



EUROPEAN COMMISSION
DG Employment, Social Affairs and Inclusion

The Employment Committee

INDIC/10/12052015/EN-rev

Indicator Framework for Monitoring the Youth Guarantee

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A. Introduction

The Council Recommendation of 22 April 2013 on establishing a Youth Guarantee acknowledges the important contribution a thorough and regular monitoring makes for the successful implementation of Youth Guarantee schemes. It invites the EU Member States to put in place evidence-based approaches and calls on the Commission to monitor and report regularly on Youth Guarantee schemes, attributing an essential role to EMCO, particularly through its multilateral surveillance.

The EMCO Indicators Group was therefore mandated to develop a fully-fledged proposal for a methodology and indicators for monitoring at EU level the implementation and the results of the Youth Guarantee (YG). The present Indicator Framework for Monitoring the Youth Guarantee was endorsed by EMCO on 28 May 2015. It comprises indicators at three levels:

1. Aggregate monitoring: Macroeconomic indicators;
2. Direct monitoring: Monitoring of YG delivery;
3. Follow-up monitoring: Follow-up of individuals who have who have exited the YG preparatory phase.

The data collection and reporting will take place on an annual basis for each of the three categories.

The indicators to monitor the YG will be integrated in the Joint Assessment Framework (JAF) through the creation of a new module named "Results and impact of the Youth Guarantee". The module will be devoted to the monitoring of the implementation and results of the Youth Guarantee and will feature all the indicators under the three levels of monitoring. In addition the current JAF Policy area on improving the labour market situation of youth (PA1b) was revised to reflect the agreed indicators at the macroeconomic level of monitoring.

The analysis and monitoring of the results of the implementation of the Youth Guarantee will be based on the macroeconomic indicators. The indicators at the direct and follow-up levels of monitoring are aimed at monitoring the actual process of the implementation of the Recommendation in the Member States¹.

¹ Administrative data should be interpreted with caution and contextualised on the basis of, among others, qualitative information provided by the Member states

The source of data for the aggregate level indicators (category 1 above) will be the EU Labour Force Survey (LFS), whereas the indicators for the direct and follow-up levels (categories 2 and 3 above) will be calculated on the basis of administrative data, data linking and survey data where relevant. The methodology for collecting such data as well as for calculating the indicators can be found in the manual annexed to this document.

The development of the Indicator Framework

In autumn 2013 the EMCO Indicators Group was mandated to develop a fully-fledged proposal for a methodology and indicators for monitoring the implementation of the YG at the EU level.

A working group was created in November 2013, which pursued work during the course of 2014. The working group consisted of members from Czech Republic, Finland, France, Germany, Greece, Hungary, Malta, Spain and the Commission.

The first version of the Indicator Framework for Monitoring the Youth Guarantee was endorsed by EMCO in September 2014. The EPSCO Council endorsed key messages on this Framework in December 2014.

The present, revised version results from the 2015 evaluation that followed a pilot data collection exercise at the end of 2014, taking also into consideration the results of the joint Commission – EMCO IG workshop (17 March 2015) as well as discussion within the EMCO IG.

Members of the working group on the YG:

- EMCO Indicators Group:

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Czech Republic: Jitka Fridrichova, Lukas Krupicka

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B. Indicators for monitoring the implementation and the results of the Youth Guarantee

1. Aggregate Monitoring: Macroeconomic Indicators

Macroeconomic indicators based on the EU LFS are intended to monitor the general situation of young people in the EU. They represent an indirect means of monitoring the effects of implementing the YG and may also be taken to reflect the impact of preventive measures to avoid young people falling into unemployment or inactivity in the first place.

The indicators presented below describe the context for YG implementation in each country and their evolution through time may give some indication of the impact of the YG. These general indicators are complemented by the indicators monitoring YG delivery and follow-up and together these will allow the impact of policy measures to be disentangled from general economic development and will monitor the efficiency and effectiveness of YG schemes.

It is important to note that the YG targets all young people not in education or employment or training and not only those who are enrolled in the Public Employment Service (PES). There are known to be important differences between (a) the number of young people neither in employment nor in education or training (NEET) based on the LFS; (b) the number of young people unemployed according to the ILO definition and c) the number of young people who are registered unemployed according to the national definition, which are not part of the macroeconomic indicators. For example, some NEETs may not be registered in PES, while some young people registered in PES may neither be unemployed nor NEETs. These differences should be analysed in detail using LFS data and appropriate national sources and taken into account when assessing the implementation of the YG.

