



ECA Special Report on

The contribution of the *European Social Fund* in combating *Early School Leaving*



Prague, 10-12 November 2008

OVERVIEW

- **Why an audit of Early School Leaving? The origins of the audit.**
- **What is Early School Leaving?**
- **What was the audit question and the approach?**
- **Summary of observations and recommendations.**

The origins of the audit on Early School Leaving

- In 1999 the European Employment Strategy (EES) « employment guideline n° 7" invited the Member States to reduce the number of young people abandoning school early.
- The European Council in May 1999 adopted common indicators in the area of education and Lifelong Learning
- The Lisbon Agenda of 2000 included the goal that Member States would half their rate of early school leaving by the year 2010.
- Actions to combat Early School Leaving are an important element of many Member States' policies in this area of education and training.
- Although difficult to quantify exactly, in the six Member States audited in this study, total funding amounting to 1,078 million euro in period 2000-2006 was identified.



What is Early School Leaving (ESL)?

- The ESL phenomenon is interpreted differently in Member States, on the basis of the specificities of their education systems.
- European Commission/Council definition for ESL is « young people between the ages of 18 and 24 who have completed only lower secondary education and who are not in studies or training».

The reasons for the audit

1. Importance of Early School leaving as a precursor to youth unemployment and long-term unemployment

2. The heightened risks to Sound Financial Management:

- to shared management
- limited Community competency in education policy
- innovative nature of co-financing expenditure
- involvement of entities inexperienced with EU funding.



Audit Question and Approach

- **AUDIT QUESTION:**
- **Was ESF being used properly in order to effectively tackle the problem of early school leaving?**

- **Four key management activities were examined for early school leaving programmes:**
 - **1. The pre-analysis of the economic benefits of the programmes being implemented;**
 - **2. The procedures for the targeting beneficiaries and allocating resources;**
 - **3. The project management processes;**
 - **4. The monitoring and evaluation of the programmes.**

- **On-the-spot audits were carried out in two regions of each of the six Member States audited (Spain, France, Ireland, the Netherlands, Portugal, and the United Kingdom).**
- **A total of 34 intermediary bodies and 50 projects were audited on-the-spot.**

Geographic coverage of 6 Member States





Audit Criteria or benchmarks

- AUDIT CRITERIA:
- ✓ An appropriate needs-based analysis should be carried out.
- ✓ Targets should be realistic.
- ✓ There should be a justifiable and transparent system for the identifying, quantifying and targeting needs.
- ✓ Resources should be allocated to those most in need.
- ✓ Resources should be allocated on the basis of objective, justifiable and equitable methods.
- ✓ The roles and responsibilities of management bodies should be properly defined.
- ✓ There should be good communication and co-ordination.
- ✓ Deviations from contracted tasks should be documented and agreed.
- ✓ Research should be coordinated so as to maximise the potential benefit.
- ✓ Research and evaluation work should be appraised against the terms of reference set.
- ✓ Recommendations should be formally addressed and follow-up recorded.



