

21LV06 – Supporting employers in promoting skills development in Latvia

Roadmap for potential supplementary measures

This roadmap summarises the major elements of the reform and identifies supplementary measures that could complement the policy package on employer support for training. The supplementary measures include potential financing models that Latvia could adopt to fund the policy package in the medium-long term, namely the introduction of sectoral Skills Funds and a training levy. The roadmap also discusses additional support measures for employers, such as tax exemptions for expenditures on employees' higher education and support for offering study leave, as well as for individuals, such as Latvia's planned individual learning accounts (ILAs), personal income tax exemptions for educational expenditures, and paid study leave. Finally, the roadmap presents considerations for evaluating the policy package, in order to understand and demonstrate its outcomes and impacts.

The Project "Supporting employers in promoting skills development in Latvia" was co-funded by the European Union via the Technical Support Instrument (REFORM/IM2021/009) and implemented by the OECD, in co-operation with the European Commission's Directorate General for Structural Reform Support. This report was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

Contacts:

Andrew Bell, Head of OECD Skills Strategy Team, OECD Centre for Skills

Glenda Quintini, Head of Skills Team, Skills and Employability Division, ELS Directorate

Ben Game, Policy Analyst, OECD Centre for Skills

Maria Regina Tongson, Consultant, OECD Centre for Skills

Stefano Piano, Labour Market Economist, Skills and Employability Division, ELS Directorate

Magdalena Burtscher, Junior Labour Market Economist, Skills and Employability Division, ELS Directorate

Supporting employers in promoting skills development in Latvia

Roadmap for potential supplementary measures



Roadmap summary

The OECD and the European Commission's Directorate General for Structural Reform Support (DG Reform) are co-operating to provide technical support to Latvia through the Technical Support Instrument. In line with the country's national priorities, the project "[Supporting employers in promoting skills development in Latvia](#)" aims to support the Ministry of Education and Science (MoES) to develop a sustainable support system for adult learning by recommending a policy package to support and incentivise employers to upskill and/or reskill their employees.

The OECD recommended a policy package that includes four key financial and non-financial measures to help employers invest in skills (hereafter "policy package"). This was based on an assessment of the key barriers and enabling conditions for employers to invest in skills development (EN [link](#), LV [link](#)), a comprehensive review of good practices across the European Union (EU) to support employer investments in training (EN [link](#), LV [link](#)), and consultations with employer associations, trade unions, education institutions and government bodies. The proposed policy package includes:

- **Revamped subsidised training programmes** (Measure 1) offered through employer associations. In the new version of the programme, it is proposed that: the number economic sectors eligible for the subsidies be increased; employer associations be selected as intermediaries to administer the subsidies for a period of at least three years (which may be renewed for another three); employer associations who apply to be intermediaries in partnership with other associations receive bonus points in the selection process; and that applying employer associations be required to submit a training strategy for the sector. It is also proposed that employer associations have the responsibility and budget for conducting awareness-raising activities about the subsidised training opportunities.
- The creation of **new policy measures to address cultural/attitudinal barriers to adult learning**. This would include the development of an online tool for enterprises to assess their skills gaps and training needs (Measure 2), as well as the provision of external expert assessments (Measure 3) of skills and training gaps of micro, small and medium enterprises (MSMEs).
- The **establishment of stronger coordination mechanisms for adult learning**. This includes the creation of a Steering Group (StG) that would coordinate the implementation of the policy package (Measure 4) as well as a unified online portal (Measure 4a) that would centralise information on training offers and support from different providers.

The OECD team has also developed [practical guidelines](#) for the regulatory framework to implement the policy package, specifically covering the revamped subsidised training programmes (Measure 1) and the external expert assessments (Measure 3). The MoE would separately implement the online tool for enterprises to assess their skills gaps and training needs (Measure 2), and the Steering Group (StG) to co-ordinate the implementation of the policy package (Measure 4). The OECD also undertook a [costing exercise](#) to estimate the human and financial resources needed for the implementation of all four policy measures. Finally, the OECD developed a [monitoring framework](#) with indicators and a data collection methodology to track the uptake of the policy package.

As the final output of the project, this roadmap presents potential supplementary measures that could complement those included in the policy package, as described above. This includes potential financing measures that Latvia could adopt to fund the policy package in the medium-long term, namely the introduction of sectoral Skills Funds and a training levy. The roadmap also discusses additional support measures for employers, such as personal income tax exemptions for expenditures on higher education and support for offering study leave, as well as for individuals, such as Latvia's planned individual learning accounts (ILAs), personal income tax exemptions for educational expenditures, and paid study leave. Finally, upon the request of the Stakeholder Group (StG), the roadmap presents high-level considerations for evaluating the outcomes and impacts of the policy package.

Supplementary measures

Financing the policy package

The policy package requires sufficient, equitable and stable funding in the long term. This means having an adequate level of financial resources devoted to the policy measures, as well as an equitable sharing of resources among government, employers and individuals. In the short-medium term and for certain measures, especially the subsidised training (Measure 1), funding could largely come from EU funds (OECD, 2023^[1]). However, the adult learning system in Latvia has been highly reliant on European Structural Funds to date (OECD, 2019^[2]; Latvian State Regional Development Agency, 2023^[3]). While helpful, these project-based, temporary funds do not guarantee the financial sustainability of the country's adult learning system in the long term, as they are temporary in nature and are often complex to access (OECD, 2019^[4]). In funding the policy package, it is thus important for Latvia to consider policy options that help bring in investments from a wider variety of sources, including enterprises and the state budget.

In the medium term, Latvia's planned Skills Funds, a form of public-private partnership (PPP), could fund the revamped training subsidies and expert assessments of enterprises' skills and training needs. Latvia is planning to pilot Skills Funds during the current EU financing period (2021-2027) in up to three sectors with financial support of EUR 4.5 million from the European Social Fund Plus (ESF+). The pilot phase will allow Latvian authorities to test an appropriate implementation model for Latvia and lay the foundations for a more sustainable and inclusive adult learning system over the long term. In addition to delivering funds for adult learning programmes (including the policy package) in a more sustainable manner (i.e. not dependent on external funds from the EU), the introduction of a Skills Funds can help improve co-operation across companies, sectors and social partners more generally (OECD, 2023^[1]). Stakeholders indicated that there is some interest from the construction sector to develop the Skills Funds, where it will be managed by the MoE. Beyond the construction sector, the interest of other sectors is not yet sufficient, and government authorities are still communicating with other industries and testing their readiness to participate in the Skills Funds pilot. A broad consultation process is needed to develop a suitable model for Skills Funds in Latvia, and the application round in 2027 seems a feasible date for a first introduction of Skills Funds (OECD, 2023^[1]).

In the long term, these Skills Funds (and therefore the policy package) could potentially be financed by Latvia's state budget and a new training levy on enterprises, to ensure funding sustainability. Across OECD countries, some adult learning initiatives are funded through compulsory national or sectoral training levies, whereby employers contribute a share of payroll – typically between 0.3 and 1% – or a fixed amount per employee (OECD, 2023^[1]). However, some representatives of government and social partners consulted during this project expressed concerns about introducing such a levy, as the tax burden on labour income is already relatively high in Latvia (OECD, 2023^[5]), and increasing taxes would go against current efforts in the country to simplify the tax system. Stakeholders suggested reducing existing labour taxes on enterprises (e.g. social security contributions) by the amount of the new training levy, thereby reallocating existing tax collections to training, rather than increasing taxes. Stakeholders discussed several possibilities for doing this, noting that it would ultimately be a complex political decision.

Supplementary support measures for enterprises and individuals

Throughout the project, supplementary support measures that complement the policy package have been discussed with stakeholders, which Latvia could consider implementing over the medium-long term. These include support measures for enterprises, such as further tax deductions (specifically for higher education programmes funded by employers) and support to employers for employee training leave. These also include measures for individuals, which cover initiatives that have already been approved for implementation such as Latvia's upcoming individual learning accounts (ILAs), as well as new proposals from stakeholders, such as higher tax exemption ceilings for expenditure on training, and paid study leave.

For enterprises

Latvian enterprises report that financial barriers constrain the provision of training for employees, especially for formal programmes. Currently, enterprises in Latvia make low investments in higher education (OECD, 2022^[6]). As a policy response, some stakeholders called for extending tax exemptions for employers to include expenditure on higher education for employees. Employer associations have indicated this is necessary to motivate investment in the skills and competences of employees, which could in turn increase incomes and consumption in Latvia. The introduction of such tax exemptions has broadly supported by stakeholders consulted during this project, and authorities from the Ministry of Finance will assess the feasibility of this measure as part of the 2024 budget (OECD, 2022^[6]). However, it will be critical to avoid further complicating Latvia's corporate tax system structure, and to effectively target and monitor these exemptions, despite current data limitations on the uptake of tax deductions (OECD, 2022^[6]).

Enterprises may also benefit from support during periods when workers are taking study leave. Currently, employees are entitled to a minimum of 20 working days for personal study leave, although only if they need to take state examinations or defend a thesis. Employees covered by collective agreements can receive more generous study leave and remuneration while studying, which some stakeholders argued should be implemented for all workers (see next section). However, employers appear reticent to allow employees to take off time from work for education and training, as this constitutes a loss of production (OECD, 2019^[2]). Stakeholders noted that this is a particular challenge among smaller firms who have less capacity to absorb the costs of, or replace employees during, study leave. Some stakeholders suggested introducing support for enterprises in order to expand uptake of study leave, for example by using the Skills Funds to subsidise salaries and/or replacement costs during study leave. Stakeholders stressed the importance of consulting with and tailoring study leave support to smaller-sized enterprises.

For individuals

While the project focuses on supporting employers in promoting skills development, these can be complemented by learning support measures targeting individuals. Latvia is planning to pilot individual learning accounts (ILAs) for digital skills, with financial support from the Recovery and Resilience Facility (RFF) until 2026. The ILAs will serve as a personal virtual account that provides adults with access to a personalised learning budget and learning opportunities in line with labour market needs identified by the government (MoES, 2023^[7]; MoES, 2023^[8]). The ILA policy will also include improved and expanded information and guidance services to support individuals' learning choices. Unlike the policy package, the ILAs will directly target adults irrespective of their employment status or employer.

