

*Thematic global evaluation of European
Commission support in the sectors of ESI
(Employment and Social Inclusion) in partner
countries (including vocational training)*

Final Report

Main Report

September 2011

Evaluation for the European Commission





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Framework contract for
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**LOT 5:
Evaluation of EC main policies and strategies in the areas of
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**Thematic global evaluation of
European Commission support in the
sectors of ESI (Employment and Social
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(including vocational training)**

**FINAL REPORT
Vol. 1**

September 2011

This evaluation was carried out by



Development
Researchers'
Network

The evaluation was managed by the Evaluation Unit of DG DEVCO.

The authors accept sole responsibility for this report, drawn up on behalf of the Commission of the European Communities. The report does not necessarily reflect the views of the Commission

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ACRONYMS

AA	Association Agreement
ACP	Africa, Caribbean and the Pacific
ALA	Financial instrument for Latin American and Asian countries
ASCC	ASEAN Socio-cultural Community
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
BS	Budget support
CLS	Core Labour Standards
COM	Communication from The Commission
CSP	Country Strategy Paper
DCI	Development Cooperation Instrument
DW	Decent Work
DWA	Decent Work Agenda
DWS	Decent Work, Social cohesion and labour market governance (macro-sector)
DWSO	Decent Work Strategic Objectives
EDF	European Development Fund
E&I	Employment & Income opportunities
ESI	Employment & Labour Market
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECD	European Consensus on Development
ECIP	European Community Investment Partner
ECOSOC	United Nations Economic and Social Council
EDF	European Development Fund
EES	European Employment Strategy
EESC	European Economic and Social Committee
EIB	European Investment Bank
ELD	Employment and Labour Demand (macro-sector)
ENP	European Neighborhood Policy
ENPI	European Neighborhood and Partnership Instrument
EPA	Economic Partnership Agreement
ESI	Employment and Social Inclusion
ESM	European Social Model
EU	European Union
EUD	European Union Delegation
EU MS	European Union Member States
EUROMED	Euro-Mediterranean Partnership
FA	Financing Agreement
GDP	Gross Domestic Product

GSP	Generalized System of Preferences
IADB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFI	International Financial Institutions
IL	Intervention Logic
ILO	International Labour Organization
LAC	Latin America and the Caribbean
LG	Labour market Governance (micro-sector)
LG CLS	Labour market Governance Core Labour Standards
LG IB	Labour market Governance Institutional Building
LG SD	Labour Market Governance Social Dialogue (micro-sectoral)
LICs	Low Income Countries
LS	Labour Supply policies and measures (micro-sector)
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MED	MED Programme (EU)
MEDA Regulation	Financial Instrument for Southern Mediterranean Neighbors
MF	Microfinance / Microcredit (micro-sector)
MICs	Middle-Income Countries
MIGR	Migration
MoU	Memorandum of Understanding
MS	Member States
MSE	Medium-Sized Enterprises
NAO	National Authorizing Officer
NC	National Counterpart
NGO	Non-Government Organization
NIP	National Indicative Programme
NSA	Non-State Actors
OAD	Official Development Assistance
OAS	Organization of American States
OD	Other Donors
OECD	Organization for Economic Co-operation and Development
ONG-PVD	Organisation Non-Gouvernementale – Pays en Voie de Développement
PCA	Partnership and Cooperation Agreement
PR	Poverty Reduction (micro-sector)
PRSP	Poverty Reduction Strategy Papers
PS	Private Sector development (micro-sector)
RD	Rural Development (micro-sector)
REH	Renewable Energy House
SA	Social Assistance of vulnerable groups (micro-sector)
SAARC	South-Asian Association for Regional Cooperation
SFA	Special Framework of Assistance

SI	Social Inclusion of marginalized groups (micro-sector)
SIG	Social Inclusion Global (micro-sector)
SME	Small and Medium Enterprises
SNets	Safety Nets
SP	Social Protection
SR	Structural Reform (micro-sector)
ST	Sectoral Training (micro-sector)
SWAP	Sector-Wide Approach
TACIS	Financial instrument for the Commonwealth of Independent States
TM	TVET access for marginalized groups (micro-sector)
TP	TVET policy & system (micro-sector)
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VTS	Vocational Training and active labour demand (macro-sector)
WB	World Bank
WCSDG	World Commission on the Social Dimension of Globalization
WTO	World Trade Organization

EXECUTIVE SUMMARY

0.1 Objective and scope of the evaluation

The objective of this evaluation was to assess to what extent the European Commission sustained relevant and efficient development support at various levels of Employment and Social Inclusion (ESI) to eradicate poverty and achieve social cohesion in partner countries during the period 1999-2008.

The evaluation focused primarily on employability and social inclusion in the labour market and not on the entire framework of European Commission interventions in employment and social inclusion, and involved, therefore, such analytical tools as : i) a study of all available relevant documentation (EC development policy at global and ESI level, EC overarching regional cooperation frameworks, regional and country strategies); ii) a worldwide survey involving EC officials in over one hundred EU Delegations in third countries; iii) a survey targeting high-ranking officers in partner countries; iv) a study of a sample of twenty countries; and v) field missions to six countries (Morocco, Jordan, Ukraine, South Africa, Jamaica and Vietnam).

The findings of the evaluation were structured around the following seven areas of investigation: 1: EC-ESI policy definition and evolution – 2: Relevance to countries' specific contexts – 3: EC programming and implementation approaches – 4: Coordination, complementarity, and coherence – 5: Labour demand and employment creation – 6: Employability – 7: Decent Work. The findings were then clarified and synthesised in general and specific Conclusions linked to concrete Recommendations for potential policy improvements in future EC actions in ESI-related areas.

0.2 Methodological issues

The evaluation presents an incisive analysis of the complex EC strategy for ESI and of actual interventions in the different regions and countries. It provides an accurate picture of the different types of ESI interventions, their size and weight, and illuminating comparisons among regions and countries.

In addition, the first phase of the evaluation produced a global worldwide inventory of EC/ESI interventions; a reconstruction of the *ex-ante* Intervention Logic of EC support in ESI; a large survey to EU Delegations and national counterparts' staff in the assessment of EC/ESI programmes and their key features; and elaboration of seven Evaluation Questions (EQs). Moreover, the collected data provided a preliminary answer to the EQs and country notes for six countries.

The final synthesis phase includes final answers to the EQs and a set of Conclusions and Recommendations.

0.3 Main limitation of the evaluation

In spite of the sustained and diversified efforts by the evaluation team, EC Headquarters, EU Delegations and National Counterparts, the information available is in some ways limited. The quantity, quality and relevance of the information available are inadequate to provide a satisfactory picture of the changes promoted by the substantial and prolonged cooperation support by the EC. This prevented the evaluation team from developing a systematic and complete scenario of the positive, neutral and negative changes promoted by the EC ESI-related activities during the period under evaluation. Further fine-tuning of the results indicators, as well

as better focus on the specific results by the current monitoring and evaluation activities, would probably have made data collection more complete.

0.4 Main findings

The EC's development policy and strategy over the period gave due consideration to the importance of issues relating to Employment & Social Inclusion (ESI) regarding economic and social development, and reduction and progressive eradication of poverty.

Analysis of the data reveals that two main factors fuelled the European approach to ESI over the period considered:

- ◆ evolution of European Union internal policies, especially the Lisbon strategy (since 1997/2000), which highlights an EU approach to 'social inclusion';
- ◆ closer EU participation in the UN process, including the World Summit on Social Development (Copenhagen, 1995), the Declaration on MDGs (2000), and the Decent Work Agenda (Copenhagen + 5, 2000).

In addition, the European Consensus on Development (2005) marked a significant step forward for ESI, addressing ESI-relevant issues in two of its nine chapters, namely, 'Human Development' and 'Social Cohesion and Employment'.

The EC adopted a responsive strategy towards regional and country-specific situations with the promotion of a consistent framework of intervention between the global and regional strategies' overarching objectives and regional and country cooperation strategies.

EC support over the period considered accounted for third country needs and priorities in relation to ESI-related issues and was accordingly aligned with nationally-owned development strategies. Furthermore, the development progress of each targeted country, and in particular their levels of income as well as their socio-economic development process and related policy changes, was reflected in EC-related support approaches and financial commit-

ments. In some countries ESI-related support has become very important and is being implemented through specific programmes, while in others it remains no more than an implicit concern.

However, the frequent absence of detailed labour market analysis for support to economic growth and promotion of the private sector reveals that ESI-related support is often relatively weak or merely applies an indirect focus on employment creation in the majority of its interventions. Nonetheless, its overall effect is positive for employment generation for new labour market entrants.

TVET support is in accordance with EC policy orientations which encourage interventions in a coherent and holistic sector approach to education, and which link TVET to labour market needs. Indeed, a gradual change can be noticed in favour of interventions framed to support education generally, while specific, non-strategy related projects and programmes are decreasing.

EC internal policies paved the way for EC policy orientations and measures to support Decent Work conditions in partner countries, and provided a framework for action in favour of employment, equal opportunities and social cohesion prior to the adoption of the Decent Work Agenda in 2006 and its appearance, as such, in EC external cooperation.

Nevertheless, in spite of this sound policy framework, the evaluation suggests that EC bilateral support does not focus enough on coherence with international commitments to Decent Work as a key issue in the overall cooperation dialogue, and there is no systematic approach to setting out targets to promote implementation of this type of international agreement.

0.5 Overall assessment and main Conclusions

1- Strategic priority. ESI represents a significant priority in EC development policy and actual programmes, as shown by the European Consensus on Development, the Regional and Country strategies and actual programming. The EC ESI strategy relies on: (i) an integrated approach,

combining support to growth and the private sector with support to employment generation, social inclusion and social protection, education and vocational training, human rights, etc.; and (ii) the worldwide adaptation of ESI support priorities to different regional and country contexts, particularly in the ENP area.

2- Weak mainstreaming of ESI focus in the EC main programmes and a poor sectoral or thematic approach: (i) ESI support is not adequately mainstreamed in the various components of the country and regional strategies. There is a weak focus on ESI results and ESI indicators are considered almost exclusively in the ESI specific programmes; and (ii) there is still a poor 'sectoral' approach in ESI, with few exceptions, mainly in the ENP area. There have been few attempts to address ESI themes as a comprehensive issue requiring inter-connected and complementary interventions, with strong government coordination, participation by the social partners, and joint harmonized action with other donors. Such weaknesses also limit the use of budget support and other flexible and policy-sensitive aid modalities.

3- Know-how. The EC needs to further develop specific expertise, guidelines for planning, monitoring and evaluation, and strengthened collaboration with EU and non-EU specialised bodies for ESI support.

ON POLICY & STRATEGY. EC development policy and strategy over the period has accorded Employment & Social Inclusion-related issues high priority to achieve sustainable economic and social development and reduce or eradicate poverty, although such concerns are not yet adequately reflected in a stronger focus on specific results. (C1)

Conversely, an important weakness in EC strategy is that the informal economy is often overlooked. Despite its responsiveness to local contexts, the EC development strategy does not reflect adequate attention to improving access to employment and working conditions for the poor in the informal economy. (C4)

ON THE EC RESPONSE STRATEGY & IMPLEMENTATION. EC strategies are

responsive to the specific contexts, but do not show a strong comprehensive sectoral or thematic approach, although there are recent positive attempts in this direction in the ENP area. This affects coordination with other partners. (C5 & 9)

There is an objective difficulty in establishing coordination between the different counterparts in charge of ESI policies at country level. Often such counterparts have no specific capacity (or status) to ensure coordination at government level. Comprehensive sectoral/thematic (possibly multi-donor) policy support programmes using adequate financing instruments (e.g. budget support, basket funding, etc.) are not significantly used. (C6)

At the programme design level, major weakness exist in the lack of ESI-related indicators - such as job creation and levels of social protection - and specific institution-building; this hampers EC monitoring of intervention results, and impedes an accurately informed process to facilitate orientation of follow-up, review, evaluation, recommendations, and assistance with policy fine-tuning. (C7)

ON INCREASED EMPLOYMENT OPPORTUNITIES AS RESULT OF THE SUPPORT. Most EC interventions in support of trade development, macro-economic stability and growth contribute to creating new sustainable employment opportunities. However, few of these interventions focus explicitly on employment creation as their main target or support specific measures to this end. (C11)

ON IMPROVED EMPLOYABILITY AS A RESULT OF TVET. TVET and other active labour market support policies have contributed to improving employability. Their importance has been growing, although they have rarely been linked to and combined with other sub-sector interventions, with a view to a fully integrated and comprehensive sectoral or thematic approach. (C12) A more strategic approach, promoting development of a demand-responsive reform of the TVET system and the introduction of national qualification frameworks as well as a public-private dialogue, is being established. (C13)

ON EC CONTRIBUTION TO SOCIAL INCLUSION INTO THE LABOUR MARKET AND TO LABOUR MARKET GOVERNANCE. The EC has from the beginning focused positively on social cohesion of vulnerable groups and labour market governance (C14). Nevertheless, in spite of the ECs' specific value added on workers' rights, issues relating to labour market governance (such as social dialogue, labour disputes, trade unions; and the labour markets' normative framework) still have only limited weight in EC programmes. (C15)

As in the case of employment creation, there are no specific indicators and statistics for monitoring and measuring social inclusion and protection as well as access of specific vulnerable groups to the benefits of EC ESI interventions. (C19)

0.6 Main Recommendations

ON POLICY & STRATEGY. Mainstream ESI focus in economic and social development support: focus on ESI policies should be enhanced through adaptation of strategies and programmes to specific situations, addressing both labour market (demand and supply) and social inclusion. (R1) A specific focus on the informal economy to support targeted labour policies needs to be included. Stronger, explicit inclusion of the informal economy in ESI strategies supported by the EC, using existing practices, would allow a relatively quick learning process. (R4)

Further enhance country ownership of the ESI agendas by promoting social dialogue and peer-to-peer institutional exchanges. (R3, R5)

ON PROGRAMMING & IMPLEMENTATION. Promote government-led sectoral approaches (SWAp) to address ESI policies and programmes. Due to the multi-sectoral nature of the thematic areas, involving many institutions and various reform areas, an ESI SWAp approach is a complex undertaking. This obstacle could be overcome through the promotion of stronger institutional coordination by both government leading agencies and EUDs, through the use of adequate aid modalities such as budget support programmes, or through a cluster approach to the selection

and implementation of specific measures. (R6)

Increase and improve the use of budget support, at both general and sectoral levels to support ESI-related sectoral or thematic programmes, provided that government ownership and coordination capacity and adequate formats are in place. (R7)

Establish specific targets and indicators and improve M&E systems for better orientation and policy fine-tuning of EC intervention. Improved M&E systems are necessary for follow-up and possible adjustment during programme or project implementation, as well for identifying, qualifying and quantifying the outputs and outcomes obtained in relation to those expected. (R8)

ON COORDINATION & COMPLEMENTARITY. Further promote internal (within the EC) and external coordination. Internal coordination could help identify strategies (in addition to exchanges promoted by the Inter-Service Quality Support Group), and support packages. External coordination could help improve interventions effectiveness, identify possible specialized institutional partners, and promote twinning arrangements. (R9)

ON INCREASING EMPLOYMENT OPPORTUNITIES AS RESULT OF THE SUPPORT. Enhance employment consequences of economic reform and private sector support programmes through the introduction of specific measures and monitoring and evaluation tools, mainly via the introduction of adequate employment indicators. Where appropriate, complementary programmes should be added to core policy support programmes, specifically to enhance the employment effects of economic reforms. For example, specific foci and related measures should be enhanced in some areas, such as the informal economy, SMEs, youth inclusion and employment, territorial development in the less advantaged areas, rural employment, and others. (R10) The EC should increase emphasis on youth inclusion and employment by explicitly addressing the challenge of youth unemployment in its response strategy. (R11)

ON IMPROVED EMPLOYABILITY AS A RESULT OF TVET. Include TVET interventions as part of comprehensive employment programmes. Governments should be helped to set up TVET as a key component in comprehensive strategies to enhance employability. To strengthen the EC interventions it is recommended that the EC i) more systematically monitor the effect of support to TVET on employment and income and other active labour market measures; ii) support the establishment of TVET partnerships, with the involvement of employers and workers' organizations, in the design and implementation of TVET policies and programmes. **(R12)**

ON THE EC CONTRIBUTION TO DECENT WORK. Stress labour core rights in the framework of global partnership and trade

agreements. Their inclusion and application in the framework of broad economic partnership agreements, which provide new development opportunities while negotiating basic conditions, seems to be the most credible and effective way of addressing them. **(R13)**

Social Inclusion and Protection should be systematically linked to support for growth and employment-related interventions. Marginalized and vulnerable groups should be systematically taken into account in economic growth programmes and active labour market policies, to ensure the widest possible participation in the benefits of growth, limit social tensions and provide opportunities to the most dynamic groups and associations. **(R14)**

1 INTRODUCTION

1.1 Objectives and scope of the Evaluation

This evaluation was commissioned within the framework contract for the *Evaluation of EC main policies and strategies* signed on 10 April 2007 between the EC and a consortium led by Particip (Germany) and composed of ADE - Aide à la Décision Économique (Belgium), DIE - Deutsches Institut für Entwicklungspolitik (Germany), DRN - Development Researchers Network (Italy), ECDPM - European Centre for Development Policy Management (Belgian office), and ODI - Overseas Development Institute (United Kingdom). DRN was in charge of the evaluation.

This evaluation is intended mainly to be a review of EC external cooperation with partner countries in the areas of Employment and Social Inclusion (ESI) during the period 1999-2008, in terms of policy, strategy and implementation. As stated in the ToR, the purpose of the evaluation is:

To assess to what extent the Commission assistance has been relevant, efficient, effective and sustainable in providing the expected impacts in the employment and social inclusion (ESI) sectors, as a way to eradicate poverty and achieve sustainable social cohesion.

As agreed during the structuring phase of the evaluation,

The scope of the evaluation is not to evaluate the entire framework of EC interventions in relation to employment and social inclusion, but to focus on employability and social inclusion into the labour market.

In this regard, broader areas of intervention such as structural reforms, private sector development, poverty reduction interventions, etc., are only considered here in relation to their direct or indirect effect on employability and social inclusion into the labour market.

The evaluation has also assessed the degree of coordination and complementarity with other donors and of coherence with relevant EC policies and partner Governments' priorities and activities, as well as with international legal commitments in ESI areas.

To achieve this objective, the evaluation exercise has been organized in a comprehensive way, including:

- i. as a start, an analysis of the abundant available documentation, covering EC development policy at global and ESI levels, EC regional overarching regional frameworks, regional and country strategies at worldwide level,
- ii. a worldwide survey of EC officials working in over one hundred EU Delegations,
- iii. a survey of a number of national high-ranking officers and other counterparts, and of donors, in the partner countries,
- iv. an in-depth desk study of a sample of twenty countries, including consideration of 54 ESI-related interventions, *and*
- v. *ad hoc* field missions to six of the selected twenty countries.

This effort has been conceived with a view to analyzing and evaluating past and ongoing interventions from the viewpoint of different stakeholders, but also to developing a systematic overall understanding of the most significant results and findings, so as to draw out a number of

general and specific conclusions and, more important, start formulating concrete recommendations for possible policy adjustments in future EC action in ESI-related areas.

1.2 Structure of the report

The document, following the Executive Summary presented at the beginning, is organized in four main sections:

The *first section* presents the methodological framework of the evaluation study: its phases and the data collection tools and analysis.

The *second section* reconstructs the evaluation framework:

- ◆ Chapter 4 contains an investigation of the *fundamentals of the EC's policy and overall strategy in ESI* from two different angles: external (the EU's position in a multilateral and globalised development agenda) and internal (influence of the European Social Model in the European external development agenda).
- ◆ Chapter 5 contains an analysis, for each region, of the translation of the EC's policy and overall strategy in the different regional cooperation frameworks in terms of policy, response strategy and programming.
- ◆ Chapter 6 provides an analysis of the EC's financial commitments in ESI sectors in the different regions, in terms of their geographical distribution, sectoral coverage, timeframe evolution, funding instruments and income development levels of the recipient countries. Volume 4 presents the inventory of EC ESI financial commitments.

The *third section* presents the findings for each of the Evaluation Questions. Section 2 in Volume 2 (Annex 8) presents the Evaluation Question matrix, with a detailed overview of information gathered by indicator.

The *fourth section* presents an Overall Assessment, the Conclusions based on the answers to the Evaluation Questions, and the Recommendations based on the Conclusions.

SECTION 1: METHODOLOGICAL FRAMEWORK

2 THE EVALUATION PHASES

The study has been carried out in three different phases, in accordance with the Terms of Reference.

Desk phase

The first months were dedicated to the design and organization of the evaluation exercise. During this period, the following outputs were produced:

- A list of definitions of terms to be used during the evaluation.
- A first policy analysis of ESI-related documents at global and regional levels.
- Based on the above analysis, a reconstruction of the EC/ESI Intervention Logic (IL) presented through effects diagrams, at global policy level and by region.
- A set of seven Evaluation Questions (EQs), each with their respective rationale, judgment criteria and preliminary indicators, and the sources and type of data requested.
- A proposal of a sample of twenty countries for an in-depth analysis which, at a later stage, provided the basis for the selection of six country case studies carried out through field visits.

The final part of the desk phase focused on: (i) reconstructing the inventory of all relevant EC/ESI-related interventions in partner countries and regions; (ii) finalizing the indicators and the desk data collection; (iii) elaborating the preliminary answers to the Evaluation Questions and the hypotheses to be verified in the field; (iv) defining the methodology for field data collection and analysis; and (v) preparing a proposal on a list of countries to be visited from the pre-selected sample of twenty countries.

Field phase

The field visits were organized between March and May 2010. The main objective was to complete the data collection and to facilitate answering of the Evaluation Questions, while validating or revising the preliminary hypotheses formulated during the desk phase.

This field phase, even if it was not intended to conduct an in-depth assessment of the implementation of all EC/ESI interventions, allowed coverage of both policy and strategy aspects and implementation issues.

Synthesis phase

The results obtained during the desk phase, and their subsequent validation or revision through the field phase, constitute the basis for the synthesis exercise leading to the main Conclusions and Recommendations produced by the evaluation and presented in this report.

3 METHODOLOGY FOR DATA COLLECTION & ANALYSIS

3.1 Data collection at global level

3.1.1 Elaboration of an Inventory of EC/ESI-related projects by relevant areas

The evaluation team undertook the production of an Inventory of all EC-funded interventions in ESI-related areas between 1999 and 2008.¹

Different aid modalities were considered in the Inventory: projects, programmes and budget support operations.

The objective of the Inventory is twofold:

- first, it allows synthesised illustration of the financial magnitude and the sectoral and geographical distribution of EC interventions in ESI-related areas, and their evolution over time;
- second, it also allows comparison between the *realized* Intervention Logic (IL) and the *intended* Intervention Logic as illustrated in EC policy documents.

Sectoral classification

With a view to reconstructing the realized IL², EC interventions were classified into micro-sectors clustered under three macro-sectors. (See Table 1)

The macro-sectors constitute the main areas of EC intervention as revealed in policy documents. The micro-sectors represent a further level of disaggregation (see Table 1). As explained in Section 2, although all macro- and micro-sectors fall within the ESI scope, a distinction has been made between those strictly related to ESI (which have a direct and significant implication for social inclusion in the labour market and social cohesion of vulnerable and marginalized groups) and those having limited or indirect impact on ESI (ESI-Enlarged).

Validation of the inventory by EU Delegations (worldwide)

Owing to the complexity of this evaluation, and the contribution of the Inventory to the reconstruction of the *realized* IL, all relevant units in DG EuropeAid, DG Relex and DG Dev were contacted with the aim of validating the list of interventions selected and confirming their sectoral allocation in the Inventory. With the same objective in mind it was also sent to 109 EU Delegations. This

TABLE 1 : LIST OF MACRO & MICRO SECTORS

DECENT WORK, SOCIAL COHESION & LABOUR MARKET GOVERNANCE -DWS-	<ul style="list-style-type: none"> •SA-SOCIAL ASSISTANCE OF VULNERABLE GROUPS •SI-SOCIAL INCLUSION OF MARGINALIZED GROUPS •SIG-SOCIAL INCLUSION GLOBAL •PR-POVERTY REDUCTION •LG-LABOUR MARKET GOVERNANCE •LG CLS CORE LABOUR STANDARDS •LG SD SOCIAL DIALOGUE •LG IB INSTITUTIONAL BUILDING
EMPLOYMENT & LABOUR MARKET DEMAND -ELD-	<ul style="list-style-type: none"> •SR-STRUCTURAL REFORM •PS-PRIVATE SECTOR •RD-RURAL DEVELOPMENT •MF-MICROFINANCE / MICROCREDIT
VOCATIONL TRAINING & LABOUR MARKET SUPPLY -VTS-	<ul style="list-style-type: none"> •TP-TVET POLICY & SYSTEMS •TM-TVET ACCESS FOR MARGINALIZED GROUP •ST-SECTORAL TRAINING •LS-LABOUR SUPPLY AND MEASURES

¹ For a detailed explanation of the methodology utilized for the elaboration of the inventory, refer to Volume 5 - Annex 16. The list of projects included in the Inventory is presented in Volume 4 and presents a complete overview of EC financial contributions

² Following the methodology developed by DRN and applied in all complex evaluations carried out so far by DRN

exercise proved to be quite successful, with more than half of the Delegations (57%) sending their feedback to the evaluation team.

3.1.2 Analysis of European Commission policy framework in employment and labour-market-related issues in third regions

In addition to the analysis of the fundamentals of EC policy and overall strategy in ESI-related issues from two different angles (*external*: EU position in a multilateral and globalised development agenda; and *internal*: influence of the European Social Model on the European external development agenda), an assessment of EC support to ESI-related issues in the context of policy, response strategy and programming was carried out at global and regional levels.

3.1.3 The surveys

Two different surveys were elaborated³ & ⁴, with the aim of enriching the analysis and providing answers on issues difficult to analyze through documents or interviews in Brussels.

The survey results were used at two different points in time:

- During **field visit** preparation they facilitated better focus of the interview guidelines.
- For the **synthesis analysis** they helped complement other analyses carried out during previous phases.

Survey of EU Delegations

In order to produce a reasonable and representative overview of EC/ESI cooperation beyond the in-depth analysis on twenty selected countries, the evaluation team decided to address a survey to all 106 EU Delegations which had at least one ESI-relevant intervention (See Box 1). This decision and the respective criteria took into consideration:

- the global dimension of the present evaluation exercise;
- the heterogeneity between regions and countries in a given region;
- the heterogeneity of the EC cooperation approaches in different countries in relation to the different policy dialogue frameworks and nuances of cooperation, according to the specific characteristics of each country.

The survey has four different parts:

- **Policy dialogue.** This part aims at providing elements on ESI-related policy dialogue with partner countries. Where such a dialogue exists the survey focuses

BOX 1 : EUD'S SURVEY RESPONSE RATE

- ✓ 47 out of 106 countries targeted by the survey replied
→ **44,3%**
- ✓ The regional coverage is as follows:
 - West Africa 3, Central Africa 1, Southern & Eastern Africa 11, Caribbean 9, Pacific 2
 - South Asia 2, South-East Asia 2
 - Caucasus 2, Central Asia 2, Eastern Europe 1
 - Central America 3, South America 4
 - Mediterranean 5
- ✓ Respondents profile: 1 Head of Delegation, eight Heads of Cooperation, 17 Heads of relevant Sections, 26 other staff
- ✓ **Interventions in these 47 countries represent 65% (€m6 273) of total EC/ESI-related cooperation**
- ✓ **Nine of the top ten EC recipient countries (more than 240 are represented).**

³ See Volume 5 - Annex 18: Worldwide Survey on EC Delegations and Annex 19: Survey on EC national counterparts.

⁴ The surveys were sent to EuropeAid E.3 (ESIP Unit), members of the Reference Group, and to the JEU Evaluation Manager for their perusal and informal approval. Their comments were integrated in the final version of the surveys.

on its influence on the orientation of relevant national policies and on EC value added in ESI areas. EU policy coherence at intervention formulation level has also been considered.

- **EC response strategy and programming.** This part is divided into Process and Content. The Process part relates to EU Delegations' and other key stakeholders' involvement in definition of the strategy and programming. The Content part relates to the inclusion or consideration of Employment and Social Inclusion, including Labour Market governance and TVET, in the EC response strategies and indicative programmes. Coherence between bilateral and regional strategies and EC support to the introduction or application of a specific legislation is also considered.
- **Implementation.** This part is intended to collect information on the institutional assessment behind the identification of national counterparts. It also focuses on the effectiveness of different aid modalities and on the typology of difficulties encountered, if any, during implementation.
- **Coordination, complementarity and EC value added.** Government and donor coordination in ESI-related issues is analyzed, together with EC value added and EU division of labour.

Survey to EC national counterparts

This survey was addressed to national counterparts (NC) involved in specific EC interventions in the twenty selected countries. The criteria used for selecting the interventions in these countries were: sectoral coverage; aid modality; implementation status; and forward-looking perspective.

The sample of NCs is diversified in institutional terms, and depending on the respondents' institution (i.e.: a) Ministries and Public institutions and b) Social partners and other Non-State Actors), the survey has also been diversified (See Box 2). In the first case, the survey has four different parts (Policy dialogue; EC response strategy and programming; Implementation and Coordination; Complementarity and EC value added). The second group covers only Implementation and EC value added.

3.2 Data collection at country level

3.2.1 Selection and analysis of a sample of twenty countries

The aim of the country case studies was basically to extract relevant lessons learned and best practices that could be used in the future, and to carry out a cross-country comparison between countries which are significant from a formative point of view.

BOX 2 : NATIONAL COUNTERPARTS' SURVEY RESPONSE RATE

- ✓ Out of 100 NC targeted, 25 replied → **25%**
 - 16 NC from Ministries and Public Institutions
 - 2 Social partners
 - 6 from other NSA
 - 1 from ILO
- ✓ These NCs are directly or indirectly involved in 22 out of the 76 targeted interventions → **29%**
- ✓ **This represents 9,75% of EC/ESI funding in the sample of 20 selected countries**
- ✓ Regional coverage of the answers:
 - 14 out of the 20 targeted countries
 - all five regions
- ✓ Sectoral coverage of the answers:
 - All three macro sectors (10 DWS, 7 VTS & 5 ELD interventions)
 - 11 micro-sectors (out of a total of 15)

The country case studies were identified through a justified country sampling approach. The selection of the initial sample of twenty countries was based on the criteria indicated in Box 3. The list of countries is presented in Box 4.

BOX 3 : COUNTRY SAMPLING SELECTION CRITERIA

- ✓ Regional coverage
- ✓ type of partnership with EU
- ✓ economic development level: LIC, MIC, Transition countries, BRICs
- ✓ countries where there are projects within at least two macro-sectors
- ✓ countries with at least one programme in the micro-sector of Labour Governance or the micro-sector of Social Security/social inclusion
- ✓ countries where there is at least a poverty reduction programme
- ✓ countries having undertaken major sector restructuring programmes
- ✓ countries having embarked on implementation of national decent work programmes
- ✓ inclusion of the main financing instruments (TACIS, ALA, MEDA, EDF, ENPI, DCI)
- ✓ projects pre- and post- 2005
- ✓ projects implemented through different aid modalities (Project Aid, Budget Support, decentralized cooperation, NGOs, twinning...)

BOX 4 : LIST OF THE 20 SELECTED COUNTRIES

- ✓ ACP: Dominican Republic, Jamaica, Mali, Niger South Africa, Tanzania, Uganda
- ✓ Mediterranean: Egypt, Jordan, Morocco, Tunisia,
- ✓ Latin America: Brazil, El Salvador
- ✓ Eastern Europe and Central Asia: Armenia, Kyrgyzstan, Russia, Ukraine;
- ✓ Asia: Bangladesh, China, Vietnam

In order to further validate the sample of twenty countries, the evaluation team analyzed the operational translation of EC policy and overall strategy within the different regional cooperation frameworks in terms of policy, response strategy and programming.

For each region, the evaluation team analyzed:

- ✓ the EC policy framework, particularly its ESI focus, with specific consideration of policies such as: Vocational Training and improved Labour Supply, and Labour Market Governance and Demand.

- ✓ the respective EC response strategy through the Countries Strategy Papers from 2000 onwards. This analysis provided an overall picture of the specific national contexts, mainly in terms of national development strategies and labour market trends, and contributed to a more complete picture of the ways in which the EC responds to different contextual situations, including a quite detailed economic and statistical analysis of EC-funded interventions.

- ✓ the National Indicative Programmes (NIP) in each one of the twenty selected countries on the basis of:
 - Sectoral coverage: The first objective was to identify the different ESI-related core areas of intervention since 2000. Moreover, considering the complexity of ESI-related policy and strategy - as shown in Section 3 of this report - and the *cross-cutting character* of most ESI-related areas (e.g. employment), it was judged necessary to check whether or not ESI-related areas were also included in other major sectors of intervention.
 - Decent Work Strategic Objectives (DWSO): The National Indicative Programmes were also assessed in terms of consideration for DWSO, the four strategic objectives of which were disaggregated in accordance with ILO conventions.

3.2.2 Field visits

Based on the above-mentioned analysis of the operational translation of EC policy and overall strategy at regional level and in the twenty selected countries, the evaluation team identified six countries amongst the twenty for deeper analysis through field visits: Morocco (ENPI South); Jordan (ENPI South); Ukraine (ENPI East); Jamaica (ACP); Vietnam (South Asia, DCI) and South Africa (BRIC & ACP).

All together these six countries represent 13,37% of EC/ESI-related committed funds at bilateral level. In addition these same six countries are representative of:

- ✓ the overall EC Intervention logic (IL) for ESI-related support at global policy level;
- ✓ different EC ILs on ESI-related support at regional level;
- ✓ different policy dialogue frameworks and different aid approaches and modalities.

The full Inventory of EC country-level interventions in these six countries allowed the team to select a sample of 42 interventions, according to the criteria mentioned in Box 5.

BOX 5 : SELECTION CRITERIA FOR INTERVENTIONS SAMPLING IN THE SIX SELECTED COUNTRIES

- ✓ Sectoral coverage: Labour Market Demand side (mainly PS), TVET and Labour Market Supply side, as well as Labour Market Governance, have been prioritised.
- ✓ Sectoral diversification: diversified sectoral coverage within and among countries.
- ✓ Aid modality: application of different aid modalities, including budget support.
- ✓ Counterparts: diversified range of National Counterparts, from Ministries and Public Institutions to non-state actor's organisations.
- ✓ Implementation status: interventions committed before 2004 in order to assess their efficiency, effectiveness and impact.
- ✓ Forward-looking perspective: interventions conceived or launched after 2005, or to be launched during 2009-2010, were also considered (.e.g.: Jordan and Morocco).

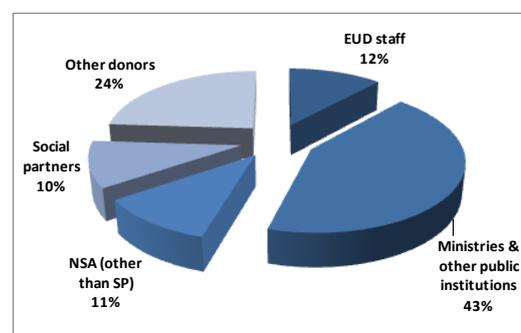
With regard to the 42 projects selected as case studies, data collection was focused on key issues relevant to answering the seven selected and agreed Evaluation Questions. It is worth observing here that the field phase, as with the evaluation exercise in general, was not intended to develop any in-depth assessment of all EC/ESI micro-sectors within the selected interventions.

Interviews

Interviews were the main method of information collection. Direct interviews were organized with four different target groups (See Fig.1):

- **Strategy and Policy decision-makers:** national counterparts as well as EUD officials involved in policy definition & application.
- **Implementing bodies:** concerned ministries, public institutions, Non-State Actors including social partners, and specialized agencies in charge of operational implementation. EUD task (programme) managers were also interviewed. These interviews were limited to the sample of 42 selected programmes or projects.
- **Beneficiary institutions:** interviews were limited to the sample of 42 selected programmes or projects.
- **Other donors and civil society:** interviews with key external actors (business sector, unions, academic centres, etc.) not directly involved in EC cooperation but whose contribution to

FIGURE 1: KEY STAKEHOLDERS COVERAGE DURING THE FIELD VISITS



Source: own elaboration

the study or in the actual *praxis*, were of interest to the evaluation. Moreover, EU Member States representatives and other donors' officials were also interviewed so as to complete the policy analytical framework for the main sectors of EC-support.

Documents

In addition to the interviews, the evaluation team collected quite extensive documentation, enriching the analysis. The main sources were EUDs, programme managers, beneficiary institutions and organizations, other donors, EU Member States, other civil society organizations and academic centres.

3.3 Difficulties encountered and limitations

As a general comment on the above different steps, techniques and tools utilized throughout the evaluation exercise, it should be stressed that it was successfully carried out in spite of a number of factors which partially impeded its progress and results.

Among major limitations encountered, the following would be the most important:

- The final selection of the six countries to be visited was conditioned *inter alia* by EUD staff availability to receive and dedicate enough time to the evaluation team. This was particularly the case in low-income African countries where EC support is mainly channelled through budget support and there is no ESI-focused cooperation.
- Thematic worldwide evaluations are in general very complex exercises, and some EUDs do not always sufficiently internalize the importance of the objective and scope of a field visit by an evaluation team. EUD expectations were in some cases not directly related to the evaluation framework. In two cases (Morocco and Jordan) this even resulted in EUD complaints.
- In spite of the sustained and diversified efforts by the evaluation team, EC HQ, EUDs and NCs, the quantity, quality and relevance of the information available for collection and analysis to allow informing of the indicators, from various sources and in different ways, on the results and effects of EC ESI-related interventions, appeared limited and inadequate to provide a satisfactory picture of the changes promoted by the EC's substantial and prolonged cooperation support. This limit prevented the evaluation team from developing a systematic and complete picture of the positive, neutral and negative changes promoted by the EC ESI-related activities during the period under evaluation. Moreover, a further fine-tuning of the indicators at results and effects levels would probably have benefited the data collection.
- Overall the surveys and data collection provided a reasonable and representative overview of EC/ESI cooperation strategy but encountered some serious limitations:
 - only a rather limited number of comments or explanations were provided by interviewees on certain issues;
 - a relatively large percentage of EUD officials were unable or were not informed enough to respond to specific questions (in some cases around 40%);
 - a certain reluctance on the part of some NC to take a more active part in the review and evaluation effort.

SECTION 2: EVALUATION FRAMEWORK

This Section investigates the fundamentals of EC's policy and overall strategy in ESI from two different angles: external (EU's position in a multilateral and globalised development agenda) and internal (influence of the European Social Model in the European external development agenda).

This section also offers a region-based overview of the EC's policy and overall strategy in the different regional cooperation frameworks in terms of policy, response strategy and programming. Chapter 5 is structured in regional sections, each regional section being subdivided by both an analysis of EC global policy (including the *intended* regional ESI intervention logic) and an analysis of EC response strategy and programming.

Section 5 in Volume 2 presents a regional overview of the main recent labour market trends.

4 OVERALL POLICY FRAMEWORK

The period considered by this evaluation covers events that led to major changes in the EC development policy agenda. It is also necessary to recall the importance of previous international commitments and European progress at internal EU level that set the basis for consideration of key social and economic elements of external EC actions.

4.1 The influence of Multilateralism in EC Development policy

During the evaluation period, relationships with the United Nations System have been strengthened as a result of the increased commitment to multilateralism.

4.1.1 The importance of the World Summit for Social Development

The World Summit for Social Development was held in Copenhagen in March 1995. It was the first time that leaders from around the globe, at the invitation of the United Nations, recognized - as stated in the Declaration - *the significance of social development and human well-being for all and to give to these goals the highest priority both now and into the twenty-first century*⁵. On that occasion, a *global drive for social progress* was launched and a new consensus was arrived at, putting people at the centre of development⁶.

⁵ Copenhagen Declaration on Social Development, World Summit for Social Development, March 1995

⁶ In 1993 and 1994 two other Summits were organized by the UN in Vienna (Declaration on Human Rights) and in Cairo (Population and Development).

UN General Assembly A/CONF.157/24 (Part I) 13 October 1993 Point 25. *"The World Conference on Human Rights affirms that extreme poverty and social exclusion constitute a violation of human dignity and that urgent steps are necessary to achieve better knowledge of extreme poverty and its causes, including those related to the problem of development, in order to promote the human rights of the poorest, and to put an end to extreme poverty and social exclusion and to promote the enjoyment of the fruits of social progress."*

UN International Conference on Population and Development, Cairo 1994 Principle 2 refers to *human beings being at the centre of concerns for sustainable development and that they have the right to an adequate standard of living for themselves and their families, including adequate food, clothing, housing, water and*

The year before the Summit, the Communication *European Union's priorities for the World Summit for Social Development*⁷ reaffirmed the European commitment to eradicating poverty and integrating all sections of society into the framework of its development policy. In this framework job creation, advancement of social rights and prevention of social exclusion were among the objectives. Moreover these objectives were indeed fully covered in the Copenhagen Declaration, in *inter alia* its third commitment *Promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work.*

The importance of linking sustained economic growth, sustainable development and productive employment is highlighted as a core issue. In the specific Programme for Action on Employment, different actions or priorities are proposed that further develop this linkage:

- i) The centrality of employment in economic and social policy formulation. The following - promoting and pursuing active policies for full, productive, appropriately remunerated and freely chosen employment; and giving priority at national and international levels to policies that can address the problems of unemployment and underemployment - are defined as the two measures necessary to put employment at the centre of sustainable development strategies and economic and social policies.
- ii) Linking education, training and labour policies. In order to guarantee access to productive employment and good quality jobs and to adapt to the labour market's evolving demands, investing in education and training systems, establishing partnerships between national educational bodies and other governments departments such as those concerned with labour, and promoting lifelong learning, are all among the actions to be undertaken.

Also highlighted was the need for developing, implementing, analyzing and monitoring active labour policies to stimulate demand for labour and promote labour mobility; for retraining and maintenance of adequate levels of social protection; and for facilitating the integration of marginalized and vulnerable groups into the labour market.

- iii) Enhancing the quality of work and employment. Respect for human rights and international labour standards and implementation of the conventions of the International Labour Organization (ILO) are both needed to achieve truly sustained economic growth and sustainable development. Promoting the role of ILO for improving the level of employment and the quality of work is therefore a prerequisite.
- iv) Enhancing employment opportunities for groups with specific needs, including migrants.

In its follow-up to the World Summit⁸, considering that the main commitments were already put into practice in Europe, attention was mainly given to their translation into the international scene and into EU's bilateral relations with third countries. One of the measures decided upon is inclusion of respect for basic social rights and promotion of social and human development in bilateral agreements and in trade preference concessions. Keeping employment as the top priority for economic and social policy remains valid not only at European level but also at international level.

The World Summit, together with the 1998 ILO Declaration on Fundamental Principles and Rights at Work⁹, reaffirms the universality of internationally recognized core labour standards.

sanitation. Moreover, Principle 3 sets out that the right to development is a universal and inalienable right and an integral part of fundamental human rights and the human person is the central subject of development.

⁷ COM(1994) 669

⁸ The European Union's follow-up to the World Summit for Social Development, COM(96) 724

⁹ [HTTP://WWW.ILO.ORG/DECLARATION/LANG--EN/INDEX.HTM](http://www.ilo.org/declaration/lang--en/index.htm)

4.1.2 The Millennium Declaration and related Development Goals

At the turn of the millennium, a new consensus on global development goals emerged around the Millennium Development Declaration. The objectives agreed by the Development Assistance Committee in 1996 on poverty reduction, social development and environmental protection found a new stimulus with the Millennium Development Goals (MDGs), and poverty reduction became the overarching goal of development activities. The emphasis progressively shifted from growth and trade to sustainable development and poverty reduction.

The shift in emphasis that we observed around the turn of the millennium arises from the Washington consensus favouring a pro-poor focus constructed around macroeconomic and labour demand policies. Until the early years of the new millennium, the themes of employment generation, social protection and workers' rights were still marginal in the international and EU policy strategies, despite the fact that they had already been part of the social development objectives and policies since the Copenhagen Social Summit of 1995.

The "overarching" international Declarations and Agreements provide the enabling framework for the MDGs. The adoption of the 2000 UN Millennium Declaration by the largest ever gathering of Heads of State placed human rights, in the broad sense of economic, political and democratic rights, at the centre of the concrete targets for advancing development and reducing poverty by 2015.

Responding to the world's main development challenges and to the calls of civil society, the MDGs promote poverty reduction, education, maternal health, and gender equality, and aim at combating child mortality, AIDS and other diseases. Thus the Millennium Declaration and the MDGs provide a legislative framework for partnership in working towards complying with International Conventions and Agreements.

In 2005 the Communication *Policy Coherence for Development - Accelerating progress towards attaining the Millennium Development Goals*¹⁰ focused on non-aid policies that can assist developing countries in attaining the MDGs. Among the eleven priority areas identified by the EC in which synergies with development objectives can be found, reference is made to a) social dimension of globalization, promotion of employment and decent work, and b) migration.

- **Social dimension of globalization¹¹, promotion of employment and decent work**

The aim is *to strengthening the Social Dimension of Globalization with a view to ensuring maximum benefits for all, both men and women. The EU will promote employment and decent work for all as a global goal.* Further collaboration with WTO, the Bretton Woods institutions and ILO is sought. The EU commits itself to addressing the social consequences of adjustments and restructuring relating to globalization, including through co-operation with the ILO on the impact of trade policy on employment and social issues, as well as to promoting productive employment, investment in human resources, redistribution mechanisms, social protection, gender equality, social dialogue and effective application of rights at work. The EU also supports the incorporation of employment and decent work issues, in particular for young people, within the review of the MDGs and the Millennium Declaration.

- **Migration**

The aim is to *promote the synergies between migration and development, to make migration a positive factor for development.* Among the issues to be addressed, the promotion of well-managed international labour migration through development of an EU policy on economic migration,

¹⁰ COM(2005) 134

¹¹ See also § 1.2.2 of the present chapter "The external dimension of the European social model: its translation to EC development policy"

and enhancement of the development impact of South-South migration, including through its development assistance, seem particularly relevant. (See Box 6)

In its 2008 Communication *The EU - a global partner for development. Speeding up progress towards the Millennium Development Goals*¹², brain drain issues in sectors such as health, education, and research and innovation, lead to specific proposals: "export training" programmes, improved rights - in particular social rights - for workers returning to their countries of origin, and employment agreements between MS and developing countries that make it possible to manage recruitment while protecting vulnerable sectors.

BOX 6 : MIGRATION AND DEVELOPMENT

Over recent year, migration has become an issue on the development agenda, in particular the links between migration and development. This is reflected in the number of intergovernmental fora and commissions that have blossomed during the past five years. In 2005 the Global Commission on International Migration (GCIM) (2005) sought to "promote a more coherent, comprehensive and global response to migration issues". The linkages between, among other things, migration and development were set out in a Communication adopted by the Commission in 2002. Following the GCIM of 2005, the Commission issued a further Communication, *Migration and Development: Some Concrete Orientations*². It stated that the integration of migration aspects should respect the overall coherence of EU external policies and actions, and be consistent with the objectives and priorities of the Joint Council/Commission Statement on EC development policy. The 2005 Communication set out a number of policy directions that included, among other things, remittances, diasporas as actors of home country development, circular migration and brain circulation, mitigating the adverse effect of brain drain, and mainstreaming migration into development policy and assistance to third countries.

In February 2009 the European Parliament, the European Commission and the Organization for Economic Co-operation and Development (OECD) organized the first High-Level Parliamentary Conference on Policy Coherence for Development and Migration. The Conference, which was attended by almost 300 participants from Europe, Africa, the Caribbean and the Asia-Pacific region, stressed that the financial and economic crisis reinforced the urgent need for comprehensive migration policies with a global approach.

Notwithstanding the increasing importance of migration, there seems to be little incorporation of these issues into the policy dialogue around aid effectiveness and the new aid architecture. Neither the 2005 Paris Declaration on Aid Effectiveness nor the 2008 Accra Agenda of Action - that commit *inter alia* recipient and donor countries to respect for the principles of mutual accountability and ownership of development processes - make reference to migration³. However, a recent paper published by the UNDP⁴ highlights the need to change policies in countries of origin as evidence increasingly suggests that migration is a survival strategy for the poor. The paper advocates the "mainstreaming" of migration issues into national development policies and Poverty Reduction Strategy Papers (PRSPs).

1. *Integrating migration issues in the European Union's relations with third Countries* COM (2002) 703, 03-12-2002
2. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions *Migration and Development: Some concrete orientations*. Brussels, 1.9.2005 COM(2005) 390 final
3. Richard Black and Jon Sward UNDP Human Development Research Paper 2009/38 *Migration, Poverty Reduction Strategies and Human Development*
4. *Ibid.*

¹² COM(2008) 177

In spite of the central role given to employment and decent work, the COM (2009) 458 on *Policy coherence for Development - Establishing the policy framework for a whole-of-the-Union approach*, sets new priorities within the eleven 2005 priorities, to be addressed in the framework of the economic and financial crisis. In this document employment and decent work are not prioritized and attention is given to climate change, global food security, migration, intellectual property rights for development, and security and peace.

In 2005 a Commission Communication set out the *European Union's contribution to speeding up progress towards the Millennium Development Goals*¹³ as part of the European Union's contribution to the UN Summit of September 2005. To that end the Commission's proposals are i) to increase financial allocations and to enhance the quality of aid, ii) to continue exploring the concept of policy coherence for development with the aim of identifying additional contributions to development and iii) to focus on Africa.

The "European Consensus" on Development (ECD)¹⁴, that aims *to define the framework of common principles within which the EU and its Member States will each implement their development policies in a spirit of complementarity*, further sets out development policy in line with the Millennium Development Goals: *The primary and overarching objective of EU development cooperation is the eradication of poverty in the context of sustainable development, including pursuit of the Millennium Development Goals (MDGs)*.

In the context of the present evaluation, the overarching EC objective translates into MDG goal 1A (halve between 1990 and 2015 the proportion of people whose income is less than one dollar a day) and 1B (achieve full and productive employment and decent work for all, including women and young people). MDG 3 specifically addresses the issue of empowering women¹⁵ as a cross-cutting objective of the global development agenda.

In order to meet the needs stated by partner countries, the Community will concentrate, according to the ECD, on nine areas, including human development and social cohesion and employment. Under the **Human Development chapter**, reference is made to the EU contribution to 'Education for All'¹⁶ and the priority is given to quality primary education and vocational training. Under the **Social cohesion and employment chapter**, the aim is to prevent social exclusion and to combat discrimination against any group. Within this framework employment is considered by the ECD as a crucial factor in achieving a high level of social

BOX 7 : THE THEMATIC PROGRAMME INVESTING IN PEOPLE

In line with the ECD, the thematic programme *Investing in People*, launched in 2006, highlights the need for a holistic and coherent thematic approach to human and social development and focus on six different areas, including: i) Knowledge and skills & ii) Employment And Social Cohesion.

- i) Knowledge and skills foresees among other issues supporting low-income countries for the development of successful education policies
- ii) Socio-economic inequalities would be reduced by:
 - promoting decent work for all;
 - supporting initiatives to promote the improvement of working conditions as well as the adjustment to trade liberalisation; and
 - promoting the social dimension of globalisation and the EU's experience (see § 4.2.2 of present report).

¹³ Brussels, 7.10.2005 COM(2005) 132 final/2

¹⁴ Council of the European Union Brussels, 22 November 2005 DEVGEN 229 RELEX 678 ACP 155

¹⁵ [HTTP://WWW.UNDP.ORG/MDG/GOAL3.SHTML](http://www.undp.org/mdg/goal3.shtml)

¹⁶ Global commitment to provide quality basic education for all children, youth and adults launched at the World Conference on Education for All in 1990 by UNESCO, UNDP, UNFPA, UNICEF and WB.

cohesion. This chapter also envisages promotion of social dialogue and protection. Gender equality is also a priority for the ECD¹⁷ and the 2007 Commission Communication on gender equality and women empowerment in development^{18 & 19}. (See Box 7)

The European Consensus recognizes the need for participation by civil society that includes economic and social partners such as trade unions and employers' organizations; and, moreover, requires that the EU will pay particular attention to developing education and awareness in order that civil society groups are able to contribute to political, economic and social dialogue in the development context. These are critical elements in relation to the empowerment of marginalized groups to ensure social inclusion.

The COM(2010) 159 on *A twelve-point EU action plan in support of the Millennium Development Goals*, linked to the *Europe 2020 Strategy*, that envisaged a renewed effort to reach the MDGs by 2015, proposes concrete actions for achieving the MDGs, including:

- a European MDG fast track: the objective is to target the most off-track countries (fragile and orphan countries) in relation to the MDGs, and the most off-track MDGs; there is also the question of fostering ownership of MDGs in partner countries;
- enhancing regional integration and trade to boost growth and jobs by continuing to help countries participate in the global economy and by assisting with development of the private sector through mechanisms such as the ACP Investment Facility and the Africa-EU Infrastructure Trust Fund.

The EU contribution to the MDGs is more recently confirmed by the Green paper on *EU development policy in support of inclusive growth and sustainable development. Increasing the impact of EU development policy* (COM (2010) 629 final). In its introduction it states: *The achievement of the MDGs by 2015 must therefore remain Europe's first and overriding priority, and the European Consensus on Development provides the fundamental principles for moving forward.* Inclusive growth is considered a means of achieving the MDGs insofar as it *allows people to contribute and benefit from economic growth, and to mobilize their economic, natural and human resources in support of poverty reduction strategies.*

An important contribution of the Green paper is the widened vision of the EUs' contribution to achieving the MDGs. If in the 2009 Commission Staff working paper *Millennium Development Goals - Impact of the Financial Crisis on Developing countries* some missing dimensions of the MDG

¹⁷ European Parliament, Council Commission. Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' 2006/C 46/01) *The European Consensus on Development § 4.4 Gender equality 19. The promotion of gender equality and women's rights is not only crucial in itself but is a fundamental human right and a question of social justice, as well as being instrumental in achieving all the MDGs and in implementing the Beijing platform for Action, the Cairo Programme of Action and Convention on the Elimination of All Forms of Discrimination Against Women. Therefore the EU will include a strong gender component in all its policies and practices in its relations with developing countries.*

¹⁸ Commission of the European Communities |Brussels, 8.3.2007 COM (2007) 100 Final. Communication From The Commission To The European Parliament And The Council Gender Equality And Women Empowerment In Development Cooperation [SEC(2007) 332

¹⁹ The need to guarantee the human right of gender equality is enshrined in a number of international agreements and conventions. Among these is the Convention on the Elimination of all forms of Discrimination against Women (CEDAW, 1979), the Beijing Platform for Action and ILO Convention No. 100 on Equal Remuneration and C111 relating to the elimination of discrimination in respect of employment and occupation. In addition, other instances such as the Dublin IWRM Principle No 3, and the outcome documents of the UN (Cairo) International Conference on Population and Development in 1994 and the Copenhagen Social Summit clearly highlight the pivotal role of women in development.

framework were mentioned, in the Green paper the EC indeed proposes considering new *Joint Strategies for Inclusive Growth* in partnership with the individual or regional groupings of developing countries, also involving the private sector - businesses, foundations, academia, civil society organizations (CSOs), and so forth. Priorities for action in such Joint Strategies could *inter alia* be promoting and supporting productive and sustainable investments, and access to capital and affordable credit.

4.1.3 The Decent Work Agenda

Between 2000 and 2005 there emerged a new type of consensus based on the Decent Work Agenda. The Lisbon Strategy and the European Social Agenda already provided a framework for action in favour of employment, equal opportunities and social cohesion within the EU²⁰ but these themes were not yet considered as core themes for EC development assistance.

The Decent Work Agenda (DWA) builds upon the ILO Recommendations and Conventions that have progressively been ratified by governments since the founding of the Organization. The Agenda has evolved from the Copenhagen Social Summit, the Declaration of the 86th Session of the International Labour Conference, and Copenhagen + 5²¹. Its four strategic objectives are:

- **Fundamental principles and rights at work.** Decent work respects a person's fundamental rights at work, which include the right to set up trade unions and employers' organizations and the right to collective bargaining. There should be no child labour, no forced labour and no discrimination. These rights, which were established in 1998 and set out in the ILO Declaration on Fundamental Principles and Rights at Work, are regarded as human rights and employees' rights. They are universal and apply at all times and in all situations.
- **Employment and Income Opportunities.** The Decent Work Agenda urges governments to implement a policy that promotes sustainable and productive employment. Policy makers must also seek to ensure that everyone has equal access to work. This includes, among other things, women, indigenous groups, migrants.
- **Social Protection.** Work must be safe and must provide security. Working conditions must meet health and safety regulations and the work must provide an income that a person can live on. The work must be dignified and it must offer prospects for personal development. It must also be linked to some form of social security that provides protection if an employee is unable to work.
- **Social Dialogue.** Employees and employers must both be involved in planning a sound approach that assures Decent Work. Consultation and the freedom to express one's concerns both contribute to decent work at all levels.

The Decent Work Agenda contributes directly and indirectly to all eight MDGs in the global fight against poverty. At the 2005 World Summit of the United Nations General Assembly, it was unanimously agreed that the ILO Decent Work Agenda effectively resulted in Task 1b of MDG 1. This was further reaffirmed by the Ministerial Declaration of the High-Level Segment of the UN Economic and Social Council (ECOSOC) in July 2006 and the ECOSOC Resolution 2008/18 *Promoting full employment and decent work for all*²².

