MINISTERSTWO INFRASTRUKTURY I ROZWOJU

PARP

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NARODOWA STRATEGIA SPÓJNOŚCI
dla rozwoju Polski

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EU STRUCTURAL FUNDS INVESTMENTS FOR HUMAN RESOURCE DEVELOPMENT: OBJECTIVES AND RESULTS

Based on evaluation commissioned by Ministry of Finance of Republic of Lithuania

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GENERAL INFORMATION

Evaluation: The evaluation of European Union structural funds investments for human resource development (Lithuania)

Commissioned by: Ministry of Finance of the Republic of Lithuania

Carried out by: UAB „BGI Consulting“ – research and consultancy company acting in Lithuania, Baltic States and EU-wide.

Duration: June 2014 – March 2015

Parties interested in evaluation, information providers and other contributors:

Ministry of Finance, Ministry of Education and Science, Ministry of Social Security and Labour, Ministry of Economy, Ministry of the Interior.

European Social Fund Agency, Lithuanian Business Support Agency, Central Project Management Agency, Research Council of Lithuania.

Infobalt, Lithuanian Trade Union Confederation, Association of Local Authorities in Lithuania, other associated business structures, Education Supply Center of Ministry of Education and Science.

Schools of general education.

THE SCOPE OF EVALUATION

THE SCOPE OF EVALUATION

The goal of evaluation – to assess the impact of EU structural funds investments on human resource development and to report on the achievement of the objectives set in the Strategy for the use of EU Structural Assistance.

The main objectives of evaluation:

- To assess the **relevance, sufficiency and compatibility** of the implementation of the objectives of operational programmes (measures), which contribute to the first priority direction of the Lithuanian Strategy for the use of EU Structural Assistance for 2007–2013 – "productive human resources for the knowledge society"(*hereinafter – human resource development*).
- To evaluate the **effectiveness, efficiency, impact and sustainability** of the implementation of the objectives of operational programmes (measures), which contribute to human resource development.

THE SCOPE OF EVALUATION

NATIONAL GENERAL STRATEGY: THE LITHUANIAN STRATEGY FOR THE USE OF EUROPEAN UNION STRUCTURAL ASSISTANCE FOR 2007-2013

OPERATIONAL PROGRAMME FOR THE DEVELOPMENT OF **HUMAN RESOURCES** FOR 2007–2013

OPERATIONAL PROGRAMME FOR THE **ECONOMICAL GROWTH** FOR 2007–2013.

OPERATIONAL PROGRAMME FOR **PROMOTION OF COHESION** FOR 2007–2013

NATIONAL STRATEGIC FRAMEWORK

THE SCOPE OF EVALUATION

OP

OPERATIONAL PROGRAMME FOR THE DEVELOPMENT OF **HUMAN RESOURCES** FOR 2007–2013

VISION

ADEQUATE AND PRODUCTIVE HUMAN RESOURCES SERVING THE NEEDS OF ECONOMIC DEVELOPMENT, EMPLOYMENT AND KNOWLEDGE-BASED SOCIETY.

PRIORITIES

- **QUALITY EMPLOYMENT AND SOCIAL INCLUSION**
- **LIFELONG LEARNING**
- **STRENGHTENING RESEARCHERS ABILITIES**
- **FOSTERING ADMINISTRATIVE COMPETENCES AND INCREASING EFFICIENCY OF PUBLIC ADMINISTRATION**

THE SCOPE OF EVALUATION

OP FOR THE DEVELOPMENT OF **HUMAN RESOURCES**

OP FOR THE **ECONOMICAL GROWTH**

OP FOR **PROMOTION OF COHESION**

- **62 measures related to HR identified**
- **Amounting to 1.75 bln. EUR**
- **Absorbtion level at the time of evaluation 73 %**

