

## IPA III Results Framework Indicator Methodology Note

1. Indicator code and name
<b>IPA III RF 4.1.1.4:</b> Number of (a) jobs, (b) green jobs supported/sustained by the EU
2. Technical details
<p><b><u>OPSYS and Results Dashboard code:</u></b> 65222, 65223.</p> <p><b><u>Unit of measure:</u></b> Number of (#)</p> <p><b><u>Type of indicator:</u></b> <i>Quantitative; Numeric; Actual (ex-post); Cumulative (not annual).</i></p> <p><b><u>Level of measurement:</u></b> It is considered as both an <b>outcome and an output indicator</b> depending on how the intervention is framed.</p> <p><b><u>Disaggregation:</u></b> The indicator is to be used at intervention and reporting levels as follows:</p> <p>a) Number of jobs supported/sustained by the EU</p> <p>b) Number of green jobs supported/sustained by the EU.</p> <p>The indicator is to be used at intervention and reporting levels as follows:</p> <p>a) Number of jobs supported/sustained by the EU</p> <p>b) Number of green jobs supported/sustained by the EU.</p> <p>Note that all values reported for (b) should also be reported for (a). If the same intervention supports green jobs as well as other types of jobs, then the green jobs will be reported under b) and all jobs, <u>including the green jobs</u>, will be reported under a).</p> <p><b><u>DAC sector codes:</u></b> 16020</p> <p><b><u>Main associated SDG:</u></b> <b>SDG 8:</b> Decent Work and Economic Growth .</p> <p><b><u>Other associated SDGs:</u></b> n/a.</p> <p><b><u>Associated IPA III Level 1 indicator:</u></b></p> <ul style="list-style-type: none"> <li>• Thematic priority 1 (Education, employment, social protection and inclusion policies, and health): Employment rate of persons aged 20 to 64 (source: Eurostat, online data code: lfsi_emp_a) (Ind. 4.0.2, same indicator presented under Window 4 - OO)</li> <li>• Thematic Priority 2: Ease of doing business (source: World Bank) (Ind. 4.2.1): Private sector development, trade, research and innovation</li> </ul> <p><b><u>Associated IPA III Level 3 indicators:</u></b></p> <ul style="list-style-type: none"> <li>• Amount and share of EU-funded external assistance contributing to strengthening investment climate.</li> <li>• Amount and share of EU-funded external assistance contributing to: (a) aid for trade, (b) aid for trade to LDCs, and (c) trade facilitation</li> <li>• Leverage of EU blending and guarantee operations financed by EU external assistance, measured as: (a) Investment leverage ratio, (b) Total eligible financial institution financing leverage ratio, (c) Private financing leverage ratio</li> </ul>
3. Policy context and Rationale

- **IPA III PF: Window 4 Competitiveness and inclusive growth, Thematic Priority 1: Education, employment, social protection and inclusion policies, and health & Thematic Priority 2: Private sector development, trade, research and innovation.** To note however, that by its very nature this indicator may be integrated into interventions that correspond to several Windows and Thematic Priorities.
- **Chapter of the Acquis.** Among the more relevant chapters are: **Chapter 19:** Social policy and employment, **Chapter 20:** Enterprise and industrial policy, **Chapter 11:** Agriculture and rural development, and **Chapter 27:** Environment and climate change, especially cluster 4 Green agenda and sustainable connectivity. It should also be noted that in the context of Chapter 22: “Regional policy and coordination of structural instruments” countries need to anticipate the substantial expansion of investment possibilities when they become eligible, post EU Accession, to strongly support employment growth through European Structural and Cohesion Funds
- The indicator corresponds to the **GERF 2.13a/b** indicator: *Number of (a) jobs, (b) green jobs supported/sustained by the EU.* This supersedes previous IPA Performance Framework Indicator 2.21: *Number of jobs supported/sustained by the EU.* It is considered semantically identical to **EFSD+ Cross Sector Indicator** “*Number of direct FTE jobs supported and/or sustained disaggregated by sex, age, disability and country/region where possible*”.

As outlined in the IPA III Programming Framework “*despite some acceleration of growth, advances in job creation and increases in income in recent years, the Western Balkans and Turkey are still lagging behind in reforming their economic structures and improving competitiveness. They face high unemployment rates and low labour market participation, in particular among women and youth*”. To address these challenges, “*IPA III aims to support candidate countries and potential candidates to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work, in line with the principles set out in the European Pillar of Social Rights<sup>38</sup> proclaimed by the European Parliament, the Council and the Commission on 17 November 2017.*”

Under Window 4, Thematic Priority 1: Education, employment, social protection and inclusion policies and health, IPA III will focus, among other things, on enhanced employment opportunities for women, youth and persons with disabilities, in addition to addressing social and employment issues for minorities, including Roma communities. It will do so especially by supporting reforms in education, employment, social protection and inclusion policies and systems. Under this Window there may emerge some interventions that involve direct support employment, especially in synergy with training experiences.

