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Guide for developing national outreach strategies for inactive young people



Guide for developing national outreach strategies for inactive young people

Valli' Corbanese and Gianni Rosas

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Preface

Youth unemployment and inactivity have long-lasting consequences both for young individuals and for society as a whole. There is strong evidence that increasing social exclusion, disengagement from the labour market and underutilization of human resources can lead to lower potential economic growth. While research on policies to address youth unemployment has increased substantially over the past two decades, less is known about youth discouragement and inactivity, and the policies and programmatic interventions that can effectively address them.

This guide has been developed to support governments in the preparation of national outreach strategies and action plans targeting young people who are not actively engaged in the workforce, education or training. Its content is drawn from existing literature and European Union country practices on outreach approaches. The methodology is based on the ILO's guide for the development of national action plans on youth employment.¹

This publication is a deliverable of the joint action of the International Labour Organization (ILO) and the European Commission (EC) that supports implementation of the European Union Youth Guarantee (YG). It has been prepared by Gianni Rosas, Senior Employment Specialist, ILO, and Valli Corbanese, Senior Youth Employment Expert. Ms. Milagros Lazo Castro assisted in the design and layout of the guide. Gratitude is expressed to the members of the national YG coordination teams of Latvia, Portugal and Spain for their useful comments and their support in validating the drafts of the guide.

¹ See G. Rosas and G. Rossignotti, *Guide for the preparation of national action plans on youth employment* (ILO, Geneva, 2008)

This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014–2020).² The information it contains does not necessarily reflect the official position of the ILO or the European Commission.

² For further information please consult: <http://ec.europa.eu/social/easi>

Introduction

Unemployment and inactivity among young people are causing increasing concern throughout Europe, where – in 2016 – over 12 million young people aged 15 to 29 were neither working nor studying or job seeking. The idea behind emphasizing youth unemployment and inactivity is that these can have potential long-lasting consequences on individuals – reduced employment opportunities and lower earnings in adulthood, increased risk of early pregnancy and substance abuse, greater reliance on welfare, and increased risk of involvement in crime – as well as on society as a whole.³

There is growing evidence that turbulence in early labour market experiences is consistently associated with poor labour market outcomes and increased risk of social exclusion in adulthood. Furthermore, young people who give up the job search and become disengaged (from the labour market and society) tend to be at higher risk of marginalization than their unemployed counterparts. In modern societies, employment is key to daily life and the main source of financial independence, status, identity and social participation, which is why giving up job search is tantamount to giving up compliance with social norms and values.

The disengagement of young people from the labour market, education and training represents an enormous monetary burden: in Europe, the direct economic loss due to high shares of young people neither in employment nor in education and training (NEETs) was estimated in 2011 at €153 billion, corresponding to 1.2 per cent of Europe's gross domestic product (GDP).⁴

Policy interventions aimed at addressing youth disengagement include a combination of policies for prevention and "cure" to be implemented at different stages in the lives of young people. Prevention measures typically take place during compulsory education and are aimed at addressing those risk factors associated with failure at school and early school leaving, which may lead to unemployment and inactivity later in life.⁵

³ K. McLaren: *Reconnecting Young People. A review of the risks, remedies and consequences of youth inactivity*, Ministry of Social Development of New Zealand (Youth Transition Report Series, 2003).

⁴ These costs were calculated as the sum of welfare transfers to NEETs (social assistance, unemployment, disability and sickness benefit) and the lost contribution of the individual to society (foregone earnings, unpaid taxes and social security contributions). These estimates, however, do not include indirect costs such as those stemming from ill health, poor self-esteem, loss of skills and social exclusion. See Eurofound: *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe* (Publications Office of the European Union, Luxembourg, 2012).

⁵ K. McLaren: *Reconnecting Young People. A review of the risks, remedies and consequences of youth inactivity*, Ministry of Social Development of New Zealand (Youth Transition Report Series, 2003).

Remedial policies come into play once unemployment or inactivity have already occurred.

Over the past two decades, youth unemployment (determinants, recurrence, costs for individuals and society) and the policy interventions that are effective in tackling it have been researched extensively.⁶ A growing body of impact evaluations is informing the design of youth employment policies, activation strategies and reforms of the employment service delivery system.⁷ Research into youth inactivity, conversely, is more fragmented and has been mostly focused on the individual characteristics of inactive young people (such as lone parents or young people living with disability) and the development of pilot interventions.⁸

The Youth Guarantee (YG) introduced a new youth employment policy framework that requires European Union (EU) countries to provide a quality offer of employment, continued education and training, apprenticeship or traineeship to all young people (aged 15–24) who are neither in employment nor in education and training within four months of becoming unemployed or leaving school.⁹ The YG thereby requires EU countries to go beyond established labour market policies that address youth unemployment and start implementing strategies that target disengaged young people with a view to guiding them towards integration services and programmes.

⁶ See for instance J. Kluve: "The Effectiveness of European Active Labor Market Policy" *Labour Economics*, 17(6) (2010) and J. Kluve et al.: *Protocol - Interventions to Improve Labour Market Outcomes of Youth: A Systematic Review of Active Labour Market Programmes* (Campbell Collaboration, 2014).

⁷ Activation strategies aim to bring more people into the effective labour force, counteracting the potentially negative effects of unemployment and related benefits on work incentives by enforcing their conditionality on active job search and participation in measures to improve employability, and to manage employment services and other labour market measures so that they effectively promote and assist the return to work" OECD: *Employment Outlook*, (Paris, 2013). See also J. P. Martin: *Activation and Active Labour Market Policies in OECD Countries: Stylized Facts and Evidence on their Effectiveness* (IZA Policy Paper, 2014, No. 84) and W. Eichhorst and U. Rinne: *Youth activation policies* (ILO, Geneva, 2014)

⁸ See for example P. Wehman et al.: "Predictors of successful transition from school to employment for youth with disabilities", *Journal of Occupational Rehabilitation* (2015, Vol. 25, June); K. Ruggeri and C. E. Bird: *Single parents and employment in Europe* (European Commission, Short Statistical Report No. 3, 2014).

⁹ Council of the European Union: Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/1).

Purpose

This Guide has been developed to support governments in the preparation of national outreach strategies and action plans targeting disengaged young people (young people who are not actively engaged in the workforce, education or training).¹⁰ More specifically, it is designed to:

- suggest a practical step-by-step approach to developing outreach strategies and action plans through a partnership-based process; and
- provide guidance, particularly to government officials, representatives of employers' and workers' organizations, youth groups and other relevant stakeholders, in managing the various steps of the policy cycle process to prepare a comprehensive outreach strategy.

The key to developing an outreach strategy is to develop a process that recognizes that youth disengagement cannot be tackled through fragmented and isolated interventions or by government agencies alone. It requires sustained and concerted action by several actors (line ministry policy-makers, public agency staff, service providers, the social partners and organizations representing the interests of young people) over a variety of policy and programmatic areas (education and training, employment, social protection, health, poverty and social exclusion, among others). A strong partnership approach, therefore, is of the essence both for developing and implementing national outreach strategies.

The suggested framework for the development of these strategies is the multi-step policy cycle approach: situation analysis and identification of the main problems to be addressed, generation of policy options, policy design, implementation planning and monitoring and evaluation (see Figure 1).

¹⁰ There are several terms used ("disengaged", "disaffected" or "disconnected") for young people who are not engaged in education, training or the labour market. Statistically, this category includes unemployed and inactive young people (and who have not been engaged in any form of education and training in the last two weeks).

Figure 1. The policy cycle



Source: G. Rosas, G. Rossignotti: *Guide for the preparation of national action plans on youth employment*, (ILO, Geneva, 2008)

There is no single structure and organization for the development of outreach strategies. Much will depend on the main problems the country needs to address to provide a coherent set of integration services for disengaged young people. Country experiences show that common features in outreach approaches comprise mechanisms to identify and contact inactive young people, in-depth assessment of individual needs, tailored service and programme delivery – usually based on individual action planning – monitoring and review (Figure 2). This intervention model emerges from the lessons learnt during the piloting of outreach approaches under the *European Youth Guarantee Preparatory Action* and through the review of country practices aimed at providing support to disengaged young people.¹¹

The model of intervention comprises four stages:

- 1. Identification.** This articulates the approaches for identifying disengaged young people (such as tracking systems, data exchange and data warehousing, partnership agreements with youth organizations, and recruitment of outreach or youth workers).
- 2. Contact and engagement.** This stage details the types of initial services to be provided to contact and attract young people

¹¹ For the piloting of outreach approaches in preparation of the Youth Guarantee implementation see European Commission: *Piloting Youth Guarantee partnerships on the ground. Case study: Effective outreach strategies to identify and reach out to NEETs* (Brussels, 2015). In the context of the European Commission-International Labour Office (ILO) Action on assessing progress and enhancing in the implementation of Youth Guarantee schemes, the ILO carried out a review of outreach approached in EU Member States, see ILO: *Policy brief on outreach strategies for young NEETs* (Geneva, 2017).

(information, counselling and guidance services) and the organizations or individuals responsible for service delivery (municipalities, social workers, youth, outreach or street workers, civil society organizations).

3. **Programme delivery.** This stage articulates the mix and sequence of services and programmes to be offered to disengaged young people (individual assessment, coaching, motivation training, self-awareness, self-esteem training, communication, teamwork, work readiness skills, career tasters, advice and referral to specialized services), plans how the whole support system will operate on the ground and details the specific responsibilities of partner organizations (who will do what).
4. **Monitoring and adjustment.** This final stage of the model details the monitoring system to be used to verify progress in service delivery and how the findings can be used to adjust service and programme delivery.

Figure 2. The four steps of outreach approaches



Content

This Guide consists of three chapters. The first describes the steps for conducting a situation analysis (overview of the socio-economic context, and identifying the key characteristics of disengaged youth and mapping of community resources).

Chapter 2 presents the framework for developing outreach strategies (problem identification and generation of policy options), while the third and final chapter provides guidance on planning action (setting the goal and objectives, formulating the expected policy outcomes and estimating resources). The annexes to this Guide provide additional tools and reference materials for managing the various steps of the strategy development process.

The examples provided clarify different phases of the strategy design process, rather than suggesting the particular content that a national outreach strategy should include.¹²

¹² Paragraph 2.2.1 and Box 3 provide references to research and country practices on outreach approaches.

Chapter 1: Situation analysis

The first step in developing a national strategy to reach out to disengaged young people is to conduct a situation analysis. The purpose of this exercise is to gain a clear understanding of the extent, determinants and geographical distribution of disengagement among young people with a view to understanding the implications for policy-making and programme development. This stage of the process includes a brief analysis of key economic, social and labour market trends with an in-depth assessment of youth inactivity (determinants and geographical distribution), and mapping of available resources (services, programmes and entities involved in assisting young people).

1.1. Overview of economic, social and labour market trends

Guidelines to analyse economic, social and labour market trends

Purpose

Analyse main socio-economic developments and youth labour market trends.