²⁰ Refer to § 3.2 of the present report.

²¹ Adopted on 18 June 1998 by the International Labour Conference at its 86th Session. This important development was recognized and supported in the Copenhagen +5 Conference in Geneva in 2000, which committed participants to “respecting, promoting and realizing the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up”.

²² 42nd plenary meeting, 24 July 2008, Geneva.

The halving of the proportion of the world's population living under one dollar a day (MDG1) and MDG 8 (develop a global partnership for development) are overarching goals in the context of poverty reduction and can only be achieved through promotion of employment and decent work. Achieving gender equality (Goal 3) is a precondition for meeting all MDGs; decent work for parents and the elimination of child labour are critical for attainment of universal education (MDG2); and social protection contributes directly to the health-related MDGs (Goals 4,5 & 6). MDG 7 regarding sustainable development also relies on decent work for its attainment.²³ (See Box 8)

In the context of the EC's external assistance, the DWA also finds correspondence in the overarching goal of poverty reduction and the more specific Millennium Development Goals 1A (to prevent people from falling into poverty) and 1B (to promote employment and social inclusion of vulnerable groups).²⁴ In terms of concrete strategies, the first objective is promoted through the establishment and improvement of social protection programmes targeted on the most vulnerable such as social assistance programmes targeted on the poor. The second objective is promoted through policies targeting specific groups such as women, youth, and other groups considered at risk of social exclusion from the labour market.

BOX 8 : DWA IN COUNTRY PROGRAMMING

The focus of the decent work programmes varies from country to country, reflecting different national priorities and conditions. Whereas earlier regional and country strategy papers and policy documents refer in rather general terms "*favouring social dialogue*" or "*strengthening respect for human rights and fundamental freedoms, especially regarding freedom of expression and freedom of assembly*", programming for the Decent Work Agenda implies involvement of the social partners, including civil society, in constructive dialogue at the planning stage. This is also reflected in the European Consensus for Development.

In addition, the decent work agenda stresses the importance of workers' rights and the need to foster labour governance. In 2001, with the Commission Communication "*Promoting core labour standards and improving social governance in the context of globalization*"²⁵ that builds on the Copenhagen Social Summit, EC development policy integrates its international commitments in these areas. In addition the 1998 ILO Declaration on Fundamental Principles and Rights at Work²⁶ constituted an important step forward in the universal recognition of core labour standards that had been identified at the Copenhagen Summit, namely:

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

The European Consensus on Development (ECD) puts at its core most of the elements of the decent work agenda. In particular, the ECD stresses: 1) the centrality of employment promotion and decent work for all (p.14); 2) preventing social exclusion and combating discrimination against all groups including women, indigenous people, children and disabled people (p.28); 3) promotion of social and fiscal policies to promote equity (p.28), and 4) employment generation

²³ Decent Work Agenda and the MDGs. *Working out of poverty : Facts on the ILO and the MDGs*

²⁴ Note that the Commission Staff Working Document "Promoting Employment through EU Development Cooperation" states erroneously "(...) employment as such is not one of the Millennium Development Goals (MDGs)" (p.3).

²⁵ Brussels, 18.7.2001 COM(2001) 416 final

²⁶ Adopted on 18 June 1998 by the International Labour Conference at its 86th Session. This important development was recognized and supported in the Copenhagen +5 Conference in Geneva in 2000, which committed participants to "respecting, promoting and realizing the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up".

to promote social cohesion (p.28). In this framework, it appears that the role of employment generation and social inclusion in rural development activities is very limited for the EC as rural development objectives focus on food security and the environment (p. 24).

In 2006 the EC adopted the Decent Work Agenda²⁷. The Communication stresses that by *placing the emphasis on employment, the quality of employment and appropriate social policies, the promotion of decent work is a factor not only in justice and social cohesion but also in economic performance*. The interdependence of economic growth, investment, trade and decent work, as well as better management of economic migration, are key factors in promoting international and multilateral governance. The adoption of the Decent Work Agenda by the EC also has implications for all of its aid modalities as it envisages *integrating decent work into national and regional strategies to promote development and reduce poverty and the gradual inclusion of the decent work objective in budget support measures*.

As a result of the ILO Jobs Crisis Summit held in Geneva in June 2009, representatives of government, workers and employers agreed on a Global Jobs Pact²⁸. The Pact proposes *coordinated global policy options in order to strengthen national and international efforts focused on jobs, sustainable enterprises, quality public services, protecting people whilst safeguarding rights and promoting voice and participation*. The Pact is mainly centred on the Decent Work Agenda's four strategic objectives²⁹ and also adds shaping fair globalization and gender equality.

4.1.4 A strengthened collaboration

As described above during the 1990s the multilateral dimension of EC policy formulation increased. This also led to an increase in EU-UN collaboration. In 2003 the Communication from the Commission to the Council and the European Parliament set out the course for multilateralism and the strengthening of collaboration with the United Nations and its specialized agencies³⁰. The Communication reaffirmed *inter alia* the commitment to fulfilling international obligations in terms of the Johannesburg Summit on Sustainable Development, the Millennium Development Goals and collaboration with *inter alia* the ILO. COM (2005) 133 final³¹ further reinforces the commitment to supporting achievement of the Millennium Development Goals. Of critical importance are the two key statements in the introductory section, namely: *"First, the EU's ability to act as a 'front-runner' in developing and implementing multilateral instruments and commitments. And second, support, where necessary, for the capacity of other countries to implement their multilateral commitments effectively."*

This implies that regional and country programming should incorporate provision to help countries meet international obligations, which is a rights-based approach.

To date the EC has concluded strategic partnership agreements with six UN partner organizations. These are: UNDP (June 2004), WHO and ILO (July 2004), FAO (September 2004), UNHCR (February 2005) and the WFP (September 2005)³². The EuropeAid contributions to UN agencies

²⁷ COM (2006) 249 Communication from the Commission to the Council, The European Parliament, The European Economic and Social Committee and The Committee Of The Regions *Promoting decent work for all The EU contribution to the implementation of the decent work agenda in the world*. {SEC(2006) 643}

²⁸ Recovering from the crisis: A Global Jobs Pact

²⁹ Creating Jobs, Guaranteeing rights at work, Extending social protection and Promoting Social Dialogue.

³⁰ COM(2003) 526 final Communication From The Commission to the Council and the European Parliament: The European Union and the United Nations: The choice of multilateralism

³¹ COM from the Commission to the Council and the European Parliament Accelerating progress towards attaining the Millennium Development Goals - Financing for Development and Aid Effectiveness {SEC(2005) 453-454}

³² [HTTP://EC.EUROPA.EU/EUROPEAID/WHO/PARTNERS/INTERNATIONAL-ORGANISATIONS/INDEX_EN.HTM](http://ec.europa.eu/europeaid/who/partners/international-organisations/index_en.htm)

have increased significantly since 2001 from €m144 in 2001 to €m1,026 in 2006. For the two subsequent years the contributions were €m785 (2007) and €m676 (2008)³³.

4.2 The influence of EU internal policies on EC Development policy

4.2.1 The European social model and the Lisbon Strategy

Even though the EU Member States (EU MS) have different internal policies and models of society that combine a market economy with social values of internal solidarity and support, the European Economic and Social Committee (EESC) considers that an European social model exists (See Box 9), in the sense that all the national systems are characterized by coherence between economic effectiveness, justice and social cohesion. The European social model reflects the multidimensional character of social cohesion: political (role and quality of the institutions and participation of the citizens in the public sphere), economic (wealth and distributive aspects, productive sector, labour market and working relations), territorial (centre-periphery differences, urban-rural zones) and social (wealth distribution, equal rights).

BOX 9 : CORE ELEMENTS OF A EUROPEAN SOCIAL MODEL

- 1) the State takes responsibility for promoting social cohesion and justice by aiming for high levels of employment, providing or guaranteeing high-quality public services (services of general interest), and instituting redistributory budgetary policies;
- 2) governments and/or social partners or other agencies provide social protection systems that provide suitable insurance or social protection against major risks (such as unemployment, ill health, old age) at levels that prevent poverty and social exclusion;
- 3) fundamental legal (or quasi-legal) rights — as reflected in international agreements — such as the right of association and the right to strike;
- 4) the involvement of employees at all levels together with systems of industrial relations or autonomous social dialogue;
- 5) a strong and clear commitment to pursue gender issues in all parts of society, and particularly in education and working life;
- 6) necessary policies for addressing migration issues, particularly in the context of the demographic development in EU countries;
- 7) a set of social and employment legislation that ensures equal opportunities and protects vulnerable groups, including positive policies to address the specific needs of disadvantaged groups (the young, the elderly, the disabled);
- 8) a set of macroeconomic and structural policy measures that promotes sustainable, non-inflationary economic growth, promotes trade on a level playing field (single market) and provides support measures for industry and service providers and particularly for entrepreneurs and SMEs;
- 9) necessary policies programmes for promoting investments in areas that are essential for Europe's future, particularly life-long learning, research and development, environmental technologies etc.;
- 10) a continued priority for promoting social mobility and providing equal opportunities for all;
- 11) a responsibility for launching necessary policies for addressing the environmental issues, particularly those related to health and the supply of energy;
- 12) a broad agreement that public and private investments in Europe have to be sustained at a very high level in order to promote competitiveness and social and environmental progress;
- 13) a commitment to sustainable development, such that the economic and social achievements of the current generation are not achieved at the cost of restrictions on coming generations (inter-generational solidarity);
- 14) a clear commitment to solidarity with the developing countries and for providing assistance to their economic, social and environmental reform programmes.

Source: Opinion of the European Economic and Social Committee on Social cohesion: fleshing out a European social model, (2006/C.309/25)

³³ EuropeAid Financial Contributions to the United Nations 2001-2008

Evolution in the approach and deepening of the European social model

In the 1980s and at the beginning of the 1990s communitarian cohesion policies gained ground and were mainly focused on investment to achieve economic growth and reduce regional disparities, through infrastructure and investment in human capital. At the end of the 1990s, the substantial progress achieved in the development of the ESM showed the need for strong employment and social policies to ensure the widest possible access to the benefits of growth.

Social cohesion required a reduction in the disparities originating in the unequal access to employment opportunities and income. The improvement in life conditions implies an increase in productivity and therefore the adoption of measures aimed at introducing new technologies, new forms of work and new qualifications. Social cohesion is obtained through the intervention in these areas³⁴.

The two pillars are:

1. The European Employment Strategy

The EES, launched in November 1997 in the extraordinary European Council of Luxembourg³⁵, has as its main objective the reduction of unemployment in Europe, the unacceptable level of which threatens the cohesion. The EES is based in four pillars (See Box 10).

In the meeting of the European Council in Lisbon in March 2000, the EES acquires major importance. In Lisbon, the EU sets a new strategic goal for the next decade, namely: *to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion*³⁶.

The strategy defined to achieve this objective aimed at:

1. preparing the transition to a knowledge-based economy and society by better policies for the information society and R&D, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market;
2. modernizing the European social model, investing in people and combating social exclusion;
3. sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix.

The Lisbon Strategy envisages achieving the strategic goal previously mentioned via the private sector and collaboration between

BOX 10: EES' EMPLOYMENT GUIDELINES

1. Employability

The fight against long-term unemployment and youth unemployment, modernization of the education and training systems, active follow-up of the unemployed, reduction of school drop-out by 50%, and establishment of a social partners' agreement under which companies take part in the training process.

2. Enterprise spirit

Clear, stable and reliable norms for the creation and management of companies and simplification of the administrative obligations for small and medium enterprises (SME).

3. Adaptability

Modernisation of the organization and flexibility of work, creation of viable jobs and effective functioning of the labour market.

4. Equal opportunities

The fight against differences between men and women and promotion of greater employment of women.

³⁴ ECs' second report on Social cohesion, 2001

³⁵ An Employment Chapter is introduced in the Treaty of Amsterdam in June 1997. Employment becomes a "matter of common concern" for EU Member States.

³⁶ Lisbon European Council 23 and 24 March 2000, Presidency Conclusions

public and private sectors.

2. The European Social Policy

As previously mentioned, the Lisbon Strategy³⁷ pleads for the modernization of the European social model via investment in human capital and the constitution of an active welfare state. This is essential so that Europe occupies a place in the knowledge-based economy and guarantees that the emergent new economy does not increase the existing social problems of unemployment, social exclusion and poverty.

The objective set out in the Social Agenda³⁸ is to obtain positive and dynamic interaction between the economic, employment and social measures and a political agreement that mobilizes key stakeholders to work jointly in the attainment of the new strategic goal defined in Lisbon. Among the objectives of the Social Agenda are the following:

- i) enhancing social policy through modernization and improvement of social protection;
- ii) promoting social inclusion in economic and social life through an integrated approach in which education and training provide the necessary skills;
- iii) promoting equality between men and women; *and*
- iv) reinforcing fundamental rights and the fight against discrimination.

4.2.2 The external dimension of the European social model: its translation into EC development policy

The Commission's Communication to the Council and Parliament *The European Community's Development Policy (2000)*³⁹ sets out the aim of reducing poverty as the overriding objective of all EU development aid programmes. The Communication also outlines a new framework for the Community's development policy: Sustainable development is considered as a *multidimensional process that covers broad-based equitable growth, social services, environment, gender issues, capacity and institutional building, private sector development, human rights and good governance*. Besides, the role of technological progress in promoting sustainable and equitable development and consequently in reducing poverty is, as in the Lisbon Strategy, one of the core elements of development policy.

European social values have thus been translated, and even presented as added value of Community policy, into development policy since 2000. However, it was mainly in 2004 with the World Commission on the Social Dimension of Globalization (WCSDG) (See Box 11), and with the Commission's Communication *The Social Dimension of Globalization - the EU's policy contribution on extending the benefits to all*^{40 & 41} that the EU's economic and social

BOX 11 : THE WORLD COMMISSION ON THE SOCIAL DIMENSION OF GLOBALIZATION

Established in 2002 by the ILO, the World Commission aimed at:

- identifying policies for globalization which reduce poverty, foster growth, employment and development in open economies, and widen opportunities for Decent Work;
- identifying policies which can make globalization more inclusive, in ways which are acceptable and seen to be fair to all, both between and within countries;
- assisting the international community forge greater policy coherence in order to advance both economic and social goals in the global economy.

³⁷ It should be noted that the basis of the Lisbon Strategy is not only the EES of 1997 but also the Communication to the Council, the European parliament, the Economic and Social Committee and the Committee of the Regions –

³⁸ Approved in the European Council of Nice, December 2000

³⁹ COM(2000) 212 final

⁴⁰ COM(2004) 383 final

model was explicitly considered as a source of guidance for European action with partner countries.

As mentioned in the WCSDGs' report⁴², the integration of economic and social policies, and *the construction of the EU itself was an expression of that same model and, at the same time, a response to the pressures of globalization. Although a unique historical process, it contained elements that could inspire better, more inclusive management of the global economy.*

The Communication stresses that while the EU approach to economic, employment and social issues and the EC model of sustainable development cannot simply be transposed to partner countries, it would nonetheless present positive examples on how to ensure sustainable progress. These examples are process-related and are mainly relate to solid institutional structures for the management of economic, social and environmental issues and the interplay between them; effective public services and services of general interest; strong social and civil dialogue; investment in human capital; and the quality of employment.

According to the Communication, the means through which the EU aims to promote the social dimension of globalization in its bilateral and regional relations are:

- inclusion, since 1992, of respect for democratic principles, human rights and the rule of law in bilateral and regional agreements;
- inclusion of respect of Core Labour Standards in external agreements (the first was the Cotonou Agreement);
- dialogue and consultation with civil society and the social partners;
- elaboration of sustainability impact assessments involving key stakeholders;
- policy dialogue at national and regional levels to allow greater social economic and political stability;
- mainstreaming of human rights and democratization issues in all EU policies, as it facilitates promotion of decent work, the fight against illegal work, and the exploitation of certain categories of people such as women and children who are more exposed to trafficking and to low wages and unemployment, or to abuses such as moral and sexual harassment;
- further develop bilateral and multilateral dialogue on South-North and South-South migration, its human aspects including basic rights, the protection and integration of migrants, and its economic and social components in all their variety including remittances and brain drain/gain;
- achievement and continuous monitoring of the Millennium Development Goals;
- strengthening of EU policy coherence;
- external cooperation in :
 - (a) institutional and regulatory reforms, including agrarian and fiscal reforms, to promote sustainable formal private sector job creation and effective labour markets;
 - (b) improvement of equitable access to social services, notably in health and education;
 - (c) development or strengthening of redistribution mechanisms, including social protection schemes; *and*

⁴¹ This Communication was issued in May 2004, three months after the World Commission on the Social Dimension of Globalizations' report.

⁴² *A fair globalization - Creating opportunities for all*, World Commission on the Social Dimension of Globalization, February 2004

- (d) better involvement of Non-State Actors, respect for CLS and promotion of social dialogue.
- mainstreaming of the social dimension at the programming and implementation phases;
 - consideration of social development aspects in trade negotiations;
 - market access for developing countries and Generalized System of Preferences (GSP) through which additional trade preferences are offered if the country complies with core labour standards⁴³.

After the adoption of the Decent Work Agenda, and in order for the EC to further develop the *Social dimension of globalization, promotion of employment and decent work* chapter of the ECD, the Commission elaborated in 2007 a working paper on *Promoting Employment through EU Development Cooperation*. The paper focuses on employment and labour market within the broader concept of decent work, which calls for *the integration of economic and social objectives and for a combination of measures in the areas of productive employment, rights at work, social protection and social dialogue. Gender equality is integrated in all dimensions. In the context of globalization, the promotion of decent work should also be considered as a contribution to the improvement of all the social models in the world.*

The document notes that the EC's development strategy should reflect the different needs of Low Income Countries (LICs) and Middle-Income Countries (MICs). While LICs need to focus on the creation of productive jobs in the formal economy and on improving the living and working conditions of the poor in the informal economy, MICs should focus on the transition from the informal to the formal market and on improving skills shortages (p.4). Moreover, LICs are characterized by very young populations, low levels of female education, and high incidence of diseases such as HIV-AIDS with a strong impact on the labour force; all factors that call for the protection and social inclusion of vulnerable groups (p.5, 6). Strengthening of social protection institutions and attention to underemployment are additional priorities for the EC (p.5, 13). The document also calls for a shift in emphasis towards employment generation in macroeconomic policies supported by budget support mechanisms and labour-demand-related policies such as private sector development and financial development (p.8-10).

This staff working paper also refers to the EU's internal experience, which *shows that social development and social cohesion are in fact drivers of economic growth, and not a hindrance*, as a source of inspiration throughout the world. The social model would be the added value of the EU. It is important to recall that the EESC considers the *clear commitment to solidarity with the developing countries and for providing assistance to their economic, social and environmental reform programmes* as one of the core elements of the European Social Model.

In a context in which the EU committed itself to increasing Official Development Assistance (ODA), and considering European experience in combining economic growth with social justice, the EC sees an important opportunity for addressing employment issues and at the same time mobilizing EU Member States to further promote employment. The paper identifies policies conducive to employment at country level that are indeed inspired by most of the core elements

⁴³ Art. 9 of the Council Regulation 980/2005 of 27 June 2005 on *Applying a scheme of generalized tariff preferences* states, among other, that *The special incentive arrangement for sustainable development and good governance may be granted to a country which: has ratified and effectively implemented the conventions listed in Part A of Annex III (Civil and Political Rights, Economic, Social and Cultural Rights, Elimination of All Forms of Discrimination Against Women, on the Rights of the Child, Abolition of Forced Labour,, Forced or Compulsory Labour, Equal Remuneration of Men and Women Workers for Work of Equal Value,, Discrimination in Respect of Employment and Occupation, etc.)*

of the European social model, as defined by the EESC (see Table 2). As in Europe, the main responsibility for promoting social cohesion and justice is that of country governments⁴⁴.

TABLE 2: RELATION BETWEEN EC WORKING PAPER ON EMPLOYMENT & THE EESC DEFINITION OF THE EUROPEAN SOCIAL MODEL

EC WORKING STAFF PAPER	EESC DEFINITION OF THE ESM
AT COUNTRY LEVEL	
Fostering employment through the development of the private sector	
<ul style="list-style-type: none"> ▪ Removing barriers to formalization ▪ Improving the business environment and encouraging entrepreneurship ▪ Promotion of competitive markets ▪ Reforming the financial sector 	<ul style="list-style-type: none"> ▪ Macroeconomic and structural policy measures that promotes sustainable, non-inflationary economic growth, and provides support measures for industry and service providers and particularly for entrepreneurs and SMEs ▪ A broad agreement that public and private investments in Europe have to be sustained at a very high level in order to promote competitiveness and social and environmental progress
Governance: establishing a broad partnership and building institutional capacity	
<ul style="list-style-type: none"> ▪ Labour market policies: improving the knowledge base and consideration of CLS 	<ul style="list-style-type: none"> ▪ Social and employment legislation that ensures equal opportunities and protects vulnerable groups, including positive policies to address the specific needs of disadvantaged groups
<ul style="list-style-type: none"> ▪ Education, Vocational Education and Training (VET), science and technology. ▪ Mismatch between skills offered (labour supply) and skills required (labour demand) is a common problem. VET is the entry point for addressing issues of labour supply and improving employability, productivity and competitiveness. ▪ Investment in education, science and technology for development is important. 	<ul style="list-style-type: none"> ▪ Policies programmes for promoting investments in areas essential to Europe's future, particularly life-long learning, research and development, environmental technologies etc
<ul style="list-style-type: none"> ▪ Specific measures for women and young people should be incorporated into the VET and skills development component of such a strategy, in particular through development of non-formal VET. ▪ Employment placement/guidance services 	<ul style="list-style-type: none"> ▪ A strong and clear commitment to pursue gender issues in all parts of society, particularly in education and working life ▪ A continued priority of promoting social mobility and providing equal opportunities for all
<ul style="list-style-type: none"> ▪ Social Protection and better functioning of labour markets 	<ul style="list-style-type: none"> ▪ Governments and/or social partners or other agencies provide social protection systems (...) at levels that prevent poverty and social exclusion.
<ul style="list-style-type: none"> ▪ Social dialogue 	<ul style="list-style-type: none"> ▪ Involvement of employees at all levels together with systems of industrial relations or autonomous social dialogue.
AT REGIONAL LEVEL	
<ul style="list-style-type: none"> ▪ Trade: EPAs, Aid for Trade 	<ul style="list-style-type: none"> ▪ Macroeconomic and structural policy measures that promote trade
<ul style="list-style-type: none"> ▪ Mobility and migration 	<ul style="list-style-type: none"> ▪ Necessary policies for addressing migration issues

Source: Own elaboration

⁴⁴ The Monterrey Consensus of 2002 also recognizes that each country has primary responsibility for its own economic and social development through sound policies, good governance, and the rule of law.

Further to this working document, the *Conclusions of the Council and of the Representatives of the Governments of the Member States meeting within the Council-Promoting Employment through EU Development Cooperation*⁴⁵ addresses the need to create employment opportunities, through *inter alia* : *stepping up efforts to promote more and better employment through development cooperation policies and programming, in particular for young people and women, and coordinate and harmonize their activities in this field as laid down in the Monterrey commitments and the Paris Declaration.*

This should be achieved *inter alia* through:

- supporting employment as a cross-cutting issue;
- defining adequate and effective employment strategies within the overall framework of decent work and promote the integration of productive employment, social protection;
- supporting efforts by the ILO and other international entities to include full and productive employment and decent work for all in the MDG targets;
- developing adequate gender disaggregated indicators on more and better employment and decent work for all, including the informal economy;
- fostering the positive potential of migration on the economies of the countries of origin.

The conclusions also stress the importance of training, labour market flexibility, micro-finance and assisting the transition of informal economies into formal economies.

The 2008 Communication on the *Renewed Social Agenda*⁴⁶ confirms and further develops the external dimension of the European social model. The EC *reaffirms its commitment to promote the internationally-agreed agenda for decent work, including through the cooperation with the ILO and other partners, and the mobilization of all relevant EU policies.* It commits itself to including decent work and social concerns in agreements between the EU and third countries, and to strengthening the social dimension of trade and trade-related policies. Development of social protection systems, modernization of labour markets and addressing the social dimension of globalization are to be included in its external cooperation.

Whilst social protection is mentioned in key policy documents showing the externalization of the European social model, it finally acquires a predominant role in the framework of the food, economic and financial crises.

In 2009 the Commission Staff working paper *Millennium Development Goals - Impact of the Financial Crisis on Developing countries* accompanying the COM(2009) 160 on *Supporting developing countries in coping with the crisis* further recognizes the importance of achieving the MDGs while at the same time stressing the missing dimensions of the MDGs framework. While it recognizes, for example, the importance of social protection in achieving the MDGs in a sustainable manner, it concludes that adding additional targets to the MDGs framework might be counter-productive in that it might result in a loss of country ownership and commitment.

But if social protection is not to be integrated into the MDG framework, one of the commitments set in the COM (2009) 160 is to further work on social impact by protecting the most vulnerable by both *i*) taking targeted social-protection measures and *ii*) supporting mechanisms to safeguard social spending, particularly in relation to social protection systems and labour markets, including enhancement of financial and in-kind transfers. In this regard the Vulnerability FLEX instrument (EDF funding), focusing on social safety net spending, and the Food Facility, are both part of the EU's response to this challenge.

⁴⁵ Council of the European Union Brussels, 21 June 2007. 11068/07 DEVGEN 117, RELEX 504 SOC 263

⁴⁶ COM(2008) 412

As for the newly adopted Europe 2020 Strategy⁴⁷, it is too soon to analyze its external dimension or its influence on external development policy. Nevertheless, based as it is on lessons learned from the Lisbon Strategy, it can be stated that the main principles and core values remain the same. In the short time that has elapsed since the adoption of the Europe 2020 Strategy, two of its three priorities, inclusive growth and sustainable growth⁴⁸, have been transposed into the Green Paper on *EU development policy in support of inclusive growth and sustainable development*.⁴⁹ In the latter the EC re-confirms its commitment to linking, in its development policy, economic growth and social inclusion as the means with which *to deliver sustained development benefits, requiring coherence and balance across policies*. It further states: *Building on its deep experience of support for human and social development and looking beyond the traditional areas of activity, the EU is now in a position to review (in partner countries) how better to integrate a focus on skills, innovation, creativity and entrepreneurship, in a comprehensive approach to social policies, and how to support active labour market policies, the decent work agenda, and the development of effective national social protection systems*.

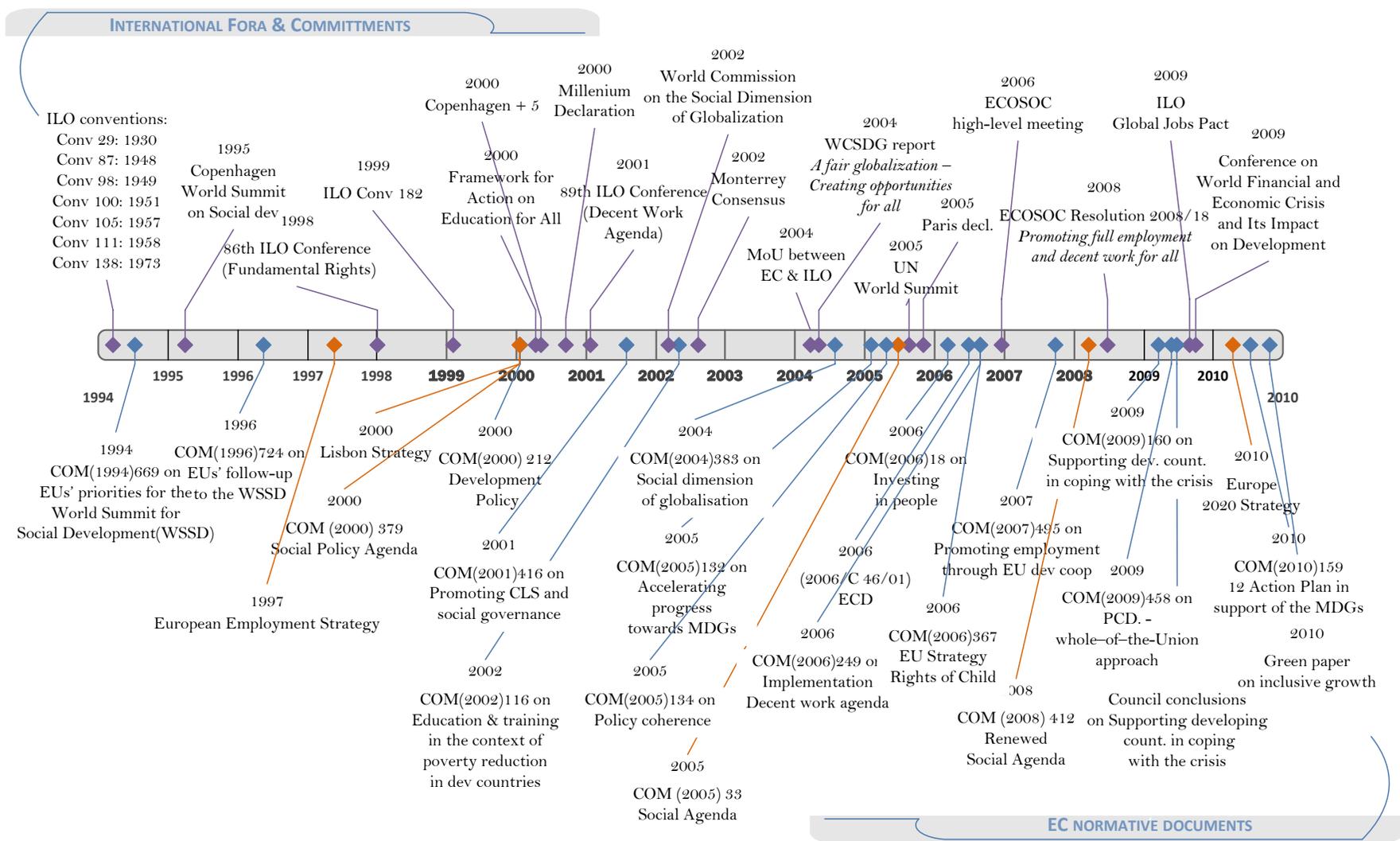
To conclude, the following Figure 2 shows the time-frame of international commitments and the EC's normative framework.

⁴⁷ EUROPE 2020 A strategy for smart, sustainable and inclusive growth, COM(2010) 2020

⁴⁸ The third one being *Smart Growth – developing an economy based on knowledge and innovation*.

⁴⁹ *GREEN PAPER. EU development policy in support of inclusive growth and sustainable development. Increasing the impact of EU development policy*, COM (2010) 629 final

FIGURE 2: CHRONOLOGY OF INTERNATIONAL COMMITMENTS AND EC NORMATIVE DOCUMENTS



4.3 EC intervention logic on ESI-related issues at global policy level

4.3.1 Brief methodological introduction

The effects diagram presented below has been reconstructed on the basis of an understanding of the hierarchy of objectives as they emerge, explicitly or implicitly, from official EC overall policy and strategic documents.

In the framework of the current evaluation the team has considered the following logical levels, from the bottom to the top of the effects diagram:

1. Context:

- Political framework of the relations between the EU, its international partners and the beneficiaries (Treaties, Political Communications, Political Declarations, Joint Communiqués, etc.)
- EU Thematic Policies (mostly related to Commission Communications, Staff Working Papers, Council Communications and Conclusions, etc.)
- EU geographical strategies (medium-long term strategies such as regional and bilateral Agreements with EU, or specific country partnership strategy documents)⁵⁰
- Local contexts, including economic, social and political frameworks at national and regional levels.

2. Inputs. The financial, human, and material resources used for the development intervention. These are the means used to generate outputs.

3. Induced Outputs. We consider here the induced government outputs, which are not the direct outputs of EC support but the outputs of the government(s)/ institution(s), which is/are supposed to own and be the key users of the EC's support.

4. Outcomes. The likely or achieved short-term effects on the social and economic context of the outputs of a development intervention: the specific changes occurring as a result of the EC's support contribution.

5. Mid-term impacts. These relate to the medium-term expected effects of the intervention on the social and economic context.

6. Long-term impacts. These relate to the longer-term expected effects of the intervention on the social and economic context.

4.3.2 The effects diagram

The Intervention Logic expressed through the diagram reflects the three main areas of intervention and the related explicit and implicit strategies put in place:

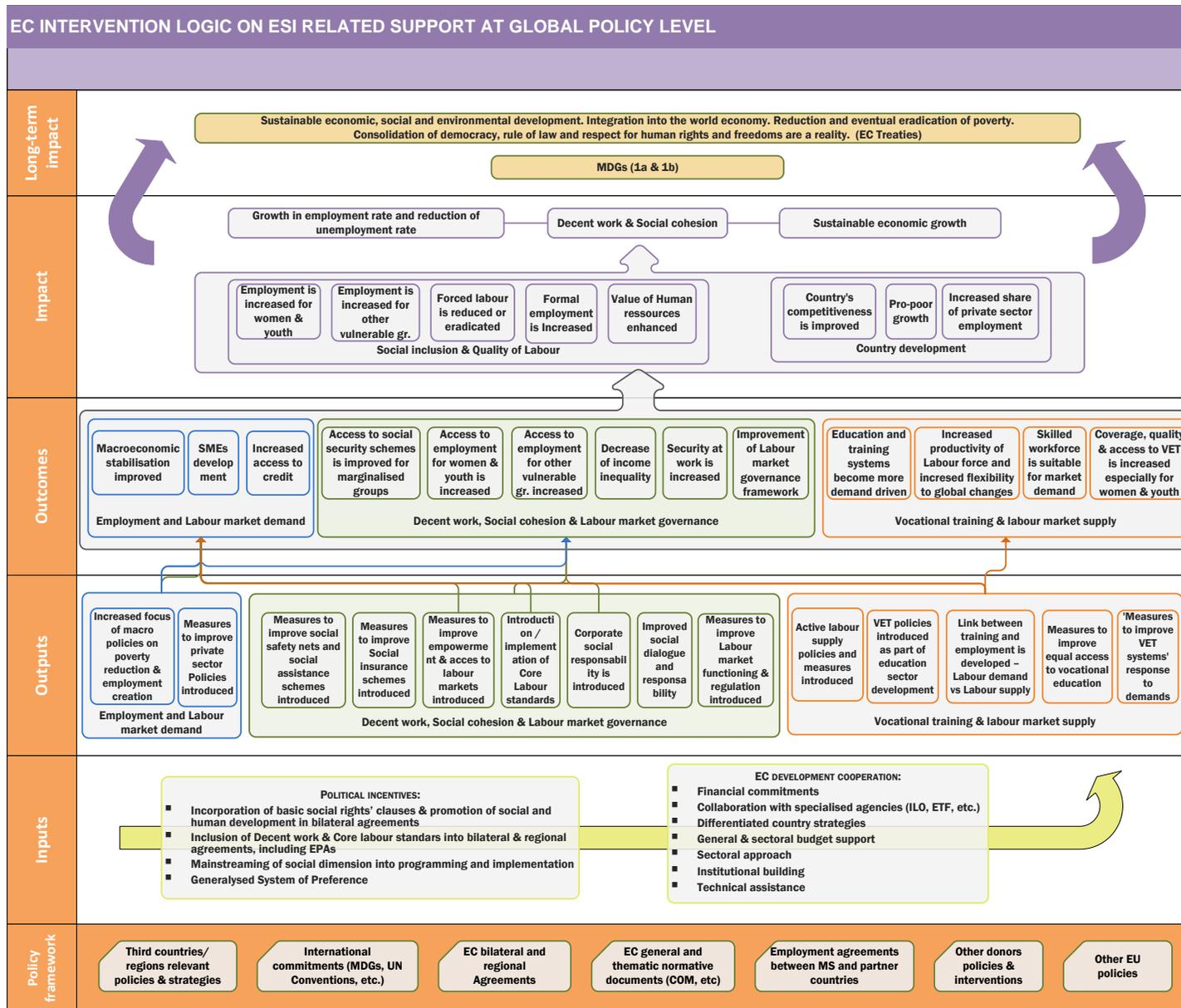
- a. interventions to support the expansion and consolidation of labour demand, i.e. support for economic growth through structural reforms (including enhanced labour market flexibility), macroeconomic stabilization, private sector development, rural development, and access to credit;
- b. interventions to support upgrading of labour supply, that is increasing employability, through TVET and other active labour market policies; *and*
- c. interventions to promote social inclusion and social protection in the labour market. These are of two types: i) measures to support building of a legal and institutional

⁵⁰ Given the nature of the evaluation, country and regional strategy papers were not taken into consideration when drawing the effect diagrams

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framework facilitating the application of the DW agenda and CLS, that is to say labour governance; and ii) measures to support participation in the labour market by disadvantaged and marginalized groups, and other poverty reduction measures.

This choice has the advantage of highlighting the systemic nature of ESI themes, which is potentially implicit in the policy documents. This allows an analysis of the links within each type of intervention stream (corresponding to the macro-sectors of the inventory from one level to another), while at the same time underlining the links (explicit or implicit) between the different types of intervention.



5 EUROPEAN COMMISSION POLICY IN ESI-RELATED ISSUES IN RESPONSE TO RECIPIENTS' NEEDS IN THIRD REGIONS

Labour market trends in third regions are included in Volume 2 – Annex 7.

5.1 Africa, Caribbean and the Pacific

5.1.1 EC global policy and strategy

Relationships with ACP countries evolved not only within the context of the transition from the Lomé Convention⁵¹ to the Cotonou Agreement⁵² but also in the form of agreements of a regional nature among the ACP countries. These included the EU-Caribbean Partnership for Growth, Stability and Development⁵³, the Africa-EU Strategic Partnership⁵⁴, and relations with the Pacific Region⁵⁵.

Vocational Training & Labour Supply policies

Within the Lomé Convention, enhancement of the value of human resources via education and training is indicated as a fundamental component of social and cultural cooperation within the social development objective (art. 13). As a means of achieving this, establishment and restructuring of training institutes, training of trainers, programmes of life skills and professional training - in particular for improving the status of illiterate people, women and disadvantaged groups in rural areas (art.150) - are mentioned. There is no mention of vocational training or human resources development within the section on industrial cooperation or support to private sector development.

The Cotonou Agreement, with its overall objective of reducing poverty, envisages a development cooperation strategy aimed *inter alia* at “promoting human and social development helping to ensure that the fruits of growth are widely and equitably shared and promoting gender equality” (art.20). This finds application at the levels of both economic and social sector development. In the first instance the economic sector should promote the development of training systems, helping to increase the productivity of the formal and informal economy (art.23). Within the social sector, support should go to developing sector policies and reforms that bring about improvements in coverage, quality of and access to basic social infrastructure and services, taking account of local needs and the specific demands of the most vulnerable and disadvantaged, and ensuring better public spending. In this context one of the aims is to improve education and training and the building of capacities and technical skills (art. 25). Specific attention goes to promoting youth skills so as to enlarge young people’s employment opportunities in the productive sector.

In addition to these two key documents, further policy orientations have been developed at Caribbean, Pacific and Africa level. With regard to Africa, in the framework of the strengthened policy dialogue started with the Cairo Summit in 2000 and culminated in the adoption of the Africa-EU Strategic Partnership (2007), in which vocational training is mentioned in relation to the support needed to achieve the MDGs. In 2005 TVET is mentioned within the support for access to all levels of education, and for transfer of know-how and lifelong learning, going beyond primary education⁵⁶. In the communication of 2007⁵⁷, TVET is referred to indirectly when the need is stressed for creating more and better jobs within the initiative on migration, mobility and employment. This communication, in addition to reiterating the support to vocational training as part of the support to all levels of education,

⁵¹ Official Journal L 156 29.5.1998

⁵² Partnership Agreement between the ACP Group and the European Community and its Member States

⁵³ Brussels, 2.3.2006 COM(2006) 86 final, {SEC(2006) 268}

⁵⁴ Lisbon Declaration - EU Africa Summit (Lisbon, 8-9 December, 2007)

⁵⁵ EU Relations with the Pacific Islands - a Strategy for a Strengthened Partnership Brussels, COM(2006) 248 final

⁵⁶ COM (2005) 489: EU Strategy for Africa: Towards a Euro-African pact to accelerate Africa’s development

⁵⁷ COM (2007) 357: EU- Africa Strategic Partnership

introduces the need of a better matching between education and labour market demand, thus “ensuring that there are jobs behind education”.

The EU Strategy for the Caribbean (2006)⁵⁸ includes among its three pillars promotion of social cohesion and combating of poverty. Within this area education represents a core strategy for escaping poverty. In particular, skills development is considered as a way of meeting the requirements of economic diversification and social mobility, especially in sectors adversely affected by structural reforms and economic transition.

In the EU Strategy for the Pacific (2006)⁵⁹, there is no specific mentioning of TVET and skills development, but a generic reference to continuing support to human resources development in relation to achievement of the MDGs.

The Action Plan for the EU-South Africa Strategic partnership drawn up in 2007 provides the new framework for cooperation with South Africa. Given the specific nature of South Africa, cooperation in the area of education is limited to exchanges and participation in mobility schemes at higher education level. On the other hand there is a specific dialogue provision devoted to exchanges in the area of employment and social affairs.

Employment & Labour Market

The importance of stimulating economic growth as a precondition for social progress and employment creation is emphasized in several documents, for example the Communication on the EU Strategy for Africa: “*Without increased growth and private investment, few African countries will have the sustainable revenue they need to deliver basic social services such as education and health care. Boosting economic growth will thus be a key factor in achieving the MDGs*”⁶⁰.

In the context of peace and security, the Africa-EU Strategic Partnership (2007) defines employment and social protection as a concern of common interest to the EU and Africa: “*Employment issues, notably social protection, the shortage of employment opportunities and the promotion of decent work in Africa, will be jointly addressed, with priority being given to creating productive jobs in the formal economy, improving poor living and working conditions in line with the UN decent work agenda and integrating the informal economy into the formal. Investments in private sector development will be promoted, looking in particular to youth and women. The service sector will be further developed as this is where women and youth are mostly involved. Africa and the EU will make technology work for employment, and will ensure that infrastructure works to create jobs for Africans, both skilled and unskilled. In addition, attention will be paid to the creation of jobs through micro-finance schemes. As generally disadvantaged groups often benefit substantially from such microfinance schemes they should be actively pursued*” (art. 55)⁶¹.

In line also with the African agenda on employment promotion and poverty alleviation, the “Action Plan (2008-2010) for the Implementation of the Africa-EU Strategic Partnership” (2007) further spells out the specific initiatives aimed at following up the strategic partnership. Once more the importance of enhanced trade relations and deeper regional integration as essential contributions to development, economic growth and employment, and thus ultimately to eradication of poverty, are highlighted. The Action Plan states a number of priority actions. Priority Action 1 relates to implementation of the Declaration of the Tripoli Ministerial Conference on Migration and Development. It suggests “*further integrating relevant issues concerning migration, mobility and employment into poverty reduction strategies and country strategy papers, in particular through support to continued improvement and updating of individual countries' migration profiles, with a particular focus on skills gaps and mismatches in labour markets*”. Priority Action 3, which deals with implementation and follow-up to the “2004 Ouagadougou Declaration and

⁵⁸ COM (2006) 86

⁵⁹ COM (2006) 248

⁶⁰ COM (2005) 498 Final: Strategy for Africa: Towards a Euro-African pact to accelerate Africa's development

⁶¹ The Africa-EU Strategic Partnership. A Joint Africa-EU Strategy, 2007.

Action Plan (by the African Union) on Employment and Poverty Alleviation in Africa” states as its objective the creation of more, more productive and better jobs in Africa, in particular for youth and women in line with the UN Decent Work for All Agenda. The proposed related activities includes:

- integrating full and productive employment and decent work for all into national development strategies, including poverty reduction strategies and country strategy papers;
- strengthening the capacity of employment agencies and other labour market actors and institutions, such as organizations of employers and workers, labour administrations, in Africa; and encouraging links and networks among them;
- creating a more direct link between skills training and the needs of local labour markets, as well as possible investment opportunities, including through the provision of Technical and Vocational Education and Training (TVET);
- encouraging the elaboration of Decent Work Country Programmes and participation in joint awareness raising activities on Decent Work, with a specific focus on the informal economy, in particular for women and young people;
- promoting investment in private sector and microfinance schemes.

Commission staff interviewed in connection with the evaluation stated that employment and migration are receiving increased attention. For instance, the EC took an active part in drafting the recent POVNET⁶² statement on employment, at the same time as employment and social protection initiatives are receiving more prominence in the current global financial crisis.

As a consequence of the global financial crisis, and in preparation for the Third Africa-EU Summit of November 2010, the overarching theme of which was "Growth, Investment and Job creation", the EC presented a Communication on the consolidation of EU-Africa relations. It states that although MDGs are at the core of the Africa-EU Strategy, support to the African continent in its *political and economic governance, and in reinforcing the regulatory, fiscal and business environment was necessary so as to allow better mobilizing of the continent's own assets in a sustainable way*. Engaging with the private sector and ensuring a financial leverage effect of development assistance is considered crucial in this respect.

In order to achieve the objective of inclusive growth, it is proposed, *inter alia*:

- to extend social protection coverage to the most vulnerable; to create a multi-level dialogue, in particular on informal economy issues; to enhance labour market governance; and to support the harmonization process of the labour and social protection frameworks at regional level in Africa;
- to provide better services and infrastructures both in support of stronger private sector activity and as a source of growth and employment.

The Communication on the EU-Caribbean Partnership considers the private sector, and especially small and medium-sized enterprises, as the expected driving force behind sustainable growth and job creation⁶³. The communication contains no other references to employment and labour supply issues. More recently, in October 2008 CARIFORUM States and the EU signed an Economic Partnership Agreement (EPA) that addresses employment and decent work issues, mainly in respect of multilateral commitments. It is worth mentioning that the EPA includes provision for a Consultative Committee (composed of civil society organizations of both regions) to advise Ministers and officials on its implementation. The European Economic and Social Committee (EESC) has a key role in this regard.

As regards the Pacific, the Communication⁶⁴ on EU relations with this sub-region emphasizes stability and security as a main EU interest. The Communication makes no mention of employment and decent work as concerns, but includes some text on the importance of strengthening the economic ties between the Pacific Islands and the EU.

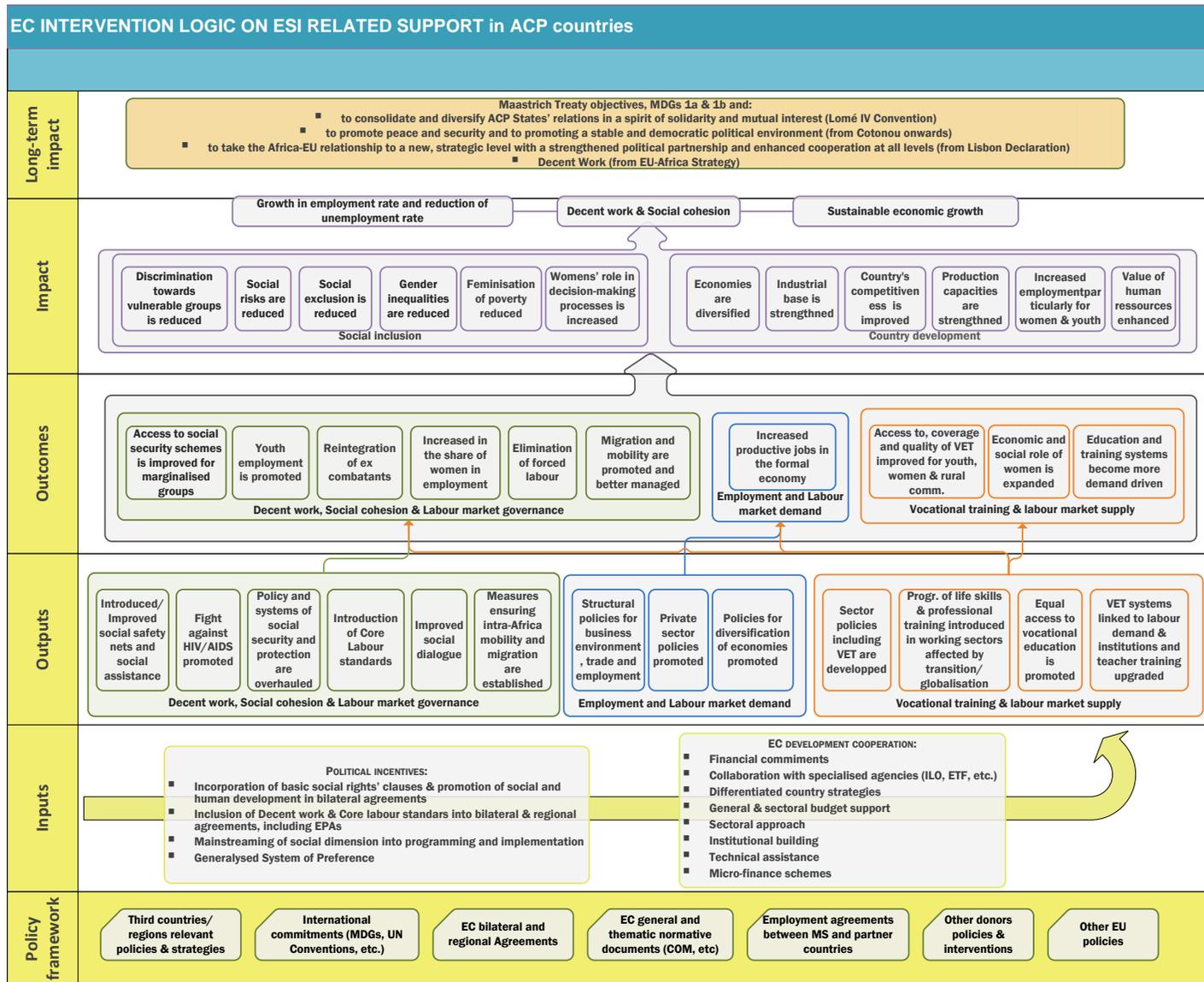
⁶² POVNET is a joint donor-working group under the auspices of OECD/DAC.

⁶³ COM (2006) 86 Final: An EU-Caribbean Partnership for Growth, Stability and Development.

⁶⁴ COM (2006) 248 Final: EU Relations with the Pacific Islands. A Strategy for a Strengthened Partnership.

The effects' diagram of EC-ESI related support strategy in ACP countries

Refer to § 4.3.1 for a brief methodological introduction on how to read the diagram.



5.1.2 EC response strategy and programming

An overall analysis of the relevant Indicative Programmes shows that only 38% of the ACP countries have at least one ESI-relevant sector as a core area of intervention: 22 countries in Africa, five in the Caribbean and three in the Pacific.

- Vocational and human resources development is among the core sectors (with different weight, however) in 16 ACP countries⁶⁵, but it seems to be linked with labour market needs in only eight countries⁶⁶. Despite the large number of youth unemployed in Sub-Saharan Africa, none of the current CSPs has made specific provision to address this crucial issue.
- While private sector development as the expected driving force behind sustainable growth is a core sector in 17 ACP countries, employment creation is considered a core sector only in two countries (South Africa and Vanuatu).
- It is interesting to note that TVET as a core sector co-exists with private sector development in only six (African) countries⁶⁷.
- As in policy definition, labour migration aspects have been integrated into programming in sub-Saharan countries (Mali and Niger)⁶⁸. Institutional capacity-building for national statistics institutions is envisaged in the latest programming documents for Niger and Angola; but no specific reference is included on institutional support to social partners.
- At regional level human resources development is among the core areas in four of the five sub-regions⁶⁹. Trade and regional integration, considered as important vectors for economic growth and employment, are among the core areas in four of the five sub-regions.

Many of the CSPs identify transport infrastructures and water & sanitation as priority sectors. Both offer considerable potential for employment generation, particularly when labour-intensive methods are adopted. The development or upgrading of the road infrastructure is included as a priority sector in the Democratic Republic of the Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, Tanzania, Uganda and Zambia. Lesotho and South Africa have programmes in the water sector.

5.2 Mediterranean and Middle East countries

5.2.1 EC global policy and strategy

Vocational Training & Labour Supply policies

The EU-Mediterranean Partnership (Barcelona Process, November 1995), which represents the framework for the relationship with the region, emphasizes that social and economic development must go hand in hand. Within the partnership section aimed at creating an area of shared prosperity, one of the long-term objectives is improving the living conditions of the population and increasing their employment levels. However vocational training is mentioned as part of the work programme only in the partnership section on social, human and cultural issues within the framework of the objective of human development through education and training⁷⁰.

The link between vocational education and economic development begins to emerge, still in an indirect way, in the first MEDA Regulation of 1996. Vocational training is mentioned as one of the measures

⁶⁵ Africa: Senegal, Gabon, Sudan, Somalia, Angola, Tanzania, Comoros, Namibia, Botswana, Swaziland and South Africa; Caribbean: Barbados, Antigua; Pacific: Papua New Guinea, Tuvalu and Vanuatu.

⁶⁶ Africa: Comoros, Angola, Namibia, Botswana and South Africa; Caribbean: Antigua; Pacific: Papua New Guinea and Vanuatu.

⁶⁷ Africa: Senegal, Gabon, Somalia, Tanzania, Botswana and South Africa.

⁶⁸ In Senegal Migration is a non focal sector

⁶⁹ Caribbean, West Africa, Central Africa, Eastern and Southern Africa and the Pacific.

⁷⁰ Barcelona Declaration, 27-28/11/1995

needed to achieve a better socio-economic balance, and is implemented in the framework of industrial cooperation which is one of the instruments for supporting economic transition and the creation of a free trade zone. The MEDA 2 Regulation (2000) further stresses the role of vocational training in the framework of the objective of sustainable socio-economic development and as part of the accompanying measures for implementation of the structural reforms required to implement the free trade association agreement.

At the tenth anniversary of the Barcelona Process, the Council's conclusions (Nov. 2005) finally make a clear link between vocational training, employment - especially for young people - and poverty reduction: *“Dans le but de favoriser dans l'ensemble de la région la création d'un plus grand nombre d'emplois pour le nombre croissant de jeunes et de réduire les niveaux de pauvreté régionaux et les écarts de prospérité, ainsi que d'augmenter les taux de croissance du PIB, les partenaires euro méditerranéens prendront des mesures visant: [...] améliorer la productivité de la main-d'œuvre en élargissant l'accès à la formation professionnelle et technique; [...] renforcer le rôle du secteur privé dans le financement et la formation sur le lieu de travail”*.

In the five-year work programme⁷¹ for Euro-Mediterranean cooperation which aimed to implement the objectives agreed by partners at the 10th Anniversary Euro-Mediterranean Summit in accordance with the Barcelona Declaration of 1995, the Euro-Mediterranean partners committed themselves *inter alia* to:

- working to strengthen the quality and relevance to the labour market of primary and secondary education and training;
- supporting market-based reform of Technical and Vocational Education and Training, involvement of commerce and industry, and rationalization of qualifications; *and*
- enhancing the capabilities of universities and higher learning institutions.

A first Euro-Mediterranean Employment and Labour Ministers Conference was held in November 2008. It adopted a Euro-Med Framework of Actions⁷² on employment, employability and decent work. One of the key objectives is enhancing employability, human capital: *Facing the knowledge economy, investment in human capital is more important than ever, as is adapting education, training, and the workers' skills to economic change and the needs of labour markets, and facilitating professional mobility (including from informal to formal employment)*. In this framework, priority is given to: i) reforms of the education systems in response to labour market needs and ensure quality education and life-long learning; ii) reinforcing demand-driven vocational training in key sectors, in terms of financing, organizational structures and promotion; iii) improving the functioning of public employment services, transparent labour market information systems and innovative career guidance services; and iv) supporting young people experiencing difficulty integrating themselves into the labour market, including strengthening their professional capacities.

Employment & Labour Market

Also in relation to employment, the Barcelona Declaration (1995) sets the direction for collaboration between the EU and MEDA: *“While the Barcelona Declaration and its overall approach remain valid, there is no room for complacency. The UNDP Arab Human Development Reports and the declarations of Sana'a and Alexandria and the Arab League Summit in Tunis in 2004 have all stressed the need to move forward in areas such as political and economic reform, women's rights and education if the region is not to lag behind. Progress towards a number of the goals set out in the Barcelona Declaration has been slow, partly because Partners have at times not appeared wholly committed to implementing the principles to which they have signed up, partly also*

⁷¹ Commission five-year work programme, Euromed, 2005

⁷² Conclusions of the first Euro-Mediterranean Employment and Labour Ministers Conference, Marrakesh, 9 and 10 November 2008

*because of the difficulties caused by the continuing conflicts in the region, and because the search for consensus has sometimes acted as a brake on those wishing to move forward more rapidly*⁷³.

The proposed means of achieving the set goals are trade and services liberalization, enhanced investment and regulatory convergence, combined with continuation of structural reforms aimed at clearing away obstacles to growth, investment and job creation. *“The economic benefits for the region in terms of employment and growth will help the Mediterranean Partner countries to create the 5 million jobs a year they need to offer better economic prospects to the new entrants to their labour markets while ensuring the pursuit of sustainable development”*⁷⁴.

Labour migration, including the social inclusion of migrants lawfully resident in a Member State, had nevertheless already been a key issue since 2000⁷⁵. In 2004, in the ENP Strategy Paper, the EUs’ difficulty was explicitly recognized: *Partners are facing increased challenges in the field of Justice and Home Affairs, such as migration pressure from third countries*. That same year⁷⁶ the EU express its willingness to *promote a comprehensive approach to migration and the social integration of legally residing migrants and extend to all partners the dialogue and co-operation on migration*.