Education and studies

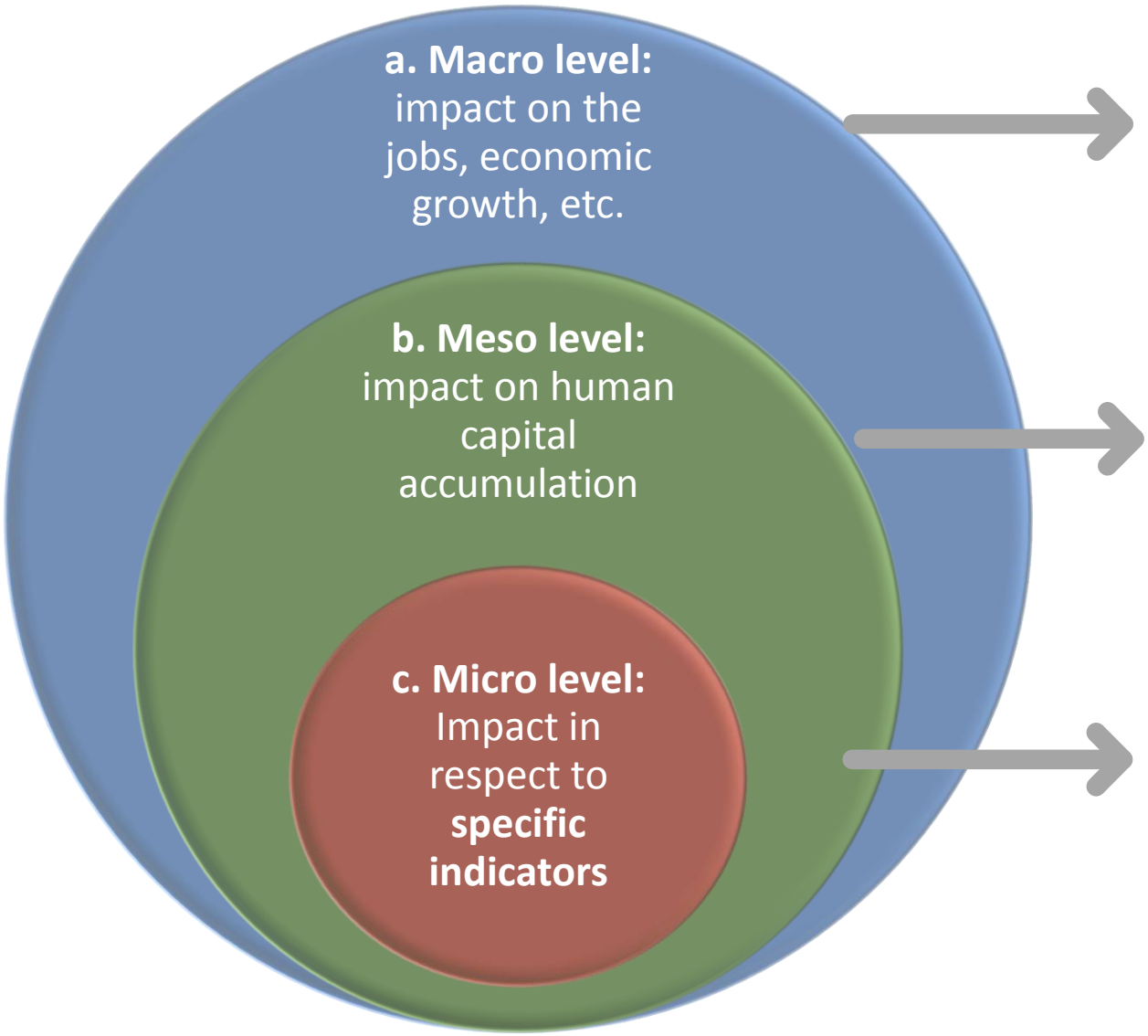
Labour market

RTDI

Public administration

EVALUATION METHODS AND TOOLS

THE METHODS OF EVALUATION



Macroeconomic modelling: HERLIT

Theory based approach: Human capital accumulation

Theory of change.

Micro level evaluation.

THE METHODS OF EVALUATION

Macro level impact evaluation:

- Encompass demand side effects (Keynesian);
- Encompass supply side impact (improved productivity);
- Measured by such indicators as:

GDP, Jobs created, sectorial production, un/employment, wage rate, labour costs, inflation, exports/imports, budget deficit, etc.

Macroeconomic modelling was conducted using Lithuania specific HERLIT model which was developed in cooperation with Dr. John Bradley (IRL) and is in line with the HERMIN modelling system acknowledged by the EC.

European Commission

THE METHODS OF EVALUATION

Meso level: impact on human capital accumulation

Three main aspects of human capital development were used:

- Accumulation of human capital;
- Use of human capital in labour market;
- Productivity of human capital (preconditions and means for productivity).

Regrouping of EU Structural funds expenditure by specific features and typologizing by categories of human capital allows to reveal interventions in the light of human capital development.

THE METHODS OF EVALUATION

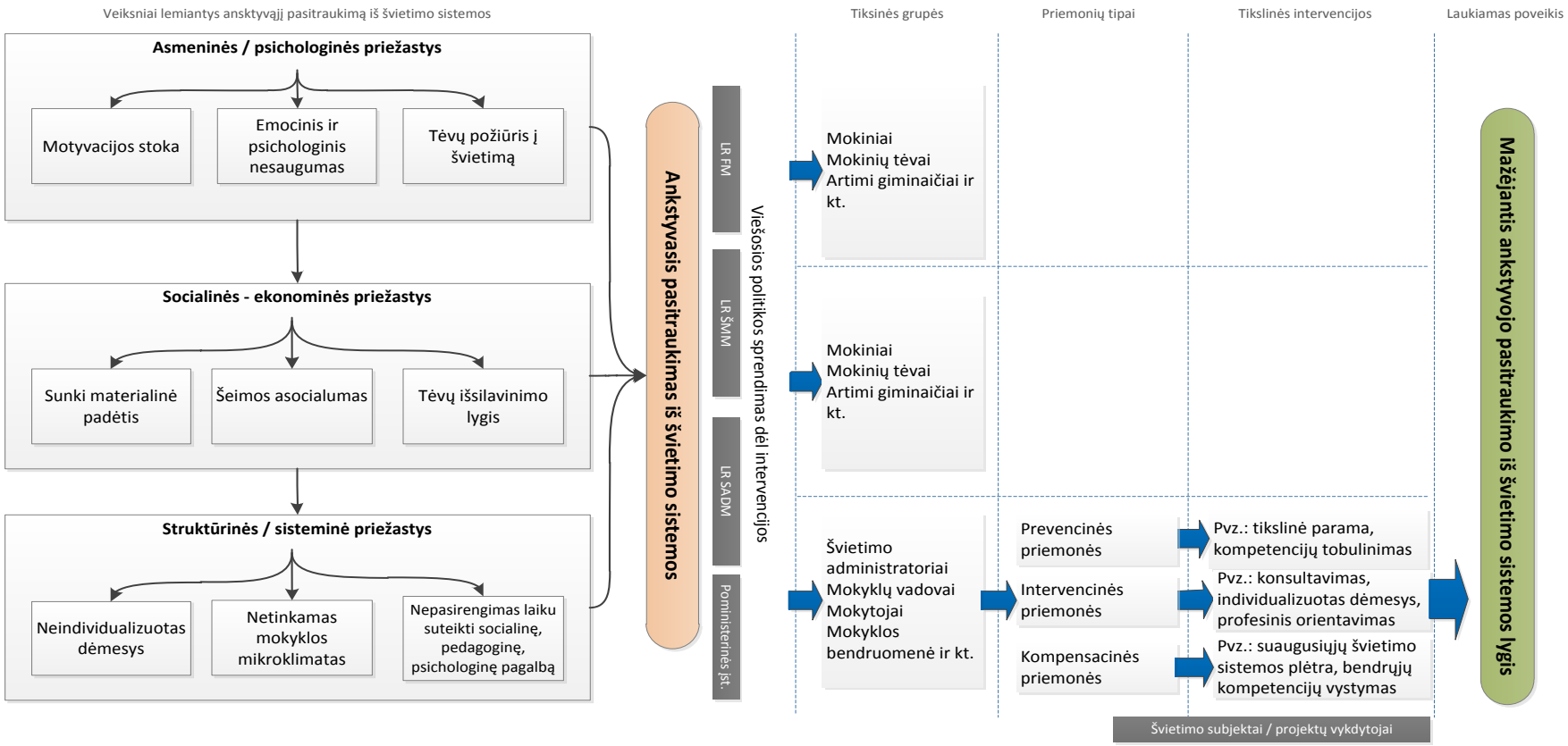
Micro level: Impact in respect to specific indicators

- Different approached used depending on the indicators set;
- One of the approaches used was employment of theory of change models;
- E.g. in order to conduct evaluation regarding early school leavers.

