

ANNUAL REPORT

EUROPEAN NETWORK OF PUBLIC EMPLOYMENT SERVICES (PES)



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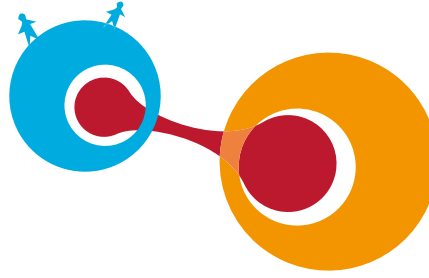
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ANNUAL REPORT

**EUROPEAN NETWORK
OF PUBLIC EMPLOYMENT
SERVICES (PES)**

JULY 2015 – DECEMBER 2016



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Acronyms

AFEPAs – Advisors for European PES Affairs

AFIs – Areas for Improvement

ALMP – Active Labour Market Policies

BL – Benchlearning

CSRs – Country Specific Recommendations

ESF – European Social Fund

EMCO – European Employment Committee

EPSCO – Employment, Social Policy, Health and Consumer Affairs Council

EURES – European Employment Services

HoPES – Heads of Public Employment Services

ML – Mutual Learning

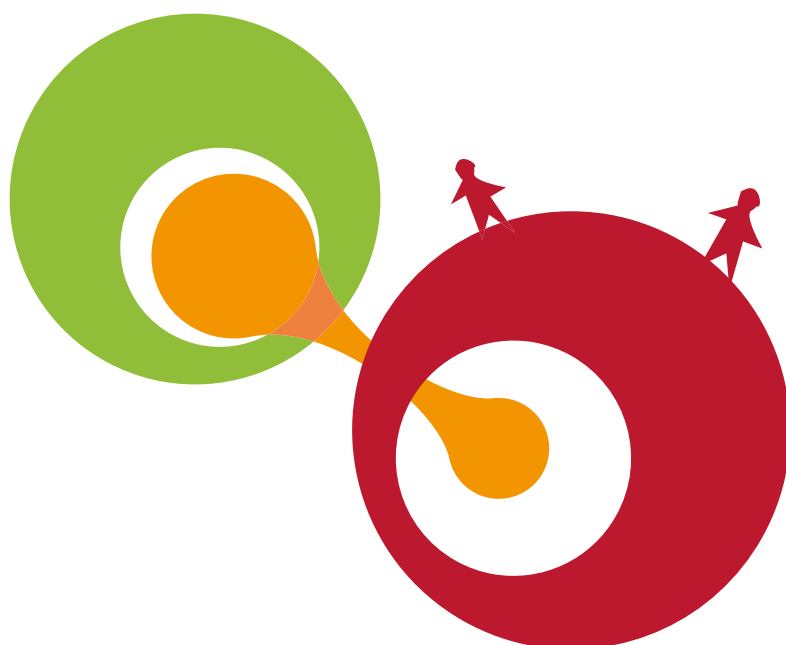
NEETS – ‘Not in Education, Employment, or Training’

PARES – Partnerships between Employment Services

PES – Public Employment Services

PrES – Private Employment Services

YG – Youth Guarantee





Foreword

The European labour market is struggling. Youth unemployment as well as long-term unemployment remain a challenge, while the situation in the Member States varies dramatically. At the same time, new challenges are emerging. For instance, since 2015, approximately two million asylum seekers have arrived in Europe. They pose new challenges for both European labour markets and for society as a whole.

In the PES Network we are working together on finding common solutions. We believe that well-functioning labour markets and a prospering economy are essential for the well-being of European citizens. The European PES play a crucial role by implementing labour market policies and bringing together employers and jobseekers. They are aiming at delivering a conductor role on local, national, and European labour markets.

Today we are looking back on the second year of trustful and strong cooperation within the PES Network. In the last year we focused on further developing measures on addressing long-term unemployment, strengthening PES relations with employers and supporting the integration of refugees into the labour market. All in all, the Network is about making a difference to the lives of European citizens.

The Network's role as a policy advisor was shown, e.g. by contributing to the EU initiative to reintegrate long-term unemployed into the labour market and to the Commission's consultation on the European Pillar of Social Rights. Both EPSCO and EMCO have shown interest in the progress and achievements of the PES Network, which is essential for future cooperation.

The cooperation in the Network is characterised by sharing good practices and innovative ideas. At the same time, mutual trust and support make collaborative learning possible. This helps to overcome weaknesses. The Benchlearning project has led to transparency on PES data and numerous activities of mutual learning in the Network. Common performance indicators reflect the PES' challenges and will make progress visible. This allows for evidence-based improvement of PES' service delivery.

The Network can bridge recent gaps between designing and implementing employment policies. But this alone will not be sufficient to achieve the EU's employment and labour goals. Many other trends in the labour market, primarily structural ones such as technological disruptions, the future of work, demographic trends, geographic mismatches and global migration, require a political response at the European level as well.

For me it was a great honour and an amazing experience to chair the PES Network for its first two years. I would like to thank all my colleagues from the European PES for working together to achieve our common ambitious objectives. I am very happy to hand over to my highly appreciated colleague from the Flemish Public Employment Service Fons Leroy, the new Chair of the PES Network. I am convinced that his energy and visionary thinking will provide new impetus to the PES Network, ensuring its successful continuation.

Frank-J. Weise

*Chair of the PES Network Board from
September 2014 to September 2016
Director General of the Bundesagentur für Arbeit,
the German Federal Employment Agency*

1. Introduction

This 2nd report covers the activities of the Network of European Public Employment Services (PES) from July 2015 to December 2016. Having completed its first two years, the PES Network continues to mature, providing a framework for increasing co-operation between European PES.

One of the key tasks of the PES Network is the **Annual Work Programme**, which is designed to promote PES modernisation and supporting individual PES to enhance their contribution to the implementation of the EU 2020 Employment Strategy. In 2016, the Work Programme contained a wide range of Network activities including those relating to the **Benchlearning** project and **Mutual Learning activities** intended to support PES modernisation and improve PES performance. The Work Programme also addressed strategic policy areas of the PES Network such as long-term unemployment, public-private partnerships and the refugees situation.

Furthermore, the PES Network has supported the implementation of a wide range of policy initiatives addressing current challenges in the labour market. Following a mandate from the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) the Network developed a set of quality standards for the operationalization of the long-term unemployment recommendation¹. Other priority areas include the implementation of the **Youth Guarantee**, where the PES have worked in close cooperation with a range of partners, the **European Social Pillar** on which a common PES Network input to the European Commission's consultation was endorsed and a working group paper with key PES considerations for **the integration of refugees and asylum-seekers** into the labour market.

Another central part of the Network's activities is the **Benchlearning** project that enables PES to identify their areas for improvement and creates a systematic link between performance benchmarking and mutual learning activities. The continuing development of **context free performance indicators** increases the scope for the establishment of an evidence base to underpin the transference of good practice models and to define mutual learning

priorities. July 2016 marked the completion of the first round of Benchlearning peer review assessment visits. All Member States PES have now received reports providing a rich source of information and guidance with recommendations on how they might pursue their modernisation agenda.

The PES Network's **Mutual Learning programme** has complemented this with a range of events intended to support PES modernisation and improve PES performance by addressing PES learning needs identified through Benchlearning.

Looking at the capacity of the PES, the annual review indicated an improving labour market context with PES experiencing an overall reduction in the number of jobseekers and an increasing number of vacancies. However, the challenges of helping particular client groups into work remain, in particular the long-term unemployed. Another significant trend relates to the demand for more personalised services, where PES are making more frequent use of specialised staff servicing client target groups.

The outcomes of the PES Network activities can be found at the **PES Knowledge Centre** website².

1.1 PES Network Update

Change of Chairs and vice-Chairs

The term of the first Chair of the PES Network Mr Frank Weise (Chair of the Board of the German Federal Employment Agency) came to an end on 22 September 2016. At its June 2016 Network Board meeting, the PES Network Board appointed Mr Fons Leroy, (General Administrator VDAB, Flemish PES) from 23 September 2016 to 22 September 2018.

Following the departure of the Network's first Vice-Chair, Ms Ankica Paun Jarallah, Head of the Croatian Employment Service on 22 April 2016, the June Board appointed Ms Tuija Oivo (Head of the Finnish PES) from 27 June 2016 to 26 December 2018.

1 [http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016H0220\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32016H0220(01)&from=EN)

2 <http://ec.europa.eu/social/PESknowledgecentre>

Overview of the PES Network Work Programme 2015-2016

The Decision 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between public employment services³ (hereafter, ‘the Decision’’) requires the Network to adopt and implement an annual Work Programme. This is designed to assist the PES in delivering the Network Mission to promote PES modernisation and supporting individual PES to enhance their contribution to the implementation of the EU 2020 Employment Strategy.

The Work Programme 2016⁴ was grouped under a number of modules depending on the aim and context of the activities, e.g. Benchlearning, containing activities directly linked to the Benchlearning project (see Chapter 3.1), PES Modernisation and contribution to the 2020 Employment Strategy, consisting of Mutual Learning (ML) activities that are intended to support PES modernisation and improve PES performance (see Chapter 3.2) and Support to the implementation of PES-related Country-Specific Recommendations under the European Semester. The Work Programme also addressed more specific policy areas such as long-term unemployment and wider co-operation (public-private partnerships, the refugees agenda).

PES Board Meeting Summary

The PES Board has held three meetings from July 2015 to December 2016:

- At the Luxembourg meeting in December 2015⁵ the Board established working groups on refugees and PES-Private Employment Services (PrES) cooperation as well as endorsing the continued work in the group on long-term unemployment. The 2016 Work Programme was adopted and the Board agreed on a new PES Network logo. Furthermore, the Board decided that 12 months after the finalisation of each Benchlearning report, each PES shall report to the Board on progress on the implementation of change.
- At the Amsterdam meeting in June 2016⁶, the Board created a working group on the Social Pillar and extended the mandate of the working groups on long-term unemployment and Refugees in order to produce further inputs for their next meeting in December 2016. The Board appointed Mr Fons Leroy (BE – VDAB) as the new PES Network Chair and Ms Tuija Oivo (FI) as the new first Vice-Chair.
- At the Bratislava meeting in December 2016 the Board welcomed Commissioner Thyssen who presented the Commission’s social and employment agenda. Moreover, the Board adopted the 2017 Work Programme as well as endorsing this Annual Report. The working group on the Social Pillar presented the Network’s contribution to the public consultation. With respect to the Benchlearning project the Board agreed to the next cycle that will start in 2017.

Meetings of the Advisors for European PES Affairs

The Advisors for European PES Affairs (AFEPA) meet twice a year in advance of Board meetings to review Network activities, progress on delivery of the Work Programme, and formulate draft positions on current issues in advance of subsequent Board discussion. Since July 2015 the group met three times: on 29-30 October 2015⁷ and in 2016 on 10-11 March⁸ and on 20-21 October.

Role of the PES Secretariat

The PES Network Board is assisted by a Secretariat provided by and based within the Commission (DG Employment, Social Affairs and Inclusion, Unit B1 Employment Strategy). The Secretariat, in co-operation with the Chair and Vice-Chairs, prepares the Board meetings, the annual work programme and this annual report. The Secretariat organises and chairs the meetings of the AFEPAs. The PES Secretariat can be reached at EMPL-PES-SECRETARIAT@ec.europa.eu.