To further help overcome financial barriers to training, stakeholders also suggested increasing the ceiling for personal income tax exemptions for expenditures in education. Currently, Latvia has a law that allows all individuals to deduct up to EUR 600 worth of expenditure on education and health-related services from their annual taxable income. However, stakeholders indicated that this amount may be too low to motivate people to invest in their training and suggested that this ceiling be increased or removed. Stakeholders also stressed the importance of making such tax deductions available for more informal training activities (e.g. seminars, lectures), as the tax exemptions are reportedly covering mostly formal and non-formal education at present.

Some stakeholders emphasised the importance of support measures to reduce adults' time-related barriers to training. While Latvia has defined study leave rights in the labour code and collective agreements as described earlier, stakeholders stated that uptake is low and inconsistent across sectors and employers. Employees sometimes use their vacation leave for training, take training courses after working hours, or even forego income during training. In response, Latvia could consider guaranteeing paid study leave to all workers for a broader range of training, while also supporting employers as discussed earlier, for example as is done in Sweden and Belgium.

Evaluation of the policy package

Evaluation, which is closely related to but distinct from monitoring, is a critical step to the success of the policy package. While monitoring aims to measure the proper deployment of the policy measures and is purely descriptive in nature and approach (OECD, 2023^[9]), an evaluation would help to establish if and how the policy measures have proven to be effective or not. In Latvia, the **Development Planning System Law** requires that an evaluation process be included when developing a policy, with the Cabinet of Ministers being responsible for determining the procedures for assessing its impacts. The **Cabinet of Ministers Instruction No. 16 of November 17, 2009** provides guidelines on the evaluation of policies, indicating that an evaluation takes place in two stages: (1) when formulating the targeted results of the measure for the first time (i.e., ex-ante); and (2) after the implementation of the measure (i.e. ex-post). This roadmap focuses on ex-post evaluation of the policy package.

Evaluation questions

One of the preliminary steps to take when evaluating the measures would be to set the scope of the evaluation by identifying the evaluation questions to be answered. The evaluators may refer to evaluation criteria such as relevance, effectiveness, efficiency, impact, and sustainability to decide on the nature and scope of the evaluation questions. For instance, the evaluation criterion of effectiveness raises questions like, “Were the employer support measures successful in helping increase participation in training among enterprises and their workers?”.

Object of analysis and indicators

The evaluation questions to address would determine the object of analysis, and therefore the indicators. For instance, an evaluation focused on the effectiveness of the policy package would require the examination of changes in the level of expenditure on employee training before and after the policy package. Indicators used in an evaluation exercise may cover outputs (e.g. provision of and expenditure on employee training by enterprises; number and share of employees participating in training), outcomes (e.g. production or productivity of enterprises; qualifications, wages or job performance of individuals) or impacts (e.g. aggregate enterprise-level production and productivity; aggregate wages and worker productivity).

An important distinction to be made when examining the effects of the policy package (i.e. through changes in the indicators) must be made between “gross” outputs, outcomes and impacts, which abstract from what caused them, and “net” outputs, outcomes and impacts, which are likely caused by the measure in question. Gross effects help evaluators determine whether policy targets have been achieved and understand how the general trends in outputs or outcome indicators changed before and after the introduction of the policy measure. Such gross effects of the policy package will be captured by the monitoring methodology (OECD, 2023^[9]). However, only through evaluating net or “counterfactual” effects could changes in enterprises or workers outcomes be attributed to the policy measure.

Methodologies for evaluating the policy package

In the context of this policy package, evaluating **gross effects** would involve assessing changes in the target population’s knowledge, skills, motivations or situations associated with the policy measure. To do this, Latvia could evaluate in greater depth the participant- and enterprise-level indicators identified in the Output 6 monitoring report. This may include, for instance, the benefits to enterprises and/or workers associated with the training in terms of outputs (e.g. number of training certificates issued from the subsidised training programme) or outcomes (e.g. employees’ movement to a job requiring higher level skills/qualifications levels). Regarding gross impacts, Latvia could evaluate how aggregate production,

productivity and wages within the population of participating enterprises or sectors evolve after the end of the policy package.

Evaluating **net effects** would require techniques to isolate the effects of the policy measure from other factors affecting the outputs and outcomes of interest. This is also referred to as a **counterfactual evaluation**, which considers what would have been the outputs and outcomes for the enterprise or worker in the absence of the measure. This is done primarily through establishing a control group (e.g. enterprises that applied for the subsidised training programme but were not selected, enterprises that received a subsidised training programme but not an external expert assessment, etc.). While randomly allocating enterprises to receive the measures would be ideal for establishing treatment and control groups, this is not feasible within the project design and timelines. As such, quasi-experimental designs for counterfactual evaluation may be considered, including regression discontinuity design, instrumental variables, differences-in-differences, and propensity score matching.

Using estimates of the net outputs and/or outcomes of the policy measures, Latvia could use other methodological approaches for evaluation, such as those that analyse their cost effectiveness. These include cost-benefit analysis (CBA) or social return on investment (SROI) analysis, which are useful in ensuring value for money and guaranteeing that government and EU sources are being used well. However, assigning a monetary value to something that does not have one by nature (i.e. the societal benefits) can be difficult.

Institutional arrangements for evaluation

In line with the Output 6 report, the unit in charge of monitoring activities within the MoE (i.e. the ministry responsible for implementing the policy package) could also be responsible for conducting the outcome and/or impact evaluations in coordination with the Steering Group. Prior to rollout of the policy package, the Steering Group could decide on the evaluation criteria, evaluation questions, and the timeline of the evaluation exercise. With oversight from the Steering Group, an internal evaluation team from MoE's M&E unit could collect data from the participating enterprises and their employees and coordinate with the implementing team from the MoE to retrieve data from the monitoring phase. If evaluating net effects of the policy package (e.g. subsidised training programmes), the evaluation team could coordinate with employer associations and the CFLA, who manage and approve applications respectively, in order to identify non-participating enterprises who could form the control group. They could also seek evaluation input and support from the European Commission (i.e. the project donor), with the help of the Steering Group.

If resources permit, the evaluations may be conducted by external experts to promote greater transparency and accountability (OECD, 2020_[10]). Stakeholders in Latvia preferred the use of an external evaluator, to ensure the expertise and capacity for a rigorous evaluation. The Steering Group members could appoint a member of the Secretariat as the evaluation manager, who will be in charge of preparing Terms of Reference (ToRs) and Requests for Proposals (RFPs), preparing a budget plan and implementation plan, procuring the evaluator, preparing the contract, overseeing the evaluator's activities, and approving the final evaluation report (BetterEvaluation, 2022_[11]; Austrian Development Agency, 2009_[12]). The MoE could share with the evaluators the monitoring data (in line with the indicators listed in the Output 6 report) that is centralised in its management information system in order to provide the evaluation team with information needed to conduct the study. Throughout the implementation of the evaluation, stakeholders emphasised the importance of maintaining a tripartite structure, in order to adequately reflect the interests and objectives of employers, employees and the government in the evaluation exercise.

Major reform elements

Policy context and project background

Investing in adult learning can help workers in Latvia adapt to rapidly changing economic contexts brought about by the COVID-19 pandemic, rapid digital transformation, the green transition, rising inflationary pressures and an energy crisis due to Russia's war against Ukraine. However, despite the important role that adult learning plays in building a more resilient and innovative economy, enterprise-level investment in Latvia is currently among the lowest in the EU. On average, Latvian enterprises invest only 0.6% of labour costs in training courses in comparison to 1.5% across the EU (Eurostat, 2020^[13]). The rate of enterprise-level spending on adult learning in Latvia is significantly lower than the EU average, regardless of enterprise size and sector (OECD, 2019^[2]; Eurostat, 2019^[14]).

Financial, attitudinal and informational barriers deter enterprise investment in skills development in Latvia. Financial barriers refer to credit and liquidity constraints that prevent enterprises from covering the costs of employee training (OECD, 2022^[6]). According to data from the Continual Vocational Training Survey (CVTS), financial barriers are a greater obstacle in Latvia, as 39% of enterprises who do not provide training report high costs as a barrier to the provision of training, compared to 22.7% on average across the EU (Eurostat, 2020^[15]). The existence of financial barriers to training is confirmed by Latvian research. Līce (2019^[16]) finds that half of Latvian enterprises (49%) consider excessive training costs a key barrier to training their employees.

Micro, small, and medium enterprises (MSMEs) in Latvia are more likely to face financial barriers to the provision of training, as they may find it difficult to finance training up-front, replace workers during training periods, or compensate for working hours lost to training. Moreover, enterprises in Latvia provide little training to vulnerable groups, such as low-qualified, older employees and non-Latvian citizens, due to a perceived lack of return to their investments (OECD, 2023^[1]).

Latvia has a range of policy instruments in place to support employers to invest in skills development. Latvia legally requires enterprises to provide training, and also employs a range of measures to lower training costs (e.g. tax exemptions for enterprises). The European Regional Development Fund (ERDF) played a central role in supporting training in Latvian enterprises under the framework of the "Growth and Employment" operational programme (support objective 1.2.2: "Promote the introduction of innovations in enterprises"), with Latvia having delivered a total of 18 training-focused projects since the start of the 2014-2020 planning period. Despite these measures, project stakeholders have identified the need to expand financial measures to reduce the cost of training for enterprises and support employees that are currently less likely to participate in training (OECD, 2022^[6]).