The Euro-Mediterranean Association Agreements and the Five-Year Work Programme for Euro-Mediterranean cooperation underline the need for mutual dialogue and solidarity to guarantee peace and security and the development of the region. In this perspective economic cooperation was focused on areas which had suffered most from trade liberalization, areas that generate growth and employment, and areas most likely to bring economies closer together.

The strategic importance of the MEDA region for the EU is re-emphasized in several recent documents, for instance the Regional Strategic Document and Indicative Programme for the EU-Mediterranean Partnership 2007-13: *“La région méditerranéenne revêt une importance stratégique pour l’UE, (...) l’expansion rapide de la population et de la main d’œuvre conjuguée à une faible croissance économique nourrit le chômage et entraîne la stagnation des revenus. La situation économique est aggravée par trois «déficits» sociopolitiques, à savoir l’absence de liberté, le manque d’émancipation des femmes et l’accès insuffisant à la connaissance et à l’éducation”*⁷⁷. Hence the EU policy aims at expanding the economic ties between the partners and extending trade liberalization to selected products and new areas such as services, so as to stimulate growth and thus creation of employment opportunities for the many new entrants to the labour market.

The Sector Progress Report on the implementation of the European Neighbourhood Policy in 2008 concluded that *“in the field of employment and social policy much remains to be done. All ENP partners continue to consider the fight against poverty and the promotion of employment as priorities... Most partners are still faced with a number of challenges such as high unemployment, which particularly affects young people and women, the prevalence of an informal economy, leaving workers without social rights and social protection, as well as the mismatch between education and labour-market needs. Most countries lack an integrated approach combining economic, employment and social objectives. They also suffer from poor administrative capacity in this area. Significant efforts are needed to implement effective labour-market policies and to promote decent work, and aimed at productive employment, rights at work, social protection, social dialogue and equal opportunities for men and women. The social and employment impact of the global economic crisis is increasing these challenges”*⁷⁸.

⁷³ Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighborhood and Partnership Instrument.

⁷⁴ Same as above.

⁷⁵ COM(2000) 497, *Reinvigorating the Barcelona process*

⁷⁶ EU Strategic Partnership with the Mediterranean and the Middle East, June 2004

⁷⁷ Document de Stratégie Régionale (2007-2013) et Programme Indicatif Régional (2007-2013) Pour Le Partenariat Euro-méditerranéen. EUROMED

⁷⁸ SEC (2009) 522/2: Staff Working Document accompanying the Communication on the Implementation of the European Neighborhood Policy in 2008, Sectoral Progress Report.

More recently, in its Communication on *Barcelona Process: Union for the Mediterranean*⁷⁹, the EC, based on an analysis of the achievements of the Barcelona process, states the need for *a qualitative and quantitative change to spur investment and employment creation and optimize the use of human resources*. At the afore-mentioned first Euro-Mediterranean Employment and Labour Ministers Conference, two key objectives were defined in the Framework of Action:

- Employment policies: more jobs to reduce unemployment and to meet the challenge of fast-growing working-age populations in the Mediterranean partner countries. Promoting job creation, social dialogue, promotion of employment, education and social policies, and encouraging entrepreneurship are among the objectives.
- Creating decent employment opportunities: better jobs.

Identified as key cross-cutting issues are promoting equal opportunities for men and women; integrating more young people into productive, formal employment; developing an integrated strategy for transforming informal into formal employment and managing labour migration, taking into account the labour market needs of both sides of the Mediterranean; and aiming at sustainable development.

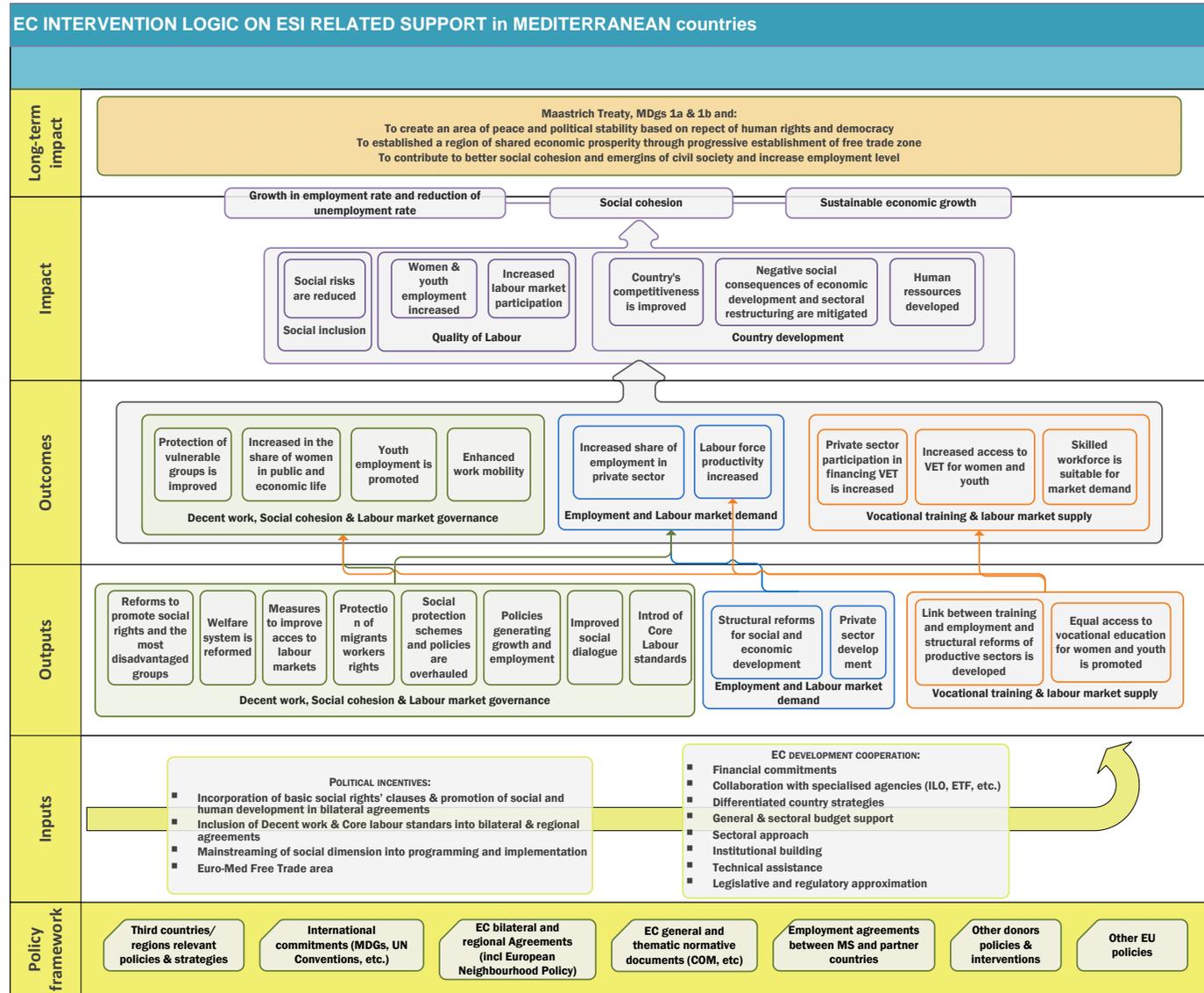
In relation to labour standards, none of the Association Agreements (AA) includes a clause guaranteeing their respect. Only a general clause on human rights is included in Art.2 of the Agreements with Tunisia, Egypt and Morocco (*Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the Universal Declaration on Human Rights, which guides their internal and international policy and constitutes an essential element of this Agreement*). In these AAs reference is made, in the Chapter on Dialogue in Social Matters, to the movement of workers and the working conditions of the migrant communities residing legally in their host countries. The AA's priorities for social cooperation with these countries include fostering the role of women in economic and social life, migration and social protection issues.

Explicit references to core labour standards appear only in the above-mentioned ENP Strategy Paper that calls for an effective sharing of common values, among other things respect for core labour standards, which would be translated into the Action Plans via the inclusion of priorities for strengthening commitment to these values. The Action Plans for Neighbourhood countries make provision for countries to fulfil their obligations with respect to women's and children's rights in line with international conventions. For example, the EU-Tunisia Action Plan (Respect for Human Rights and Fundamental Freedoms) aims to strengthen the role of women in social and economic progress (Art. 71 of the Association Agreement); and to continue action on combating discrimination against women in line with the relevant international conventions. Under fundamental social rights and core labour standards, the Action Plan states: *Respect and implement the principles, fundamental rights, core labour standards and conventions pursuant to the 1998 ILO Declaration; Initiate dialogue on fundamental social rights and labour standards so as to provide a situation analysis and identify potential challenges and measures*.

⁷⁹ COM(2008) 319

The effects' diagram of EC-ESI related support strategy in Mediterranean countries

Refer to § 4.3.1 for a brief methodological introduction on how to read the diagram.



5.2.2 EC response strategy and programming

Overall, the analysis of the Indicative Programmes for Mediterranean and Middle East countries shows that seven of the twelve relevant countries have at least one ESI relevant sector as a core area of intervention.

- In the seven recipient countries, the main preliminary finding is that policy definition seems to have been translated into EC programming. Indeed, the latter presents a rather comprehensive approach as TVET and private sector development co-exist as core areas, thus highlighting the link between vocational education and economic development and labour market needs.
- Employment creation is an explicit objective of almost all country strategy papers. The means of achieving this include design of broad employment and poverty alleviation strategies, micro-enterprise development, private sector development and macro-economic reform. Employment creation is tackled as a core sector in three countries (Algeria, Tunisia and Jordan) and has been considered as a secondary area in two other countries (Morocco and Egypt).
- Migration is a core area in Morocco and Algeria, and a secondary area in Jordan and Egypt.
- Social protection is a core sector in two of the countries and a secondary sector in Jordan and Egypt. Decent work is also a secondary sector in the last-mentioned⁸⁰; the NIP 2008-2013 for Egypt includes finance activities that work towards the obligations of CEDAW and towards the attainment of the MDG3, namely enhancement of the position of women on the labour market and their participation in the decision-making process.

Regional support also presents a rather comprehensive approach. It complements country-level programming and focuses on trade and regional integration, human resources development, conflict prevention and economic and social inclusion. Migration is also treated at regional level.

5.3 Latin America

5.3.1 EC global policy and strategy

Vocational Training & Labour Supply policies

A constant theme has been concern for the social deficit and inequalities of the region. One priority area of cooperation has been identified in support to social development, in accordance with the principles and the Action Plan of the 1995 Copenhagen Summit on Social Development. Since 2000 this area has progressively evolved into social cohesion, which has become the backbone of the EC's support to the social sectors in the region. In this context education and training is always mentioned as a specific area of cooperation, in terms both of development of sector policies and of specific interventions to combat poverty and reduce social inequalities. However, there is only one specific reference to vocational education and training, in the Council Conclusions on the new priorities for Latin America⁸¹. In most cases cooperation in the field of education and training focuses on primary, basic education and higher education.

At country level bilateral agreements, with the exception of Mexico and Chile, do not give too much attention to TVET. The Mexican agreement envisages a specific area of cooperation on education and training, TVET being mentioned specifically with reference to improving the situation of the TVET sector, access by the disadvantaged groups, and the expertise level of senior staff working in private and public business. The agreement with Chile indicated - among the various objectives of the cooperation

⁸⁰ Most of the E&LM related issues included in different country strategy papers are part of the Decent Work strategic objectives. Nevertheless, for some of the countries, reference is made in the report to Decent Work as a stand-alone core or secondary area.

⁸¹ COM(95) 495, *The European Union and Latin America – The present situation and prospects for closer partnership 1996-2000*

with the EU - social development, to go hand in hand with economic development and environmental protection. Within the thematic area of culture, education and audiovisual, significant support is envisaged for all levels of education (including TVET and lifelong education) and in particular for the most vulnerable social groups: the disabled, ethnic minorities and the extremely poor.

In two of the regional cooperation agreements - with Mercosur and the Andean Community - there is reference to TVET. In the first case cooperation in education and training, including TVET, is geared to regional integration. In the Agreement with the Andean Community, mentioned is implicitly made in the context of economic cooperation with the aim of improving human productivity in the work sector.

With regard to the financing instruments, the ALA Regulation 92/443 provided financial resources and the overall cooperation framework up until 2006. Education in general was mentioned as one of the dimensions of human development supported by the Regulation. The DCI Regulation, entering into force in 2006, envisaged for Latin America (art. 6) a cooperation area in social cohesion to fight poverty, inequality and exclusion. TVET is not mentioned explicitly, nor indeed implicitly, in relation to the fight against poverty, or as an entry point for improving employability. However, given the global policy orientations, one may assume that it is included within promotion of more and better jobs.

TVET seems to be addressed mainly as part of the education sector portfolio with the objective of providing educational alternatives to young people unable to pursue further education at secondary or tertiary level.

Employment & Labour Market

Since 1995 policy orientations with the region have been framed within the objective of creating a new and stronger partnership with the sub-continent. In this framework support to economic development, mainly via the private sector and regional integration, were constant priorities over the evaluation period. Explicit references to job creation are limited to cooperation agreements (Mercosur, Andean Community and Central America) and the Association Agreement with Chile. References are made to economic growth and productivity, while for Central American and Andean countries job creation is also tackled as a social objective targeted on improving living standards and the social consequences of structural reforms.

The Communication "The European Union, Latin America and the Caribbean: A Strategic Partnership" from 2006 mentions that for low-income and lower-middle-income countries, EC development aid will focus on achieving the MDGs, especially the goals relating to social cohesion. The EUROsociAL programme, an initiative launched by the Commission in response to the May 2004 Guadalajara summit to facilitate exchange of good practice and experience in the field of education, employment, health and other social areas, is highlighted as an important instrument to be used to intensify EU-LA cooperation in these areas. It is worth mentioning that the 1995 COM on *the EU and Latin America – The present situation and prospects for closer partnership* already called for "real integration", a combination of free trade and social cohesion.

The importance of social cohesion in the agenda is also showed by the organization of a High Level Conference on Social Cohesion in 2006 and by the creation of the Working Group on Social Cohesion (in Latin America and the Caribbean), composed of the EC, the World Bank, the International Monetary Fund and the Inter-American Development Bank. ESI-related issues were also a key concern in the bi-regional Social Cohesion forum organized in 2007. The importance of social investment via human capacity development, promotion of decent work and fulfilment of social and economic rights, as well as social protection, was recognized. Social dialogue and consultation with civil society were also presented as conditions for promoting social cohesion.

While there are few references to employment and social cohesion in the 2002-2006 Latin America 2002-2006 programming document, these issues appear rather prominently in the policy and programming documents for the 2007-2013 period. With reference to the increasing unemployment

rate, the Regional Programming Document for 2007-2013 states that “*employment is still the main source of concern*” to the EC. “*The quality of jobs is also an issue, with a huge informal economy in urban areas and low-productivity farming that employs 50% of the population*”⁸². Among the five thematic programmes under the DCI instrument, the issues of social cohesion, employment and decent work under the “Investing in People” programme are considered particularly important in the context of Latin America. Hence, drawing on the DCI Regulation “*a large scale programme will be mounted to improve higher education in the region... It will focus on links with employment and the evolvement of business in educational institutions*”, that is, a clear indication of the perceived correlation between competitiveness, education and employment as was the case with MEDA.

At bilateral level it is worth mentioning the cases of Brazil and Mexico, countries that have established strategic policy dialogue on social cohesion issues with the EC. In the EU-Brazil Action Plan of December 2008 the parties committed themselves *inter alia* to strengthening the decent work agenda; developing cooperation and exchanges in the field of active labour market policies and instruments; exchanging best practices in social inclusion; and intensifying south-south and triangular cooperation with a view to achievement of the MDGs. For Mexico the strategic partnership with the EU also resulted in the organization of policy dialogue fora on social cohesion that made possible debate on sectoral policies and identification of concrete activities. In Chile social-cohesion-related issues were treated mainly via the ‘Programa de Cohesion social’.

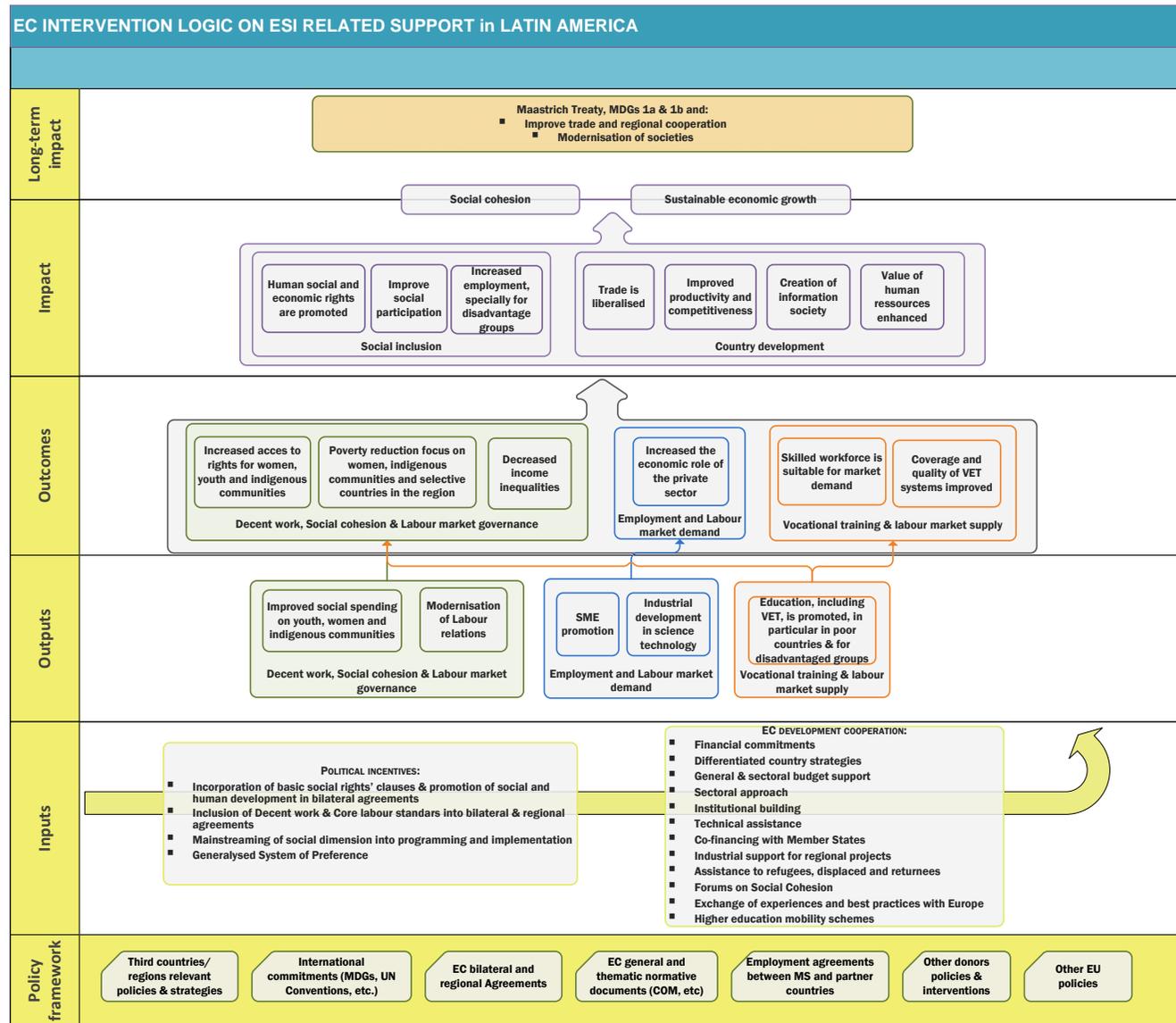
In the new communication *The European Union and Latin America: Global Players in Partnership*⁸³, the EC proposes to set up a political dialogue on employment and social affairs in order to implement the decent work agenda and address key employment policy issues such as matching skills with labour market needs, youth employment, and extension of social protection.

⁸² Latin America: Regional Programming Document 2007-2013 (E/2007/1417)

⁸³ COM(2009) 495/3

The effects' diagram of EC-ESI related support strategy in Latin America

Refer to § 4.3.1 for a brief methodological introduction on how to read the diagram.



5.3.2 EC response strategy and programming

The analysis of the Indicative Programmes for Latin American countries shows that all 17 countries have at least one ESI-relevant sector as a core area of intervention:

- Economic reforms and development of the private sector are considered key to creation of more gainful employment. Enhancement of the productivity and competitiveness of the private sector, often with special attention to SMEs, are the key ingredients for creating more and better jobs. Consequently, private sector development is a core sector in 16 of the 17 countries. In four of these countries employment creation is also a core sector, mainly in the last programming period.
- Contrary to what was observed at policy and strategy levels, the EC programming approach seems to be inclined to a human resources development strategy responsive to labour market needs: TVET is a core sector in seven countries, in six of which it co-exists with private sector development initiatives.
- As previously mentioned, a constant theme in the region has been concern about the social deficit and inequalities. This has resulted in increased consideration in programming exercises of social cohesion linked to economic and social reintegration. In 15 countries this is a core sector, mainly in the most recent programming period. It is furthermore worth noting that in all of these countries, with the exception of Nicaragua, it co-exists with private sector development, thus illustrating the approach of economic growth combined with social justice adopted by the EC in the region.
- At sub-regional level this is also the case for the Andean Community strategy.
- Education and training in conflict contexts, as a way of reintegrating society, has also received substantial consideration in countries such as El Salvador, Guatemala, Honduras and Colombia. Decent work is a core sector in Bolivia, while in Colombia reference is made to one of its strategic objectives, social dialogue.

As regards consideration of decent work strategic objectives in EC programming, a rather diversified and comprehensive approach can be observed:

- Fundamental principles and rights at work and core labour standards are considered in the two selected countries⁸⁴. Socioeconomic discrimination, mainly relating to gender and also, in the case of Brazil, to ethnic groups, are considered.
- As in the previous cases, employment and income opportunities are best covered. On the other hand social protection and social dialogue are absent.

5.4 Asia

5.4.1 EC global policy and strategy

Policy orientations for this region derive from two global communications on EU-Asia relationships⁸⁵ and from the ASEM (Asia Europe Meeting) process, and regionally from specific communications and Cooperation Agreements signed between 1994 and 2004 with five of the SAARC (South Asia Association for Regional Co-operation) countries.

*Europe and Asia: A Strategic Framework for Enhanced Partnerships*⁸⁶ set action areas for collaboration between the EU and Asia. Actions included *inter alia*:

⁸⁴ Brazil and El Salvador

⁸⁵ COM (1994) 314: *Towards a new Asia Strategy*, and COM (2001) 469 : *Europe and Asia: A Strategic Framework for Enhanced Partnership*

⁸⁶ Brussels, COM(2001) 469 final *Europe and Asia: A Strategic Framework for Enhanced Partnerships*

- strengthening mutual trade and investment flows, including private sector collaboration and enhanced market access for the poorest developing countries;
- promoting development in the region that included strengthening efforts towards poverty reduction and strengthening dialogue on social policy, in particular dialogue and exchange of best practice on the links between trade and social development, including promotion of core labour standards; *and*
- contributing to the spreading of democracy, good governance and the rule of law, and respect for human rights, in particular (for this evaluation) upholding the universality and indivisibility of human rights; also pursuing a constructive dialogue in bilateral, regional and multilateral fora, notably in the UN and its different agencies - in particular the ILO - and encouraging the signing and ratification of the principal human rights instruments by those countries which have not yet done so.

The Regional Programming for Asia, Strategy Document 2007-2013 supports the Asia-Europe Meeting (ASEM) that includes *inter alia* dialogue on employment and social policy including decent work conditions and social protection.

Vocational Training & Labour Supply policies

In the global documents, there is little reference to TVET. The two exceptions are:

1. The EC Working paper on *Perspectives and Priorities for the ASEM Process into the new decade*⁸⁷ in which, with the aim of promoting networking and increased contacts and exchanges between the peoples of the two regions in the field of education, reference is made to vocational training and life-long learning. In addition there is an indirect reference to TVET in the EC Staff Working Document drawn up in preparation for the 4th ASEM Summit (2002) within the cooperation area “people to people”, in which it is proposed that exchanges of experience on education be promoted as a factor favouring employability and alleviation of the adverse consequences of globalization.
2. In the framework of ASEM, two Labour and Employment Ministers Conferences were organized in 2006 and 2008. In the first, organized on the theme “More and Better Jobs – Working Jointly to Strengthen the Social Dimension of Globalization”, investment in human capital was defined as a key factor in economic progress and social inclusion. Education and training were considered important for labour mobility and integration of immigrants. Lifelong learning and recognition of non-formal learning and training certificates among the regions are also critical to employment security and re-integration in the labour market. The second of the two Conferences added the necessity of intensifying exchanges of experience, expertise and good practice in training and employability, social protection and labour migration. In the field of TVET the exchange of experiences would be led by the Philippines and would include qualification frameworks in both regions.

In the other documents only education is mentioned, in the framework of development cooperation with the region’s poorest countries, as part of the support for poverty alleviation.

Country agreements are geared to promotion of different forms of development and in particular to supporting the fight against poverty on the one hand and bilateral trade on the other. The agreements underline the importance of developing human resources for social and economic development, particularly among disadvantaged sections of the population.

- In the agreement with Pakistan there is specific reference to TVET, human resources development being recognized as an integral part of both social and economic development and, within that, skills development as an important area of cooperation for improving the living

⁸⁷ COM(2000) 241

conditions of the most disadvantaged groups and contributing to a favourable economic and social environment.

- The Indian Strategic Action Plan (2005), within the EU-India Strategic partnership, includes employment and social policies within economic dialogue and cooperation. Within that framework the EU and India agreed to share experience and exchange information and views on labour issues, including requirements for trained manpower and human resources management, particularly through training and skills development. According to DG EMP, as regards TVET India is primarily interested in collaboration in the fields of advanced technical and higher education, whereas broad skills issues have low priority.
- As regards China, probably the most important partner in Asia, the cooperation does not include TVET. In the area of education, cooperation is limited to higher education, whereas in relation to employment there is a focus on decent work and social protection.

With regard to the financing instruments, the ALA Regulation 92/443 provided financial resources and the overall cooperation framework up until 2006. Education in general is mentioned as one of the dimensions of human development supported by the Regulation.

Employment & Labour Market

Although EU-Asia relations are regulated by separate sub-regional communications (e.g. on ASEM and relations with ASEAN, China and India)⁸⁸, they share a common emphasis on the importance of strengthening the economic partnership between the EU and the sub-regions and promotion of sustainable and equitable economic growth. Another common feature is the attention given to the decent work and social security agendas, whereas the documents contain few references to labour demand and employment issues.

Employment and social issues are typically referred to as topics for dialogue and exchange of experience between the EU and the partner countries: “*There is much to be gained from dialogue and exchange of best practices on the links between trade and social development, including the promotion of core labour standard*”⁸⁹. Along the same lines “*In the economic field, ASEM [Asia Europe Meeting] efforts should focus on strengthening the economic partnership between the two regions (...) Topics for (...) dialogue, which should also include academic and civil-society participation, include sustainable development and the protection and preservation of the environment, employment and social security, public and corporate governance, consumer protection and competition policy...*”⁹⁰.

In more recent documents, for example the Multi-Annual Indicative Programme for Asia 2007-13, the reference to employment and social issues is more explicit: “*Asia’s economic growth in the past two decades has been remarkable... This development enabled significant progress in reducing absolute poverty across the continent... However, these achievements have taken place in a context of growing income disparities within and between countries and increasing disconnection between output growth and employment creation, as well as strong pressure on the environment. Despite sustained economic growth rates, in many countries, employment creation has recently been declining and has remained concentrated on low productivity jobs, partly in the informal economy. Social protection is poor throughout the region: child labour and the situation of women remain worrying everywhere...*”⁹¹. As already mentioned, the primary answer to this development is intensified dialogue on issues such as decent work, social protection and corporate governance.

⁸⁸ COM (2003) 399 Final: *A new partnership with South East Asia*; COM (2001) 469 Final: *Europe and Asia: A strategic Framework for Enhanced Partnerships*; COM (2000) 241 Final: Working Document: *Perspectives and Priorities for the ASEM Process into the new decade*; COM (2006) 631 Final: *EU-China: Closer partners, growing responsibilities*; and COM (2004) 430 Final: *An EU-India Strategic Partnership*.

⁸⁹ COM (2001) 469 Final: *Europe and Asia: A Strategic Framework for Enhanced Partnerships*

⁹⁰ As above

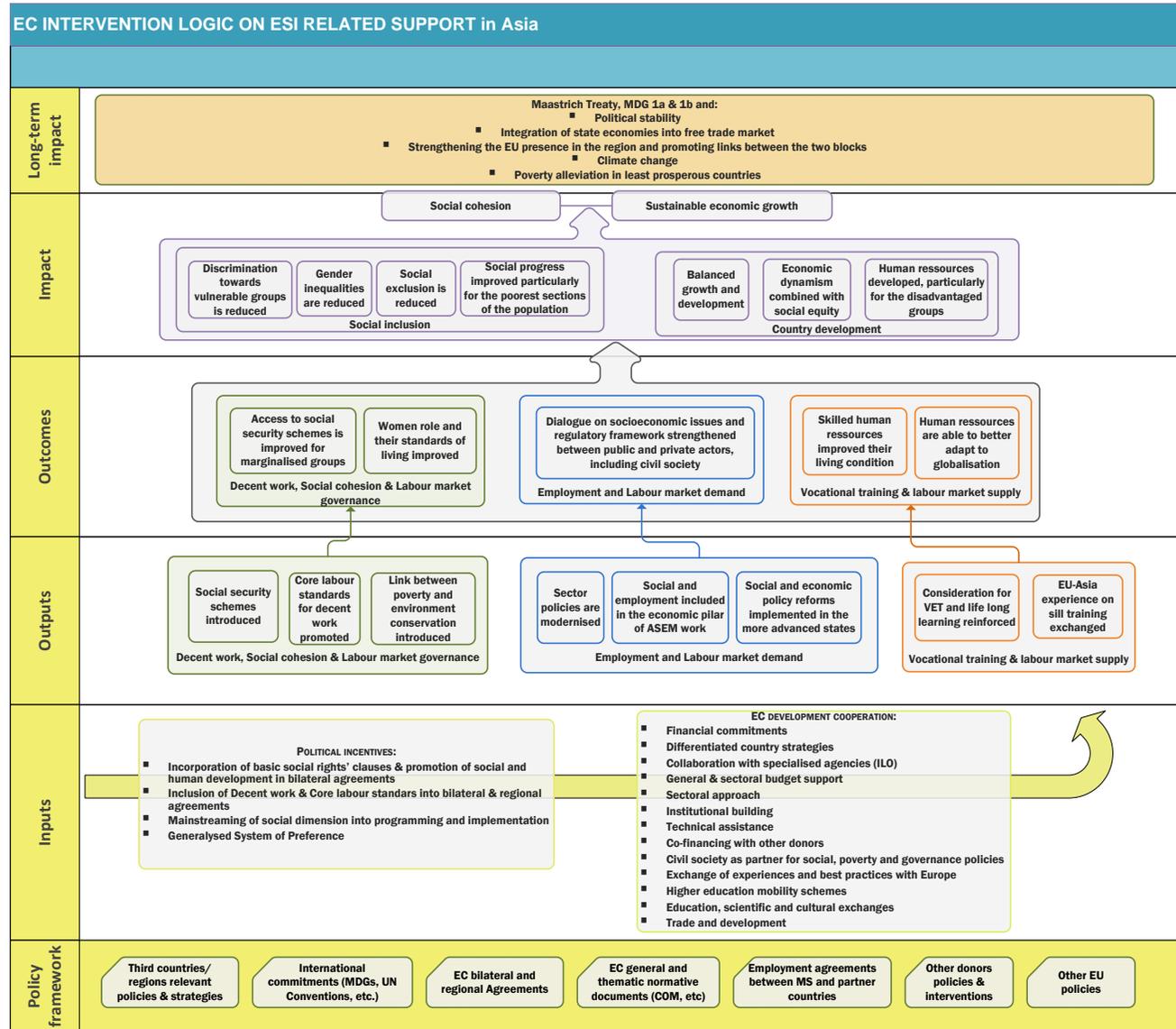
⁹¹ Multi-annual Indicative programme for Asia 2007-2010

In the first ASEM Labour and Employment Ministers Conference following the externalization of the European social model, mainly since 2004, European representatives stressed the EU's increasing activity in areas such as employment, decent work and regional and social cohesion in its external policies. The relationship between growth and employment, and the role of employment and social policies in promoting sustainable employment creation and providing security as well as flexibility in the labour market and in employment, are stressed. Moreover, decent work is defined as *the key to sustainable productivity growth and vice versa*.

Finally, (illegal) migration and human trafficking are becoming increasingly prominent issues in relations between the two continents and also in discussions at official level, as Asia is a source of potential significant – documented and non-documented – migratory flows to Europe (Strategy Paper and Indicative programme for Multi-Country Programmes in Asia 2005-06). In the first ASEM Labour and Employment Ministers Conference, migration is recognized as *a major element of globalization which can be an important factor for economic growth and employment and called for an effective management of migration processes*.

The effects' diagram of EC-ESI related support strategy in Asia

Refer to § 4.3.1 for a brief methodological introduction on how to read the diagram.



5.4.2 EC response strategy and programming

The analysis of the Indicative Programmes for South and Southeast Asian countries shows that 17 of the 21 countries have at least one ESI-relevant sector as a core area of intervention.

- Employment-related initiatives constitute an important part of the EU's collaboration in almost all Asian countries. As with the other regions, private sector development and trade are the usual instruments used to stimulate creation of new employment opportunities.

In terms of programming documents, employment creation is a core area in nine countries (mainly SAARC). In six countries it co-exists with TVET and in five it co-exists with private sector development. This approach seems to illustrate a relatively comprehensive and integrated approach when addressing ESI issues in the region.

It is interesting to note that for ASEAN countries employment and vocational training are also core areas of intervention at regional level.

- As observed at strategy level, Pakistan, India, Mongolia, China and Vietnam exhibit a combined approach embracing both economic growth and social justice and inclusion.
- Moreover, as provided for at policy level, dialogue on issues such as decent work is also reflected in programming in India, Bangladesh and Thailand.

As regards consideration of decent work strategic objectives in EC programming, employment and income opportunities are once more the strategic objectives that receive most attention in all countries, each having diversified coverage.

5.5 Eastern Europe and Central Asia⁹²

5.5.1 EC global policy and strategy

The policy framework with this region is provided by the Partnership and Cooperation Agreements (PCA)⁹³ which the EU signed with each country during the 1990s, all with similar objectives and structure, and since 2005 by the European Neighbourhood Policy for certain countries⁹⁴. Russia has further developed its dialogue with the EU through four Common Spaces ^{95 & 96}.

The PCA, with the support of TACIS, aimed to promote free trade and free Foreign Direct Investment between the EU on the one hand and the relevant CIS country on the other.

Vocational Training & Labour Supply policies

Within the PCA documents there are no specific or direct references to vocational education and training. Indirectly TVET is included in promotion of human resources development as an instrument for achieving economic development and consolidation or completion of the transition to a market economy. Another area, which indirectly could imply financing of TVET measures and policies, is the support to measures bringing about the structural and social reforms necessary for a stable and harmonious economic transition.

With regard to the Russian Federation, neither the PCA nor the Road Map to achieve the four common spaces mentions vocational education as an area of cooperation. The focus is more on measures for reducing the social impact of transition and on higher education.

⁹² In the terminology of the EC, Central Asia includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

⁹³ The PCAs represent legal treaties setting out the political, economic and trade relationships between the EU and individual countries and provide policy direction in formulating country and regional strategies.

⁹⁴ These are: Russian Federation, Ukraine, Belarus, Moldova, Georgia, Azerbaijan and Armenia.

⁹⁵ In May 2003 the EU and Russia agreed to reinforce their co-operation not as part of the ENP, but rather in a strategic partnership aimed at creating four 'common spaces'.

⁹⁶ These are: Economic, Freedom, Security and Justice, External Security and Research and Education.

At the level of the financing cooperation instruments, in the TACIS Regulation, the overall objective of which was support for the transition to a market economy, TVET is included in the emphasis put on Human Resources Development for supporting the reforms and restructuring processes. Training (and re-training) is also included among the measures for the “support in addressing the social consequences of transition” area of cooperation, and education and training within the “support to institutional, legal and administrative reforms” area of cooperation.

In the article specifically dedicated to cooperation in Central Asia, the DCI Regulation does not mention education and training, but rather refers to the social consequences of transition. The ENPI Regulation for the cooperation areas with Eastern European countries and Russian Federation refers to the PCAs.

More recently, in the framework of the *European Union and Central Asia: Strategy for a New Partnership*⁹⁷, a *European Education Initiative for Central Asia* has been launched. It sets up a coordination mechanism among EU donors with a view to further supporting the modernization of the education and vocational training sector. The Initiative relies on existing activities and EU national and regional support, and involves coordination with other international donors.

Employment & Labour Market

The EC policy definition mainly concentrates on support for structural reforms, and on improving the functioning of the market; specific emphasis is put on competition policy and trade-related reforms and agreements to facilitate international trade with neighbouring countries, and with the rest of the world, through WTO membership.

When referring to employment, the PCAs link it to social protection. Among the objectives are:

- optimization of the labour market;
- modernization of the job-finding and consulting services;
- planning and management of the restructuring programmes;
- encouragement of local employment development;
- exchange of information on programmes of flexible employment, including those stimulating self-employment and promoting entrepreneurship
- prevention of major accident hazards and management of toxic chemicals; *and*
- developing the knowledge base in relation to working environment and the health and safety of workers.

Private sector development is a cornerstone of economic growth and job creation. Council Regulation No 99/2000, concerning provision of assistance to the partner States in Eastern Europe and Central Asia, defines areas in which EC support should target its assistance, via:

- promotion of small and medium-sized enterprises;
- development of the banking and financial services systems;
- promotion of private entrepreneurship including joint ventures;
- industrial cooperation, including research;
- privatization, enterprise restructuring; *and*
- promotion of a market-oriented framework for trade and investment.

The same Regulation further develops the PCA approach as it provides support for addressing the social consequences of transition via, among other things, reform of the health, pension, social protection and insurance systems; assistance in alleviating the social impact of industrial restructuring; and assistance for social reconstruction and development of employment services, including re-training.

⁹⁷ Adopted by the European Council in June 2007

More recently, as regards Central Asia, the core objective of the 2004–2006 EC assistance was to promote the stability and security of the countries and to assist them in their pursuit of sustainable economic development and poverty reduction⁹⁸. The assistance to Central Asia is structured around three “tracks”. The objective of Track 3, which consists of pilot schemes directly addressing poverty reduction and conflict prevention, was to “*assist the most vulnerable sections of the populations in the target areas in their efforts to tackle poverty and facilitate economic and social development*” with particular attention to community-driven development measures designed to improve income levels, food security, local governance, social protection and employment opportunities. “*Activities geared at women and female-led households will be a particular focus*”⁹⁹. Human resources development, vocational education and training, skills upgrading schemes for job creation, income generation with a special emphasis on small business stimulation, and inclusion of women in these programme areas, were seen as integral parts of such local development strategies in the pilot areas.

According to EC staff interviewed, an effort has been made to promote the European social agenda among Russian officials, including the value of linking an active labour market policy with social safety policies. The policy dialogue on labour market and social protection issues primarily takes place through the topic-based sub-committees.

As a way of complementing the Union for the Mediterranean (ENP southern countries), the EC launched in December 2008 the Eastern Partnership (ENP eastern countries). In the framework of economic integration and convergence with EU policies, the Communication envisages the potential creation of a Neighbourhood Economic Community, and within this framework private sector involvement with a view to improving the business climate in the partner countries. Efforts will also focus on enhancing employment, decent work, social cohesion and equal opportunities, aiming at a positive impact of economic integration.

In relation to labour standards, as in the case of the Mediterranean countries, none of the PCAs includes a clause guaranteeing their respect. Only the same general clause on human rights is included in Art.2. Reference is made to labour conditions, mainly with reference to migrant workers, and cooperation priorities in social fields are established, as previously mentioned. The PCA with Russia is more developed and includes an Article on coordination of social security with a view to equal treatment of the parties. Explicit references to core labour standards appear only in the above mentioned ENP Strategy Paper that calls for effective sharing of common values, among other aspects of respect for core labour standards, which would be translated into the Action Plans via inclusion of priorities to strengthen commitment to these values. In contrast with what happened in Mediterranean & Middle East ENP countries, the Action Plans for eastern ENP countries do not refer to core labour standards.

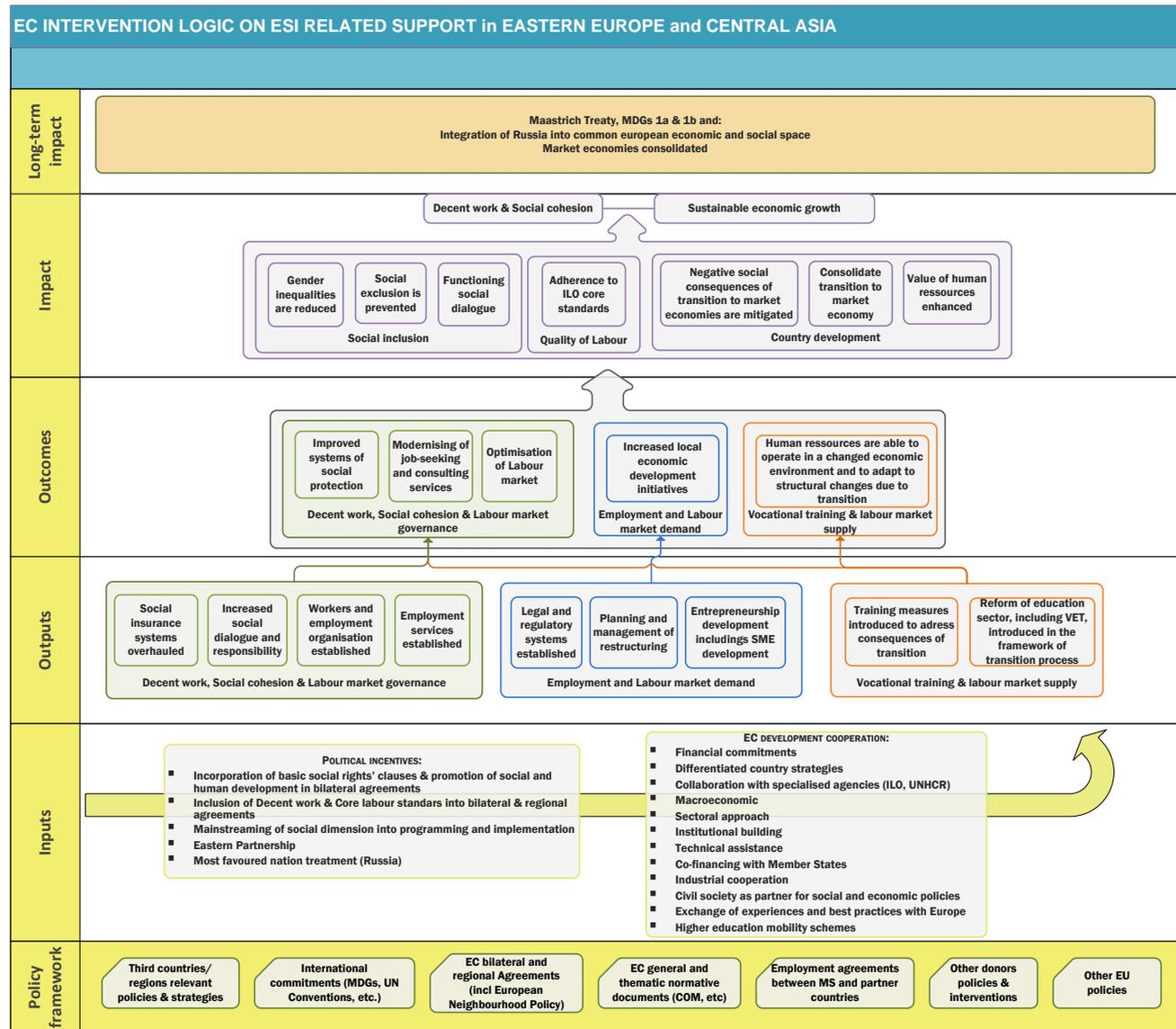
In the region only Armenia benefits from the EU scheme of Generalized System of Preferences Plus (GSP+). Apart from traditional development cooperation, this is a complementary way of having an effect on effective respect for *inter alia* core labour standards.

⁹⁸ Strategy Paper 2002–2006 & Indicative Programme 2002–2004 For Central Asia, EC 2001.

⁹⁹ Central Asia Indicative Programme 2005 – 2006, adopted by the European Commission on 20 August 2004

The effects' diagram of EC-ESI related support strategy in Central Asia

Refer to § 4.3.1 for a brief methodological introduction on how to read the diagram.



5.5.2 EC response strategy and programming

The analysis for Central Asian and Eastern European countries shows that 11 of the 12 countries have at least one ESI-relevant sector as a core area of intervention.

- As mentioned before, addressing the social consequences of transition is a fundamental part of the policy objectives for these countries, and this is also reflected in programming, as shown by the importance of social protection.
- Private sector development and TVET co-exist, thus ensuring, as in other regions, an integrated approach.
- Institutional strengthening, mainly relating to development of statistical services including those for classification, external trade, macro-economic indicators, business registration, user relations, and social indicators relating to FSP priorities, is a core area for Central Asian countries. Moldova and Azerbaijan also receive support in this area.
- Social dialogue appears as an important sector in Russia. In Central Asian countries, support for social partners relates to enhanced cooperation between the peoples, social partners and civil society organizations of different countries in the region, and between them and the EU, allowing the establishment of sustainable contacts and collaborative initiatives, measures and mechanisms such as Regional Environmental Centres.

As regards consideration of decent work strategic objectives in EC programming, the following points are relevant.

- Fundamental principles, rights at work and core labour standards are only covered, in one programming period each, in Russia.
- Employment and income opportunities are the strategic objective that receives most attention in all countries. Job creation in SMEs and training and skills are covered in the four countries. In lower-middle countries training and skills is a constant in the two programming periods. Migration is covered only in Ukraine, and it is worth noting that Ukraine is consistent over the evaluation period in terms of the three sectors covered (training, job creation and migration).
- Social protection is covered in the four countries under social security. It is worth noting that this is a constant over the period in the two lower-middle-income countries. Russia also has health and safety at work in the programme.
- Social dialogue (tripartite consultation) is covered in Armenia, Kyrgyzstan and Russia. The latter also gives attention to strengthening of employers' and workers' organisations.

6 THE REALISED INTERVENTION LOGIC OF EC-ESI RELATED SUPPORT WORLDWIDE

This chapter provides an analysis of the resources allocated by the EC to ESI sectors during the period 1999-2008. Based on this investigation it has been possible to reconstruct and, subsequently, to quantify the *realized* Intervention Logic.

Given the complexity of this evaluation, and the extremely important contribution of the Inventory for the reconstruction of the realized Intervention Logic, the evaluation team launched a validation process with all Reference Group members as well as with all relevant EU Delegations that had at least one ESI-relevant intervention listed in the Inventory. This exercise proved quite successful insofar as 62 of the 109 EC Delegations contacted (57%) sent feedback.

Annex 4 presents the detailed version of this chapter. For reasons of readability it has been decided not to include in the present Volume the various boxes providing concrete examples of EC-ESI cooperation. These are found only in the detailed version presented in Annex 4 (Vol. 2)

6.1 Introduction

In order to be able to reconstruct the *realized* Intervention Logic, and following the methodology developed by DRN, EC interventions in ESI-related sectors have been classified by **micro-sector** and then clustered into **macro-sectors**¹⁰⁰.

The three identified **macro-sectors** constitute the main areas of EC intervention as shown from the analysis of policy documents.

The related **micro-sectors definition** corresponds to the analysis of the intended Intervention Logic and the applied theoretical framework of the labour market, where three main axes of intervention have been identified: i) support to inclusion into the labour market via labour market demand, ii) *ditto* via labour market supply, and iii) support to the social inclusion and cohesion of vulnerable groups.

Among these three axes it is possible to pinpoint those micro-sectors which are strictly related to ESI (ESI definition) and have a direct and significant implication for social inclusion into the labour market and the social cohesion of vulnerable and marginalized groups.

In particular, interventions strictly related to **ESI** are classified as:

SI-Social Inclusion of Marginalized Group
SA-Social Assistance of Vulnerable Groups
SIG-Social Inclusion Global

TP- TVET Policy and Systems
TM- TVET for Marginalized Groups
LS- Labour Supply Measures
ST- Sectoral Training
LG IB- Labour Governance in the field of Institution Building
LG CLS- Labour Governance in the field of Core Labour Standards
LG SD- Labour Governance in the field of Social Dialogue

Target: social cohesion of vulnerable groups

Target: social inclusion into the labour market (labour supply side)

In addition, in order to facilitate a global picture and a comprehensive understanding, a distinction has also been made between the above ESI definition (for strictly ESI-related interventions), and an **ESI-Enlarged definition**, which includes projects which, in spite of their different main focus, still affect to

¹⁰⁰ For the methodology applied during the sectoral classification refer to Volume 5 – Annex 19

a certain extent social cohesion, labour demand and inclusion into the labour market of vulnerable groups. These latter are:

SR- Structural Reform

PS- Private Sector

RD- Rural Development

MF- Microfinance/ Microcredit



Target: inclusion into the labour market (labour demand side)

PR- Poverty Reduction



Target: social cohesion of vulnerable groups

6.2 Global overview of ESI total allocations

The global committed funds (Budget¹⁰¹ and EDF) during the period 1999-2008 for the regions covered by the evaluation amount to **€m61,953**¹⁰². Of these global commitments, the total committed to ESI sectors through regional and bilateral cooperation amounted to **€m2,480** (See Table 3).

- If the ESI-Enlarged definition is taken into account, the total financial cooperation commitment rises considerably to **€m10,213**. This significant increase is partly accounted for by the relatively larger financial size of poverty reduction programmes, and projects supporting structural reforms and private sector development.

In this regard, section 1.5 of the detailed version of this chapter (refer to Volume 2 – Annex 4) provides a deeper insight into the realized ESI cooperation in twenty selected countries. In order to better understand the link and the extent to which these projects have addressed ESI issues, this section includes references to key projects funded by the EC; and the next section provides a deeper insight into the projects carried out in the twenty selected countries.

In terms of annual commitments, support to the ESI sector has constantly increased its size over the global allocations and it had more than doubled in size by the end of the evaluation period (Table 3), from 1.56% in 1999 to 7.84% in 2008. The total allocation to ESI sectors from 1999 to 2008 represents 4% of the total EC cooperation (16% if the ESI-enlarged definition is taken into account).

6.2.1 Allocations by region

TABLE 3: ESI TOTAL COMMITMENTS VERSUS EC GLOBAL COMMITMENTS (BUDGET +EDF) BY YEAR (€M)

Decision Year	EC Global Commitment	EC Commitment to ESI	% ESI/ Global Com.
1999	4,557.00	71.13	1,56%
2000	6,204.80	37.81	0,61%
2001	3,663.26	83.50	2,28%
2002	4,964.39	120.10	2,42%
2003	6,867.27	90.49	1,32%
2004	5,593.32	302.80	5,41%
2005	5,526.33	264.49	4,79%
2006	6,797.53	306.53	4,51%
2007	6,799.41	342.61	5,04%
2008	10,979.79	861.09	7,84%
	61,953.25	2,480.60	4,00%

Source: Own elaboration based on the Inventory of EC ESI related interventions

¹⁰¹ It does not include Humanitarian nor Enlargement budgets

¹⁰² Source: CRIS Database

Table 4 below provides an overview of EC global and ESI commitments in the different regions. It shows that EC interventions on ESI have focused mostly on two regions: the Mediterranean (50% of the whole EC-ESI cooperation), where since 1995 the EC has started a partnership dialogue based on the transfer of the EU values and models with a view to increased integration; and the ACP (24% of the total funds), which is the poorest.

TABLE 4: ESI TOTAL COMMITMENTS VERSUS EC GLOBAL COMMITMENTS AT REGIONAL LEVEL (€M)

	EC Global Commitments	% Region/ Global	ESI Commitments	% Region/ ESI
ACP	35,862.71	57.89%	600.55	24,21%
All Countries	4,513.31	7.29%	57.91	2,33%
Asia	5,926.66	9.57%	113.65	4,58%
Eastern Europe & Central Asia	4,672.51	7.54%	132.55	5,34%
Latin America	3,152.79	5.09%	185.31	7,47%
Mediterranean and Gulf Region	7,825.25	12.63%	1,390.59	56,06%
	61,953.25		2,480.60	

Source: Own elaboration based on the Inventory of EC ESI related interventions

- If we consider the ESI-Enlarged definition, the ACP region becomes the top recipient, with more than **60% of total funds** received. It is worth highlighting that in this case an important share of the assistance comes through poverty reduction and structural reforms programmes. (See Table 5)

TABLE 5: ESI-ENLARGED COMMITMENTS VERSUS EC GLOBAL COMMITMENTS AT REGIONAL LEVEL (€M)

	ESI-Enlarged Commitments	%
ACP	6,246.79	61,16%
All Countries	141.73	1,39%
Asia	373.11	3,65%
Eastern Europe & Central Asia	231.37	2,27%
Latin America	505.16	4,95%
Mediterranean and Gulf Region	2,714.93	26,58%
	10,213.11	

Source: Own elaboration based on the Inventory of EC ESI related interventions

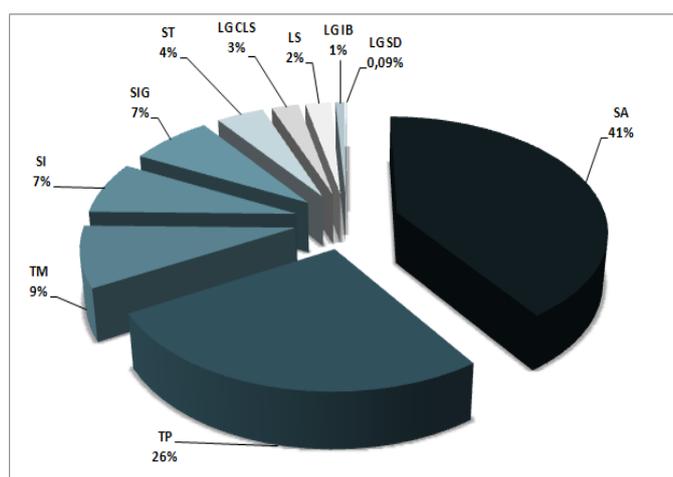
6.2.2 Allocations by sector

As shown in Table 6 below, EC cooperation in ESI has been particularly significant in the fields of social safety nets, social victims of violence, children at risk, and social assistance to other vulnerable groups which received around 40% of the total allocation. (See Fig. 3). Interventions targeting TVET, namely aimed at developing and strengthening technical and vocational education systems, VET training infrastructures, and curricula development in general, have received 26% of the total resources protection of the disabled, and represent the second main ESI funded sector.

**TABLE 6: ESI COMMITMENTS BY SECTOR
(REGIONAL & COUNTRY INTERVENTIONS), 1999-
2008 (€M)**

Micro Sector	Grand Total	% over the Total ESI
SA	1,005.10	40,52%
TP	653.99	26,36%
TM	210.94	8,50%
SI	183.56	7,40%
SIG	182.06	7,34%
ST	106.64	4,30%
LG CLS	61.15	2,47%
LS	54.54	2,20%
LG IB	20.23	0,82%
LG SD	2.34	0,09%
Total	2,480.60	

**FIGURE 3: TOTAL AMOUNT ALLOCATED TO ESI BY SECTOR,
1999-2008**



Source: Own elaboration based on the Inventory of EC ESI related interventions

- If the ESI-Enlarged definition is taken into account, the picture changes greatly. As shown in the table below, the top recipient sectors become those not strictly related to ESI, namely poverty reduction, private sector and structural reform, which together absorbed more than 60% of the total allocation. These types of project mainly support reforms promoting economic growth, that is reforms aimed at economic restructuring, enhancing market competition including labour market flexibility, improving macroeconomic stabilization, promoting regional integration, and integration into the world market. In the private sector area the most common goals are development of small and medium enterprises, support to private initiatives, and investment promotion, at both urban and rural levels (see Table 7).

**TABLE 7: ESI-ENLARGED COMMITMENTS BY SECTOR
(REGIONAL & COUNTRY INTERVENTIONS), 1999-2008 (€M)**

Micro Sector	Grand Total	% over the Total ESI
PR	3,508.92	34,36%
PS	1,702.79	16,67%
SR	1,445.44	14,15%
SA	1,005.10	9,84%
TP	653.99	6,40%
RD	536.28	5,25%
RD-BAN	334.16	3,27%
TM	210.94	2,07%
MF	204.89	2,01%
SI	183.56	1,80%
SIG	182.06	1,78%
ST	106.64	1,04%
LG CLS	61.15	0,60%
LS	54.54	0,53%
LG IB	20.23	0,20%
LG SD	2.34	0,02%
Grand Total	10,213.11	

Source: Own elaboration based on the Inventory of EC ESI related interventions

6.2.3 Allocations by period

In order to grasp the evolution experienced by each sector over time, the table below shows how commitments to ESI sectors have moved from one year to another, providing figures for three main years, namely at the beginning of the period, halfway, and at the end of the period. Overall, it can be stated that **allocations to each sector have been on the rise over the whole period**. However they have not followed a constant path, amounts changing appreciably from one year to another. (See Table 8)

TABLE 8: EVOLUTION OF EC COMMITMENTS TO ESI SECTORS OVER THE PERIOD (€M)

Micro Sector	1999	2003	2008	Average annual allocation
SA	-	26.13	769.20	100.51
TM	16.71	35.52	56.93	65.39
TP	30.68	1.35	0.51	21.09
SIG	11.93	11.14	7.76	18.35
LS	-	5.19	12.82	18.20
SI	1.07	4.12	7.30	10.66
LG CLS	3.19	3.88	3.44	6.11
ST	2.87	2.76	1.78	5.77
LG IB	4.64	-	0.70	2.02
LG SD	-	0.37	0.62	0.23
Grand Total	71.13	90.49	861.09	

Source: Own elaboration based on the Inventory of EC ESI related interventions

6.3 ESI allocations at regional level (multi country programmes)

An important share of support has been provided through regional programmes. Cooperation in the field of ESI implemented through multi-country programmes amounts to **€m221**, about **9% of the total allocation to ESI**.