3 <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0573&from=EN>

4 <http://ec.europa.eu/social/BlobServlet?docId=15419&langId=en>

5 <http://ec.europa.eu/social/BlobServlet?docId=16069&langId=en>

6 Yet to be published.

7 <http://ec.europa.eu/social/BlobServlet?docId=15457&langId=en>

8 Yet to be published.



Timetable for publication of the PES Network Annual Report

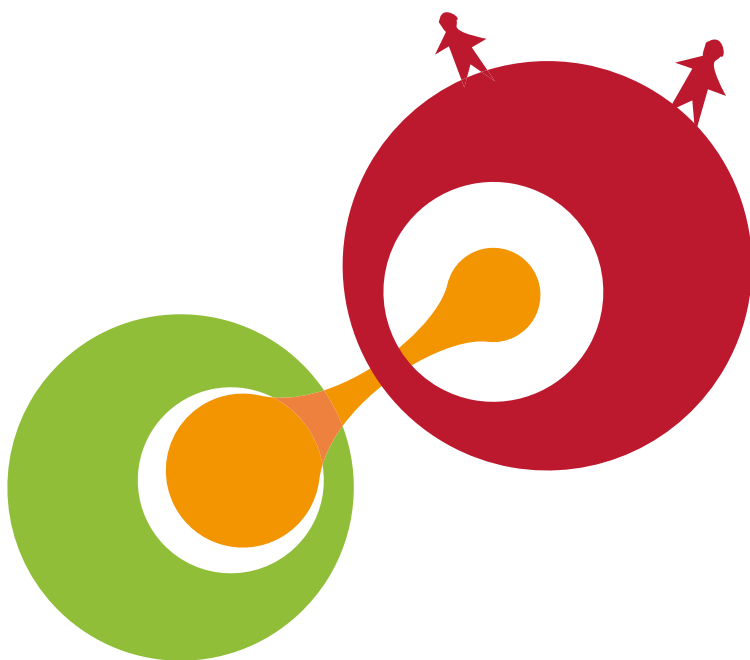
Article 6 of the Decision requires the Network to publish an Annual Report of its activities to be sent to the European Parliament and Council.

At its inaugural meeting in September 2014, the Network Board decided that the first Annual Report should be published in June 2015⁹.

As the first cycle of Benchlearning (see Chapter 3.1 and Annex 1-2) comes to an end late 2016, the PES Network Board decided to adopt this second Annual Report at its December 2016 meeting. This thereby allows for the integration of the results of the first cycle of Benchlearning, as well as a perspective on the second cycle into this report. Subsequent Annual Reports will be adopted at the second Board meeting of the year (usually in December).

PES Knowledge Centre/PES Practices

The PES Knowledge Centre website¹⁰ was launched in 2016 in order to collect and share information on the organisation and services of public employment services in Europe. Analytical papers, practitioners' toolkits, good practice examples, conference outcomes and other reports from the activities of the PES Network are published continuously. The centre aims at offering tools to learn from the experiences from other countries for PES, researchers, stakeholders and citizens. In the PES practices database¹¹ inspiring practices from Public Employment Services across Europe can be found. The selected practices focus on issues such as supporting young people and the long-term unemployed, working with schools, and management methods.



9 <http://ec.europa.eu/social/BlobServlet?docId=15474&langId=en>

10 <http://ec.europa.eu/social/PESknowledgecentre>

11 <http://ec.europa.eu/social/PESpractices>

2. PES Support for Implementation of Policy Initiatives

2.1 Long-term Unemployment

When adopting the Council Recommendation on the integration of the long-term unemployed into the labour market¹², the Council of the European Union mandated the European Employment Committee (EMCO) to monitor implementation and stated that *'the European Network of PES shall contribute to this monitoring'*.

At its June 2016 meeting the PES Network Board gave a mandate to a group of PES to define quality standards for implementation of the Recommendation. The working group produced a set of proposals, identifying minimum, intermediate and advanced quality standards of delivery of customer contact facilities and job integration agreements. These were adopted by the PES Network Board and subsequently endorsed by EPSCO at its October 2016 meeting.

In a further phase of its work, the group conducted research to identify good practice in European PES in early intervention with and activation of the unemployed, with a summary report then prepared for Member States to use when considering enhancing their integration models. When the reports are adopted by the Board they will be made publically available at the PES Knowledge Centre¹³.

2.2 The Youth Guarantee

In response to unprecedented levels of youth unemployment, and inactivity resulting from the recession, the Council of the EU adopted a Recommendation on establishing a Youth Guarantee (YG)¹⁴ in April 2013. The YG ensures that all young people under 25, registered with employment services or not, receive a good offer of an apprenticeship, training, continued education or employment, within four months of becoming unemployed or leaving education.

¹² <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016H0220%2801%29>

¹³ <http://ec.europa.eu/social/PESknowledgecentre>

¹⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

PES are central players in the implementation of the YG by applying national policies to tackle youth unemployment. In implementing the YG, PES work in close cooperation with a range of partners, through formal partnership structures and informal cooperation arrangements. Career guidance, face-to-face employment counselling, individual action planning, training and employment incentives are the core interventions under the YG scheme.

The 2016 report on PES Implementation of the Youth Guarantee¹⁵ indicates some improvement in many aspects of YG implementation and monitoring. At the same time, the report certifies the conclusions of previous analysis: That there is 'great potential' and a remaining need for further improvement of PES capacity in implementing, monitoring and evaluating the YG scheme. The PES need to continue their implementation specifically with regard to widening partnership cooperation, intensifying outreach activities for NEETs, extending the use of e-services and improving access to the supply-side of the labour market. There is also a potential for strengthening monitoring, follow-up, and the evaluation capacity to ensure the PES' effective role as central players in YG implementation.

2.3 Network Input to EMCO Multilateral Surveillance

EMCO reviews in December 2015 examined Active Labour Market Policies (ALMPs)/the role of PES and the YG. The PES Network contributed to the discussion at the former (PES/ALMP) event by presenting recommended questions and reflections. Overall the discussion indicated considerable activity in both areas in a number of Member States. Despite some cases where ALMP coverage remains weak, or where certain measures, including public works schemes, could be revised and improved in general, an increased focus was identified on efficiency, increasing participation of vulnerable groups, and identifying the right balance of incentives. The review recognised the importance of Benchlearning and confirmed ongoing

¹⁵ Yet to be published.

efforts to improve PES capacity and efficiency, with a number of initiatives to provide e-services and statistical profiling. The impact of European Social Fund (ESF) funding on these initiatives was also acknowledged.

The review characterised the PES as important actors in the delivery of the YG and showed a strong commitment to implementation in the Member States, notwithstanding a clear need to increase internal co-ordination in several countries. The role of the YG in developing stronger partnerships has been identified, a trend which can be further developed, along with an increased personalisation of services.

The need for enhanced employer engagement and strengthened outreach activity, especially to NEETS not yet registered with PES, was also noted.

2.4 The European Social Pillar

In March 2016, the European Commission launched a public consultation on the European Pillar of Social Rights¹⁶, which aim is to re-enforce the focus on employment and social aspects and make the European Social Model fit for the challenges of the 21st century.

At its June 2016 meeting the PES Network Board gave a mandate for a working group to formulate a Network input to the consultation on the Social Pillar¹⁷. The group considered the possible short and longer term implications for PES focussing on specific policy domains seen as essential for well-functioning and fair labour markets and welfare systems:

- Skills education and lifelong learning
- Secure professional transitions
- Active support to employment
- Integrated social benefits and services
- Unemployment benefits
- Minimum income
- Sickness benefits

In preparing the Network response, the working group assessed the impact of the PES Network Decision (as part of the social acquis) and reflected on new trends in work patterns and society. Follow-

ing this input, the group will consider how the current PES 2020 Vision (2012)¹⁸ should be updated in the context of the emerging Social Pillar in the beginning of 2017 for the Board's consideration.

2.5 Refugees

In December 2015, the PES Network Board held a first discussion on the Refugees Situation. The Board decided to establish a working group to explore the PES perspective. The working group developed a paper on PES key considerations for the integration of refugees and asylum-seekers into the labour market¹⁹. The objective of the paper was to provide a PES perspective to the issue of the integration of refugees and asylum-seekers into the labour market, identifying four key dimensions of particular importance: language, skills/qualifications, partners/institutions and employers. The paper was endorsed by the Board at its June 2016 meeting, where the mandate of the working group was simultaneously extended to look at proposals for activities within the context of the 2017 PES Network Work Programme. The proposed activities included a ML event on integrating refugees into the labour market which was endorsed by the Board at its December 2016 meeting along with the rest of the 2017 PES Network Work Programme.

2.6 Employers Day 2016

The first European Employers Day took place in all EU Member States, Iceland and Norway from the 4 to 15 April 2016. The aim was to foster cooperation between employers and the PES and raise the visibility of the PES Network and national PES.

At the European level, the European Employers Day was marked by a press conference²⁰ on 13 April. At the national level, the PES organised intensive employer contacts through personal, telephone and online means, job fairs, thematic event and various communication actions. As a result of the Network's European Employers Day, 222 363 employers were contacted, 1 000 events were organised, over 30 000

16 http://ec.europa.eu/priorities/deeper-and-fairer-economic-and-monetary-union/towards-european-pillar-social-rights_en

17 <http://ec.europa.eu/social/BlobServlet?docId=16870&langId=en>

18 <http://ec.europa.eu/social/BlobServlet?docId=9690&langId=en>

19 <http://ec.europa.eu/social/BlobServlet?docId=16068&langId=en>

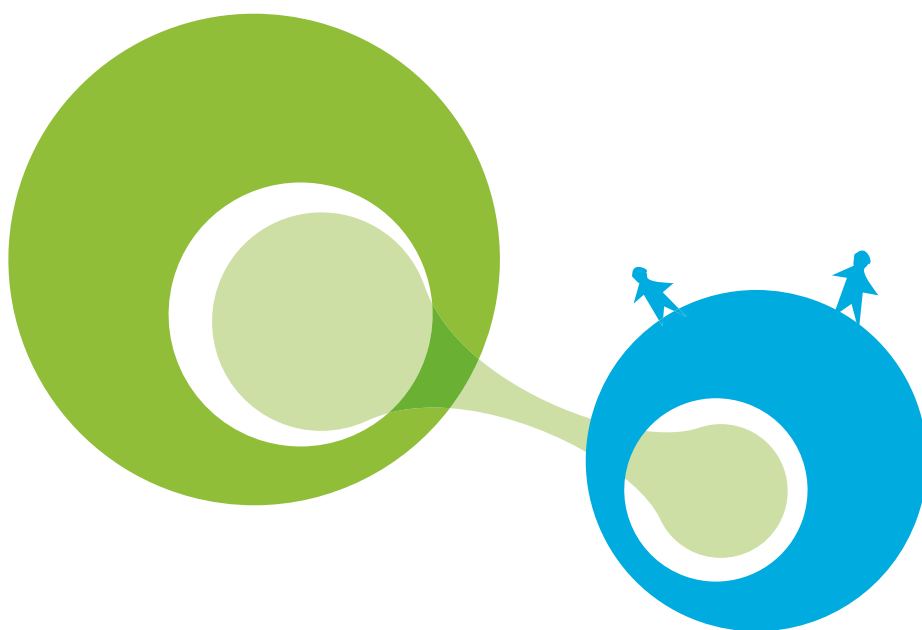
20 <http://ec.europa.eu/avservices/video/player.cfm?ref=1119373>

vacancies were collected. More than 70 000 jobseekers and 20 000 PES employees were involved. At its December meeting 2016 the Board endorsed the creation of a working group to facilitate a future repetition of the event.