In addition to financial barriers, attitudinal barriers to adult learning also exist in Latvia. These include the lack of awareness about the benefits of adult learning, especially for disadvantaged groups such as low-qualified and older employees, as well as a lack of a training culture among managers. Few enterprises in Latvia think training is important, with 41% of enterprises in the country – the largest share in the EU – reporting that the value of training for the establishment is low, in comparison to 25% across the EU (Eurofound, 2019^[17]). In addition to attitudinal barriers, information barriers also constitute a major policy concern in Latvia. These information barriers stem from the difficulty in gathering relevant information to organise training opportunities. There is often a lack of knowledge among enterprises about their own skills needs, existing government support programmes that they can access, and training opportunities that are available to their employees. For instance, of the Latvian enterprises that did not provide training in 2020, 44% reported finding it difficult to assess their training needs, compared to 14% on average across the EU (Eurostat, 2020^[13]). MSMEs in Latvia are more likely to be affected by these barriers (OECD, 2022^[6]; OECD, 2023^[1]).

Project stakeholders have identified the need to implement support measures to address attitudinal and information barriers to adult learning, such as diagnostic tools that help firms make more informed decisions on training and more tailored one-to-one instruments, such as consulting services, coaching, and mentoring. Currently, no such policy instruments are available in Latvia. Their introduction to the Latvian context can help strengthen the learning culture and training capacity of enterprises, thereby decreasing their dependence on external and often temporary support measures (e.g. subsidies), promote enterprise investment in training, and ensure the sustainability of the adult learning system over the long run (OECD, 2021^[18]; OECD, 2021^[19]; OECD, 2022^[6]; OECD, 2023^[11]).

In addition to enterprise-level barriers, there are also challenges in coordinating skills policies in Latvia. Coordination among enterprises in Latvia to provide training is relatively weak, due in part to a fragmented stakeholder landscape characterised by low rates of collective bargaining. There is also a lack of coordination between educational institutions and enterprises, resulting in a lack of alignment with labour market demand, which is likely to help explain some of the low take-up of employee training (OECD, 2022^[6]). Project stakeholders have voiced the need for a body or platform where different ministries, associations and municipalities in Latvia could coordinate to support employers to provide training (OECD, 2023^[11]).

Policy measures to support employers in promoting skills development

Against this backdrop, the OECD Directorate for Employment, Labour and Social Affairs, the OECD Centre for Skills and the Directorate General for Structural Reform Support (DG Reform) of the European Commission are co-operating to provide technical support to Latvia through the Technical Support Instrument. The “[Supporting employers in promoting skills development in Latvia](#)” project (21LV06) aims to support the Ministry of Education and Science (MoES) of Latvia to improve the regulatory framework that supports investment in skills development by employers, by recommending a policy package including financial and non-financial measures. The project is in line with the Latvian Law on Education, which foresees the need to introduce a regulatory framework to implement such measures, as well as Latvia’s Recovery and Resilience Plan (RRP), particularly Reform 2.3 (“Development of a sustainable and social responsible support framework for adult learning”), which aims to increase adult learning participation and reach targets in the Education Development Guidelines 2021-2027 (OECD, 2022^[6]; OECD, 2023^[11]).

The OECD recommended a policy package that includes four key financial and non-financial measures to help employers invest in skills (hereafter “policy package”). This was based on an assessment of key barriers and enabling conditions for employers to invest in skills development in Latvia (EN [link](#), LV [link](#)), a comprehensive review of good practices in the EU to support employer investments in training (EN [link](#), LV [link](#)), as well as consultations with stakeholders (e.g. employer associations, trade unions, education institutions, government bodies). The policy package includes revamped subsidised training programmes (Measure 1), an online tool for enterprises to assess their skills gaps and training needs (Measure 2), external expert assessments of skills and training gaps of MSMEs (Measure 3), and a Steering Group (StG) to co-ordinate the implementation of the policy package (Measure 4). These four policy measures are described in detail in a previous OECD report (see [here](#)), which outlines what factors had driven the selection of the measures, the eligibility criteria for participation, the rights and responsibilities of involved parties, and the proposed financing arrangements to fund the implementation of the policy package.

The OECD team has also developed [practical guidelines](#) for the regulatory framework to implement the policy package, specifically covering the revamped subsidised training programmes (Measure 1) and the external expert assessments (Measure 3) (OECD, 2023^[20]). The MoE will separately implement the online tool for enterprises to assess their skills gaps and training needs (Measure 2), and the Steering Group (StG) to coordinate the implementation of the policy package (Measure 4). The OECD also undertook a costing exercise to estimate the human and financial resources needed for the implementation of all four policy measures (OECD, 2023^[11]). Finally, the OECD developed a monitoring framework that aims to

provide Latvian authorities with accurate, reliable and timely information on the extent of the take-up of the new employer support measures, and the outputs and outcomes of training provided by recipient employers (OECD, 2023^[9]). Revamped subsidised training provided through employer associations (Measure 1).

There is room to improve the current delivery model of the European Regional Development Fund (ERDF)-funded subsidised training programmes provided through employer associations in Latvia. Since 2007, support for training in enterprises in Latvia has been delivered through CFLA-selected employer associations, who are also in charge of raising awareness about the programmes, procuring training providers, processing applications and administrative documents by companies, and coordinating with the CFLA to manage funding for subsidies. Currently, subsidised training programmes support technical training that targets the skill needs of employers in a particular sector. This current model works well overall, but during consultations, stakeholders have agreed on the need for improvements on several fronts. For instance, awareness-raising about the programme could be improved, as while employer associations are active in promoting the channel, they mainly target only their existing members, which raises concerns given the high fragmentation of stakeholder membership. There is also poor co-ordination and exchange of good practices. Micro-enterprises tend to be under-represented in the subsidised training programme, with the proportion of participating micro-enterprises falling to only 44% in comparison to 60% in the previous funding round (OECD, 2022^[6]).

Following stakeholder consultations, the policy package includes the refinement of the delivery model of the subsidised training programme. The proposed version of the programme proposes that the number of economic sectors that are eligible for the training subsidies be increased. In order to increase co-ordination and reduce fragmentation among intermediaries, it is proposed that employer associations who apply to be intermediaries in partnership with other associations receive bonus points, and at most one association or partnership per sector be chosen as intermediaries. Each association/partnership would be selected for a period of at least three years (with the option of being renewed for another three). To strengthen participation by MSMEs and companies that are not members of an employer association, the new version of the programme also proposes that intermediaries have an increased responsibility and budget for conducting awareness-raising and communication activities about the subsidised training programme.

Online tool for enterprises to assess their skills gaps and training needs (Measure 2)

A review of literature has indicated that the current offer of self-assessment tools in Latvia are not comprehensive enough, resulting in a proposal to create a free online self-assessment tool for enterprises to self-assess their skills gaps and training needs. Latvia has self-assessment tools for individuals and enterprises, such as those offered by the European Commission ([DigSAT](#)), www.latvija.lm, and other tools provided by Erasmus+ projects and the Public Employment Service. However, stakeholders have reported that these existing tools are not comprehensive, lack a robust methodology, and provide little insight to the user about their skills gaps and training needs (OECD, 2022^[6]). As part of Latvia's efforts to address information and attitudinal barriers to training, the OECD has proposed that authorities develop an online tool for enterprises to conduct self-assessments of their skills gaps and training needs (OECD, 2023^[1]). The tool must be user-friendly (i.e. taking no longer than 20 minutes to complete), comprehensive and insightful, covering both general and sector-specific skills. It must also be free and available to all enterprises, regardless of whether they are a member of an employer association. Links to the tool should be displayed on the websites and portal of employer associations, as well as that of the ministry responsible for developing the tool.

External expert assessments of skills and training gaps of MSMEs (Measure 3)

While the results of the online self-assessment tool are a good and necessary start, many enterprises, especially MSMEs, will likely require more comprehensive and personalised support to understand their

skills gaps and training needs. The policy package thus proposes to include the provision of external expert assessments, where enterprises may receive more detailed and tailored advice from an external expert on their skills gaps and training needs (including but not limited to digital skills), as well as where to find relevant training. To ensure coherence throughout the policy package, the external expert's methodology must match the one used in the online self-assessment tool. Employer associations are tasked to develop a network of experts and, as an eligible activity of the subsidised training programmes, implement this service in accordance with standard EU subsidy rates. The measure targets MSMEs, given that large enterprises often already have sufficient HR capacity to assess their training gaps and are thus less likely to need support (OECD, 2023^[1]).

Creation of the permanent steering group (Measure 4) and unified online portal (Measure 4a)

The implementation of the policy package involves multiple actors and requires strong co-ordination mechanisms in order to ensure success. To ensure strong co-ordination between the measures of the policy package and with other existing or planned initiatives for adult learning in Latvia, project stakeholders proposed two concrete coordination mechanisms: (1) a permanent steering group, and (2) a unified portal to access information on training opportunities and support.

The creation of the permanent steering group would respond to the need for an official avenue where employer associations can discuss implementation challenges and exchange good practices (which was previously missing from other ERDF projects), as well as a platform where ministries, associations and municipalities can coordinate on initiatives that aim to support employer-provided training. The steering group would include the MoES, the Ministry of Economy (MoE), the Ministry of Welfare (MoW), the Central Funding Agency (CFLA), and municipalities. Other stakeholders, such as representatives from the Digital Innovation Hubs and Individual Learning Accounts, the Ministry of Finance and the State Revenue Service, could also join as needed. The steering group would be in charge of coordinating all the measures in the policy package, and will take leadership on several activities, such as outreach and awareness raising activities to enterprises, implementation of the measures, exchange of best practices, and monitoring and data analysis.

In addition to the establishment of the steering group, Latvian stakeholders have suggested establishing a unified online portal in order to centralise information on training offers and support provided by different providers and programmes. The unified portal should also host the online self-assessment tool and will list all available subsidised training offers for enterprises by skill area. The importance of a unified online portal was voiced consistently by project stakeholders, as it would ease difficulties faced by enterprises and those who support them (e.g. employer associations, municipal advisors) in navigating dispersed information on training available from different providers and under different programmes (OECD, 2023^[1]).