6.3.1 By Sector

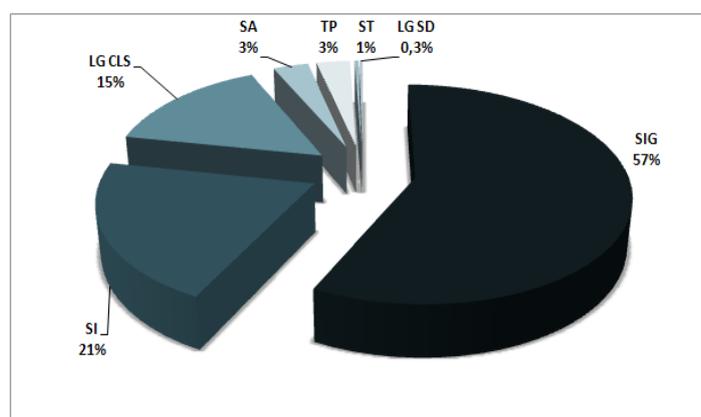
As shown in Figure 4, the bulk of the funds have been disbursed in support of measures to improve social policies, and to support social welfare reforms with a global impact on the entire society, totalling €m127, plus €m46 for projects specifically aimed at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups. An additional total of €m33 supported interventions in the field of core labour standards, mostly concerning workers rights, migrant rights, and non-discrimination measures.

This result underlines the growing interest during the last decade in core labour standard issues and efforts at policy level to recognize the importance of combating child labour, and eliminating all forms of forced labour and discrimination worldwide. The remaining €1m has been allocated in support of social assistance for the disabled, victims of violence, children at risk and other vulnerable groups, TVET, sectoral training, and social dialogue.

6.3.2 By Geographical Area

In terms of geographical destination, a considerable amount of funds has been disbursed in Latin Americas regional projects (€m93), especially to SIG projects supporting social welfare reforms with a global impact on the community ((€m90). Among these projects it is worth recalling the Eurosocial programme on social cohesion at national policy definition level, the 'Urb-al regional programme in support to social cohesion local processes' ((€m50), the measures of 'social cohesion, employment and

FIGURE 4: ESI REGIONAL ALLOCATION BY SECTOR, 1999-200

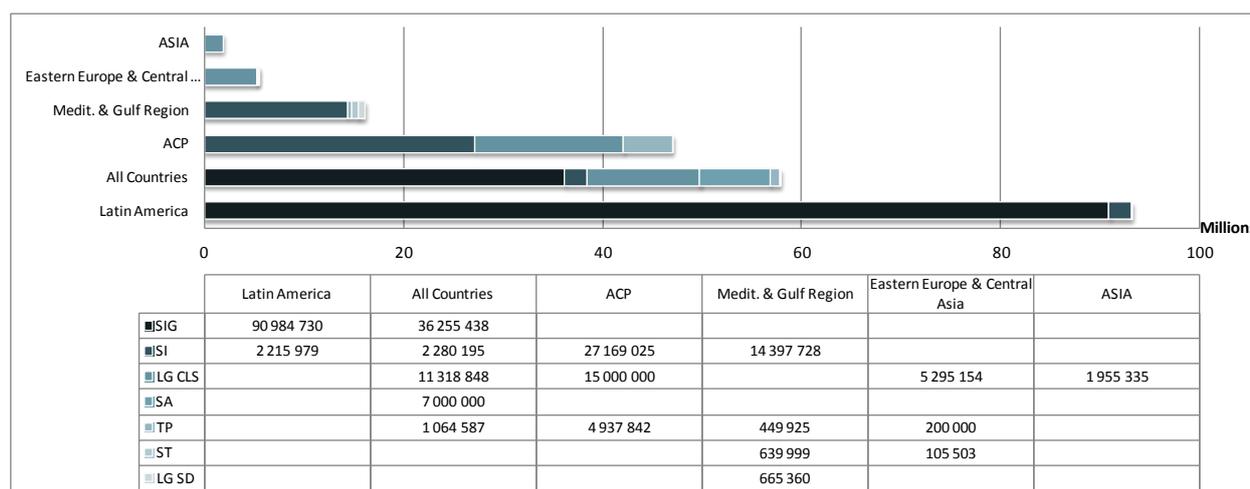


Source: Own elaboration based on the Inventory of EC ESI related intervention

decent work of the investing in people thematic programme' ((€m7.3), and the project 'Dimension socio-laboral del Mercosur' ((€ 980 000) in South America.

A considerable share of funds has gone to projects targeting all countries (€m57), mostly in the field of SIG (€m36) and core labour standards (€m11), and specifically to the ACP region (€m47), of which €m27 was disbursed in support of projects fostering social inclusion in the labour market of marginalized groups such as the discouraged unemployed, single pensioners, single mothers, homeless, ethnic minorities, migrants and others. For instance, a major project financed by the EC is 'facilité intra ACP pour les migrations' ((€m50).

FIGURE 5: ESI REGIONAL ALLOCATION BY SECTOR AND BY REGION, 1999-2008 (€M)



Source: Own elaboration based on the Inventory of EC ESI related interventions

- If the ESI-Enlarged definition is taken into account, the total regional cooperation amounts to €m898, about **9% of the global ESI-Enlarged allocations** (€m10,213). The remarkable increase in the financial allocation (€m676) rests on the size of regional interventions implemented in the field of structural reform and private sector development, which received respectively €m389 and €m226. It is worth noting that interventions targeting regional integration, and more specifically trade and economic regional integration, have been included in the structural reforms category. These types of projects mainly concern Africa and the Caribbean region, which received more than 90% of the total devoted to this field.

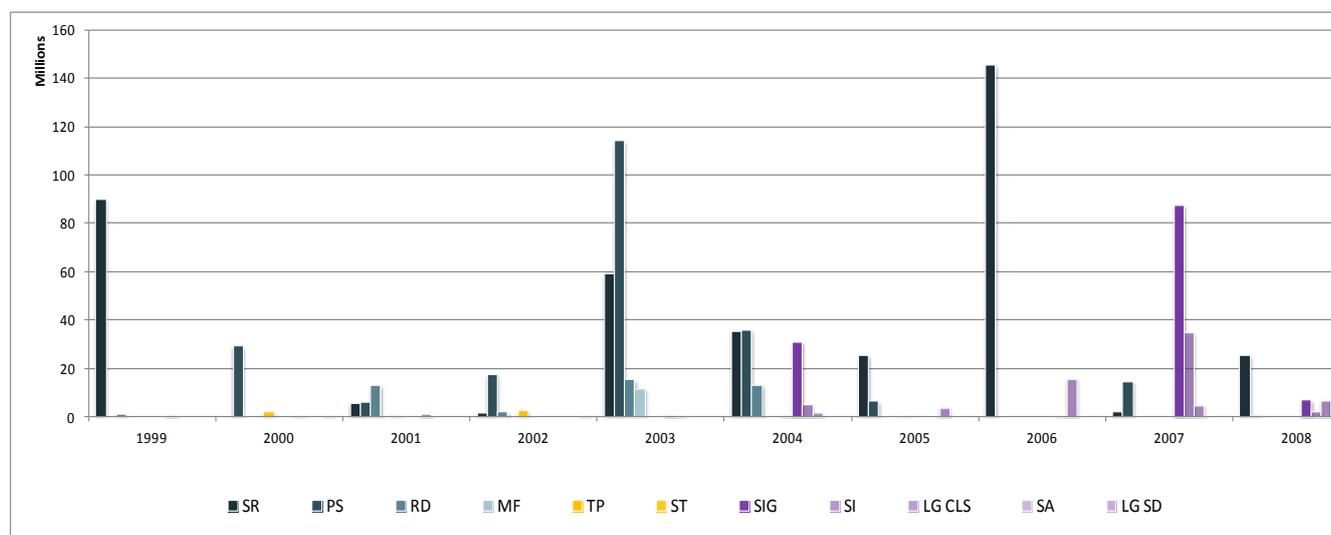
6.3.3 By period

A striking feature is that allocations to ESI regional projects have been rather uneven over the period considered.

- If the ESI-Enlarged definition is taken into account, the global picture becomes more interesting (See Fig. 6). Indeed it is possible to discern two main trends in EC support to ESI-Enlarged sectors.
 - In the period 1999-2004, EC regional assistance has largely focused on private sector development, structural reforms, and rural development (almost **88%** of the total amount committed).
 - Since 2004, these sectors have gradually lost their primacy, leaving the floor to new areas of cooperation such as social inclusion and labour governance. As shown in the figure below, although interventions via labour demand (ELD) are still the most important in terms of budget in the second period, they have more than halved whereas those in the area of DWS have increased in the total budget about four-fold. It could be asserted that, following the European Consensus on Development and the Decent Work Agenda, both ratified in 2005, EC support has shifted from more traditional areas of cooperation

towards those sectors promoting employment, decent work, social inclusion, and combating discrimination against all marginalized and vulnerable groups.

FIGURE 6: EVOLUTION OF EC SUPPORT TO ESI-ENLARGED SECTORS BY YEAR, 1999-2008 (€M)



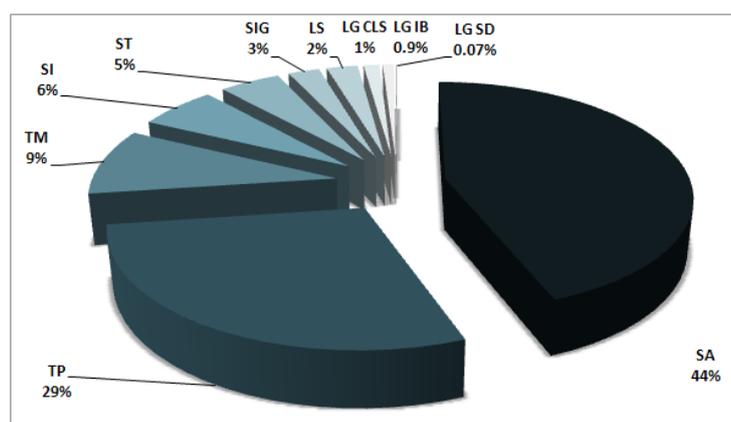
Source: Own elaboration based on the Inventory of EC ESI related interventions

6.4 ESI allocations at bilateral level

The total amount committed to ESI interventions at bilateral level is **€m2,258**, about **91% of the total allocation to ESI**.

6.4.1 By Sector

FIGURE 7: ESI BILATERAL COOPERATION-SECTORAL DISTRIBUTION, 1999-2008



Source: Own elaboration based on the Inventory of EC ESI related interventions

Figure 7 depicts the distribution of EC bilateral allocations between ESI sectors.

As for regional programmes, the bulk of bilateral funding has been in support of measures targeting the social cohesion of vulnerable groups. In particular, interventions in the field of SA - social safety nets, social protection of disabled, victims of violence, children at risk and other vulnerable groups - have received €m998. A total of €m647 has been spent in support of measures aimed at developing and strengthening technical and vocational education systems, VET training infrastructures, and curricula development in general.

In terms of social inclusion into the labour market, another sector that has been significantly supported by the EC is TM-TVET access for marginalized groups. In fact, a total of €m210 has been disbursed on measures promoting and supporting the access of women, youth, disadvantaged and vulnerable groups to vocational education and training

Concerning other ESI-relevant sectors, the EC has supported:

- programmes aiming at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups to a total amount of €m137 (SI):

- the largest projects in terms of financial allocation were ‘Urban Renewal Programme in the Eastern Cape Province’ in South Africa (€m30) and ‘Programme spécial des voiries urbaines avec Haute Intensité de Main d'Oeuvre’ in Senegal (27 €m);
- ii. training programmes and schemes in specific areas such as agriculture, the banking sector, tourism, health, and secondary level education to a total of €m105 (ST):
 - the largest projects in terms of financial allocation are ‘Appui au développement de la formation professionnelle dans les secteurs du tourisme, du textile et des nouvelles technologies de l'info et de la communication’ in Tunisia, (€m50) and ‘Human resources for health’ in Uganda (€m17);
- iii. measures to improve social policies, and to support social welfare reforms with a global impact on the entire society to a total of €m54 (SIG),
 - the largest projects in terms of financial allocation being ‘EU China social security reform co-operation’ project(€m19) and ‘Support to the Palestinian authority social welfare programme in West Bank and Gaza Strip’ (€m6) ;
- iv. measures and projects addressing the social consequences of transition, training for the unemployed and economically inactive. Institutions facilitating access to the labour market received a total amount of €m54 (LS).
 - The largest projects in terms of financial commitment are the ‘Fonds de développement économique et social’ in Lebanon (€m25 €m), and the ‘Labour market information system and HR development’ in Vietnam (€m10) ;
- v. workers rights, migrant rights, non-discrimination measures, total €m27 (LG-CLS).
 - The largest projects in terms of financial commitment are ‘Centre d'information et de gestion des migrations (CIGEM)’in Mali (€m10), and the project ‘Appui institutionnel à la circulation de personnes’ in Morocco (€m5);
- vi. measures supporting institutional capacities of key relevant institutions and the labour markets’ normative framework to a total of €m20 (LG-IB),
 - the largest projects in terms of financial allocation being ‘Programme d'appui aux associations professionnelles ii’ in Morocco (€m5), and ‘Administrative Reform II (human resources development)’ in Russia (€m3.9);
- vii. Finally, €m1 for measures targeting consultation or exchange of information between representatives of governments, employers and workers, on issues relating to economic and social policy, labour disputes, trade unions (LG-SD).

The largest projects in terms of financial allocation are ‘Empowerment of Workers and Trade Unions’ in Vietnam (€m0,318), and ‘Trade Union Development to Retrain Russian ex-steel Workers’ in Russia (€m0,197).

- If the ESI-enlarged definition is taken into account, the total bilateral cooperation amounts to €m9,314, about 91% of the global ESI-Enlarged allocations (€m10,213). As reported in Table 9, the overall distribution between sectors changes considerably *vis-à-vis* the ESI-definition scenario.

The considerable increase in the financial allocation (€m7,055) is attributable to the size of interventions implemented in the fields of poverty reduction, private sector development, and structural reform, which received respectively €m3,508, €m1,476, and €m1,053. Indeed these three sectors represent more than 50% of the total ESI-Enlarged financial commitment, that is to say respectively 38%, 16% and 11% of the total.

The remainder was committed to measures aimed at improving the competitiveness of the agricultural and forestry sector, the environment and the countryside, and the quality of life in rural areas, and also at encouraging diversification of the rural economy (€m490); to programmes under the Special Framework of Assistance for Traditional ACP Suppliers of Bananas (Budget line BAN) established by the EU in 1999 to provide financial and technical assistance to ACP exporter countries and help them adjust to the progressive liberalization of the European Union's banana regime (RD-BAN €m334). Finally, €m192 has been disbursed on credit schemes, financial investment, and lending programmes.

TABLE 9: ESI-ENLARGED COMMITMENTS BY SECTOR (€M)

Sector	Amount Committed	% over the Total
PR	3,508.92	37.7%
PS	1,476.16	15.8%
SR	1,053.07	11.3%
SA	998.10	10.7%
TP	647.34	6.9%
RD	490.31	5.3%
RD-BAN	334.16	3.6%
TM	210.94	2.3%
MF	192.97	2.1%
SI	137.50	1.5%
ST	105.90	1.1%
SIG	54.82	0.6%
LS	54.54	0.6%
LG CLS	27.58	0.3%
LG IB	20.23	0.2%
LG SD	1.68	0.02%
Grand Total	9,314.29	

Source: Own elaboration based on the Inventory of EC ESI related interventions

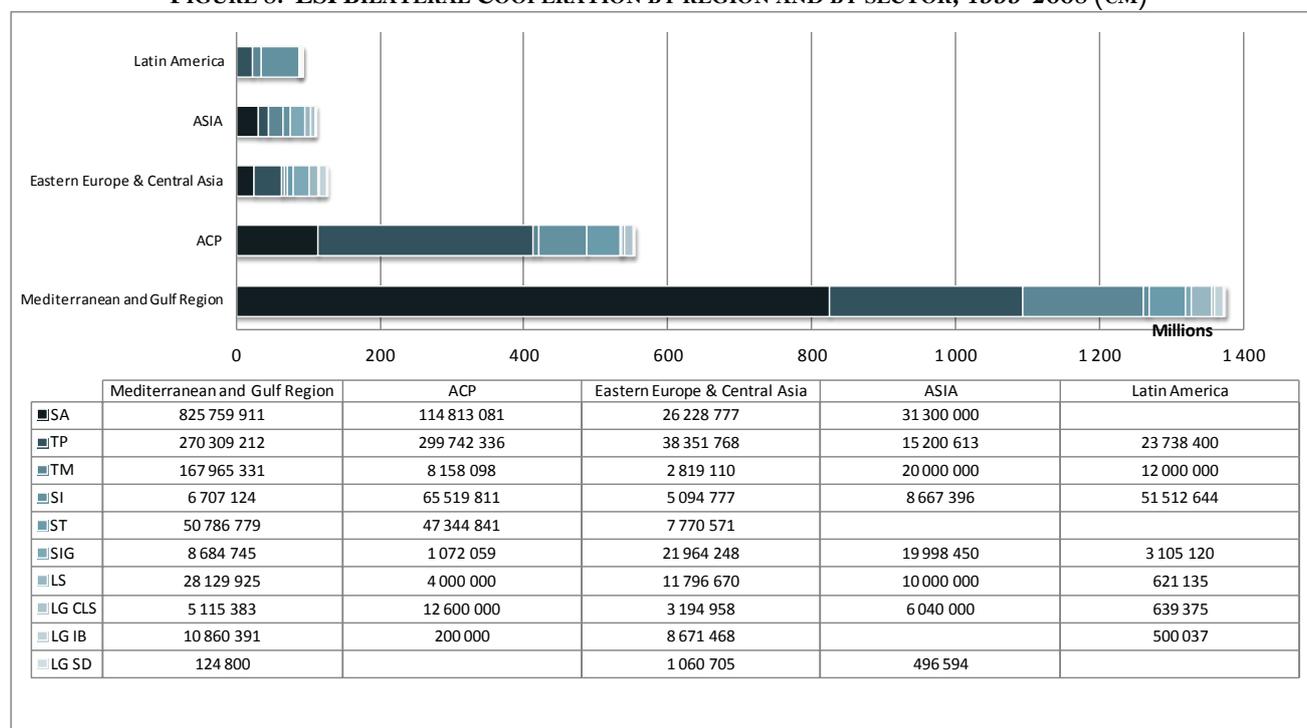
6.4.2 By Geographical Area

In terms of geographical distribution, as shown in Figure 8:

- The most targeted region has been the Mediterranean, where a total of €m1,374 was allocated, namely 61% of the total ESI financial commitment. A considerable proportion of these funds was spent in support of social assistance to vulnerable groups (€m825), especially in the Occupied Palestinian Territory and Egypt, which are the top recipient countries. A significant contribution was also made in this region to programmes aimed at developing and strengthening technical and vocational education systems, VET training infrastructures, and curricula development in general (€m270), Egypt being the top recipient country in this field with a total allocation of €m153.
- A considerable share of funds went to projects targeting ACP countries, which received 25% of the total amount allocated to ESI (€m553). In particular, the EC funded €m299 in the field of TVET, €m114 in social assistance, and €m65 in social inclusion (the remaining being spread over measures targeting sectoral training, TVET access for marginalized groups and labour supply).
- Eastern Europe and Central Asian countries received 6% of the total (€m126), Russia and Armenia being the top recipients with respectively €m30 and €m26. Again, TVET has been the most targeted sector (€m38), followed by social assistance to the disabled, victims of violence, children at risk and other vulnerable groups (€m26).

- Asian countries received 5% of the total allocation (€m111), Bangladesh and Afghanistan being the top recipients with respectively €m40 and €m31. In terms of sectoral distribution, 28% of the geographical allocation has been in support of social safety nets and social protection of the disabled, victims of violence, children at risk and other vulnerable groups; 18% for programmes promoting and supporting the access of women, youth, disadvantaged and vulnerable groups to vocational education and training; and 18% for measures to improve social policies and to support social welfare reforms with a global impact on the entire society.
- In terms of regional programmes, Latin American countries received relatively less, 4% of the total allocation (€m92). Of this amount, 56% supported programmes aimed at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups, while 26% supported TVET interventions. The most targeted countries in the region have been Peru (€m24), Argentina (€m12), and Colombia (€m10).

FIGURE 8: ESI BILATERAL COOPERATION BY REGION AND BY SECTOR, 1999-2008 (€M)



Source: Own elaboration based on the Inventory of EC ESI related interventions

- If the ESI-enlarged definition is taken into account, the geographical distribution of the EC cooperation changes as well. Indeed the top recipient region becomes the ACP (whereas according to the ESI definition it is the MEDA region), with a total allocation of **€m5,636**, which represents more than **60% of the total cooperation** in this field (See Table 10).

TABLE 10: ESI-ENLARGED COMMITMENTS BY REGION (€M)

Region	Amount Committed	% over the total
ACP	5,636.13	61%
Mediterranean and Gulf Region	2,689.78	29%
Latin America	401.58	4%
ASIA	361.28	4%
Eastern Europe & Central Asia	225.50	2%
Grand Total	9,314.29	

Source: Own elaboration based on the Inventory of EC ESI related interventions

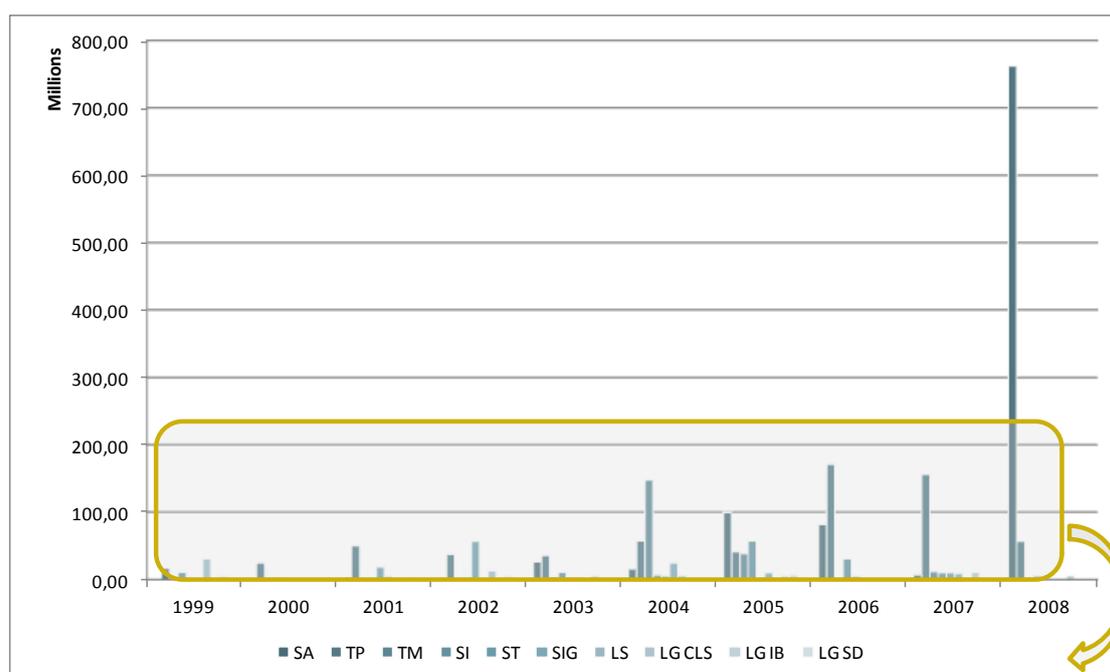
6.4.3 By period

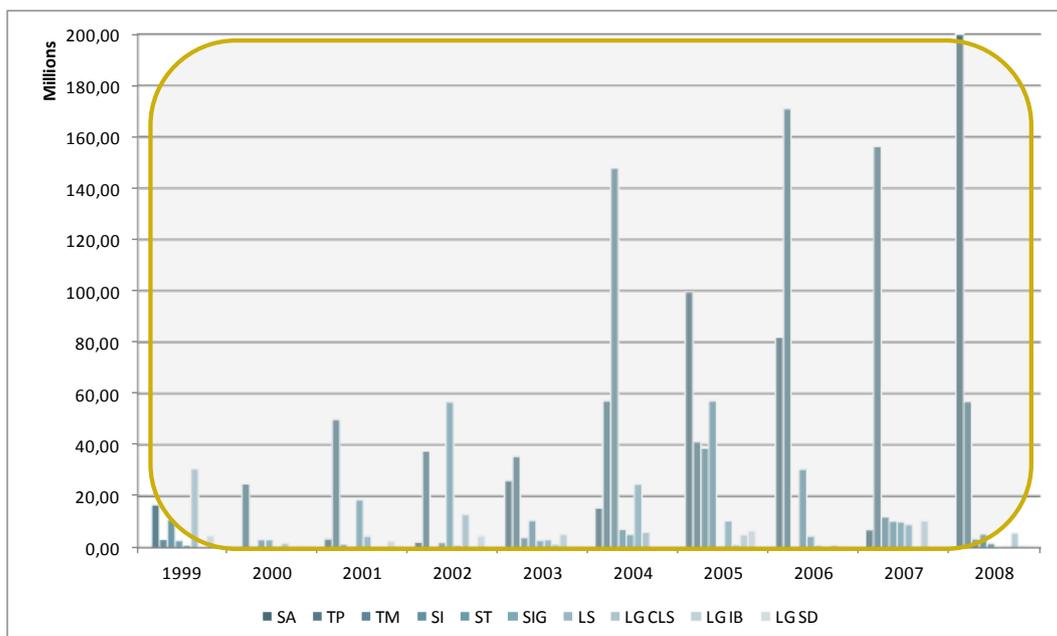
Figure 9 presents, over the period considered, the evolution of the EC support to ESI at bilateral level. One striking finding is that, overall, financial allocations increased considerably from 2004.

- In particular, support to social safety nets, social protection of the disabled, victims of violence, children at risk and other vulnerable groups shifted from an average annual allocation of €m6 in the first five years (1999-2003) to €m193 in the following five years (2004-2008).
- The same positive trend was recorded for measures aimed at developing and strengthening technical and vocational education systems, VET training infrastructures, and curricula development in general, which increased from an average annual allocation of €m32 in the first period to €m96 in the second period. Programmes promoting and supporting the access of women, youth, disadvantaged and vulnerable groups to vocational education and training increased from an average annual commitment of €m1 to €m40.
- Financial allocations to programmes aiming at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups increased from an average annual amount of €m5 in the first period to €m22 in the second period.
- The average annual commitment to measures aimed at improving social policies to support social welfare reforms with a global impact on the entire society increased from €m1 to €m9.
- Interventions targeting workers rights, migrant rights, non-discrimination measures increased from an average annual commitment of €m1 to €m4.

In contrast, a negative trend was recorded for: financial support to sectoral training (from €m16 to €m4); measures and projects addressing social consequences of transition, training for the unemployed and economically inactive, institutions facilitating access to the labour market (from €m9 to €m1); measures supporting the institutional capacities of key relevant institutions and the labour markets' normative framework (from €m2 to €m1); and for measures targeting consultation or exchange of information between representatives of governments, employers and workers on issues relating to economic and social policy, labour disputes and trade unions (from €m0,212 to €m0,124).

FIGURE 9: EVOLUTION OF ESI BILATERAL COOPERATION BY SECTOR AND YEAR, 1999-2008 (€M)



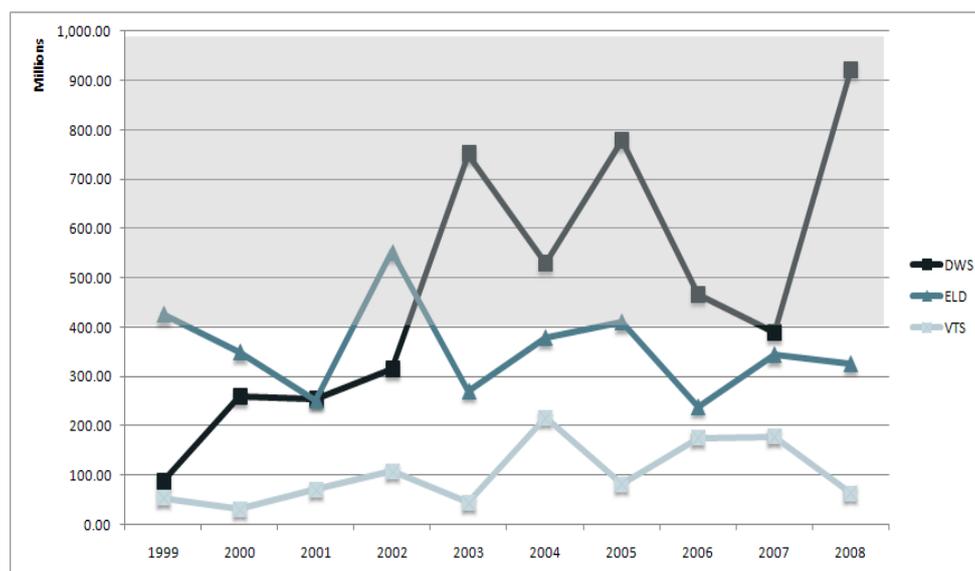


Source: Own elaboration based on the Inventory of EC ESI related interventions

- If the ESI-enlarged definition is taken into account, it can be asserted that support to structural reforms, private sector development, microfinance projects and rural development has overall been constant over the period considered. Figure 10 gives a view of the EC cooperation trend over the period at macro-sectoral level.

If one divides the graph in two imaginary sections of which the threshold is the €m400 axis , it is possible to state that, on the one hand, support to inclusion into the labour market (demand side-ELD), which was the only one above the line in 1999, had moved below the threshold by 2008; and that on the other hand, support to social cohesion of vulnerable groups (DWS) interventions was the only form of support to stay above this line for most of the period considered.

FIGURE 10: ESI-ENLARGED COOPERATION - TOTAL AMOUNT ALLOCATED BY MACRO-SECTOR AND YEAR (€M)



Source: Own elaboration based on the Inventory of EC ESI related interventions

While for the EC regional programmes there was a rather clear breakthrough in 2005 with a shift from ELD to DWS interventions, for the EC's bilateral cooperation it could be argued that the change has been more gradual. Although traditional sectors of cooperation such as structural reforms and rural development have been receiving lower levels of funding, they can still be considered important targets. Support for PSD has stayed rather constant over the period, proving to be a fundamental channel for trade development, competitiveness enhancement and job creation.

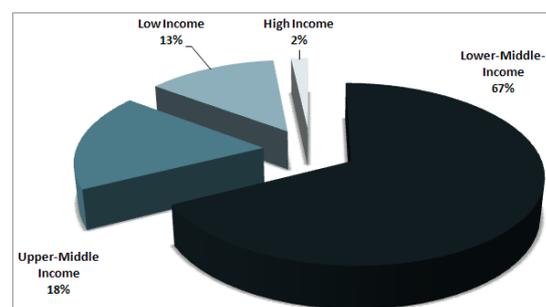
6.4.4 By country's economic development level ¹⁰³

Figure 11 depicts EC allocations to ESI sectors in terms of national income levels. The bulk of EC funds financed ESI interventions in lower-middle income countries, which received €1,524, namely more than 60% of the total allocation. Upper-middle income countries received 18%, namely €401; low income countries received €293, 13%, and high income economies €38, around 2%.

In terms of sectoral classification, as shown in Figure 12:

- Interventions in the field of social safety nets, social protection of the disabled, victims of violence, children at risk and other vulnerable groups were financed mostly in lower-middle income countries (85% of the total) and in low-income countries (13% of the total).
- Financial allocations to TVET interventions were particularly significant in lower-middle income countries (53% of the total) and in upper-middle income countries (36% of the total). Programmes promoting and supporting the access of women, youth, disadvantaged and vulnerable groups to vocational education and training were financed mostly in lower-middle income countries (73% of the total).
- Programmes aiming at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups targeted upper-middle income countries, which received 47% of the total, and low-income economies (31%).
- Financial support to workers rights, migrant rights, and non-discrimination measures was considerable in lower-middle income countries with more than 57%, and low-income economies (42%).
- High-income economies received some limited support for training programmes and schemes in specific areas such as agriculture, the banking sector, tourism, health, and at secondary level education (€2), and for measures supporting the institutional capacities of key relevant institutions and the labour markets' normative framework (€0,5).
- Measures and projects addressing the social consequences of transition, training for the unemployed and economically inactive, and institutions facilitating access to the labour market, were financed mostly in lower-middle income countries (55%) and upper-middle income countries (37%).

FIGURE 11 : TOTAL AMOUNT ALLOCATED TO ESI BY COUNTRY INCOME LEVEL GROUPS, 1999-2008

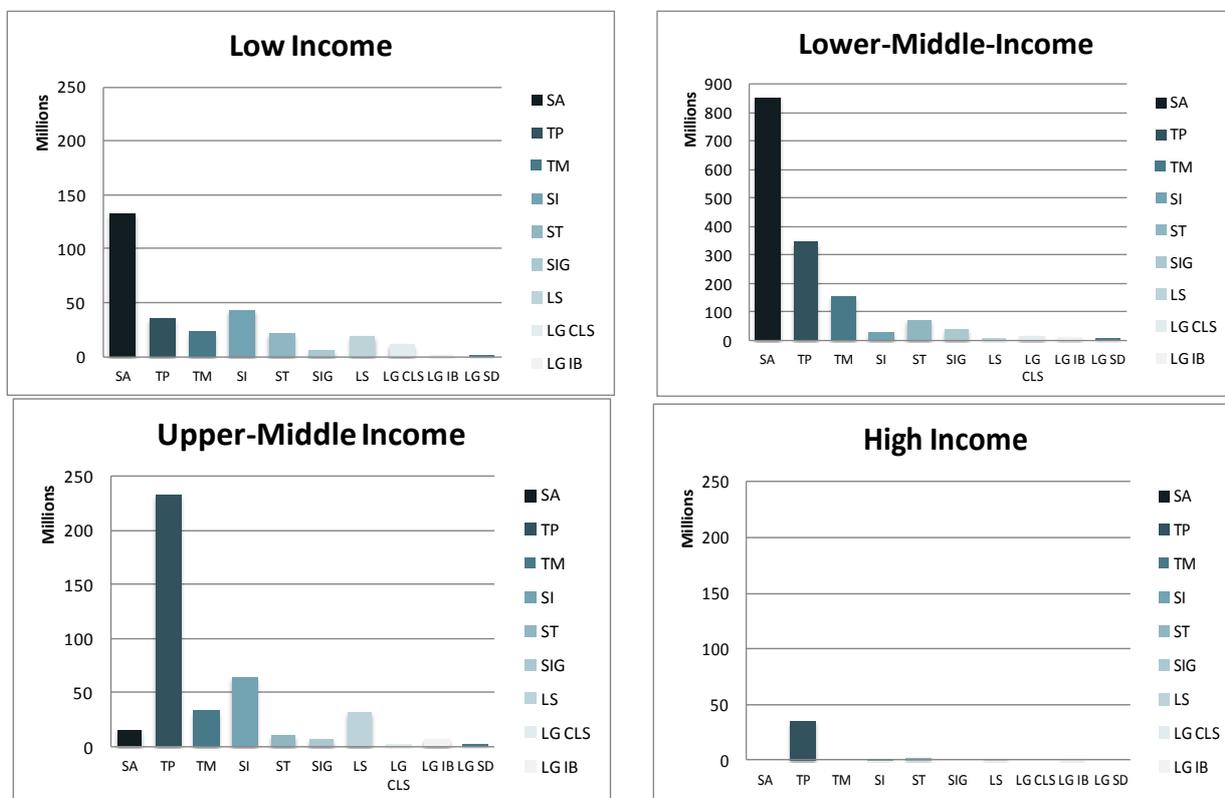


Source: Own elaboration based on the Inventory of EC ESI related interventions

¹⁰³ Based on the GNI per capita, according to which every economy is classified as low income, middle income (subdivided into lower middle and upper middle), or high income. Low income countries are defined as such when having a GNI per capita of \$975 or less; lower middle income, \$976 - \$3,855; upper middle income, \$3,856 - \$11,905; and high income, \$11,906 or more.

- Finally, EC support for measures targeting consultation or exchange of information between representatives of governments, employers and workers on issues relating to economic and social policy, labour disputes, and trade unions targeted mostly upper-middle income countries (41%), lower-middle income countries (30%), and low income economies (29%).

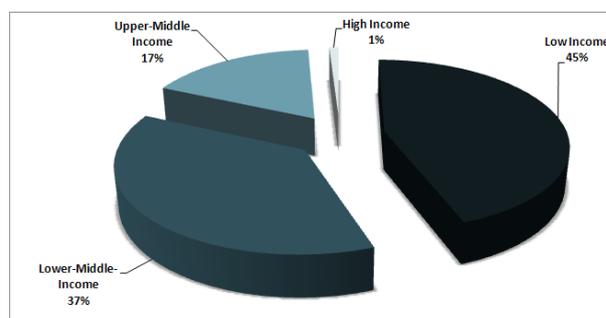
FIGURE12: EC SUPPORT TO ESI BY COUNTRY INCOME LEVEL GROUP AND BY SECTOR, 1999–2008



Source: Own elaboration based on the Inventory of EC ESI related interventions

If the ESI-enlarged definition is taken into account, the scenario changes considerably (see Fig. 13). It turns out that the bulk of EC funds financed ESI-enlarged interventions in low income countries, which received €m4,142. This increase can be largely explained by the support to poverty reduction programmes (€m3,508), of which 84% of the total was funded in low-income countries. Measures supporting the development of SMEs, support to the private initiatives, and investment promotion, at both urban and rural levels (PS-€m1,476) were financed mostly in upper-middle income countries (45%) and lower-middle income economies (35%). Projects supporting reforms promoting economic growth (reforms aimed at economic restructuring, enhancing market competition including labour market flexibility, improving macroeconomic stabilization, and promoting regional integration and integration into world market), €m1,053, were funded mostly in lower-middle income countries (53% of the total), and in low-income economies (42%).

FIGURE 13: ESI-ENLARGED -TOTAL AMOUNT ALLOCATED BY COUNTRY INCOME LEVEL, 1999–2008



Source: Own elaboration based on the Inventory of EC ESI related interventions

SECTION 3: EVALUATION FINDINGS

7 INTRODUCTION TO THE EVALUATION FINDINGS

This Section provides the main findings generated around the seven Evaluation Questions (EQs) as they emerge from the information gathered through the diverse techniques and tools utilized during the different evaluation phases¹⁰⁴. These findings represent **the joint result obtained through** a comparative analysis of several sources, from desk documentation studies, to large surveys with EUDs (at worldwide level) and National Counterparts (in the twenty selected countries), interviews in Brussels and in the six countries visited, and the direct analysis of relevant programmes and projects carried out or still under implementation in the various regions.

The EQs include four horizontal questions covering the issues of relevance, internal coherence, the “3Cs” (coordination, complementarity and coherence), efficiency, and three thematic questions covering the issues of effectiveness, impact and sustainability. Thematic EQs are organized according to the theoretical framework as it results from the EC’s *intended* Intervention Logic (IL): EQ 5 relates to support to economic growth (in terms of labour demand); EQ 6 to support to employability (TVET and active market policies and measures); and EQ 7 to measures facilitating implementation of the Decent Work Agenda and contributing to Social Inclusion in the labour market.

The EQs are associated with their respective DAC evaluation criteria and with additional EC-specific criteria and themes.

TABLE 11 : RELATIONSHIP BETWEEN THE DAC EVALUATION CRITERIA, EC-SPECIFIC ISSUES AND THE EQS

	EQ 1 EC ESI policy vs. EC coop.	EQ 2 Countries' needs	EQ 3 Project cycle	EQ 4 Donors	EQ 5 Labour demand	EQ 6 Labour supply (including TVET)	EQ 7 Decent work & social cohesion
Relevance	□	□					
Internal coherence	□						
Efficiency			□				
Effectiveness			□		□	□	□
Impact					□		□
Sustainability			□		□	□	
EC value added				□			
3Cs				□			

¹⁰⁴ Volume 2 – Section 2 (Annex 8) provides the completed Evaluation Questions matrix, with all the information gathered by Indicator under each Judgment Criteria. It is worth noticing that the Evaluation Questions and respective Judgment Criteria and Indicators were defined and approved by the Reference Group at the end of the evaluation exercise structuring phase.

Concerning the selection of programmes and projects for deeper analysis in the sample of twenty countries, of which six were visited by the evaluation team, (and this especially applies to EQs 5, 6 and 7), the first criterion has been the availability and access to key documents such as Financing Agreements and monitoring reports (ROM); as a subsequent step, a second criterion has been the satisfactory coverage of all indicators identified for each Judgment Criterion under each EQ, in terms of both geographic and micro-sector coverage. Attention has also been given to the financial coverage and representativeness of the selected interventions, with the objective of covering at least 60% of all EC/ESI relevant commitments for EQs 5, 6 and 7. A detailed description of the overall list and the selected programmes and projects for each of these three EQs is given in Section 2 of Volume 2 - Evaluation Questions matrix.

8 ANSWER BY EVALUATION QUESTION

8.1 EQ 1: EC-ESI policy definition and evolution

EQ. 1

TO WHAT EXTENT HAVE EMPLOYMENT, SOCIAL INCLUSION IN THE LABOUR MARKET AND TVET RELATED ISSUES BEEN INCORPORATED IN EC COOPERATION WITH THIRD COUNTRIES TAKING INTO ACCOUNT THE EVOLUTION OF EC DEVELOPMENT POLICY IN THIS PERIOD AND EC INTERNATIONAL COMMITMENTS?

COVERAGE OF THE QUESTION

This question covers the translation of global ESI policy framework into EC regional and country strategies and related objectives. It also assesses whether EC commitments reflect the intended strategies.

The answer presented below is based on several sources:

- i) Interviews with EC officials in Brussels,*
- ii) Analysis of EC/ESI policy and strategy evolution, also considering EC international commitments and EU internal policies,*
- iii) Analysis of EC/ESI policy and strategy in third regions (bilateral and regional agreements and other normative frameworks, such as regional strategies and EC COM)*
- iv) Worldwide inventory of EC ESI financial commitments,*
- v) Worldwide analysis (all third countries) of all CSP/NIP and RSP/RIP for the programming periods 2002-2006 & 2007-2013*
- vi) Worldwide Survey of EU Delegations*
- vii) Survey of National Counterparts (Ministries and Public Institutions & Social partners and other Non State Actors) and assessment of ESI-related interventions in the twenty selected countries*
- viii) Field assessment in six countries of relevant policy evolution and incorporation of ESI-related policy commitments into country programming and interventions.*

GLOBAL ANSWER

EC development policy and strategy over the period has taken due account of the importance of issues relating to Employment & Social Inclusion (ESI) in terms of achievement of sustainable economic and social development and reduction and progressive eradication of poverty. Over the period considered, the definition of EC/ESI policy and strategy has been progressively adapted to new international policy trends, commitments and orientations, fully confirming the EU's engagement in multilateralism.

At the same time it has been enriched by evolving internal EU policies and values, so that it is now recognised in many international fora as an important European added value. Since 2005 this process has developed in parallel with the definition of a European Social Model which, in turn, has directly contributed to a more structured and comprehensive European development strategy for ESI-related issues.

If 2005 may be considered a turning point in terms of ESI policy definition, then EC cooperation strategies, programming and effective commitments - that is financial allocations to ESI sectors compared to global commitments - have more than doubled since the beginning of the period considered (1999), and have grown at a faster rate than global commitments. And this reflects - although with considerable differences from one region to another - the attention given to employment promotion in economic and social policy formulation, as well as the increasing importance of social and labour rights and of prevention of social exclusion.

By so doing the EC has adopted a rather responsive strategy towards regional and country-specific situations and has promoted a significantly coherent framework of intervention between global and regional strategies' overarching objectives, on the one hand, and regional and country cooperation strategies on the other.

JC. 1.1

Evolution of EC policies and strategies on Employment and Social Inclusion in the Labour market related issues

During the period under evaluation, the EU has coherently correlated its development policy with international commitments, starting with the Copenhagen Social Summit in 1995¹⁰⁵ and, since 2000, within the framework of the Millennium Declaration.

In its follow-up to the World Social Summit¹⁰⁶, considering that key commitments were already being put into effect in European countries, the EU has given close attention to the implementation of these same commitments at international level and in EU bilateral relations with third countries, keeping employment as the top priority for economic and social policy.

In 2005, the Communication *Policy Coherence for Development - Accelerating progress towards attaining the Millennium Development Goals* focused on non-aid policies for helping developing countries achieve the MDGs. The eleven priority areas identified by the EC include both *social dimension of globalization, promotion of employment and decent work* and *migration*. It was clearly envisaged that these areas would be developed through stronger collaboration and in possible partnership with WTO, FMI, WB and ILO, so as to support the incorporation of employment and decent work issues, in particular for young people, within the review of the MDGs and Millennium Declaration.

In the same year, the "European Consensus" on Development (ECD)¹⁰⁷ further sets out development policy in line with the MDGs: EU development cooperation's primary and overarching objective is the eradication of poverty and sustainable development, concentrating on nine areas including Human Development and Social Cohesion and Employment, so as to prevent social exclusion and combat discrimination as crucial factors in achieving high levels of social cohesion.

¹⁰⁵ In this occasion, the significance and high priority of social development and human well-being for all was recognized for the first time. On that occasion, a global drive for social progress was launched and a new consensus was reached to put people at the centre of development. The year before the Summit (2004), the Communication *European Union's priorities for the World Summit for Social Development* reaffirmed the European commitment to eradicate poverty and integrate all sections of society in the framework of its development policy, where job creation, advancement of social rights and prevention of social exclusion were among the key-objectives and were fully covered in the Copenhagen Declaration.

¹⁰⁶ *The European Union's follow-up to the World Summit for Social Development*, COM(96) 724

¹⁰⁷ Council of the European Union Brussels, 22 November 2005 DEVGEN 229 RELEX 678 ACP 155

In 2009, owing to the ongoing economic and financial crisis the COM(2009)458 on *Policy coherence for Development - Establishing the policy framework for a whole-of-the-Union approach* identified new priorities among the eleven defined in 2005, including climate change, global food security, migration, intellectual property rights for development, security and peace, but excluding employment and decent work. However the attention to employment creation and expansion was again confirmed just a few months later, when the COM(2010) 159 on *A twelve-point EU action plan in support of the Millennium Development Goals*, linked to *Europe 2020 Strategy*, indicated - among concrete actions for achieving the MDGs - enhancing regional integration and trade to boost growth and jobs, and helping third countries participate in the global economy and develop a stronger private sector through mechanisms such as the ACP Investment Facility and the Africa-EU Infrastructure Trust Fund.

The EU contribution to the MDGs is also confirmed by the recent Green Paper on EU development policy in support of inclusive growth and sustainable development *Increasing the impact of EU development policy* (COM (2010) 629 final). An important contribution of the Green Paper is the widened vision of the EU contribution to achieving the MDGs through new Joint Strategies for Inclusive Growth, in partnership with individual or regional groups of developing countries, also involving the private sector, businesses, foundations, academia and civil society organizations (CSOs), and so forth.

In addition and as a complement to the above active and innovative participation in international commitments and partnerships, EU has also contributed and enriched the international development debate on ESI-related issues through the externalization of its internal policies and values.

In accordance with the *construction* of the European Social Model characterized by coherence between economic effectiveness, justice and social cohesion, the EU, and in particular the EC, have ensured that this Model - which is considered as providing European added value for socio-economic policies, not only by Europe but also by third countries and international organizations like the UN - is externalized and adapted to EU relations with third countries and regions. This process of externalization of EU internal policies has mainly taken place since 2004, in the context of the World Commission on the Social Dimension of Globalization (WCSDG), and of the Commission Communication *The Social Dimension of Globalization* - the EU policy contribution on extending the benefits to all.

As mentioned in the WCSDGs' report¹⁰⁸, the integration of economic and social policies and the construction of the EU itself was an expression of that same social model and a response to the pressures of globalization. Obviously, as highlighted by the above Communication, the EU approach to economic, employment and social issues and the EC model of sustainable development cannot simply be transposed to partner countries: yet it can present positive process-related examples of how to ensure sustainable progress, mainly related to solid institutional structures for the management of economic, social and environmental issues and the interplay between them; effective public services and services of general interest; strong social and civil dialogue; investment in human capital; and the quality of employment.

Following the adoption of the Decent Work Agenda, and in order for the EC to further develop the social dimension of globalization, promotion of employment and the decent work chapter of the ECD, the Commission elaborated in 2007 a working paper on *Promoting Employment through EU Development Cooperation*. The paper focuses on employment and labour market within the broader concept of decent work, which calls for the integration of economic and social objectives and for a combination of measures in the areas of productive employment, rights at work, social protection and social dialogue. Gender equality is integrated in all dimensions.

¹⁰⁸ *A fair globalization - Creating opportunities for all*, WCSDG, February 2004.

The document notes that the EC development strategy should reflect the different needs of Low Income Countries (LICs) and Middle-Income Countries (MICs). While LICs need to focus on the creation of productive jobs in the formal economy and on improving the living and working conditions

BOX 12: TRANSLATION OF ESI-RELATED POLICY INTO BILATERAL AND REGIONAL COOPERATION AGREEMENTS

ACP

- In general, the emphasis is put on economic growth and education (especially primary) as a key human resource for growth. Themes specifically related to ESI are not particularly developed. It is considered more appropriate to address economic growth and income generation policies, with their impact on employment, in general terms.
- Regional policy and strategy documents also indicate economic growth achieved through enhanced trade, deeper regional integration and a conducive business climate, as key to the creation of more productive and better jobs. This is in line with the African agenda on Employment Promotion and Poverty Alleviation, as well as with the Caribbean agenda on job creation to fight poverty in the framework of the Organization of American States.
- However, most recent documents, at both regional and country levels, give more attention to the Decent Work agenda, although its application to the actual contexts is not always evident.

Mediterranean and Middle East

- The EC policy and strategic framework for Mediterranean & Middle East countries benefited from a holistic approach throughout the period considered. Since the beginning, human resources development policies linked to TVET appear to have been highly responsive to economic transition processes and labour market needs. Macro-economic reforms, enhanced investment, and regulatory convergence are the means to generate growth and job creation. This strategy is complemented by attention to the social consequences of globalization, mainly in relation to migrant workers.
- This is in accordance with the European willingness to establish closer economic ties between the EU and the Mediterranean & Middle East region, a strategy further stressed in recent years. The EU policy aims at expanding the economic ties among partners and extending trade liberalization to selected products and new areas, such as services, stimulating growth and thus creation of employment opportunities for the many new entrants into the labour market.

Latin America

- The EC approach to TVET in Latin-American countries globally lacks a clear linkage and responsive strategy to labour market needs. This is mainly done through higher education.
- Trade and deeper regional integration, and an enhanced competitiveness framework, are necessary conditions for stimulating growth and facilitating and further developing EU-LAC relations. Still, the explicit linkage to employment and job creation remains weak, even if implicitly assumed.
- Attention to Social Cohesion, and more recently to Decent Work, may have further stressed the emergence of an integrated approach combining economic development and social equity. This is in line with the Latin American agenda on job creation to fight poverty in the framework of the OAS.

Asia

- The regional EC approach to human resources development is wide-ranging and relates to the general objective of improving social and economic development. It was only during the last years of the period considered that an explicit relationship to labour, in particular labour mobility, has taken place.
- Also Employment and the Labour Market have been emerging more visibly in recent years and, as in other regions, they are framed in an overall strategy combining economic growth with equity and social justice. In Asia, more than elsewhere, social protection has become a key pillar.

Eastern Europe and Central Asia

- The EC approach to human resources development is, at policy and strategy level, wide-ranging. The integration between VET, economic development and consolidation or completion of the transition to a market economy is there, but only in an implicit way.
- The approach to employment and labour market has focused, since the early years, on the support to social consequences of transition, very much linked to social protection and to the support to rural economy.
- Bilateral agreements and related action plans generally do not include the issue of Core Labour Standards.

of the poor in the informal economy, MICs should focus on the transition from the informal to the

formal market and on alleviating skills shortages. The document also calls for a shift in emphasis in macroeconomic policies towards employment generation through budget support mechanisms and labour demand policies, such as private sector and financial development.

It is important to recall that the EESC considers the clear commitment to solidarity with the developing countries and to providing assistance to their economic, social and environmental reform programmes as one of the core elements of the European Social Model. Overall, since the late 1990s the centrality of employment creation in economic and social policy formulation, along with the increasing importance of social and labour rights and social exclusion prevention - which are all core elements of EU internal policies - have been translated into external development policy. On the other hand recent European development policies adopted from 2005 onwards (*European Consensus on Development, Promoting Decent Work for all - The EU contribution to the implementation of the Decent Work agenda in the world and Promoting Employment through EU Development Cooperation*), have promoted an increasingly common vision and a more comprehensive approach to EC/ESI-related cooperation.

(Source: Volume 2 - I. 1.1.1 and I. 1.1.2 of the Evaluation matrix presented in Section 2)

JC. 1.2

Prioritization and mainstreaming of Employment and Social Inclusion in the Labour Market and TVET policy orientations into CSP/NIP, RSP/RIP

The analysis of how policy development in ESI-related issues has then been translated into strategy and programming reveals common patterns, even if with differences across regions.

The analysis of the Inventory of programmes and projects at worldwide level, together with the in-depth analysis of the sample of twenty countries, indicate that EC action at country level has contributed to including specific attention to ESI-related and TVET policy orientations in most of the available CSP/NIP, RSP/RIP for the programming periods 2002-2006 & 2007-2013. This focus is notably present in all twenty selected countries,¹⁰⁹ even if with significant differences across regions and country income levels, and is exhibiting an increasing trend over the period.

In this respect it should be recalled that country income levels, which are somehow reflected in EC/ESI country analyses, are fully taken into consideration in the EC response strategy and programming.

It should at the same time be observed that the coverage of ESI and TVET-related issues as core priorities of EC intervention is quite significant in the RSP/RIP & CSP/NIP for all regions and many countries, as shown in the maps below and in the following points presented by region.

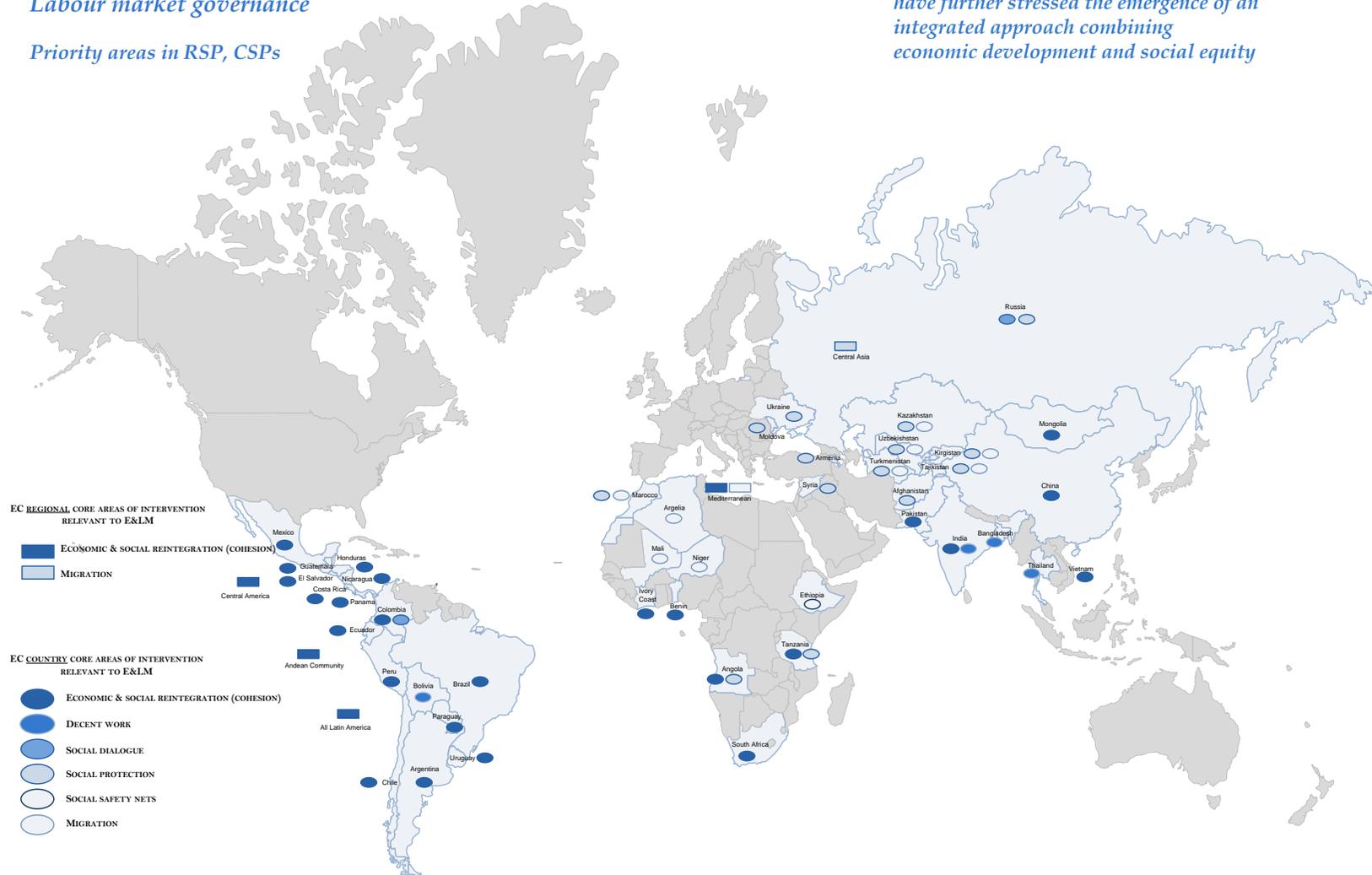
¹⁰⁹ Tanzania does not include any specific ESI analysis as such, but rather a macro-economic and private sector & integration analysis, in accordance with its PRSP priority sectors.