Tasks

- Analyse how the main economic, social and labour market policies affect youth employment and social inclusion.
- Review the main indicators of the youth labour market (by individual characteristics and geographical location).
- Provide detailed information on young people who are neither in employment nor in education or training (by individual characteristics and geographical location).
- List the main problems relevant to the social inclusion of young people brought to light by the analysis of the economic, social policies and labour market policies in the country.

The above-mentioned analysis should provide an overview of the country's key socio-economic developments over the past few years (economic growth and its relation to job creation and individual well-being, developments in economic and fiscal governance, poverty profile

and income distribution, and trends in educational attainment), as well as a brief analysis of youth labour market developments (employment, unemployment and inactivity). This analysis serves to:

- provide the background information needed to appraise the impact of public policies on the social inclusion of young people and identify the main challenges to be addressed in the short to medium term;
- review the links between individual characteristics (age, sex, educational attainment and national origin) and labour market status, poverty and social exclusion;
- appraise the relationship between the skills and qualifications provided by the education system and those required by the labour market; and
- frame the subsequent analysis of “disengagement”.

The following are the aspects to be analysed in this section – sourced from the statistical data regularly published by the national statistics office.

- Economic growth (measured in terms of GDP changes) and its impact on employment growth for young people (15–24 or –29, according to the national definition) and adults (25–or 30–64). This section should also look briefly at government stance in economic and fiscal policies over the past few years and its effect on output growth and employment creation.
- Trends in educational attainment among young people (including share of early school leavers) and the returns that education brings in terms of employment-to-population ratios and wage levels.
- Trends in youth labour force participation, employment, unemployment and inactivity over the past few years. These trends should be presented by individual characteristics (such as sex, age group and educational attainment) and compared to adults. This part of the analysis should also offer a short analytical assessment of the main challenges that young people face in their transition from school to work.
- Poverty and social exclusion (the share of the population that is poor or socially excluded and the most affected groups). Particular attention needs to be paid to the relationship between poverty and individual labour market status (employed, unemployed and inactive) and individual characteristics.

- Key characteristics of young people neither in employment nor in education or training (NEET), by sex, age group, level of educational attainment, geographical distribution and risk of social exclusion. This section introduces more in-depth mapping of the diversity of young NEETs (see paragraph 1.2).

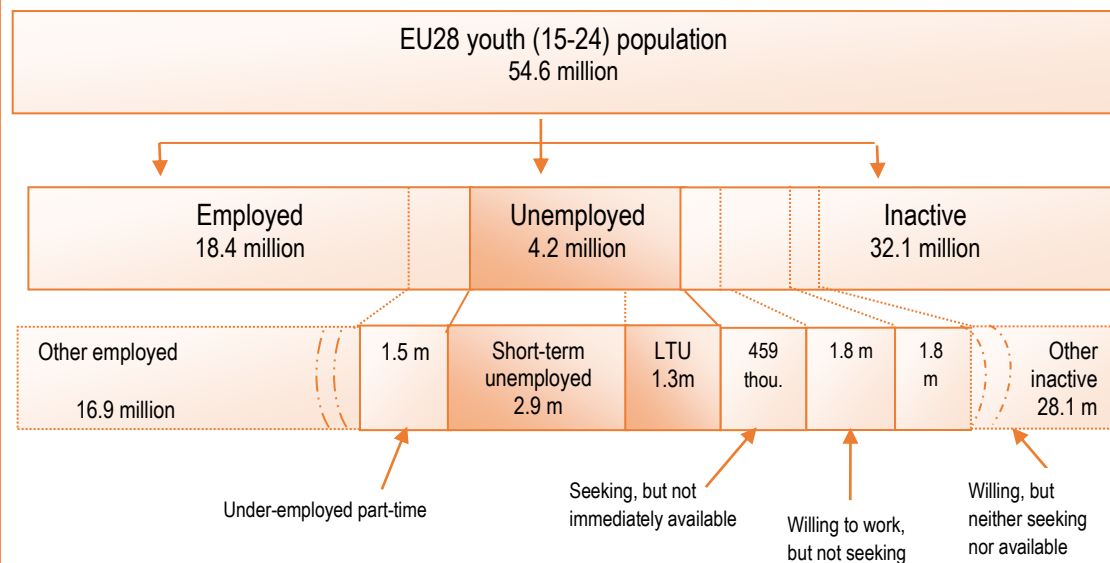
NEETs include very diverse groups of young people with a variety of experiences and needs. These include young people who are long-term unemployed, those just entering the labour market, young people looking after children or relatives, those who are temporarily suffering from ill-health or living with long-term disabilities, and young people who are simply taking a break from work or education. They include young people with little control over their situation and those who can make choices, those that have an attachment to the labour market (unemployed youth) and those who are completely detached (inactive youth, not in education or training), those registered with a public service (employment, social assistance or health services) and those who are “off the radar”.

One of the difficulties in the design of outreach strategies is deciding whether all young NEETs (all unemployed and inactive young people) should be the target of public interventions, or only those who are inactive, or only those who are inactive young people but have a higher degree of attachment to the labour market, measured by job search activity and availability to take up work.¹³

Figure 3 shows the various degrees of labour market attachment of the youth population (15–24) in the EU in 2016. The data is disaggregated by labour market attachment, which increases from the right to left of the figure (it is highest among short-term unemployed young people and lowest among those who are willing to work, but are not seeking work and are not available for work).

¹³ OECD: *Employment Outlook 2004* (Paris, 2004, Chapter 2).

Figure 3: Labour market attachment of youth (15-24) in the European Union (2016)



Source: adapted from Eurostat: *People outside the labour market* (2015), available at http://ec.europa.eu/eurostat/statistics-explained/index.php/People_outside_the_labour_market

1.2. Mapping the diversity of young NEETs

Guidelines to map the diversity of young NEETs

Purpose

Identify the individual characteristics of different groups of young NEETs and their geographical distribution.

Tasks

- Analyse the microdata of labour force surveys and surveys on income and living conditions to categorize young NEETs according to their status (short- or long-term unemployed, inactive due to family responsibility, disability or discouragement).
- Review the geographical distribution of the various groups of young NEETs.
- Determine how individual characteristics affect the probability of becoming disengaged.
- List the main problems relevant to youth inactivity that are brought to light by the analysis of statistical data.

This section aims to determine the key characteristics of young people to be targeted by the outreach strategy. It builds on the results of a mapping exercise to identify: the individual characteristics of disengaged young people (sex, age group, level of education, socio-economic background); their geographical distribution; and their distance from the labour market. The distance from the labour market can be defined based on willingness to work, immediate availability for work, or length of inactivity or unemployment.

This mapping exercise requires the analysis of the micro-data of labour force surveys and surveys on income and living conditions.¹⁴ These two datasets allow statistical figures to be disaggregated by a variety of individual characteristics and the number of young people in each labour market status category to be estimated.

The analysis should start with the screening of young NEETs' individual characteristics by detailed labour market status category, namely: short-term unemployed (young people looking for work for up to six months); long-term unemployed (young people looking for a job for over six months), re-entrants (awaiting recall to work or education or training); inactive due to illness or disability; inactive due to care or family responsibilities; inactive due to discouragement (young people who have given up the job search because they think there are no jobs available or that their skills are inadequate, or they do not know how to search for a job); and inactive for other reasons.¹⁵ These descriptive statistics can provide a number of insights. They may reveal, for example, that a substantial share of young people who are long-term unemployed are not registered with the public employment service (PES), or that young people with disabilities and discouraged workers are more likely to leave education early than other groups of inactive young people (see Box 1). Descriptive statistics are also useful to detect the individual characteristics that need to be taken into account when running a probability-based model.

¹⁴ Microdata is information at the level of individual respondents, collected through regular surveys on the labour force and risk of poverty and social exclusion.

¹⁵ The disaggregation of inactive youth follows the self-reported reasons for inactivity collected through the labour force survey.

Box 1

Profiling inactive young people in Latvia

As part of the YG scheme, Latvia developed a national project (KNOW and DO!) to support young NEETs (neither registered with the State Employment Agency nor enrolled in education and training) in their progression towards the labour market. The project's activities are coordinated by the Ministry of Education and Science and are implemented by the Agency for International Programmes for Youth. The Agency has developed a comprehensive set of guidelines for the delivery of outreach activities, based on a research carried out on the most disadvantaged among inactive youth. This research – based on available statistical data and the review of studies on social exclusion – identified the following five groups of young people particularly at risk.

1. **Young mothers.** These are young women aged 25 to 29 years with one or two children. Many of them have primary or secondary education, while some dropped out of school due to pregnancy. Most young mothers face difficulties re-entering the labour market due to a lack of affordable childcare facilities and jobs providing reasonable earnings and flexible schedules.
2. **Young people with a health condition or living with a disability.** This group is characterized by low educational attainment due to difficulties maintaining regular school attendance. They also struggle to find jobs with suitable work schedules and firms that are willing to adapt workplaces.
3. **Young people with addiction problems.** This group faces serious difficulties in adapting to education and working life. There are several household and community factors contributing to the likelihood of addiction (disrupted families, negative peer influence, living in an area where substances are easily available).
4. **Young people with low educational attainment.** This group is the most difficult to identify as many are not registered with the social or employment services. It includes a broad range of young people, from young workers in the informal economy to children of well-off families neither willing nor available to work.
5. **Young people from low-income families:** These young people often leave school early to earn a living, or because they feel excluded by their peers. They often come from large families, where child care and attention is lacking.

Source: Agency for International Programmes for Youth, *Methodological guidelines for targeting young people within the Project "KNOW and DO!"* (2015) (available in Latvian only) accessible at http://lijp.lv/wp-content/uploads/2015/09/metodologiskas_vadlinijas_19_10_2015.pdf.

The second step in the analysis is to examine the geographical distribution of young people by individual characteristics.¹⁶ This serves to understand whether there are substantial differences between regions in terms of prevalence of reason for inactivity (such as care and family responsibilities or discouragement) or individual characteristics (sex, age group, educational attainment), to optimize policy interventions and maximize resource allocation.

¹⁶ In the European Union, the *Nomenclature of territorial units for statistics* (NUTS) at level 2 can be used for this purpose.

The third and final step is to apply a probability regression model (*probit*) to the micro-data of the labour force survey to understand the competitive disadvantage that holders of specific individual characteristics have over others in terms of the risk of becoming inactive (see Box 2). Annex 1 to this Guide provides more detailed guidance on how to analyse descriptive statistics on young NEETs and on the econometric approach that can be used for profiling the risk of inactivity.

Box 2

Determinants of inactivity among young people (15–29) in Portugal

For the development of the National Outreach Strategy in Portugal (2017) a *probit* regression was used to estimate – on the basis of the micro-data of the national labour force survey – the probability of young people of being inactive according to individual characteristics (age, sex, level of education and geographical location) and reason for inactivity.

The results showed that the probability of being inactive decreased the higher the individual's level of educational attainment. Young people with upper secondary and tertiary education were respectively 7 and 10 per cent less likely to be inactive compared to young people who had attained only lower secondary education. Age had no statistically significant relationship to inactivity, except for young persons with a disability, whose probability of being inactive increased with age.