Supplementary measures

As the final output of the project, this roadmap presents potential supplementary measures that could complement those included in the policy package, as described above. This includes potential financing measures that Latvia could adopt to fund the policy package in the long-term, and additional training support measures for enterprises and individuals. Upon the request of the Stakeholder Group (StG), this roadmap also presents high-level considerations for evaluating the outcomes and impacts of the policy package.

To complement the policy package on employer support, Latvia is considering options to fund the measures over the long-term, and to fund individuals to participate in adult education and training independently of their employers. The following supplementary measures are based on experiences of EU

and OECD countries, and have been tested with project stakeholders from Latvian ministries, employer associations, and trade unions.

Financing the policy package

The policy package requires sufficient, equitable and stable funding. This means having an adequate level of financial resources devoted to the policy measures, as well as an equitable sharing of resources among government, employers and individuals.

The OECD estimates that the total cost of funding the policy package could be between EUR 7.7 million and EUR 14.6 million between 2024 and 2026, depending on the number of eligible economic sectors. Funding could largely come from EU funds, including the ESF+, in the short term and for certain measures, especially the subsidised training (Measure 1) (OECD, 2023^[1]). However, the adult learning system in Latvia has been highly reliant on European Structural Funds to date. While data on financing on adult learning is scant, available sources show that 95% of the cost of training in vocational continuing training programmes has been covered by the EU, with a national co-payment of 5% (OECD, 2019^[2]; Latvian State Regional Development Agency, 2023^[3]).

While helpful, these project-based, temporary funds do not guarantee the financial sustainability of the country's adult learning system. Moreover, complex and time-consuming procedures for accessing external funds result in gaps in adult learning provision and entail the use of valuable human and financial resources that could otherwise be dedicated to training (OECD, 2019^[4]). In funding the policy package, it is thus important for Latvia to consider policy options that help bring in investments from a wider variety of sources, including enterprises in the country and the state budget, thereby ensuring increased independence from EU funding and a more sustainable adult learning system.

Skills Funds (public-private partnership)

In the medium term, Latvia's planned Skills Funds, a form of public-private partnership (PPP), could support a range of adult learning initiatives, including the revamped training subsidies and external assessments of enterprises' skills and training needs. Latvia is planning to pilot Skills Funds during the current EU financing period (2021-2027) in up to three sectors with financial support of EUR 4.5 million from the European Social Fund Plus (ESF+). The pilot phase will allow Latvian authorities to test an appropriate implementation model for Latvia and lay the foundations for a more sustainable and inclusive adult learning system over the long term.

Internationally, PPPs in skills development have proven helpful in some instances in reducing fiscal costs, maintaining quality, and improving outcomes in education (World Bank, 2023^[21]). Dynamic approaches and flexible definitions of PPPs have been introduced in recent years, especially in the area of skills development and educational service provision (European Training Foundation, 2020^[22]; UNESCO, 2017^[23]). The overall implementation of the Skills Funds could serve multiple purposes in Latvia by incorporating various functions of PPPs (Box 1). In addition to delivering funds for adult learning programmes (including the policy package) in a more sustainable manner (i.e. not dependent on external funds from the EU), the introduction of a Skills Funds can help address other training policy concerns in the country. As a form of a PPP, it can help foster cooperation between employers in Latvia and the government. An inclusive governance approach to the Skills Funds can also stimulate cooperation among employers and promote an enterprise-led approach to skills development based on skills needs jointly identified within a sector (OECD, 2023^[1]).

Box 1. Typology of PPPs in skills development based on function

Based on a mapping of 23 case studies across 14 countries (nine of which are in the OECD), there are generally three types of PPPs for skills development. Based on the function they perform, these include:

1. **Knowledge-oriented PPPs**, which generate understanding of labour market needs and demand for skills, competences, and qualifications. These PPPs come in the form of sector skills councils, analytical centres or similar technical expert bodies that analyse labour market trends, work on qualifications frameworks, and develop expertise on skills development issues.
2. **Resource-oriented PPPs**, which help improve the level of resources devoted to skills development, such as mobilising financing for skills development and infrastructure (e.g. capital for training equipment and schools). These PPPs may also be human-oriented, in that they raise funds for teaching activities, laboratories and the development of teaching personnel.
3. **Service provision-oriented PPPs**, which are involved directly in the learning process and include public-private offers of skills development. These include various models of work-based learning such as apprenticeships, but also the provision of guidance and counselling services.

Source: European Training Foundation (2020^[22]), *Public-private partnerships for skills development: A governance perspective*, www.etf.europa.eu/en/publications-and-resources/publications/public-private-partnerships-skills-development-governance.

Operationally, the Skills Funds pilots could coexist with the subsidised training programmes, but not in the same (sub-) sector. Each (sub-) sector should have only one of them at any given time, operated by an employer association or a partnership of associations with tripartite governance. Trade unions should be included in the governance of Skills Funds, for instance, as a member of their managing board or decision-making bodies. The employer associations or partnerships that are already acting as intermediaries in the subsidised training programmes should be eligible to set-up a Skills Funds in their sector.

Stakeholders indicated that there is some interest from the construction sector to develop the Skills Funds, where it will be managed by the MoE. Beyond the construction sector, the interest of other sectors is not sufficient, and government authorities are still communicating with other industries and testing their readiness to participate in the Skills Funds pilot. A broad consultation process is thus needed to develop a suitable model for Skills Funds in Latvia. The timeline for the implementation of the Skills Funds should be aligned with that for the subsidised training programmes, with the application round in 2027 being a feasible date for a first introduction of the Skills Funds (OECD, 2023^[1]).

The Skills Funds may be used to deliver funding not only for the policy package, but also the supplementary measures described in this roadmap. For instance, the majority of the Skills Funds could be allocated to the delivery of the measures in the policy package, while the remainder could be used to deliver the supplementary measures for enterprises and individuals. The split could be decided on by the Human Capital Development Committee (HCDC) based on a consultation process with stakeholders. The HCDC could also determine targeted sectors and adult learning opportunities that are eligible for the Skills Funds, as well as target groups for the supplementary measures for enterprises and individuals.

Training levy

In the long term, the Skills Funds (and therefore the policy package) could potentially be financed by Latvia's state budget and a new training levy on enterprises, to ensure funding sustainability. Across OECD countries, some adult learning initiatives are funded through a compulsory national or sectoral training levies, whereby employers contribute a share of payroll – typically between 0.3 and 1% – or a fixed amount per employee (OECD, 2023^[1]). However, some representatives of government and social partners

consulted during this project expressed concerns about introducing such a levy, as the tax burden on labour income is already relatively high in Latvia and increasing taxes would go against current efforts in the country to simplify the tax system (OECD, 2023^[5]).

Stakeholders suggested reducing existing tax collections for enterprises by the amount of the new training levy, thereby reallocating existing tax collections to training, rather than increasing the tax burden. Which taxes to reduce is a complex and political decision. However, stakeholders discussed several possibilities. Social security contributions could potentially be reduced to offset the training levy, as the measures supported by the levy could prevent unemployment and reduce the need for social security expenditure in the future. However, this would be feasible only to the extent that the policy package improves adults' labour market outcomes and reduces the need for social security expenditure, including training for the unemployed. More generally, Latvia could consider reducing taxes on labour income, although 75% of this revenue goes to local governments and 25% to the national government, so a decision would need to be made about whose revenues would be reduced. For the construction sector, some employer representatives suggested replacing the existing registration and data renewal fees for construction companies with the training levy. Construction companies pay a symbolic registration fee and data renewal fees based on their net turnover, in line with the Cabinet of Ministers Regulation No. 116 of February 25, 2014 (Ministry of Economics, 2014^[24]). However, the fees are currently used to help fund a State Construction Control Bureau, sectoral policy, strategies and regulations, and certain sectoral training, among other things, each of which may be threatened if the fees are removed. Ultimately, government and stakeholders would need to discuss and decide on how to best offset the costs of a new training levy, or otherwise increase the tax burden on enterprises.

Supplementary support measures for enterprises and individuals

Throughout the project, supplementary support measures that complement the policy package have been discussed with stakeholders, which Latvia could consider implementing over the long term. These include support measures for enterprises, such as further tax deductions (specifically for higher education programmes funded by employers) and job rotation schemes. These also include measures for individuals, which cover initiatives that have already been approved for implementation such as Latvia's upcoming individual learning accounts (ILAs), as well as new proposals from stakeholders, such as higher tax exemption ceilings for expenditure on training, and paid study leave.

For enterprises

In addition to the policy package, stakeholders pointed out the need for additional financial and non-financial support measures at the enterprise level in order to promote the uptake of training. These include tax exemptions that could help reduce the costs of employer-sponsored higher education programmes, as well as non-financial measures such as job rotation schemes that alleviate opportunity costs for enterprises when employees leave work to participate in training.

Tax exemptions for employer-sponsored higher education programmes

Enterprises in Latvia report that financial barriers constrain the provision of training for employees, especially higher education. Employers might prefer providing on-the-job training (e.g. for induction of new employees), over more formal types of training because it does not entail large costs (Līce, 2019^[16]). These findings have also been supported by stakeholder consultations conducted during the project. While data on the uptake by employers of each type of programme is not centrally documented in Latvia, stakeholders have indicated that employers do not, or only in very rare cases, seem to sponsor opportunities for higher education (OECD, 2022^[6]).

Beyond existing measures and the proposed policy package, stakeholders highlighted that enterprise expenditure on higher education for workers is not eligible for tax exemptions, unlike other forms of education and training. According to stakeholders, this creates a barrier for employers who need to invest in specialised higher education programmes (e.g. for the ICT sector) and poses an obstacle to employers who would like to fund second-chance education programmes for low-qualified employees. In response, some stakeholders called for extending tax exemptions for training to include higher education programmes. Employer associations have indicated that it is necessary to motivate investment in the skills and competences of employees, which could also promote higher incomes of Latvian citizens and growth in consumption. As such, employers should be given the opportunity to cover the costs of higher education of employees in Latvia, without imposing such costs through labour taxes. The introduction of such tax exemptions has broadly supported by stakeholders consulted during this project, and authorities from the Ministry of Finance will assess the feasibility of this measure as part of the 2024 budget (OECD, 2022^[6]).