MAP 1 : EC WORLDWIDE DECENT WORK, SOCIAL COHESION AND LABOUR MARKET GOVERNANCE PRIORITY AREAS IN REGIONAL AND COUNTRY STRATEGY PAPERS, 2002-2013

Decent Work, Social cohesion and Labour market governance

Priority areas in RSP, CSPs

Recent attention to social cohesion, also in relation to migrants, and more recently to Decent Work, have further stressed the emergence of an integrated approach combining economic development and social equity



*Thematic global evaluation of European Commission support in the sectors of ESI (employment and social inclusion) in partner countries (including vocational training)
Evaluation carried out by DRN SGI (Italy)*

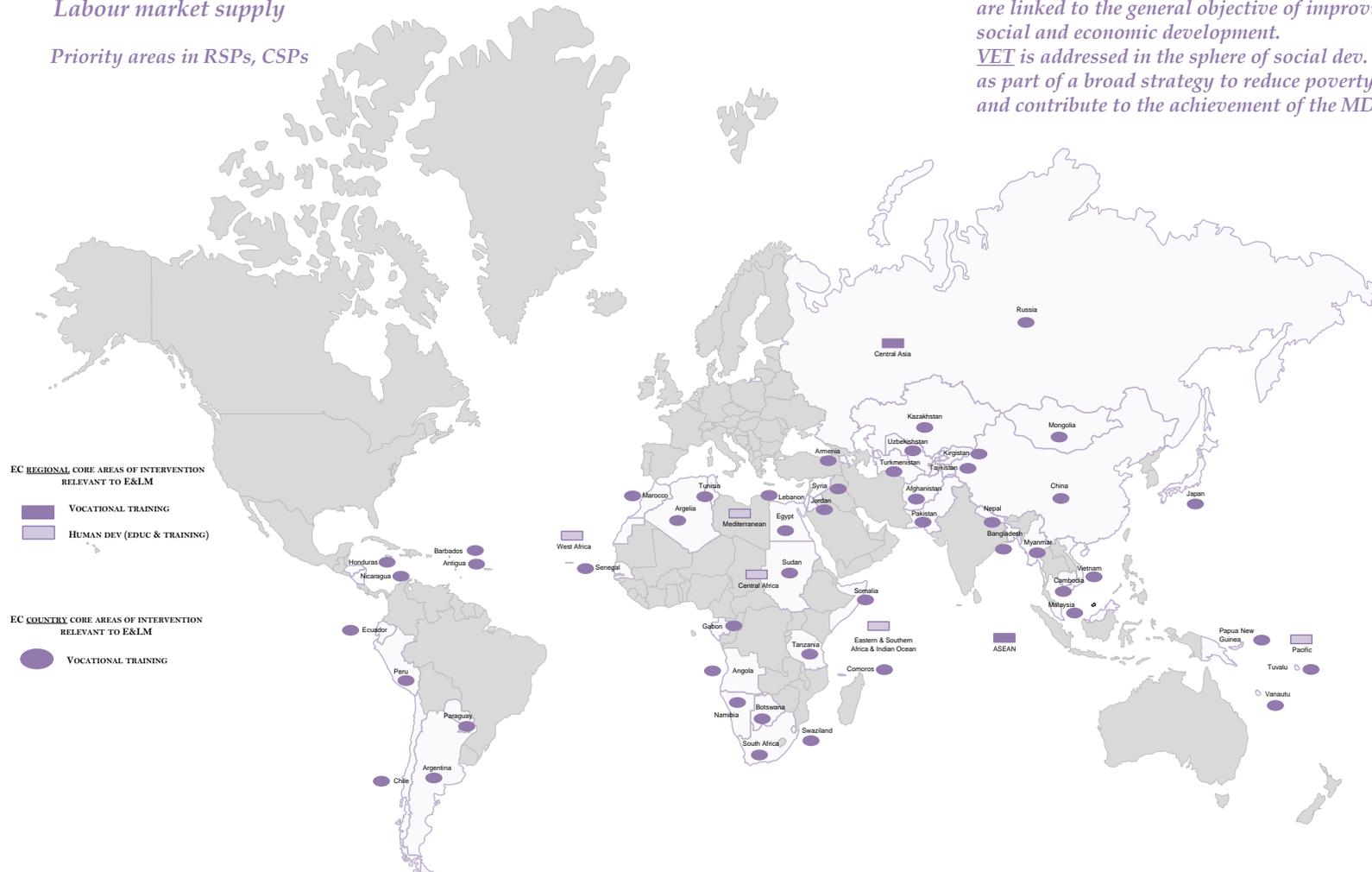
MAP 3 : EC WORLDWIDE VOCATIONAL TRAINING AND LABOUR MARKET SUPPLY PRIORITY AREAS IN REGIONAL AND COUNTRY STRATEGY PAPERS, 2002-2013

Vocational training and Labour market supply

Priority areas in RSPs, CSPs

Education and human resource development are frequently addressed as priority areas and are linked to the general objective of improving social and economic development.

VET is addressed in the sphere of social dev. as part of a broad strategy to reduce poverty and contribute to the achievement of the MDGs



- EC REGIONAL CORE AREAS OF INTERVENTION RELEVANT TO E&LM
- VOCATIONAL TRAINING
- HUMAN DEV (EDUC & TRAINING)

- EC COUNTRY CORE AREAS OF INTERVENTION RELEVANT TO E&LM
- VOCATIONAL TRAINING

*Thematic global evaluation of European Commission support in the sectors of ESI (employment and social inclusion) in partner countries (including vocational training)
Evaluation carried out by DRN Srl (Italy)*

ACP

An overall analysis of the Indicative Programmes for all ACP countries shows that only 38% of the ACP countries have at least one ESI-relevant sector as a core area of intervention: 22 countries in Africa, five in the Caribbean and three in the Pacific.

Vocational and human resources development is one of the core sectors in 16 ACP countries but it seems to be linked to labour market needs in only eight of those countries. Despite the large number of youth unemployed in Sub-Saharan Africa, none of the current CSPs have made specific provision to address this key issue. Private sector development, as the expected driving force behind sustainable growth, is a core sector in 17 ACP countries while employment creation is considered a core sector only in two (South Africa and Vanuatu). It is interesting to note that TVET co-exists, as a core sector, with private sector development in only six (African) countries.

Labour migration aspects have been integrated into programming in two sub-Saharan countries (Mali and Niger). At regional level human resources development is among the core areas in four of the five sub-regions. Trade and regional integration, considered as important vectors for economic growth and employment, are among the core areas in four of the five sub-regions.

Many CSPs identify transport infrastructure as a priority sector: Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, Tanzania, Uganda and Zambia. Lesotho and South Africa have programmes in the water sector. Both offer considerable potential for employment generation, particularly when labour intensive methods are adopted.

If we only take into consideration the seven selected ACP countries, the following can be observed:

In low-income countries, the late introduction of ESI-related issues at response strategy level is translated into programming in different forms:

- in Mali, Niger and Uganda, ESI-related areas are secondary areas of intervention, the only exception being (labour) migration in Mali and Niger;
- in the case of Tanzania, the programming presents a comprehensive framework of action including as core areas the private sector, TVET, social protection and social inclusion. Employment is tackled as a secondary area. But it should be noted that the strategy for Tanzania is a joint donor exercise which may have influenced a more comprehensive approach.

In upper-middle-income countries, attention to private sector development orients the EC strategy towards economic growth. Employment creation appears as a secondary area of intervention in all selected countries, with the exception of South Africa for which economic and social reintegration appears as a core area.

Mediterranean and Middle East countries

Overall, the analysis of the Indicative Programmes for Mediterranean & Middle East countries shows that seven out of 12 relevant countries have at least one ESI-relevant sector as a core area of intervention.

In these seven recipient countries the main findings show that policy definition has been translated into EC programming, even if this presents a rather comprehensive approach where TVET and private sector development co-exist as core areas, highlighting the link between vocational education and economic development and labour market needs.

Employment creation is an explicit objective of almost all CSPs. This includes design of broad employment and poverty alleviation strategies, micro-enterprise development, private sector development and macro-economic reforms. Employment creation is tackled as a core sector in three countries (Algeria, Tunisia and Jordan) and has been considered as a secondary area in two others (Morocco and Egypt).

Migration is a core area in Morocco and Algeria, and a secondary sector in Jordan and Egypt.

Social protection is a core sector in two countries and a secondary sector in Jordan and Egypt, along with Decent Work.

Regional support also presents a rather comprehensive approach. It complements country-level programming and focuses on trade and regional integration, human resources development, conflict prevention and economic and social inclusion. Migration is also addressed at regional level.

In the four selected countries, the EC response strategy is well translated into programming. TVET and private sector development co-exist as core areas. In Tunisia and Jordan, employment creation is an explicit objective while it is considered a secondary area in Morocco and Egypt.

The holistic and comprehensive approach adopted by the EC in its strategy and programming exercises is also stressed by the fact that:

- migration is a core area of intervention at regional level and in Morocco, and a secondary sector in Jordan and Egypt;
- social protection is a secondary area in Jordan and Egypt;
- institutional strengthening, linked to competitiveness and productivity issues, is also an important element of EC programming in Egypt and in Jordan.

Latin America

The analysis of the Indicative Programmes for Latin America shows that all 17 countries have at least one ESI-relevant sector as a core area of intervention. The study shows the following:

- Economic reforms and development of the private sector are considered the key to creation of more gainful employment. Enhancement of productivity and competitiveness of the private sector, with special attention to SMEs, are the key ingredients for creating more and better jobs. Consequently, private sector development is a core sector in 16 out of 17 Latin American countries. In four of these countries employment creation is also a core sector, mainly in the last programming period.
- Contrary to what was observed at policy and strategy level, EC programming approach seems to be inclined towards a human resources development strategy responsive to labour market needs: TVET is a core sector in seven countries, and in six of them it co-exists with private sector development initiatives.
- A constant theme in the region has been concern for the social deficit and inequalities. This has resulted in increased consideration in programming exercises for social cohesion, in the context of economic and social reintegration. In 15 countries this is a core sector, mainly in the last programming period; and in all these countries, with the exception of Nicaragua, it co-exists with private sector development, illustrating the combined approach of economic growth with social justice promoted by the EC in the region. At sub-regional level this is also the case for the Andean Community strategy.
- Education and training in conflict contexts, as a means to reintegrating society, has also received major consideration in El Salvador, Guatemala, Honduras and Colombia.
- Decent work is a core sector in Bolivia, while in Colombia reference is made to one of its strategic objectives, social dialogue.

Asia

The analysis of the Indicative Programmes for South and South-Eastern Asian countries shows that 17 of the 21 countries have at least one ESI-relevant sector as a core area of intervention. The study shows the following:

- Employment-related initiatives constitute an important part of the collaboration with EU in almost all Asian countries. As for other regions, private sector development and trade are the usual instruments used to stimulate creation of new employment opportunities.
- In terms of programming documents, employment creation is a core area in nine countries (mainly SAARC). In six countries it co-exists with TVET and in five countries it co-exists with Private Sector development. This approach seems to illustrate a relatively comprehensive and integrated approach when dealing with ESI issues in the region. It is interesting to note that employment and vocational training are also core areas of intervention at regional level for ASEAN countries.
- As observed at strategy level, Pakistan, India, Mongolia China and Vietnam show a combined approach of economic growth and social justice and inclusion. Moreover, as envisaged at policy level, dialogue on issues such as Decent Work is also reflected in programming (in India, Bangladesh and Thailand).

In selected low-income countries, the EC approach is very similar, albeit with some differences:

- the different weight, according to specific national contexts and needs, given to different areas;
- consideration of Decent Work in Bangladesh in the last programming period;
- core labour rights are tackled in different priority areas:
 - under the governance and human rights priority area, mainly in relation to child labour
 - under the Enhancing Trade Capacity and Economic Development
 - Core Labour Rights and Decent Work are also considered as crosscutting issues;
- in China the approach is very similar, tackling the social consequences of economic reforms, complemented by support to social protection and institutional strengthening;
- labour migration is tackled in both low-income countries as a secondary area and in China as a core area.

Eastern Europe and Central Asia

The analysis for Central Asian and Eastern European countries shows that 11 of the 12 countries have at least one ESI-relevant sector as a core area of intervention. The study shows the following:

- As mentioned before, addressing the social consequences of transition is a fundamental part of national policy objectives, and this is also reflected in programming, as shown by the importance of social protection.
- Private sector development and TVET co-exist, thus translating, as in other regions, into an integrated approach.
- Institutional strengthening, mainly related to the development of statistical services for classification, external trade, macro-economic indicators, business registration, user relations, and social indications related to FSP priorities, is a core area in Central Asian countries. Moldova and Azerbaijan also receive support in this area.
- Social dialogue appears as an important sector in Russia. In Central Asian countries, support to social partners relates to enhancing cooperation between people, social partners and civil society organisations from different countries of the region, and between them and the EU, allowing the establishment of sustainable contacts and collaborative initiatives, actions, and mechanisms such as Regional Environmental Centres.

Analysis in the twenty selected countries on the translation of ESI-related issues into CSP/NIP, RSP/RIP

The in-depth analysis of the sample of twenty countries indicates that EC action at country level covers ESI-related issues in all selected countries,¹¹⁰ with significant differences across regions and country income levels and a trend over the period. In this respect it should be recalled that country income levels, which are reflected in EC/ESI country analyses, are fully taken into consideration in the EC's response strategy and programming.

ACP

- In low-income African countries ESI-related issues, in coherence with the countries' own development strategies, were not part of the EC response strategy for the first programming period (2000-2006). Only private sector development, within a broad framework of economic reform and human resource development, was part of the EC response strategy. It is only in the last programming cycle (2007-2013) that ESI-related issues were (broadly) assessed in the EC's country analyses and translated into the EC response strategy. This was done mainly via rural development support.
- This late introduction of ESI-related issues at response strategy level, as well as the lack of the integrated approach when addressing education and training and labour market needs, have also been reflected in programming.
- In upper-middle income countries, the EC response strategy had given attention to ESI-related issues since the first programming cycle. EC support to macroeconomic and economic growth is explicitly linked to employment creation and the labour market situation.
- Over the last period, support to macroeconomic and economic growth continued and it is worth noting that it was combined with the objective of building socially-inclusive societies. This has been further translated into programming, especially in the case of South Africa.

Mediterranean and Middle East

- The holistic approach developed at global policy level is being translated into EC strategy and programming. EC programming documents over the evaluation period provide a good analytical framework on the ESI situation in the different countries. Moreover, it is interesting to note that human resource development is always framed within this analysis.
- This is translated into well-targeted response strategies. A good match between labour market needs and TVET is a constant over the period, in close connection with trade and private sector development.
- Economic growth and social development have gone hand-in-hand since the first programming period and are further stressed in the most recent period. Consideration of decent work strategic objectives in programming also reflects this integrated approach.
- Issues relating to labour governance are mostly neglected and, where they have been included in the programming document (as in Jordan), it seems that there has been no continuity from one period to the other.

Latin America

- Economic growth and social development have gone hand-in-hand since the first programming period and are further stressed in the most recent period.
- Regional integration and economic reforms, mainly relating to the development of the private sector, seem to be the main instrument considered for employment creation.

¹¹⁰ Tanzania does not include any specific ESI analysis as such, but rather a macro-economic and private sector & integration analysis, in accordance with its PRSP priority sectors.

- Decent work issues are relatively well covered in El Salvador and, as in other regions, with similar coverage (in particular training and skills, and job creation in SMEs). As elsewhere, no attention is paid to issues relating to labour market governance.

Asia

- Trade and economic development aimed at integration into the world economy seem to be a constant over the period for low-income countries. In both Bangladesh and Vietnam, employment has been a key concern since the first programming period and the second priority area in the EC response strategies. Nevertheless, the approach differs: in Bangladesh employment is tackled via the demand side (promotion of rural growth centres) while in Vietnam it is tackled via the supply side (TVET linked to labour market needs).
- In the last programming period the combined approach of economic growth and equity, social justice and inclusion emerges and decent work, mainly in relation to labour rights, has acquired important status. In China this association has already been present since the first period.

Eastern Europe and Central Asia

- The main finding that derives from the analysis of the EC response strategies in the different countries, regardless of their income and development level, is a rather similar approach that concentrated from the early years on support to social consequences of transition, very much linked to social protection, and support to rural economy.
- Consideration of regional imbalances and inequalities arise as an important issue in the second period, mainly for lower-middle development countries.
- In addition, it is interesting to note that, as in the case of selected Mediterranean and Middle East countries, the EC analysis of ESI-related issues has been well developed, mainly in the second period.

(Source: Volume 2 - I.1.2.1 & I.1.2.2)

JC. 1.3 EC ESI political commitments and objectives' translation into EC financial commitments

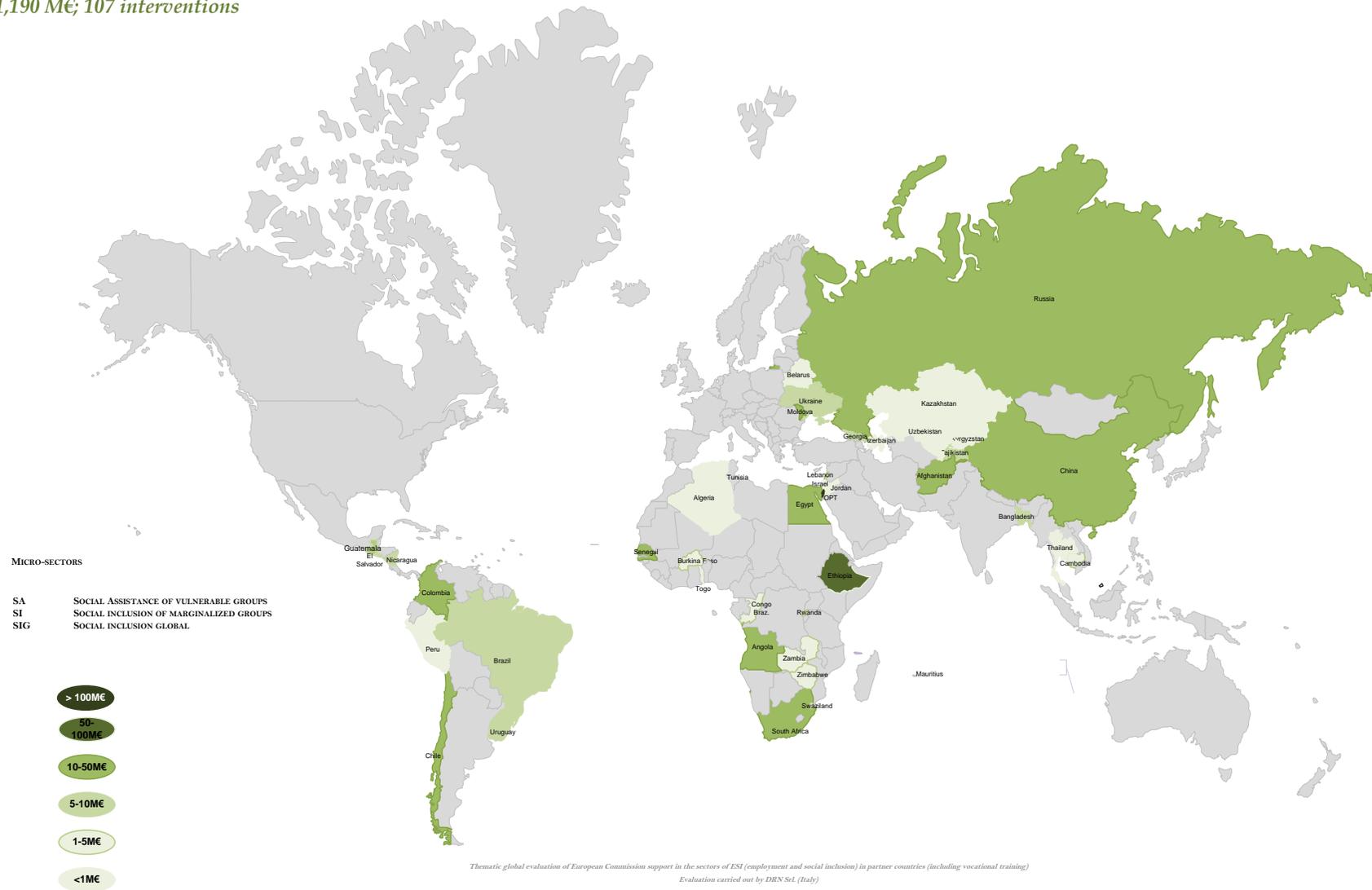
The total committed funds to ESI sectors through regional and bilateral cooperation amounts to 2,480 €m.

These funds have supported interventions targeting: i) **social cohesion of vulnerable groups**, particularly in the field of social assistance of vulnerable groups (€m1,005), social inclusion of marginalized group (€m183), and measures to improve social policies and to support social welfare reforms with a global impact on the whole society (€m182), and ii) social inclusion into the labour market in the field of TVET policy and systems (€m653), TVET for marginalized groups (€m210), sectoral training (€m106), labour supply measures (€m54), labour governance in the field of core labour standards (61€m), labour governance in the field of institution building (€m20), and labour governance in the field of social dialogue (€m2)

MAP 4 : EC WORLDWIDE FINANCIAL SUPPORTO TO SOCIAL COHESION, 1999-2008

Social cohesion

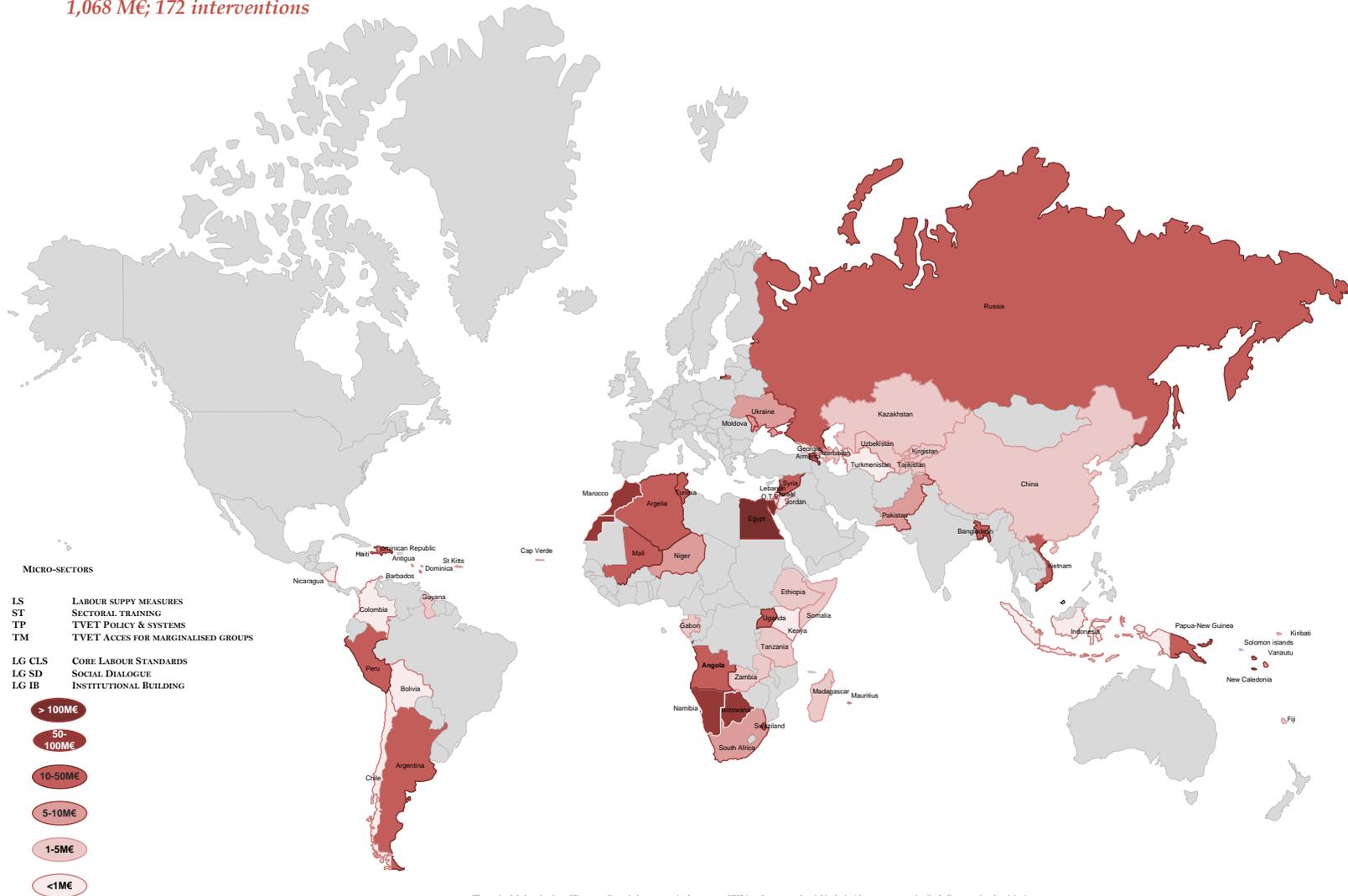
1,190 M€; 107 interventions



MAP 5 : EC WORLDWIDE FINANCIAL SUPPORTO TO SOCIAL INCLUSION INTO THE LABOUR MARKET, 1999-2008

Social inclusion into the Labour market

1,068 M€; 172 interventions



*Thematic global evaluation of European Commission support in the sectors of ESI (employment and social inclusion) in partner countries (including vocational training)
Evaluation carried out by DRN Srl (Italy)*

If projects that intervene, at least indirectly, either on the labour demand side (such as structural reforms, private sector, rural development, microfinance/ microcredit), or on the improvement of social cohesion (poverty reduction programmes), are taken into account, the total committed funds to ESI-Enlarged sectors rises to €m10,213. Out of these funds, support to Poverty Reduction has received the greatest share, namely €m3.508. Financial support to the development of SMEs, to the private initiative, and to investment promotion amounts to €m1,702. Support to reforms promoting economic growth, that is reforms aiming at economic restructuring, enhancing market competition, including labour market flexibility, improving macro-economic stabilization, and promoting regional integration and integration into world market, has translated into a financial allocation of €m1,445. In the area of Rural Development, EC support amounts to €m536, with additional €m204 sustaining programmes under the Special Framework of Assistance for Traditional ACP Suppliers of Bananas (budget line BAN), which was established by the EU in 1999 to provide financial and technical assistance to ACP exporter countries and to help them adjust to the progressive liberalization of the European Union's banana regime. Finally, €m204 was allocated to supporting credit schemes, financial investment, and lending programmes.

At regional level, ESI interventions have focused mostly on two regions: the Mediterranean, where since 1995 the EC has started a partnership dialogue based on the transfer of the EU values and models with a view to increased integration, and the ACP, which is the poorest region. The Mediterranean is the main beneficiary of ESI support, where more than 50% of the entire EC cooperation in these sectors has been channelled during the period under consideration (€m1,390). The ACP region is the second beneficiary of ESI support, with approximately 24% of total funds received (€m600). The remaining 20% of EC financial support to ESI has gone to Latin America, (€m185), Eastern Europe & Central Asia, (€m132), and Asia, (€m113). A more limited envelope of €m57 has been committed to ESI interventions targeting all countries.

(Source: Volume 2, Sections 4 & 5)

The analysis carried out for the twenty selected countries provides a deeper understanding of ESI coverage in programming and actual commitments at regional level.

ACP

ESI-related commitments in the seven ACP selected countries amount to €m90, approximately, 4% of the total financial allocation. 30% of ESI commitments relate to social inclusion of marginalized groups, 29% to TVET interventions, 27% to training in specific fields, and around 11% to core labour standards.

During the period covered by this evaluation, the EC has funded VTS projects in a considerable number of African countries and a few Caribbean countries, but VTS constitutes an important area of support only in three of the seven ACP countries selected for the desk phase (South Africa, Tanzania and to a lesser extent Niger). VTS projects typically focus on improving the relevance and quality of existing VET programmes, and on strengthening the interaction between training institutions and economic actors.

While few projects are explicitly devoted to the issue of employment creation, indirectly employment constitutes an important aspect of national strategies for the majority of ACP countries. Among the twenty countries selected, there are major EC-funded ELD initiatives in six out of seven ACP countries: Jamaica, Mali, Niger, South Africa, Tanzania and Uganda. Private sector development and SME support are the predominant micro-sectors.

In fact, if the ESI-Enlarged definition is taken into consideration, the total amount to selected ACP countries rises to €m1,784, of which 32% was in favour of interventions in the ELD-area.

Mediterranean and Middle East countries

ESI-related commitments in Mediterranean & Middle East selected countries amount to €m293 (13% of EC global commitments to ESI-related issues). The bulk of these funds have supported

TVET programmes (62%) and specific sectoral TVET (17%), for example in the field of journalism, tourism, textiles and communications.

However, if the ESI-Enlarged definition is taken into account, the total allocation to the Mediterranean & Middle East region rises to €m1,270 , of which 67% has supported ELD interventions, 19% VTS projects, and 15% DWS programmes.

Since 2004 there has been a major increase in commitments relating mainly to VTS and DWS. Between 2004 and 2008 DWS and VTS-related cooperation represent 92% and 70% respectively of total commitments (ESI-Enlarged) in these two macro-sectors over the entire evaluation period.

Latin America

ESI-related commitments in Latin American selected countries amount to €m17 , around 1% of total commitments.

These funds have mainly supported social inclusion of marginalized groups. In Brazil, EC support relates to urban social inclusion whereas in El Salvador it has targeted social integration of young people in conflict contexts via *inter alia* TVET.

If the ESI-Enlarged definition is taken into account, the total allocation rises to €m89 . This increase is largely explained by EC financial support to private sector development and rural development, especially in support to the international expansion of Brazilian SMEs.

Asia

EC support to ESI in Asia amounts to €m61, approximately 3% of total commitments. Measures to improve social policies and to support social welfare reforms with a global impact on the entire society have been the main target of such support (28%), followed by interventions in the field of TVET (20%). In particular, in Vietnam and Bangladesh the EC has provided skills training in income generating activities for vulnerable groups.

In the area of decent work, commitments have been made in China to support protection of migrant women workers, and in Vietnam to sustain democratic participation and social dialogue in the private sector in Khanh Hoa and the empowerment of workers and trade unions.

If the ESI-enlarged definition is considered, total commitments to Asian (selected) countries amounts to €m216 (2% of EC global country commitments). Most of this financial increase relates to the fight against poverty, which in Bangladesh and Vietnam received a total of €m117.

As it transpires from the Inventory, private sector development seems to be the instrument used to stimulate creation of new employment opportunities.

Eastern Europe and Central Asia

ESI-related commitments in Eastern European and Central Asian (selected) countries amount to €m75, which represents around 3% of the total allocation. 40% of these financial resources have sustained programmes in the field of TVET. In particular, in addition to the usual TVET support, the EC has sustained specific system improvement initiatives such as upgrading of teachers and instructors, curriculum development, and provision of equipment and teaching materials. The purpose of the support is to improve the relevance and quality of TVET, thereby increasing the supply of skilled labour for the domestic labour market and the highly skilled technicians that may qualify for employment abroad.

16% of financial allocations have supported interventions in the field of social safety nets, and social protection for the disabled, victims of violence, children at risk and other vulnerable groups.

The EC's commitment to supporting countries in relation to the social consequences of transition is mainly focused on countries such as Russia, Ukraine and to a lesser extent Kyrgyzstan. Programmes relate to specific support to vulnerable groups and, in the case of Russia and Ukraine,

to support to social protection systems. The integrated approach observed in EC strategy and programming is translated in specific EC commitments.

As regards employment and labour demand, EC has supported various kinds of private sector and trade-related initiatives in all countries of the region.

Institutional strengthening mainly relates to labour market governance (in Russia and Kyrgyzstan). Social dialogue support was concentrated in the first years of the evaluation period and was restricted to Russia and Ukraine.

If the ESI-enlarged definition is considered, total commitments increase to €m112, of which almost 20% was targeted on SME support.

(Source: Volume 2 - Annex 8 I. 1.3.1, I.1.3.2 & I.1.3.3)

JC. 1.4

Consideration of EC-specific regional policy frameworks' overarching objectives in EC country support strategies

As shown in the maps presented under JC 1.2, regional policy objectives are translated into EC programming at regional, sub-regional and country level.

Coherence between regional and country-specific EC objectives is predominantly promoted and facilitated in those cases where a strong regional political framework exists.

- For the 16 southern¹¹¹ and eastern EC neighbouring countries, coherence between regional and country-specific EC objectives has been strengthened via the European Neighbourhood Policy launched in 2004 with the objective of strengthening closer political ties and moving towards economic integration. The Action Plans implemented under the ENP encompass an ambitious agenda in the political, social and economic fields, aimed at moving neighbouring countries closer to a set of shared values with the EU.
- This is also the case for the LAC region and for countries which participated in EU-LAC Summits. Since 1995 policy orientations with this region have been framed within the objective of creating a new and stronger partnership with the sub-continent. A constant theme of the policy dialogue has been concern for the social deficit and inequalities in the region. Since 2000 this area has progressively evolved towards social cohesion, which has become the backbone of EC support to LAC social sectors at regional and country level. Support to economic development - mainly via the private sector and more recently decent work - and regional integration remain constant priorities and could facilitate the full emergence of an integrated approach combining economic development and social equity. However, the explicit linkage with employment and job creation remains relatively weak.
- The analysis of Ukraine shows that the Partnership and Co-operation Agreement (PCA) of 1998 has provided a comprehensive and ambitious framework for cooperation in all key areas of reform. At the Paris Summit in September 2008 it was decided to start negotiations on an EU-Ukraine Association Agreement as successor to the PCA and several negotiation rounds have since been organized, with reasonable coherence between the ongoing AA negotiations and the policy dialogue on ESI issues partially ensured by the ongoing dialogue. Linking ESI areas with EU approximation is clearly taking place, as hypothesized in the desk phase of this evaluation study.

¹¹¹ For southern ENP countries, this coherence was already ensured under the EU-Mediterranean Partnership of 1995 and the Euro-Mediterranean Association Agreements.

- Mediterranean & Middle East countries benefit from a holistic EC policy approach and strategic framework all over the period considered. Human resources development policies linked to TVET appear from the start to have been highly responsive to economic transition processes and labour market needs. Macro-economic reforms, enhanced investment, and regulatory convergence are the means of generate growth and job creation. This strategy is complemented by attention to the social consequences of globalization, mainly in relation to migrant workers and responding to the European willingness to create closer economic ties between the EU and the Mediterranean & Middle East. Policy evolution from AAs to ENP and related Action Plans appears to have had an effect on the progressive incorporation of Core Labour Standards.

The analysis at national level of the two Mediterranean & Middle East countries selected for this evaluation exercise indicates that, in the case of Jordan, EC support in the framework of both regional and bilateral cooperation agreements has yielded positive results. This is the case with technical assistance to JEDCO for the implementation of the JSMP aimed at securing benefits from trade liberalization in services in the context of WTO (GATS), the ENP, and the Association Agreement; and is fully in line with the Istanbul Framework (2004). In the case of Morocco, there is satisfactory coherence in terms of regional cooperation strategies, in goals and orientations concerning migration policies, vocational training (Euromed) and other broader economic issues (i.e. Euromed Marché, Euromed Qualité).

- EU-Asia relations are regulated by the importance of strengthening the economic partnership between the EU and these sub-regions and the promotion of sustainable and equitable economic growth. Another common feature is the attention given to the decent work and social security agenda. Employment and social issues are typically referred to as topics for dialogue and exchange of experience between EU and Asian partner countries. Here, more than in other regions, social protection seems to be one of the pillars and this may be in response to the regional policy trend, in particular within ASEAN where recent commitments to accelerate the establishment of an ASEAN Community have resulted *inter alia* in the formulation of Economic and Socio-Cultural Blueprints.
- For the ACP, coherence is mostly promoted via EPA negotiations aimed at promoting sustainable development and poverty reduction by helping the integration of ACP countries into the world trading system and supporting their own regional economic integration. This is in line with the African agenda on employment promotion and poverty alleviation, as well as with the Caribbean agenda on job creation to fight poverty in the framework of the OAS.

The analysis at national level in Jamaica indicates that the policy agenda appears more in common with the Latin America agenda (focus on trade, regional integration and social cohesion) than with the typical ACP policy agenda (poverty reduction, gender, social exclusion, skills upgrading and migration). This probably reflects the fact that EU-LAC summits are a major vehicle for policy dialogue between the Caribbean region and the EU.

In the case of South Africa, regional integration and South-South cooperation have emerged as core principles of the development agenda. The removal of tariffs and bureaucratic barriers to trade, strengthening of regional infrastructure, and expanding market access are all key issues for South Africa as well as for the growth and development of several African countries.

(Source: Volume 2 - I. 1.4.1, I.1.4.2 & I.2.2.1)

8.2 EQ 2: Relevance to countries' specific context

EQ. 2

TO WHAT EXTENT WAS EC ESI- AND TVET-RELATED SUPPORT ABLE TO TAKE INTO ACCOUNT THE SPECIFIC COUNTRIES' CONTEXT AND ITS CHANGE OVER THE PERIOD WITHOUT LOSING COHERENCE WITH THE OVERALL POLICY AND NORMATIVE FRAMEWORK?

COVERAGE OF THE QUESTION

This question covers the linkage between national development strategies and EC ESI strategies and commitments.

The answer presented below is based on several sources:

- i) Interviews with EC officials in Brussels*
- ii) Analysis of National Development Plans and National Poverty Reduction Strategies in the six countries visited and in 18 of the twenty selected countries*
- iii) Worldwide survey of EU Delegations*
- iv) Survey of national counterparts (Ministries, public institutions, social partners and other Non State Actors) in the twenty selected countries*
- v) Worldwide inventory of EC ESI financial commitments*
- vi) Field assessment of ESI-related policy and strategy in the six visited countries*

GLOBAL ANSWER

EC support over the period considered has taken due consideration of third countries' needs and priorities in ESI-related issues and was accordingly aligned on nationally-owned development strategies. Furthermore, the development progress of each targeted country, and in particular their levels of income as well as their socio-economic development process and related policy changes, have been reflected in the EC's related support approaches and financial commitments.

This responsive strategy was facilitated *inter alia* by widespread policy dialogue on ESI issues at regional and national levels, which led, as a complementary beneficial achievement, to positive inputs into ESI-related national agendas.

Overall, it can be stated that, despite the changing contexts and local priorities and policies, ESI interventions have been conceived and funded in full coherence and in accordance with the ongoing changes in the overall normative and policy framework in the concerned countries.

With the exception of the ACP, survey respondents from EUDs have mainly answered in a positive way. And national respondents have an even better perception of EC influence on local ESI-related agendas.

The positive EC contribution to national ESI agendas can, in some measure, be explained by the increasing involvement of key national counterparts, not only in EC programming but also during implementation, and by appreciation for having taken in consideration their organizational needs in terms of institutional development and their capacity for implementation.

JC. 2.1

Consideration of National policy priorities, and their evolution, in EC ESI strategy towards a given country, &

&

JC. 2.2

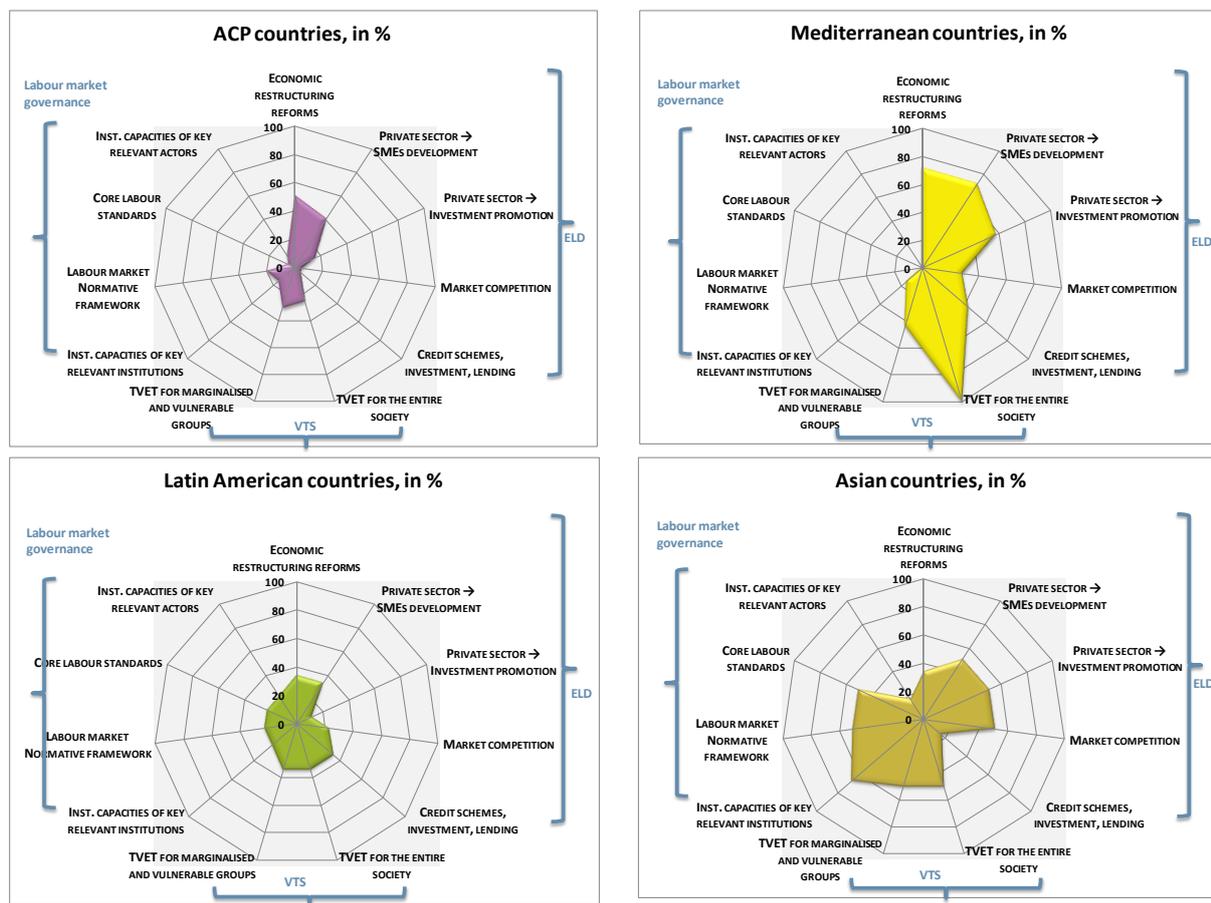
Promotion, via Policy dialogue, of Employment and social inclusion in the labour market approaches and practices in partner countries in coherence with EC policy orientations.

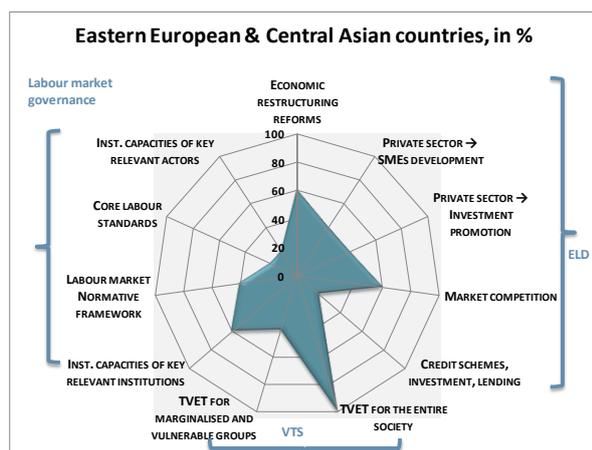
EC/ESI support strategies have evolved over time and have been responsive to changing national development strategies. This is confirmed *inter alia* by the fact that, as shown by the worldwide survey of EUDs, policy dialogue on ESI-related issues has now existed, mainly from 2005, in 83% of the 109 countries taking part in the EUD survey.

At the same time, approaches and practices for employment and social inclusion in labour-market-related issues are present, in one way or another, in the national development agendas of all twenty selected countries. In this respect, as demonstrated by surveys, desk studies and field visits, EC and EUDs actions have been quite responsive to national strategies and their evolution in the countries and regions concerned.

The areas most covered in ESI-related policy dialogue are economic restructuring reforms along with TVET for the entire society and SME development. Areas related to the labour market demand side (economic restructuring reforms, private sector development, market competition and credit schemes) hold the leading role in policy dialogue in all regions. Labour market supply-related areas (TVET for the entire society and TVET for marginalized and vulnerable groups) follow in second position in only two regions, ACP and the Mediterranean; in the remaining regions (Eastern Europe and Central Asia, Asia and Latin America), the second position is held by labour market governance (mainly institutional capacities of relevant key institutions & normative framework).

FIGURE 14 : ESI-RELATED AREAS COVERED BY EC POLICY DIALOGUE BY REGION, IN %





Source: Survey on EU Delegations

Consideration by national counterparts of ESI issues in the policy dialogue is generally translated into programming and effective commitments. The areas covered in ESI-related policy dialogue and their translation into programming and effective commitments, as it appears from the distribution of financial allocations at micro-sector level, reveals a somewhat differentiated approach according to national income level:

- *Low-income countries*: poverty reduction and then the private sector, that is to say reducing poverty in the most vulnerable areas while supporting job creation and trade development.
- *Lower-middle income countries* received the largest aid share in the TM, ST, SIG, LG IB and LG CLS sectors, which to a certain extent reflects EC priorities for strengthening social inclusion of vulnerable groups while improving their living and working conditions.
- *Upper-middle economies*: private sector support is the most important sector, but major support is also provided in the SI, LS, and LG SD sectors, which responds to the need for facilitating the transition from the informal to the formal structured labour market, a particular aspect of these economies.

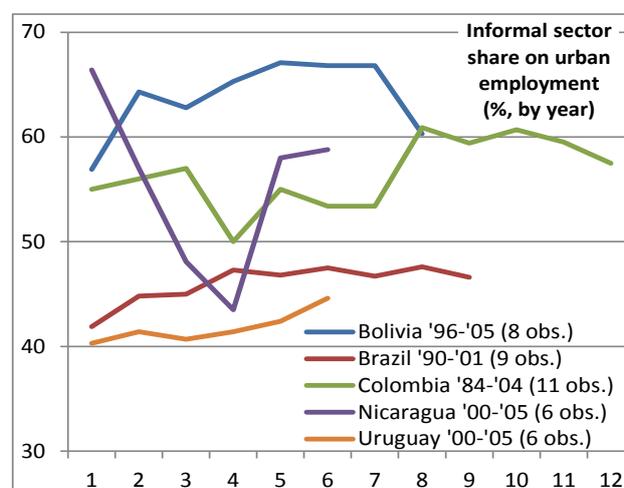
The more common consideration of ESI-related issues in the national development agendas and in policy dialogue is also translated into EC strategies. References to country-specific employment and the social inclusion situation in the labour market and related issues, and to the corresponding national strategy, are included in CSP country context analysis. From the analysis of the twenty selected countries, we observe the following:

- Mediterranean countries, together with Jamaica and South Africa, have benefited from a developed analysis in the two periods. Unemployment and mismatch between human resources development and labour market needs are a constant theme in these countries. Albeit analyzed in different ways, the informal economy is also tackled. The in-depth analyses, mainly in the case of Jordan and Jamaica, and to a lesser extent in South Africa and the remaining Mediterranean countries, is also translated by consideration of vulnerable groups' specific situations, mainly in relation to women and youth.
- The Eastern European and Asian (Central, South and Southeast) countries (all middle income countries with the exception of Bangladesh, Vietnam and Kyrgyzstan), present analyses on ESI-related issues in both periods but they are very limited and, in some cases such as Russia and Vietnam, the analysis in the first period mainly relates to the mismatch between human resources development (TVET) and labour market needs. The second period benefits from a deeper analysis and particular attention is given to youth and migrants, especially in Russia, China and Vietnam. In the other countries, only broad analyses of income inequalities and discrimination have been undertaken.

- In Brazil, El Salvador and the Dominican Republic, the analysis was mainly carried out in the second period and was framed in a broader context of social inequalities and lack of social cohesion. Child labour is considered in the three countries, women in the Dominican Republic and El Salvador, and youth in the last-mentioned also.

As shown in the figure, informal employment as a share of total urban employment changes over the time in response to different factors, but does not have the same trend everywhere and in every period. Various studies highlight the different factors that can affect such shares as well as the need for better protection and organisation in informal employment¹¹².

FIGURE 15 EVOLUTION OF THE INFORMAL EMPLOYMENT IN SOME SELECTED LA COUNTRIES



- In the selected African countries, an analysis was only done for the second period and is very limited, with the exception of Mali, which benefits from a good analysis of active population and employment. In this country child labour and internal and external migration are framed within the ESI analysis.

Among the six visited countries, five offer direct attention to ESI-related matters in their CSPs, in particular:

- In South Africa the 2007-2013 CSP presents an in-depth analysis of the employment situation in the country.
- In Jordan the EC country analysis for the CSP 2007-2013 shows that job creation is one of the main challenges owing to the increasing official unemployment rate, especially among young people. Further development of education and employment strategies is considered essential for promoting a technologically skilled and adaptable national workforce capable of absorbing the economic challenges, addressing the issue of labour market imbalances. The CSP also reaffirms the commitment to promote women's rights.
- In Morocco the three main priority areas are: i) vocational training, with the ultimate goal of employment; ii) social protection, a key area of EC support to national policies; and iii) employment, which in several projects is focused on the supply side, such as for the project 'Appui aux Migrations vers l'Europe'.
- In Ukraine the most recent CSP includes an employment analysis, on the basis that the informal economy continues to play a major role as a social buffer and labour migration is also an issue.
- In Vietnam the CSP for 2007-2013 points out that, in spite of reduction in poverty rate, there are increasing disparities between rural and urban areas and within cities, associated particularly with migrants. The EC response strategy focuses on: i) Supporting Vietnam Socioeconomic Development Plan (aimed at maintaining economic growth, promoting productive employment and decent work and strengthening national industrial

¹¹² E.g. ILO-2008 Diego Rei and Manas Bhattacharya: The Impact of Institutions and Policy on Informal Economy in Developing Countries. An econometric exploration - Working Paper No. 84 - Policy Integration and Statistics Department International Labour Office Geneva - April 2008.

competitiveness, while taking due care of the need for social inclusiveness, thus reducing economic and social disparities, and building a modern, accountable and efficient administration), ii) health and iii) trade-related assistance. Regarding consideration for vulnerable and marginalized groups, in particular women and youth, the CSP in-depth analysis of employment issues directs future attention to youth and migrants.

(Source: JC 2.1, I. 2.1.1, I. 2.1.2, I. 2.1.3 & JC 2.2 I. 2.2.1 and JC 2.3 I. 2.3.2)

JC. 2.3

EC projects aimed at promoting employment and social inclusion in the labour market are framed in a coherent institutional development strategy and respond to a genuine and effective demand from beneficiary structures

The dialogue with the EC at country level appears to have contributed to definition of nationally-owned and realistic employment and social inclusion agendas in the labour market, with clear priorities and linkages to poverty reduction and other overarching EC development objectives.

In all regions, with the exception of the ACP, survey respondents from EUDs have mainly answered positively. But national respondents have an even better perception and opinion of EC influence on local ESI-related agendas.

The positive EC contribution to national ESI agendas is in some measure explained by the increasing involvement of key national counterparts not only in EC programming but also during implementation. The assessment of National Counterparts' organizational needs, in terms of institutional development and their capacity for implementation, further explains this positive contribution.

BOX 13 : EXAMPLES OF EC CONCRETE CONTRIBUTION TO ESI NATIONAL AGENDAS

VIETNAM

- Formulation, revision and implementation of the Labour Code
- Enhancing competitiveness in the employment-intensive tourism sector

JORDAN

- Support to the service modernization programme
- Support to the national agenda related to E-TVET

JAMAICA

- Support to the Socio-Economic Policy Framework (national mechanism for translating national development goals into action) in relation to development of the private sector and of income opportunities for the poor

SOUTH AFRICA

- Support to the National Qualifications Framework (a quality assurance framework for education, training and skills development).

RUSSIA

- Private sector development (indirect employment) and pension reform
- Developing social services for vulnerable groups
- Approximation of health and safety at work legislation
- Promoting social dialogue and job creation and income generation in the North Caucasus

UKRAINE

- Strengthening of social services
- Assistance to enterprise development

National Counterparts' involvement is also reflected in the EC's differentiated institutional approach. The role played at national level (and in regional-level dialogue and negotiation) by both the Ministry

of Labour (the preferred National Counterpart in Asia during programming), the Ministry of Education (which, together with the Ministry of Labour, is the preferred counterpart in Eastern Europe and Central Asia and Latin America), and the Ministry of Social Affairs, illustrates the increasing linkage recognized and targeted by national policies in all regions between economic growth on the one hand and equity, social justice and inclusion on the other, even if with different nuances (social consequences of transition in Eastern Europe and Central Asia; human resources development and labour mobility in Asia; and social cohesion and, more recently, decent work in Latin America).

FIGURE 16 : MINISTRIES’ INVOLVEMENT IN EC PROGRAMMING, GLOBALLY AND BY REGION

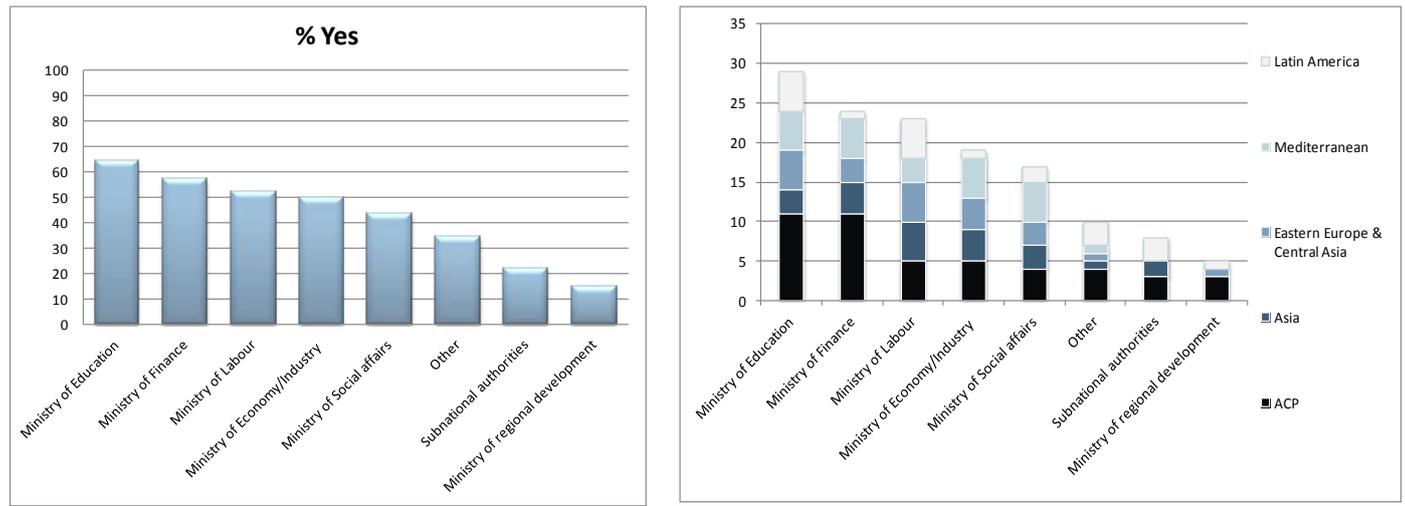
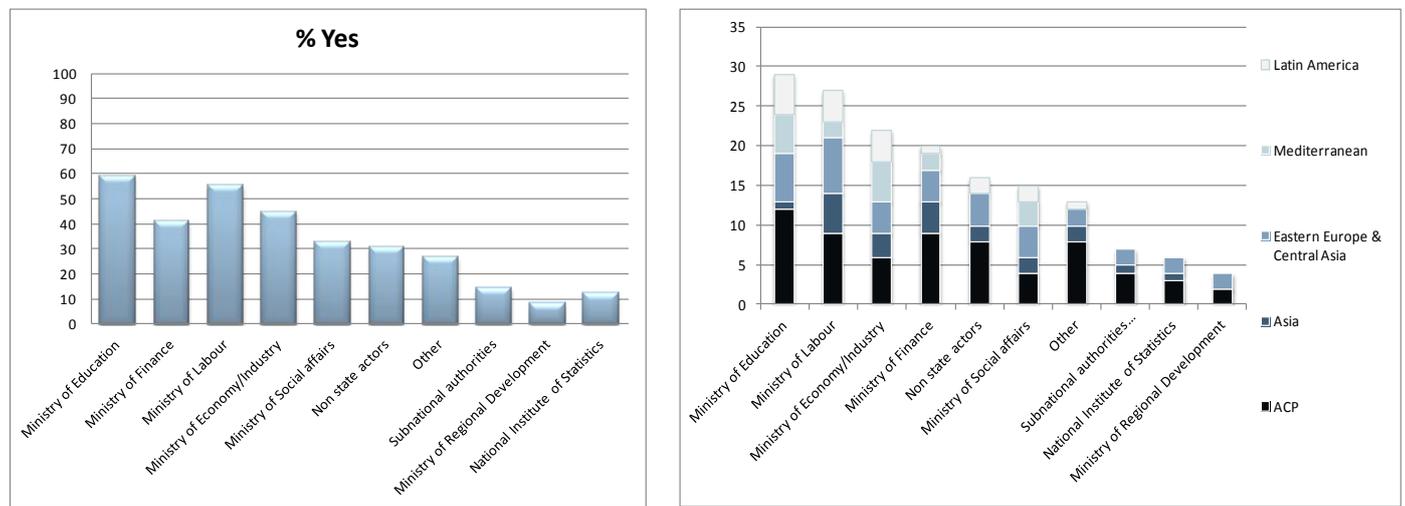


FIGURE 17 : PARTNER INSTITUTIONS’ INVOLVEMENT DURING IMPLEMENTATION, GLOBALLY AND BY REGION



Source: Worldwide Survey to EU Delegations

(Source: JC 2.2 I. 2.2.2 & I. 2.2.3 and JC 2.3 I. 2.3.1 & I. 2.3.2)

8.3 EQ 3: EC programming and implementation approaches

EQ. 3

TO WHAT EXTENT HAS THE EC PROGRAMMING APPROACH, IMPLEMENTATION PROCEDURES AND TIMING OF DISBURSEMENTS OF FUNDS AFFECTED THE CAPACITY OF THE PROGRAMMES TO ACHIEVE THE EXPECTED RESULTS?