Under Window 4, Thematic Priority 2: Private sector development, trade, research and innovation, IPA III may support, among other things, investments directed towards innovations in broad sense will be supported, as well as actions that create sustainable and human capital development and a digital future. Efforts supported by IPA III will stimulate the region’s ability to effectively use resources in support of innovation, especially through the establishment of mechanisms to create, support and promote start-ups oriented towards a circular and sustainable economy.

With specific reference to green jobs the IPA III Programme Framework clearly states that: “*In complementarity with the priorities of the Green Agenda supported under Window 3, Window 4 aims to address the key sector priorities for structural reforms, capital investments and improvement of sectoral administrative and institutional capacities in a holistic way. This will allow bringing about inclusive, sustainable growth and employment, in line with the existing policy framework and requirements and standards contained in by the EU acquis. It joins up economic*

*growth, encompassing both urban and rural development.... IPA III assistance will support the adoption and implementation of the European standards for construction in the IPA III beneficiaries to strengthen the competitiveness along with the resilience and green recovery of their construction sectors.”*

#### 4. Values to report

All of the following values must be determined according to the definitions provided in Section 5 below.

- **Reporting values in the logframe:**
  - **Baseline value:** The value assumed by the indicator at time t0, against which progress will be assessed.
  - **Reporting of current value** is done at least once a year: actual latest value on the total number of full-time equivalent jobs (not number of individuals) supported or sustained. by the time of reporting and according to the applicable definitions provided in section 5 of the note. Values will be reported cumulatively across the whole implementation period.
  - **Final target value:** estimated total number of full-time equivalent jobs (not number of individuals) supported or sustained. by the target year and according to the applicable definitions provided in section 5 of the note.
- **Intermediate targets (milestones).** A tool has been developed in OPSYS to automate the generation of intermediate targets<sup>1</sup>.
  - For outputs, the intermediate targets are generated using a linear interpolation between the baseline and target values because it is assumed that outputs materialise sooner and more progressively over implementation (than outcomes).
  - For outcomes, the expected progression over the course of implementation will vary across interventions. During the creation of a logframe, the expected outcome profile must be selected (OPSYS offers four options<sup>2</sup>) and this selection triggers the generation of intermediate targets for all 30 June and 31 December dates between the baseline and target dates for all output and outcome quantitative indicators. All automatically generated intermediate targets values and dates can be subsequently modified by the Operational Manager or the Implementing Partner with the approval of the Operational Manager.

#### 5. Calculation of values

<sup>1</sup> This has been done in the framework of the **Intervention Performance Assessment**. Two composite indicators have been developed to provide an overall assessment of an intervention’s current implementation and future prospects. These scores will be calculated for all NEAR interventions participating in the annual results data collection exercise.

- The **implementation score** reflects the relevance, efficiency and effectiveness already achieved by the intervention. The information on relevance is provided by the Operational manager’s response to a question in a survey. The information on efficiency and effectiveness is provided by the logframe data, if sufficiently available, or the response to a question in a survey, if not.
- The **risk score** reflects expectations regarding the most probable levels of relevance, efficiency, effectiveness and sustainability to be achieved by the intervention in the future. In this case, all the information is provided by the Operational manager’s responses to questions in a survey.

<sup>2</sup> a. Constant: The outcomes are achieved continuously throughout implementation; b. Accelerating: The outcomes are achieved towards the end of implementation; c. At the end: The outcomes are mostly achieved at the end of implementation; d. None of the above.

The value for this indicator is calculated by counting the **Number of full-time equivalent jobs (not number of individuals) supported or sustained**, using the Technical Definitions and Counting Guidance provided below. Please double check your calculations using the Quality Control Checklist below.

#### Technical Definitions

**Jobs:** The number of full time equivalent (FTE) jobs supported or sustained by the intervention should be included for this indicator. This indicator currently only covers direct jobs, which are those directly supported by the EU interventions, or those provided within enterprises that are reached by EU support during the reporting period. It does not necessarily mean that IPA actually provides a wage subsidy. This indicator may include seasonal and part time direct jobs supported, and may include formal and informal posts. Part time or seasonal jobs should be converted to full time equivalent (FTE) on a pro rata basis (e.g. full-time posts for three months would be equivalent to a 0.25 FTE job for a single year reporting period). Full time equivalent should be based on the local definition/legislation. If no information regarding working hours is available, as a last resort, you may use the rough estimate that two part-time or seasonal jobs equal one FTE over the reporting period.<sup>3</sup>

Temporarily vacant posts may be included in this indicator as long as there is intention to fill the jobs in the near future. Unpaid jobs, especially those designated to family workers, should not be included for this indicator. Indirect and induced jobs supported are outside the scope of this indicator.