It will be critical to implement such a change without further complicating the corporate tax system in Latvia. While tax exemptions for higher education programmes can promote uptake of training, some stakeholders raised concerns about potentially complicating the current tax structure, contradictory to recent tax reforms. International evidence suggests that few countries provide a more generous tax treatment of training expenditures than Latvia, in the form of tax credits or additional deductions to companies (OECD, 2012^[25]). Reviewing the complexity and effectiveness of Latvia's tax exemptions in detail is not possible within the scope of this project, in part due to the lack of centralised information on expenditures on training. However, various ministries and stakeholders agreed that it should be possible for Latvia to make relatively simple adjustments to exempt higher education programmes funded by employers from taxes, independently of this technical support project (OECD, 2022^[6]; OECD, 2023^[1]).

Support for enterprises offering study leave

Enterprises may also benefit from support during periods when workers are taking study leave. Currently, employees are legally entitled to a minimum of 20 working days for personal study leave, although only if they need to take state examinations or defend a thesis. Employees covered by collective agreements can receive more generous study leave and remuneration while studying, which some stakeholders argued should be implemented for all workers (see next section). However, employers appear reticent to allow employees to take off time from work for education and training, as this constitutes a loss of production (OECD, 2019^[2]). Stakeholders noted that this is a particular challenge among smaller firms who have less capacity to absorb the costs of, or replace employees during, study leave.

Some stakeholders suggested introducing support for enterprises in order to expand uptake of study leave. Funding could potentially come from the Skills Funds. For example, in order to reduce the direct (salary) costs to enterprises of study leave, the government could subsidise the salaries of workers on study leave. In order to reduce the opportunity costs (foregone production) to enterprises of extended study leave, the government could subsidise or otherwise support the costs of temporarily replacing the worker on study leave. In Denmark, for example, the government supports employers to recruit, train (if necessary) and partially pay the wages of an unemployed adult that temporarily replaces an employee who is in training (OECD, 2022^[26]). However, it would be difficult to implement as Latvia's labour market is relatively small, and it would require major investments in the State Employment Agency (i.e. the public employment service) and capacity building to administer the scheme (OECD, 2022^[26]). Finally, stakeholders stressed the importance of consulting with and tailoring study leave support to smaller-sized enterprises.

For individuals

While the project focuses on supporting employers in promoting skills development, these can be complemented by learning support measures targeting individuals. Several measures are presented in this section, which complement the policy package and the supplementary measures for enterprises described

above. These include Latvia's planned individual learning accounts (ILAs), as well as additional financial measures such as personal income tax exemptions for educational expenses and paid study leaves for employees.

Individual learning accounts (ILAs)

Latvia is planning to implement the pilot phase of individual learning accounts (ILAs), with financial support from the Recovery and Resilience Facility (RFF) until 2026. Following the recommendation of the Council of the EU on 31 May 2022 (see [here](#)), the ILAs will aim to “support access to learning for adults of working age, regardless of their level of education, employment or professional status, as well as to increase incentives for individuals and increase motivation to learn”. The ILAs will serve as a personal virtual account that provides adults with access to a personalised learning budget and learning opportunities in line with labour market needs identified by the government. The pilot phase will initially focus on digital skills, which have been identified as a priority for the country (MoES, 2023^[7]; MoES, 2023^[8]).

The ILAs could complement the policy package by supporting learning for adults who are less likely to receive employer-supported training, for example because of the sector or industry they work in, or because they have weaker attachment to their employer or the labour market in general. Furthermore, the ILAs will include the development of the Skills Management Platform, which will contain a consolidated and accessible list of eligible providers of training, career guidance and counselling, and skills assessments (MoES, 2023^[8]). Latvia could consider linking the measures in the policy package, such as the unified online portal (Measure 4a), as well as the online assessment tool for enterprises (Measure 2), to the Skills Management Platform of the ILAs, which aims to centralise all resources on adult learning in the country.

Increase of tax exemption ceiling for individuals' educational expenditures

To overcome financial barriers to training, stakeholders also suggested increasing the ceiling for personal income tax exemptions for expenditures in education. Currently, Latvia has a law on personal income tax (see [here](#)) that allows all individuals to deduct expenditure on education and health-related services from the annual taxable income. The ceiling is currently fixed at EUR 600 and stakeholders indicated that this amount may be too low to motivate people to invest substantially in their training. They suggested increasing this ceiling to better support training, or otherwise removing it completely. Stakeholders also stressed the importance of making such tax deductions available for more informal types of training, such as seminars, lectures, etc.

Paid study leave

In addition to providing measures to help individuals in Latvia cover the costs of training, stakeholders also emphasised the importance of having support measures that address time-related constraints. Latvia has defined study leave rights in the labour code and collective agreements as described earlier (OECD, 2022^[6]).

Despite the existence of a study leave policy and collective agreements, stakeholders raised the concern that employees often have to use their vacation leave for training, take training courses after working hours, or find their own solutions to compensate for lost income during training. Treatment across employees or sectors may be unequal. Stakeholders suggested that the introduction of a more generous and standardised guarantee of paid study leave could help individuals reduce the opportunity costs of training in Latvia.

Several good policy practices across the OECD. For instance, in Sweden, there is legislation that sets workers' minimum entitlements for study leave, which, while unpaid, can be used for both formal and non-formal training and protects the worker's job while training. Collective agreements then define these entitlements in more detail, with some employers setting a 40-hour annual limit for study for each worker

(OECD, 2022^[26]). In Belgium, the Paid Educational Leave (BEV) scheme allows workers to continue receiving their salary from their employers, and for employers to apply for compensation or reimbursement from the government. Employees on paid study leave have the right to receive their normal wages if appropriate (CEDEFOP, 2023^[27]). In the Good Practices Workshop held in May 2022, Latvian stakeholders were favourable to the introduction of a new minimum annual training/leave requirement for employees, which could target non-training and vulnerable workers. It was discussed that sectoral bodies could potentially define minimum annual training leave entitlements for each sector (OECD, 2022^[26]).

Evaluation of the policy package

Evaluation is a critical step to the success of the policy package. Evaluation may be described as a “structured and objective assessment of an ongoing or completed policy or reform initiative, its design, implementation, and results...with an aim to determine the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability, as well as the worth or significance of a policy.” Countries across the OECD use a variety of evaluation approaches and methods (McDavid, Huse and Hawthorn, 2006^[28]; OECD, 2019^[29]).

Monitoring and evaluation (M&E) are two closely related but distinct activities in policy or programme implementation. While monitoring aims to measure the proper deployment of policy measures and manage any deviations from targets set during the programming phase (OECD, 2023^[9]), evaluations help establish if, why and how a policy has proven to be successful or not. While monitoring is purely descriptive in nature and approach, evaluations involve merit-based judgments and provide an assessment of the causal mechanisms leading to policy success or failure. An evaluation builds on the monitoring phase and may use data and information produced by the monitoring system to measure what has been achieved and to deliver judgements (evaluations) on the effectiveness of the policy (OECD, 2020^[10]; OECD, 2022^[30]). Stakeholders in Latvia have emphasised the importance of conducting an evaluation, as having evidence that the policy package has improved enterprise and employee performance would help motivate more employers to invest in training.

Regulations and norms in evaluating policies in Latvia

In Latvia, the requirement of a policy evaluation is framed in the **Development Planning System Law** (see [here](#)). The law indicates that “an impact assessment, as well as the monitoring and provision of reports on the achieved results shall be provided at all administration levels of development planning and implementation of the development planning documents”. Unless regulations specific to programmes and policies provide for a methodology for evaluating impacts, the Development Planning System Law indicates that the Cabinet of Ministers is responsible for determining the procedures for evaluating the impacts of development planning documents and regulations.

The **Cabinet of Ministers Instruction No. 16 of November 17, 2009** (see [here](#)) outlines the methodology for evaluating the results of government programmes and policies (hereby “measures”) in Latvia. It indicates that an evaluation takes place in two stages: (1) when formulating the targeted results of the measure for the first time (i.e., ex-ante); and (2) after the implementation of the measure (i.e. ex-post), which this roadmap focuses on. In the ex-post evaluation process, the results after the implementation of the measure must be compared with initial targeted results, and the reasons why targets were achieved or not fulfilled must be determined. The regulation indicates that the findings of the evaluation exercise must be used to identify and explain the influence of external factors on the results of the measure and the causes that determined these results. The evaluation must inform corrections to the measure or adjustments to the level of investment needed.

Indicators and methodologies for evaluating the policy package

Evaluation questions

One of the preliminary steps to take when evaluating the measures would be to set the scope of the evaluation by identifying the evaluation questions to be answered. The OECD has developed five criteria that are widely used and understood as a common reference point (i.e. basis for evaluative judgment) for evaluators in development co-operation (OECD, 2021^[31]). These criteria, which guide the approach to take when conducting evaluation exercises, are presented in Table 1, along with guiding questions to consider when determining the design of an evaluation exercise. Examples of how such evaluation criteria and questions could be applied to the policy package for employer support in Latvia are also presented. An evaluation could answer a mix of questions that span different criteria, although for practicality purposes this is usually kept to about five to seven key evaluation questions (BetterEvaluation, 2022^[32]).