COVERAGE OF THE QUESTION

This question covers the linkage between the institutional and financial resources put in place by EC and the effective contribution to achieving results in ESI-related areas.

The answer presented below is based on several sources:

- i) Interviews with EC officials in Brussels*
- ii) Worldwide survey of EU Delegations*
- iii) Survey of national counterparts (ministries and public institutions & social partners and other Non State Actors) in the twenty selected countries*
- iv) Worldwide inventory of EC ESI financial commitments*
- v) Field assessment of ESI-related interventions in the six visited countries*
- vi) Analysis of 14 monitored interventions out of the 22 directly or indirectly managed by NCs respondents*

GLOBAL ANSWER

Despite differences between regions and EC cooperation frameworks, constant dialogue and coordination between EC and key national stakeholders, as well as between the different concerned EU HQ General Directorates - mainly during the last programming period - positively influenced the quality of project identification and design and, therefore, their potential sustainability.

The involvement of relevant stakeholders, and the dialogue with the Ministries involved at the programming and design stages, increased the design quality, thus contributing to more achievable and sustainable results. This assumption is, to some extent, confirmed by the translation of policy dialogue into definition of the EC's cooperation strategy and programming and into the EC's role in the national development agendas, as shown under EQ 2.

Moreover, the coordination mechanisms being progressively established with other donors, including the EU MS, and the operational collaboration and perspective partnership agreements with selected international agencies such as ILO, has helped to adjust the positive contribution of ESI interventions to national situations.

In this respect, exchange of information and meetings between EC and national stakeholders on ESI-related issues and programmes are the preferred mechanisms, while joint studies, analyses, evaluations and joint programmes are still less common.

Concerning EC rules and procedures, among NCs in Ministries and Public institutions, 30% consider that there are obstacles preventing the EC from having a greater and more suitable role in ESI-related areas. Inadequate or rigid EC procedures (multiannual programming exercises, etc.) and inadequate EC funding instruments were among the three most commonly mentioned problems. The same applies to EUD officials, 41% considering that there are shortcomings, even if only 14% consider that inadequate or rigid EC procedures (multiannual programming exercises, etc.) are real obstacles.

Looking at the aid modalities system, some problems are evident in relation to budget support interventions, where traditional efficiency assessment mechanisms seem to be not very adequate. Funds are in fact transferred to State budgets and - since activities are

designed and managed by NCs - efficiency indicators are based just on compliance with conditionalities even if conditionality fulfilment represents only one step towards the efficient achievement of project goals and a proper assessment of the efficient use of resources.

JC. 3.1 Key stakeholders are included in the main project cycle phases of ESI-related interventions

As mentioned under EQ 2, line-ministries in charge of ESI-related issues and other public actors have been involved at policy definition level, although with differences among regions, as well as during programming and implementation. Their participation has been on the rise from the beginning of the period covered by the evaluation and was widely ensured during the latest programming period.

Consultations with other key stakeholders during the programming process are provided for by EC programming manuals and guidelines, and more recently by international commitments on aid effectiveness, but in practice their role has been relatively limited and could be strengthened.

When other donors are consulted - and this happens in about half of the surveyed countries - EU MS donors are consulted in 80% of cases. However, this rate changes from region to region, as shown in figure 18: in ACPs MS are consulted in 87% of cases, while in the Mediterranean region the proportion is 67%. Asia and Eastern Europe & Central Asia show higher degree of consultation than all other regions.

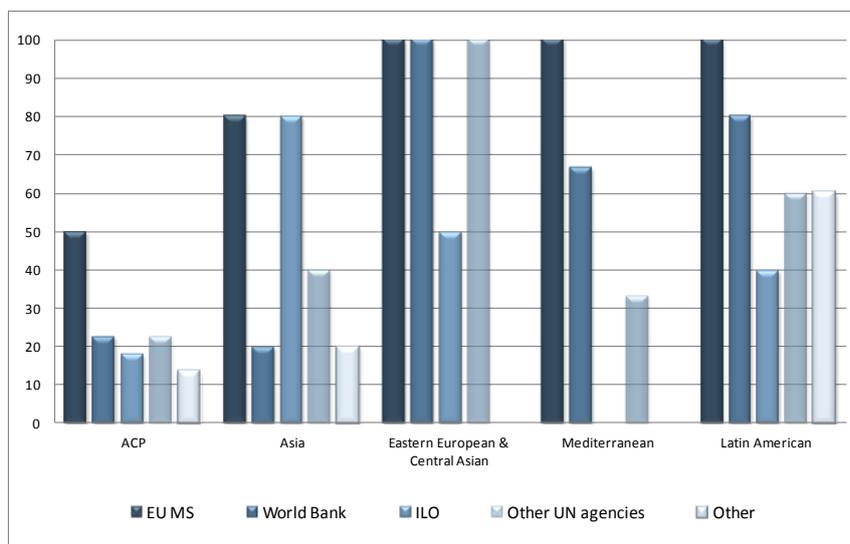
The World Bank and other UN agencies are also consulted but to a lower degree. For instance ILO is consulted in 46% of cases and is given an important weight in Asia, but rather less in Eastern Europe & Central Asia and Latin America. In the case of ILO-EC partnerships, the funding usually comes from EC sources.

Non-State Actors are consulted in 43% of the surveyed countries. However, with the exception of Asia, where social partners are consulted more than other target groups, and of Eastern Europe & Central Asia, where there is a good balance of NSAs, social partners are in general less present in consultation processes.

Exchanges of information and meetings between EC and national stakeholders on ESI-related issues and programmes are the preferred mechanisms. Joint studies, analyses, evaluations and programmes are less common.

The coordination generated by such consultations is based, in half of the cases, on specific know-how and value added in a specific sector. In at least 50% of cases, the sectors concerned for this multi-actor dialogue are, by order of importance: SME development, TVET for the entire society, and TVET for marginalized and vulnerable groups.

FIGURE 18 : DONORS CONSULTED (INCLUDING EU MS) DURING EC PROGRAMMING WHEN CONSULTATION TAKES PLACE, BY REGION AND %



Source: *Worldwide Survey to EU Delegations*

(Source: JC 3.1 I. 3.1.1 & I. 3.1.2 & JC 34, I. 3.4.2)

JC. 3.2

&

JC. 3.3

The capacity of EC (HQ and EU Delegation) to undertake technical discussions with counterparts on specific themes provides quality inputs in the dialogue with partner countries & A close coordination and dialogue exists within the RELEX family and between RELEX family and other relevant DGs, in particular during the programming and design phase of the interventions

A considerable proportion of EUDs (82%) do not have a specialist in ESI-related issues among their technical staff. When they do, the expertise is mainly on labour market demand (economic restructuring and private sector development) and labour market governance (mainly in relation to the institutional capacities of relevant key institutions and, to a lesser extent, core labour standards, including promotion of social inclusion in the labour market). Nevertheless this lack of technical expertise is not seen by the majority of NCs and NSAs as a very major obstacle to the EC's having a more important and suitable role in ESI-related areas.

This issue is compensated for *inter alia* by consultation mechanisms established between EUDs and EC/HQs officials that are relatively well established (in 40% of the surveyed countries, within which 80% are with the RELEX family and 57% with other DGs).

DGs internal coordination at HQ level varies according to the regional cooperation framework. For ENP, the institutional set-up, in particular the sub-committees, paves the way for internal inter-sectoral consultations facilitated, as shown under EQ 1, by holistic and integrated ESI cooperation strategies. In other regions such structured consultation mechanisms often do not exist and, when they are in place, they take other forms, mainly with DG Employment (which is *chef de file* for relations with ILO) and its role of sensitising of Labour Ministries in LAC or its association with programming cycles for the ACP.

In-house consultation between DGs, which is mainly carried out through information exchanges, is nevertheless increasing. Consultation and coordination mainly exists at CSP and mid-term review level, but not at project identification level.

This lack of structured consultations in regions other than ENP does not appear to be a serious obstacle preventing the EC from playing a better role in ESI-related issues. Similarly, the lack or insufficiency of guidance from EC/HQs, is not recognized as a major problem, but it is interesting to observe that EUD officials who expressed this opinion in the survey come, with only one exception, from regions other than ENP.

(Source: JC 3.2 I. 3.2.1, I.3.2.2 and I. 3.2.3 & JC 3.3 I. 3.3.1, I.3.3.2, I. 3.3.3 & I. 3.3.4)

JC. 3.4

EC interventions (projects, programmes and budget support operations' management) allow achieving results

EUDs officials and NCs consider, with the exception of Asia, project aid as the most effective aid modality for achieving results in ESI-related issues. This is probably due to the persisting difficulty of tailoring specific budget support interventions to ESI objectives and identifying specific conditionalities and targets. The difference between EUD officials and NCs' perceptions is about the inclination of EUD officials in favour of Transfer of Funds to specialized agencies and the inclination of NCs in favour of grants to NSA. It is worth remarking that the later is not only preferred by 28,5% of Social Partners and other NSAs but also by 31% of Ministries & public institution officials.

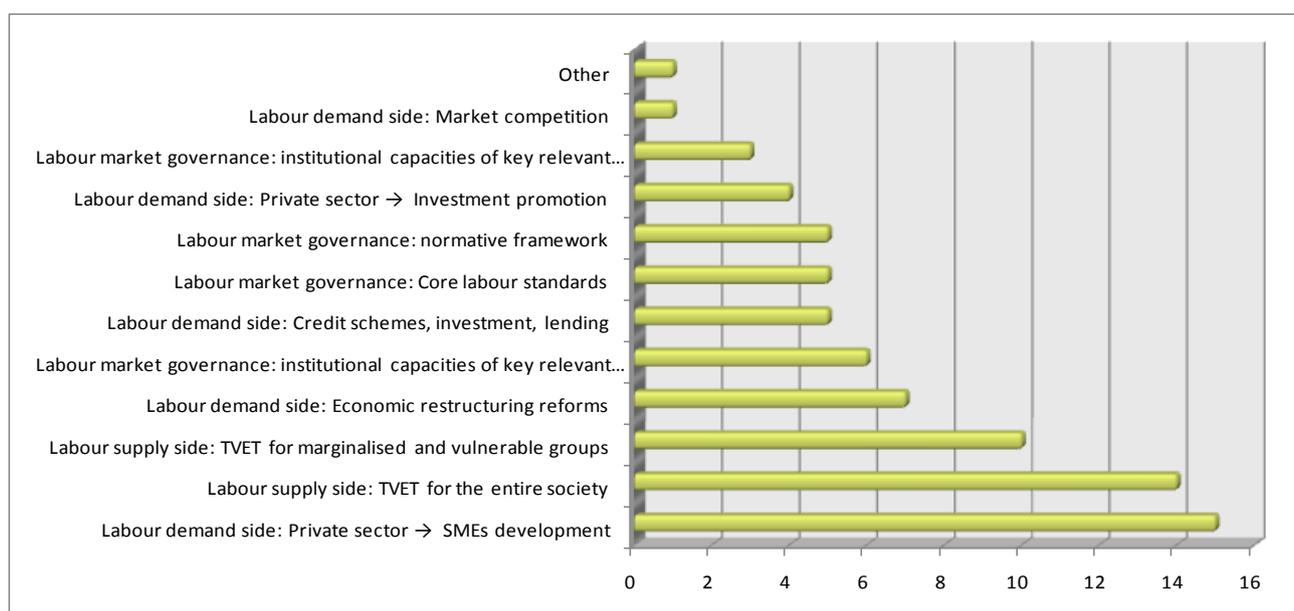
Budget support is the second best choice together with transfer of funds to specialized agencies (such as ILO). However, it must be noted that some EUD officials, who did not select budget support as first choice, have argued about its actual feasibility in host countries, and have not indicated ESI-related cooperation as the most appropriate.

In the six countries visited, and at EC HQ level (officials consulted in DG RELEX and EuropeAid), budget support is globally preferred because, on the one hand, it is considered as promoting ownership and dialogue on policies, setting benchmarks, and defining objectives, and on the other hand this modality serves as an effective tool for influencing Government policy.

In regions where transfer of funds to specialized agencies is considered as an appropriate aid modality by an important proportion of EUDs - such as in Asia, the ACP and, to a lesser extent, Latin America - the motivation is the opportunity to provide specific targeted experience. In the case of ILO, consideration is given to the comparative advantage of its strategic relationships with, and knowledge of, social partners and to the facilitating role played in favour of countries' alignment on international labour standards.

Looking at actual implementation by EUDs of recent international commitments, such as the Paris Declaration and European Consensus principles, for ESI-related programme management, in 85% of the countries there exists some form of coordination with other donors and in only 11,5% is there no coordination at all. When a national coordination mechanism exists, it operates in 43% of cases in ESI-related areas, while in 32% of the cases there is a leading donor responsible for coordination in a given ESI sector.

FIGURE 19 : ESI RELATED AREAS COVERED WHEN COORDINATION BETWEEN EC AND OTHER (EU) DONORS BASED ON SPECIFIC KNOW-HOW AND CONSEQUENT ADDED VALUE EXISTS



Source: *Worldwide Survey to EU Delegations*

(Source: *JC 23 I. 2.3.2 & JC 3.4 I. 3.4.1*)

In terms of country interventions, the analysis of the global rate of contracted and disbursed amounts shows a rather positive picture: for country-level interventions, the average is 83,1% and 83,0% respectively, and for regional interventions 89,5% and 69,0% respectively.

At macro-sectoral level the highest rate of contracted amounts for national projects is recorded for DWS (87.47%), followed by ELD (80.62%) and VTS areas (69.91%). In terms of rates of disbursement however, the highest value is recorded for ELD interventions (86.15%), followed by the DWS sector (83.23%) and the VTS sector (68.73%). For regional projects the highest rate of contracted amounts is recorded for ELD (91.75%), followed by DWS (82.69%), and VTS projects (82.19%). On the other hand disbursement rates give the highest value to VTS interventions (93.74%), followed by ELD (77.07%) and DWS (40%).

This situation is, to a significant extent, validated by ROM analysis: the efficiency rating by macro-sector corresponds also to the above rates if considered at micro-sector level.

The contracted and disbursed amounts also imply a certain degree of flexibility in project implementation. According to ROM analysis, flexibility seems to be a key factor in improving the efficiency of interventions because it has made possible adjustments during implementation based on

elements which could not be anticipated during project design, like changing policy/institutional conditions and actual capacity of implementation by NCs.

Flexibility is seen as particularly useful for interventions addressing TVET systems and reforms (at country and regional levels), processes that are by nature quite lengthy and diverse, embodying a number of different components in terms of both inputs and outputs. At country and regional levels, interventions under this micro-sector show a rate of disbursement relatively higher than the contracted rate. Hence efficiency appears ensured by more detailed implementation plans and lengthier, accurate follow-up and monitoring. This is also the case for PRIVATE SECTOR interventions at country and regional levels.

Intervention implementation was in many cases delayed for a number of reasons: lengthy procedures, cumbersome setup of the PMU, difficulties in defining the implementing counterparts, negotiation of a common set of rules, and others. Nonetheless, neither NCs from Ministries and public institutions nor EUD officials indicate that EC procedures and funding instruments are a major negative factor in the efficiency of interventions.

For budget support interventions, traditional assessment mechanisms appear quite inadequate in the absence of specific indicators and dialogue on ESI results.

(Source: JC 3.4 I. 3.4.4, I.3.4.5)

8.4 **EQ 4: Coordination, complementarity and coherence****EQ. 4**

TO WHAT EXTENT AND HOW HAS THE COMMISSION ENSURED COORDINATION AND COMPLEMENTARITY WITH OTHER DONORS AND ENSURED COHERENCE WITH OTHER EC POLICIES AND ACTIVITIES? WAS THERE A VALUE ADDED IN EC SUPPORT, COMPARED TO THAT OF OTHER DONORS?

COVERAGE OF THE QUESTION

This question covers the coherence between EC development cooperation and other European Community policies; coordination and complementarities with other donors and the EC added value in ESI related cooperation.

The answer presented below is based on several sources:

- i) Interviews with EC officials in Brussels,*
- ii) Analysis of EC/ESI policy and strategy in third regions (bilateral and regional agreements and other normative frameworks, such as regional strategies and EC COM)*
- iii) Worldwide survey of EU Delegations,*
- iv) Survey of National Counterparts (ministries and public institutions & social partners and other Non-State Actors) in the twenty selected countries,*
- v) Worldwide Inventory of EC ESI financial commitments,*
- vi) Field assessment of ESI-related interventions in the six countries visited.*

GLOBAL ANSWER

Donor consultation and coordination initiatives, mainly at EU level, seems to surmount the lack of well-targeted national harmonisation initiatives. Moreover, coordination mechanisms enhance complementarity mainly between the EC and EU Member States.

EC coordination with donors and UN agencies is increasing, but at too low pace, with some very positive exceptions as in South Africa.

There is *de facto* policy coherence between the EC/ESI cooperation strategies and other EC policies with an international dimension, such as trade and migration via an institutional cooperation framework or via specific EC cooperation interventions, mainly in the area of trade policy. But such coherence is not systematically pursued at planning or intervention levels through introduction of specific programming methods or measures.

EC value added in ESI-related sectors is widely recognized at country level in terms of economic, political and social cohesion values and in terms of policy dialogue. This EC added value is appreciated not only by EC officials - both EUD (57%) and EC HQ - but also by National Counterparts (59%), from Ministries (66%) to Non-State actors (43%). Even so its exact nature is often not clearly specified.

JC. 4.1

EC response strategies in the area of employment and social inclusion in the labour market are embedded in sector approach decided in the framework of country harmonization initiative

&

JC. 4.2

Donor coordination mechanisms responding to EC and international commitments on aid effectiveness, such as the Guidelines for strengthening operational coordination between the EC and the Member States in the field of External assistance, and the more recent Paris Declaration, or the European Consensus, are in place at different levels

A coordination and harmonization initiative defined by the Government exists in 58% of the countries surveyed, even though this is not always conducive to operational or concrete harmonisation of donors' actions. As a result some countries are addressing harmonization initiatives directly managed by the donors. This is the case with Morocco, Ukraine and Jamaica, where coordination is structured around working groups in which EC participates on an *ad hoc* basis, and South Africa, where technical groups are focused on trilateral co-operation on HIV-AIDS, governance, regional co-operation, employment creation and skills development. In the case of Vietnam, the EC played a leading role in monthly consultations between EU MS, which has ensured better complementarity between anticipated interventions by EU MS during the programming process, with the help of the 2010 chart on EU Donor Mapping in Vietnam¹¹³ (See Box).

BOX 14 : EXAMPLES ON GOVERNMENT AND DONORS-LED COORDINATION MECHANISMS

JORDAN:

- Following an initiative launched by the Delegation and EU MSs Embassies in 1999, donor coordination was improved by creating in 2000 an informal Donor & Lenders Consultation Group (DLCG), the Secretariat of which was provided by UNDP, while the EU provided the first six-month rotating presidency. The DLCO gave emphasis to the establishment of an "EU road map for donor harmonization and alignment" through monthly EU coordination meetings, and maintains a donor matrix.

UKRAINE

- The State authority responsible for donor coordination is the Ministry of Economy. Its Department for International Cooperation registers all international projects operating in Ukraine, collects information and monitors their implementation. At the same time projects funded by the EU are coordinated by the separate Department for Cooperation with the EU. In addition, there are also several Task Forces created in different policy sectors to coordinate relevant donor initiatives with the agenda of the directly concerned State authorities. This results in the absence of a comprehensive picture of all donor activities in Ukraine and leads to inconsistency and mismatch among different projects.
- While the government has shown little interest in facilitating coordination between donors and, according to the interviewed development partners, occasionally solicits funding for the same project from several sources, donors themselves, including the EC, maintain a reasonable level of coordination through technical working groups and informal channels of information-sharing. Such coordination is in place among the EU MS bilateral donors. In some sectors it also involves other donors, namely USAID, CIDA and the WB. However, in the labour market sector, despite the comparatively small number of donors' projects and initiatives, there is a clear lack of coordination and harmonization.

VIETNAM:

- In Vietnam the EC assisted with elaboration of the Hanoi Core Statement which makes Vietnam a leading country in the implementation of the Paris Declaration of 2005.
- By leaning on the ILO for implementing an EC-funded project on the labour market, better alignment was achieved with the DWCP and with the One UN process (involving 14 UN Agencies). The EC contribution to the policy dialogue on industrial relations and social protection through the PRSO, which is championed by the World Bank as a donor harmonization mechanism, is also noteworthy.

Donor consultation and coordination initiatives exist in 43% of the selected countries. In most countries this coordination is structured around thematic working groups. In a large proportion of cases where

¹¹³ The chart on EU Donor Mapping provides a clear agreed division of labour between the EC and ten EU MS in eleven sectors of activity during 2007-2012 including social and economic infrastructure.

coordination between donors in ESI-related areas exists (this being the case in 73% of the countries), there is a leading donor responsible for coordination in each given sector.

At EC HQ level, other donors are also consulted on an *ad hoc* basis. Among them, ILO is often consulted, even if this is not accompanied by equivalent action at country or field level, which is more complicated to realize, partly to diversified aid modalities. ILO contribution is mainly in kind, through provision of technical assistance.

Coordination mechanisms mainly take the form of meetings and exchanges of information, but joint programmes are also conceived, mainly with the EU Member States.

BOX 15 : EXAMPLES OF JOINT DONOR PROGRAMMES

SOUTH AFRICA:

- Trade and Development and Cooperation Agreement (ratified in 2004 by all parties, it is an “all embracing” document in that it covers, among other things, development, politics, economics, trade, and the environment) as a result of the EC & EU MS joint multi-annual indicative programme
- Finland in Innovation for Poverty Alleviation (Finland provided technical backstopping support that was not available in EUD)
- Incorporation of lessons learned relating to empowerment and employment generation for marginalized communities within a Danida-funded programme in the EU-funded Water for Growth and Development programme

VIETNAM:

- Luxembourg, Spain, the Netherlands and the EC collaborate in the tourism capacity-building project

JORDAN:

- German and EC collaboration in the Poverty Alleviation through Local Development programme (PALD).
- The Netherlands finances EC follow-up of the Social empowerment and human rights programme.
- Italy and Germany finance two small programmes that are a follow-up to the PALD.

(Source: JC 34 I3.4.2 & JC 41 I. 4.1.1, I.4.1.3 and JC 42 I.4.2.1., I. 4.2.2 & I.4.2.3)

JC. 4.3

The Commission has ensured the overall coherence between its employment, social inclusion in the labour market and TVET interventions with other EU policies

EU policy coherence seems to be pursued in one-third of the cases. When coherence exists, it is via an institutional cooperation framework (such as the Association Agreements for ENP countries, the Cotonou Agreement, the EU-Latin America & Caribbean Summits and Association Agreements with Chile, Mexico and Central America) or via specific EC cooperation interventions, mainly in the area of trade policy (e.g. the Banana Support Programme and the Sugar Protocol Compensation activities in Jamaica; the EC Support to export-oriented SMEs through the Industrial Modernisation Programme; and the Euro-Jordanian Action for Enterprise Development in Jordan).

Examples of a satisfactory search for EU-ESI policies coherence are:

- the Commission Communication Promoting Decent Work for all: the EU contribution to the implementation of the decent work agenda throughout the world (COM(2006) 249) aims to integrate decent work into national and regional strategies for development and poverty reduction and to promote gradual inclusion of the decent work objective in budget support measures. It considers trade promoting international and multilateral governance to be a key factor in sustainable development;

- The EC Working paper on Promoting Employment through EU Development Cooperation identifies policies conducive to employment, at both European and regional levels (Trade - EPAs, Aid for Trade, and Mobility and Migration);
- In global development policy normative documents, the linkage between ESI-related areas, mainly employment, trade and to a lesser extent migration, is also present.

However, in spite of the existence of concrete guidelines for policy coherence, no evidence has been found in FAs of specific measures for ESI programmes aimed at avoiding the conflicting effects of EC/ESI development policy and other EU policies, such as in agriculture, fisheries, environment, trade, or migration, that could affect ESI-related objectives and results in partner countries.

As a concrete exemplification of this, in ESI-relevant normative documents specific reference basically exists only in relation to the linkage between Core Labour Standards or employment in general, on the one hand, and policies such as trade or immigration, on the other.

In this respect EUD officials' perception of EU policy coherence is quite low and 32% of EUD officials do not know whether EC policy on ESI-related sectors is actually coherent with other EU policies, 19% declaring that this type of coherence exists and 14,5% that it does not exist.

Taking four examples of EU policies (Trade, Migration, Agriculture and Fisheries), trade policy is seen by EUD staff as coherent with ESI-related policy in 35% of the countries. This also happens to be confirmed by the consideration of labour market reform, macro-economic framework and competitiveness development offered by the Guidelines for Trade-related assistance.

Coherence with migration and agriculture policies follows in 18% and 12% of the countries respectively, while the percentages for fisheries policy are much lower. These perceptions by EUDs officials seem to be confirmed by the 2009 EU Report on Policy Coherence for Development (PCD). The reports analyses policy coherence in EC cooperation programming and reporting mechanisms, and among the twelve policy areas identified in the 2005 COM on PCD, trade (and climate change and environment), agriculture and migration are among the areas most considered in terms of policy coherence.

(Source: JC 43 I.4.3.1., I. 4.3.2 & I.4.3.3)

JC. 4.4 EC value added

EC value added in ESI-related sectors is widely recognized not only by EC officials, both in EUD (57%) and EC HQ but also by National Counterparts (59%), from Ministries (66%) to Non-State Actors (43%).

The political level of the EC regional cooperation framework is another element globally recognized by National Counterparts as representing an EC added value in all regions, with a major proportion in the Mediterranean, Eastern Europe and Central Asian regions.

This recognition particularly relates to the economic sphere (wealth and distributive aspects, Labour Market Governance and working relations), but also the social area (wealth distribution, equal rights) and the political dimension (recognition of the role and quality of institutions and participation of citizens in the public sphere). On the contrary, added value in relation to social rights is less recognized by NCs.

Moreover, in all visited countries NCs and other donors expressed appreciation for this added value, even if its exact nature is often not clearly specified. Mention was made of the following:

- in Ukraine, the possibility of achieving the approximation process with specific ESI-interventions;
- in Jordan, the impact of EC interventions in the policy agenda;
- in South Africa, in the context of the Post Paris Declaration, 11 MSs collaborated in the development of the 2007-2013 CSP, and sectoral fora were established, allowing better coherence in dialogue with the Government and more efficient division of competences.

(Source: JC 4.4 I.4.4.1., I. 4.4.2 & I.4.4.3)

8.5 EQ 5: Labour demand and employment creation

EQ. 5

TO WHAT EXTENT HAVE EC SUPPORT INTERVENTIONS BEEN ABLE TO PROMOTE LABOUR DEMAND STIMULATING OR ENABLING ECONOMIC GROWTH AND JOB CREATION, AND CONTRIBUTE TO THE INCREASE OF EMPLOYMENT IN A SUSTAINABLE WAY?

COVERAGE OF THE QUESTION

The EC has promoted employment creation mainly through programmes stimulating economic growth and other factors operating on the demand side of the labour market. These are mostly programmes on structural reforms and macro-economic stabilization, support to the private sector and SMEs, rural development and access to credit. In addition Poverty Reduction Programmes, usually funded through general budget support, utilize a combination of measures such as support to economic growth, macroeconomic stabilization and improvement of social sector services (e.g.: education). According to the Inventory of EC projects in ESI-related areas, this group of projects represents about 80% of total committed funds.

This EQ assesses the effectiveness, impact and sustainability of EC support to the labour market demand side.

The answer presented below is based on several sources:

- i) Analysis of National Development Plans and National Poverty Reduction Strategies supported by EC,*
- ii) Worldwide survey of EU Delegations,*
- iii) Survey of National Counterparts (Ministries and public institutions & social partners and other Non State Actors) in the twenty selected countries,*
- iv) Worldwide inventory of EC ESI financial commitments,*
- v) Analysis of all CSP/NIP in the programming periods 2002-2006 & 2007-2013 for the twenty selected countries,*
- vi) Field assessments in the six visited countries,*
- vii) Analysis of 38 relevant interventions used to inform indicators (each JC has its specific intervention list) financed in the twenty selected countries (see Vol. 2, Section 2, Annex 8bis).*

GLOBAL ANSWER

While it is difficult to assess the exact effects of EC support for employment creation and labour market reform, due to the influence of other factors impacting on the employment situation in partner countries, the analyses suggest that its overall effect is considered positive in terms of the employment situation for new labour market entrants. This is mainly the case for interventions directly targeting the labour demand side, in contrast with budget support interventions responding to PRSPs. According to documents and monitoring reports on various interventions, EC projects have had an impact on farmers' income through various channels, namely better access to credit, improved management capacity, increased productivity, higher quality and selling prices, and improved access to diverse range of buyers. Income increases have in most cases created new employment opportunities, including self-employment and casual wage employment.

However, the relatively weak or indirect focus on employment creation of the majority of the interventions is also reflected in the quite common absence of detailed analysis of the dynamics of the labour market and the challenges and development perspectives it faces in relation to macro-economic interventions, as well as in targeting job creation, mainly via

promotion of the Private Sector.

Even if a number of countries have launched specific initiatives easing entrance into the labour market for school leavers and unemployed youth, EC-funded interventions rarely address this type of issue and specific indicators related to job creation are limited to a few instances.

According to the results of several EC country evaluations (2008 & 2009), the picture at project level is quite mixed, with three major problems: i) the potential impact of rural development projects on poverty reduction and employment creation is often limited by the short duration of the interventions; ii) in countries with minority groups, there is often a certain lack of capacity to conceive and apply specific approaches to deal effectively with the particular situations of the poorest communities (often ethnic minorities in upland or isolated areas); iii) more important, the link between cooperation activities targeted on the one hand on the economic reform process and international integration, and on the other hand those focused on poverty reduction and job creation, is not as clear as it should be. Beyond the general notion that trade integration always eases poverty, none of the available documents refers to the link between support to “stronger integration” and poverty alleviation.

In particular, in countries characterized by a competitive economy, the “losers from economic integration” theme has little resonance in their national context. If it can safely be assumed that trade- or economy-focused projects can definitely contribute to poverty reduction in general, the paramount importance of poverty alleviation and job creation as the cardinal aim of the EC ESI cooperation would require a more direct and explicit strategic approach and elaboration of this link.

While project documentation and monitoring or evaluation reports frequently mention the impact of projects on poverty reduction, very little specific indicator-based evidence is presented to back up the claim.

Overall, it can be said that in many cases there has been a consensus between the Commission and its partners that efforts should be concentrated on strengthening the economy and the social delivery mechanisms and on generating income and employment opportunities in general, rather than on targeting specific groups. Support for the macro-economic and structural reforms has contributed to improving partners’ macro-financial equilibrium and the business environment. Main interventions (BS and TA) in support of sector reforms (social sectors, water, justice) have contributed to strengthening institutional and managerial capacity and there are reasons to assume that this is leading to better service delivery, including delivery to the poor, but no instruments to verify this result have been put in place. So far the improved economic performance to which these activities contributed has probably been beneficial as it has created opportunities for employment and income, but there is no evidence that these have benefited or protected the poor sections of the population.

The overall tendency during the period under evaluation in the surveyed countries is that the formal economy’s share of employment has diminished. At the same, in cases where a specific and sufficiently continuous effort has been deployed in favour of easing progress from the informal to the formal economy, the relative share of formal economy employment has slightly increased. The macro-economic reforms implemented in many countries with the support of the EC are supposed to have contributed to this trend, even if, in the absence of precise indicators, it is very difficult to quantify and qualify these changes.

This appears confirmed by the positive or even very positive assessment by national counterparts on the EC contribution to improving policies, employment conditions and perspectives for social inclusion.

JC. 5.1

EC programmes promoting economic growth and structural reforms address labour demand and employment creation issues and envisage monitoring key indicators on labour market

There is widespread evidence that labour demand and employment creation constitute an important element of the EC response strategy and in most cases interventions address, as overall or specific objectives or measures, issues relating to labour market demand or employment creation. In particular, promotion of employment through private sector development in general or through specific industrial plants (e.g. sugar or forest products), micro-finance, support to SMEs, and rural development, is an element present in a quite significant number of country programmes. (See some examples in Box 16).

At the same time, even if most programme documents and Financing Agreements (FA) include an analysis of the economic situation and of the implications of macroeconomic changes for the labour market, in many cases they do not provide an analysis of its dynamics or of the challenges or development perspectives it faces in relation to major economic changes. As a consequence, employment creation appears as the main target only in a few programmes and projects; very often it is addressed in the wider framework of local economic development or as support to the development of a specific sector.

In this picture, it should be underlined that the ELD macro-sector receives quite significant funds but, at the same time, in most ELD-related programmes the assessment of labour market needs and their direct relationship with economic growth is not sufficiently considered.

Most projects and programmes target job creation via promotion of the private sector, in particular in middle-income countries where the development of SMEs and or agro-industry is an especially important element of EC support.

This is in line with the National Development Plans and strategies of partner countries, which in most cases see job creation as the outcome of improved economic development and competitiveness.

The study also investigated the extent to which projects addressing labour demand issues actually include specific indicators relating to job creation, in particular for youth and women. It was found that in most cases this is not the case. Even so, projects in some countries such as Egypt, South Africa and Vietnam stand out as exceptions with employment-related indicators, mainly on job creation and unemployment, as stated in their logframe. It should be noted that the indicators are usually derived from national PRSPs.

However, while a considerable number of countries have launched specific initiatives aimed at easing entrance into the labour market for school leavers and unemployed youth, during the field visits the evaluation did not come across cases where such initiatives had been directly supported by the EC.

BOX 16: SELECTED PROGRAMMES PROMOTING ECONOMIC GROWTH AND STRUCTURAL REFORMS ADDRESSING LABOUR DEMAND AND EMPLOYMENT CREATION

BANGLADESH:

- The main purpose of project 'BRAC-Challenging the Frontiers of Poverty Reduction' is establishing improved livelihood practices for the poor, particularly the ultra-poor, as a replicable model at national level. A 'Special Investment Programme' and 'Employment and Enterprise Development Training (EEDT)' are among the expected key outputs.

BRAZIL:

- The FA of project 'Apoio à inserção internacional das PMEs brasileiras' provides an interesting overview of the economic liberalization process launched in the 1990s.

CHINA:

- The FA of 'EU-China enterprise reform project' addresses rising unemployment which seems directly affected by the reform process. An analysis of the WTO accession indicates that, while it is expected to have a positive influence in the medium and long terms, both on competitiveness of the Chinese economy and the overall employment situation, it will add some pressure on the short-term, particularly on some segments of the labour market.

EGYPT:

- The main goal of project 'Financial Investment and Sector Co-operation-Social Component' is poverty reduction and socio-economic development through employment creation and income generation for low-income groups, with special attention to women.
- The FA of the 'Spinning and Weaving Sector Support Programme' stresses how, in all policy activities, the key driver of reform is the need to ensure that economic reform is coupled with social concerns, so as to ensure that the rights and interests of public sector employees are safeguarded and that the development of the private sector is conducive to a higher level of employment creation.

NIGER:

- The project 'Appui à la sécurité alimentaire par la petite irrigation - ASAPI', does not have employment creation as its main goal even though, by targeting food security, the project aims to promote sustainable agriculture and increase revenues.

SOUTH AFRICA:

- 'Sector wide enterprise, employment and equity programme - SWEEEP phase 2': the purpose of the SWEEP programme is to maximize the impact of the Integrated Manufacturing Strategy with a view to accelerating growth, equity and employment in the South African economy.

VIETNAM:

- 'Vietnam private sector support programme - VPPSP': the global objective is poverty alleviation and job creation via promotion of the private sector, in particular of Vietnamese small and medium enterprises and its integration into the international economy.

(Source: JC 11 I.1.1.2, JC 12 I.1.2.2, JC 51 I.5.1.1., I. 5.1.2, I. 5.1.3 & I.5.1.4)

JC. 5.2

EC programmes in the area of labour demand and employment creation have contributed to increasing employment, in particular for youth and women

This JC poses a methodological challenge as it is very difficult to measure the employment effects of EC programmes as distinct from other factors impacting on the employment situation in partner countries. The lack of consideration of specific indicators in the design of the interventions further hampers the analysis.

Even though it has not been possible to obtain firm evidence on these employment effects, interviews conducted during field visits suggest that the overall effect of EC support is believed to be positive, especially for new labour market entrants (see Box 17).

BOX 17: EXAMPLES OF EC PROGRAMMES HAVING AN IMPACT ON EMPLOYMENT CREATION

JAMAICA:

- Employment creation is not a key objective in any EC-supported initiative, but in any case some new jobs have been created both through support benefiting SMEs and through contractors developing the infrastructural facilities funded by the Poverty Reduction Programme.
- As regards the Banana Support Programme, new employment and income opportunities have been created for farmers, plantation and port workers having lost their jobs after liberalisation of the global banana market.

JORDAN:

- The EC pioneered the decentralised bottom-up approach to employment creation for the poor in 18 selected municipalities ("poverty pockets") using the sector budget programme PALD. The programme aimed at making more resources available at municipality level to reduce poverty and create a favourable environment for productive activities and enterprise development. By channelling support to empower municipalities ("poverty pockets") it created job opportunities, geographically distributed outside Amman.
- Managers of a sample of eight SMEs, supported by the EC (through EJADA and JUMP), confirmed that the EC-funded support had been effective in strengthening their enterprises and generating sustainable employment creation. This has also been facilitated by previous interventions such as the business-friendly reforms introduced by the Government with US support, showing that significant synergies can promote better results and outcomes.
- The EC support to the E-TVET reform 2009-2013 has ESI-related performance indicators in the conditionality matrix for disbursement of funds by the Ministry of Labour and, therefore, can be expected to have positive effects on the labour market.
- The Izdihar project. Groups of male and female beneficiaries from low-income households not only secured employment but were also empowered with full knowledge of their roles and rights in the labour market.

MOROCCO:

- Programme d'Appui à l'Accord d'Association is expected to improve private sector competitiveness in relation to standards and certification on a sectoral basis, with particular emphasis on the EU regulatory environment, so as to improve market access for Moroccan enterprises and indirectly contribute to employment generation.
- Micro-credit programme for rural areas
- Programme Amélioration de la situation des femmes rurales et gestion durable de l'arganeraie
- Développement rural participatif dans le Moyen Atlas Central

VIETNAM:

- EU-Vietnam Small Projects Facility
- EC support to Vietnam Development Bank has stimulated private bank operations in the SME sector
- Establishment of One-Stop Shop for the registration of new enterprises and increased utilization of Business Development Services. The final survey on the impact of EC-supported BDS, in Da Nang, showed that the proportion of SMEs using BDS services had doubled from one-third in 2005 to two-thirds in 2008, with a majority of SMEs confirming that the use of these services has had a positive impact on their business.

Overall, the trend in the surveyed countries is for the share of formal economy employment to diminish. However, at the same, in cases where a specific and sufficiently continuous effort has been deployed in favour of easing progress from the informal to the formal economy, the relative share of formal economy employment has slightly increased. The macro-economic reforms implemented in many

countries with the support of the EC are supposed to contribute to this trend. Furthermore, the macro-economic reforms implemented in many countries with EC support may have a long-term impact on formal economy employment opportunities. Unfortunately, in the absence of precise indicators, it is very difficult to quantify and qualify these positive initial changes.

Concerning the contribution of EC Poverty Reduction interventions in ACP countries, the analysis shows a rather weak correlation with issues relating to employment and the labour market: only 28% of selected Budget Support programmes have objectives or measures relating to ESI while 72% do not provide any substantial reference to these sectors.

Stakeholder perceptions of EC contributions to the improvement of labour market policies and programmes and related improvements in employment creation are generally very positive, with around two-thirds of interviewees expressing a favourable assessment (See Fig. 20 and 21 and Boxes 18 to 20).

LABOUR MARKET POLICIES AND PROGRAMMES

FIGURE 20 : NATIONAL COUNTERPARTS' PERCEPTION OF EC CONTRIBUTION TO THE IMPROVEMENT OF LABOUR MARKET POLICIES AND PROGRAMMES

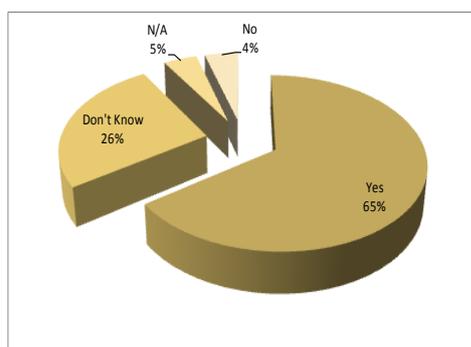
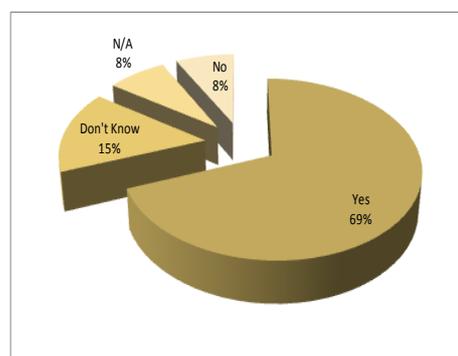


FIGURE 21 : NATIONAL COUNTERPART'S PERCEPTION OF EC CONTRIBUTION TO THE IMPROVEMENT OF EMPLOYMENT CREATION CONDITIONS THROUGH LABOUR MARKET POLICIES AND PROGRAMMES



EMPLOYMENT CONDITIONS

FIGURE 22 : NATIONAL COUNTERPARTS' PERCEPTION OF EC CONTRIBUTION TO THE IMPROVEMENT OF EMPLOYMENT CONDITIONS

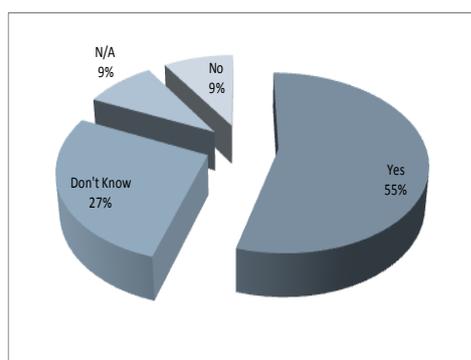
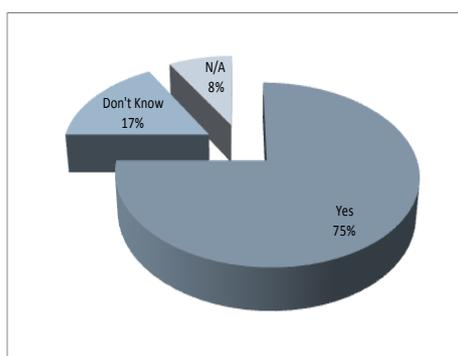


FIGURE 23 : NATIONAL COUNTERPARTS' PERCEPTION OF EC CONTRIBUTION TO THE IMPROVEMENT OF EMPLOYMENT CREATION CONDITIONS



SOCIAL INCLUSION INTO THE LABOUR MARKET

FIGURE 24 : NATIONAL COUNTERPARTS’ PERCEPTION OF EC CONTRIBUTION TO THE IMPROVEMENT OF SOCIAL INCLUSION INTO THE LABOUR MARKET

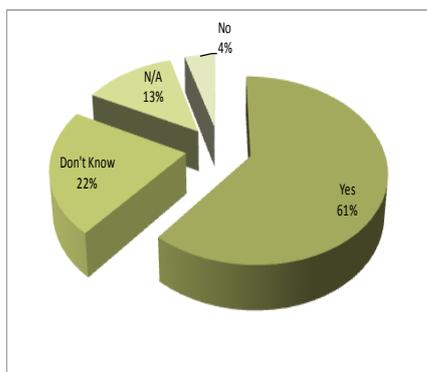


FIGURE 25 : NATIONAL COUNTERPARTS’ PERCEPTION OF EC’S CONTRIBUTION TO THE IMPROVEMENT OF LABOUR MARKET CONDITIONS FOR SOCIAL INCLUSION

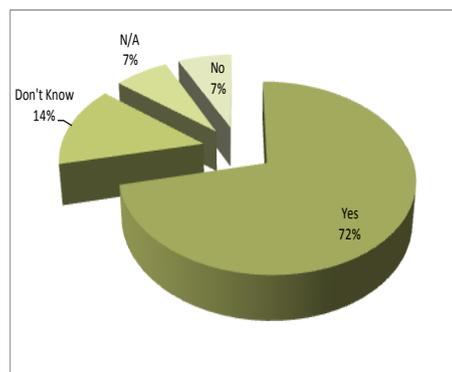
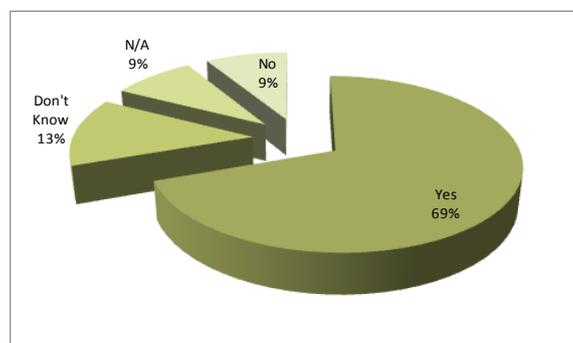


FIGURE 26 : NATIONAL COUNTERPARTS’ PERCEPTION OF EC/TVET INTERVENTIONS FOR THE IMPROVEMENT OF SOCIAL INCLUSION IN LABOUR MARKET CONDITIONS



Source: Own elaboration based on Survey to National counterparts (from Ministries and Public Institutions & from Social partners and other Non state actors) in the twenty selected countries

Also in terms of promotion of better employment conditions the majority of EUDs think that the EC contribution has been significant and 75% of NCs agree that EC interventions contribute to enhancement of employment creation conditions.(Fig. 22 and 23)

More than 60% of respondents confirm that the EC directly or indirectly contributes to making the labour market more socially inclusive and about 60-70% agree on the creation of better conditions for social inclusion in the labour market (Fig. 24 and 25), especially for TVET-related interventions (See Fig. 26).

BOX 18 : EXAMPLES OF PROGRAMMES PROMOTING POSITIVE CHANGES IN THE LABOUR MARKET OF TARGETED COUNTRIES

BANGLADESH:

- According to the 2006 Monitoring Report, the impact of the EC-funded project ‘Proshika’ (1999-2005), focused on improving access to employment by poor and underprivileged households, has been very significant. It utilized a three-part approach: i) provision of financial services, ii) development services (social and economic) and, iii) empowerment/advocacy for the rights of the poor. The project paid particular attention to innovations in income generation activities and programme delivery. Seven income-generating sections of Proshika have been established as independent trusts (e.g. agricultural farm) and four of them are now profit-making and economically self-sustained. In addition, according to the 2006 monitoring report, there is much anecdotal evidence of a self-directed change in project members now sending their children to university not running for elected office, but instead expanding businesses and creating additional employment. The ability to provide education has furthered and promoted women’s rights and health, addressed the need for a better institutional environment, and has had a real impact on the local democratic process. Importantly, the sustainability of the vision, approach and practices of the ‘Proshika’ project appears sustainable and has already been replicated by many other NGOs in Bangladesh. For this purpose a number of trusts have been created to support partner NGOs in replicating parts of their work. This process continues to have momentum even if at a reduced rate. The present issue is now for ‘Proshika’ to find a politically acceptable way to receive new donor funds for expanding their activities into new areas. These financial resources may even be of a limited scale and along a conventional project model, so as to encourage GoB to relax the present embargo on new forms of support to the NGO.

EGYPT

- The Financial Investment and Sector Co-operation project, which aims to support the GoE's efforts to increase income through job opportunities creation in rural areas, enabled various SMEs to invest in activities that can create labour, according to the final evaluation of the rural component project (2009). Unfortunately there is no tool for monitoring more precisely this type of project impact.
- The ‘Spinning and Weaving Sector Support Programme’ (2004–2008) addresses a large range of processes and stakeholders in the cotton industry, from cotton growing and trading to restructuring of the spinning and weaving industry. The project had a decisive impact on the cotton trade, now liberalized (except for the seeds) and had some effect on the State-Owned Companies of the sector by enhancing and stabilizing (but reducing) the workforce and clearing the balance sheets. However, if no proper restructuring plan of these Companies is implemented at the level of management methods, the social and employment problem may extend to the whole sector, as with their present organization system they are not competitive.

EL SALVADOR:

- Direct impact of project ‘Fortalecimiento de la Competitividad de la MYPE’ has been very significant on targeted companies which have improved their productivity, sales, competitiveness and management systems and capabilities. Indirect positive effects have also been registered on employment generation. Thanks to Government political support, sustainability of the services is more solid than expected at the project’s end.
- ‘Support to local Micro and Small Enterprises - MSE’ with a view to fostering “equitable growth of economy and employment”, was one of the three priority objectives in the EC 2002-2006 CSP and related NIP. During the period under evaluation, EC support to local MSEs mainly materialized through one programme: ‘Fortalecimiento de la Competitividad de las Micro y Pequeñas Empresas en El Salvador - FOMYPE’ (2005-2009). With its €10m commitment on ALA resources, the programme entirely filled the €10m envelope envisaged in the 2002-2006 NIP for “Equitable growth of economy and employment”. In the meantime, the EC contribution through FOMYPE has been extremely limited:
 - At macro level, it helped design national SME policy, but scarcely helped improve norms/legal framework.
 - At meso level, its contribution to capacity development of institutions in charge of business development services to MSME has been limited and unsustainable, again due to a misconception of capacity development.
 - At micro level, it helped deliver improved business services to 7% of the 174,400 registered MSEs, corresponding to 80% of its target, but only a small proportion of the enterprises covered were in priority industrial and agro-industrial sectors.

Concerning the EC contribution to employment and economic growth, the assessment is difficult owing to the absence of a baseline survey and internal monitoring tools within FOMYPE. Some indicators, defined at the design stage (e.g. the contribution of MSEs to GDP and to regional and extra-regional trade), have not been monitored during implementation. Consequently, there is a lack of statistical data which explains why the final evaluation could not assess to what extent MSEs which benefited from FOMYPE had contributed to economic growth and employment in the country.

BOX 19: EXAMPLES OF PROGRAMMES PROMOTING POSITIVE CHANGES IN THE LABOUR MARKET OF TARGETED COUNTRIES (CONTINUATION)

SOUTH AFRICA:

The 'Sector Wide Enterprise, Employment and Equity Programme phase 2', (a sector budget support intervention) utilizes indicators relating to employment: i) reduction in unemployment rate, ii) increase in employment resulting from project activities, and iii) increase in job numbers in specific sectors.

TANZANIA:

- Tangible results are being generated by the project 'Tanzania Annual Action Plan 2007 - Accompanying Measures for Sugar', particularly in terms of improving road infrastructure and introducing block farming. This will have a direct impact on the stability of employment and income of small-scale sugarcane growers. Looking ahead, the major challenge will be to create sustainable credit and service delivery mechanisms to support small-scale farmers with crop diversification, productivity improvements and land consolidation. A recent study proposed the creation of a 'revolving service delivery fund' which can build on some positive developments in Kilombero Sugar Estate, such as the community trust fund (ROM 2010). As a result of improved road networks and increased economic activities, employment and employment opportunities have increased in rural areas, including self-employment and casual wage employment in coffee and related activities. Focus group discussions indicated that both self-employment and hired seasonal employment in areas adopting new coffee varieties increased more than three-fold, as a result of the additional labour needed for tree planting, collection, transportation of manure and grafting. Moreover, as reported in the country evaluation report (2006), access to and quality of basic services such as health have also improved and have increased the capacity to attract qualified staff such as teachers, nurses and rural medical assistants.

UKRAINE

- Overall, and as confirmed by the EC country evaluation in 2001, the EC cooperation did not address and support the national employment policy or the pension system. With the CSP 2007-2013, social issues were removed from the priority areas of EC cooperation with the consequence that, during the last years of the period under evaluation, these have only been addressed as components of projects focused on local development.
- Officially, between 2001 and 2008 employment increased by 1m jobs (from about 20m to 21 m jobs) and, since the labour force remained basically stable, the unemployment rate measured by ILO fell from 10.9% in 2001 to 6.4% in 2008. But in the same period the enterprises were confronted with a loss of 780,000 jobs, equivalent to an increase in the unemployment rate of 8.8% in 2009.
- The EC has established with Ukraine a policy dialogue on employment issues through annual meetings in which the Government presents the main orientations of the national employment policy and comments on available statistics. Even so the evaluation team did not find any evidence of EC cooperation targeting employment issues during the period covered by the evaluation.

UGANDA

- As reported in the Uganda country evaluation, the EC's interventions have significantly targeted the rural development sector. Under the 9th EDF the EC supported implementation of GoU's PMA (especially National Agricultural Advisory Services-NAADS and NARs components). Further to the SWAp, more than 30 programmes and projects in the rural/agricultural sector were financed under different budget lines. As a result, rural incomes have slightly increased (See also JC 5.4) and an increasing number of subsistence farmers are gradually switching to commercial farming. Even so there is no convincing evidence that a significant part of the rural population has benefited from an increase in agricultural income and a number of surveys conducted between 2000 and 2005 have shown that the proportion of subsistence farmers selling some of their products increased from 76% to 80%. Generally speaking labour is moving out of subsistence agriculture into full and part-time employment. Between 1993 and 2000, the proportion of the labour force self-employed in agriculture fell by 5%, and the proportion of self-employed in non-agricultural sectors rose by 14%. Self-employed women in non-agricultural sectors largely participated in these changes and their share rose from 24% to 40% over the same period. The selling-off of small agricultural surpluses and income-generating activities beyond the farm gate has apparently contributed to a decrease in poverty, even if the available information shows that the increase in household income is lower than expected.

BOX 20: EXAMPLES OF PROGRAMMES PROMOTING POSITIVE CHANGES IN THE LABOUR MARKET OF TARGETED COUNTRIES (CONTINUATION)**UGANDA**

- Numerous interventions financed by the EC under a project approach (STABEX funds, micro-projects etc.) have contributed locally to increasing the income of the rural population. According to a recent impact evaluation, farmers who have benefited from NAADS support have experienced slight improvements in their productivity, both as increased yields and production, but many districts have only benefited from NAADS services during recent years, and only farmers' groups benefit from services, which are of variable quality.
- Statistical data for the rural sector are poor and are mainly the result of specific surveys based on small samples. Data on the number of people employed on-farm and beyond the farm-gate are not available, nor is there information on trends in the number of employees registered by local SMEs or on the number of new incorporated companies processing, storing, transporting or marketing agricultural products.

VIETNAM

- According to the results of an EC country evaluation (2009), the picture at project level is quite mixed and rural development projects would have performed better on poverty reduction if interventions had been designed and funded for a longer term. Another major problem has been the lack of capacity to apply specific approaches to effectively addressing the specific situation of the poorest communities (often ethnic minorities in upland areas). More important, the link between cooperation activities targeted on the economic reform process and international integration, on the one hand, and those focused on poverty reduction on the other, is not as clear as it should be. While project documentation and monitoring or evaluation reports frequently mention the impact of projects on poverty reduction, very little specific indicator-based evidence is presented to back up the claim. Beyond the general notion that trade integration always eases poverty, none of the available documents refers to the link between the support to "stronger integration" and poverty alleviation. Vietnam is a competitive economy in most sectors, and the "losers from economic integration" theme has little resonance in the Vietnamese context. If it can safely be assumed that trade/economy-focused projects have definitely contributed to poverty reduction in a general sense, the paramount importance of poverty alleviation as the cardinal aim of the EC cooperation programme would require a more direct and explicit strategic approach and elaboration of this link.