General monitoring of the implementation of the YG:

- Main indicator: The **NEET rate** (the percentage of young people 15-24 years that is not employed and not in education or training).
- **Supplementary indicators (1)**: This set of indicators complements the main indicator by giving more detailed information on the labour market situation of young people.
- **Supplementary indicators (2)**: This set of indicators is intended to measure the longer-term consequences of implementing the YG on educational attainment and

labour market attachment. As such the age range goes beyond the age range of 15-24 as defined in the Council Recommendation for YG.

List of indicators at the Aggregate level of monitoring:

Main Indicator	<p>NEET rate (15-24) (%) Number of people aged 15-24 not employed and not involved in any further education or training / Number of people aged 15-24</p>
Supplementary indicators (1)	<p>NEET rate (15-24) by labour market status (unemployed/inactive) (%)</p> <p>Employment rate of young people aged 15-24 (%) Number of people employed aged 15-24 / Number of people aged 15-24</p> <p>Youth unemployment ratio 15-24 (%) Number of unemployed aged 15-24 / number of people aged 15-24</p> <p>Ratio of youth unemployment ratio (15-24) to adult unemployment ratio (25-74) <i>N.B: This indicates structural aspects in the labour market</i></p>
Supplementary indicators (2)	<p>Youth education attainment level 20-24 (%) Number of people aged 20-24 with at least an upper secondary education attainment level (ISCED 3) / number of people aged 20-24</p> <p>Youth unemployment rate 15-24 (%) Number of unemployed aged 15-24 / number of people aged 15-24 in the labour force</p> <p>NEET rate 25-29 (%) Number of people aged 25-29 not employed and not involved in any further education or training / Number of people aged 25-29</p> <p>Employment rate of young people aged 25-29 (%) Number of people employed aged 25-29 / Number of people aged 25-29</p>

Employment rates of recent graduates (20-34 years old) having left education and training no more than three years before the reference year² (%)

Number of people employed aged 20-34 who have left education and training between 1 and 3 years before the reference period/ Number of people aged 20-34 who have left education and training in the past 3 years

Proportion of people with low educational attainment level aged 20-29 (%)

Number of people aged 20-29 with low educational attainment level (ISCED 0-2) / Number of people aged 20-29

Proportion of people with tertiary educational attainment level 30-34 (%)

Number of people aged 30-34 with tertiary educational attainment level (ISCED 5-6) / Number of people aged 30-34

Proportion of early leavers from education and training 18-24 (%)

Number of people aged 18-24 with at most lower secondary education and not in further education or training / Number of people aged 18-24

² This indicator applies only to those with ISCED 3-6 education attainment level to bring it in line with the established ET2020 benchmark. The indicator could be broken-down by ISCED education attainment levels 3-4 and 5-6 for information.

2. Direct monitoring of YG delivery

The previous section outlined the indicators proposed for the aggregate monitoring of the situation of young people in the EU. Whilst useful and important, this is an indirect means of monitoring the effects of implementing the YG. Therefore it needs to be complemented by indicators that better measure the direct impact of policy and the speed of delivery of offers to young people (efficiency of delivery).

For more direct means of monitoring, it is necessary to rely on administrative data following individual pathways. Such administrative data on YG inflows and outflows is not currently collected at European level.

Indicators proposed for monitoring the delivery of the YG are based on analysis of the possible inflows and outflows of individuals from the YG system. They measure the core gateways of the process but, if desired, additional points of the process could be measured at national level.

A key objective of the monitoring is to assess the compliance of Member States with the Council Recommendation, which requires that every young person should receive a good quality YG offer within a period of 4 months.

The indicators focus on young people currently in the YG scheme and on positive outcomes (transition to YG offers of employment, continued education, apprenticeship or traineeship), as it has been identified that, for many YG providers, it would not be possible to identify in a systematic manner negative outcomes (drop-outs, non-take ups, non-completions) and for this reason, no indicators are proposed in relation to negative outcomes.

Furthermore no indicators are proposed in relation to the average expenditure of each initiative, as there are potential complications in cases where young people are referred to Labour Market Policy interventions open also to persons outside the YG scheme. Therefore for the time being, the focus is kept on the scope and quality of the YG schemes.