In line with the EFSD+ framework “*For infrastructure projects, this may include construction jobs supported for construction of the company or project’s hard asset during the reporting period, as well as jobs during the operations and maintenance phase. For MSME financing, this may include direct jobs supported/sustained in the financial intermediaries as well as direct jobs supported/sustained in the supported MSMEs by the investment.*”

**Green jobs:** The International Labour Organisation (ILO) defines “green jobs” as “...decent jobs that contribute to preserve or restore the environment, be they in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency. ([https://www.ilo.org/global/topics/green-jobs/news/WCMS\\_220248/lang--en/index.htm](https://www.ilo.org/global/topics/green-jobs/news/WCMS_220248/lang--en/index.htm))

Green jobs are defined variously but correspond to jobs created in a broad sector characterised by “**environmental goods and services**”, understood as products manufactured or services rendered for the main purpose of:

- preventing or minimising pollution, degradation or natural resources depletion;
- repairing damage to air, water, waste, noise, biodiversity and landscapes;
- reducing, eliminating, treating and managing pollution, degradation and natural resource depletion;
- carrying out other activities such as measurement and monitoring, control, research and development, education, training, information and communication related to environmental protection or resource management.

---

<sup>3</sup> As suggested by the Harmonized Indicators for Private Sector Development, DCED, April 2016

Typically, such jobs are found across many economic sectors<sup>4</sup> such as energy, transport, environmental protection, waste management, water and wastewater management, manufacturing and other industrial processes (circular economy), agriculture, forestry etc.

#### Counting Guidance

- If no information is available on the number of FTE posts, then the number of FTE employees may be used as a proxy.
- **Risks of double counting:** when reporting for multiple years, please be careful to avoid double counting of the same job supported over the reporting period by the same intervention/investment. The peak year result should be reported if there is an overlap between the jobs supported in different years, or when there is not enough information in the progress reports about how double counting risks are managed.

#### Quality Control Checklist

- Has double counting been avoided as indicated in the Counting Guidance above?
- Have all relevant disaggregations been reported?
- Has the baseline and final target been encoded with the right dates?
- Did you encode the latest current value available?
- Did you use the comment box to inform on the values encoded?

### 6. Examples of calculations

An IPA/ESDF+ intervention - implemented by a local financing intermediary – provides over the period 2016-2020 selected financial assistance (soft loans) for investments to SMES to upgrade and install processes and procedures that favour green employment, as well as larger loans to local authorities for small transport infrastructural works.

Year 2 progress report informs that through the various investments supported by soft loans since year 1, 10 companies report (in aggregate) 15 jobs maintained (i.e. in absence of the investments, workers would have been made redundant) and 15 companies (including 8 of the previous 10) report (in aggregate) 20 new jobs supported since the beginning of year 2.

In addition, through various larger loans to a total of 5 local authorities, 15 km of road have been rehabilitated and the combined manpower involved in this has been 40 persons (but only for an average of 12 months each over the two years since the beginning of the intervention). These jobs are already “disappearing” by end of Year 2 as works come to an end. None of the infrastructure jobs lasts more than 24 months, although we don't know if jobs start and end within the same year, while many of the others presumably do.

#### **Values:**

##### **Baseline values:**

4.1.1.4 (a) = 0 (yes previous infrastructural works but not through this mechanism and not within the scope of this particular intervention)

4.1.1.4 (b) = 0 (no previous activity of this nature, therefore no jobs [supported/sustained by the EU])

**Target Values:** In this case let us assume there was a target value of 100 for other jobs (4.1.1.4 a) and 140 FTE jobs for green jobs (4.1.1.4 b)

##### **Values for year 1:**

4.1.1.4 a):

<sup>4</sup> See [https://ec.europa.eu/environment/enveco/pdf/FACT\\_SHEET\\_ii\\_Green\\_Growth\\_Jobs\\_Social\\_Impacts.pdf](https://ec.europa.eu/environment/enveco/pdf/FACT_SHEET_ii_Green_Growth_Jobs_Social_Impacts.pdf)

- 20 FTE jobs (40 jobs for 6 months on average each) = 20 FTE jobs supported by the EU
- 15 jobs maintained = 15 green jobs supported by the EU (all jobs reported under b must also be reported under a)
  - 35 jobs total

4.1.1.4 b): 15 jobs maintained = 15 green jobs supported by the EU

**Values for year 2:**

4.1.1.4 a):

- 20 FTE jobs (40 jobs for 6 months each, on average) = 20 FTE jobs supported by the EU
- 15 jobs maintained + 20 new jobs supported = 35 green jobs supported by the EU (all jobs reported under b must also be reported under a)
- 55 jobs total

4.1.1.4 b): 15 jobs maintained + 20 new jobs supported = 35 green jobs supported by the EU

**Contribution to results at the end of Year 2:**

4.1.1.4 a): 55 FTE jobs supported by the EU (we select the peak value for this indicator which corresponds to that of Y2)

4.1.1.4 b) 35 green jobs supported by the EU (we select the peak value for this indicator which corresponds to that of Y2)

Note that we do not aggregate results adding up the figures reported in Y1 and Y2. Note that in this particular case we will consider this an “outcome” since it has been facilitated by the soft loans.