Interesting potential for employment generation and poverty reduction is demonstrated by the new project 'Human Resources Development in Tourism', started in 2008. This €10.8m project is expected to support the upgrading of the standard and quality of human resources in the tourism industry, with the Government and industry continuing training activities after project completion. There are some early indications that, by offering advanced vocational training to a large number of Vietnamese employees in the ever-growing tourism sector, the project has the potential to help these workers - many of whom have on-the-job experience but lack formal qualifications and training - escape poverty on a sustainable basis.

(Source: JC 52 I.5.2.1., I. 5.2.2, I. 5.2.3 & I.5.2.4)

In the MEDA region, as reported in the MEDA II evaluation (2009), the largest share of MEDA II resources has been allocated to supporting economic reforms. With a view to preparing the MPC for the establishment of a Euro- Mediterranean Free Trade Area by 2010, the objective was to develop and strengthen competitive MPC market economies and to integrate them into the world economy by encouraging their regional integration and their trade links with the EU. However, the convergence of living standards, the significant breakthrough of exports from the MPC to the EU, and the intensification of intra-regional trade, that would all be necessary in order to achieve the objective of shared prosperity (2nd Pillar of Barcelona), have not taken place at the expected pace, notwithstanding the increased financial resources and the faster disbursement of MEDA II. Overall, there has been a consensus between the Commission and its partners that efforts should be concentrated on strengthening the economy and the social delivery mechanisms and on generating income and

employment opportunities in general rather than on targeting specific groups. Support for the macro-economic and structural reforms has contributed to improving the partners' macro-financial equilibrium and the business environment. The main interventions (BS and TA) in support of sector reforms (social sectors, water, justice) have contributed to strengthening institutional and managerial capacity and there are reasons to assume that this is leading to better services delivery, including delivery to the poor, but no instruments to verify this result have been put in place. So far the improved economic performance to which these activities contributed has probably been beneficial as it has created opportunities for employment and income but there is no evidence that these have benefited or protected the poor sections of the population.

The regional evaluation of the EC support to the Eastern and Southern Africa-Indian Ocean (ESA-IO) maintains that the support has favoured trade growth and productivity growth in some natural resource-related sectors and also in other areas. Trade growth has been the main driver of economic growth in the region, and the sectors that benefited from the direct and indirect support of EC programmes (fisheries, tourism, transport, finance) have played an important role in economic growth. In that regard it is possible to hypothesize that the economic growth of 6% must have generated employment in the most dynamic sectors: transport, trade and financial services, tourism, and others.

8.6 **EQ 6: Employability****EQ. 6**

TO WHAT EXTENT HAS THE SUPPORT TO TVET AND TO OTHER ACTIVE LABOUR MARKET MEASURES IMPROVED EMPLOYABILITY OF WORKERS, ESPECIALLY VULNERABLE AND MARGINALIZED GROUPS, AND CAPACITY OF WORKERS TO ADAPT TO EFFECTS OF STRUCTURAL REFORMS, GLOBAL CHANGES, TRANSITION TO MARKET ECONOMY, ETC?

COVERAGE OF THE QUESTION

This question assesses the effectiveness, impact and sustainability of EC support to employability of the work force (TVET and active market policies and measures).

The answer presented below is based on several sources:

- i) Worldwide survey on EU Delegations*
- ii) Survey on National Counterparts (Ministries and public institutions & social partners and other Non-State Actors) in the twenty selected countries*
- iii) Worldwide inventory of EC ESI financial commitments*
- iv) Analysis of all CSP/NIP in the programming periods 2002-2006 & 2007-2013 for the twenty selected countries*
- v) Field assessment in the six visited countries and*
- vi) Analysis of 41 relevant interventions used to inform Indicators (each JC has its specific interventions' list) financed in the twenty selected countries (see Vol. 2, Section 2, Annex 8bis).*

GLOBAL ANSWER

The support to TVET is in accordance with EC policy orientations indicating the need to adapt interventions to a coherent and holistic sector approach to education and to link TVET to labour market needs. Directly or indirectly, support to Labour Market Supply measures and TVET constitute an element of the EC response strategy in approximately two-thirds of the surveyed countries. In almost all cases the stated objective of the support is reducing poverty, by referring either to the MDGs or to the national PRSP. In any event, for approximately 50% of countries for which TVET was not retained as a focal area of the EC response strategy, the support was framed in the context of a broader project or programme, thus responding to the socio-economic situation in the country.

In addition a progressive change can be noted in favour of interventions framed within broader support to the education sector, while specific non-strategy-related projects and programmes are decreasing.

As confirmed by the EC evaluation on education (2011), the MEDA Strategy Paper 2002-06 stressed education for employment and, in general, prioritised co-operation and development in vocational and higher sub-sectors, and the need to encourage regional approaches. Moreover, the 99/2000 TACIS Regulation sought human resource development through education and training, with detailed action areas in support of institutional, legal and administrative reforms. The main focus was on vocational and higher education.

Access to TVET by marginalized groups was an explicit element of the EC strategy in 25 of the 106 surveyed EUDs. In most cases TVET projects include institutional strengthening and arrangements, mid-term perspectives for sector financing and indicators for monitoring sector performance. The definition of these indicators is usually correlated with the National Poverty Reduction Strategy (for ACP countries this is a requirement).

Also, according to projects scrutinized during field missions, when TVET is among the

areas of support it contributes to improving its responsiveness to labour market needs. An interesting element is the increasing link between TVET interventions and the private sector throughout the period considered. Policy dialogue has contributed to this result, mainly in ENP countries via the Action Plans.

The evaluation found that support to active labour market policies was included in VTS programmes in countries undergoing structural reform and economic transition. Measures of active labour policy - including development of systems for labour market monitoring, establishment of employment services and unemployment benefit systems - have been conceived together with policies promoting structural reforms. This has made it possible to maintain or improve the level of employability of the work force, thereby contributing to the adjustment of the labour market to the new economic realities.

However most countries, especially poor ones, continue to give priority to primary education which thus consumes the majority of the budget for education, secondary education remaining a quite neglected area, leaving a vacuum for the private sector to fill.

As for the EC contribution to possible changes in the enrolment capacities of secondary institutions, the evaluation team encountered a broad range of situations which can be characterized overall as focusing on middle-income countries or fast-growing economies with a policy framework for secondary education in place, or on removing gender-related barriers to girls' enrolment in secondary education.

Many studies have observed the existence of uneven distribution of secondary education opportunities between poor and non-poor regions, especially in rural and remote areas. This situation of strong disparities can be seen as a general characteristic observed in almost all countries, including *Tunisia*, *Dominican Republic* and all countries in *Sub-Saharan Africa*.

JC. 6.1 The EC interventions in the TVET at country level are framed within a sector policy

Support to TVET has been framed both through specific programmes and projects and as part of an overall education sector strategy. Among the 106 surveyed countries, support was addressed through project and programmes in more than two-thirds of cases and within an overall education sector strategy in approximately half of them. In total 148 interventions in the field of TVET were identified.

This indicates that, in a considerable number of countries, support to TVET was provided both as a part of projects and also within a broader project or programme, thus responding to the socio-economic situation in the country. The trend throughout the programming periods shows that interventions framed within a broader support to the education sector are progressively gaining importance, while specific projects and programmes are decreasing, even though they still are the preferred mechanism when working on TVET.

During the evaluation period, the overall importance of TVET in the EC response strategies, whether through projects or programmes or within an education sector strategy, has increased in ACP countries, the Mediterranean and Latin America, but has decreased in Asia, Eastern Europe and Central Asia.

The relative importance of specific TVET projects and programmes has increased in Eastern Europe and Central Asia, while consideration of TVET within an overall education strategy has increased in Asia, the Mediterranean and Latin America. In the ACP countries the balance has remained almost the same. Overall, it was found that EC VTS interventions are predominantly framed within a broad sector policy framework relating to promotion of employment or strengthening of the private sector.

Among the twenty pre-selected countries, EC support to TVET was not framed within an education sector context in any of the countries. Instead support was provided within the framework of a broader HRD strategy (e.g. Vietnam, Morocco and Dominican Republic), an employment creation strategy (e.g.

Egypt, Bangladesh and Tunisia), or in the context of a national macro-economic development strategy (Armenia, Jordan and South Africa). In almost all cases the stated objective of the support was to reduce poverty, through reference either to the MDGs or to the national PRSP.

In particular, as regards poverty reduction projects in ACP countries, interventions analyzed in seven ACP countries show that TVET is not explicitly addressed as a key issue or priority. In some countries poverty reduction can become the point of departure for support to TVET, with reference either to MDGs or to national PRSPs. In these cases, typically the CSP – when referring to national poverty reduction goals – outlines the overarching strategy for how the EC support can contribute to achieving them. For poverty reduction projects in non-ACP countries (ASIA, ENPI, Latin America), TVET is not explicitly addressed as a key issue or priority. Of over seven programmes scrutinized, only one intervention includes TVET (sectoral) components.

Of 15 scrutinized budget support programmes targeting poverty reduction, only three interventions directly refer to employment and the labour market and include some TVET components (Jamaica, Mali and South Africa).¹¹⁴

BOX 21 : EXAMPLES ON EC PROGRAMMES FRAMED WITHIN NATIONAL EMPLOYMENT STRATEGIES

ARMENIA

- The Project 'Support to Poverty Reduction Strategy' through human resources development based on a modern and efficient vocational education and training system is coherent with the sector policy support programme funded under 'Action Plan 2006' and builds on Ministry of Education and Sciences activities in 2007 to strengthen the reform of the VET sub-sector. The PRSP I gave top priority to general education which received considerable allocations, and the revised PRSP II adopted in 2007 raised the importance and priority of VET in the development agenda of the country. As reported in the ROM reports, the strong link with national sector support has allowed the EC to contribute to concrete reforms such as approval by the Ministry of Education of a concept paper on "Priorities for implementation of the VET modernization strategy in Armenia" and the VET strategy implementation Action Plan.

BANGLADESH

- The project 'Vulnerable Group Development for Ultra-Poor' was identified in the framework of the long-term EC food security strategy and was conceived with the purpose of improving the livelihoods of 80,000 ultra-poor (UP) rural women household heads. Living in extreme conditions of marginalization, lacking any assets, skills and external support, UP women, most of them abandoned or widows are the most vulnerable group in rural society. In this sense TVET activities were not framed within the overall education sector, as the programme rationale mainly falls under the food security umbrella. However, the project Intervention Logic, rather than adopting a technical 'poverty approach' moved to a more holistic understanding of the linkage between gender and chronic poverty, including individual Income Generating Activities training and a component of institutional support for improving the capacities of the Directorate for Women Affairs.

¹¹⁴ For the analysis of ESI and particularly TVET-related issues in Budget Support (BS) programmes, 20 interventions were selected for a more in-depth analysis. Of these interventions 17 fall in the area of poverty reduction while three meet structural adjustment goals. But documentation was available only for 15 interventions. 28% of the interventions have some linkage with ESI/TVET, while 73% have none. Among these interventions targeting non-ESI areas, health and basic (primary) education prove to be the key sectors. Indeed most of the BS programmes analyzed include among their targets access to basic social services, basic education, and quality of health services. Other significant issues taken into account are: public finance management, governance, transport and natural resources management.

**BOX 22 : EXAMPLES ON EC PROGRAMMES FRAMED WITHIN NATIONAL EMPLOYMENT STRATEGIES
(CONTINUATION)**

DOMINICAN REPUBLIC,

- The project 'Development of Technical and Professional Education' is directly linked to the national educational system and corresponds to a national sector priority in the framework of the 2003-12 National Plan. Moreover, it is coherent with the MDGs, and in particular their specific objectives relating to adequacy to social demand and market.

EGYPT

- The 'Education Sector Policy Support Programme' is framed within a broader education sector support. The Government of Egypt particularly highlights the importance of education as a national priority and the foundation of development, placing education at the top of its social agenda.

KYRGYZ REPUBLIC

- The analysis of documents related to project 'Addressing Social Consequences of Transition in the Ferghana Valley' shows that support to TVET is framed within a broader education sector support. This project is part of the TACIS Regional AP 2002 and implemented under a direct agreement with UNDP. One of the three overall objectives is 'Social safety net training' with a view to improving local livelihoods through a reduction in unemployment in accordance with national development goals set out in the National PRS, MDGs and the EU Indicative Programme for Central Asia. Priority will be given to reform of social protection and education systems, as well as to efforts to improve access to quality high and technical education with the aim of ensuring their responsiveness to needs arising from economic reforms.

MOROCCO:

- Appui à la création d'emploi: framed within the national strategy of employment promotion which is linked to the reform of the educational system.
- Appui au développement de la formation professionnelle dans les secteurs du tourisme, du textile et des nouvelles technologies de l'information et de la communication : framed within the 'National Chart of education and vocational training' which is based on the central role played by vocational training in employment policy. However, in spite of several laws and regulations adopted from 1996 to better organize this sector, the vocational training deficit remains one of the major problems faced by the private sector in the country.

NIGER

- The FA analysis of project 'Appui à la formation professionnelle continue' shows that support to TVET is framed within a broader education sector support. The global objective of the project, based on national sectoral policy, is to contribute to poverty reduction by facilitating the entry of young people into the labour market and the economic performance of artisans through better vocation training qualification.

SOUTH AFRICA:

- TABEISA II: Technical and business education initiative in South Africa - Phase II: this project aims to upgrade the quality of the education services provided at Technikons and help generate employment opportunities for their students.

TANZANIA

- The 'Tourism Training Programme' is an example of Government emphasis on human capital investment and education as central to citizens' quality of life and a pre-condition for progress and poverty reduction. The focus on education was further accentuated in the long-term policy objectives of the 'Poverty Reduction Strategy and Vision 2025'. In 1995 the Government adopted a new Education and Training Policy with a sector-wide approach for the entire education sector. It introduced *inter alia* private sector involvement in education, a curriculum review to increase access, and devolution of management and administration to local levels.

**BOX 23: EXAMPLES ON EC PROGRAMMES FRAMED WITHIN NATIONAL EMPLOYMENT STRATEGIES
(CONTINUATION)**

TUNISIA

- The SBS programme (€30m, 2006-08) aimed at improving secondary education performance (grades 10-12), with a view to closing the gap between Tunisian education and the best international standards, and to diversifying options after grade 9 so as to improve the capacity of students to find a job or enter higher education. While the SBS was perfectly in line with government policy, the analysis within the Country Note indicates that this policy overestimated the capacity of general secondary education to prepare school leavers for the job market, and underestimated the merits of Technical and Vocational Education and Training (TVET) in such a role. An evaluation in 2008 revealed mixed results, particularly in the domain of TA mobilization.

UGANDA

- The relevance of the design of project 'Human Resources for Health' was high since HRH is a national priority defined in the respective sectoral government strategy papers. As reported in CSP 2002-2007, the national vision and strategies for poverty reduction are articulated in the Poverty Eradication Action Plan put in place in 1997 and revised in 2000, through a highly participatory process.

VIETNAM:

- Labour market information system and HR development: framed within the Government of Vietnam's market-oriented industrialization policy.

At the same time, there are a number of non-pre-selected low-income countries such as Botswana, Namibia, Ethiopia and Barbados, where EC support to TVET has taken place as part of a comprehensive education sector initiative.

Overall the situation appears to be quite rapidly evolving, with an increasing number of interventions framed within an overall education sector strategy and a parallel decrease of specific non-strategy-related projects and programmes. Similarly, in approximately 42% of the 106 countries targeted via the EUDs survey during the period 2000-2006 and in 48% during the period 2007-2013, TVET is among the focal areas of EC response strategies. According to the same survey, during the period 2002-2006 TVET was framed within an overall education sector strategy in almost 54% of cases and in the following period 2007-2013 this share increased to 64%. (See Table 12)

TABLE 12 : TVET INTERVENTIONS AND EC SECTOR RESPONSE STRATEGIES, BY PERIOD

	2000-2006	2007-2013
Addressed via Specific projects & programmes in	83% of cases	72% of cases
Framed within an overall education sector strategy in	54% of cases	64% of cases

Source: *Worldwide survey to EUD*

Concerning programmes aimed at supporting a TVET sub-sector policy (TP-TVET), according to the Inventory 11 of the twenty selected countries were recorded as having received some specific assistance.¹¹⁵ This result is confirmed by the analysis carried out on an additional group of projects in five of these 11 countries. Based on the above analysis, it can be stated that in the majority of cases

¹¹⁵ Armenia, Bangladesh, Dominican Republic, Egypt, Jordan, Kyrgyzstan, Niger, Russia, South Africa, Ukraine and Vietnam.

TVET projects include institutional strengthening and arrangements, mid-term perspectives for sector financing and indicators for monitoring sector performance.

Overall, among the 148 TVET-related field interventions between 1999 and 2008, 72 interventions directly or indirectly addressed policy issues and system development, including aspects such as institutional strengthening, sector financing and labour market monitoring. As a consequence of the increased understanding of the limitations of a piecemeal project-by-project approach, the number of interventions also addressing policy and system issues peaked in 2006 (with 13 projects *versus* an average of seven projects per year during the period considered).

(Source: JC 61 I.6.1.1., I. 6.1.2, I. 6.1.3 & I.6.1.4)

JC. 6.2

The interventions in the TVET sector take due account of the links between TVET, employment, labour market and socio-economic development and contribute to make TVET systems more labour demand driven.

In approximately 50% of the countries surveyed where TVET was not retained as a focal area of the EC response strategy, EC support was still framed in the context of a broader project or programme in response to the socio-economic situation of the country.

For example, in ACP countries support to TVET has been embedded within a variety of sectors such as rural development, agriculture, health and private sector development, whereas for other regions TVET was by and large addressing the context of private sector development and social inclusion. In the latter case, the typical rationale for TVET support has been that a qualified labour force is critical for competitiveness of the private sector and thus for the performance of the national economy. This assumption indicates that support to TVET is in general framed within a wider analysis of the needs and limits of the labour market and the economic situation and is designed as a component of other major economic programmes. This was especially true for ACP, Eastern Europe & Central Asia and Latin America during the second programming period.

This is confirmed by the CSPs of the twenty selected countries, the analysis of the available FAs of the six countries visited, and by the field visits themselves which in general show that support to TVET is included within a broader economic context and justified by socio-economic arguments.

In this way, in most cases TVET interventions respond to specific national objectives, backed by an analysis of the national economic development scenario. The same applies to specific interventions, such as TVET system development, teacher training and curriculum development.

Also, according to projects scrutinized during field missions, when TVET is among the areas of support, it contributes to improving its responsiveness to labour market needs. This applies in Jordan where the TVET Council, created with EC support, adopted a strategy for the E-TVET sector based on Jordan's National Agenda, aimed at strengthening the role of the private sector in vocational training, quality assurance and matching market demand with the supply of well-trained labour. Another example is Vietnam with the 'Labour Market Information System Programme' set up in the Ministry of Labour.

Concerning the link between TVET-initiatives and the previous analysis of the labour demand and future trends, all CSPs analyzed suggest that in most cases a needs assessments was undertaken to identify specific needs and, accordingly, to fine-tune the orientation of the support. The results of the analysis carried out on eight selected interventions confirm that TVET interventions are in most cases justified by specific labour market needs. Moreover in the FAs of the analyzed interventions it is often argued that, by targeting TVET components, the economy could benefit from a more qualified workforce, which in turn should ultimately improve economic competitiveness (See Box 24).

An interesting element is also the link between TVET intervention and the private sector, which has been strengthened throughout the period considered. This applies, for example, to Morocco with the project 'Appui au développement de la formation professionnelle dans les secteurs du tourisme, du textile et des nouvelles technologies de l'information et de la communication' and the 'Tourism Training Programme' in Tanzania, where the Government has always emphasized investment in human capital - also through private sector education - as a precondition for progress in development

and for reduction of poverty. In Jordan, in line with the National Social and Economic Plan, EC programmes are contributing to empowering the private sector to become more actively engaged in the broader national objectives of reducing poverty and unemployment. In Armenia, the EC poverty re-education programme specifically targets empowerment of private sector players in all areas relating to skills development.

As a complementary consideration, the indicators used for assessing the impact of TVET interventions on the labour market include the following: number of jobs created, decrease in under-employment; increase in educational attainment of the labour force; ratio of skilled workers and technicians within the labour force; and employers' perception of workforce competences. The definition of these indicators is usually also correlated with the National Poverty Reduction Strategy (for ACP countries this is a requirement).

(Source: JC 62 I.6.2.1., I. 6.2.2, I. 6.2.3 & I.6.2.4)

JC. 6.3

The programmes financed by the EC in the field of TVET have improved access of marginalized and vulnerable groups to TVET and coverage of different geographical regions according to the specificities of the countries

The screening of 37 TVET-relevant interventions shows that the most common aid modality is project approach while budget support was present in only two cases. According to the Inventory the total budget allocated to TVET is €m 653, approximately 26% of the total.

Of these interventions, €m210 was specifically allocated to supporting access to vocational education and training for women, youth, disadvantaged and vulnerable groups. The most significant commitment was to the project 'East Jerusalem YMCA Vocational Training Programme for Young People, Jericho' in the Occupied Palestinian Territory.

Access for marginalized groups was an explicit element of the strategy in 25 of the 106 surveyed EUDs. A very large majority of these interventions are in the Mediterranean region (80%), Africa (9%) and Central Asia (6%).

In financial terms 73% of the amount committed to interventions targeting TVET for marginalized and vulnerable groups has been allocated to lower-middle-income countries, 16% to upper-middle-income countries and only 11% to low-income countries. This suggests that the relative size of the interventions tend to be smaller in low-income countries than elsewhere.

The analysis carried out on twelve interventions in twelve countries confirms that the economic development context has to a large extent been considered and has resulted in targeted approaches. Moreover, as reported under JC 6.2, for most of the time TVET has been framed within a larger analysis of needs and limits of the labour market and the economic development situation. In most cases TVET interventions respond to national specific objectives, backed by a clear analysis of the country economic development scenario.

The field survey also confirms that when TVET is among the areas selected for support, individual interventions have taken into consideration the prevailing economic realities and national development priorities. Policy dialogue has contributed to this result, mainly in ENPI countries via the ENP Action Plans.

BOX 24 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO LABOUR MARKET NEEDS**EL SALVADOR**

- According to the EC country evaluation, the support to the national reform of the secondary education system, through the APREMAT intervention, delivered positive results, notably in terms of creation of excellence centres and the introduction of specific learning methodologies which have been adopted at national level, such as a skills-based syllabus in technical education at both secondary and post-secondary levels. There has also been progress in the degree of formalisation of the secondary technical area: official recognition of technical qualifications and creation of a specific area inside the Ministry of Education relating to technical education. In terms of impact at national level, positive outcomes of EC interventions in this area have started to spread, but it is difficult to assess to what extent these have reached the education network as a whole.

JORDAN:

- The TVET Council, created through EC support, adopted a strategy for the E-TVET sector based on the National Agenda aimed at strengthening the role of the private sector in vocational training and quality assurance and at matching market demand with the required supply of well-trained labour. The EC is comprehensively supporting TVET sector reform.

VIETNAM:

- The EC co-funded Labour Market Information System Programme (set up in the Ministry of Labour and present in 15 provinces) aims at improving the quality of labour market information and widening its dissemination to students, schools and employers in order to improve the functioning of labour markets and boost economic growth. The country strongly needs to train skilled workers and technicians in all areas of agriculture, industry and services to support its continued industrialization and modernization drive.
- Support to Vietnam National Administration of Tourism

SOUTH AFRICA:

- Support for the quality improvement of education and training bands of National Qualifications Framework.

MOROCCO:

- The project 'Appui au Développement de la Formation Professionnelle' aims at developing *inter alia* human resource managers for enterprises active in key economic sectors. The component 'vocational training' is based on an analysis of labour demand and specifically on the Moroccan economy's need for a more qualified workforce so as to increase its economic competitiveness to cope with the free-trade zone.
- The FA of project 'Appui à la création d'emploi' indicates that a careful preliminary analysis of the labour market is at the root of the establishment and reinforcement of job information and orientation centres aimed at enhancing the entry of young people into the labour market. This responds to one objective of the national employment strategy, namely the need to develop job and recruitment agencies able to act as intermediaries in the labour market, matching job supply and demand.

The evaluation also investigated the extent to which specific indicators and statistics were put in place at sector level to monitor and measure the access of specific groups to TVET (particularly women, youth and indigenous people), and concluded that such indicators were in most cases not included in the selected EC interventions (out of more than 12 projects this kind of indicator was found in only one case, the South African project TABELISA II). The reason seems to be that quite often indicators used to monitor the effects of EC interventions are the same as those used for national strategies and the PRSP, which usually do not include a clear breakdown of targets for specific sub-groups of the population. In Armenia, for example, the project 'Support to Poverty Reduction Strategy through the development of human resources as a result of a modern and efficient vocational education and training system' does not provide *ad hoc* indicators but nevertheless provides a small section on 'cross cutting issues' in which it addresses women and gender imbalances, more specifically the gender imbalance that characterizes

enrolment in secondary VET establishments (colleges). Similarly, the project ‘Vulnerable group development for ultra-poor (VGDUP)’ in Bangladesh does not include specific indicators but targets ultra-poor (UP) rural women household heads living in extreme conditions of marginalization, lacking any assets, skills or external support, and who are the most vulnerable group in rural society.

(Source: JC 63 I.6.3.1., I. 6.3.2, I. 6.3.3 & I.6.3.4)

JC. 6.4 Support to active labour market policies has been included in countries undergoing structural reforms, economic transitions, etc.

At regional level, regional policy and strategy documents indicate economic growth - achieved through enhanced trade, better regional integration and a conducive business climate - as the key to creation of more productive and better jobs. This specially applies to ACP and Latin America. Macro-economic reforms, enhanced investment and regulatory convergence are the means to generating growth and job creation in the Mediterranean region and this is translated into effective EC commitments in the related regional private sector and structural reform interventions.

The evaluation found that support to some active labour market policies - including development of systems for labour market monitoring, establishment of employment services and unemployment benefit systems - was included in the support to VTS in countries undergoing structural reform and economic transition. Furthermore, in the Mediterranean, Central Asia, Eastern Europe, Caucasus and Pacific regions, all countries undergoing structural reform and private sector interventions were benefiting from VTS interventions. In the Caribbean, South Asia and South-east Asia regions this applies to half of the countries, in Africa a rather lower percentage with 12 of the 28 countries concerned (43%).

The analysis of relevant interventions shows the existence of specific active market measures financed by to EC with a view to ensuring employability of workers (good examples are found in Jordan and Russia). In this respect it is interesting to note that in all regions most countries receiving assistance in the areas of structural reforms and private sector development are also benefiting from support in VTS areas. Even so, the first type of assistance is covering more countries, and usually with more significant financial commitments.

The reform package typically included support to the introduction of short-term skills upgrading courses and to involvement of private sector representatives in the governance of the TVET system. This, based on the analysis made by the evaluation team through review of the documentation, surveys and field visits, has contributed to improving the mobility and employability of the workforce, thereby contributing to the adjustment of the labour market to new economic realities.

(Source: JC 64 I.6.4.1., I. 6.4.2 & I. 6.4.3)

JC. 6.5 EC programmes in TVET and other active labour market supply measures have increased employability, especially of youth and women, and improved adaptation of work force to structural and global changes.

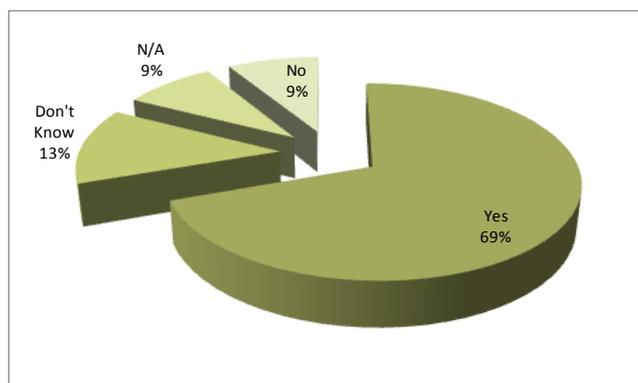
There are no data available that would have allowed a firm assessment and evaluation of this result. Even so, assessments made by interviewed EC, government and programme staff suggest that EC support for labour market supply measures and TVET have had a positive impact on the employability of beneficiaries. In the case of NCs almost 70% have a positive opinion of TVET interventions in terms of improved social inclusion in the labour market.

Concerning the final result of VTS activities in terms of the numbers of EC-supported skilled labourers employed after training or having maintained or changed their job following a structural reform process, no sufficiently adequate, precise or systematic data are available to provide a clear answer. However in El Salvador, as confirmed by the EC Country Evaluation, and as described in Box 25, the support to the national reform of the secondary education system promoted through the APREMAT intervention produced positive results, notably in terms of creation of excellence centres and introduction of specific learning methodologies adopted at national level, and in terms of official

recognition of technical qualifications and creation of a specific area inside the Ministry of Education relating to technical education, which facilitated access to employment for young people. Nevertheless, the impact of spreading these positive outcomes to direct beneficiaries at national level is slow.

As confirmed by the EC evaluation on education (2011), the MEDA Strategy Paper 2002-06 reinforced attention on education for employment and, in general, prioritized cooperation and development in vocational and higher sub-sectors, encouraging regional approaches. Also the 1999/2000 TACIS Regulation sought human resource development through education and training, with detailed action areas in support of institutional, legal and administrative reforms; the main focus was on vocational and higher education. In Bangladesh the EC supported PROMOTE (€28.82m, 1996-2005), a programme with the aim of facilitating a more gender-sensitive and equitable society by promoting girl-friendly secondary schools. Some 5,000 female secondary teachers were trained and employed, and 11 resource centres and 162 hostels for female secondary teachers were set up.

FIGURE 27: NATIONAL COUNTERPARTS PERCEPTION OF EC/TVET INTERVENTIONS FOR THE IMPROVEMENT OF SOCIAL INCLUSION IN LABOUR MARKET CONDITIONS



Source: Survey to National Counterparts (from Ministries and Public Institutions & from Social partners and other Non State Actors) in the twenty selected countries

(Source JC 5.2 I. 5.2.)

BOX 25 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO EMPLOYABILITY, ESPECIALLY OF YOUTH AND WOMEN

BANGLADESH

- The EC supported PROMOTE (€m28.82, 1996-2005), a programme aimed at facilitating a more gender-sensitive and equitable society by promoting girl-friendly secondary schools. Overall, by stepping into a key area affecting quality, access and retention of girls in secondary education, some 5,000 female secondary teachers were trained and employed, and 11 resource centres and 162 hostels for female secondary teachers were set up. EC support played a direct role in enhancing girls' enrolment in secondary education, and also contributed to changing the mindset among potential female teachers, and in society as a whole.

EL SALVADOR

- The EC also tackled access to employment for young people through its support to secondary technical education. Improvements in employability were related to those in education quality, as a consequence of better trained and qualified teachers, better adapted and more flexible curricula and, in some cases, better facilities and equipment. But in terms of impact at national level, spreading these positive outcomes on direct beneficiaries to the national level is slow.

8.7 **EQ 7: Decent work****EQ. 7**

TO WHAT EXTENT HAS THE EC CONTRIBUTED TO DECENT WORK AND THEREFORE TO SOCIAL COHESION AND MDG1B, THROUGH SUPPORTING THE CONDITIONS FOR THE APPLICATIONS OF THE DECENT WORK PRINCIPLES IN PARTNER COUNTRIES THROUGH SPECIFIC MEASURES IN FAVOUR OF VULNERABLE AND MARGINALIZED GROUPS?

COVERAGE OF THE QUESTION

This question covers the effectiveness and impact of EC support in relation to Decent Work strategic principles.

The answer presented below is based on several sources:

- i) Analysis of EC/ESI policy and strategy evolution also considering EC international commitments and EU internal policies*
- ii) Worldwide survey of EU Delegations*
- iii) Survey of National Counterparts (Ministries and public institutions & social partners and other Non State Actors) in the twenty selected countries*
- iv) Worldwide Inventory of EC ESI financial commitments*
- v) Analysis of all CSP/NIP in the programming periods 2002-2006 & 2007-2013 for the twenty selected countries*
- vi) Field assessment in the six visited countries*
- vii) Analysis of 45 relevant interventions used to inform indicators (each JC has its specific interventions' list) financed in the twenty selected countries (see Vol. 2, Section 2, Annex 8bis).*

GLOBAL ANSWER

EC internal policies have paved the way for the EC definition of policy orientations and measures in support of the achievement of decent work conditions at the level of partner countries. European internal policies already provided a framework for action in favour of employment, equal opportunities and social cohesion prior to the adoption of the Decent Work Agenda in 2006 and its appearance, as such, in EC external cooperation.

Nevertheless, in spite of this sound policy framework, EC bilateral support does not focus enough on country compliance with international commitments relating to decent work (DW) as a key issue in the overall cooperation dialogue and there is no systematic approach to setting out targets to help fulfilling this type of international agreement. DW as such is mostly regarded as a cross-cutting issue and in general is only given superficial attention. At the same time, EC poverty reduction support programmes include little consideration of DW-related principles and do not make specific reference to the implementation of the DWA and, therefore, to specific DWA monitoring indicators.

At implementation level EC support in this area has focused on two main pillars: social cohesion of vulnerable groups and labour governance.

- Within the first pillar the EC supported interventions targeting social safety nets; social protection of disabled, victims of violence, children at risk and other vulnerable groups; programmes aiming at facilitating and improving the social inclusion of women, youth, indigenous people and other disadvantaged groups; and measures to improve social policies and to support social welfare reforms with a global impact on the entire society.
- Within the second pillar the EC financed interventions in support of workers' rights; migrant rights; non-discrimination measures; measures targeting consultation/exchange of information between or among representatives of

governments, employers and workers, on issues related to economic and social policy, labour disputes, and trade unions; and measures supporting the institutional capacities of key relevant institutions and the labour markets' normative framework.

This second pillar has, however, one major weakness: taken as a whole, EC programmes on labour market governance do not include specific measures to address the impact on workers' rights and protection of trade and regional integration agreements with the EU.

Even so, EC commitments in the DWS area represent about 59% of total ESI interventions. If the ESI-Enlarged definition is taken into account, the share drops to 49%. A large part of Social Assistance funds benefit the Mediterranean region, while LAC mainly addresses Social Inclusion of Vulnerable Groups, and Africa and ACP (all countries) benefit most from Core Labour Standards-related support.

Also, the opinion of EUD officers and NCs on the EC's influence in DWS matters is generally quite positive, recognizing the introduction of specific legislation, gender and child labour, migration and freedom of association as areas in which the EC has contributed the most.

JC.7.1

Support to Decent Work principles in EC bilateral cooperation exist or has increased in importance and budget over time

&

JC.7.2

EC promotes the creation of an enabling environment to the introduction and application of DW principles

&

JC.7.3

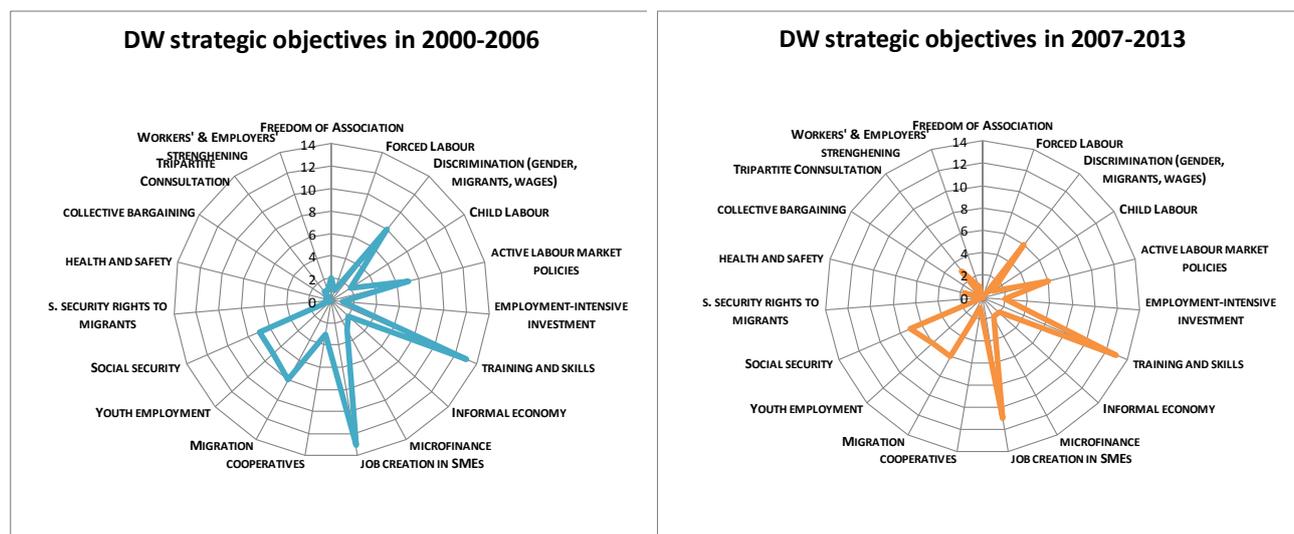
EC contribution to change in quality of work and inclusion in work market of specific groups at country level

On the policy framework

In terms of policy framework, the Lisbon Strategy and the European Social Agenda already provided a framework for action in favour of employment, equal opportunities and social cohesion within the EU, but these themes were not yet considered as core themes for EC development assistance. The European Consensus on Development (ECD) already covered the core elements of the DWA, notably: 1) the centrality of employment promotion and decent work for all; 2) preventing social exclusion and combating discrimination against all groups, including women, indigenous people, children and disabled people; 3) promotion of social and fiscal policies to promote equity, and 4) employment generation to promote social cohesion. Moreover, between 2000 and 2005 a new type of consensus has emerged leading to elaboration of the Decent Work Agenda (DWA) which, with the EC Communication *Promoting decent work for all. The EU contribution to the implementation of the decent work agenda in the world*, was officially adopted by the EC.

Even if the concept of DW as such mainly appears from 2005 onwards, its strategic objectives were then already present in EC cooperation from the beginning of the period under evaluation. In this respect, for the countries selected it can be stated that fundamental principles and rights at work and principles related to core labour standards, as well as principles relating to employment and income opportunities, were more present in the first programming period, while coverage of the principles of social protection and social dialogue to some extent increased during the second period.

FIGURE. 28: DECENT WORK STRATEGIC OBJECTIVES' CONSIDERATION IN NATIONAL INDICATIVE PROGRAMMES (NIPs), BY PERIOD AND NUMBER OF NIPs



Source: Own elaboration based on CSP's analysis

Nevertheless, in spite of this sound policy framework, up until now many CSPs have not provided a positive link between the country commitment to the DWA and related international conventions and the type and budget of projects supported by the EC in this area. Whilst many countries have ratified ILO Conventions, particularly in Africa and Latin America, the relevant CSPs do not refer to them. Reference to Decent Work can only be regarded as superficial in the sense that it is an “add-on” for which the country background typically indicates the heading “social situation employment and decent work”, but with very little substance in terms of what this actually means.

On effective commitments

But how are DW-related principles translated into effective commitments?

DWS commitments amount to €1,454 , which represents 59% of total commitments to ESI sectors, and 2,35% of global EC cooperation during the period 1999-2008. In its enlarged definition - including ESI interventions in the field of poverty reduction, structural reforms, private sector development, microfinance and rural development - DWS total commitments increased to €4,963, or 49% of the total funds committed to ESI-Enlarged, and 8% of global EC cooperation.

Over time - mainly from 2003 - support to DWS has been on the rise, even if with a decrease in commitments in 2006 and 2008. Social-Assistance-related interventions, for which the main target is the Mediterranean region with 82% of funds, is the only micro-sector experiencing an increase in 2008, from €7 to €769.

Globally:

- The Mediterranean region benefits from 60% of the total funds committed to DWS. As already mentioned it is the main target for Social Assistance interventions. it is also a target for measures supporting the institutional capacities of key relevant institutions and the labour markets' normative framework.
- Africa and Latin America mostly benefit from funding for social inclusion of vulnerable groups.
- Latin America benefits from funds committed to measures for improving social policies and supporting social welfare reforms with a global impact on the entire society.
- Africa and ACP (all countries) benefit most from of core-labour-standards-related support.

- Finally, Eastern Europe benefits from measures targeting consultation and exchange of information between representatives of governments, employers and workers, on issues relating to economic and social policy, labour disputes and trade unions.

In the field of institutional strengthening and the labour market legislative framework, the EC has supported several interventions, such as those described in Boxes 26 & 27 for Jamaica, Jordan, Morocco and Vietnam.

In the field of social assistance of vulnerable groups and social inclusion of marginalized groups, the contribution of the EC has also been significant, as described in the examples reported in Box 28 for Bangladesh, Brazil, China, Egypt, El Salvador, Jordan, Morocco and Ukraine.

Overall it can be stated that institutional strengthening and issues relating to the labour market legislative framework are addressed in the analyzed EC interventions, even if in global terms EC support to labour governance is rather limited when compared to the rest of the DWS sectors (6%) and to the total allocation to ESI-related cooperation (3%). Middle-income (mostly lower/middle) countries receive 58% of labour-governance-related cooperation.

Taken as a whole, EC programmes on labour governance do not include specific measures to address the impact on workers' rights and protection of trade and regional integration agreements with the EU. An exception is minimum wages via the EC trade integration project MUTRAP in Vietnam.

The analysis of the consideration of DW-related principles in EC poverty reduction support programmes shows that they do not provide specific reference to implementation of DWA or, therefore, to specific DWA monitoring indicators.

As regards the specific poverty reduction interventions analyzed in seven ACP countries, overall DWA is not explicitly addressed as a key issue or a priority. Of 15 programmes scrutinized, none specifically includes actions or indicators falling within the scope of DWA. To a limited extent it can be asserted that only two interventions make an indirect link to the social protection of workers or vulnerable groups and social dialogue (Jamaica and Niger).

BOX 26 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO INSTITUTIONAL STRENGTHENING AND LABOUR MARKET LEGISLATIVE FRAMEWORK

JORDAN:

- Special labour market governance issues have been covered under the umbrella of broader EC interventions. An example is the support to the ratification of C.87 on Freedom of Association which was mobilized through implementation of the Action Plan when an Inter-Ministerial Committee urged the Prime Minister to consider its ratification.
- 'Jordanian Labour Empowerment through Labour Rights Education and Capacity Building': the project promoted the design of a labour rights development package, a labour rights training workshop, a review of labour legislation, and a seminar for the leadership of the General Federation of Trade Unions.
- The EC supported a social dialogue project in cooperation with the MoL and the International Organization for Migration (IOM) for reinforcing the capacities of the social partners to practise social dialogue.
- EC Conditionality Matrix of Indicators for disbursement of EC SBS to E-TVET reforms (2009-2013) specifies enhancement of social dialogue through an operational ECOSOC and Tripartite Committee.

MOROCCO:

- 'Programme d'appui aux associations professionnelles II': the programme aims to reinforce, among other things, dialogue between Government and professional associations.
- 'Appui Institutionnel à la Circulation de Personnes': the project aims to improve the legal movement of persons for work purposes between EU and Morocco. Specifically it aims to reinforce the capacity of the national agency and to train officials on the migration legislative framework.

BOX 27 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO INSTITUTIONAL STRENGTHENING AND LABOUR MARKET LEGISLATIVE FRAMEWORK (CONTINUATION)

JAMAICA:

- The ILO-executed Regional Programme (all regions) for Child Labour - TACKLE.

VIETNAM:

- Since 2006 the EC has been relentlessly supporting, through the PRSP policy dialogue, revisions to the Labour Code which will improve the current mechanisms for dispute resolution at enterprise level which are well adapted to addressing labour discontent (as exemplified by a decline in the number of wildcat strikes).
- 'Empowerment of Workers and Trade Unions in Vietnam' project: the 'Participatory Learning and Action' activities are expected to help workers have a clearer understanding of their conditions and rights and encourage them to play an active part in their own representation and organization. The PLA will allow testing of more participatory forms of workers' organization. In this sense strengthening the representative role of trade unions involves helping the unions to become a more effective conduit for bringing grassroots voices to the policy level.
- The EC Trade Integration Project MUTRAP should facilitate meeting WTO accession conditions of creating a level playing field by raising the level of minimum wages in the domestic sector to that of the foreign investment sector (with 50-60% of those earning minimum wages being women or youth).

Similarly, in non-ACP countries (ASIA, ENPI, Latin America) DWA is not explicitly addressed as a key issue or a priority. However, within nine programmes scrutinized, five interventions include issues relating to social protection, social empowerment and social dialogue (Bangladesh, El Salvador, Jordan, Tunisia and Vietnam).

(Source: JC 1.1 I.1.1.3, JC 1.2 I. 1.2.3 &

JC 71 I.7.1.1., I.7.1.2., I.7.1.3 and I. 7.1.4. & JC 7.2 I.7.2.1, I. 7.2.2, I. 7.2.3, I. 7.2.4 and I. 7.2.5 & JC 73 I. 7.3.1)

On EC contribution to labour governance frameworks

But what is the impact of EC support on national labour governance frameworks? Has the EC helped with the effective introduction or application of specific legislation in areas relating to strategic DW objectives? According to EUD officials and NCs the answer to the last question is yes, even if this opinion is clearly expressed by only a relatively small proportion of interviewees (18,5% of EUD officials and 27% of NCs). Eastern Europe & Central Asia and the Mediterranean are the regions where the EC has played a more important role in this regard. Gender and child labour¹¹⁶ are recognized as the areas in which the EC has been more successful in introducing legislation. Tripartite consultations, and issues related to workers' and employers' organizations, are also two of the areas in which, according to national officials, EC has had a role in supporting the introduction or application of new legislation.

In coherence with the EC's role in the introduction of specific legislation, gender and child labour, followed closely by migration and freedom of association, are recognised as the areas in which EC has contributed the most.

Considering the EC' role in the effective introduction or application of specific measures in areas related to DW strategic objectives, the ACP, followed by the Mediterranean, are the regions where EC has played the most important role. According to the results of the Inventory, social inclusion of marginalized groups (SI) accounts for 7% of global ESI commitments (regional plus country-level), and when programmes of social assistance to vulnerable groups (SA) are added, the percentage rises to 48%.

¹¹⁶ This in spite of the lack of reference in the CSPs of the sample of 20 countries of child labour as a specific area to be covered by EC support.

Moreover, the analysis of the seven selected interventions confirms that EC programmes in the sectors of SI and SA have been able to link support to marginalized and vulnerable groups with their participation in labour market.

According to the same Inventory, EC allocations to interventions in the field of labour governance (LG) in support of core labour standards (LG-CLS) amounts to €m61 or 4% of total DWS commitments; support to institution-building (LG-IB) received approximately €m20 or 1% of the total, and social dialogue (LG-SD) €m2, less than 0.2% of the total. Overall, EC programmes in labour governance include specific actions in favour of empowerment of social actors and of increasing their participation in the social dialogue.

Concerning measures to address the impact of EC interventions on workers' rights and protection of trade and regional integration agreements with the EU, it can be stated that the analysed EC programmes do not cover such specific issues: of 14 projects scrutinized there are only two exceptions, Morocco and Vietnam.

BOX 28 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO SOCIAL ASSISTANCE OF VULNERABLE GROUPS AND SOCIAL INCLUSION OF MARGINALIZED GROUPS

BANGLADESH

- The project 'Empowerment of Adolescent Girls' aims at empowering adolescents, especially girls, in participating meaningfully in decisions affecting their lives (including education, livelihood strategies and increasing age at marriage); becoming active agents of social change; and creating and sustaining a supportive environment for adolescent girls' development at household and community levels.

BRAZIL

- The project 'Urban social inclusion' has the objective of supporting the social inclusion of marginal groups living in the central suburbs of São Paulo.

CHINA

- As confirmed by the mid-term evaluation report (2009) the project 'European Union-China Social Security – EUCSS' arrived at a time of need in the search for modernization in the direction of best world practice and for international recognition. EUCSS served both these objectives with its study tours and round tables, allowing Chinese and international experts to meet, exchange knowledge, and recognize each other's, serving as a showcase for China's modernization quest. Unfortunately, the real challenges to the integration of social security at national level in China were not fully recognized at the time by the NCs themselves, and therefore, not assigned among EUCSS activities. The new confidence of Chinese officials was shown in their response to the recent financial turmoil. China has proved itself able to adjust its social policies quickly and adequately when faced with an external crisis. All the tools of social security were put at the service of macro-economic policy: massive contribution holidays and reduced insurance premiums for vulnerable companies, substantial increases in benefits, and so on. To that extent the EUCSS project can be said to have been successful.

EGYPT

- The project 'social development and civil society: children at risk' is aimed at reducing poverty among children at risk, improving their social development, and also at enhancing the capacity of NGOs to contribute effectively to social development. Actions are oriented in such a way as to contribute to improved living conditions and to the prospects for social reintegration of five groups of economically vulnerable and socially marginalized children; to facilitate girls' access to education; and to strengthen the NGO sector.

BOX 29 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO SOCIAL ASSISTANCE OF VULNERABLE GROUPS AND SOCIAL INCLUSION OF MARGINALIZED GROUPS (CONTINUATION)**EL SALVADOR**

- The project 'PROJOVENES' has the specific goal of providing increased quantity and quality of opportunities for 50.000 young people (10–25 years old) at social risk in the San Salvador Metropolitan Area. It created opportunities for job training and formal employment mediation; and technical support for the establishment of companies able to contribute to youth risk and family development at community and municipal level, including promotion and access to employment workshops and training schemes for young people. According to EC Country Evaluation results, in its support to juvenile delinquency the EC adopted a pioneering approach, in focusing on prevention while Government policies were initially characterized by repressive plans. With the Projóvenes project it contributed to a decrease in juvenile delinquency in the areas where it intervened. Moreover, it may be claimed that the EC, through Projóvenes I, has contributed to a change of direction in the policies to fight violence in the country and this can be considered as a significant overall impact as such. However, the main interest of these local impacts lies in their potential to be reproduced, and this has not materialised so far.

JORDAN:

- The programme 'Social Empowerment and Human Rights' specifically provides training for young women,
- The project 'Support of the JWU Shelter to provide: protection; legal, social and psychological counseling; and rehabilitative vocational training to vulnerable and abused women' targets marginalized and vulnerable groups with the global aim of improving their quality of life, availability of protection, counselling, and rehabilitation services, and the overall effectiveness of protection services for all women victims of violence
- The programme 'Izdihar - Social Empowerment and Human Rights' provides training for young women

MOROCCO:

- The project 'Appui au Développement Humain et à l'Intégration Sociale' targets the social inclusion of women and people with disabilities.

UKRAINE

- As confirmed by the EC Country Evaluation (2011), although social issues are no longer a priority area of EC cooperation with the country, as defined in the CSP 2007-2013, during the period under evaluation the EC devoted a significant volume of resources to interventions targeting the reform of the social assistance sector and other social issues. This was successful in addressing the lack of coherence and efficiency of the existing system through the introduction of an integrated approach to assistance for vulnerable families and children. This pilot approach is strongly supported by the Ministry of Family, Youth and Sport (MoFYS) and is currently being extended to new Oblasts. More recently the EC has undertaken to equip the Ministries involved with an information system and with analytical tools for the formulation of more effective and efficient policy measures on a rational basis, and to monitor the outcomes of this assistance.
- Social assistance benefits were usually delivered under five main programmes: (i) social privileges; (ii) Chernobyl benefits; (iii) housing and utility allowances; (iv) family benefits which in turn include 11 types of benefit; and (v) social assistance for low income families. The EC implemented in 2005-2007 the project "Development of integrated social services for exposed families and children", which aimed precisely at improving the coherence and efficiency of social assistance provision through the development, and implementation on a pilot basis, of innovative models of integrated social services. Based on the lessons learned, the project enabled MoFYS to make recommendations for improving the existing legislation with a view of facilitating implementation of a basic package of social services. Firm proposals for the planning and financing of integrated social services were developed, which demonstrated that the new approach is less costly than the previous one while being more effective. A Training Centre was established, trainers were trained and manuals were developed to strengthen the capacity of the staff of Social Centres to implement the new approach to the delivery of social services. A public awareness campaign was conducted to promote foster care over institutional care. This project is unanimously assessed as particularly successful. Family Support and Early Prevention services were developed in 35 Rayons and city administrations, foster care in 19 Rayons, while a full range of Integrated Social Services delivered in two Rayons through a "single window" organization. Family social workers were introduced in a number of villages. The project played an active part in drawing up the new Law on Social Services for Families which was approved in November 2006, and in drafting of the De-Institutionalization Strategy and of a series of by-laws and regulations. Performance indicators for the project prove the effectiveness of the approach. The model is now replicated in new Oblasts with the assistance of other donors. although MoFYS considers that this extension is much too slow.

**BOX 30 : EXAMPLES OF EC PROGRAMMES RESPONSIVENESS TO SOCIAL ASSISTANCE OF VULNERABLE GROUPS
AND SOCIAL INCLUSION OF MARGINALIZED GROUPS
(CONTINUATION)**

UKRAINE (CONTD.)

- The two-and-a-half year project “Support to the development of a mid-term strategy for improving the system of social benefits”, launched in July 2008, addresses another weakness of the social assistance system, namely the lack of reliable information for designing social policy. The project contributes to the development at the Centre for Social Prospective Studies, a research institute under the aegis of the Ministry of Labour and Social Policy (MoLSP), of a Data Collection and Analysis Centre designed to collect, process and analyze information at macro and micro level on the living conditions of the Ukrainian population. In parallel, the project supports the Ministry in developing advanced models and methodologies for projecting budget allocations for social protection, based on statistics on that part of the population eligible for different types of social benefit. Finally, the project supports the Ministry in developing possible scenarios for the modernization of the social assistance system with a focus on optimization and increased efficiency of existing budget resources. MoLSP is the main beneficiary of the project, but the MoFYS and the Ministry of Finance are closely associated with its implementation through their participation in the project Steering Committee and working groups in which WB and SIDA also participate. MoLSP is confident that, thanks to the tools developed, by the end of 2010 the project will be able to develop a financially sustainable strategy for the development of a system of social protection more effectively meeting the needs of vulnerable groups in the population.
- The EC also implemented a large number of smaller projects, most frequently implemented by CSOs, which targeted specific vulnerable groups such as Roma children, people suffering from HIV/AIDS, people with intellectual disabilities, the homeless, street children, women victims of trafficking, and other such groups.
- The EC project “Strengthening Civil Society in Ukraine” mentioned above contributed in those Rayons where it was implemented to improving cooperation between local authorities and CSOs in the delivery of social services. The project ‘Gender Equality in the World of Work’ aims to build up the capacity of authorities and social partners to ensure respect for national and international gender equality commitments in the world of work, progressively eliminating gender biases in employment policies and sexual harassment at the workplace, and creating a supportive environment for women’s economic empowerment and women entrepreneurship.

SOUTH AFRICA

- The programme known as the ‘EU SPSP’ has the overall objective of improving the quality of life of marginalized communities within the framework of the urban renewal programme.

VIETNAM:

- Since 2006 EC is relentlessly supporting, through the PRSP policy dialogue, revisions to the Labour Code which will improve the current mechanisms for dispute resolution at enterprise level which are well adapted to addressing labour discontent (as evidenced by a decline in the number of wildcat strikes).
- ‘Empowerment of Workers and Trade Unions in Vietnam’ project: the ‘Participatory Learning and Action’ (PLA) will allow testing of more participatory forms of workers’ organization. Strengthening workers’ representative role of trade activities is expected to help them gain a clearer understanding of their conditions and rights and encourage them to play an active part in their own representation and organization. At the same time strengthening the representative role of trade unions involves helping them to be a more effective conduit for bringing grassroots voices to the policy level.
- The EC Trade Integration Project MUTRAP should facilitate meeting of the WTO accession conditions of creating a level playing field by raising the level of minimum wages in the domestic sector to that of the foreign investment sector enterprises (with 50-60% of those earning minimum wages being women or youth).

In countries considered vulnerable in terms of their size or limited export diversification, the Generalised System of Preferences, in particular the GSP+, granted to those countries having ratified and effectively implemented 27 specified international conventions in the fields of human rights, core

labour standards, sustainable development and good governance, has played an important role in the effective introduction or application of specific legislation.

(Source: JC 73 I. 7.3.2, I. 7.3.3)

JC. 7.4 EC support to DWSC contributes to the MDG 1B

Overall, in the selected countries economic growth and declining unemployment are translated into rising employment only to a limited extent. Such a development cannot be attributed to a single donor intervention; it is very difficult to distinguish the effects of EC programmes from other factors impacting on the employment situation in partner countries. But in any event it should be noted that NCs' perception of the EC's role in employment creation and improvement of social inclusion in the labour market is largely positive (See Fig. 29 & 30).