2.7 Bottleneck Vacancies Studies

A study was conducted during 2015 to examine the availability of data on shortage occupations across the PES Network. The study included a proposal for the development of a model for future data collection and exchange on bottleneck occupations in Europe.

The report²¹ produced in January 2016 included an overview of the differences and similarities in data on shortages across PES in the EU 28 and Norway. The study showed that shortages exist in all countries and that there are many similarities in terms of occupations reporting shortages. The research also proved that it was possible to collect data to provide an overview and comparison of shortages at EU and individual PES level. However, at present, data cannot be produced on expected trends in, or the precise magnitude of, shortages. The Study proposes the future development of a model for exchange between PES on data shortages. This is being followed up in a successor study in 2016-17.



21 <http://ec.europa.eu/social/BlobServlet?docId=16005&langId=en>

3. PES Modernisation

3.1 Benchlearning

Benchlearning (BL) is central to the Network's activities as defined by the Decision. It is the process of creating a systematic and integrated link between benchmarking and mutual learning activities. The ultimate aim is to support each PES in improving their performance through comparisons and institutional learning from peers.

The core idea is that this will lead to better results and contribute towards improved functioning and convergence of labour markets, and therefore demonstrating the added value of PES.

In order to achieve this aim, a structured and systematic analysis of PES performance and its drivers through analysis of performance data and an on-going process of PES self-, peer and expert review was conducted during the first two years of the BL project. Following the first BL cycle the following information is now available:

- A collection of comprehensive and high quality data on performance results and drivers
- A context-adjusted comparison of PES performance outcomes (results)
- A baseline study of 'organisational maturity' for 30 European PES
- A set of potentially transferable good practices collected during the site visits
- A set of 17 performance enablers which exhibit a systematic relationship to performance outcomes. Therefore they identify delivery topics which could be explored in more detail through mutual learning.

It is important to note that the results of data analysis only reflect initial correlations which will probably evolve over time. It is most important that contextual factors influencing PES performance are taken into account when interpreting results.

Nevertheless, the combined quantitative and qualitative analyses (Annex 1) provide empirical evidence that overall more mature organisations exhibit better performance – thus, confirming the excellency model. This holds especially true for unsubsidised transitions into the primary labour market and the outflows of low-skilled jobseekers.

Considering performance comparisons, it should be highlighted that in each and every performance section there is more than one PES that can be considered mature or well-developed. Those PES differ in their 'business models' as well as their institutional contexts. Hence, there is more than one opportunity to study the approaches of peer PES for organisational development.

With these results an evidence base is available, which feeds into the development and implementation of the Network's mutual learning programme (see Chapter 3.2). Benchlearning thereby also creates a mechanism for PES to develop partnerships for ongoing learning exchange, and mutual support.

Looking ahead, it will be essential that the 2nd cycle of BL seamlessly follows and builds upon the achievements of the first by supporting PES in their modernisation initiatives. The BL model has been slightly adapted, but the main elements of the benchlearning process which have proved to be valuable remain.

The assessment exercise will focus on changes since the last site visit. Therefore, the change agenda of all PES will be assessed in order to support them in implementation. To this end, a new enabler section will be piloted – Section H: Identification and implementation of a reform agenda.

After the visit, each PES will again receive a feedback report with a detailed assessment of all changes since the first visit as well as practical suggestions for further improvements.

3.2 The Mutual Learning Programme

The Mutual Learning (ML) Programme is intended to support PES modernisation and improve PES performance by addressing PES learning needs identified through Benchlearning. The first round of Benchlearning site visits has provided a rich source of information on PES strengths and areas for improvement. This has enabled ML activities to be set upon a firm empirical evidence base.

Mutual Learning – Concept, Activities and Links to Benchlearning

The ML concept involves the use of an evidence-base to identify and address PES learning needs. The PES Network's ML Work Programme 2017²² has been enhanced through the availability of direct and comparable evidence from the Benchlearning data collection and assessments (see Annex 1). This evidence has enabled ML activities to be increasingly designed, delivered and targeted in relation to PES learning needs, and to identify, disseminate and facilitate the transfer of good practice amongst PES.

Themes and Activities

The ML activities 2016 were focused on the efficiency and effectiveness of PES in delivering and improving their services. This was achieved, in particular, through exchanging experiences on customer satisfaction measurement, performance management, strategic data and IT, processing efficiency and the PES as conductors in the labour market. The activities also supported two priority initiatives for the EU: combatting and preventing youth and long-term unemployment. These activities took the form of learning events, written resources and an enhanced web presence for practitioners to disseminate and access resources (see Annex 3).

Constant evaluation of these activities captured the benefit and impact of ML events for individual PES, and demonstrated that participants were actively following up on their participation at learning events (see Annex 3). For example, as a result of ML events: PES have been establishing or revising customer satisfaction measures, one PES has designed a guidance tool for jobseekers, and PES have been sharing insights on performance management on a peer-to-peer basis. Evaluations have also shown a positive effect from attending a sequence of events, such as a thematic review workshop and a follow-up visit. This has resulted in a good dissemination of the ML within PES and use of the tools provided, positive country-specific outcomes, and positive organisational outcomes (see Annex 3).

3.3 Mutual Assistance

The Network and its Members continue to provide Mutual Assistance (Technical Assistance through peer PES support) for PES modernisation in Bulgaria, Greece, and Romania.

Bulgaria

During 2014, the Bulgarian Ministry of Labour approached the European Commission/PES Network requesting support to implement a Country-Specific Recommendation²³ (CSR) *To improve the Efficiency of its PES by developing a performance monitoring system and better targeting the most vulnerable, including low skilled and elderly workers, LTU and Roma*. Bulgaria received an initial assessment by a joint team of experts from 3 PES (Austria, Belgium Flanders, and Germany) and the Commission in October 2014. Further assistance for implementation of a change programme has been provided by PES France, Sweden, Ireland and the Commission.

Following a support mission in December 2015, the Bulgarian PES has developed a modernising strategy, an implementation plan and an updated roadmap. The documents are approved, and implementation started in July 2016. The new approach is introduced by implementing the principle of results-based management processes including additional outcome indicators.

Greece

The Network continues to support modernisation of the Greek PES providing technical assistance for a re-engineering Programme.

Experts from the Commission and 3 PES (Germany, Sweden, and UK) have assisted with a programme covering all areas of the Greek PES organisation. During 2016 an upgrade to the Greek network of local PES offices has included the introduction of a triage reception system, a customer telephone contact centre, and a new vacancy portal.

²² The Work Programme 2017 is to be found under: <http://ec.europa.eu/social/PESNetwork>

²³ http://ec.europa.eu/europe2020/pdf/csr2014/csr2014_council_bulgaria_en.pdf

Romania

The Romanian PES is undergoing a major change process. A combination of Benchlearning, PES Network ML, and ongoing support from the European Social Fund is enabling capacity development. Romania piloted the Benchlearning assessment process in October 2014, a subsequent mutual assistance visit from experts from 3 PES (Denmark, France, and Ireland), and a further Benchlearning visit in March 2016 has led to the formulation of a PES strategy. This has four main components:

- Establishment of an initial profiling and segmentation process following legislation in October 2016.
- Adoption, for the first time, of a comprehensive catalogue of PES services.
- Re-enforced case management capacity utilising support from ESF.
- Setting up an integrated approach to NEETs outreach and the delivery of the Youth Guarantee.
- An increase in staff has been agreed to deal with extra activation to combat youth unemployment.

3.4 PARES

The PARES (Partnerships between Employment Services) initiative, part of the EU Agenda for new skills and jobs²⁴, operated between September 2011 and March 2016 with a purpose to:

- Improve co-operation between public, private, and non-profit providers of employment services.
- Define fields where they can deliver complementary services



²⁴ <http://ec.europa.eu/social/main.jsp?catId=958>

PARES contained three elements:

- Strategic dialogue – a forum where employment services could share and develop good practices in co-operation and complimentary service provision.
- Calls for proposals – for projects by employment services that showcase the mixed provision of employment services for vulnerable groups.
- PES Practices database including organisational practices, tools, and active labour market policies related to service delivery for jobseekers and employers (this has now been incorporated within the PES Knowledge Centre).

The principle of cooperation between Employment services is also reflected in Article 5 of the Decision, which provides for a closer cooperation between PES and ‘relevant labour market stakeholders’ such as private employment services (PrES). Therefore the Board mandated a working group at its meeting on 14-15 December 2015 to look into possible forms of cooperation with PrES. The working group presented a proposal for a common view on cooperation between the PES and PrES, which was endorsed by the Board at its December meeting 2016.

The final PARES strategic dialogue event in February 2016 brought together representatives from PES and municipalities in 12 countries to share experiences and insights on contracting out services. The report from this event²⁵ contained recommendations on:

- The rationale for contracting with external providers and different types and packaging of services procured in different countries.
- The pricing and remuneration models used in contracts by the PES and municipalities.
- The design and evaluation of tenders and the role of performance management.

More information on PARES can be found at <http://ec.europa.eu/social/main.jsp?catId=991>

²⁵ <http://ec.europa.eu/social/BlobServlet?docId=15895&langId=en>

4. Performance Capacity Overview

4.1 Assessment Report on PES Capacity 2016

Within its annual Work Programme the Network has undertaken a questionnaire, which covers both PES capacity and PES implementation of the YG (see Chapter 2.2). PES from all 30 countries active in the PES Network (EU 28 and Norway and Iceland) answered the questionnaire, based on which two assessment reports²⁶ have been produced. The main findings from the PES capacity report 2016 are summarised below.

A labour Market Context Developing for the Better

Many economies in Europe are showing signs of recovery. This entry into a post-crisis period is reflected in the decreasing number of jobseekers and the increasing number of vacancies notified to PES. During the period 2014–2016 a total of 24 PES experienced a reduction in the number of job-seeking clients whereas only 6 PES have experienced an increase (see Annex 4). During the period 2014–2015 a total of 21 PES experienced an increase in the number of vacancies and only 5 PES experienced a decrease (see Annex 4). Since 2012 the average monthly inflow of vacancies has increased significantly: by 3% in 2012–2013, 6% in 2013–2014 and finally 11% in 2014–2015.

Persisting Challenge of Long-term Unemployment

During the period of 2014–2016, the overall size of the client group facing the PES was reduced as economic conditions improved and job opportunities were created. At the same time, the composition of the client group changed (see Annex 4). With decreasing numbers in all sub-groups, the challenges of helping particular client groups into work remain, in particular the long-term unemployed: The share of long-term unemployed dropped, but far less steeply than for other groups, from 40.1% to 37.3%. Furthermore, for certain PES the problem of long-term unemployment has worsened: Between 2014 and 2016 the share of long-term unemployed amongst job-seeking clients increased for 10 PES.

