upon leaving	0	0	-	0	-	-	0	0	0
participants in education/training upon leaving	25	636	-	1	-	-	26	636	661
participants gaining a qualification upon leaving	0	0	-	0	-	-	0	0	0
participants in employment, including self-employment, upon leaving	3 305	25 381	-	15	-	-	3 320	25 381	28 701
disadvantaged participants engaged in job searching, education/ training, gaining a qualification, or in employment, including self-employment , upon leaving	3 154	209	-	-	-	-	3 154	209	3 363
Share of total in %	95%	1%	-	-	-	-	95%	1%	12%
Total number of immediate results	-	26 017	-	-	-	-	6 800	26 017	32 817

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19

Table 17. Common Result Indicators Investment Priority 8.ii, ESF/ YEI, by Operational Programme (2)

OP / Fund / Indicator	ESF/YEI OP Social Inclusion and Employment			Regional ESF OP Azores			Total ESF	Total YEI	Total
	ESF	YEI	Total	ESF	YEI	Total			
participants in employment, including self-employment, 6 months after leaving	-	32 982	-	-	-	-	-	32 982	32 982
participants with an improved labour market situation 6 months after leaving	-	0	-	-	-	-	-	0	0
participants above 54 years of age in employment, including self-employment, six months after leaving	-	0	-	-	-	-	-	0	0
disadvantaged participants in employment, including self-employment, 6 months after leaving	-	296	-	-	-	-	-	296	296
Total number of long-term results	-	33 278	-	-	-	-	-	33 278	33 278

Source: SFC2014, based on AIR 2018, data extracted on 06.09.19



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