FIGURE 29: NATIONAL COUNTERPARTS' PERCEPTION ON EC'S CONTRIBUTION TO LABOUR MARKET POLICIES AND PROGRAMMES TO THE IMPROVEMENT OF EMPLOYMENT CREATION CONDITIONS

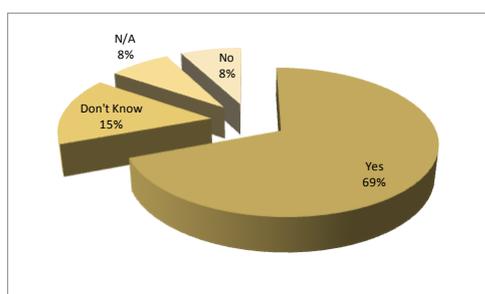
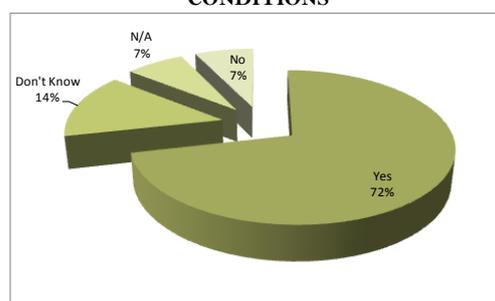


FIGURE 30: NATIONAL COUNTERPARTS' PERCEPTION ON EC'S CONTRIBUTION TO SOCIAL INCLUSION INTO THE LABOUR MARKET TO THE IMPROVEMENT OF SOCIAL INCLUSION INTO THE LABOUR MARKET CONDITIONS



Source: Own elaboration based on Survey to National counterparts (from Ministries and Public Institutions & from Social partners and other Non state actors) in the twenty selected countries

Unfortunately the lack of reliable and consistent statistics over the period under evaluation does not allow a broad and comprehensive understanding of the main trends in the labour market over the years 1999-2008. But despite this lack of updated and reliable information, an effort has been made to conclude the analysis with some general basic data and trends, utilizing available sources of information and statistics.

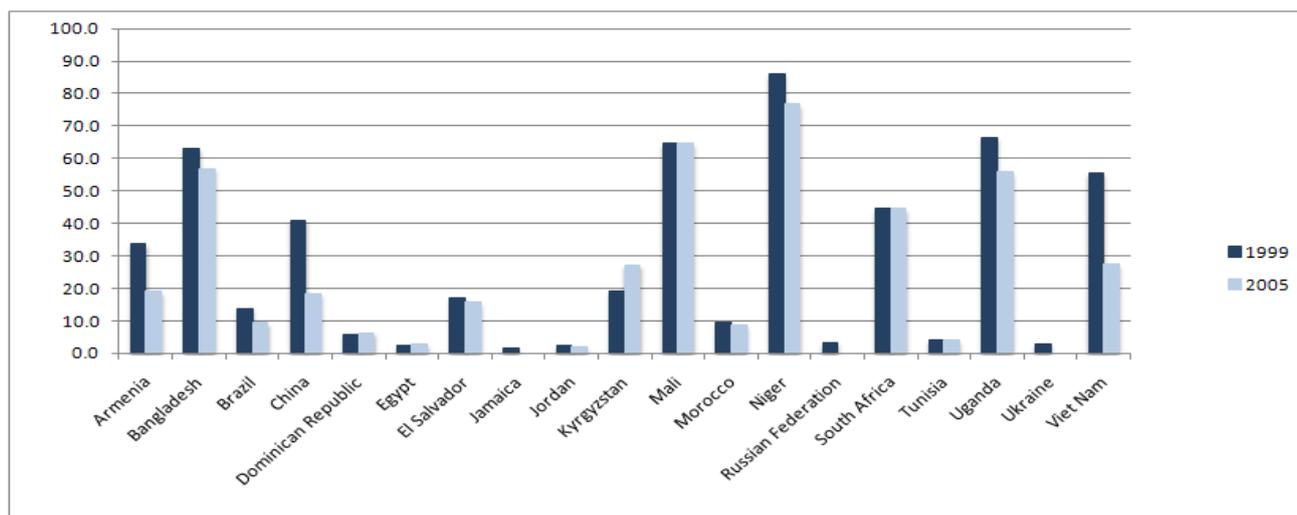
In terms of employment, data are provided for the 'employment to population ratio', which measures the proportional level of employment among the working-age population:

- Proportion of employed people living below \$1 (PPP) per day¹¹⁷ (see Fig. 31)

For the countries considered, the situation shows a quite general improvement between 1999 and 2005. Even so, countries such as Bangladesh, Mali, Niger and Uganda continue to exhibit a dramatic distribution, with over 50% of employed people in this ultra-poor stratum.

¹¹⁷ The proportion of employed persons living below \$1 (PPP) per day, or working poor, is the share of individuals who are employed, but live in a household whose members are estimated to be living below the international poverty line of \$1.25 a day, measured at 2005 international prices, adjusted for purchasing power parity (PPP). ([HTTP://UNSTATS.UN.ORG/UNSD/MDG/](http://unstats.un.org/unsd/mdg/))

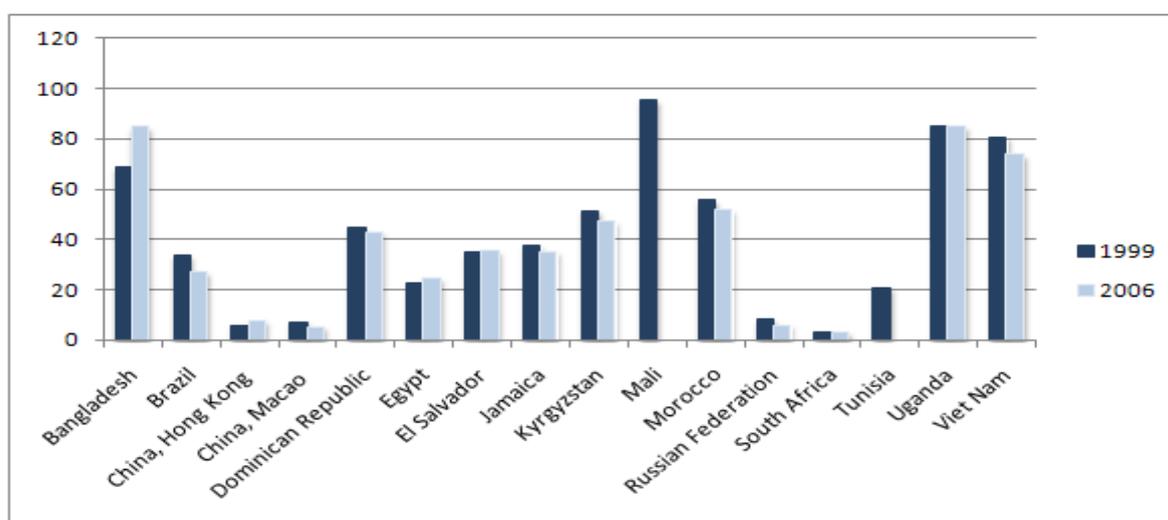
FIGURE 31 : PROPORTION OF EMPLOYED PEOPLE LIVING BELOW \$1 (PPP) PER DAY



Source: UN stat, Data on MDGs ([HTTP://UNSTATS.UN.ORG/](http://unstats.un.org/))

- Proportion of own-account and contributing family workers as compared to total employment (information is not available for the whole set of selected countries)¹¹⁸ (see Fig. 32)

FIGURE 32 : PROPORTION OF OWN-ACCOUNT AND CONTRIBUTING FAMILY WORKERS OVER TOTAL EMPLOYMENT



Source: UN stat, Data on MDGs ([HTTP://UNSTATS.UN.ORG/](http://unstats.un.org/))

The situation is quite similar to that shown in the previous Figure, exhibiting a general slight improvement in the form of a decrease in the informal and unprotected labour represented in this

¹¹⁸ Vulnerable employment is defined as the sum of the employment status groups of own-account workers and contributing family workers. Own-account workers are those workers who, working on their own account or with one or more partners, hold the type of jobs defined as self-employment (i.e. remuneration is directly dependent upon the profits derived from the goods and services produced), and have not engaged on a continuous basis any employees during the reference period. Contributing family workers or unpaid family workers are workers who are self-employed and/or work for the own-account worker related person living in the same household.

([HTTP://UNSTATS.UN.ORG/UNSD/MDG/](http://unstats.un.org/unsd/mdg/))

category, with Bangladesh, Mali (no data for 2006 and no data for Niger), Uganda and Vietnam among the worst-placed countries.

As an evident and simple but very serious consideration, in spite of the significant results of the EC's efforts, much remains to be done in DWS and, more generally, in ESI-related matters. National and regional-level special efforts, complemented by international assistance and funding, are still widely needed.

(Source: JC 52 I. 5.2.3. & JC 74 I. 7.4.1)

SECTION 4: OVERALL ASSESSMENT, CONCLUSIONS & RECOMMENDATIONS

9 OVERALL ASSESSMENT

Three major observations can be made:

1. ESI support continues to represent a significant priority in EC development policy and current programmes. The continuous attention to ESI reflects both:
 - the value added of the EU's assistance, with its concern for the combination of growth and employment along with social inclusion (in accordance with the Lisbon European Council of 2000), and
 - a commitment to integrating into its development framework the UN Agenda, mainly including the orientations of the Copenhagen Social Summit (1995), the MDG Declaration (2000), and the Decent Work Agenda (2006).

In its ESI programmes the EC has developed an integrated approach, combining support to growth and the private sector with support to employment generation, social inclusion and social protection, education, vocational training, human rights, and so forth. The areas of labour demand, labour supply and labour governance have been largely covered.

The EC has also been able to adapt ESI support priorities to different regional and country contexts, strengthening this or that sub-sector according to the specific priorities and trends. Particularly in the ENP area, it has been able to approach most of the sub-sectors in a relatively coordinated way.

2. In the view of the evaluators, however, one major limitation of the applied strategy is the weak mainstreaming of the ESI focus in the EC main programmes and a poor sectoral or thematic approach:
 - There is a weak or inadequate explicit focus on ESI results in the country and regional strategies. ESI support is not adequately mainstreamed in the various components of such strategies. ESI indicators are restricted almost exclusively to the ESI-specific programmes, even though they are affected by most development interventions. In consequence there is insufficient attention to maximizing the ESI effects of such interventions.
 - The sectoral and thematic approach to ESI is still poor. With few exceptions, mainly in the ENP area, there are no attempts to address the ESI themes, in particular employment, as a comprehensive and complex issue requiring interconnected and complementary interventions (inclusive growth, education, governance¹¹⁹) which would benefit from strong government coordination, the participation of the social partners, and joint harmonized action with other donors.
3. The adoption of a more comprehensive approach - in spite of its difficulties on account of the multi-sectoral nature of the thematic areas involved - would allow a more diversified use of budget

¹¹⁹ See World Bank and other Development Banks, *Towards A New Partnership for Inclusive Growth in the MENA Region*, May 2011

support and of flexible and policy-sensitive implementation instruments such as cluster projects¹²⁰ or inter-institutional support (twinning). Another general point relates to the need for the EC to develop its specific know-how in ESI support. This variously implies:

- development of specific intervention modalities, in particular budget support with a focus on ESI matters; and sectoral programmes in support of active labour market supply policies (including TVET), social protection, etc.;
- stronger specific expertise to improve identification, monitoring and evaluation, especially in some EUDs, and better internal exchange and coordination between the development and sector-specific DGs within the Commission;
- strengthened collaboration with specialized EU agencies (the ETF) and international institutions such as ILO, WB, OECD, and others. In the specific case of ILO, today's collaboration is limited to specific operations and is partly instrumental, as ILO profits from the EC's financial resources and the EC profits of ILO's skills and networks.

10 CONCLUSIONS

The conclusions are organized into three **clusters**, as follows:

- i) Policy and Strategy
- ii) EC Response Strategy, Programming & Implementation
- iii) Coordination and Complementarity

and by the results expected in the three **Macro-sectors**:

- a) Employment opportunities increase as result of the support
- b) Employability as result of TVET
- c) EC contribution to Decent Work

For each conclusion, the following information is provided:

- indication of the related EQ(s);
- the priority level ranging from high (1) to low (3), reflecting the current views of the evaluation team of the usefulness of each conclusion for providing strategic information to EC policy and decision makers and practitioners that may lead to changes or improvements in the EC's ESI policy and cooperation strategy;
- the strength of the conclusion ranging from normal (1) to limited (3).

This Chapter concludes with a table summarizing the conclusions by priority order and cluster.

¹²⁰ Associated or combined projects, agreed upon and carried out in a coordinated way between a beneficiary and some of its international partners.

10.1 Conclusions by cluster

ON GLOBAL POLICY & STRATEGY

1. *Employment and Social Inclusion are among the priority sectors/themes of EC development policy and strategy. Even if the focus on employment creation has in many cases been relatively weak or only indirect, and social inclusion has not often been indicated as an expected result in itself, EC development policy and strategy over the period has given sufficient consideration to the importance of Employment & Social Inclusion-related issues for the achievement of sustainable economic and social development and the reduction and progressive eradication of poverty.*

FROM EQ1

PRIORITY: 2

STRENGTH: 1

- 1.1. The EU has continued to progressively adapt and adjust its development policy in the area of Employment and Social Inclusion to new international trends and commitments (as with the Copenhagen Social Summit in 1995 and the Millennium Declaration in 2000), fully confirming the EU's engagement in multilateralism.
- 1.2. The EU has contributed to, and enriched, the international development debate on ESI-related issues through the externalization of its internal policies and values, such as the European Social model, now recognized as an important European added value for the socio-economic policies of third countries.
- 1.3. The importance of employment in economic and social policy formulation, and of due attention to social and labour rights advancement and prevention of social exclusion, was already evident in EC external policies in the late 1990s. In 2004 a more explicit common vision and a more comprehensive policy approach to EC ESI-related cooperation were defined and implemented, in line with which the EU, and in particular EC ESI policies, now assigns high priority to internal coherence between economic effectiveness, justice and social cohesion.
- 1.4. However, in the majority of the interventions the focus on employment creation is relatively weak or at best indirect. This is reflected in the quite common absence of detailed analyses of the dynamics of the labour market and the challenges and development perspectives it faces in relation to macro-economic interventions as well as in targeting job creation, mainly via the promotion of the private sector.
- 1.5. Similarly, social inclusion is quite often a component of budget support and macro-economic reform programmes and not an expected outcome in itself. In countries with large vulnerable and minority groups, this is reflected in a certain lack of capacity to conceive and apply specific approaches to effectively addressing the specific situation of the poorest communities. More importantly the link between cooperation activities targeted on the economic reform process and international integration, and those focused on poverty reduction and job creation, is quite often not as clear as it should be.

2. *The EC has adopted in its diversified regional cooperation frameworks an integrated approach to ESI global policies which combines sectoral*

- 2.1. Recent attention to social cohesion, including that in relation to migration and, more recently, to decent work, have further stressed the emergence of an integrated approach combining economic development and social

objectives with growth and equity strategies. This integrated approach is stronger in countries covered by the European Neighbourhood Policy.

FROM EQ1, EQ2

PRIORITY: 1

STRENGTH: 1

equity.

- 2.2. This integrated approach is very present in Mediterranean countries, in Eastern Europe and Central Asia, and in China, translating a responsive strategy adapted to partner countries' specific contexts.
- 2.3. Mediterranean and Middle East countries have benefited from a holistic approach in the EC's policy and strategic framework throughout the period considered. Support to human resources development linked to TVET appeared from the beginning to be highly responsive to economic transition processes and labour market needs. Support to macro-economic reforms, enhanced investment, and regulatory convergence has contributed to boosting growth and job creation.
- 2.4. In LAC countries a constant theme of policy dialogue has been the concern for the social deficit and inequalities in the region. Since 2000 social cohesion has become the backbone of EC support to LAC social sectors¹²¹, while support to economic development is mainly via the private sector and, more recently, the Decent Work Agenda. Even so, an integrated approach combining economic development and social equity, with an explicit linkage to employment and job creation, remains to be more systematically adopted and implemented.

3. *The coherence of EC programmes and policies is facilitated by global partnership agreements. Coherence between country and regional sectoral objectives, as well as between such objectives and other EU policies, is better pursued and facilitated where a strong bilateral, regional or global political framework exists.*

FROM EQ1, EQ4, EQ6

PRIORITY: 1

STRENGTH: 1

- 3.1. In southern and eastern neighbouring countries, the inclusion of ESI-related issues into policy dialogue is facilitated by the existence of the ENP framework, and the related Association, Partnership and Cooperation Agreements with their sectoral sub-committees and working groups. A comprehensive partnership has existed since 1995 with the Mediterranean countries. The introduction of the European Neighbourhood Policy in 2004, with the objective of strengthening closer political ties and moving towards economic integration with the 16 southern and eastern neighbouring countries, has further strengthened the degree of coherence of EC cooperation. The ENP Action Plans appear to have had an effect on the progressive incorporation of core labour standards, together with a stronger focus on employability and social protection.
- 3.2. A similar framework, although in a different geopolitical context, applies to Latin America through the Heads of State and Governments EU-LAC Summits. Social

¹²¹ One major example, which could be worthy of replication, is the EUROsociAL programme, the general objective of which is to contribute to increasing the degree of social cohesion in Latin American countries through policy dialogue and exchange of best practice between European and Latin-American administrations, while acting on education, health, justice, fiscality and public employment policies in order for these to become social cohesion vectors..

cohesion has become a key area for bilateral and regional policy dialogue and a high priority for cooperation.

- 3.3. EU-Asia relations are regulated by the importance of strengthening the economic partnership, and employment and social issues are typically referred to as topics for dialogue and exchange of experience between EU and Asian partner countries. Social protection seems to be one of the pillars responding to regional policy evolution, in particular within ASEAN where recent commitments to accelerating the establishment of an ASEAN Community have resulted *inter alia* in the formulation of Economic and Socio-Cultural Blueprints.
- 3.4. For the ACP, coherence is mostly promoted via EPA negotiations aimed at promoting sustainable development and poverty reduction by helping the integration of ACP countries into the world trading system and supporting their own regional economic integration. This is in line with the African agenda on Employment Promotion and Poverty Alleviation, as well as with the Caribbean agenda on job creation to fight poverty in the framework of the OAS¹²².

4. *The informal economy is quite often overlooked. Despite its responsiveness to local contexts, EC development strategy does not yet reflect, as proposed in its staff working paper on 'Promoting Employment through EU Development Cooperation', adequate attention to improving access to employment and adequate working conditions for the poor in the informal economy. This especially applies to LICs.*

- 4.1. The informal economy is tackled in the CSP labour market analyses for middle-income countries (lower-middle Mediterranean and upper-middle ACP countries) but this has not resulted in targeted actions. Moreover, the indicators relating to the impact of TVET interventions on the labour market do not relate to the informal economy. This is particularly important where, as in Africa, the informal economy plays an essential role and also where, as in Latin America, policies towards the informal economy are more and more central to national government policies (Perú, Bolivia, Ecuador, etc.)
- 4.2. For instance, there are no specific EC strategies with a regional focus on improving labour skills in the informal economy, although in many countries the informal economy accounts for the biggest share of GDP.
- 4.3. This relative lack of policy and intervention focus on informal economy employment and social inclusion issues is even more serious when one considers that at global level, during the period under evaluation, the weight of the informal economy has remained very high in most

FROM EQ1, EQ5, EQ6

PRIORITY: 1

STRENGTH: 2

¹²² Please refer to Volume 2 – Annex 7 for details on the African agenda on Employment Promotion and Poverty Alleviation and the Latin American & Caribbean agenda on job creation to fight poverty in the framework of The Organisation of American states.

poor countries¹²³.

- 4.4. At the same time, in countries where there has been a substantial and continuous effort (including EC support) to ease progress from the informal to the formal economy, either the relative share of formal economy employment is gradually increasing, or the levels of protection and organisation in the informal economy are rising¹²⁴. In this respect the macro-economic reforms supported by the EC in many countries can be expected to have had a long-term positive impact on facilitating this shift through increased employment opportunities in the formal economy.

ON EC RESPONSE STRATEGY, PROGRAMMING & IMPLEMENTATION

5. *EC strategies are responsive to the specific contexts, but do not exhibit a strong comprehensive sectoral or thematic approach. EC strategies, programming and effective commitments reflect - with noticeable differences between regions and national income levels - attention to employment issues in the formulation of economic and social policies. There is also a focus on the advancement of social and labour rights and prevention of social exclusion. But in terms of specific comprehensive strategies in the ESI areas, an articulated sectoral or thematic approach still requires to be refined and put into operation.*

FROM EQ1, EQ2, EQ5, EQ6, EQ7

PRIORITY: 1

STRENGTH: 1

5.1. While policy dialogue concentrates in all regions on labour market demand areas (economic reforms, private sector development, market competition and credit schemes), the overall sectoral coverage shows a differentiated approach: TVET is mainly treated in ACP and Mediterranean countries (within different frameworks) and Labour Market Governance in Eastern Europe and Central Asia, Asia and Latin America. In particular:

- a. In *low-income countries* (mainly African) ESI-related issues, coherently with national development strategies, are not part of EC response strategies as such but are rather treated, via regional integration and private sector development, within a broader framework of economic reform and human resource development. The linkage between education and training and labour market needs remains quite weak.

Poverty reduction, followed by private sector support, are the main areas of EC intervention: that is to say, reducing poverty in the most vulnerable areas while supporting job creation and trade development.

- b. In *middle-income countries*, support to employment and labour market policies is integrated into broad support to macro-economic stability and growth. The match

¹²³ According to the data presented in the Interregional Symposium on the Informal Economy - Enabling transition to formalization, Geneva, November 2007 (Victor E. Tokman, Informality: Exclusion and Precariousness), the informal economy in Latin America between 1990 and 2005 has increased from 57% to 64.1% of the workforce. Clear data showing the persistence of large shares of the informal economy are provided by the ILO country surveys. In the Informal Economy Seminar: The Trends and Pattern of Indonesian Informal Economy – 12/2009, it is shown how -especially in the periods of economic crisis - the rate of informal economy tends to grow significantly.

¹²⁴ For the trends, refer to ILO, Decent Work Country Profile TANZANIA (2010), page VI, and Brazil (2009) page 6. For the structuring of the informal economy, see ILO, Informal Economy, Poverty, Employment in Cambodia, Thailand and Mongolia. See also Figure 15 of the present report.

between TVET and labour market needs is more evident and is connected with trade and private sector development. Economic growth and social development go hand-in-hand, albeit with differences between lower-middle and upper-middle income countries:

- i. *Lower-middle income* countries have received the largest share of TVET programmes for marginalized groups, sectoral training, social inclusion for the entire society, institutional building of labour-related public institutions, and core labour standards. This reflects to a certain extent the EC priority of strengthening social inclusion of vulnerable groups while improving their living and working conditions.
 - ii. In *Upper-middle income* countries the private sector is the first area of support, followed by social inclusion of vulnerable groups, labour supply and social dialogue. This rating indirectly responds to the need for facilitating the transition from the informal to the formal, structured labour market, a particular aspect of these economies.
- 5.2. About two thirds of total EC ESI commitments at global level are concentrated on three sectors: poverty reduction, private sector development and structural reforms, all corresponding to the ESI Enlarged definition. At the same time most micro-sectors corresponding to the ESI definition have been constantly increasing and indeed have more than doubled during the period under evaluation, mainly in the Mediterranean region and in Latin America and, to a lesser extent, in Asia.
- 5.3. In this perspective, micro-sectors under labour market governance, such as core labour standards, institution-building in labour-relevant institutions, and social dialogue, all seem to have been overlooked and still receive less than 2% of total ESI commitments.
- 5.4. If it can safely be assumed that projects focused on trade or the economy can definitely contribute to poverty reduction in general, the paramount importance of poverty alleviation and job creation as the cardinal aim of the EC ESI cooperation would require a more direct and explicit strategic approach and elaboration of this link. In this area the EC strategy focused on the twin track approach, including both mainstreaming with other sector programmes and the search for a more comprehensive sector approach, can play a very significant role.

6. *There is an objective difficulty in establishing coordination between the different counterparts in charge of ESI policies at country level. Often such counterparts (Ministries of Labour, Education, Social Affairs) have no specific capacity (or status) to ensure coordination at government level. Budget support and other coordinated (possibly multi-donor) intervention modalities (such as basket funds or cluster projects), which could help establish adequate coordination, are not significantly used.*

FROM EQ2, EQ 3

PRIORITY: 1

STRENGTH: 2

6.1. There is increasing involvement of key (governmental) NCs, not only at policy level but also at programming and implementation levels, leading in many cases to careful consideration of partner organisations' requirements in terms of institutional development and of their capacity to implement and effectively absorb the assistance provided.

6.2. Moreover, NCs' involvement is also reflected in the EC's diversified approach. The role played by the Ministries of Labour (the preferred NC in Asia during programming), the Ministry of Education (the preferred NC along with the Ministry of Labour in Eastern Europe and Central Asia and Latin America), and the Ministry of Social Affairs, well illustrates the search for stronger and clearer linkages between economic growth and equity, social justice and inclusion in these regions.

6.3. Nonetheless a quite common weakness of this evolving approach lies in all regions in the insufficient involvement of Non-State Actors as social partners at all stages of interventions' design and implementation.

6.4. While budget support, and other modalities facilitating convergence of diverse actions, are globally recognised as effective in supporting coordination through flexible financing and other inputs, the majority of EUD staff and key NCs remain, in the case of ESI, in favour of project aid. Budget support modality is seen as specifically suitable for poverty reduction programmes and, to a minor extent, structural reforms, private sector development, vocational training programmes and rural development. On the other hand, if one considers the ESI definition, the total amount disbursed through budget support aid represents one-fifth of the ESI-enlarged definition (€m2.293).

6.5. Support programmes for economic growth, with a specific focus on improving the employment consequences of economic development, along with a set of measures targeting both labour demand and supply, employability and work conditions, are uncommon. Such programmes would need strong coordination, with a complex institutional set-up, including varied and possibly conflicting counterparts.

7. *Information on the outputs and results of EC ESI interventions is not systematically generated and made available for orienting follow-up, review, evaluation, drawing out of lessons, or policy fine-tuning¹²⁵.*

7.1. In the case of the present thematic global evaluation, despite the sustained and diversified efforts carried out by the evaluation team, EC HQ, EUDs and NCs, the quantity, quality and relevance of the information available on the results and effects of EC ESI-related interventions definitely appear insufficient and

¹²⁵ Refer also to Conclusions 11, 17 & 19

Indicators and monitoring tools for follow-up, review and evaluation of EC ESI interventions are not systematically utilized. In many cases, programme or project monitoring and reporting systems do not provide timely and sufficient evidence of the outputs, results and effects to be used, when required, for re-orienting interventions and fine-tuning relevant policies.

FROM EQ5, EQ 6, EQ 7

PRIORITY: 1

STRENGTH: 2

inadequate to provide a satisfactory picture of the changes promoted by the substantial and prolonged cooperation support from the EC.

This limit has not allowed the evaluation team to develop a systematic and complete scenario of the positive, neutral and negative changes promoted by the EC ESI-related activities during the period under evaluation.

- 7.2. EC ESI interventions envisage identification of indicators for follow-up, review and evaluation, but these are often not defined or utilized, so that the overall monitoring and reporting system is not providing timely and sufficient evidence of results and effects both for re-orienting interventions when required and for feeding into relevant policy adjustment and fine-tuning¹²⁶.
- 7.3. The available documentation on EC ESI interventions is in most cases limited to the project document and brief monitoring reports (ROM). Even when mid-term or final review and evaluation reports have been produced, there is little indication of the outputs, results and outcome of the intervention, so that it becomes very difficult to assess and evaluate the real effects and impact in terms of increased employment or employment conditions.
- 7.4. While project documentation and monitoring and evaluation reports frequently mention the impact of projects on poverty reduction, even in this general area very little specific indicator-based evidence is presented to back up the claim.
- 7.5. A possible justification for this situation is the limited number and exhaustiveness of *ex ante* baseline surveys providing comparative elements for ongoing and post-project assessment and evaluation.

ON COORDINATION AND COMPLEMENTARITY

8. *Coordination with other partners is hampered by the weak sectoral approach. Consultation and information exchange between the EC and other donors takes place in almost half of the countries. But it is only coordination with EU Member States that leads effectively to joint operational efforts.*
- 8.1 Owing to the fact that in general national harmonisation and coordination mechanisms - as well as sectoral or thematic policies and programmes - are still not sufficiently operational and widespread, harmonisation and coordination initiatives for ESI-related interventions are mainly carried out by donors, mainly in the form of exchanges of information and meetings. When it comes to the EC and EU Member States, it also takes the form of concrete joint action.

¹²⁶ Specific evidence of this problem is provided especially in JC 5.1, 5.2, 6.3 and 7.3 above.

EQ2, EQ 3, EQ 4**PRIORITY: 1****STRENGTH: 2**

9. EC internal coordination between different DGs is effective where there are strong political and institutional frameworks for action. It is effective in the ENP area, but almost absent in other regions.

8.2 At HQ level the ILO is more and more consulted, but EC-ILO cooperation in the field is more complicated. When it takes place, ILO's contribution is mainly in kind (as a service provider) and they do not always systematically feed EUDs and HQ staff with information.

9.1. For ENP the institutional set-up, in particular the sub-committees, paves the way for internal inter-sectoral consultations facilitating holistic and integrated ESI cooperation strategies.

9.2. In other regions such structured consultation does not exist and is only partially replaced by regional organizations or agreements.

EQ 3**PRIORITY: 1****STRENGTH: 2**

10. In ESI programmes there are no measures aimed at limiting potential divergences between EC development policy and other policies (such as agriculture, fishery, environment, trade, migration) that could affect ESI-related objectives and outcomes within the same partner country or region.

10.1. When policy coherence exists at national or regional levels, it is pursued both via the institutional cooperation framework (e.g. Cotonou Agreement for Jamaica and Association Agreements for ENP countries) and via specific EC cooperation interventions, mainly relating to private sector development and trade policies.

10.2. The link between cooperation activities targeted on the economic reform process and trade integration, and those focused on poverty reduction and job creation, is not as clear as it should be. Beyond the general notion that trade integration always eases poverty, none of the available documents refers to the link between the support to "stronger integration" and poverty alleviation.

EQ 4**PRIORITY: 2****STRENGTH: 1****10.2 Conclusions by macro-sector****ON EMPLOYMENT OPPORTUNITIES INCREASE AS RESULT OF THE SUPPORT**

11. Most EC interventions to support trade development, macro-economic stability and growth contribute to the creation of new sustainable employment opportunities. Support to increased labour market demand and employment creation represent an important element of the EC response strategy in the majority of the surveyed countries. Few programmes and projects, however, explicitly focus on employment creation as their main target.

11.1. Trade and stronger regional integration as well as macro-economic reforms, private sector development and enhanced investments, are all means to generating, in the medium and long terms, growth and job creation, especially in the formal economy. However, employment related targets (e.g. increases in labour demand and job creation) are not adequately mainstreamed in such macro-policy interventions. They are addressed rather as a by-product of national or sectoral economic development in specific areas, such as the private sector, SMEs and agriculture.

11.2. In spite of this, and of the difficulty of assessing in concrete terms the employment effects of EC macro-

EQ 5, EQ 7

PRIORITY: 1

STRENGTH: 1

economic policies, mainly because of the lack of specific indicators, most EUDs, NCs and key stakeholders present a positive opinion and picture with regard to the EC's contribution to the improvement of employment conditions, labour policies, employment opportunities and social inclusion.

ON IMPROVED EMPLOYABILITY AS A RESULT OF TVET

12. TVET and other active labour market support policies have contributed to improve employability, although they have rarely been linked and combined, as recommended by the Copenhagen Declaration in 1995¹²⁷.

EQ 6

PRIORITY: 2

STRENGTH: 1

12.1. Even although no sufficient data are available to allow a firm evaluation of the effects of interventions on education and human resource development, the assessments provided by the available evaluations and the stakeholders interviewed suggest that the EC's support to labour market supply measures is usually linked to the general objective of strengthening social and economic development, and TVET has had a positive impact on the employability of the beneficiaries.

12.2. TVET is directly or indirectly addressed in about two-thirds of the countries, where the focus is typically on the importance of matching the VET system with the demand for skills and the opportunities offered by the economy. In quite a few cases VET is addressed in the sphere of social development as part of a broader strategy for reducing poverty and as a contribution to achievement of the MDGs.

12.3. The most articulated strategy for VET is embodied in the EU-Mediterranean Partnership, in which VET is linked to poverty reduction and supports the creation of better and more productive jobs.

12.4. In this positive perspective it is useful to note that there is still room for improving the combination of TVET with other components of the concerned sectoral strategy or intervention, with a view to a fully integrated and comprehensive sectoral or thematic approach, as recommended by the Copenhagen Declaration.

13. A comprehensive approach to TVET is being developed. In line with recent international practices, EC TVET cooperation has enlarged its focus. The initial relatively narrow focus on technical cooperation - primarily dealing with specific constraints such as curriculum reform, teacher training and infrastructure rehabilitation - is

13.1. In an increasing number of countries undergoing structural reforms and economic transition, active labour market policy components, including development of systems for labour market monitoring, establishment of employment services and systems for unemployment subsidies, are accompanied by TVET activities. This combination has been found to improve the mobility and employability of the workforce, thereby contributing to the adjustment of the labour market to the new economic

¹²⁷ The 1995 Copenhagen declaration and its Action Plan propose to link education, training and labour policies. Refer to § 4.1.1 for further details.

being overcome. A more strategic approach, promoting the development of a demand-responsive reform of the TVET system and the introduction of national qualification frameworks as well as a public-private dialogue, is being established.

EQ 6

PRIORITY: 2

STRENGTH: 1

realities. The typical rationale of this demand-responsive support is that a qualified labour force is vital for the competitiveness of the private sector and thus for the performance of the economy.

- 13.2. When TVET is part of the EC strategy in partner countries, it is addressed through specific projects and programmes in more than two-thirds of the countries; and in approximately half of them within a broader project or programme responding to the socio-economic situation or in the context of the overall education sector strategy. In addition the situation appears to be quite rapidly evolving, with an increasing number of interventions framed within an overall education sector strategy and a parallel decrease in specific non-strategy-related projects and programmes.
- 13.3. Access to TVET by marginalized groups is covered by EC ESI support in 18% of the surveyed countries, representing 20,5% of TVET support. Here TVET projects include institutional strengthening and arrangements, mid-term perspectives for sector financing and indicators for monitoring sector performance which are usually correlated with the NPRS.
- 13.4. According to projects scrutinized during the evaluation field missions, whenever TVET is among the areas of support it contributes to improving the interventions' responsiveness to labour market needs, and promotes policy dialogue and a linkage with the private sector, as in ENP countries via the Action Plans.

ON EC CONTRIBUTION TO SOCIAL INCLUSION INTO THE LABOUR MARKET AND TO LABOUR MARKET GOVERNANCE ¹²⁸

14. *The EC has from the beginning focused positively on social cohesion of vulnerable groups and labour market governance.*

EQ 6, EQ 7

PRIORITY: 3

STRENGTH: 1

- 14.1. With respect to social cohesion, the EC has to a large extent supported interventions targeting social safety nets, and social protection of the disabled, victims of violence, children at risk and other vulnerable groups; programmes aimed at facilitating and improving the social inclusion of women, indigenous people and other disadvantaged groups; and measures to improve social policies and support social welfare reforms with a global

¹²⁸ In the present evaluation, by labour market governance reference is made to:

- Core Labour Standards: workers rights, migrant rights, non-discrimination measures.
- Social Dialogue: measures targeting consultation or information exchange between representatives of governments, employers and workers, on issues relating to economic and social policy, labour disputes, tradeunions.
- Institutional building: measures supporting institutional capacities of key relevant institutions and the labour markets' normative framework.

impact on the entire society. The EC has also financed interventions in support of workers' rights, migrant rights, and non-discrimination measures. More limited has been support to measures targeting consultation and exchange of information between representatives of governments, employers and workers, on issues relating to economic and social policy, labour disputes, trade unions; and to measures supporting the institutional capacities of key relevant institutions and the labour markets' normative framework. Youth employment consideration in specific or wider programmes is also rather scarce.

- 14.2. This provided the basis for the progressive establishment of the Decent Work Agenda.¹²⁹ Nevertheless, it must be acknowledged that Decent Work principles were already present in EC cooperation strategy before the adoption by the EC of the DWA in 2006, as they emanate from the internal EU policy framework.

15. *Despite the EC's specific value added on workers' rights, issues relating to labour market governance still have a limited weight in EC programmes.*

EQ 1, EQ 7

PRIORITY: 2

STRENGTH: 1

- 15.1. Nevertheless, in spite of the limited funds allocated by the EC in this area, its contribution via specific interventions is perceived as positive, mainly in relation to the introduction and application of new legislation concerning gender and child labour.

16. *The EC response strategy is not linked to the degree of country compliance with international commitments to Decent Work.*

EQ 1, EQ 7

PRIORITY: 1

STRENGTH: 1

- 16.1. CSPs most often do not mention the degree of compliance with relevant international commitments, such as the ILO Conventions.
- 16.2. In spite of what was decided in the framework of the adoption of the Decent Work Agenda by the EC, EC-supported poverty reduction programmes do not provide specific reference to DWA implementation.

17. *Budget Support programmes targeting poverty reduction quite often do not directly refer to social inclusion and protection of marginalized groups through employment and labour*

- 17.1. Overall, Budget Support programmes targeting poverty reduction do not directly refer to employment and the labour market.

¹²⁹ The four pillars of the DWA which require an integrated approach are: productive and freely chosen employment; rights at work including the core labour standards; social protection; and social dialogue. It also takes due account of the gender dimension in the four pillars.

market access components.

EQ 6, EQ 7

PRIORITY: 1

STRENGTH: 2

17.2. The same consideration applies to the implementation of the DWA and, hence, to specific DWA monitoring indicators which are not considered in most cases. This remains an issue even where the EC participates in the selection of indicators for GBS/SBS, and ESI indicators have been developed. Issues relating to social protection of vulnerable groups, social empowerment and social dialogue are taken into account only to a limited extent in some non-ACP countries.

18. *Gender and child labour, along with migration and freedom of association, are recognised as areas in which EC has provided a significant contribution.*

EQ 6, EQ 7

PRIORITY: 1

STRENGTH: 2

18.1. Eastern Europe & Central Asia and the Mediterranean are the regions where the EC has played a more important role in this regard. Gender and child labour are recognized as the areas in which EC has been more successful in introducing legislation. Tripartite consultations, and issues relating to workers' and employers' organizations, are also areas in which, according to national officials, the EC has had a role in supporting the introduction or application of new legislation.

19. *There are no specific indicators and statistics for monitoring and measuring social inclusion and protection as well as access of specific vulnerable groups to the benefits of EC ESI interventions.*

EQ 5, EQ 6, EQ 7

PRIORITY: 1

STRENGTH: 1

19.1. Social inclusion and protection in EC ESI-related, and specifically TVET, interventions for vulnerable groups (particularly women, youth and indigenous people) are not followed up through specific indicators. This can partly be attributed to the fact that EC interventions use the same indicators as national strategies and the PRSP, which usually do not include a clear breakdown of targets for specific sub-groups of the population. Moreover, adequate targeting of marginalised groups is still lacking in many CSPs/NIPs.

TABLE 13 : SUMMARY OF CONCLUSIONS BY CLUSTER

CONCLUSIONS	PRIORITY & STRENGTH	SOURCE	RECOMMENDATIONS
POLICY & STRATEGY			
1. ESI is a priority sector/theme for EC.	P: 2 – S: 1	EQ 1	R 1, 2
2. EC has adopted an integrated approach	P: 1 – S: 1	EQ 1, 2	R 1
3. Coherence of EC programmes and policies is facilitated by global partnership agreements.	P: 1 – S: 1	EQ 1, 4, 6	R 2
4. The informal economy is quite often overlooked.	P: 1 – S: 2	EQ 1, 5, 6	R 4
EC RESPONSE STRATEGY, PROGRAMMING & IMPLEMENTATION			
5. EC strategies are responsive to the specific contexts, but do not show a strong comprehensive sectoral/ thematic approach	P: 1 – S: 1	EQ 1, 2, 5, 6, 7	R 3, 5, 6
6. Budget support and other comprehensive intervention modalities are not used in the most effective and inter-linked way	P: 1 – S: 2	EQ 2, 3	R 7
7. Lack of information on outputs/outcome of EC ESI actions to orient programmes, generate lessons and help policy fine-tuning.	P: 1 – S: 2	EQ 5, 6, 7	R 7, 8, 14
COORDINATION, COMPLEMENTARITY & EC VALUE ADDED			
8. Coordination with other partners hampered by weak sectoral approach	P: 1 – S: 2	EQ 2, 3, 4	R 5, 6
9. DGs' internal coordination is effective where there are comprehensive agreements.	P: 1 – S: 2	EQ 3	R 2, 9
10. EU policy coherence is explicitly pursued in one-third of countries	P: 2 – S: 1	EQ 4	R 2
MACRO-SECTORS			
EMPLOYMENT OPPORTUNITIES INCREASE AS RESULT OF THE SUPPORT			
11. Support to trade development, macroeconomic stability and growth creates new sustainable employment opportunities in most EC interventions.	P: 1 – S: 1	EQ 5, 7	R 10, 11
EMPLOYABILITY AS A RESULT OF TVET			
12. Education and TVET to support labour supply and improve employability are present in many EC interventions (1/3).	P: 2 – S: 1	EQ 6	R 12
13. A comprehensive approach to TVET is being developed	P: 2 – S: 1	EQ 6	R 12
EC CONTRIBUTION TO SOCIAL INCLUSION INTO THE LABOUR MARKET AND TO LABOUR MARKET GOVERNANCE			
14. EC internal framework for action on employment referred positively to social inclusion and labour governance	P: 3 – S: 1	EQ 6, 7	R 11
15. Despite its specific value added on workers' rights, the issues relating to labour governance still have only limited weight in the EC programmes	P: 2 – S: 1	EQ 1, 7	R 13
16. EC bilateral support is not linked to the degree of country compliance with international commitments to Decent Work.	P: 1 – S: 1	EQ 1, 7	R 13
17. BS programmes do not often refer to social inclusion/protection of vulnerable groups	P: 1 – S: 2	EQ 6, 7	R 8, 10
18. EC contribution in gender, child labour and migration	P: 1 – S: 2	EQ 6, 7	R 14
19. Lack of specific indicators/statistics to monitor/measure social inclusion and protection for specific vulnerable groups	P: 1 – S: 1	EQ 5, 6, 7	R 8, 14

11 RECOMMENDATIONS

Based on the above Conclusions, and following a very similar approach, the recommendations expressed by the evaluation team are organized in three Clusters:

- i) Policy and Strategy
- ii) Programming & Implementation
- iii) Coordination and Complementarity

and by three **Macro-sectors**:

- a) Employment opportunities increase as result of the support
- b) Employability as result of TVET
- c) EC contribution to Decent Work

For each Recommendation, the following information is provided:

- reference to the related Conclusion;
- level of priority ranging from high (1) to low (3);
- suggested timeframe for implementation: a) ST - short-term (e.g.: mid-term reviews on current CSP/RSP) and, b) M-LT - medium to long term (e.g. future programming exercises);
- responsible body for implementing each recommendation (e.g. EC HQ, EUD, National Governments, NSAs).

11.1 Recommendations by cluster

11.1.1 Policy & Strategies

1. *Mainstream ESI focus in economic and social development support*

CONCLUSIONS 2 & 1 – PRIORITY 1 – ST – EC HQ & EUD RESPONSIBILITY

The focus on ESI policies should be enhanced through adaptation of EC strategies and programmes to the specific country contexts. This should address, in a flexible manner, both labour market (demand and supply) and social inclusion.

In relation to labour demand, a new focus on growth strategies should include measures to enhance the capacity of SMEs and the informal economy. On labour supply, strategies should include upgrading of TVET and secondary technical school quality and access, according to the needs of the labour market, and in association with the private sector. See R. 8 & 9.

In relation to social inclusion, social protection - with its large range of measures linked to the different contextual features, including social and territorial cohesion - should be addressed as a key component of an integrated growth and development strategy.

If a new focus on ESI is to be mainstreamed in economic and social policy support, specific financial, human, technical and time resources need to be allocated. It is necessary to strengthen the specific capacities of EC HQ and EUD staff to provide informed policy responses. In this respect ILO, with its specific know-how and tools, may represent a useful resource and reference. Similarly, links with WB, OECD, Member States, and others, could be strengthened in the same areas.

2. *Enhance economic partnerships to create sustainable development opportunities and support employment through extended dialogue and coordination*

CONCLUSIONS 3, 1, 9 & 10 – PRIORITY 1 – M-LT – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

A necessary, although not sufficient, condition for generating significant levels of employment is achievement of high levels of growth and trade. Such accelerated growth may take place only in a framework of new economic opportunities. The challenges of sustainable and inclusive growth – including social cohesion – are important in this context. The Association Agreements with the ENP countries – when appropriated and internalized by the recipient governments – have been shown to be a sound instrument for promoting accelerated growth. EPAs have been shown to raise the interest of the partner countries in the ACP area. They should be re-launched to allow expansive support strategies in other geographical contexts.

3. Further enhance the countries' ownership of the ESI agendas by promoting social dialogue at country level and peer-to-peer institutional exchanges.

CONCLUSIONS 5 – PRIORITY 1 – ST – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

The EC should promote priority consideration to employment issues in national development strategies, mainly in lower-middle and middle income countries, by promoting endogenous dialogue processes leading to a more protagonist role for local social partners and Non-State Actors in policy formulation.

Additionally inter-institutional exchange programmes should be promoted, including twinning and other *ad hoc* facilities. The EC EUROsociAL programme¹³⁰, the general objective of which is to contribute to increasing the degree of social cohesion in Latin American countries through policy dialogue and exchange of best practice between European and Latin-American administrations, while acting on education, health, justice, fiscality and public employment policies to enable them to become social cohesion vectors, could be a source of inspiration.

4. Include specific focus on the informal economy to support targeted labour policies

CONCLUSION 4 – PRIORITY 1 – ST – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

The informal economy in agriculture and the other areas provides the bulk of employment in most developing countries. In Morocco, South Africa and some other countries EC support programmes have addressed informal employment in rural areas. In addition, policies to enhance dynamics and change in the informal economy are also being tested successfully in the urban economy, especially in several Latin-American countries (Peru, Bolivia, Ecuador and others). A stronger, explicit inclusion of the informal economy in ESI strategies supported by the EC is necessary and the existing practices would allow a relatively quick learning process.

5. Offer a major role and involvement to social partners in EC response strategy formulation

CONCLUSION 5 & 8 – PRIORITY 2 – ST – EUD

A comprehensive approach to more systematic involvement of social partners in the beneficiary countries in ESI-related policy formulation should be developed. Attention should be given not only to the promotion and diversification of policy dialogue with national governments but also – as in other cooperation sectors – with employers' organisations and workers' representatives. At the same time special attention should be paid to *not* amalgamating social partners with other Non-State Actors, thus overlooking their specific representative role and their potential as counterparts of national governments and EC cooperation in employment and social inclusion. In this respect, attention should also be given to the capacity development and institutional

¹³⁰ The programme has been evaluated and a second phase is under way.

strengthening of relevant social partners, in order for them to engage appropriately in the policy dialogue.

11.1.2 Programming and implementation

6. Promote government-led sectoral approaches (SWAp) to address ESI policies and programmes

CONCLUSIONS 5 & 8 – PRIORITY 1 – M-LT – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

SWAp¹³¹ in ESI is difficult owing to the multi-sectoral nature of the thematic areas, with many institutions and reform areas involved. Such a substantive obstacle could be overcome through promotion by both leading government agencies and EUDs of stronger inter-institutional coordination, use of flexible financing instruments complemented by budget support programmes, or a cluster approach to the selection and implementation of specific measures. Ministries of Plan or of Finance, for instance, could lead such coordination and implement, through specific institutions, a strategy including complementary actions such as support for increased economic competition, active labour market policies, social protection measures, and so forth.

7. Increase and better tune the use of budget support, at both general and sectoral levels

CONCLUSIONS 6 & 7 – PRIORITY 1 – M-LT – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

Budget support is a particularly useful financing modality when complex policies are to be addressed and there is the possibility of establishing a strong policy dialogue between the EC and the partner country. In such conditions the use of this instrument to support ESI-related activities should be increased in the framework of general and sector policy support programmes, provided that the government ownership and coordination capacity is there, and adequate formats are put in place.

Budget support interventions may target multiple effects: enhancing macro-economic stability and growth for job creation; and boosting formal and informal enterprise development; and they may also include specific measures for improving labour supply and productivity and social inclusion¹³².

8. Improve M&E systems of EC interventions, both for their orientation and policy fine-tuning

CONCLUSION 7, 17 & 19 – PRIORITY 1 – ST – EC HQ, EUD & NATIONAL COUNTERPARTS RESPONSIBILITY

EC HQ and EUDs, in collaboration with NCs at various levels, should carefully analyze the existing M&E system for EC ESI interventions at various levels and in different contexts, with a

¹³¹ Sector Wide Approach means a national- (including government and other partners) led strategy in relation to a specific sector or theme, where all the relevant national institutions and international partners are coordinated (harmonized and aligned) in view of the attainment of a set of objectives jointly agreed upon and monitored.

¹³² Budget support programmes to boost competition and employment have been launched or are being negotiated in Tunisia and other countries of the region (see also World Bank et al. [Toward... op.cit.](#) As a matter of fact, Budget Support has been widely tested to support very complex strategies as the PRSP and other comprehensive economic reform programmes. A SWAp on competition (growth) and social inclusion is a multi-sectoral strategy, of which the coordination challenges are certainly lower than in a PRSP, could well be supported through a GBS or an SBS.

view to better understanding how and why the system is not providing the required SMART information (sustainable, meaningful, adequate, regular and timely) on the actual results. This information is necessary for follow-up and possible adjustment during programme or project implementation, as well for identifying, qualifying and quantifying the outputs and outcomes obtained in relation to those expected.

A more operational M&E system in the ESI areas would also possibly help in adjusting National Indicative Programmes and would represent a valuable input for Government policy orientation.

The new largely agreed and officially assumed approach centred on Results-Based Management (RBM) now opens up new perspectives for reviewing the ongoing M&E system and provides a positive background for taking urgent action to reflect the immediate implications of the relevant RBM methods and techniques in the area of M&E.

11.1.3 Coordination and complementarity

9. Further promote internal and external coordination

CONCLUSION 9 – PRIORITY 1 – ST – EUD & NATIONAL GOVERNMENT RESPONSIBILITY

EC and the Member States should improve their joint action to promote common dialogue, strategies and programmes on ESI. The promotion of coordinated approaches (SWAp type, as in R 6 and 7) would help this task.

EC internal coordination and exchange of know-how between specific DGs (e.g. DGs Employment, Trade, Enterprise & Industry), should take place not only in the ENP context. This could help identify strategies (apart from and in addition to the exchanges promoted by the Inter-service Quality Support Group), support packages, and possible institutional partners for twinning and assistance.

Moreover, consultations with specialized agencies (see R. 1) need to be developed. In particular ILO and the EC need to know each others' mission and agenda, mainly in the field, in order to facilitate definition of common strategies and collaboration and surmount the stage of instrumental relations. In this sense the establishment of a peer-to-peer EU/ILO partnership could be seen as an interesting perspective.

The potential for promoting similar collaborative systems and partnership frameworks with other concerned international agencies (e.g. with WB, OECD, UNICEF, IOM, UNIDO, etc.) and EU Member States is there, and operational steps towards concrete collaboration should be taken in the near future.

11.2 Recommendations by macro-sector

11.2.1 Employment opportunities increase as result of the support

10. Enhance the employment consequences of the economic reform and private sector support programmes, through the introduction of specific monitoring and operational tools

CONCLUSION 11 & 17 – PRIORITY 2 – ST – EUD & NATIONAL GOVERNMENT RESPONSIBILITY

The objective of maximizing the employment consequences of macro-economic and other sectoral reform support actions should be made more explicit and emphasized. According to the different contexts, adequate employment indicators should be included in the M&E frameworks of such programmes. Complementary programmes should be added, when appropriate, to the core policy

support programmes, specifically to enhance the employment effects of economic reforms, for example introducing specific foci and related measures on some areas such as the informal economy, SMEs, youth inclusion and employment, territorial development in the less advantaged areas, and rural employment, among others.

11. A new focus should be put on youth inclusion and employment

CONCLUSION 11 & 14 – PRIORITY 1 – ST – EUD & NATIONAL GOVERNMENT RESPONSIBILITY

It is recommended that the EC should more explicitly address challenges relating to increasing youth unemployment as part of its response strategy. Internationally there is increasing interest in ways of easing entry into the labour market, especially by youths. On the one hand they represent an entrepreneurial potential that may contribute to strengthening of the private sector and, thus, to overall economic growth and development. On the other hand they constitute a potentially destabilizing factor if their social and economic expectations are not being honoured in a manner they find satisfactory. The challenge is particularly serious in lower and upper-middle income economies and in countries undergoing economic transformation.

Some concrete actions that may promote youth employment are:

- joint needs assessments on public-private skills, leading to work-based training and apprenticeship;
- setting-up of career guidance, employment services and placement opportunities, facilitating the transition from school to work and making private jobs more attractive;
- specific conditional cash transfers or micro-credit schemes to facilitate access to specialisation and assets.

11.2.2 Improved employability as result of TVET

12. Address TVET interventions and students' inclusion in consonance with labour market needs. Employment programmes and TVET interventions should also be closely interlinked.

CONCLUSIONS 12 & 13 – PRIORITY 1 – M-LT – EUD & NATIONAL GOVERNMENT RESPONSIBILITY

Governments should be helped to set up comprehensive strategies to enhance employability. TVET is a key component of such strategies. Different issues should be addressed to strengthen the EC interventions:

- Support to the establishment of TVET partnerships, with the involvement of employers' and workers' organizations in the design of TVET policies and programmes; a permanent and decentralised dialogue with the private sector, especially for TVET, should be developed so as to create a continuous capacity to respond to the needs of a dynamic and competitive labour market.
- It is recommended that the EC more systematically monitors the effects on employment and income of support to TVET and other active labour market measures. Although this is associated with considerable methodological challenges, it is possible to define indicators and data collection systems (including gender disaggregation) which allow assessment of the effects of such support on employability and actual access to new jobs by the beneficiaries.
- Lifelong learning should also be promoted.

11.2.3 EC contribution to Decent Work

13. Stress labour core rights in the framework of global partnership and trade agreements

CONCLUSIONS 15 & 16 – PRIORITY 2 - M-LT – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

Freedom of association, progressive elimination of compulsory labour, abolition of child labour, and elimination of employment discrimination should all be addressed in EC bilateral relations. Their inclusion, and application, in the framework of broad economic partnership agreements, which can provide new development opportunities while negotiating basic conditions, seems to be the most credible and effective way of addressing them. This is fully in line with the 2008 ‘Communication on the Renewed Social Agenda’.

The inclusion of such principles and conditions represents a strong challenge, but could start in the closest and more comprehensive partnerships. Partial examples of the implementation of this approach may be found in the GSP + agreements.

14. Social Inclusion and Protection should be systematically linked to support to growth and employment-related interventions

CONCLUSIONS 7, 18 & 19 – PRIORITY 2 - M-LT – EC HQ, EUD & NATIONAL GOVERNMENT RESPONSIBILITY

Marginalized and vulnerable groups are not systematically taken into account in programmes relating to economic growth and active labour market policies. Their integration must be ensured in a systematic way, valorizing their most dynamic members and spontaneous groups and associations by reinforcing their employment opportunities, thus, at the same time, avoiding increasing social tensions. Care should be taken to involve women and youth in vocational training and education so as to enable them to profit from these employment opportunities and be progressively more capable of identifying and taking advantage of the opportunities for emancipation and democratic participation in the national socio-economic growth process. Less developed local areas should be addressed in economic development plans to ensure their participation in the benefits of growth.

At the same time, the improvement and enlarged focus of the M&E systems of EC ESI interventions (as seen under R. 8) should be also covering these poor groups and areas in order to gain systematically from lessons learned and extend or expand the positive experiences of social inclusion.

Central and local government have to agree fully on these options in order for instance to better orient BS programmes which, thanks to their relatively rapid implementation and multiple use, can start producing interesting results from the short to medium term.

TABLE 14 : SUMMARY OF RECOMMENDATIONS BY CLUSTER

RECOMMENDATIONS	CONCLUSIONS	PRIORITY	TIMEFRAME
POLICY & STRATEGY			
1. Mainstream ESI focus in economic and social development support.	C 1, 2	1	ST
2. Enhance economic partnerships, to create sustainable development opportunities and support employment through extended dialogue and coordination	C 1, 3, 9, 10	1	M-LT
3. Further enhance the countries ESI agendas' ownership by promoting social dialogue and peer-to-peer institutional exchanges	C 5	1	ST
4. Include specific focus on informal economy to support targeted labour policies	C 4	1	ST
5. Offer a major role and involvement to social partners in policy formulation	C 4, 8	2	ST
EC RESPONSE STRATEGY, PROGRAMMING & IMPLEMENTATION			
6. Promote multi-donor sectoral approaches (SWAp) to addressing ESI policies and programmes.	C 5, 8	1	M-LT
7. Increase and better tune the use of budget support, at both general and sectoral levels.	C 6, 7	1	M-LT
8. Improve M&E systems of EC interventions	C 7, 17, 19	1	ST
COORDINATION AND COMPLEMENTARITY			
9. Further promote internal and external coordination	C 9	1	ST
MACRO-SECTORS			
10. Enhance the employment consequences of the economic reform and private sector support programmes, through the introduction of specific monitoring and operational tools.	C 11, 17	2	ST
11. A new focus should be put on youth inclusion and employment	C 11, 14	1	ST
12. Address TVET interventions as part of comprehensive employment programmes.	C 12, 13	1	M-LT
13. Include labour core rights in the framework of global partnership and trade agreements.	C 15, 16	2	M-LT
14. Social inclusion and protection to be systematically linked to support to growth and employment-related interventions	C 7, 18,19	1	ST