Financial Resources Increasing Again in Many PES

While labour market conditions in the countries have improved, it has not lead to a corresponding reduction in PES expenditure. The trend of increasing PES budgets in 2013 and 2014 has continued in 2015 and 2016. Additionally, PES are investing more in ALMPs, which is reflected in the relative importance of the budget for ALMPs compared to staff costs, with the former increasing more than the latter (see Annex 5).

Impact on Human Resources Limited

The total number of PES staff in is nearly the same as in 2014. However, the number of PES using specialised counsellors to work with specific sub-groups of jobseekers (such as young people, long-term unemployed and older workers) is steadily increasing.

The customer group most often targeted with specialised counsellors is employers (see Annex 4). Fewer PES have counsellors dedicated to long-term unemployed. However the number of PES using specialised counsellors for this sub group has doubled from five to nine PES between 2014 and 2015. In comparison, the number of PES using specialised counsellors for young people has increased from 12 PES in 2014 to 15 PES in 2016.

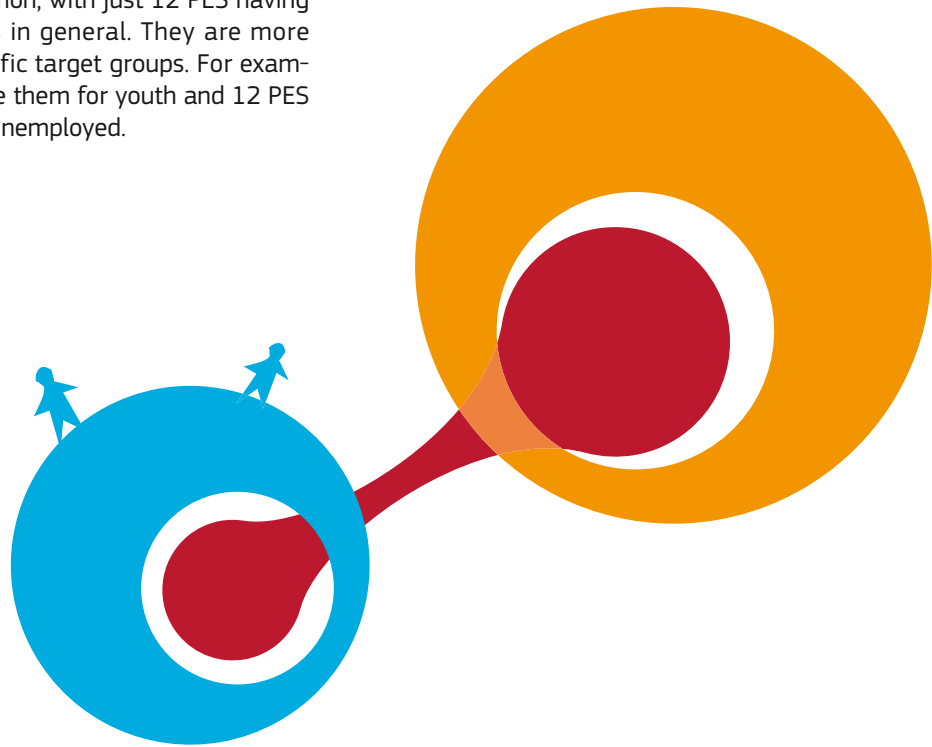
More Use of Instruments for Specific Groups

All of the PES use at least one instrument specifically designed for target groups, and a majority of PES target three to four specific groups. Young people, long-term unemployed and older jobseekers are the main target groups of these instruments, while a smaller number of PES target disabled people. 23 PES have introduced new ALMPs or changed existing ALMPs to better respond to current labour market conditions. Training and employment incentives are still the main measures. However, taking into account the new measures introduced since the previous report a possible new trend has been detected where PES place increased emphasis on learning measures for young people and direct entry into employment for LTU and older workers.

²⁶ Yet to be published.

PES Set Targets for Helping Clients and, to a Lesser Extent, for the Use of ALMPs

Most PES set targets for their performance in assisting jobseekers to enter or re-enter the labour market. 26 PES set targets for all jobseekers. For young people, this number is only slightly lower (24 PES), but for long-term unemployed it is significantly lower (17 PES). Targets relating to ALMPs are less common, with just 12 PES having them for jobseekers in general. They are more often found for specific target groups. For example, 18 PES formulate them for youth and 12 PES do so for long-term unemployed.



5. Concluding Remarks

5.1 The PES Decision Review

Article 10 of the Decision requires the Commission to submit a report on its application by 18th June 2017 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Following the publication of this Annual Report a report will be prepared to assess in particular the achievement of the Network in encouraging co-operation between Member States in the field of employment within their PES areas of responsibility thereby supporting:

- The most vulnerable social groups with high unemployment rates, especially older workers, and young persons not in employment, education, or training (NEETs)
- Decent and sustainable work
- The better functioning of the labour markets in the EU
- The identification of skill shortages
- The better integration of labour markets
- Increased voluntary geographical and occupational fair mobility to meet labour market needs
- The integration of persons excluded from the labour market as part of the combat against social exclusion
- The evaluation and assessment of active labour market initiatives and their effective and efficient implementation.

5.2 The Horizon to 2018

As the European labour market continues to recover from the crisis, the role of PES as key actors for the integration of unemployed people will continue to grow in importance. Under the leadership of Mr Weise (DG of the German Federal Employment Agency and the first PES Network Chair) the PES Network has established its role as a key player on the European labour market. It provides a common input on behalf of the PES from 30 European countries²⁷ drawing on the expertise from this large group of organisations to ensure that employment policy

development is informed by best practice from across the Network.

The Network is a key interlocutor of the European Commission for providing the best informed operational input to support the delivery of labour market initiatives. This is evidenced by the continuing Network focus on addressing youth unemployment through the Youth Guarantee, supporting the long-term unemployed through both the Council Recommendation and preventive actions, and supporting the labour market integration of refugees.

Under the leadership of the new Chair (Mr Fons Leroy, DG BE-VDAB) the Network will continue to increase its capability to meet the significant challenges on the European labour market. A growing number of jobseekers will require significant levels of assistance to ensure their inclusion, amongst these are vulnerable jobseekers with low skills, disabilities and previously inactive people.

PES will therefore increasingly need to deal with the impact of structural unemployment in particular engaging with the skills agenda cooperating with other actors delivering the proposed Skills Guarantee.

Enhanced Partnership working will be a continuing feature of ongoing PES modernisation with investment in joined-up infrastructure essential to enable suitably co-ordinated activation services to be delivered in concert with other employment and social support organisations.

The increased number of vulnerable clients needing personalised and often face to face support services will generate even more need for PES to modernise and improve their digital offer for the growing number of citizens who both can, and expect to use such services. The further development of Benchlearning will assist PES through illustrating causal links between specific organisational approaches and improved labour market outcomes as well as providing a systematic evidence base for themes to be explored in detail apart of the mutual learning programme.

The Network will continue to increase its visibility using digital tools including the launch of a Network newsletter.

²⁷ The PES of the 28 EU Member States, Norway and Iceland participate in the Network.

Annexes

Annex 1 – Benchlearning Project Organisation and Activities

1. Introduction

In order to put benchlearning into practice it was necessary to establish a systematic link between performance enablers and performance outcomes while controlling for context/external factors.

This report summarises the main results of the first cycle of the BL project. Furthermore, it provides a brief outlook on the activities planned for the second cycle.

2. Quantitative Benchmarking

The quantitative benchmarking of PES performance commenced with the collection of potential performance outcomes.

For the construction of these indicators, PES were asked to provide variables according to clearly defined requirements. Data on eight mandatory indicators collected from PES and other sources were placed on an internet dashboard and made accessible to registered users. The dashboard is the major tool used to promote transparency between all members of the PES network. To apply for access to the dashboard, please contact BL-PES-statistics@icon-institute.de.

The comprehensive analyses of the data delivered by the PES were conducted to identify **valid performance outcomes**. The following indicators were identified:

- Unsubsidised transitions into the primary labour market
- Subsidised transitions into the primary labour market
- Fast transitions (i.e. within 6 months of unemployment) into the primary labour market
- Outflows of low-skilled (i.e. ISCED 0-2) jobseekers, irrespective of destination
- Outflows of young (i.e. under 25 years of age) jobseekers, irrespective of destination

- Relative number of notified vacancies (i.e. notified vacancies per jobseeker)
- Share of filled vacancies
- PES involvement in job finding according to Eurostat's Labour Force Survey
- Jobseeker satisfaction (i.e. share of satisfied jobseekers)²⁸

For these, multivariate regression analyses were applied to adjust for the impact of context and make them genuinely comparable. This analytical step resulted in comparisons of performance across PES, i.e. of measurable achievements that are (almost) exclusively due to the efforts of PES. Therefore, **comparisons of all valid performance outcomes** were generated. Future analyses will require an enlarged and refined dataset. This is especially the case for potential context factors which will need to cover aspects such as immigration dynamics or available PES resources. Furthermore, the set of performance outcomes will need to be adjusted to reflect other additional performance dimensions including the quality and sustainability of employment. Empirical results will be more robust when the methodology has been refined, this will increase the potential for comparative study across PES to support mutual learning.

As well as the possibility to enhance performance comparison between PES, there will also be an opportunity for PES to assess their own performance over time which could provide a rich source of useful information.

It is significant that the first cycle of visits has illustrated that PES across the Network exhibit good results in certain performance dimensions. Simultaneously, all PES exhibit room for improvement for at least one valid outcome. As a consequence, **there is not one single PES that can be considered the performance benchmark in all relevant dimensions**. However, it is also apparent that some organisations appear more often among the top or high performing PES than others.

²⁸ Employer satisfaction turned out to be determined to a very large extent by context factors and, thus, could not be considered a valid performance outcome.

3. Qualitative Benchmarking

Qualitative benchmarking is based upon seven areas analysed in a two-staged assessment process (self-/external assessment). After the assessment, considered as core element of the whole benchlearning exercise, each PES received an individual feedback report on the strengths including good practices as well as an analysis of its major areas for improvement together with detailed suggestions and recommendations.

As a general observation from the visits, a high level of staff commitment to delivering quality customer services in all PES was apparent, despite unfavourable caseloads in many cases. The PES visited were continually looking for ways to improve services, open to change and actively pursued potential solutions and innovations. Regarding the seven performance areas, the following trends can be summarized:

With respect to **strategic performance management**, a gradual shift from centralised to decentralised PES management models was observed. Changing performance management approaches to emphasise output and results orientation was identified as essential in allowing PES to fully exploit their own potential and ensure accountability.

Regarding the **design of operational processes**, there was plenty of evidence of enhanced process building around customer needs and expectations. However, some PES lacked basic requirements necessary for the successful design of operational processes.

In the area of **sustainable activation and management of transitions**, a shift towards client self-sufficiency in the activation and job-seeking processes has been observed through PES offering multiple tools and service channels designed to help customers help and activate themselves. However, the scope for maximising creative multi-channelling of existing ICT resources to assist, *inter alia*, a holistic activation process was not fully utilised in some PES.

Relations with employers are receiving more attention and resources. Specific formalised strategic approaches towards employers were mentioned in many PES policy documents. However, in a number of PES, strategies for engaging with employers were missing or underdeveloped.

The **evidence-based design and implementation of PES services** was an area where strong evidence was available in only a few PES. In a small number of PES, the strong evidence base was clearly visible as the backbone of the whole employment system. But many PES could have made much more use of their rich databases and powerful IT systems.