Generally, young women had only a slightly higher probability of inactivity than men, except for inactivity due to family responsibilities and disability. Living in the south of the country (Algarve) increased the probability of inactivity for young people (by nearly 10 per cent) and especially due to disability (by approximately 16 per cent). In the central area, young people had a higher probability of being inactive for other reasons (15 per cent), while in the capital the probability of being inactive was higher for young people with disabilities (by 16.2 per cent).

The results of the *probit* regression were used to design specific service lines and assign priority to groups of inactive young people living in different regions.

Source: ILO: *Profile of young NEETs in Portugal* (Geneva, 2017)

1.3. Review of existing policies, measures and service delivery mechanisms targeting disengaged young people

Guidelines to review measures and service delivery mechanisms

Purpose

Identify existing policies, measures and services targeting disengaged young people in the country.

Tasks

- Assess the extent to which social inclusion policies have worked to improve the integration of young people.
- Map the public and private providers that assist inactive young people at national and local level.
- Review the type, range and geographical distribution of existing services and programmes targeting disengaged young people.
- List the main gaps that are brought to light by the mapping of policies, measures and service delivery mechanisms.

The review of policies, measures and services targeting inactive young people at national and local levels completes the situation analysis.

The appraisal typically starts with a review of social inclusion, youth employment and education and training policies. This is instrumental to understanding whether past and current policies have had an impact on youth inactivity. Since social inclusion is a multidimensional concept, many policies and programmatic aspects (e.g. social inclusion measures, activation policies, anti-poverty interventions, conditional cash transfers) need to be screened to understand what works and for whom.

The core part of the review focuses on services and programmes targeting young people generally, and discouraged and other inactive young people in particular. This exercise aims to identify the types of measures and services that are currently being delivered; the main groups of young people that are targeted; the responsible organizations and their geographical coverage; and main implementation modalities and funding sources.

This part of the review starts by mapping public service providers at the national and local levels (e.g. employment, social, health, youth, education and training services) and their respective resource

networks.¹⁷ It then moves to community-based organizations, and especially youth associations and their respective resource networks. This enables the inclusion of smaller-scale service delivery realities or projects that public authorities may not be aware. Annex 2 provides guidance on how to design and carry out a geographically based resource mapping.

The resource mapping serves three main purposes. First, it enables building the interventions – to the extent possible – on the services that are already available. Second, it helps to identify fragmentation, gaps and overlapping in service delivery that the outreach strategy needs to address. Finally, it serves to identify service providers and organizations that can be involved as partners in the delivery of tailored support to discouraged and inactive young people. This helps to establish a comprehensive approach, whereby the delivery and integration of services is coordinated across different partner entities and organizations that have the relevant expertise and capacity to address the specific needs of young persons.

¹⁷ Tapping into the resource networks of different service providers has a snowball effect, making it possible to expand the research and achieve a more comprehensive mapping of what is available.

Chapter 2: Priority setting

This part of the outreach strategy focuses on the identification of main problems on the basis of the results of the situation analysis and on the selection of the options that policy-makers consider most appropriate to address.

2.1. Problem identification and analysis

Guidelines to identify and analyse problems

Purpose

Identify the problems to be addressed by the outreach strategy.

Tasks

- Based on the results of the situation analysis, identify the problems that are at the roots of young people's discouragement and inactivity.
- Establish a hierarchy of the problems.
- Select and describe the problems to be addressed by the strategy.
- Analyse the cause and effect relationship of the identified problems.

The identification of the main problems and the establishment of a cause-effect relationship are instrumental to finding how to address them. The problem analysis requires answering basic questions about the nature of the problem, its extent, its causes and the underpinning reasons that justify public policy priority.

The results of the situation analysis help to clarify the nature and boundaries of the problems to be addressed. The problem definition leads to the issues to be addressed in precise, coherent and complete terms. Problem definition must be a participatory process, since different actors may have a different understanding of the problems and of the ways these should be tackled. The definition of the problem will affect the rest of the strategy development process, namely the formulation of objectives, the identification of policy options and the definition of implementation mechanisms. A clear problem definition also enables important factors to be identified and categorized into causes and effects.

In order to become the object of public policy, complex problems such as those related to inactivity must be given structure: smaller component problems must be extracted, so that each can be more easily analysed and the cause-effect determined. A cause-and-effect analysis (using, for instance, a casual chain diagram) can help to identify the links between events and their potential or actual causes. This process enables a potential root cause of the problem to be identified, which can explain the effect, either directly or through a series of events, and that, if addressed, would eliminate or reduce the problem.

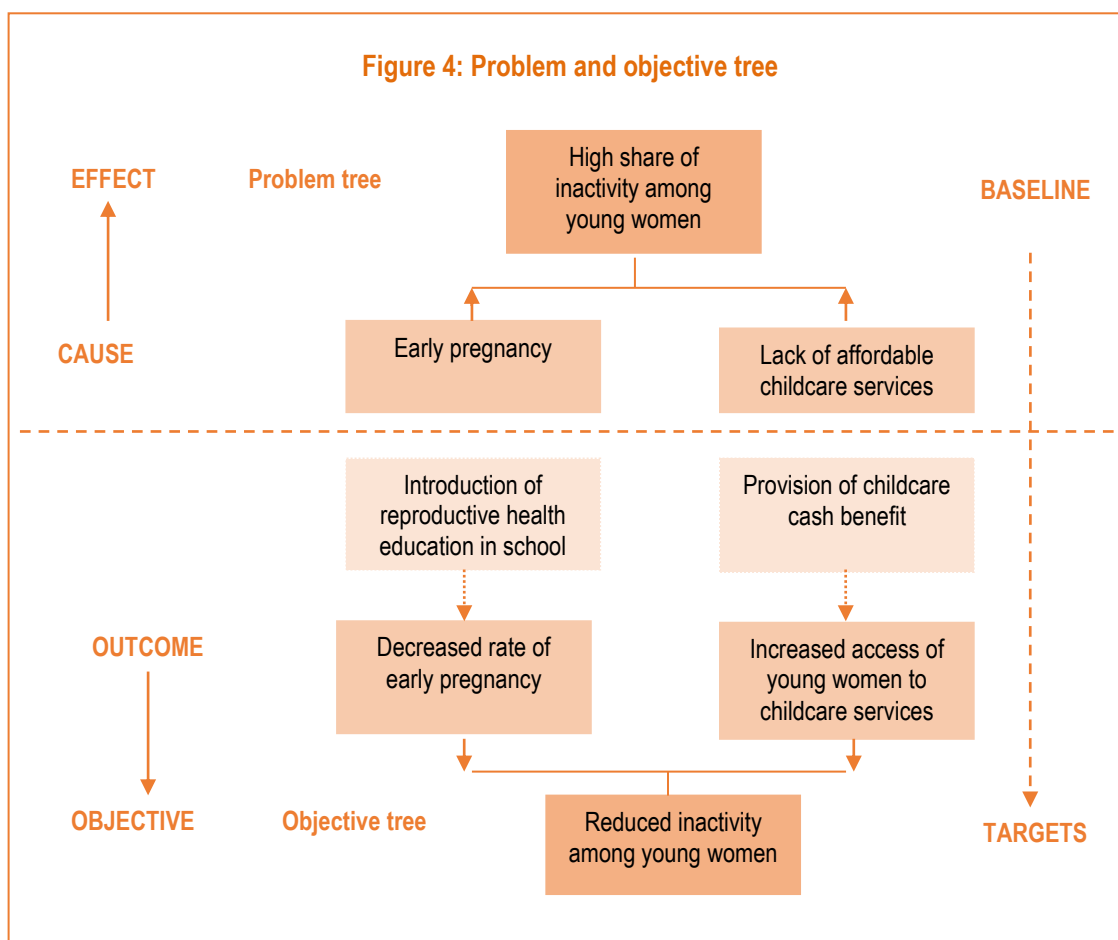
The design of a cause and effect chain follows three steps. First, all problems that emerge from the situation analysis are listed. The second step is to reach consensus among all actors involved in the strategy development process on the clear and detailed definition of these problems. A problem can be defined in terms of the existence or absence of a particular outcome (such as participation in the labour force or in education), access (such as affordable child or elderly care services) or individual's behaviour (leaving school early).

At this point of the analysis, some of the issues that have been listed will be set aside, as they come to be considered as part of a problem or a factor contributing to it, rather than a problem *per se*. For example, lack of affordable child care services may be considered as a factor that contributes to inactivity among young women, rather than as a problem in itself.

Situation analysis and problem definition are interdependent and closely related. These two steps in the strategy development cycle are mutually informing: the more a situation is analysed, the clearer the definition of the problem becomes. It may also happen that additional research is needed to define some details of the problem. For instance, if the mapping of young NEETs reveals that a large share of young people is inactive due to "other" (undetermined) reasons, further research will be needed to understand whether the inactivity is voluntary or involuntary and to ascertain its main causes.

The third and final step in problem analysis is the ranking of problems in order of priority and selecting those that will be addressed by the outreach strategy. This entails negotiations among the various partners in the strategy development process, while taking account of national circumstances, availability of resources and coherence with other policy priorities defined at national level. Annex 3 provides a simple method for prioritizing problems for policy intervention.

The cause-effect analysis informs strategy design and in particular the formulation of the objectives (that mirror the problems identified) and the outcomes (that mirror the root causes of the problem) of the outreach strategy. Figure 4 below provides, in a simplified form, an example of the links between the problem and the objective (problem tree).



After the above-mentioned steps have been completed, the strategy development process will enter into the design phase (i.e. identification of policy options, the setting of objectives and outcomes, as well as the definition of the mechanisms for implementing the strategy agreed upon).

2.2. Generation and selection of policy options

Guidelines to generate policy options

Purpose

Identify policy options to tackle the selected youth inactivity problems to be addressed by the outreach strategy.

Tasks

- Identify the main policy options to tackle the selected problems.
- Establish a set of criteria against which potential policy options should be appraised.
- Prioritize and analyse policy options on the basis of established criteria.
- State the rationale and justification of each identified policy option.

The design phase is the stage at which options for addressing a specific problem are identified and appraised, and a course of action agreed upon. As already mentioned, the definition of the problem shapes the way it is dealt with throughout the design process.

Problem definition is not only a matter of defining goals and measuring their distance from the current situation but also a consensus-seeking exercise to reconcile the different opinions that policy-makers may have about the problem and its causes.¹⁸ Policy design starts from the problem analysis and the casual chain. A good causal model suggests possible “intervention points” and helps to develop “policy alternatives” (see Table 1).

¹⁸ This part of the policy process often becomes political because government agencies and decision-makers tend to promote their favoured course of action. D. Stone: *Policy paradox: The art of political decision making* (W.W. Norton, 2001, 3rd edition).