## 7. Data sources and issues

**Data sources in the logframe:**

- Data for this indicator must derive directly from the intervention, i.e. intervention internal monitoring and reporting systems from implementing organisations (e.g. governments, international organisations, non-state actors).
- Other possible sources include studies carried out in the framework of the interventions and external monitoring and/or evaluation reports.

**Data source categories specified in OPSYS:**

- EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention;
- EU-funded feasibility or appraisal reports ;
- ROM reviews

## 8. Reporting process & Corporate reporting

Who is responsible for collecting and reporting the data?

- The implementing partner (i.e. the entity responsible for delivering the results) will need to ensure the counting starts at the lowest level of intervention and is reported upwards and aggregated for the entire intervention in the framework of regular monitoring and reporting systems.
- Assuming that a local financial intermediary may well be the implementing or sub-implementing partner, then it falls to the lead Implementing Partner to verify the values calculated by the respective entities that implement the lowest level of the intervention (i.e. provide or use EU support to create jobs) and provide data. These could be construction companies or other types of enterprise, non-specialised in calculating “number of jobs”.

The task of verification, inevitably based on some on-site monitoring, is incumbent on the IP and, depending on the management mode, EUD.

- Data verification:
  - For indirect management by beneficiary countries, the National IPA Coordinator will verify the data.
  - For other modes of implementation, the Operational Manager in HQs/EUD will verify the data.
- It is then the responsibility of DG NEAR to centrally receive and verify data for this indicator from all relevant interventions and to ensure aggregation within and across all IPA Beneficiaries.

This indicator is used for corporate reporting in the following contexts:

- *IPA III via the Annual Report*
- *NEAR Strategic Plan via the Annual Activity Report*

This indicator has been included in the following other Results Measurement Frameworks:

- *NDICI*
- *EFSD+*
- *TEI MORE*

#### 9. Other uses

**IPA III RF 4.1.1.4** can be found in the following groups of EU predefined indicators available in OPSYS, along with other related indicators:

- **"EU RF - Level 2 (EURF L-2);**
- **Employment and VET (Empl & VET);**
- **GE RF - Level 2 (GERF L-2);**
- **IPA III RF Window 4: Competitiveness and inclusive growth (IPA III W4);**
- **NEAR EU RF level 2 (EU RF 2);**
- **NEAR GERF L2 (GERF 2);**
- **Oceans (Oceans);**
- **Sustainable Aquatic and Agri-Food Systems (SAAFS);**
- **Sustainable cities (SustCities);**
- **Team Europe Initiative - MORE Framework (TEI-MORE)"**

For more information, see: [Predefined indicators for design and monitoring of EU-funded interventions | Capacity4dev \(europa.eu\)](#)

Typically this indicator is used by OECD and especially EU member states using public financial support for job creation.

The Donor Committee for Enterprise Development (DCED) : Harmonized Indicators for Private Sector Development - Number of full-time (equivalent) jobs supported.

Harmonized Indicators for Private Sector Operations (HIPSO) – Number of full-time equivalent construction workers employed for the construction of the company or project's hard assets; Number of full-time equivalent employees as per local definition working for the client company or project at the end of the reporting period.

#### 10. Other issues

This indicator is also an EFSD+ indicator. The contents of this note have been adapted to be used in IPA III RF, therefore, they are not necessarily applicable to other contexts as the specifications of the EU acquis are not always in application in third countries eligible to EFSD+ funds.

Note that EFSD+ classifies this indicator as corresponding to an output level result, while in the IPA III (and GEF) Result Frameworks it is classified as an output/outcome depending on how the intervention logic is structured. The difference may be seen in the respective advice each provides: EFSD+ envisages that most, if not all of the jobs created will be in works or other investment/infrastructure related activities that require manpower.

However, the indicator can have a much broader relevance especially if used in regard to smaller investments (or even processes re-engineering etc which improve/extend production processes which then require additional staff). In these kinds of situations, the IPA support can best be viewed as financing an asset or relevant activity that enables /creates new employment. In this case, at intervention level it may be more appropriate to consider this an indicator that responds to an outcome level result.

In any case when it comes to higher level reporting (IP and above) all values will be aggregated together.