EUALMPO

EU Active Labor Market Policies Observatory

NEWSLETTER

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EU Active Labor Market Policies Observatory

EU-ALMPO is a Horizon Europe project developing an Observatory to support more effective Active Labour Market Policies (ALMPs) across the European Union.

Building on an evidence-based analytical framework, the project combines advanced data analytics and AI-supported tools to strengthen policy design, implementation, and evaluation.

As the project progresses, the focus shifts from conceptual development to real-world applications, with stakeholders actively contributing to the testing and validation of these tools.

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EDITORIAL

Labour market policies across Europe are facing increasing pressure to respond to rapid and structural changes. Digitalisation, demographic shifts, and the green transition are reshaping the nature of work and the skills required to participate in it. At the same time, persistent mismatches between labour supply and demand continue to challenge the effectiveness of existing policy approaches.

In this context, the role of data and artificial intelligence is gaining growing attention. While these technologies offer significant potential to support evidence-based policymaking, their integration into labour market governance remains complex. Questions of data quality, transparency, institutional capacity, and trust are central to ensuring that such tools can deliver meaningful and reliable outcomes.

The EU-ALMPO project addresses this challenge by combining analytical research with the development of AI-supported tools. Building on a structured understanding of skills mismatch and policy effectiveness, the project aims to support policymakers and practitioners in designing and implementing more targeted and responsive Active Labour Market Policies.

This second newsletter reflects an important transition in the project's lifecycle. The focus is gradually shifting from conceptual development to practical application. The launch of the Communities of Practice, the ongoing stakeholder survey, and the preparation of pilot activities mark a move towards testing solutions in real-world environments.

designing and implementing more targeted and responsive Active Labour Market Policies

At this stage, stakeholder engagement becomes central. The active involvement of Public Employment Services, policymakers, researchers, and practitioners is essential to ensure that the tools developed are not only technically sound but also aligned with institutional realities and operational needs.

The contributions presented in this issue highlight both the opportunities and the challenges associated with integrating AI into labour market policy. They also underline a key message: technological innovation alone is not sufficient. Its value depends on how it is embedded within policy processes, governance structures, and human expertise.

As the project moves forward, the emphasis will be on validation, adaptation, and practical relevance. The coming months will be critical in shaping solutions that can support more effective, transparent, and inclusive labour market policies across Europe.

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SECTION A

The Challenge: Making AI Reliable

As artificial intelligence becomes embedded in labour market analysis and decision-making, ensuring its reliability is a critical policy challenge. Issues such as data quality, transparency, and accountability directly affect the fairness and effectiveness of AI-driven insights. This article examines the key factors that policymakers must address to ensure that AI systems support informed, inclusive, and evidence-based labour market policies.

author: **Panagiotis Zervas**, *Associate Professor at Electrical and Computer Engineering, University of Peloponnese*

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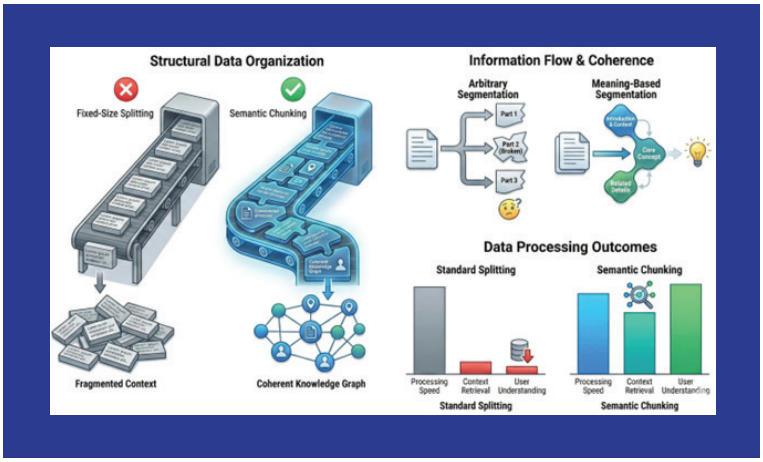
In the domain of public policy, accuracy is paramount. A "hallucination"—where an AI invents facts—is not merely a technical glitch but a fundamental liability that undermines the credibility of policy analysis. To address this challenge, modern AI systems employ Retrieval-Augmented Generation (RAG), a paradigm that requires the system to consult relevant documents before generating responses rather than relying solely on its parametric memory. However, the effectiveness of a RAG system is intrinsically linked to the quality of its data pipeline. When AI systems are fed thousands of pages of unorganized legal and policy text, the result is often confusion and unreliable outputs. To construct a truly intelligent system capable of supporting evidence-based policymaking, two foundational concepts must be mastered: intelligent document chunking and comprehensive metadata annotation.