Table 1

Steps in the policy design process		
Steps	Type of questions	Examples
Analyse the problem	<p>What is the problem? Who or what is affected? How did it develop?</p> <p>What are the major causes?</p> <p>How might the causes be affected by policy action?</p>	<p>How is young women's inactivity related to lack of childcare facilities?</p> <p>How does living with a disability compare to other reasons for inactivity?</p> <p>Is discouragement caused by low educational attainment?</p> <p>What is the potential to reduce discouragement through policy action?</p>
Construct policy options	<p>What policy options might be considered for dealing with the problem?</p>	<p>In order to reduce disengagement among young women, should the government increase childcare facilities or try to educate students on the consequences of early pregnancy?</p> <p>Should the State provide cash benefits conditional on school attendance for low-income families?</p>
Develop evaluation criteria	<p>Which criteria are most suitable for the problem and the alternatives?</p> <p>What is the cost of the actions?</p> <p>What is the likely effectiveness?</p> <p>What is the social, political and administrative feasibility?</p>	<p>Which options may be most effective in reducing inactivity due to care responsibilities? More childcare facilities? More elderly care services?</p> <p>Would reproductive health courses in the curriculum be acceptable to parents as a means to reduce early pregnancy?</p>
Appraise the alternatives	<p>Which options are better than others?</p> <p>What kind of analysis may help in distinguishing better and worse policy options?</p> <p>Is evidence available?</p>	<p>Are childcare cash benefits more likely than reproductive health services to reduce inactivity among young women?</p> <p>How successful are the efforts being made in other countries in reducing early pregnancy? What evidence is available?</p>
Draw conclusions	<p>Which policy option is the most desirable given the circumstances and the evaluation criteria?</p> <p>What other factors should be considered?</p>	<p>Should the government introduce reproductive health education as part of the curriculum?</p> <p>How might the action be made more acceptable to parents?</p>

Source: Adapted from M. E. Kraft; S. R. Furlong: *Public Policy: Politics, Analysis, and Alternatives*, 4th Edition (New York, SAGE, 2012)

The process to select policy options involves two steps:

1. the identification of available options and the decision about whether additional, less obvious options should be generated; and
2. the appraisal and comparison of options using several evaluation criteria and analytical techniques to decide on a course of action.

2.2.1. Identification and generation of policy options

The identification of policy options is the process by which options that are available or supported by key partners are considered for appraisal.

Some options may emerge during the analysis of individual characteristics of inactive young people or the mapping of community resources. For instance, if the inactivity profile points to low skills as an important factor in determining youth discouragement and inactivity, an obvious policy option would be to ensure that young people complete their studies with the qualifications required by the labour market and to provide young people with second chance opportunities to complete their schooling. If inactivity among young mothers is high and there are geographical areas with no childcare facilities, a policy option to consider is to make them available.

Other options are those supported by key actors (government officials, the social partners, service providers, youth organizations). For example, to reduce inactivity among young women with family responsibilities the Ministry in charge of labour and employment may consider the combination of options for the construction of additional childcare facilities with employment recruitment incentive systems. At this stage of the policy design process, the objective is to compile a list of policy alternatives that have potential value. These will be reviewed and possibly narrowed down during the appraisal phase.

The most common sources of change in the policy environment are political changes following a general election, changes in labour demand that accompany the business cycle, demographic factors (such as population decreases and migration patterns), changes in government agencies' budgets, or changing technologies.

Compared to the identification stage, the generation of policy options refers to the active search for solutions to a problem. The generation of policy options can be supported by techniques such as brainstorming, screening of policy instruments, literature review, and good practice analysis.

- **Brainstorming** is based on the assumption that there is synergy within a small group of people who are knowledgeable in a given topic and who can rapidly list ideas on how to address a specific problem. The key to the success of a brainstorming exercise is that no attempt is made during the creative part of the brainstorming to evaluate the feasibility of the ideas, as this may lead to a premature rejection of possible courses of action. It is only after the creative stage is completed that ideas are screened to select those that merit further appraisal.
- The process of generating policy options may also start with the review of **policy instruments available** (things that the government can do). Among the options related to youth inactivity, the government can regulate, subsidize, tax, spend, or educate (Table 2).¹⁹

¹⁹ See E. Bardach: *A practical guide for policy analysis. The eightfold path to more effective problem solving* (SAGE, 2012, 4th edition) for a complete listing with examples.

Table 2

Policy instruments	
Type of action	Examples
Taxes	<p>Add/abolish taxes, change the tax rate, change the tax base, tax an activity to encourage/discourage.</p> <p>For example, change the tax rate for second earners in a family to ease the labour force participation of young women.</p>
Regulation	<p>Add/abolish a regulatory regime, strengthen/weaken standards, raise/lower sanction, strengthen inspection system.</p> <p>For example, allow parents to use childcare facilities outside their area of residence, or allow tax rebates for private childcare expenditures.</p>
Subsidies and grants	<p>Add/abolish subsidies, loans, direct payments or benefits, change their amount, change the formula/criteria on the basis of which subsidies are granted.</p> <p>For example, introduce childcare cash benefits or establish incentives for families to use childhood education services.</p>
Service provision	<p>Add/expand services, improve the customization of existing services; provide vouchers to use certain services, link two or more existing services to the benefit of users, ease access to services.</p> <p>For example, the integration of social and employment services into a one-stop shop to provide employment services to young people who receive social welfare payments.</p>
Agency budgets	<p>Increase/decrease an agency budget, reorganize spending across budget items.</p> <p>For example, shift education spending towards childhood education, or increase the resources available to training institutions catering to the needs of young people with care responsibilities, or implement second chance programmes.</p>
Use market incentives	<p>Special category of taxation or imposition of fees that creates incentives to change behaviour.</p> <p>For example, tax rebates for enterprises recruiting young workers with disabilities.</p>
Education and information	<p>Subsidize the production and dissemination of information, warn of hazards and dangers, and professionalize service providers.</p> <p>For example, support an awareness-raising campaign on the consequences of early pregnancy.</p>

Source: Adapted from E. Bardach: *A practical guide for policy analysis. The eightfold path to more effective problem solving* (SAGE, 2012, 4th edition); M. E. Kraft and S. R. Furlong: *Public Policy: Politics, Analysis, and Alternatives*, (New York, 2012, 4th edition)

- **Literature review.** The aim of a literature review is to seek policy options proposed not only in the area of interest but also in other policy domains. Box 3 offers examples of sources to use in a literature review on outreach approaches.

- **Good practice analysis** can be a source of ideas for policy options. This entails looking at the kinds of solutions tried in other contexts, focusing on what appears to have worked and checking the applicability to national and/or local circumstances.²⁰ Three features are important when researching good practices. First, that the intervention being screened has had a positive effect in countering youth inactivity and that there is evidence of its results (such as information documenting a positive change). Second, there are clear indications of how the practice has affected young people and how this has led to a positive change in their labour market outcomes. Third, the practice shows a potential for replication in other contexts (there is information about the conditions under which it was implemented).

Box 3

Literature review and good practices on outreach approaches

Although information is still scant, there are several examples of research on social inclusion of young people and a number of country examples that can provide information to policy-makers and practitioners that are aiming to develop outreach strategies:

- ILO: *Policy brief on outreach strategies targeting young NEETs*. This brief reviews the strategies implemented in EU countries to identify and reach out to young NEETs - (www.ilo.org/employment/areas/youth-employment/WCMS_546608/lang--en/index.htm).
- ILO: *Mapping outreach practices to support inactive young people in re-entering education or gaining employment*. This paper maps the main initiatives and the lessons learnt from the implementation of outreach projects that targeted discouraged and other inactive youth - (www.ilo.org/employment/areas/youth-employment/WCMS_583571/lang--en/index.htm).
- European Commission: Documents and reports relating to the Mutual Learning Programme. These documents provide information stemming from peer reviews, thematic events and learning exchanges on a number of youth employment-related topics (e.g. learning exchanges on the integration of young NEETs, design and implementation of effective strategies to support the integration of youth at risk, and youth outreach work) - (<http://ec.europa.eu/social/main.jsp?catId=1047&langId=en>).
- EUROFOUND: *Review and analysis of policies and initiatives for the social inclusion of young people*. This paper, prepared by Ecorys for Eurofound, gives examples of policy measures and good practices that promote social inclusion of young people in several EU countries - (<http://www.ecorys.nl/sites/default/files/NL0227642%20rapdef.pdf>).

²⁰ A general illustration of how to conduct a good practice research can be found in E. Bardach: *A practical guide for policy analysis. The eightfold path to more effective problem solving*, op. cit.

The above-mentioned techniques for generating policy options are usually applied in a combined fashion. For instance, discussion forums can be organized where the findings of research and good practice emerging from implementation are presented and ideas on the possible policy action are discussed among policy-makers, experts, and representatives of the social partners and youth organizations.

Not all policy options get to the appraisal stage. To do so, they need to be translated into planned outcomes: the results a certain course of action will determine (for example “municipally-funded childcare facilities are available to single parents and low-income households”). At this stage, a number of options may be dropped should they be unfeasible or politically unacceptable, or because the timeframe for completion is too long or their costs too high.

2.2.2. Appraisal of policy options

During the appraisal phase, the analysis shifts to assessing the potential of each policy option using a number of evaluation criteria. These are the specific dimensions of policy objectives (what the policy proposal seeks to achieve) that can be used to compare the merits of each policy option. Evaluation criteria are applied to the outcomes (results) that each option is intended to achieve.²¹ There are several dimensions that can be used as appraisal criteria, the most frequent being effectiveness, efficiency and feasibility (Table 3).

²¹ M. E. Kraft and S. R. Furlong: *Public Policy: Politics, Analysis, and Alternatives* (SAGE, New York, 2012, 4th edition).

Table 3

Criteria for the appraisal of policy options	
Criteria and definition	Most common use
Effectiveness: Likelihood of achieving the policy objectives.	All those options where there are concerns about how well government initiatives work and their capacity to achieve the intended results.
Efficiency: Achievement of objectives in relation to the costs.	All options where there are concerns about the benefits compared to overall costs.
Equity: Fairness in the distribution of the policy's costs, benefits and risks across population groups.	Policies related to individual rights, taxes, access to services.
Political feasibility: The extent to which elected officials will accept and support the policy proposal.	Any controversial policy, such as those on taxes and public spending.
Social acceptability: The extent to which the public will accept and support the policy.	Any controversial policy, such as granting additional benefits to specific groups of the population.
Administrative feasibility: The likelihood that a department or agency can implement the policy well.	Expansion of agency/department duties, use of new policy approaches, policies with complex institutional structures.

Source: Adapted from Kraft, M. E. and S. R. Furlong: *Public Policy: Politics, Analysis, and Alternatives*, op.cit, 2012

It may be that one policy option is likely to produce a better outcome according to the evaluation criteria considered. In this case, there is no trade-off. In most instances, however, there is a trade-off among different policy options that need to be explored. The most common trade-off is between funds available and the services received by the target population and between privately-borne costs against benefits to society.