Building up theory of change models included setting multi-level causal relations in respect to the subject of analysis and involving a number of stakeholders and institutions. In order to trace the impact a number of micro level empirical research cases were conducted (i.e. interviews, focus groups, case studies).

THE METHODS OF EVALUATION

Sample of visualisation of causal models: theoretical model of early school leavers



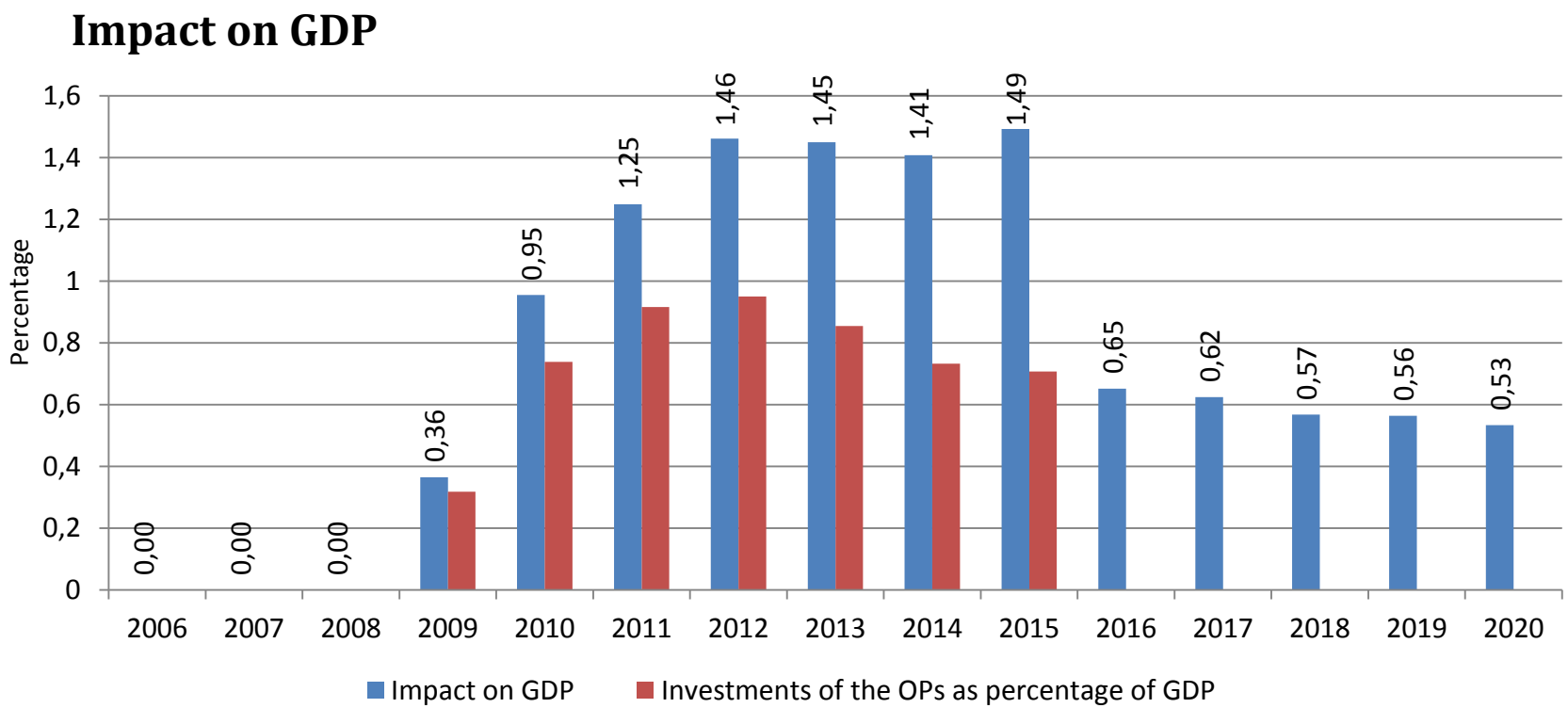
SELECTED RESULTS OF EVALUATION:
Macro-level Impact

MACRO-LEVEL IMPACT

Macroeconometric modelling using HERLIT model – why do we need it?