Table 1. Policy evaluation criteria

Evaluation criteria	Definition	Sample evaluation questions for the policy package in Latvia
Relevance	The extent to which the intervention's objectives and design respond to beneficiaries' specific economic, environmental and social needs, and whether they continue to do so if circumstances change	<ul style="list-style-type: none"> Are the employer support measures addressing the most pressing and most common financial, attitudinal and information barriers to adult learning faced by enterprises and their workers? To what extent does the policy package on employer support contribute to achieving adult learning objectives in key Latvian and EU strategies?
Effectiveness	The extent to which the intervention achieved its objectives and its results, including any differential results across groups	<ul style="list-style-type: none"> Were the employer support measures successful in helping increase investments in training among enterprises?
Efficiency	The extent to which the intervention delivers, or likely to deliver, results in an economic and timely way	<ul style="list-style-type: none"> Are the costs of the subsidised training programme and the external expert assessments reasonable in relation to the benefits received by enterprises and their workers? Are there other employer support measures that could promote a similar increase in adult learning uptake with a smaller level of investments?
Impact	The ultimate significance and potentially transformative social, environmental and economic effects of the intervention – whether direct or indirect, and intended or unintended – that are longer term and broader in scope than those already captured in the effectiveness criterion	<ul style="list-style-type: none"> Have the subsidised training programmes led to the achievement of long-term adult learning goals in Latvia? If so, what are the causal mechanisms? To what extent have the support measures for enterprises and individuals contributed to improving labour market outcomes?
Sustainability	The extent to which the net benefits of the intervention continue, or are likely to continue based on financial, economic, social, environmental and institutional contexts	<ul style="list-style-type: none"> Can the policy package on employer support as it is designed now continue to yield the same level of results X years from now?

Note: The European Union's "Better Regulation" guidelines (see [here](#)), which set out the principles to follow when preparing new initiatives and proposals and when managing and evaluating existing regulation, coherence is also included as an evaluation criterion. Coherence refers to consistency with other close instruments, programmes or policies.

Sources: OECD (2019^[33]), *Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use*, www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf; OECD (2020^[10]), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, <https://doi.org/10.1787/89b1577d-en>.

Object of analysis and indicators

The evaluation questions to address would determine the object of analysis, and therefore the indicators. For instance, an evaluation question focused on the effectiveness of the policy package, such as “Were the employer support measures successful in helping increase investments in training among enterprises?” would require the examination of changes in the level of expenditure on employee training before and after the policy package. Indicators used in an evaluation exercise may cover outputs, outcomes or impacts. While all three indicator types measure the performance of an intervention, they differ in terms of the timeframe and the scope of the results being examined. To evaluate the measures within the policy package (e.g. subsidised training programmes, external expert assessments), Latvia should consider what indicators to use. Table 2 provides a basic framework of output, outcome, and impact-level indicators for consideration. Stakeholders are particularly interested in examining the effect of the policy package on the productivity of enterprises, as this could help make the case for increased investments in training.

Table 2. Outputs, outcomes, and impact indicators for evaluating the policy package

Indicator type	Key characteristics	Time frame	Sample indicators for enterprises	Sample indicators for individuals
Outputs	Immediate, direct products or services that result from the measure’s activities	During the implementation of the intervention	Expenditure on employee training (per employee) Provision of training	Number and share of employees participating in training
Outcomes	Desired results, such as specific and measurable changes in behavior, knowledge, skills, attitudes, or economic conditions, that occur over the shorter term	During or up to a few years after the intervention	Production Productivity	Qualifications Wages Job performance
Impacts	Broader results that may directly or indirectly arise over the longer term	Typically two to five years after the intervention ends	Aggregate production and productivity	Aggregate wages Aggregate worker productivity

Note: The term “impact” may refer to both an evaluation criterion and a type of indicator. As an evaluation criterion, it guides evaluators in making judgments about the ability of an intervention to make transformative effects in broader society or economy (see Table 3). As an indicator, it aims to measure changes in the economic, social, cultural, institutional, environmental, and technological situations of the target population. In both cases, impact refers to the ability of an intervention to bring about longer-term, higher-level (macro) results.

Sources: EvalCommunity (2023^[34]), *Types of indicators in monitoring and evaluation (M&E) | Examples*, www.evalcommunity.com/career-center/type-of-indicators/#:~:text=In%20conclusion%2C%20there%20are%20various,%2C%20effectiveness%2C%20and%20sustainability%20indicators; OECD (2019^[35]), *Education at a Glance: OECD indicators*, <https://doi.org/10.1787/f8d7880d-en>; Winderl (2022^[36]), *The Results Chain: A Beginner’s Guide*, <https://winderl.net/result-chain-a-beginners-guide>.

An important distinction to be made when examining the effects of the policy package (i.e. through changes in the indicators) must be made between “gross” outputs, outcomes and impacts, which abstract from what caused them, and “net” outputs, outcomes and impacts, which are likely caused by the measure in question.

Examination of gross effects

In the context of this policy package, evaluating gross effects would involve assessing changes in the target population’s knowledge, skills, motivations or situations associated with the policy measure. Evaluating gross outputs, outcomes and impacts can provide information on whether the policy measure was able to achieve their stated goals and address the needs of their target population. Gross effects help evaluators understand the general trends in outputs or outcome indicators, such as enterprise investments or employee wages, and how these changed before and after the introduction of the policy measure. Such gross effects of the policy package will be captured by the monitoring exercise, as presented in the

Output 6 report (OECD, 2023^[9]). However, evaluating only the gross effects are simple proxies for the true impact of the policy package, as they do not seek to test causality by controlling for the effects of other factors that may influence the results. As such, an analysis of gross effects will not be sufficient to draw definitive conclusions about whether and how the policy measure caused these changes in the selected indicators used in the monitoring exercise (OECD, 2022^[30]; Simpson, 1990^[37]).

Examination of net effects (counterfactual evaluation)

Changes in participants' knowledge, skills, motivations or situations could be fully attributed to the policy measure only by examining its net effects, which is also often referred to as a counterfactual evaluation. A counterfactual evaluation estimates the change in the output and outcome variables that is causally attributable solely to the policy measure under consideration (OECD, 2022^[30]). This involves asking "What was the effect of the measure on the enterprise or worker, holding other factors constant?", and requires techniques to isolate the effects of the measure from other factors that may affect the outputs and outcomes of interest (e.g. expenditure, participation, production, productivity, qualifications, wages). Similarly, Latvia could seek to evaluate the effects of the measures on broader, longer-term results such as aggregate production, productivity and wages, which will likely require a distinct methodology.

Evaluating net effects through a counterfactual evaluation considers what would have been the outputs and outcomes for the enterprise or worker in the absence of the measure, and how these compare to the outputs and outcomes for the enterprise or worker as a result of participating in the measure. In practice, this is done by comparing the actual outcomes of participants against those of non-participants (i.e. a control group) (World Bank, 2022^[38]; OECD, 2020^[10]). A counterfactual evaluation to examine net effects would thus require the identification of a control group that did not receive the measures in Latvia, such as enterprises that applied for the subsidised training programme but were not selected, or enterprises that received a subsidised training programme but not an external expert assessment, among others.

Methodologies for evaluating the policy package

The choice of evaluation questions and corresponding indicators would influence which methodologies and analytical tools to use in the evaluation exercise.

Methodologies for evaluating gross effects

To measure gross outputs and outcomes, Latvia could evaluate in greater depth the participant- and enterprise-level indicators identified in the Output 6 monitoring report. This may include, for instance, the benefits to enterprises and/or workers associated with the training in terms of outputs (e.g. number of training certificates issued from the subsidised training programme) or outcomes (e.g. employees' movement to a job requiring higher level skills/qualifications levels). New indicators could also be introduced, such as those that measure employee productivity before and after participation in the subsidised training programmes. Evaluating these indicators in more depth would imply the use of more data on enterprise performance and/or the use of standardised assessments to measure the job performance of employees. Regarding gross impacts, Latvia could evaluate how aggregate production, productivity and wages within the population of participating enterprises or sectors evolve after the end of the policy package.

Methodologies for evaluating net effects

An ideal scenario for evaluating net effects would involve randomly allocating enterprises to one group that receives the policy measure (i.e. the treatment group) and to another that does not (i.e. the control group). Random allocation would eliminate all systematic differences between participants and non-participants, which would allow evaluators to attribute changes in outputs or outcomes only to participation in the policy

measure (OECD, 2022_[30]). According to stakeholders, some ministries in Latvia, such as the Ministry of Welfare, have already undertaken a counterfactual evaluation in the field of active labour market policies, including adult learning, in which they evaluated the effects of a training programme for the unemployed through a control group and using administrative data (OECD, 2019_[39]). However, a randomised allocation of enterprises into the policy measures would not be feasible within the project design and timelines, as they need to be embedded in the delivery phase. As such, Latvia could consider quasi-experimental designs for counterfactual evaluation, which include the following (OECD, 2020_[10]; OECD, 2022_[30]):

- **Regression discontinuity design (RDD):** If the evaluator can quantitatively identify *non-participating* enterprises or workers who were *almost eligible* for the measure and *participating* enterprises or workers who were *almost ineligible* for the measure, they can assume that the participating and non-participating enterprises or workers are similar. The evaluator can then compare the outputs and outcomes of the two groups, and attribute the difference to the policy package. The main advantage of an RDD is that it allows for an unbiased estimation of treatment effects while accommodating for policy efficiency (e.g. by targeting the intervention to workers/enterprises in need through eligibility criteria). However, it is prone to omitted variable bias, which occurs when there are unobserved variables that are not captured in the eligibility criteria, and which may therefore account for the differences in outputs and outcomes between beneficiaries and non-beneficiaries (Kelava, Rohmann and Hodapp, 2010_[40]).
- **Instrumental variables:** This is used to address issues of endogeneity (i.e., two-way correlation between variables) by adding in a third variable (i.e. an instrumental variable) that may be influencing the effect of the policy measures on the outcomes. For example, when examining the effect of participation in the subsidised training programmes on enterprises' expenditure on employee training, a potential instrumental variable could be firm size, as large enterprises tend to invest more in training the SMEs (OECD, 2019_[2]). Using the instrumental variable would allow evaluators to isolate the causal effect of the training programme on enterprise training expenditure from the influence of external factors, such as firm size. The main pros of instrumental variables are that they help provide a clearer picture of causality and address issues arising from omitted variable bias. However, it is difficult to find strong and valid instrumental variables that affect participation in a policy measure but not on the outcome being examined (Becker, 2016_[41]).
- **Difference-in-differences (DiD):** This would involve calculating the differences in the outputs or outcomes of *participating* enterprises or workers before and after benefiting from the measure, calculating the differences in the outputs or outcomes of *non-participating* enterprises/workers over the same period, and then calculating the difference between the results of these two calculations. The result is interpreted as the effect of the measure. A key advantage of DiD is that it may be used to estimate causal effects even when participants and non-participants are observationally different before the introduction of the policy measure. However, it does not account for unobserved variables, especially those that tend to change over time, that may explain the differences in outputs and outcomes between beneficiaries and non-beneficiaries (Schwerdt and Woessmann, 2020_[42]).
- **Propensity score matching:** Propensity score matching is often used to address selection bias in programme evaluation using survey data, census data or administrative data, or other types of observational data where a counterfactual must be constructed. This would involve assigning scores to non-participating enterprises or workers based on their probability to participate in the measure, based on observable characteristics. For example, in participating enterprises, workers who took up the subsidised training programme can be matched with workers of a similar age, education level, occupation, employment status, etc. but who did not participate the training. The greatest advantage of this method is its ease of use, as it uses observational data to balance two non-equivalent groups and obtain less biased estimates of treatment effects. However, it only matches participants and non-participants based on observable characteristics that are identified