There are a number of tools that can help to evaluate and compare policy options and clarify trade-offs. These range from simple decision-making instruments to more formalized tools, the most popular being cost-benefit and cost-effectiveness analysis, (ex-ante) impact assessment and multi-criteria analysis (Annex 4 provides a short description of these tools).

The abovementioned process is expected to result in various policy options for reaching out to inactive and disengaged youth and bringing them into contact with integration services and programmes. It is at this stage of the strategy development process that the outreach intervention model is shaped. As the development of the strategy moves into the design and planning phase (formulation of objectives, targets, policy outcomes and outputs), the outreach intervention model is further adjusted and refined.

Box 4

Policy options for outreach strategies

The generation and appraisal of policy options for outreach may start from the basic intervention model highlighted in Figure 2 (identification, engagement, service delivery, monitoring and adjustment) and the analysis of practices already being implemented in EU countries.

For example, in many EU countries identification and contact are carried out through tracking and data exchange mechanisms (for example in Luxembourg, the Netherlands and the United Kingdom), often combined with partnership approaches that build on partners' networks and include various governmental and non-governmental organizations (for example in Belgium, Germany and Norway).

Face-to-face, personal contact made by outreach, youth or street workers is the approach most used with detached or marginalized young people. These workers, who are recruited by public service providers (such as youth counsellors in the Public Employment Services) or partner organizations (non-governmental organizations) are responsible for meeting, engaging with, and building a trust relationship with inactive young people to help them make positive career choices and re-enter education, training or employment, either directly or through referral to other public services.

The services delivered to inactive young people are tailored to their individual characteristics and the specific barriers to be overcome. They are usually organized along a continuum of assistance that accompanies the young person from initial contact to reintegration into employment, education or training. Assistance typically includes information and an individualized needs assessment to identify individual barriers and map service requirements. This is followed by counselling and guidance on various aspects of life, activities to increase motivation, self-esteem and self-awareness, and training on core employability skills such as communication, teamwork, time management and critical thinking. This assistance culminates in referral and accompaniment to specialized employment and social services (including education and training, health, social assistance, children services), when and if required.

Source: ILO: Policy brief on outreach strategies targeting young NEETs (Geneva, 2017).

Chapter 3: Planning action

This section builds on the policy options selected and elaborates on the goal, objectives and expected outcomes of the outreach strategy. It also includes the assessment of the resources required, the institutional arrangements for the implementation and the monitoring and evaluation framework needed to measure the results. The plan of action is also summarized in an implementation matrix that is usually appended to the strategy (see Annex 5 for an example).

3.1. Goals, objectives and targets

Guidelines to set goal, objective and targets

Purpose

Set the goal, objectives and targets to be achieved by the outreach strategy.

Tasks

- State the goal(s) to which the outreach strategy aims to contribute.
- Identify and set objectives that can be realistically achieved within the strategy's timeframe.
- Identify and set one or more measurable targets for each objective.

The goal is the overarching objective to which the outreach strategy aims to contribute. It is usually reflective of the country's broader policy priorities. If the country has a social inclusion policy, the outreach strategy could be linked to it. If the country is implementing a national YG plan, the goal of the outreach strategy should be aligned with the purpose of that plan in order to ensure that all young people receive a good quality offer of employment, continued education, apprenticeship or traineeship within four months of becoming unemployed or leaving formal education.

The objective indicates in a clear, explicit and concise manner what the strategy aims to achieve in a specific timeframe, in other words, the strategy's intended impact. The objective is closely linked to the main problems identified during the situation analysis. The cause-effect

analysis, which shows the links between the problem and its causes, can be used to inform the design of the policy objective. In summary, the objective is described in terms of an action in respect of the main problem(s) identified, which brings about the desired situation.

In a country where one of the main problems is that the services in place target predominantly young people who are unemployed, the objective can be expressed as *“to provide inactive and disengaged young people with integration services and programmes that match their needs”*. When formulating policy objectives, it is necessary to be specific. These objectives should be written as a statement of what is to be achieved and related to the identified problems.

Policy objectives need to be accompanied by one or more targets. Quantifiable and verifiable targets provide benchmarks for measuring progress towards the achievement of the objective and assessing the impact of the intervention.

Target setting should include the definition of the baseline: the point (or current situation) prior to the implementation of the strategy. The baseline can be expressed in percentages, levels or ratios. The targets need to be specific, measurable, achievable, relevant and time-bound (SMART). They are specific when they clearly articulate what is to be accomplished; measurable when they can be benchmarked against a baseline number; achievable when they can be realistically accomplished with the resources available; relevant when they respond to the identified problem; and time-bound when they measure progress within a specific timeframe.

Box 5

Objectives and targets of the outreach strategies of Portugal and Latvia

In **Latvia**, the national project “KNOW and DO!” has the specific objective of facilitating the involvement of young NEETs, who are not registered with the State Employment Agency, in the employment, education and training measures offered within the YG service delivery system or in the activities organized by youth non-governmental organizations. The target is to provide assistance to over 5,200 young people (aged 15–29) and have at least 70 per cent of them in a job or education or training programme, or registered in the YG or involved in youth centre activities by the end of the project (2018).

The main problems identified by the outreach strategy of **Portugal** are the lack of progress in reaching out to inactive and unemployed young people who are not registered with the Portuguese Public Employment Service and in including them in the YG service delivery system. In order to address these issues, two specific objectives are formulated in the outreach strategy.

1. **Establish a comprehensive approach to increase the outreach of services** with a view to bringing support services to disengaged young people. The target is to contact and offer assistance to at least 30,000 unregistered unemployed and inactive young people.
2. **Expand the range of integration services and programmes to match the needs of disengaged youth.** In order to help disengaged young people enter education, training or the labour market it is necessary to develop specific reintegration pathways tailored to individual needs. The target of this policy objective is to raise the number of disengaged young people who access the YG plan to 16,000 young people annually.

Source: Agency for International Programmes for Youth: *Project “KNOW and DO! (2015) op.cit.*; Instituto do Emprego e Formação Profissional (IEFP): *Outreach strategy for inactive and non-registered young people* (Mimeo, 2017).

3.2. Policy outcomes

Guidelines to design policy outcomes and indicators

Purpose

To identify the outcomes that will be produced by the end of the outreach strategy and set performance indicators to measure them.

Tasks

- Identify and set outcomes that lead to tangible changes in policy, institutions or service or programme delivery within the timeframe of the outreach strategy.
- For each outcome, set one or more SMART indicators of performance of which at least one is quantitative.

Operational outcomes indicate a tangible change in policy and/or institutions that is expected to happen within a given timeframe set out in the strategy. They should be expressed in the form of achievable ends rather than actions to be undertaken or means to be used. Outcomes do not indicate whether a strategy is achieving its objectives and producing the benefits as planned. A strategy may have satisfactory outcomes, but still not achieve its intended impact as expressed in the objectives. A strategy with the objective of reducing workers' discouragement, for example, may be operationalized by providing this group of inactive young people with, among other things, subsidized second chance training programmes. The outcome would, for instance, be "*young discouraged workers have access to second chance opportunities*". Outcomes derive from the policy options that were appraised as instrumental in achieving the objectives. They articulate the course of action that stakeholders have agreed to take in order to address the problems identified. They are linked to available resources and their effects are measured by indicators.

Outcomes are linked to at least one policy objective. An objective that seeks to increase the skills level of discouraged young people, for example, can be achieved through a combination of outcomes affecting the formal education system and active labour market policies. These may include the introduction of second chance programmes to promote the return to education, and the development of a skills training programme that combines institutional- with work-based learning.

Outcomes need to be accompanied by SMART indicators, which measure progress against the baseline (the value of the outcome indicator before the intervention is undertaken). The combined action of all outcomes linked to an objective should lead to the achievement of the objectives of the strategy. The sum of all indicators for the outcomes under any given objective should amount to that objective's target. For example, the attainment of the policy objective to reduce inactivity among young women due to care responsibilities can be measured through the percentage point reduction in the share of young women with this labour market status. For instance, the outcome to provide young mothers with free childcare facilities can be measured through the number of young women who use childcare facilities and enter the labour market. The share of young mothers entering the labour market thanks to the availability of childcare facilities contributes to the decline of inactivity among young women.







Outcomes should not be confused with outputs, which are the result of agencies or service providers in pursuing the objectives of the strategy. The concept of outputs focuses on matters such as the number of skills training programmes available to disengaged young people. Outputs can be easily counted and statistically analysed, while outcomes are the consequences of deliberate action or inaction for individuals and society and they are measured by the impact they produce.

A results chain describes how a policy intervention delivers the planned results (see Box 6). It plots inputs (financial, human and other resources), activities (actions or work performed), outputs (results produced), outcomes (impact on policies and institutions) and policy objectives (achievement of the aims of the strategy).

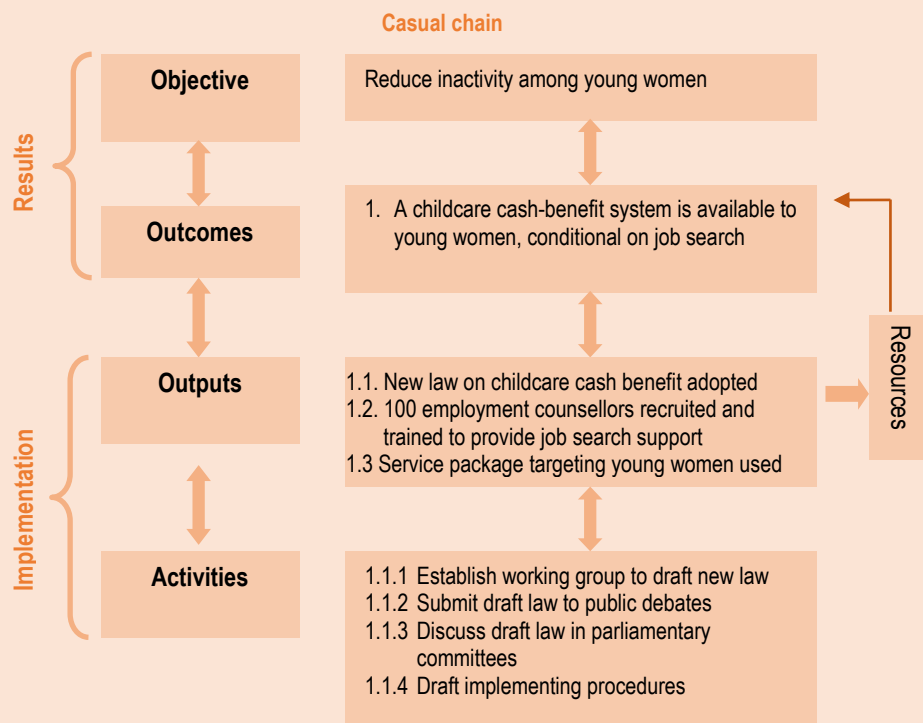
Box 6

Strategy design

The diagram below shows the different elements and their sequence that are part of the architecture of a strategy. The logical sequence moves from bottom to top on the basis of the “if-then” paradigm.