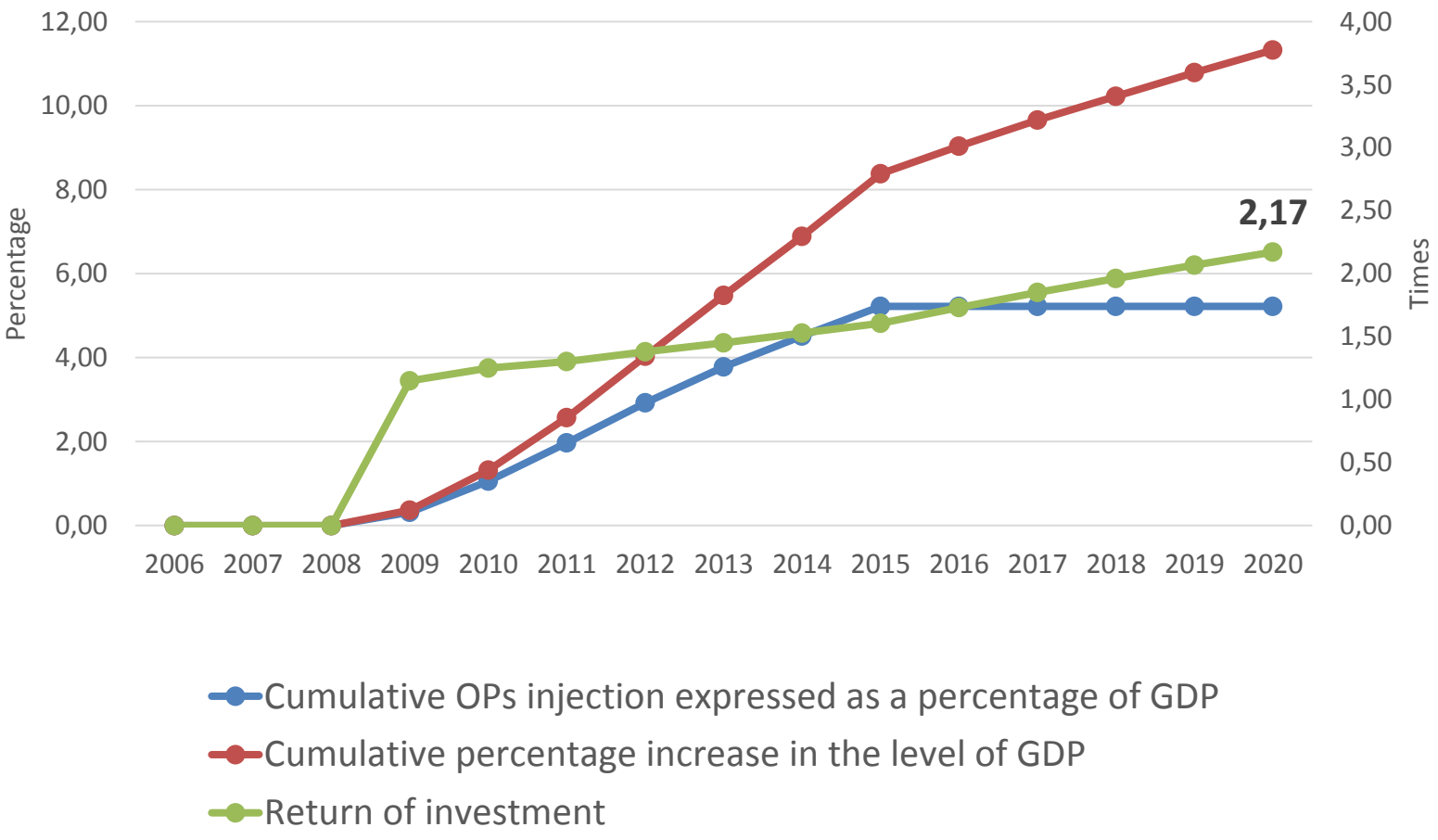
Can macro level evaluation demonstrate the level of cohesion? By what means?

Does the impact diminish after the end of programming period? What long term impact remains?



MACRO-LEVEL IMPACT

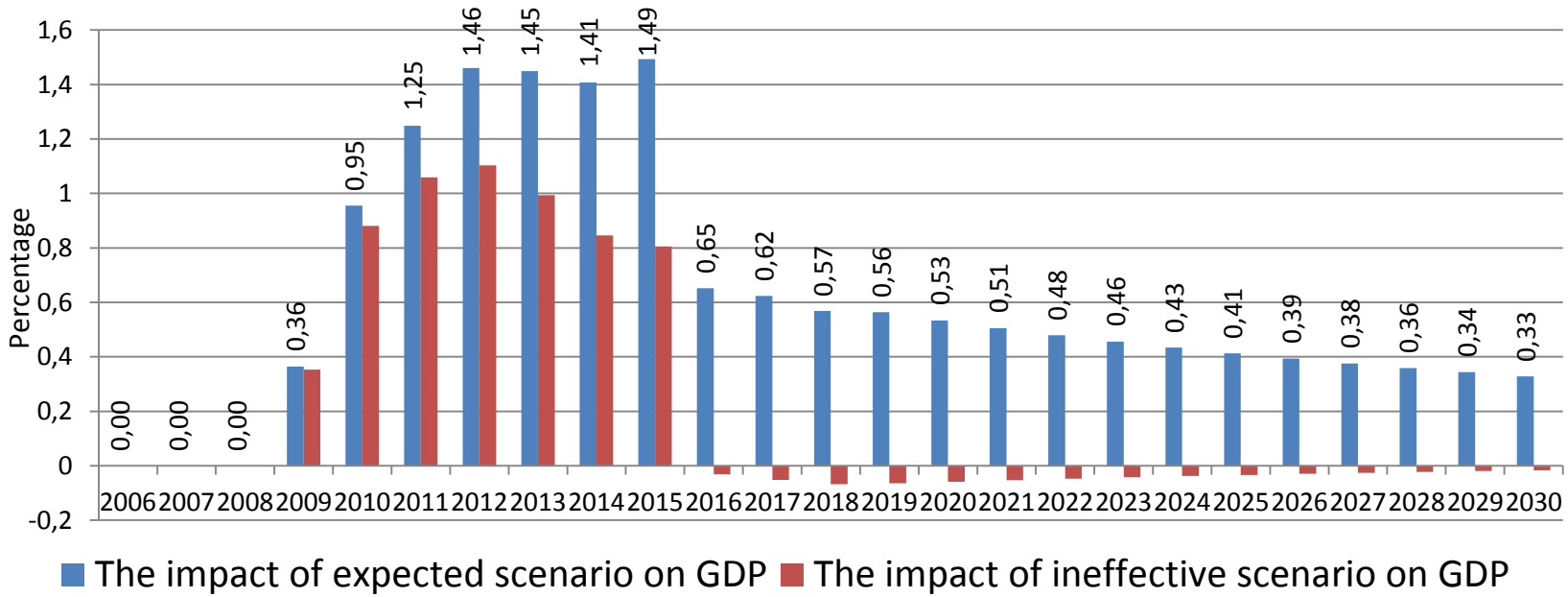
What is the easiest way to demonstrate the overall return of investment into human resources?



MACRO-LEVEL IMPACT

What if the investment into human capital would be inefficient at micro level?

What implications would that bring at a short and long time perspectives?