All indicators will be calculated for the target group of age 15-24, in accordance with the Council Recommendation, with breakdown for the age groups 15-19 and 20-24 and by gender. Additionally, the indicator could be calculated, separately, for the age group 15-29 with a breakdown for the age group 25-29.³

³ In some Member States the Youth Guarantee was extended to the age group 15 to 29. Therefore a monitoring of this age group should also be possible.

The implementation indicators below refer to those "registered with the YG provider" and therefore concern any YG provider within a Member State and may not necessarily be equivalent to those registered with the PES.

National implementations of the YG may differ in terms of how the scope of the YG preparatory phase is perceived and how/when young people are considered to be clients of the YG provider (e.g. some may remain registered whilst waiting for an offer to start) but for monitoring purposes it is important that common definitions are applied. Member States are urged to ensure that data provided in the data collection comply with the definitions provided in the methodological manual annexed to this document.

Indicators at the Direct level of Monitoring:

Main Indicator	<p>Proportion of young people in the YG preparatory phase⁴ beyond the 4 month target</p> <p>Average annual stock of young people still in the YG preparatory phase after 4 [6, 12] months after the date of registration/ Average annual stock of young people in the YG preparatory phase⁵.</p> <p>Calculation method: for each duration, calculate the average stock across the year and compare to the average total stock across the year.</p> <p>Objective: Monitor the time taken until a young person takes up an offer by measuring the duration of the YG preparatory phase.</p> <p>Note that the use of a negative indicator (still in YG preparatory phase) does not mean that the difference from 100% is all positive since young people who dropped out (into unemployment or inactivity) within 4 months are treated equally with those that received an offer or found one on their own initiative. Therefore the results should be considered in conjunction with the 1st supplementary indicator.</p> <p>The indicator assesses the extent to which young people take up offers within 4 months in accordance with the Council</p>
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⁴ The phase from registration with the YG provider until the actual take-up of the offer or any other deregistration

⁵ Average Yearly Stock = $\left(\sum_{i=1}^{12} \text{monthly stock}_i \right) / 12$, where $i=1 \dots 12$ is the number of months in a year.

Recommendation. The additional periods of 6 and 12 months will provide a broader picture to reflect gradual implementation⁶ of the YG in some Member States over a period of time.

Supplementary indicators

Positive and timely exits from the YG preparatory phase

Number of young people exiting the YG preparatory phase with a positive known outcome within 4 months / total exits from the YG preparatory phase

Breakdowns of exits into employment, continued education, an apprenticeship and a traineeship.

Calculation method: This indicator is calculated according to the total yearly outflow for all categories.

Objective: This indicator complements the main indicator which does not identify those who have left the YG scheme due to drop-out, by focussing on positive known outcomes.

Average annual stock of young people in the YG preparatory phase / NEET population (annual average)

Objective: To give an approximate indication of the possible proportion of NEETs registered in the YG scheme.

It is recognised that this indicator combines administrative data (average annual stock of young people in YG preparatory phase) with survey data (yearly NEETs stock). Whilst this is not ideal, nevertheless the indicator is considered very useful as it can provide information that is complementary to that provided by the other implementation indicators.

⁶ Point 27 of the Council Recommendation states "With regard to the Member States experiencing the most severe budgetary difficulties and higher rates of NEETs or of youth unemployment, gradual implementation could also be considered".

3. Follow-up of individuals who have exited the YG preparatory phase

Follow up indicators are needed to show whether sustainable labour market outcomes were achieved for individuals through the YG system. They will contribute to monitoring the quality of the offers received by young people going through the YG scheme.

The proposed indicators aim to identify the labour market status of individuals some time after exiting the YG preparatory phase, with a break down by type of offer received (employment, continued education, apprenticeship or traineeships).