-  **IF** all activities are completed...
-  **THEN** the outputs are produced or delivered.
-  **IF** all outputs are delivered...
-  **THEN** the outcomes are achieved.
-  **IF** all outcomes are achieved...
-  **THEN** the expected impact of the strategy materializes (the objectives are attained).

The chain can also be read backwards (from top to bottom) to see whether the objective is linked to the outcomes, the outcomes to the outputs, and outputs to activities and to resources. It also helps during monitoring and evaluation to understand the links between activities, processes and outcomes.



Source: ILO: *Decent work for youth: A training package* (Geneva, 2015)

The outcomes to be pursued by the outreach strategy are context-specific and should address the root causes of the problem identified during the development process of the strategy. Box 7 provides some examples of interventions pursued in EU countries in the areas of identification, engagement and individualized service delivery.

Box 7

Some examples of outcomes to reach out to young NEETs in EU countries

Identification and contact of young NEETs. In **Luxembourg**, a digital national register, established by the Ministry of Education, linked to the services of the Local Action for Youth (*Action Locale pour Jeunes, ALJ*), identifies young people who leave school without a diploma. Monthly lists are compiled, which are used by the ALJ to systematically monitor the destination of young people leaving school and to contact them to offer services (such as individual mentoring and coaching) or refer them to other services, when appropriate. The FIND-MIND-BIND approach used in **Belgium** by the Brussels public employment service (ACTIRIS) and the Flanders' one (VDAB) builds on partnerships with associations and community-based organizations to "FIND" young people by going out to meet them in the streets, sport clubs, music events. An outreach worker spends time with the young person to build a trust relationship ("MIND") so that the young individual becomes confident and willing to develop a career plan with the help of the outreach worker, after which the young person is supported in achieving his or her career plan ("BIND"). In **Norway**, the pilot project *NAV (PES) Tutors in Upper Secondary Schools* is being trialled prior to its national roll-out in areas affected by poverty, where there are high rates of school dropout, and employment offices are equipped with a youth team. Tutors, formally employed by the Public Employment Service (PES), are based in upper secondary schools three days a week and work with the PES youth team the rest of the week. They provide counselling and guidance services to students at risk of drop-out, including young people struggling with motivation, drug and health issues or experiencing severe poverty.

Engagement and individualized service delivery. The Youth Coaching programme in **Austria** aims to reduce early school leaving and ease the school-to-work transition. The programme, implemented by young coaches (university graduates with at least two years of experience), offers tailored support and guidance (using a case management approach) on education and employment, as well as on personal or social issues that young people may be facing. It is implemented in partnership with schools, the PES, municipalities and training institutions. The programme targets three groups of young people: those in danger of dropping out of the education system or who are socially disadvantaged; young NEETs aged up to 21; and young people aged up to 24 with all types of disabilities. In **Bulgaria**, peer-to-peer approaches are being used to reach out to inactive young people aged 15 to 29 years under the national YG plan. The peer-to-peer initiative aims to motivate detached young people to register at the labour office, or participate in education or training. Approximately 100 youth mediators were hired by the PES to work in municipalities with high proportions of inactive young people. These mediators have often had a spell of inactivity themselves and share many characteristics with their clients. They serve as a bridge between young people and the authorities, and conduct outreach work. In **Denmark**, the Building Bridge to Education is delivered by the PES in cooperation with a number of State schools across the country. It provides young people, who are receiving cash benefits and have left education with no qualifications, with a mix of education and enterprise-based traineeship.

Some examples of outcomes to reach out to young NEETs in EU countries (cont.)

The aim is to develop knowledge, competences and skills under the guidance of a mentor (experienced teachers that assist in the transition from education to work) and on the basis of an individual action plan. In **Latvia**, the individualized support programme of the project “Know and do!” is based on the UNESCO four pillars of education and includes the following components: lifelong learning competences (learning to know); social inclusion (learning to live together); development of personality (learning to be); and working virtue (learning to do). In **Portugal**, the strategy to reach out to unregistered unemployed and inactive young people encompasses the expansion of partnership at local level, the adjustment of local partners’ services to offer a continuum of assistance, the delivery of individualized support to help disengaged young people to access the YG service delivery system, and the enhancement of integrated service delivery.

In **Sweden**, the project *Unga In* brought together the Swedish PES, the youth centre *Fryshuset*, the National Police Board, municipalities, employers and the Swedish Association of Local Authorities and Regions to provide young people aged 16–24 years who were not in education or work with flexible support to enter the labour market and return to education. The project used various methods to engage with the target group, including outreach activities with 25 “young marketers”, specifically recruited for this role. “Young marketers” came from the same background as the target group, and were the first contact point between the young people and the PES and its partners (schools, care institutions, municipalities, social institutions, NGOs, social partners, training providers and the police). The **United Kingdom** introduced an initiative to address the growing problem of gangs and gang violence. The project supports vulnerable young people, using employment as a route out of gang membership. Specialized gang advisers, employed by the PES, work with young people who are NEET and vulnerable to gang activity, who are gang members or children of long-term unemployed individuals. Advisers deliver intensive job search support and provide access to Jobcentre Plus services for 16 and 17-year-olds seeking employment. The advisers are known in the communities in which they work and they cooperate and share information and data about young clients with local authorities, the health service, the police and other community-based organizations.

Source: European Commission: *Key Messages from the Peer Review on Targeting NEETs – Key ingredients for successful partnerships in improving labour market participation* (Oslo, 2015); European Commission: *PES practices for the outreach and activation of NEETs: A contribution of the Network of Public Employment Services* (Brussels, 2015); European Commission: *Piloting Youth Guarantee partnerships on the ground – Experiences from European Parliament Preparatory Action* (Brussels, 2015).

3.3. Resources

Guidelines to plan allocation of resources

Purpose

Plan the resources that will be required to implement the strategy.

Tasks

- Estimate the human, material and financial resources required to implement the outreach strategy and indicate the relevant national institutions that will contribute.
- Break down resources by outcome.
- Identify shortcomings of resources and possible external sources to bridge the resource gap.

A key feature of public policies revolves around the allocation of resources to initiatives that generate the highest possible returns. The development process of the outreach strategy should include the identification of the human and financial resources that are required for its implementation. In order to align available resources to the strategy, the costs of each policy outcome should be estimated. The under-estimation of the resources required would endanger the achievement of the objectives of the strategy, while an over-estimation would result in an inefficient allocation of resources. If a cost-benefit or cost-effectiveness analysis has been conducted during the definition and selection of policy options, the amount of human, material and financial resources needed to achieve each policy outcome should be already available.

Once the overall amount of resources has been determined, it is possible to identify whether the funding requirements can be met by national budgetary resources. In the case of shortcomings, national authorities could either re-phase priorities within the strategy or consider mobilizing additional resources.

3.4. Coordination arrangements

Guidelines to design national coordination mechanism

Purpose

To identify and describe the mechanism that will coordinate implementation of the outreach strategy.

Tasks

- Identify and describe the institutional mechanism that will be established or appointed and entrusted to ensure effective coordination of the implementation of the outreach strategy at national and local levels.
- Describe the roles and responsibilities of the lead institution and implementing partners.
- Indicate the composition, roles and responsibilities of the coordination body.

Since outreach strategies consist of a wide array of policy areas (e.g. education, employment, social inclusion, health) and a large number of partners (central and local institutions, public agencies, service providers and community-based organizations) it is necessary to set up a coordination mechanism that clearly identifies the roles and responsibilities of the various partners involved. This mechanism could include:

- the lead government institution that is entrusted with the coordination of the implementation of the outreach strategy would act as the permanent secretariat of the coordination body; and
- a coordination body (steering committee or advisory board) that includes all line ministries involved in the implementation of the strategy, the social partners, youth organizations and partner service providers.

The implementation of an outreach strategy should also involve coordination between local institutions and actors. The experience of many outreach initiatives shows that the devolution of tasks to regional and local authorities makes it easier to meet local needs and make decisions that are more relevant to the ultimate beneficiaries. In this context, a decentralized coordination arrangement may be envisaged, closely resembling the composition of the coordination body set up at national level. The action plan matrix (see Annex 5 for an example) is a useful tool for visualizing the functional relationships between the various elements of the strategy (objectives, targets, outcomes, indicators, responsibilities and inputs) and the institutions or organizations responsible for their achievement.

Box 8

Implementation arrangements in the outreach strategies of Latvia and Portugal

In **Latvia**, the coordination of outreach activities at the national level is entrusted to the Agency for International Programmes for Youth (Ministry of Education and Science). At the local level, municipalities are required to appoint a coordinator responsible for outreach activities. These activities are implemented by municipal institutions (social services, youth centres, police), non-governmental organizations, and other partners (social enterprises, trade unions).

In **Portugal**, the central office of the *Instituto do Emprego e Formação Profissional* provides overall coordination and monitoring of outreach strategy implementation. At the local level, the organizational units of the IEFP are responsible for managing local partnership networks, providing advice and guidance to local partner organizations, organizing and delivering capacity enhancement training on the features of the YG and disseminating information and awareness-raising materials. Partner organizations (social centres, youth organizations, training providers) are responsible for implementing the services and measures set out in the strategy.

Source: Agency for International Programmes for Youth: *Project “KNOW and DO! (2015) op. cit.*; Instituto do Emprego e Formação Profissional (IEFP): *Outreach strategy for inactive and non-registered young people (2017), op. cit.*

3.5. Monitoring and evaluation

Guidelines to develop monitoring and evaluation systems

Purpose

To identify and describe the system that will be put in place to monitor and evaluate the outreach strategy.

Tasks

- Describe the system and tools that will be used to monitor the outreach strategy.
- Indicate the monitoring activities that will be undertaken to capture progress towards outcomes and performance against the established indicators.
- Describe the mechanism that will be applied to evaluate the outreach strategy.

This section of the strategy describes the monitoring and evaluation mechanisms that will be used to assess progress, identify shortcomings and adjust the delivery of services and programmes to inactive young people.

The monitoring system comprises regular examination of the inputs, outputs and outcomes of policy interventions. It consists of regular information gathering and analysis of the performance indicators included in the outreach strategy. The government institution that has initiated the strategy development process is usually responsible for leading the coordination of the monitoring and evaluation exercises.

At the level of individual beneficiaries, the information collected by local partners on young people who are identified, engaged and referred to individualized support should be continuously updated as the young people concerned move through the various stages of assistance. This allows for a longitudinal study of the impact of the outreach strategy on the situation of inactive young people.

The implementation of an outreach strategy is subject to a mid-term and a final evaluation. The mid-term evaluation should analyse the outputs and results of interventions, financial management and the quality of implementation. By comparison with the baseline situation, this exercise highlights changes in the general context and identifies whether and where adjustments are needed. The final summative evaluation should assess the entire performance of the strategy. It reports on the effectiveness and efficiency of interventions and the extent to which the planned outcomes have been achieved. The primary evaluation questions are based on four aspects.