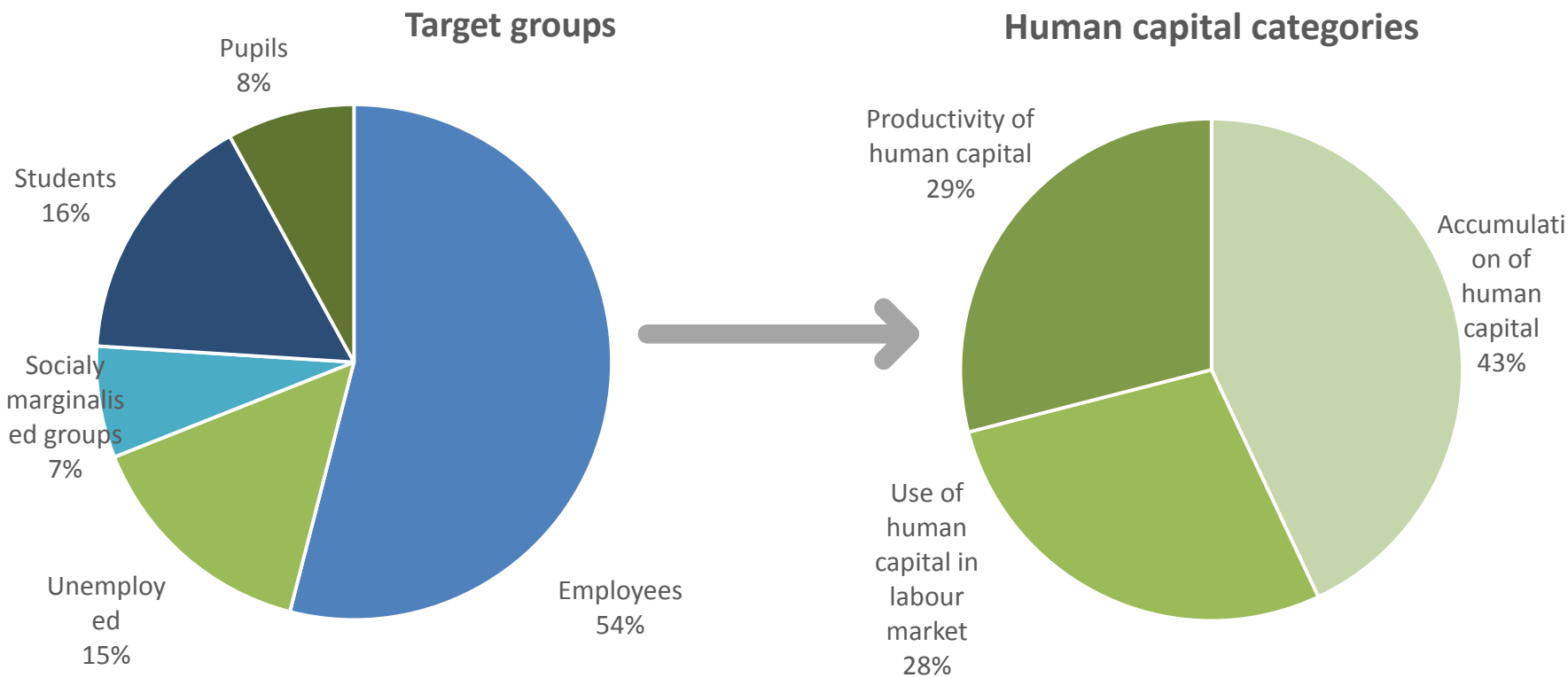
<u>Therefore it is suggested to employ robust and reliable micro level research and evaluation methods (CBA, counterfactuals, etc.)</u>

SELECTED RESULTS OF EVALUATION:
Implications on human capital

HUMAN CAPITAL IMPLICATIONS

What is the revenue of employment of human capital perspective?

What insights did it bring to the decision makers and stakeholders?