The main follow-up indicator covers all young people who have been through the YG scheme, irrespective of whether they took up an offer or not. The supplementary indicators then follow-up all young persons that took up an offer, irrespective of whether it was subsidised or not. The indicators therefore have a more comprehensive coverage than the follow-up indicators for monitoring of the YEI (Youth Employment Initiative) which, by definition, cover only young persons who benefitted from a subsidised offer (i.e. an intervention funded, wholly or partly, by the YEI)⁷. Further, the YEI longer-term result indicators measure the situation of young people 6 months after the intervention (i.e. subsidised offer) has ended whilst the indicators proposed for monitoring of the YG measure the situation 6 (and 12/18) months after the offer was taken up or the young person otherwise left the YG preparatory phase. The proposed indicators will be calculated for the target group of age 15-24 and should be broken down by gender and age groups: 15-19, 20-24. Additionally the indicator could also be calculated, separately, for the age group 15-29 with a breakdown for the age group 25-29.⁸

Indicators at the follow-up level of Monitoring:

Main indicator	Situation of young people 6, 12 and 18 months after exiting the YG preparatory phase
	Number of young people who 6, 12, 18 months after exiting the YG preparatory phase are in a positive (employment, apprenticeship,

⁷ Indicators for monitoring of the YEI are defined in Annex II of the ESF Regulation (1304/2013): <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0470:0486:EN:PDF>

⁸In some Member States the Youth Guarantee was extended to the age group 15 to 29. Therefore a monitoring of this age group should also be possible

traineeship, education), negative (unemployed or inactive) or unknown⁹ (all other) status / total number of YG exits.

Calculation method: For each young person that exited the YG preparatory phase during year n, observe their situation 6, 12 or 18 months after their individual exit date.

Supplementary indicators **Situation of young people 6, 12 and 18 months after exiting the YG preparatory phase by type of offer**

- **Employment offer:** Number of young people who 6, 12, 18 months after exiting the YG preparatory phase with a YG offer of employment have a positive (employment, apprenticeship, traineeship, education), negative (unemployed or inactive) or unknown (all other) status / total number of young people who exited the YG preparatory phase with a YG offer of employment.
- **Continued education offer:** Number of young people who 6, 12, 18 months after exiting the YG preparatory phase with a YG offer of continued education have a positive (employment, apprenticeship, traineeship, education), negative (unemployed or inactive) or unknown (all other) status / young people who exited the YG preparatory phase with a YG offer of continued education.
- **Apprenticeship offer:** Number of young people who 6, 12, 18 months after exiting the YG preparatory phase with a YG offer of an apprenticeship have a positive (employment, apprenticeship, traineeship, education), negative (unemployed or inactive) or unknown (all other) status / young people who exited the YG preparatory phase with a YG offer of apprenticeship.
- **Traineeship offer:** Number of young people who 6, 12, 18 months after exiting the YG preparatory phase with a YG offer of a traineeship have a positive (employment, apprenticeship, traineeship, education), negative (unemployed or inactive) or unknown (all other) status / young people who exited the YG preparatory phase with a YG offer of traineeship.

⁹ The category unknown is considered neutral. It may for instance contain persons who are self-employed or in education if these are not registered and thus not counted as having a positive status.

C. General points on the methodology for data collection

The proposed indicators for monitoring YG delivery and follow-up of individuals once they exited the YG preparatory phase are to be derived from administrative data based on having clear registration and exit points from the YG preparatory phase that must be known for all participants/Youth Guarantee providers.

The use of administrative data leads to a dataset that identifies the transition of individuals from unemployment/inactivity into the YG preparatory phase and out of it into an offer of employment, education, an apprenticeship or a traineeship. This allows having as accurate figures as possible for the monitoring indicators: measuring flows into provision and exits from provision enables a close monitoring of the implementation of the YG scheme. The purpose is therefore not to undertake multilateral surveillance on each and every step of YG implementation, but to have accurate data that would feed into the proposed indicators.

At the same time, this dataset will enable Member States to trace back any weak performance on these indicators regarding processes that led to this outcome (for instance young people exiting the scheme to an unknown outcome, that could be dropping out of the support), as well as to disaggregate by gender, age, etc. This will benefit the continuous improvement of the schemes.

It is foreseen that the relevant data will be provided to the YG co-ordinating authority, which is responsible for the collection of aggregate data from each of the different agents through which the delivery of the YG may take place (e.g. PES, Social/Youth Services or the education system).

The overall goal is to monitor the YG delivery in its entirety, i.e. collect data from all YG providers. Data from all agents delivering the YG should be aggregated by the YG coordinating authority and provided to the LMP coordinator (or equivalent).

Ultimately the dataset should cover all participants in the YG in the whole territory of each country and be collected with reference to each calendar year.

It should be noted that, in some Member States, national data protection legislation and constitutional law must be adhered to when considering the linking of different registers for data collection purposes.

ANNEX 1: Methodological Manual

ANNEX 2: Youth Guarantee Pathways Diagram