- **Relevance:** the extent to which the objectives respond to national priorities.
- **Effectiveness:** the extent to which the objectives were achieved; whether the interventions and means used had the expected results; and whether more could have been obtained by using different means.
- **Efficiency:** whether the objectives were achieved at the lowest possible cost.
- **Sustainability:** the extent to which the results, including institutional changes, are durable over time.

Annexes

ANNEX 1: Statistical mapping

1.1. Descriptive statistics of inactive young people

The statistical data required to map inactive young people at national level are sourced from the annual microdata of the labour force survey (LFS) and survey on income and living conditions (SILC). The use of anonymized microdata is required to cross-reference the figures for the population of interest (young people neither in employment, nor in education or training) by all the variables collected through the above-mentioned surveys.

The first step is to disaggregate the NEET figures estimated by the LFS by basic individual characteristics (age group, sex, level of educational attainment, geographical distribution) and subgroups (short-term and long-term unemployed, re-entrants, inactive due to illness or disability, inactive due to care or family responsibilities; discouraged young workers, rentiers and other inactive youth). Re-entrants (awaiting recall to work or education) and rentiers (people who receive rents and do not need to work) are usually not included in the remaining analysis as in the case of the former inactivity is transitory, and for the latter, inactivity is a choice and does not indicate vulnerability.

Table A1: Young NEETs sub-group by age, sex, educational attainment (%)

	15-24	25-29	Men	Women	ISCED 0-2	ISCED 3-4	ISCED 5-8
Short-term unemployed							
Long-term unemployed							
Re-entrants							
Illness and disability							
Family responsibilities							
Discouraged workers							
Rentier							
Other inactive							

Such descriptive statistics provide a variety of insights into whether belonging to a certain subgroup may be related to specific individual characteristics. For example, young women may be more likely than young men to be inactive due to care and family responsibility, while young people with disabilities may have a lower level of educational attainment compared to other groups (which may point to a lower access of this group to formal education). Similarly, discouraged workers may

represent a larger share of inactive youth in certain regions, or long-term unemployed may be more prone to register with the PES compared to short-term unemployed.

The second step is to examine the type of poverty and social exclusion risk that young NEETs are mostly exposed to (poverty, material deprivation, low labour intensity or a combination thereof). The example below, for instance, shows that in Portugal 16 per cent of all young NEETs has an income below the poverty line and eight per cent face severe material deprivation. In 2015, approximately 10 per cent of the total NEET population experienced poverty combined with low labour intensity and a further eight per cent were at risk of poverty, severe material deprivation and low labour intensity. Young women were more likely to be exposed to multiple risk factors than men.

Figure A1: Young NEETs by type of risk (in % of total NEETs), Portugal 2015



Source: ILO: *Profile of young NEETs in Portugal*, 2017

Both the LFS and the SILC enable young NEETs' transition across different labour market statuses to be analysed (in a specific time period, how many young people moved from unemployment to employment, from unemployment to inactivity, or from inactivity to unemployment or employment).

The final step is to examine more closely the geographical distribution of young NEETs. This requires the cross-tabulation of young people by subgroup, individual characteristics and main region of residence (NUTS Level 2) to spot differences that may be relevant when planning action at the local level. At this stage, it is also useful to assess the number of young people (not only percentages) with any given status, to have an idea of the scope of the interventions required.

1.2. Econometric approach for profiling the risk of inactivity among young people

The estimation strategy used to profile the risk of inactivity among young people should be based on a probit regression. The model uses the cumulative distribution function of the standard normal distribution $\Phi(z)$, where $z = \beta_0 + \beta_1 x$. The probability is estimated as:

$$(Y_i=1 | X=x_i) = (\beta_0 + \beta_1 x) \quad [1]$$

where Y_i indicates whether the i -th individual is active or inactive. We refer to $z = \beta_0 + \beta_1 x$ as the z -value or z -index of the probit model. The higher the value of the z -value, the more the event is likely to happen.

In order to estimate the likelihood of being inactive, equation 1 is further developed into:

$$(Y_i=1 | X=x_i) = (\beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + \beta_3 x_{i3} + \beta_4 x_{i4} + \varepsilon_i) \quad [2]$$

where Y_i is a binary response variable which takes on value 1 if the i -th individual is inactive and 0 otherwise. The inactivity status of the i -th individual is further disaggregated on the basis of the main reasons for inactivity. This is to say that the binary variable in equation [2] takes into account the main categories of inactive young people, namely: 1) inactive due to family/care responsibilities; 2) inactive due to illness or disability; 3) inactive due to discouragement; 4) inactive because awaiting recall (work or education); and 5) inactive for other reasons (undetermined).

x_{i1} is a categorical variable which takes values from 0 to 3, depending on the educational attainment of the i -th individual. Educational attainment of each individual in the sample is organized according to the ISCED classification so that: $x_{i1} = 0$ if the i -th individual has ISCED level 0-2; $x_{i1} = 1$ for individual with ISCED level 3-4; and $x_{i1} = 2$ for individuals with ISCED level 5-8.

x_{i2} is gender dummy variable equals 1 for women and 0 for men.

x_{i3} is a dummy variable used to sort youth into two mutually exclusive age categories, i.e. 15-24 and 25-29. Such variable takes value 1 if the individual is aged between 15 and 24 and 0 if the individual is aged 25-29.

x_{i4} is a categorical variable ranging from 0 to 7 to capture regions (at NUT 2 level) in the country.

The estimated coefficients can be reported in a table like the one shown below.

Table A2. Probit model: Estimated coefficients

	1	2	3	4	5
	Care responsibilities	Illness/disability	Re-entrants	Discouraged	Other
VARIABLES Inactivity among young people (15-29)					
Age group (15-24=1; 25-29=0)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
Sex (female=1; male=0)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
1.Education: ISCED 0-2	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
2.Education: ISCED 3-4	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
3.Education: ISCED 5-8	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
4.Region: name X	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)
5.Region: name Y	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)	Est. coeff (St. error)

Once probabilities have been estimated using the above coefficient, findings are reported in a tabular format, as shown below.

Table A3: Probability

	1	2	3	4	5
	Care responsibilities	Illness/disability	Re-entrants	Discouraged	Other
VARIABLES	Inactivity among young people (15-29)				
Age group (15-24=1; 25-29=0)	Probability	Probability	Probability	Probability	Probability
Sex (female=1; male=0)	Probability	Probability	Probability	Probability	Probability
1.Education: Less than lower secondary	Probability	Probability	Probability	Probability	Probability
2.Education: Upper secondary	Probability	Probability	Probability	Probability	Probability
3.Education: Tertiary	Probability	Probability	Probability	Probability	Probability
4.Region: name X	Probability	Probability	Probability	Probability	Probability
5.Region: name Y	Probability	Probability	Probability	Probability	Probability

ANNEX 2: Guidelines for resource mapping

Resource mapping is a strategy for identifying and analysing services, programmes, organizations and other resources that exist in a specific location.

The first step in the mapping exercise is to identify and secure the involvement of key partners. To map resources targeting disengaged young people, it will be necessary, in the initial planning stage, to involve public service providers (employment, education, health, youth and social services) as well as youth non-government organizations. Other partners are added as the mapping process progresses and core partners bring their own resource networks into the exercise. Once stakeholders agree to participate, strategies need to be put in place to keep them engaged. The second stage includes determining what information to collect, which data gathering tools to use (questionnaires, surveys, interviews, focus groups, roundtable discussions) and which institution will be responsible for collecting, analysing and synthesizing the information collected. The template below offers a sample organization profile that can be used to survey the services available to young people and the organizations responsible for delivery.

Table B1. Organizational profile, youth services

1.	Organization contact information	
2.	Types of services	
3.	Youth population served	
4.	Number of youth that could be served (capacity)	
5.	Geographic areas of engagement	
6.	Funding available and main sources	
7.	Programmatic and staff expertise	
8.	Tools and systems used	
9.	Partners, affiliations, and networks	
10.	Other	

Once information has been collected, it must be synthesized and plotted into a geographical map (this helps visualizing gaps and overlapping of services) and examined for trends or patterns that may point to untapped resources or new ways to maximize current resources, following which discussions and agreement between

key partners must be undertaken to establish which service or programme line needs to be continued, improved or developed.²²

²² Online mapping software is available on the Internet through various sources and organizations (e.g. Google Maps). As a tool for resource mapping, it can be used to work with local stakeholders to plot, map, and view available services and programmes. Multiple users can access the same map to add points that represent additional resources and information about them. Organizing services and programmes by broad category (health, personal development, education and training) can help to make the map more user-friendly.

ANNEX 3: Pareto analysis

The Pareto analysis is a simple technique for prioritizing potential changes by identifying the problems that will be resolved by making them. This approach allows prioritizing the changes that will mostly improve the situation. The analysis uses the 80/20 rule: the fact that 20 per cent of causes generate 80 per cent of problems. With this tool, the idea is to find the 20 per cent of actions that will generate 80 per cent of the results desired. This tool envisages the following steps:

- **Identify and list problems** through the situation analysis.
- **Identify the root cause of each problem** through brainstorming or cause-effect analysis techniques.
- **Score problems** using a system that can be organized, for example, on the basis of the perceived costs for individuals and society (high cost = 3, medium = 2, and low cost = 1). Young women who are inactive due to care or family responsibility, for example, incur high individual and societal costs. This problem would therefore be scored 3.
- **Group problems together by root cause** such as high proportion of discouragement among young people (3) and high share of youth long-term unemployment (3) being caused by low educational attainment. These would therefore be grouped together and the total score computed (in this case, 6). The group of problems (and their causes) that scores the highest is assigned the highest priority for intervention.

ANNEX 4: Tools to appraise policy options

4.1. Cost-benefit and cost-effectiveness analysis²³

A cost-benefit analysis calculates the total value of the benefits of a course of action and subtracts the costs associated with it. This technique comprises three steps: determination of the benefits of a policy proposal and the assignment a monetary value on those benefits; calculation of the total costs of the proposal; and comparison of costs and benefits.

Costs are either one-off, or ongoing, whereas benefits are mostly felt over time. In its simplest form, cost-benefit analysis is carried out using only financial costs and financial benefits. For example, a simple cost-benefit analysis for an outreach strategy would measure the costs of unemployment and inactivity in terms of foregone earnings, public revenue losses and government spending in unemployment and social benefit outlays. This total is then subtracted from the economic benefits gained by shifting young people into employment, education or training. The analysis, however, would not measure the cost of foregone policies due to lower public revenue or the benefit of higher individual disposable incomes on aggregate demand.

A more sophisticated approach to cost-benefit measurement is to assign a financial value to intangible costs and benefits.²⁴ Constructing plausible measures of the costs and benefits of specific actions is often very difficult. In practice, the estimation of costs and benefits is done either by using survey methods or by drawing inferences from market behaviour. Cost-benefit analysis attempts to put all relevant costs and benefits on a common temporal footing. A discount rate is chosen, which is then used to compute all relevant future costs and benefits in present-value terms. Most commonly, the discount rate used for present-value calculations is an interest rate taken from financial markets.