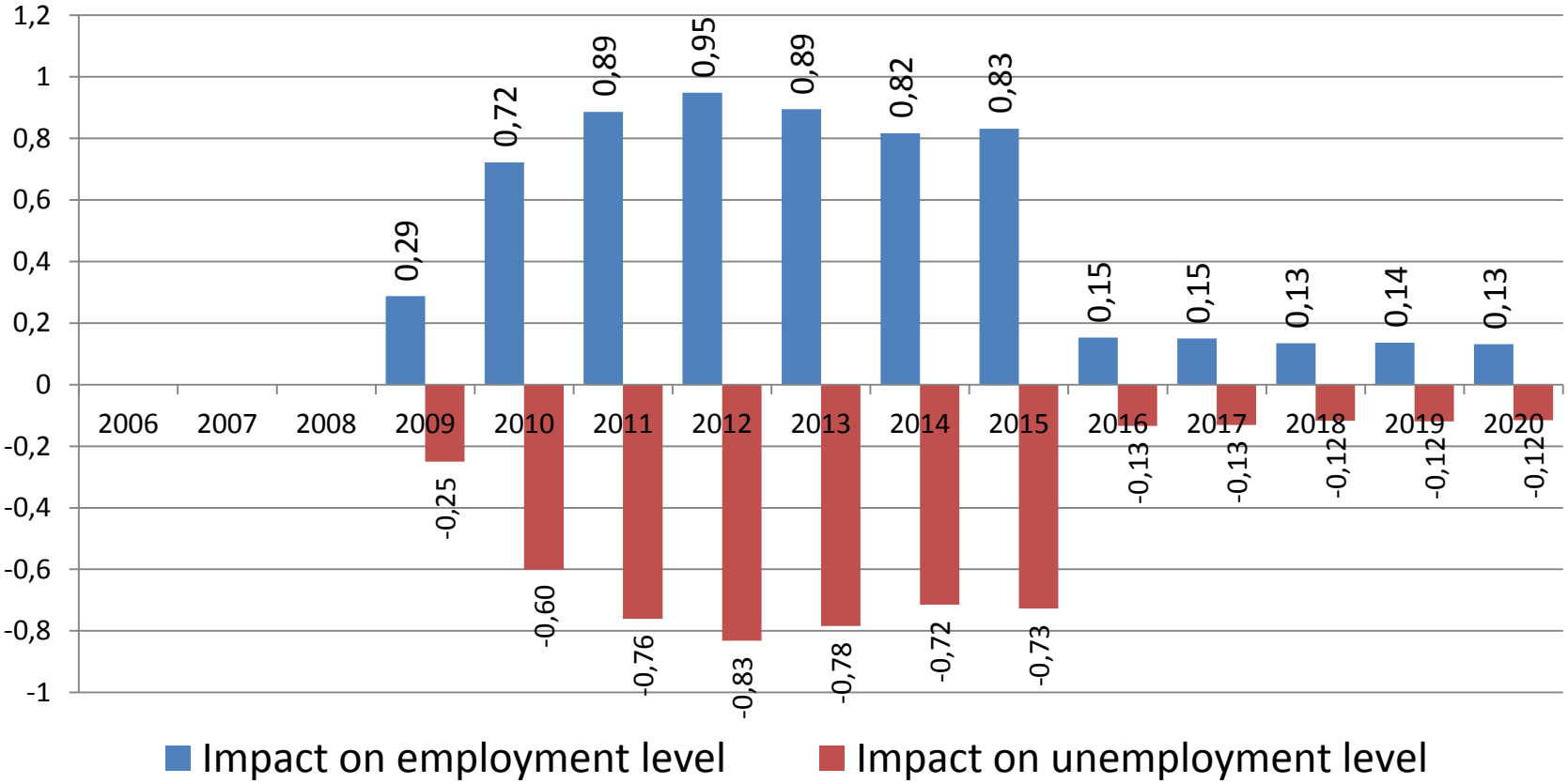


SELECTED RESULTS OF EVALUATION:
Impact on Labour Market

IMPACT ON LABOUR MARKET

What effect did the investment have on the employment?

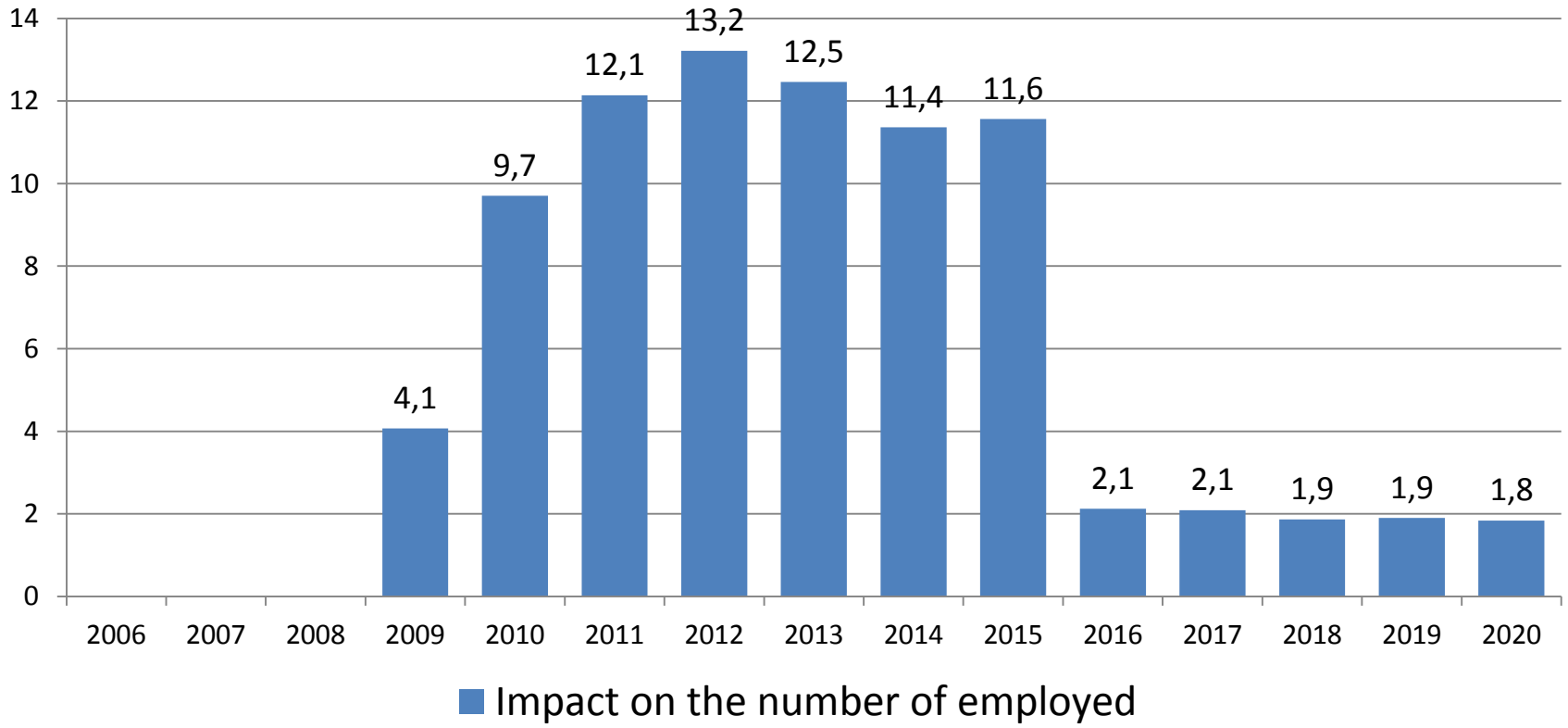
How high the unemployment would have been if we didn't have the investments?



IMPACT ON LABOUR MARKET

How many jobs have been created during the implementation of OPs? Are those long lasting or short-term jobs?

How many work places remain after the termination of the programmes?