With respect to the **management of partnerships and stakeholders**, it became apparent that external stakeholders were often recognised as valuable partners for service delivery and that the whole area of partnership building was very well developed in many PES. In a few where partnerships needed to be enhanced and further developed.

Regarding the **allocation of PES resources**, there were some significant rigidities in the management and allocation of staff resources within PES. However, many PES managed to maintain staff morale high and a significant commitment to quality customer service remained in place. In relation to the allocation of budgetary resources, an opportunity to re-examine the approach to local budgetary flexibility has been identified.

After all site visits had been completed and the externally validated scores for PES performance enablers had been collected, quantitative indicators from qualitative benchmarking were generated. They serve as essential input for the empirical identification of **'true performance enablers'**, i.e. for the final step of a combined quantitative-qualitative analysis (see also next section).

Quantitative indicators were generated for each potential performance enabler, designed to reflect the proximity of each PES to the theoretically defined excellence level. This proximity can also be considered the 'maturity' of the organisation with respect to a given benchmark. The following aggregation rule was used for the construction of quantitative indicators for each potential performance enabler:

- A **mature** organisation with respect to the potential performance enabler X is achieved if all four self-scores in the PDCA cycle are 5 or higher.
- A **well-developed** organisation with respect to the potential performance enabler X is achieved if at least three of the four self-scores are 4 or higher.

Table 1: Summary of maturity indicators

PES	SECTION A	SECTION B	SECTION C	SECTION D	SECTION E	SECTION F	SECTION G	OVERALL
Austria	mature	well-developed	developing	well-developed	developing	mature	mature	mature
Bulgaria	developing	developable	developable	developing	developable	developable	well-developed	developable
Croatia	developing	developing	developing	developing	developing	developing	developing	developing
Cyprus	developable	developable	developable	developable	developable	developable	developable	developable
Czech Republic	developable	developing	developing	developing	developable	developing	developing	developing
Denmark	well-developed	well-developed	well-developed	developing	well-developed	well-developed	well-developed	well-developed
Estonia	mature	well-developed	well-developed	well-developed	well-developed	well-developed	well-developed	mature
Finland	developing	well-developed	developing	well-developed	developing	developing	developing	developing
France	well-developed	developing	well-developed	well-developed	mature	mature	developing	well-developed
Germany	well-developed	developing	well-developed	well-developed	well-developed	well-developed	mature	well-developed
Greece	developable	developable	developable	developable	developable	developable	developable	developable
Hungary	developing	developable	developable	developing	developable	developable	developable	developable
Iceland	developable	developable	developing	developing	developing	well-developed	developing	developable
Ireland	developing	developing	developing	developing	developing	developing	developing	developing
Latvia	developable	developing	developing	developing	developing	developable	developing	developing
Lithuania	developing	developing	developable	well-developed	developable	developable	developable	developable
Luxembourg	developable	developable	developable	developing	developable	developable	developable	developable
Malta	developing	developing	developing	developable	developable	well-developed	developing	developing
Netherlands	well-developed	well-developed	developing	developing	well-developed	well-developed	developing	well-developed
Norway	developing	developing	developing	developing	developing	developable	developing	developing
Poland	developable	developing	developing	developing	developable	developing	developable	developable
Portugal	developing	developable	developing	developing	developable	developable	developable	developable
Romania	developable	developable	developable	developable	developable	developable	developing	developable
Slovakia	developable	developing	developable	developable	developable	developable	developing	developable
Slovenia	developing	well-developed	developing	well-developed	developing	developing	developing	developing
Spain	developing	developable	developable	developable	developable	developable	developing	developable
Sweden	well-developed	developing	well-developed	well-developed	developing	developing	well-developed	well-developed
UK	well-developed	well-developed	developing	developing	well-developed	developable	developing	developing
VDAB	well-developed	mature	well-developed	well-developed	well-developed	well-developed	well-developed	mature

- A **developing** organisation with respect to the potential performance enabler X is achieved if at least three of the four self-scores are 3 or higher.
- In all other cases, the maturity of the organisation is considered developable.

The results of this exercise are summarised in **Table 1**, which provides an overview of maturity indicators by enabler section and PES²⁹.

Most importantly, this table illustrates the potential for organisational improvements in every PES and the organisations that can serve as a reference point to assist. The table indicates that **in each and every section there is more than one PES that can be considered mature or well-developed**,

and those PES differ in their 'business models' as well as their institutional contexts. Hence, there is more than one opportunity to study the approaches of peer PES for organisational development. Overall, the PES of Austria, Estonia and the Flanders region of Belgium (VDAB) are considered mature. The PES of Denmark, France, Germany, the Netherlands and Sweden are classified as well-developed.



²⁹ Maturity indicators are, of course, also available for all 29 performance enablers.

4. Combined Quantitative-Qualitative Analyses

The empirical analysis identified statistically significant associations between performance outcomes and maturity indicators while controlling for a small set of important context factors. These associations cannot be interpreted as causal relationships. Instead, they provide empirically supported plausible conclusions on the potential impact of a change in specific performance enablers on improved PES performance. Due to the limited number of observations, the results need to be interpreted with care.

Several enablers for which such an association were found, the so-called 'promising' enablers, serve as an essential input for the 2nd cycle of Benchlearning. Four of them are shown here as an example:

- 'Translation of targets into (key) performance indicators and measurement', which exhibits a significant association with higher transitions into the primary labour market
- 'Individual action plan and ALMP measures', which exhibits a positive significant association with transitions into the primary labour market, fast transitions and outflows of low-skilled as well as young jobseekers
- 'Matching vacancies and jobseekers', which displays a systematic relationship with higher transitions into the primary labour market, a higher share of fast transitions and higher outflows of low-skilled jobseekers
- 'Ex ante and ex post evaluation', which is systematically related to higher transitions into the primary labour market, a higher share of fast transitions as well as higher outflows of low-skilled as well as young jobseekers

Notwithstanding the findings relating to 'promising enablers' all existing 29 performance enablers will continue to be used for the next cycle of visits in order to allow for development of a consistent time series, additional enablers for the new Section H on Change will also be introduced. The balance of mature or well-developed enablers varies between PES. However, examples of mature and well-developed systems can be found in PES operating with different 'business models' and in various institutional contexts. Hence, there are various good solutions that can be studied in many different organisations.

Finally, the **combined quantitative-qualitative analyses provide empirical evidence that overall more mature organisations exhibit better performance results**. This holds especially true for unsubsidised transitions into the primary labour market and the outflows of low-skilled jobseekers. For these two performance outcomes a statistically significant positive relationship with overall mature or well-developed PES can be observed.

5. Outlook – the Second Cycle

Benchlearning is by its very nature a ongoing process. Its ultimate aim is to support each PES in improving its performance. To achieve this objective, it is essential that the second cycle of BL seamlessly follows and builds upon the achievements of the first cycle by accompanying and supporting PES in their organisational development, i.e. change, and, thereby, their future modernisation.

This objective translates into two targets for the second cycle of BL:

- **Measuring change** and thereby broadening the empirical basis for context-free performance comparisons across PES and the establishment of 'causal' links between performance enablers and performance results.
- **Supporting change** by providing feedback to PES regarding their organisational development projects.

PES will profit from the second cycle of BL by receiving detailed and tailor-made feedback from informed external assessors on their change efforts to date. This feedback will again be a 'helping hand' to illustrate to PES the strengths of their organisational development while also highlighting those areas for which improvements could further enhance the results and the impact of these. Participating PES can further expect to receive practical suggestions on how to proceed in addition to information on peer PES with comparable organisational development objectives. This information will also be used to develop topics for mutual learning events and/or for bilateral exchanges on common challenges and potential solutions to them.

The two targets for the second cycle mentioned require the following:

- **Continued measurement** to assess change and provide feedback in terms of performance results as well as performance enablers.
- **Refined measurement** and further development and adaptation of the measurement framework to ensure that PES profit from the project.
- **Focusing on change** including incremental as well as fundamental changes, i.e. developments regarding 'promising' enablers and the change agenda as such.
- **Preserving the 'structured and systematic reflections' element constituent to the assessment of performance enablers** also during the next cycle.

In order to continue refined measurement approaches to identify and assess changes over time within each PES, it is first necessary to extend the information base for the current set of performance enablers. This implies repeating the self-assessment/external assessment exercise in a modified way. Thus, only the 'promising' enablers (see **Section 3**) will be used, and the assessment exercise will focus on changes since the last site visit. This involves an update of the most important enablers.

Furthermore, the change agenda of all PES will be assessed in order to support them in implementation. To this end, a new enabler section will be introduced – Section H: Identification and implementation of a reform agenda. The updated and extended (by Section H) self-assessment together with the 'Benchlearning Report – National PES Change Agenda' will then serve as an essential information base for external assessors to prepare for the 3-day site visits of the 2nd cycle. After the visit, each PES will again receive a feedback report with a detailed assessment of all changes since the first visit as well as practical suggestions for further improvements.

Annex 2 – Reports from PES Follow up on Benchlearning Activities

Austria

The PES has undergone the Benchlearning external assessment in June 2015. Along with the 'State Award Company Quality 2015' it has been summarized, discussed with the Board and all Regional managers, prioritized and incorporated in the Quality Program 2013-2018. The results have been useful and valuable. All hierarchical levels (Board, Regional Directors, Process-owner, EFQM-core team), are involved in the planning and implementation of the prioritized projects.

Based on the recommendations the PES will focus on innovation both in terms of content (processes review, risk management with focus on product risk and process risk, knowledge management) and technical terms (improvement/expansion of the IT-systems).

Belgium – VDAB

The PES has undergone the Benchlearning external assessment in July 2015. The report has been shared with the Minister, Board and press. As well as with all VDAB personnel to thank them explicitly for their contributions and to share with them how VDAB is perceived by 'outsiders'.

The report has been consolidated with other internal and external evaluations; which has provided a clear view of strong points and areas for improvement. Consolidating the reports has also helped choose, which recommendations to focus on for the integrated improvement plan. This plan entails clear responsibilities, timing and follow-up steps.

Belgium – Le Forem

The PES was not involved in the study visits in the first benchlearning cycle, although it contributed to data collection and other benchlearning activities. However, it will catch up by end 2018.

Belgium – ACTIRIS

The PES was not involved in the study visits in the first benchlearning cycle, although it contributed to data collection and other benchlearning activities. However, it will catch up by end 2018.

Bulgaria

The PES has undergone the Benchlearning external assessment in August 2015. Based on the results the PES has:

- Developed a Strategy for modernising EA, an Implementation Plan and an updated road-map. The documents are approved, and implementation started in July 2016. The new approach is introduced by implementing the principle of results-based management processes including additional indicators of outcome.
- Approved an Action Plan for improving the quality of mediation services for job seekers and employers through the diversification of communication channels. In this framework mobile teams in Sofia and Plovdiv have been established in order to provide comprehensive services to key employers.
- Implemented a project on improving the administrative capacity of the Employment Agency, co-financed by the ESF.

Croatia

The PES has undergone the Benchlearning external assessment in September 2015. Emphasis has been put on recommendations in the PES' direct jurisdiction. Based on the results the PES has:

- Improved online ICT interface with the clients. Besides other new services, the portal supports direct communication between a job-seeker and a counsellor.
- Improved quality standards in mediation. Specialisation of counsellors is almost fully carried out and is in line with the jobseekers segmentation.