The practice of cost-benefit analysis differs between countries and between sectors within countries. Public agencies generally rely on a basic set of key indicators, including the following:

- NPV: net present value
- PVB: present value of benefits
- PVC: present value of costs
- BCR: benefit-cost ratio= PVB / PVC
- Net benefit (= $PVB - PVC$)

²³ M.E. Kraft and S. R Furlong: *Public Policy: Politics, Analysis, and Alternatives* (SAGE, New York, 2012, 4th Edition).

²⁴ There are several tools that detail how to assign financial values to benefit and cost. See for instance E. M. Gramlich: *A guide to benefit-cost analysis*, Second edition (1998).

- NPV/k (where k is the level of funds available).

A cost-effectiveness analysis compares the relative costs and outcomes (effects) of two or more courses of action. Unlike a cost-benefit analysis, cost-effectiveness does not produce a “net benefit” value, with benefits exceeding costs or costs exceeding benefits. This type of analysis can determine that a proposal that costs €5 million produces 10 units of outcome x, 12 units of outcome y, and 20 units of outcome z. Or, if the units are alike, it can determine the cost per unit of outcome.

When deciding between cost-benefit and cost-effectiveness analyses, it may be helpful to keep three basic questions in mind:

1. How will the results be used? Cost-benefit analysis allows for comparison of options that have different outcomes, or to compare options across different areas of public spending (employment, welfare, justice, for example). Cost-effectiveness analysis is useful for comparing options that aim to achieve the same objective (such as increased labour force participation rates).
2. What resources are available? Cost-benefit analyses require more resources, as they involve significant methodological expertise and data collection.
3. How difficult is it to value costs and benefits? While it is desirable to have as much information as possible on both benefits and costs, one must weigh the value of increased accuracy against the costs associated with data collection.

An example of how to apply cost-benefit and cost-effectiveness analyses is offered below.

A government is considering two policy options to reduce early school leaving, given its correlation with inactivity later in life, namely the introduction of a mentoring programme (peer-to-peer), where students in higher grades help those in lower classes, or the establishment of additional classes for students facing difficulties at school.

Cost-effectiveness is calculated by dividing the cost for each proposal by its effectiveness (the percentage increase in the expected number of students progressing to upper secondary education). The result is the cost for each percentage point increase in the number of students progressing to upper secondary education. If the cost of introducing mentoring in all lower secondary schools is €80 million, while the cost of additional classes is €105 million and the forecast increase in the number of students progressing to upper secondary education is 10 percentage points for mentoring and 15 percentage points for additional classes, the cost-effectiveness ratio of mentoring would be €8 million, while that of additional classes would be €7 million per percentage point. This would mean that additional classes are more cost-effective than mentoring (see table below).

Policy option	Costs	Effectiveness	C/E ratio
Peer mentoring	€80 million	10 pp	€8 million
Additional classes	€105 million	15pp	€7 million

The cost-benefit for each option is determined by calculating each proposal's benefits (such as estimates of future increases in employment and earnings of participants that progressed to upper secondary education) and costs (personnel, materials, equipment, among others) and then subtracting the benefits from the costs to get the net benefit for each proposal. The benefit-cost ratio is computed by dividing the monetary value of benefits by the costs (the higher the ratio, the more efficient the proposal in economic terms).

Options	Costs	Benefits	Net benefits	BCR
Peer mentoring	€80 million	€95 million	€15 million	1.1875
Additional classes	€105 million	€125 million	€20 million	1.190

In the table above, overall benefits are estimated at €95 million for mentoring and €125 million for additional classes. The latter would therefore be the preferred option.

The difficult part of the analysis is estimating the total increase in future employment and earnings for pupils who are likely to progress to upper secondary education thanks to the implementation of the proposal. The more exhaustive and complete the information and data available, the more accurate the calculation of costs and benefits can be. When data are not available or not accurate, it is better to select a cost-effectiveness analysis.

4.2. Ex-ante impact assessment²⁵

Impact assessment projects the impact of a policy option in order to assess whether the course of action proposed is likely to achieve the desired objectives. The assessment includes identifying the likely impacts of the policy option (what is likely to happen in the short and long term, if the option is chosen, and why), estimating direct and indirect costs (for example compliance costs, substitution effects, transaction costs), and identifying the groups that will be most affected and how. The key feature of impact assessment is the consultation with groups that will be affected by the policy, government departments and agencies, and the public at large.

²⁵ *Assessing the cost and benefits of regulation*, Study for the secretariat General of the European Commission (Brussels, 2013); *Impact assessment accompanying the draft proposal on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work*, European Commission (Brussels 2014); *Impact assessment toolkit*, United Kingdom Department of Business Innovation and Skills (2010); New Zealand Ministry of Economic Development: *Guidelines on assessing policy options* (2007); Department for Education and Skills, Ministry for Children, Young People and Families: *Partial regulatory impact assessment for the youth green paper Youth Matters* (2005).

This decision-making tool uses a variety of methods to estimate impact. The most common are qualitative analysis (focus groups), quantitative analysis (partial or general equilibrium approach, life-cycle assessment, micro-modelling) and cost-benefit analysis. The aim is to capture key data and information on each policy option being considered, including the monetary and non-monetary costs and benefits, as well as key assumptions, sensitivities and risks for estimating them. The depth of analysis is commensurate with the significance of the proposal, but the most common approach tends to be cost-benefit analysis combined with quantitative methods (testing the causal relationships between the variables of interest).

A practical example of a simple impact assessment for youth policy is the one carried out in the United Kingdom for the green paper *Youth Matters*.²⁶ The green paper focuses on how services support teenagers in three key areas: participating in constructive activities in their free time; getting good quality information, advice and guidance about life choices; and accessing effective, targeted support to make a difference for young people at risk. In each area, various policy options were generated and analysed on the basis of their cost, likely impact on young people and their families, and administration (central and local) requirements.

On *information, advice and guidance*, for example, three policy options were assessed.

1. **Continue with the services currently provided:** this was found to involve several risks as young people would still be confronted with a wide range of information, coming from different sources and there could be confusion over roles and responsibilities for delivery. The quantity and quality of career information in schools would vary and there would be insufficient emphasis on prevention work, which would require more intensive support later on.
2. **Give responsibility for information, advice and guidance solely to local authorities working through children's trusts.** This would pool budgets that would allow services to be delivered in an integrated and efficient way. There would, however, be a risk that career companies and community-based organizations would struggle to access funds and there would be no incentive for schools to improve delivery.
3. **Devolve responsibility for commissioning information, advice and guidance,** and for the relevant budget, from the current agency to local authorities, working through children's trusts, schools and colleges. Children's trusts would consult with education institutions and young people about their views on the existing arrangements and services provided.

Option 3 was the preferred option. The transfer of funding to children's trusts would not entail additional costs, although the transitional costs for system reform were estimated at between £8 million and £46 million over two years (central funding). This option would allow decisions to be made locally about how best to target resources. It would also ensure that young people received a better service

²⁶ The full text of the green paper "Youth matters" is accessible at the following web address <http://webarchive.nationalarchives.gov.uk/20130401151715/http://www.education.gov.uk/publications/eOrderingDownload/YOUTH-RIA.pdf>

linked to school curricula, with young people, school and colleges having a say in service delivery.

4.3. Multi-criteria analysis²⁷

Multi-criteria analysis (MCA) sets preferences among policy options through reference to a specific set of objectives with measurable criteria to assess the extent to which they have been achieved.

In some instances, the process of identifying objectives and criteria may already provide enough information for decision-makers. Where a higher level of detail is required, however, this type of analysis offers several ways of aggregating the data on individual criteria, which are important to provide indicators for the overall performance of options. A key feature of MCA is the emphasis on the judgement of the decision-making team in establishing objectives and criteria, assigning relative weights and judging the contribution of each option to each performance criterion. Unlike cost-benefit analysis, there is no explicit rationale that benefits should exceed costs.

A standard feature of the multi-criteria analysis is the performance matrix, in which each row describes an option and each column describes the performance of those options against each of the criteria selected. MCA techniques commonly apply numerical analysis to a performance matrix in two steps: **scoring** in which the expected consequences of each option are assigned a score by decision-making individuals on a preference scale and for each criterion; scales from 0 to 10 are used, where 0 represents the least preferred option, and 10 the most preferred one; and **weighting** whereby numerical weights are assigned to define, for each criterion, the relative value. The most common method is to calculate a simple weighted average of scores. Mathematical routines (run by computer software) then combine the scores and weights to give an overall assessment of each option.

Multi-criteria analysis uses a variety of approaches, from choice based on a simple screening of the performance matrix, to linear additive models (multiplying the value score on each criterion by the weight of that criterion, and then adding the weighted scores together).

The easiest way to develop the list of criteria to be used is to start with simple ones –costs, benefits for the target groups, administrative and technical feasibility – and then build on the results of consultations with partners. A simplified example of MCA is provided below, on three policy options and four assessment criteria (costs, benefits, technical feasibility, and administrative capacity) only. The table below show the scoring of one stakeholder for each option (aimed at decreasing the number of young women who are inactive due to childcare duties) and each criterion and the weight assigned to it (in brackets).

²⁷ United Kingdom Department for Communities and Local Government: *Multi-criteria analysis: A manual* (London, 2009).

Table D1. Scoring for decision maker “X”

Options	Criteria and weights			
	Costs (0.25)	Benefits (0.40)	Technical feasibility (0.15)	Administrativ e capacity (0.20)
A. Introduce family planning education in school	9	10	8	7
B. Change the tax rate for second earners	6	7	5	3
C. Increase the number of free childcare facilities	5	3	2	2

Applying the weights to the scores of the decision maker will result in:

$$Ax = 9 \times 0.25 + 10 \times 0.40 + 8 \times 0.15 + 7 \times 0.20 = 8.85 \text{ (preferred option)}$$

$$Bx = 6 \times 0.25 + 7 \times 0.40 + 5 \times 0.15 + 3 \times 0.20 = 5.65$$

$$Cx = 5 \times 0.25 + 3 \times 0.40 + 2 \times 0.15 + 2 \times 0.20 = 3.15 \text{ (least preferred option)}$$

This process is applied to the scores provided by each decision-maker. The sum of the weighted scores for each option for each decision-maker will determine the course of action that scored the highest.

ANNEX 5: Template of action plan matrix

Objective: Target					
OUTCOMES AND OUTPUTS	INDICATORS	RESPONSIBLE UNIT	FINANCIAL INPUT	TIMEFRAME	
				Start	End
Outcome 1.1 Baseline Output 1.1.1 Output 1.1.2 Output 1.1.3	<ul style="list-style-type: none"> Indicator 1.1. Indicator 1.2. 	<ul style="list-style-type: none"> Line Ministry Partner organization 	€XYZ Sources	Date	Date
Outcome 1.2 Baseline Output 1.2.1 Output 1.2.2 Output 1.2.3	<ul style="list-style-type: none"> Indicator 2.1. Indicator 2.2. 	<ul style="list-style-type: none"> Line Ministry Partner organization 	€XYZ Sources	Date	Date