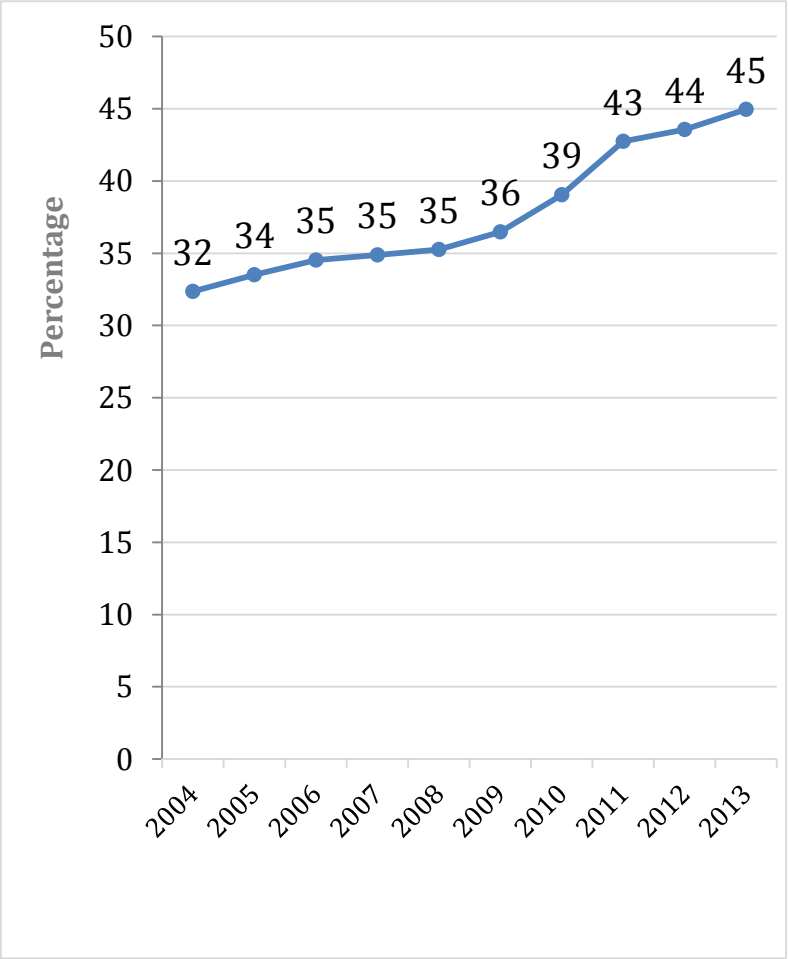


RESULTS OF EVALUATION: Impact on RDI

IMPACT ON RDI

Share of young researchers

Lithuania has set up a goal – to increase the share of young researchers (up to 45 years) up to 50 per cent by 2015.



Attention was paid to all the elements of the change i.e. causal model was built to grasp all likely impact factors.

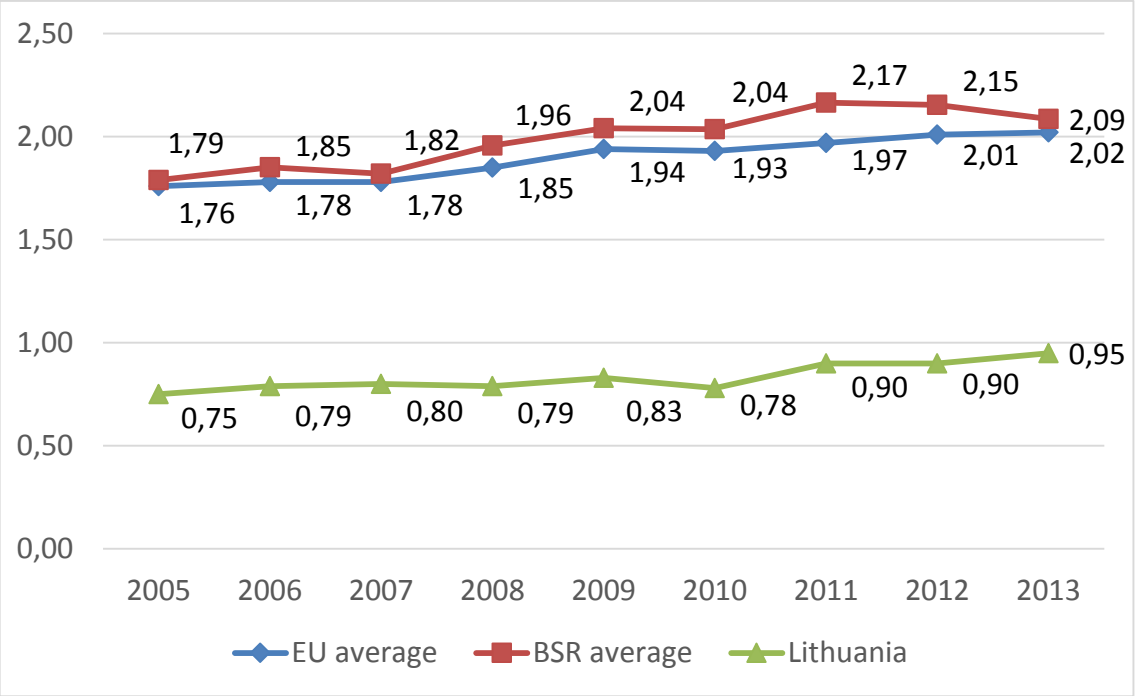
- Starting with the visits to schools of mobile laboratories;
- Ending with financial support for the scientific activities of researchers.

The input of the OPs on increase of young researchers was assessed as significant.

IMPACT ON RDI

How the general expenditure on RDI corresponds to Human capital development?

Did Lithuania managed to induce impetus for business to invest in R&D?



The growth of expenditure on RDI was largely based on the absorption of EU structural assistance but not the business or governmental sector inner sources.

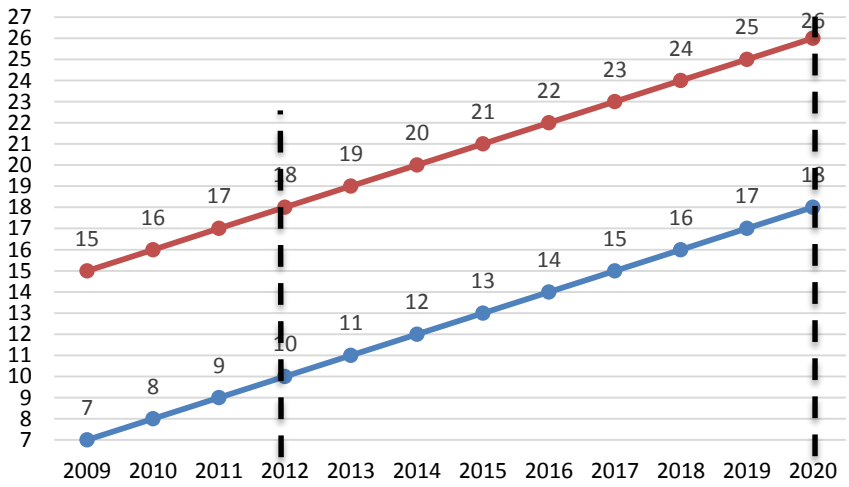
RESULTS OF EVALUATION:
Impact on Education

IMPACT ON EDUCATION

Early leavers from school

(persons aged 18 – 24 year olds whose highest level of education and training attained is no higher than ISCED 3c).