Cyprus

The PES has undergone the Benchlearning external assessment in February 2016. Based on the results the PES has focused on the following areas:

- Development of a new online platform for jobseekers is under consideration for facilitating the online communication between employers and jobseekers without the PES officers' intervention.
- The enactment of a new employment scheme is going to be announced in October 2016, which provides for subsidies to private employment agencies for every placement of GMI recipients achieved in employment. On the basis of the monitoring system put in place every PREA which will participate in the scheme will submit monthly reports for evaluation purposes. This is the first time that the PES is implementing a project in partnership with the PREAs.
- The PES has strengthened its cooperation with the GMI (Guarantee Minimum Income) Service with the purpose to exchange information more frequently and coordinate efforts to increase the integration of GMI recipients (e.g. long term unemployed) into the labour market.
- PES Employment Counsellors participated in a 3 day interactive Training program that focused on effectively addressing the needs of jobseekers from vulnerable groups.

Czech Republic

The PES has undergone the Benchlearning external assessment in October 2015. Based on the results the PES has:

- Established a more effective cooperation between headquarters (DG), regional and local Labour Offices (e.g. frequent meetings and videoconferences), a bottom-up/top-down performance dialogue, close cooperation between different departments of Labour Offices especially in decision-making processes (e.g. approval of benefits, allowances, subsidies and ALMP measures), as well as a strengthening of the management processes to increase accountability upwards and a systematic training of PES staff.

- Standardized client services and provided an efficient allocation of PES budget by negotiation among DG, regions and locals.
- Actively cooperated with all relevant partners in the labour market.

Denmark

The PES has undergone the Benchlearning external assessment in November 2015. Having a qualified team of assessors look into the Danish employment system has been a positive experience. The Benchlearning project also gave the DG the opportunity to join two assessor teams, which were unique learning experiences and made it possible to see the Danish system from new perspectives as well.

The PES has not received any recommendations but rather some suggestions, which are in the process of being worked into the evaluation report. The PES would however like to highlight the introduction of a new national benchmarking concept, which is useful for sharing knowledge and comparing results and performances among the municipalities.

Estonia

The PES has undergone the Benchlearning external assessment in April 2016. The report has been presented within the organisation, in the Supervisory Board and Audit Committee. Based on the results and the proposals by the Supervisory Board and Audit Committee, the PES will focus on the following areas for further improvement in the upcoming year:

- Improvement of automatic IT-based profiling and matching tool that would enable a broader search facility which also identifies potential job opportunities for jobseekers that are not 100% match according to work experiences, educational background and language skills which also identifies potential opportunities for PES staff, jobseekers and employers that are not an ideal match.
- Further development of an employers' strategy to strengthen employers' services as a core business.
- The development of quality surveys of active labour market measures to ensure high-quality and effective service and extend the performance-based pay approach.

Finland

The PES has undergone the Benchlearning external assessment in February 2016. Based on the results and recommendations the PES will focus on the following areas:

- Performance management. The follow-up work has started, as the Ministry of Economic Affairs and Employment is currently purchasing an analysis and indicator model based especially on the effectiveness of matching.
- Closer integration of the individual and enterprise customers. This will be one of main elements in the preparation of the growth services as part of the regional administration reform.
- The operational level. The recently established Development and Administrative Centre of the ELY Centres and TE Offices will be in charge of the development process.

The main challenge for the implementation of the change agenda is, however, the forthcoming administration reform according to which the activities of the PES will cease to exist by the end of 2018 and the current employment and business services will be gathered into the new growth services provided by the autonomous regions from the beginning of 2019.

France

The PES underwent the Benchlearning external Assessment in mid-April 2015 and received the external report in June 2015. Results were shared in July 2015 with the Board and through internal and external communication processes.

The Benchlearning project contributed to confirming the value of the 'Pôle emploi 2020' modernisation Agenda, and helped to identify and discuss clearly strengths and weaknesses.

In fall 2016, the Change Report underlined the close link between Recommendations and Potential Improvements identified by peer external assessors and some of current programme implemented during the year in Pôle emploi. For example, a clear connection appeared for projects and programmes, such as: piloting by results, transparency and supporting local agencies to manage performance; deepening the Digital Strategy, mixed approach for delivering a range of services between physical and digital channels, and current Big data projects; target for the

organisation of local agencies, for improving better results of personalisation and staff specialisation; implementation of a specific programme for recruitment and matching by competences.

Pôle emploi also valued being involved in Mutual learning activities over this period, including the seminar on Change Management, which provided support to Pôle emploi's transformation.

Germany

The PES has undergone the Benchlearning external assessment in May 2016. The assessment helped to reflect upon strengths and weaknesses by involving all levels of the organization. Overall, the external view of experts on strengths and areas of improvement is highly appreciated.

The PES has evaluated and is currently discussing the received recommendations internally as well as with stakeholders in order to plan in which way each recommendation can be implemented. The informal exchange with high performing peer PES has already started in order to further develop on identified improvement areas (e.g. with Austrian PES concerning the quality management). The PES actively participates in Mutual Learning Events, e.g. regarding performance management and change management.

Greece

To be added following the completion of the Benchlearning report.

Hungary

The PES has undergone the Benchlearning external assessment in October 2015. The PES plans to publish it within the whole organisation and among other ministries which are involved in the governance of the PES. A Benchlearning Working Group (BLWG) has been created including representatives of PES county units and the ministries involved. The task of this BLWG is to make comments on the report and to create an action plan (AP) on the basis of it.

As of July 2016 the AP has been compiled and submitted to the Head of PES for approval of the content and action schedule.

Iceland

The PES has undergone the Benchlearning external assessment in June 2016. The results have been presented to and discussed with all members of the senior management. The results were also presented to the employees in September 2016 at a 1-day seminar dedicated to organisational improvements.

The ideas of the employees have been collected regarding e.g. improvements in the fields of strategic planning and methods for setting targets and indicators for 2017, operational processes and quality, opportunities regarding further digitalization, services and relations with employer and how to transfer research and evaluation results into practical action.

Further work with the results together with findings from the self-assessment and the recommendations will take place in action teams supported by a steering group using the PDCA cycle to manage the improvements.

Ireland

The PES has undergone the Benchlearning external assessment in October 2015. Based on the results as well as areas previously identified, the PES has:

- Undertaken an extensive evaluation programme, as provided for in the Government's Pathways to Work (PTW) 2016-2020 strategy which commits to 'use evidence to inform the development, implementation, and reform of activation services and programmes. The Department has also commissioned the Economic and Social Research Institute to undertake a robust external econometric evaluation to assess the performance of the Intreo processes model to determine its continued effectiveness and relevance.
- Initiated a large scale Jobseeker Customer Satisfaction Survey in 2015 under the PTW Evaluation Programme that will be repeated annually with the 2016 Survey expanding to include JobPath clients.
- Created the One DSP Values Recognition Awards Programme designed to recognise significant contributions and behaviours by staff members who have demonstrated a high level of performance and achievement in the workplace and where, in the course of their

work, they have demonstrated DSP's core values: public service, customer focus, total professionalism, engaged staff and innovation.

- Increased the frequency of engagement with Jobseekers across all cohorts and age groups with particular emphasis on the under and over 25 year olds who are long term unemployed who meet with a Case Officer on a monthly basis. All Short term unemployed under 25 also engage monthly with a Case officer.

Italy

The PES has undergone the Benchlearning external assessment in July 2015. The results have been taken into account in the final version of the legislative decree (150/2015) on the significant reform of the employment services and of the institution of the national employment agency (ANPAL).

Furthermore the PES is working on:

- A ministerial decree (based on 150/2015) which defines actions on a three years basis and objectives on an annual basis of active labour market policies and of essential service levels. The philosophy is the 'performance based management' and 'MBO – management by objectives'.
- A central database for the national recording of all data related to active labour market policies and transition to employment/unemployment with the provision of technical standards, shared with regions.
- A profiling methodology for all target groups available at the moment of the registration to the national website for employment, managed by ANPAL.
- An activation measure called 'replacement check' targeted at receivers of unemployment benefit for a period longer than 4 months, which involves both PES and PrES and provides for a result-based remuneration.
- An employer strategy based on the experience of the employers' day at the national level, when ANPAL and the national network of the services for the labour market polices have been formalized (the beginning of 2017).
- More and stronger coordination of local PES in order to promote exchange of views and experiences under the coordination of ANPAL.
- Strengthening of the conditionality system (provided in 150/2015) to get effective sanctions related to payment of unemployment benefits.

- A plan that involves regions and provides for a quantitative and qualitative strengthening of the PES.

Latvia

The PES has undergone the Benchlearning external assessment in November 2015. The Benchlearning gave strong impact to the development of the PES, who has:

- Created a plan for implementing the recommendations, which is regularly monitored and also includes relevant recommendations in the SEA annual work plan for 2016. Recommendations that require an implementation period of more than a year, SEA will take into account developing their Strategy 2017-2019.
- Developed and adopted the Strategy for Collaboration with Employers for 2017-2019.
- Facilitated discussions about long term unemployment at events organized by ENPES, which have positively influenced the longer working life developments in Latvia.
- Participated in the elaboration of the Active Aging strategy in Latvia adopted in September 2016. In 2016 the PES will start working on the ESF founded project elaboration for longer working life and decent aging of the society in Latvia (aimed at people over the age of 50 years).

Lithuania

The PES has undergone the Benchlearning external assessment in October 2015. Based on the results the PES is in the process of:

- Developing towards a more process-oriented management. On the 1st September 2016 a new PDCA-cycle based organizational structure was introduced at the central office. A new quality management and control division was established for the implementation of a quality management system. The next step is the introduction of a processoriented structural changes in all 10 territorial offices. The organization's vision, mission, objectives and values were reviewed and discussed at the central and local management level. Internal communication has been reinforced.
- Implementing the project 'Operational efficiency improvement and development of

innovative services of the Lithuanian Labour Exchange and its territorial offices' in 2016-2017. The planned activities include implementation of ISO 9001:2015 quality management system, further staff training, improvement of IT-system, introduction of competence-based matching, development and implementation a jobseeker's employment opportunities evaluation system, which would include statistical profiling tool and general competences evaluation tool.

Luxembourg

The PES has undergone the Benchlearning external assessment in May 2016. Based on the results the PES has:

- Continued the implementation of its reform that according to its advisory board and the external assessment leads in the right direction.
- Significantly increased the funding as well as the number of employees allowing for the allocation of a larger share of the staff to direct customer services.
- Strengthened focus on fostering a relationship with employers. A general agreement was signed with the Luxembourg Employers' Association setting common goals for the employment of registered jobseekers.
- Begun developing a coherent strategy paper including a flexible roadmap showing the next stages and objectives of the reform process.

Malta

The PES has undergone the Benchlearning external assessment in February 2016. Based on the results the PES has:

- Broken the strategic targets displayed in the Strategic Plan 2016-2018 into operational targets. All units within Jobsplus are aware of the targets that they need to reach. Performance is being monitored on a monthly basis and employees are being informed by their managers of the results obtained.
- Broken down the expected work effort into inputs, outputs and outcomes. The purpose is to alert managers that the ultimate aim is to produce suitable outcomes and not be obsessed with inputs.