by the evaluation team, rather than all possible characteristics that may influence the outcome (Guo, Frasier and Chen, 2020^[43]; Okoli, Sanders and Myles, 2014^[44]).

Relevant examples of these methodologies from across the OECD are presented in Box 2.

Box 2. Using quasi-experimental designs to evaluate adult learning programmes in the OECD

Regression discontinuity design (Netherlands)

In the Netherlands, a tax deduction allows individuals to deduct their expenditures on post-initial work-related training from their pre-tax personal income. A regression discontinuity design was used to estimate the causal impact of the tax deduction policy on adult learning expenditures of adults, drawing on an administrative dataset of tax returns from 2006 to 2013. A regression discontinuity design was used, as discontinuous jumps in marginal tax rates may affect the financial incentive for an individual to undertake adult learning opportunities. Moving to the left to the right of the discontinuity implies a lower effective cost of lifelong learning to the right of the discontinuity. The study found that among adults who are primary household earners, the tax deduction policy has a large positive effect on the take-up of lifelong learning.¹

Instrumental variables (United Kingdom)

In the United Kingdom, the effect of job satisfaction (a key component of which is the provision of training by employers) on affective organisational commitment (i.e. remaining in a job due to self-identification with the company's values or objectives) has been examined using an instrumental variable approach, as there is a possible endogenous relationship between the two. The literature shows that individuals who are satisfied with their jobs are more likely to remain in their organisations, but the reverse may also hold true, as individuals' affective commitment to their organisations may also enhance their job satisfaction. Using Workplace Employment Relations Study (WERS) data, the study finds that increases in job satisfaction positively influences organisational commitment, and that this relationship holds true when accounting for instrumental variables, such as flexible working arrangements or working hours, which may have a relationship with job satisfaction, but not necessarily with affective organisational commitment.

Differences-in-differences (Portugal)

In Portugal, a EUR 200 million training grants programme, supported by the European Social Fund, was implemented to provide training to employees of different skill levels (from factory workers to managers) and in diverse areas (including innovation, marketing and international trade). Every year, the programme launched calls for applications and provided grants (worth EUR 30 000 on average) to 2 000 selected firms, which constituted less than half of the application pool. A differences-in-differences method was applied by following selected firms and comparable (i.e. not significantly different) rejected firms from before the application period, until over a period of up to ten years after the reception (or non-reception) of the grants. The findings indicate that the training grants programme had a significant positive effect on both training expenditure and training hours, and that the additional training led to increased sales, value added, employment, productivity and exports.

Propensity score matching (Germany)

In Germany, administrative data from the German Federal Employment Agency was used to evaluate employment outcomes among participants in vocational rehabilitation (VR) training, which helps disadvantaged groups, such as people with disabilities, return to the labour market. One part of the study used propensity score matching to match each member of the treatment group (e.g. participants completing general training with a VR status, which provided them access to counseling support and

generous employment subsidies) with the most similar member of the control group (e.g. participants completing general training but without a VR status) in terms of their estimated probability of being granted the VR status. Members of the treatment and control group were significantly different from each other, but these differences disappeared after applying propensity score matching. The study showed that rehabilitants were more likely than non-rehabilitants to be employed one year after participating in the same general training programme, exhibited longer employment durations during the first year after training, and had higher average incomes.

1. A more nuanced discussion of the results, namely the inclusion of secondary household earners in the analysis and how this may affect the outcome variable being examined, is available in the full study.

Source: Martins (2021^[45]), *Employee Training and Firm Performance: Evidence from ESF Grant Applications*, <https://docs.iza.org/dp14153.pdf>; Reims & Tisch (2022^[46]), "Employment effects for people with disabilities after participation in vocational training programmes: A cohort analysis using propensity score matching", *Work*, <https://doi.org/10.3233/WOR-205046>; Saridakis, Lai, Muñoz Torres & Gourlay (2018^[47]), *Exploring the Relationship Between Job Satisfaction and Organizational Commitment: An Instrumental Variable Approach*, <https://doi.org/10.1080/09585192.2017.1423100>; Van den Berge, Jongen & Van der Wiel (2017^[48]), *Using Tax Deductions to Promote Lifelong Learning: Real and Shifting Responses*, www.econstor.eu/bitstream/10419/170869/1/dp10885.pdf.

Cost effectiveness analyses

Armed with estimates of the outputs and/or outcomes of the policy measures, Latvia could use other methodological approaches for evaluation, such as cost effectiveness analyses, by monetising them or comparing them to the costs of the measures and/or other investments. Evaluating the cost effectiveness of the policy measures is an important to ensuring value for money and guaranteeing that government and EU resources are being used well (OECD, 2012^[49]). Methods to monetise the generated outputs and/or outcomes include:

- **Cost-benefit analysis (CBA):** This would entail assigning a monetary value to the benefits accrued by participating enterprises and individuals (e.g. increases in production or productivity), and determining whether these benefits outweigh the inputs (i.e. costs) channelled into the policy package (e.g. total public and EU expenditure on the subsidised training programmes and provision of external expert assessments). A CBA exercise could help determine whether the policy measures are a cost-efficient way to achieve the results.
- **Social return on investment (SROI) analysis:** An SROI analysis compares the value generated by the policy measure with the investment required to achieve that impact. In the simplest of terms, it could provide policymakers with an insight such as "For every euro invested into the policy measure, there is a social return worth [X number] euros for every worker for [X number] years". Similar to a CBA, a SROI analysis would involve determining the net present value of the (direct and indirect) benefits gained by participants, and computing for its ratio vis-à-vis the value of investments channelled into the policy measure. An SROI analysis may also use projections of the future net values of the benefits and costs to determine how the policy measure can yield returns over multiple years (New Economics Foundation, 2008^[50]). In comparison to a CBA, SROI uses a more liberal definition of benefits, and more proxies are used for unquantifiable or intangible outcomes (Government of New South Wales, 2020^[51]).

Assigning a monetary value to the outputs and/or outcomes of the policy measure can help quantify the benefits gained by enterprises and workers and justify in clearer terms any proposed changes in levels of investment. However, assigning a monetary value to something that does not have one by nature (i.e. the societal benefits) can be difficult (OECD, 2022^[30]).

Institutional arrangements for evaluation

In line with the monitoring report (OECD, 2023^[9]), the unit in charge of monitoring activities within the MoE (i.e., the ministry responsible for implementing the policy package) could be responsible for conducting the evaluations in coordination with the Steering Group. Prior to rollout of the policy package, the Steering Group could meet and decide on the scope of the evaluation by discussing the evaluation criteria and the evaluation questions to cover, as well as the timeline of the evaluation exercise. With oversight from the Steering Group, the internal evaluation team from MoE's M&E unit can then collect data from the participating enterprises and their employees and coordinate with the implementing team from the MoE (i.e., MoE authorities who are part of the Steering Group Secretariat) to retrieve data from the monitoring phase. If evaluating net effects of the policy package (e.g. subsidised training programmes), the evaluation team could coordinate with employer associations and the CFLA, who manage and approve applications respectively, in order to identify non-participating enterprises who could form the control group. They could also seek evaluation input and support from the European Commission (i.e. the project donor), with the help of the Steering Group.

However, if resources permit, the evaluations may be conducted by an external evaluator, as this, while potentially more costly, promotes greater transparency and accountability (OECD, 2020^[10]). Stakeholders in Latvia preferred the use of an external evaluator, to ensure the expertise and capacity for a rigorous evaluation. The Steering Group members could appoint a member of the Secretariat as the evaluation manager, who will be in charge of preparing Terms of Reference (ToR) and Requests for Proposals (RFPs), preparing a budget plan and implementation plan, procuring the evaluator, preparing the contract, overseeing the evaluator's activities, and approving the final evaluation report (BetterEvaluation, 2022^[11]; Austrian Development Agency, 2009^[12]). The MoE could share with the evaluators the monitoring data (in line with the indicators listed in the Output 6 report) that is centralised in its management information system in order to provide the evaluation team with information needed to conduct the study.

Throughout the implementation of the evaluation, stakeholders emphasised the importance of maintaining a tripartite structure in order to adequately reflect the interests and objectives of employers, employees and the government in the evaluation exercise. In the future, they also expressed interest in seeking EU support to strengthen relevant ministries' capacities to conduct counterfactual evaluations to assess the long-term impacts of adult learning programmes in Latvia.