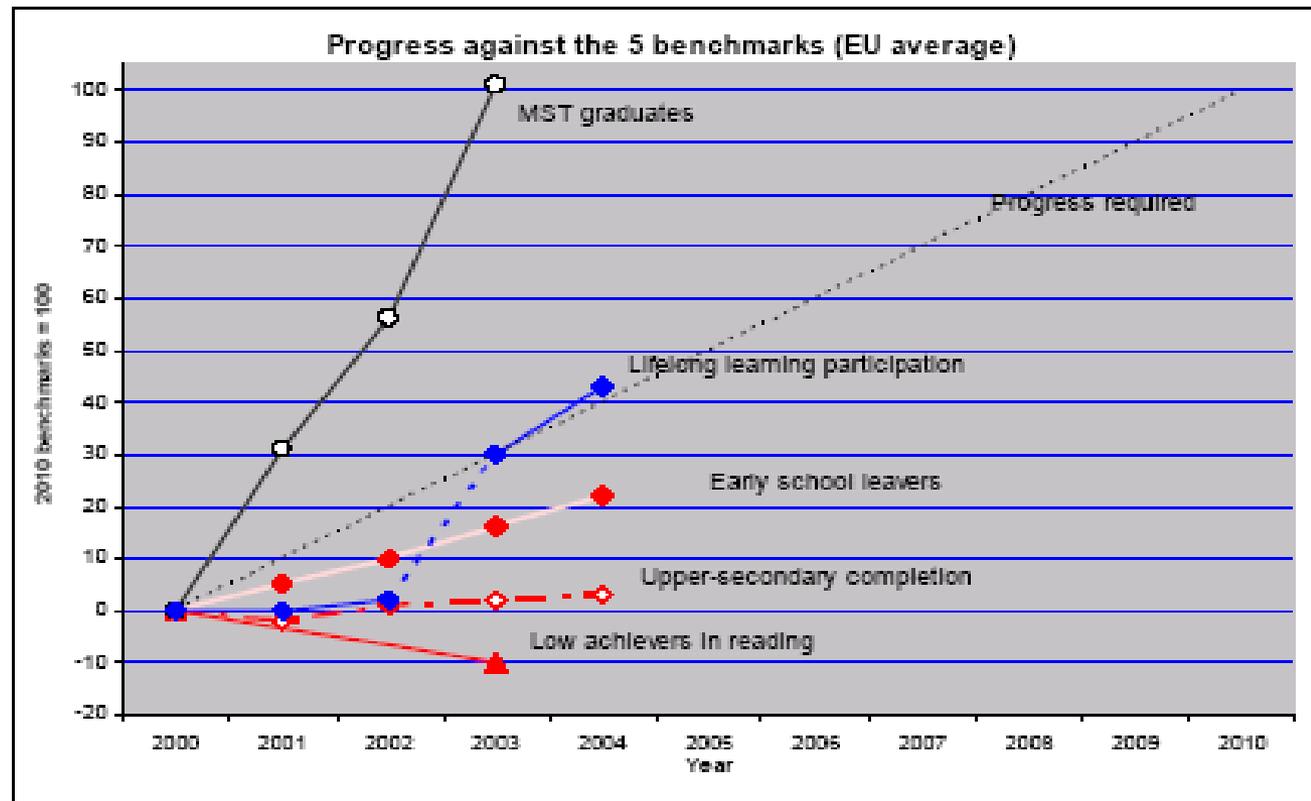
The situation pre-audit

- **In 2000, the average rate of ESL across the 15 Member States was 19,3%. This was reduced to 17,2% with the addition of the 10 new Member States in 2004.**
- **In 2004, only 2 of the 15 Member States (Finland and Sweden) had ESL rates below the European target rate of 10%.**
- **Five Member States (Estonia, Cyprus, Lithuania, Hungary and Malta) who were not in receipt of ESF funding for combating ESL in the period 2000 to 2004, still experienced a reduction in ESL in this period.**

Points for Reflection

Source: COM(2005) 549 final/2 Nov. 2005

OVERVIEW ON PROGRESS IN THE FIVE BENCHMARK AREAS



AUDIT CONCLUSIONS

**Economic
benefits analysis**

Targeting beneficiaries

Project management

**Research
and evaluation**

- **In the majority of cases the Member States' authorities applied ESF funding without adequate analysis of the existing situation and the expected or targeted results;**
- **Some Member States could not sufficiently justify the overall level of funding allocated to ESL;**
- **Some could not justify the basis on which funding was allocated to different regions;**

**Economic
benefits analysis**

Targeting beneficiaries

Project management

**Research
and evaluation**

- **Member States experienced difficulties in identifying the population being targeted by their actions.**
- **Varying definitions of ESL within Member States did not allow the proper selection of geographic areas for assistance.**

**Economic
benefits analysis**

Targeting beneficiaries

Project management

**Research
and evaluation**

- **National databases were being implemented in two Member States to monitor ESL.**
- **Innovative practices were identified such as:**
 - **- the formation of consortia of schools to develop projects;**
 - **- funding based on school project plans;**
 - **- risk analysis of students populations;**
 - **- electronic school-attendance systems;**
 - **- the recruitment of guidance counsellors.**

**Economic
benefits analysis**

Targeting beneficiaries

Project management

**Research
and evaluation**

- Little quantitative information was available on the impact of ESL activities.
- The good practice of self-evaluation at project level was identified.

Case-studies

- The Report also case-studies of ESL actions in each of the six Member States.
 - What was the nature of the programmes?
 - considered as Life-long Learning, or active labour market policies
 - What activities were co-financed?
 - special curricula, special courses, on-the-job training, community integrated school-plans; electronic school-attendance systems, guidance counsellors, extra-curricular activities.
 - What particular aspects influenced the effectiveness of the actions?
 - good coordination and evaluation practices; flexibility of some actions; activities outside of normal schooling; 'process benefits' ("being geared towards implementing a Plan"). However, poor targeting and risk assessment of pupils weakens effectiveness of actions.



Recommendations

The Commission should:

- ✓ make better use of the management information it receives to ensure that economic, efficient and effective use is made of ESF funding;
- ✓ give appropriate guidance to Member States on performance management issues;
- ✓ verify that Member States' management systems adhere to the principles of economy, efficiency and effectiveness.



Recommendations

Member States should:

- ✓ properly define and identify the incidence of ESL;
- ✓ establish or strengthen procedures for targeting those most at risk of living school prematurely;
- ✓ encourage the exchange of information and best practice between local and national organisations tackling ESL;
- ✓ actively promote the innovative use of ESF in tackling early school leaving.



The European Parliament's (COCOBU) Opinion

(20.6.2006)

- 1. “Community funding should only be given where European added value is recognised”.**
- 2. “Attaches great importance to...the principle that an initiative that is insufficiently verifiable should not be financed by public money”.**
- 3. The Commission’s monitoring and control mechanism to ensure compliance with the principles of SFM...must be improved...”**
- 4. “Encourages the Commission to work with the Member States and their national statistics offices to properly define and identify the incidence of ESL”**
- 5. “Encourages the exchange of information and best practice between all local and national organisations...”**
- 6. “Calls for a common understanding of measuring standards and definitions...”**
- 7. “Calls on the Commission to carry out a thorough assessment...and the Court to conduct a parallel audit in the New Member States...”**



The Commission's Response (20.6.2006)

- 1. "It is a very important report..."**
- 2. "the leverage effect of such funding is important..."**
- 3. "progress in reducing ESL rate has been steady but too slow to meet 2010 target"**
- 4. "There will be a priority action for combating ESL in the new Structural Fund regulations (2007-2013) under Convergence and ESL will become a specific target group"**
- 5. "The Commission recognises that it must give more importance to the effectiveness of actions and it will improve its performance audits"**
- 6. The new regulation will allow the Commission to better monitor how Member States spend the money"**
- 7. "EUROSTAT will try to harmonise a definition of ESL across the EU and the Commission will use that to improve its action"**

THE END



Thank you for your attention