- Begun improving the interaction between employment advisers and clients by starting new processes from 3rd October 2016, which are more personalized and client-friendly. Each employment adviser will be meeting the clients in his/her caseload once every two weeks.
- Established an employers' relations unit for reaching out to employers. The unit has been tasked with contacting employers who never or rarely used the PES services in order to promote these, discover their needs and provide the information to the operational divisions of the PES. The new online job matching system is also promoted.
- Begun revising the standard operating procedures to ensure that no client gets lost in the system.

Netherlands

The Dutch PES has undergone the Benchlearning external assessment in May 2016. The results have been shared internally and a communication plan for external stakeholders has been developed. The managing directors have compiled a change agenda that is partly based on the results of the assessment.

Managers in charge have been appointed for organising changes within their area of responsibility. Progress will be monitored and reported to the managing directors. The EFQM model will be incorporated into the quality management system.

Norway

The PES has undergone the Benchlearning external assessment in June 2016. The results have been discussed by the PES' Benchlearning coordinating group with regard to e.g. sharing the report and further follow-up actions. The top management group will go through the results at the head office during October/November 2016.

Mr Ralf Holtzwardt has been invited to Oslo to present the results at the next meeting between the management of the Directorate and the regional Directors. The management group (about 40 Directors and top management of the Directorate) will discuss the results, further prioritise areas of improvement and point out possible follow-up actions on a national/regional/local level in November 2016.

Poland

The PES has undergone the Benchlearning external assessment in May 2016. The PES has not undertaken any activities in order to implement the results, due to the very general character of the recommendations that indicate the direction of changes without pointing to specific implementation activities.

The BL recommendations are being analysed with regard to the legitimacy of introducing the changes that should be agreed by the PES. The financial abilities are being taken into account as well as the location of the PES in the decentralised system. The recommendations may be also taken into account during the future labour market reform in Poland.

Portugal

The PES has undergone the Benchlearning external assessment in September 2015. The process has been extremely relevant for identifying strengths and weaknesses. The new PES management is fully committed to this process and to take into consideration some of the main results in the near future.

The PES is currently gathering information to prepare the Benchlearning Report on the PES reforms, as some changes are being planned or already started. One of the changes being implemented (in relation to the recommendations of 'sustainable activation') is an amendment to the legal system of unemployment benefits that will allow for the counsellor to assess the jobseeker and reach an agreement on the personal employment plan in a second interview or group session to be held within 15 days after the registration interview.

Romania

The PES has undergone the Benchlearning external assessment in March 2016. Based on the results the PES has:

- Introduced a profiling procedure in June 2016 that classifies jobseekers into 4 groups following the assessment of their employability level.
- Improved the coordination between the national and the EU funds allocated for active labour market policies in Romania. The legislation was recently amended in order to increase the amounts allocated for several active

measures to make them more attractive (for example, labour mobility) and create the possibility to finance these measures both from the Unemployment Insurance budget and the European Social Fund.

Slovakia

The PES has undergone the Benchlearning external assessment in June 2015. Benchlearning was a useful exercise that made a real impact on several aspects of the PES. Debates between the Benchlearning experts and the senior managers broadened the managers' views and their ability to think out of the box when looking at the PES.

The PES received comprehensive and well-structured recommendations, of which some have been adopted (workflow rescheduling, HR development and further digitalization of the employment services), some will be implemented over the time and others will not be followed due to the different philosophy and policy frame of the service provision.

Slovenia

The PES has undergone the Benchlearning external assessment in September 2015. The recommendations have been adopted by the managers and the implementation activities have been elaborated as an Annex to the 2016 Business Plan. The follow up shows that a progress has already been achieved in the domain of all recommendations.

Within the management system, the work is progressing on more efficient target-setting and HRM motivation models, along with development of new internal BM and risk management approaches.

In the area of more evidence-based monitoring and evaluating, a pilot project for new service provision for unemployed is about to start and a co-operation agreement with the university is signed.

New e-services for employers related to more efficient work in ALMP implementation are in a testing phase as well as e-services for feedback on the job-mediation outcomes. In the area of modernising mediation services, an ESF co-financed project has been launched. One of its main objectives is to increase matching efficiency by introducing competence model. On the basis of internal regulation on criteria for evaluating and signing

cooperation documents with partners, new agreements with employers and other partners were concluded.

Spain

The PES has undergone the Benchlearning external assessment in July 2016. Since the final assessment was received in September 2016 the PES has yet to respond to the results.

The PES would however like to highlight the approval of the technical document on the protocols of the Common Services Portfolio of the National Employment System. The protocols ensure that the users of the PES have access to benefits included in each of the four services: career guidance, placement and business advisory, training and qualification for employment and self-employment and entrepreneurship counselling. The protocols will help workers find a suitable employment to their characteristics and employers hire workers appropriate to their needs.

The participation of the Autonomous Communities in the whole process has been key to develop a technical document on protocols, based on the different territorial realities, to ensure a minimum throughout the national territory. General legislation and protocol-specific regulations are being developed currently.

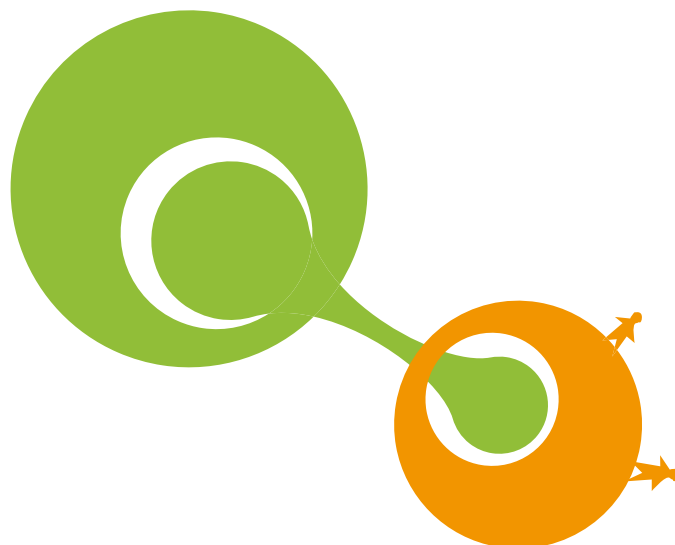
Sweden

The PES underwent the Benchlearning external assessment at the end of April and received the assessment report at the end of June 2016. The report has been published on the external website, together with a summary of the report in Swedish and a press release, highlighting the attention in the report to our current reform process. It has also been communicated to the Board, the Ministry for Employment and the Council of Social Partners.

The PES is currently in the process of renewing the recommendations and the Management Group will decide later this year how to proceed with them.

United Kingdom

The PES participated in the Benchlearning external assessment in July 2016. We welcome the insight of the external assessors and we will be considering the recommendations in the report, taking account of the UK position and many of the positive findings from the assessment.



Annex 3 – Mutual Learning Events and Evaluation

Mutual Learning Events

Overall, **397** people participated in Mutual Learning events during 2016, of whom **288** were PES Representatives. The ML activities supported PES leaders, managers and practitioners by:

- Delivering **9** learning events:
 - » **3** Thematic Review Workshops, each with a follow-up visit on: 'Measuring Customer Satisfaction with PES', 'Performance Management' and 'Modernising PES Through Supportive Data and IT Strategies'.³⁰
 - » **2** PES Network Seminars on 'Change Management in PES'.
 - » **2** PES Network Conferences, the first focusing on the implementation of the Youth Guarantee and the second addressing the Long-term Unemployment initiative.
 - » **2** Mutual Assistance Projects to the Romanian and Bulgarian PES.
- Publishing **45** learning resources:
 - » **5** Analytical Papers on 'Performance management', 'Measuring Customer Satisfaction with PES', 'Process Efficiency Techniques', the 'PES Conductor Role' and 'Disability and labour market integration'.
 - » **3** Practitioner's Toolkits on 'Measuring Customer Satisfaction with PES', 'Performance Management' and 'Sustainable Activation of NEETs'.
 - » **37** PES practice fiches.
- Enhancing the web presence of the PES Network:
 - » Launch of the PES Knowledge Centre to disseminate the key outputs and learning resources of the Network.
 - » Launch of the PES Practice Repository, as a searchable directory of PES practice fiches.

Evaluation

Evaluation surveys continuously informed the development of the ML activities and helped to

observe their benefits and impact for PES. Surveys show that:

- **97%** of participants disseminated what they had learned, both within their PES organisations and among stakeholders.
- **81%** of participants considered that the event they attended 'often' or 'entirely' gave them an opportunity to exchange information and experience.
- **74%** of participants said that the event 'often' or 'entirely' gave them the opportunity to identify good practices.
- **78%** of participants assessed that the event 'often' or 'entirely' encouraged them to network and identify further opportunities for mutual learning and policy influence.

There were positive signs that PES were not only sharing and identifying good practices, but also actively following-up on their participation in learning events. Some notable examples:

- On Customer Satisfaction Measurement: One PES decided to establish a customer satisfaction measurement system. Another submitted an internal proposal to renew the system of customer satisfaction surveying. In a third PES, outputs were used to refine the PES' measurement methodology. Finally, a PES initiated an exchange with two other PES at the workshop.
- On Implementation of the Youth Guarantee: One PES organised an activity with staff who work with young people to discuss the topics covered by the PES Network Conference. Another PES designed a guidance tool for jobseekers and prepared the training programme for job counsellors. In another PES, a report with practical recommendations implementing the Youth Guarantee was going to be discussed in the responsible national committee.
- On Performance Management: Two PES established contact with other PES to exchange experiences and national approaches to performance management on a peer-to-peer basis. One PES mentioned that the potential of linking the results of the Thematic Review Workshop with the Benchlearning visit was being examined.

³⁰ The Follow-up Visit on 'Strategic Data and IT' will take place in November 2016.

Finally, the evaluation of the follow-up visits on ‘Measuring Customer Satisfaction with PES’ and ‘Performance Management’ shows positive effects from attending a *sequence* of activities (Thematic Review Workshop and Follow-up Visit). Notably:

Good dissemination of the learning in PES and use of the tools and materials provided:

- **2** PES held internal workshops to train staff working with performance management and customer satisfaction measurement, involving senior management.
- **1** PES held a meeting to raise awareness of the importance of developing performance management systems, involving a PES senior manager.
- **3** PES stressed that the learning materials made available by the Mutual Learning Team had been useful and directly supported their day-to-day work.
- **5** PES referred to the ‘Learning Plan’ concept as a helpful tool to reflect on the topics and contribute to action-planning. The plans provided them with a framework to define specific actions that could progress implementation of new systems.