References

- Austrian Development Agency (2009), *Guidelines for Project and Programme Evaluations*, [12]
<https://www.oecd.org/derec/austria/AUSTRIA%20ADA%20ADC%20Guidelines.pdf>.
- Becker, S. (2016), *Using instrumental variables to establish causality*, [41]
<https://wol.iza.org/articles/using-instrumental-variables-to-establish-causality/long>.
- BetterEvaluation (2022), *Roles and responsibilities*, <https://www.betterevaluation.org/frameworks-guides/managers-guide-evaluation/roles-responsibilities>. [11]
- BetterEvaluation (2022), *Specify the key evaluation questions*, [32]
<https://www.betterevaluation.org/frameworks-guides/rainbow-framework/frame/specify-key-evaluation-questions>.
- CEDEFOP (2023), *Paid education leave*, <https://www.cedefop.europa.eu/en/tools/financing-adult-learning-db/search/paid-education-leave>. [27]
- Eurofound (2019), *European Company Survey*, [17]
<https://www.eurofound.europa.eu/en/surveys/european-company-surveys-ecs>.
- European Training Foundation (2020), *Public–private partnerships for skills development: A governance perspective*, [22]
<https://www.etf.europa.eu/en/publications-and-resources/publications/public-private-partnerships-skills-development-governance>.
- Eurostat (2020), *Continuing vocational training survey*, [13]
<https://ec.europa.eu/eurostat/web/microdata/continuing-vocational-training-survey>.
- Eurostat (2020), *Enterprises not providing training by reason for non-provision and size class - % of non-training enterprises*, [15]
https://ec.europa.eu/eurostat/databrowser/view/TRNG_CVT_02S/default/table?lang=en.
- Eurostat (2019), *Eurostat database*, <https://ec.europa.eu/eurostat/data/database>. [14]
- EvalCommunity (2023), *Types of Indicators in Monitoring and Evaluation (M&E) | Examples*, [34]
<https://www.evalcommunity.com/career-center/type-of-indicators/#:~:text=In%20conclusion%2C%20there%20are%20various,%2C%20effectiveness%2C%20and%20sustainability%20indicators>.
- Government of New South Wales (2020), *Social Return on Investment (SROI) Approach Guide*, [51]
https://www.facs.nsw.gov.au/data/assets/pdf_file/0004/786406/FACSIAR-Guide-Social-Return-on-Investment-SROI-Approach.pdf.

- Guo, S., M. Frasier and Q. Chen (2020), *Propensity Score Analysis: Recent Debate and Discussion*, <https://www.journals.uchicago.edu/doi/full/10.1086/711393>. [43]
- Kelava, A., S. Rohrmann and V. Hodapp (2010), *Regression Discontinuity Designs*, <https://doi.org/10.1016/B978-0-08-044894-7.01696-1>. [40]
- Latvian State Regional Development Agency (2023), *Adult education and lifelong learning*, https://latvija.lv/DzivesSituacijas/izglitiba/Pieauguso_izglitiba#show3. [3]
- Līce, A. (2019), *Darbinieku izglītība uzņēmumos. Aptaujas rezultāti [Employee education in companies. Survey results]*, http://muzizglitiba.gov.lv/sites/default/files/Pieauguso_izglitibas_aptaujas_rezultati_2019_LDDK_IZM.pdf. [16]
- Martins, P. (2021), *Employee Training and Firm Performance: Evidence from ESF Grant Applications*, <https://docs.iza.org/dp14153.pdf>. [45]
- McDavid, J., I. Huse and L. Hawthorn (2006), *Program Evaluation and Performance Measurement: An Introduction to Practice*, <https://study.sagepub.com/mcdavid3e>. [28]
- Ministry of Economics (2014), *Cabinet of Ministers Regulation No. 116 of February 25, 2014*, https://www.em.gov.lv/sites/em/files/cab_reg_no_116_-_registration_of_construction_merchants1.pdf. [24]
- MoES (2023), *Informative report "On the reform of the 2nd component "Digital transformation" of the Latvian Recovery and Resilience Mechanism Plan 2.3.reform and investment direction "Digital skills" 2.3.1.r. reform "Development of a sustainable and socially responsib,* https://tapportals.mk.gov.lv/legal_acts/abe08a89-a407-4b61-a06f-42c4837b6537. [8]
- MoES (2023), *Will introduce learning accounts for adults for individualized learning opportunities*, <https://www.izm.gov.lv/lv/jaunums/ieviesis-macibu-kontus-pieaugusajiem-individualizetam-macibu-iespejam>. [7]
- New Economics Foundation (2008), *Measuring Value: A Guide to Social Return on Investment (SROI)*, <https://www.commddev.org/wp-content/uploads/pdf/publications/Measuring-Value-A-Guide-to-Social-Return-on-Investment.pdf>. [50]
- OECD (2023), *Indicators and Methodology for Monitoring the Implementation of the Support Measures*, OECD, Paris, <https://www.oecd.org/skills/Indicators-and-methodology-for-monitoring-the-implementation-of-the-support-measures.pdf>. [9]
- OECD (2023), *Practical Guidelines for the Regulatory Framework*, OECD, Paris, <https://www.oecd.org/skills/Practical-Guidelines-For-Regulatory-Framework-Latvia.pdf>. [20]
- OECD (2023), *Report Describing the Policy Package for the Regulatory Framework to Help Employers Investing in Skills*, OECD, Paris, <https://www.oecd.org/skills/Describing-the-policy-package-for-the-regulatory-framework-to-help-employers-investing-in-skills.pdf>. [1]
- OECD (2023), *Taxing Wages 2023: Indexation of Labour Taxation and Benefits in OECD Countries*, OECD Publishing, Paris, <https://doi.org/10.1787/8c99fa4d-en>. [5]
- OECD (2022), *Assessing the Key Barriers and Enabling Conditions for Employers to Invest in Skills Development in Latvia*, OECD, Paris, <https://www.oecd.org/skills/latvia-employers-report-2022.pdf>. [6]

- OECD (2022), *Good Practices in Europe for Supporting Employers to Promote Skills Development*, OECD, Paris, <https://www.oecd.org/skills/Good-practices-in-Europe-for-supporting-employers-to-promote-skills-development.pdf>. [26]
- OECD (2022), *Incentives to Business Investment in Skills: Elements for Monitoring and Evaluating the Proposed Instruments*, OECD, Paris, <https://www.oecd.org/els/emp/skills-and-work/adult-learning/business-investment-skills-italy-monitoring-EN.pdf>. [30]
- OECD (2021), *Applying Evaluation Criteria Thoughtfully*, OECD Publishing, Paris, <https://doi.org/10.1787/543e84ed-en>. [31]
- OECD (2021), *Incentives for SMEs to Invest in Skills: Lessons from European Good Practices*, OECD Publishing, Paris, <https://doi.org/10.1787/1eb16dc7-en>. [19]
- OECD (2021), *Training in Enterprises: New Evidence from 100 Case Studies*, OECD Publishing, Paris, <https://doi.org/10.1787/7d63d210-en>. [18]
- OECD (2020), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/89b1577d-en>. [10]
- OECD (2019), *Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use*, OECD, Paris, <https://www.oecd.org/dac/evaluation/revised-evaluation-criteria-dec-2019.pdf>. [33]
- OECD (2019), *Education at a Glance 2019: OECD Indicators*, OECD Publishing, Paris, <https://doi.org/10.1787/f8d7880d-en>. [35]
- OECD (2019), *Evaluating Latvia's Active Labour Market Policies*, OECD Publishing, Paris, <https://doi.org/10.1787/6037200a-en>. [39]
- OECD (2019), *Getting Skills Right: Future-Ready Adult Learning Systems*, Getting Skills Right, OECD Publishing, Paris, <https://doi.org/10.1787/9789264311756-en>. [4]
- OECD (2019), *OECD Skills Strategy Latvia: Assessment and Recommendations*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/74fe3bf8-en>. [2]
- OECD (2019), *Open Government in Biscay*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/e4e1a40c-en>. [29]
- OECD (2012), "Taxes and Investment in Skills", *OECD Taxation Working Papers*, No. 13, OECD Publishing, Paris, <https://doi.org/10.1787/5k92sn0qv5mp-en>. [25]
- OECD (2012), *Value for money and international development: Deconstructing myths to promote a more constructive discussion*, OECD, Paris, <https://www.oecd.org/development/effectiveness/49652541.pdf>. [49]
- Okoli, G., R. Sanders and P. Myles (2014), *Demystifying propensity scores*, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3854550/>. [44]
- Reims, N. and T. Anita (2022), "Employment effects for people with disabilities after participation in vocational training programmes: A cohort analysis using propensity score matching", *Work*, Vol. 72/2, pp. 611-62, <https://doi.org/10.3233/WOR-205046>. [46]

- Saridakis, G. et al. (2018), "Exploring the relationship between job satisfaction and organizational commitment: an instrumental variable approach", *The International Journal of Human Resource Management*, Vol. 31, 2020/13. [47]
- Schwerdt, G. and L. Woessmann (2020), *Chapter 1 - Empirical methods in the economics of education*, <https://doi.org/10.1016/B978-0-12-815391-8.00001-X>. [42]
- Simpson, C. (1990), *Evaluating Gross Program Outcomes*, [37]
<https://doi.org/10.17848/9780585243900.ch3>.
- UNESCO (2017), *Public-private partnerships as an education policy approach: Multiple meanings, risks and challenges*, <https://unesdoc.unesco.org/ark:/48223/pf0000247327>. [23]
- Van den Berge, W., E. Jongen and K. van der Wiel (2017), *Using Tax Deductions to Promote Lifelong Learning: Real and Shifting Responses*, [48]
<https://www.econstor.eu/bitstream/10419/170869/1/dp10885.pdf>.
- Winderl, T. (2022), *The results chain: a beginner's guide*, <https://winderl.net/result-chain-a-beginners-guide>. [36]
- World Bank (2023), *Designing effective public-private partnerships in education*, [21]
<https://blogs.worldbank.org/education/designing-effective-public-private-partnerships-education>.
- World Bank (2022), *Results terminology*, [38]
<https://thedocs.worldbank.org/en/doc/265271525990134051-0090022018/original/04WorldBankResultsTerminology.pdf>.