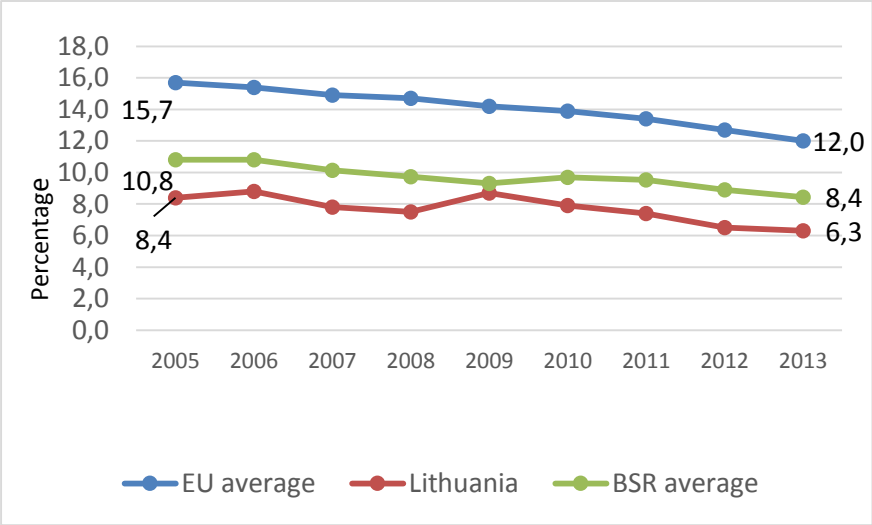
Was it the right time to measure impact on early school leavers?



The moment of the impact manifestation of the interventions given that they started in 2009

- **Theory of Change approach is applied.**

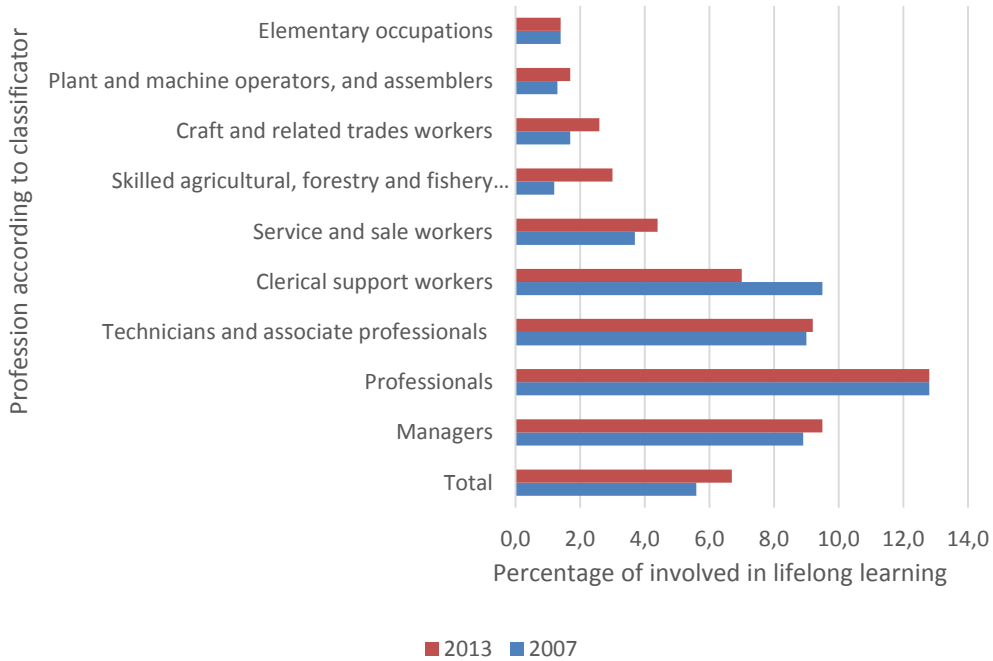
- Indicator **dynamics during the programming period.**

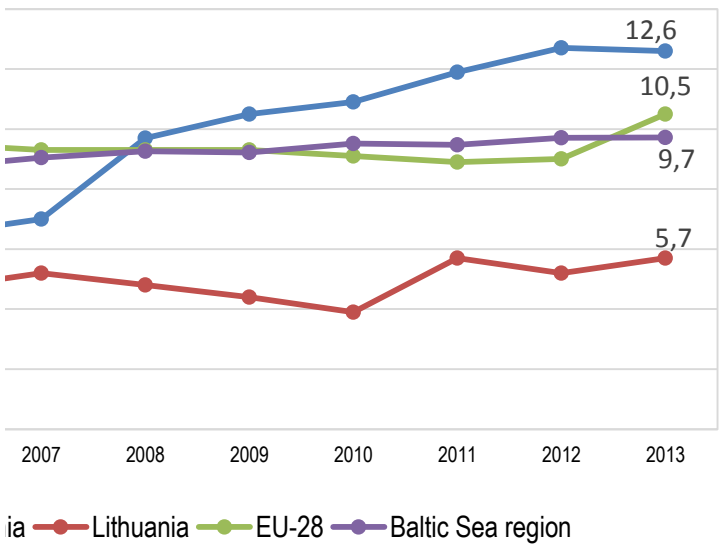


- **Impossible to asses the full impact** as first (oldest) intervention recipients were interviewed only in 2012.
- **Full impact of interventions can be measured between 2012 and 2020 only.**

IMPACT ON EDUCATION

What went wrong?





It was proposed

- **To use the EU investments more efficiently**
- **To set appropriate target groups for training**
- **To create systemic means and premises to foster demand and supply of lifelong learning.**

TO SUM UP

- *Detailed conclusions and 24 recommendations were suggested*
- *Number of publicity activities were carried out - conference, publication, presentations etc.*
- *Panel discussion involving a number of decision makers and stakeholders was arrange to build up on the results on the evaluation and to suggest a proposals for the forthcoming programming period.*

Thank you for your attention!

For more information please contact:

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