Positive country-specific learning outcomes:

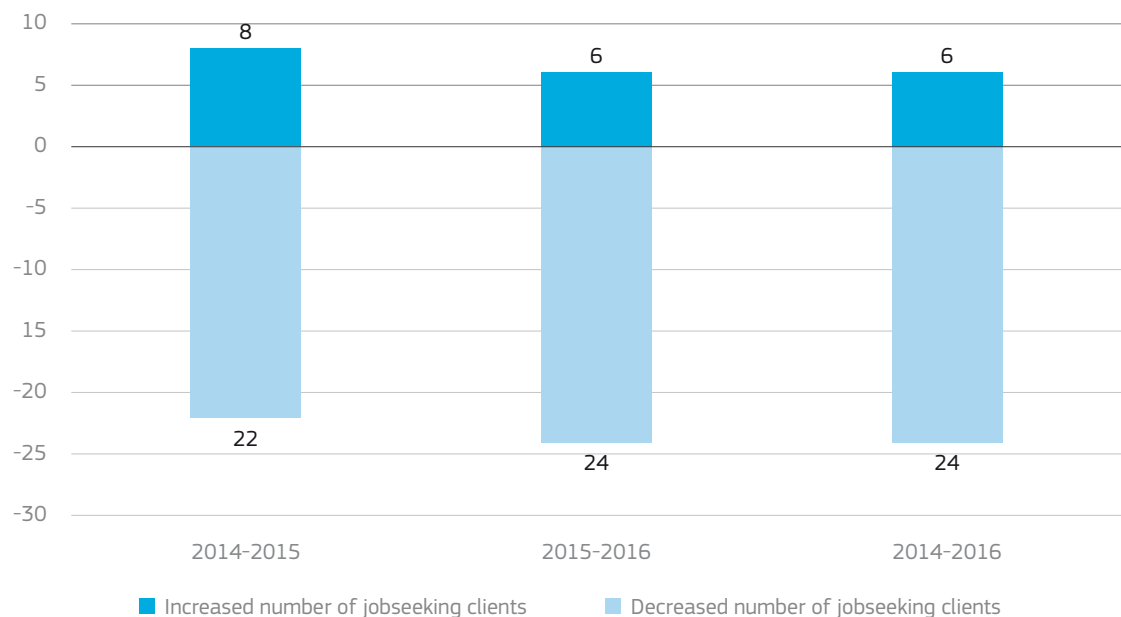
- Insights provided a PES with examples to encourage their regional PES to develop a common and coherent customer satisfaction measurement system.
- For other PES, insights on performance management were i) integrated in their strategic planning; ii) inspirational in introducing a new incentives scheme or reviewing how local and central PES can better work together to achieve common targets; or iii) used to deepen their knowledge of useful methodologies and dissemination of results internally and externally.

Positive overall organisational outcomes, in particular from follow-up Visits, were:

- The promotion of an internal debate on the subjects in question, inspired by new ideas offered to teams or departments within the organisation.
- Direct support to PES in reviewing and improving their systems by learning from the experiences of other mature PES, including an increased emphasis on continuous improvement.

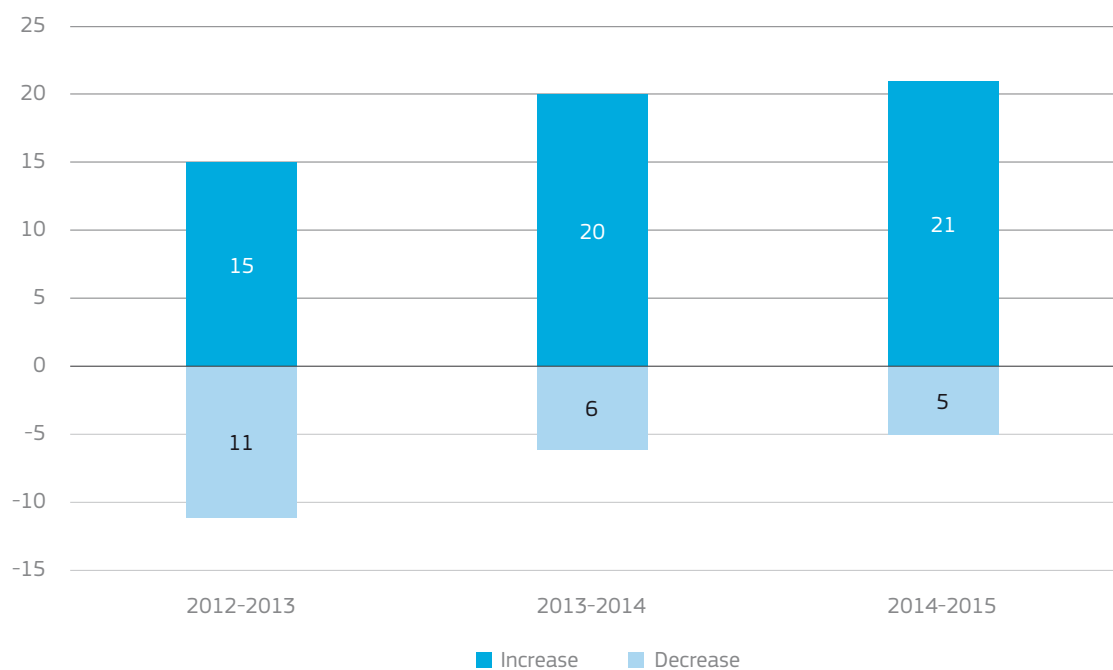
Annex 4 – PES Capacity Questionnaire Figures

Figure 1: Number of PES experiencing an increase/decrease in the number of job-seeking clients, 2014-2016



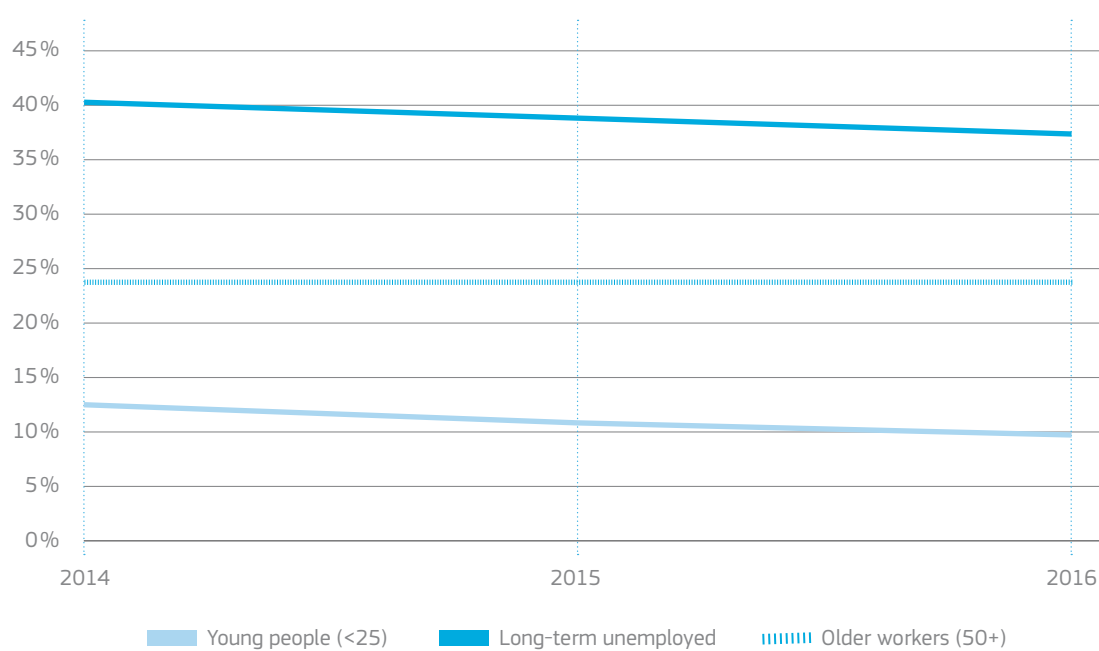
Source: Answers to 2016 questionnaire.

Figure 2: Number of PES experiencing an increase/decrease in the number of vacancies notified, 2012-2015



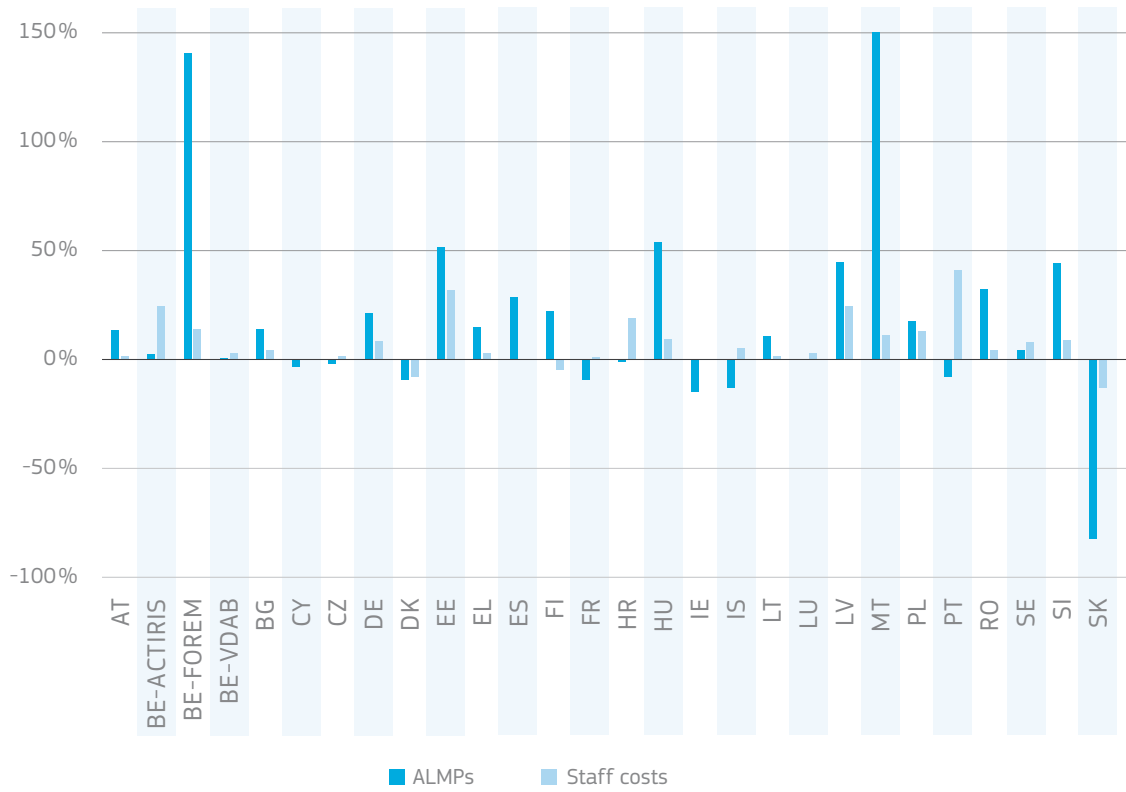
Source: Answers to 2016 questionnaire.

Figure 3: Share of specific groups in total number of job-seeking clients (%), 2014-2016



Source: Answers to 2016 questionnaire.

Figure 4: Change in expenditure on ALMPs and staff costs as share of total budget without benefit expenditure (%), 2015-2016



Source: Answers to 2016 questionnaire.

Note: No information was available for ES, IE, IT, NL, NO, and the UK.

Figure 5: PES and the deployment of dedicated counsellors for employers, young people or LTU in 2016

NONE (8)	EMPLOYERS (19)	YOUNG PEOPLE (16)	LTU (9)	NO INFO (3)
BE-VDAB, CY, FI, HU, IE, IT, PT, RO	AT, BE-Le Forem, CZ, NL, UK	NO*		DK, ES, PL
			LV	
	BE-Actiris, DE, EL, FR, LT, LU			
	BG, EE, HR, IS, MT, SE, SI, SK			

Source: Answers to 2016 questionnaire.

* For Norway the situation varies across the country as this service is organised at the regional/local level. Some use dedicated services for long term unemployed, others do not.

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