The Foundation: Chunking & Metadata

Semantic Chunking:
Preserving Document Structure

Legal and policy documents present unique challenges for text processing due to their complex interdependencies and hierarchical structure. Traditional approaches to document segmentation employ fixed-length chunking strategies, typically dividing text into uniform blocks of a predetermined size (e.g., 500 words or 1000 tokens). While computationally efficient, this method fundamentally disrupts the logical flow of documents, often separating regulatory provisions from their exceptions, conditions, or contextual qualifications.

The EU-ALMPO project has pursued a more sophisticated approach centered on semantic chunking. Our methodology leverages prompt engineering techniques to guide large language models in identifying semantically coherent segments of text. Rather than imposing arbitrary boundaries, we instruct the model to analyze the document's inherent structure and organization, respecting section divisions, thematic transitions, and logical dependencies. This approach ensures that when the retrieval system locates a relevant passage, it captures the complete context necessary for accurate interpretation.

The semantic chunking process follows the natural outline of source documents, utilizing headers, subsections, and rhetorical markers to determine appropriate segmentation points. By aligning chunks with the author's intended organization, we preserve the interpretive context that is essential for understanding policy provisions. This is particularly critical when dealing with complex regulatory frameworks where exceptions, qualifications, and cross-references form an integral part of the policy meaning.

Looking forward, we recognize that further improvements in chunking quality may be achieved

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through more sophisticated agentic approaches. Techniques such as multi-agent debate, where multiple AI agents propose and critique potential segmentation strategies, could yield more refined results. However, any advancement in this direction must be carefully evaluated against practical constraints. The trade-offs between improved accuracy and increased computational complexity, cost implications, and data privacy considerations will guide our exploration of these advanced techniques. Our commitment remains to develop solutions that are not only technically superior but also feasible for deployment in real-world policy environments where resources and data sensitivity are legitimate concerns.

The Power of Metadata

If raw text represents the fuel of an AI system, metadata serves as the steering mechanism. Metadata provides the critical contextual layer that transforms unstructured documents into a queryable knowledge base with semantic precision.

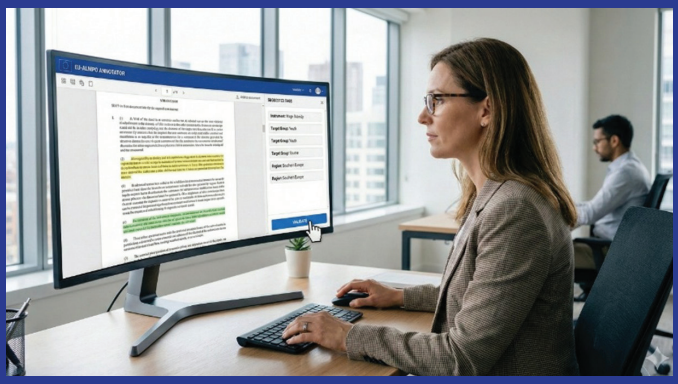
The strategic value of metadata manifests in several dimensions. First, it enables precision filtering, allowing the AI system to narrow its search space based on temporal, geographical, or categorical constraints. A query concerning "2024 employment subsidies" can be configured to strictly exclude outdated information from previous years, ensuring that policy recommendations reflect current regulatory frameworks. Second, metadata provides essential context for interpretation, distinguishing between draft proposals and enacted legislation, or between national policies and regional adaptations. This contextual awareness fundamentally shapes how the AI weighs and presents information. Third, metadata establishes a governance framework for transparency and accountability. By tracking the provenance of every piece of information—including its source document, publication date, authoring institution, and validation status—the system creates an auditable trail that allows policymakers to verify the evidence base underlying AI-generated insights.

The systematic application of metadata thus transforms a collection of documents into a structured knowledge graph where relationships, hierarchies, and temporal dynamics become explicitly encoded and computationally accessible.

The Solution: The EU-ALMPO Annotator

To operationalize these theoretical principles at scale, the EU-ALMPO project has developed a specialized platform known as the EU-ALMPO Annotator. This web-based tool serves as the operational engine of our data strategy, enabling labor market experts to systematically transform heterogeneous policy documents into a standardized, AI-ready knowledge base.

The Annotator functions as a centralized repository



for active labor market policy (ALMP) research papers, evaluation reports, and policy documents from across European member states. Rather than relying on purely manual annotation—a process that would be prohibitively time-consuming—the platform incorporates intelligent assistance features. The system employs AI to analyze incoming documents and propose appropriate metadata tags based on the project's established taxonomy. These suggestions are then subject to expert validation, creating a human-in-the-loop workflow that balances efficiency with quality assurance.

This collaborative architecture extends beyond individual annotation tasks. The platform provides real-time communication tools that allow distributed research teams to discuss ambiguous cases, negotiate definitional boundaries, and reach consensus on complex classification decisions. These discussions contribute to the continuous refinement of annotation guidelines and help establish high-quality "ground truth" data that can subsequently be used for training specialized models. Additionally, the system incorporates automated validation checks that enforce consistency across the growing dataset, flagging potential contradictions or deviations from established standards.

The EU-ALMPO Taxonomy: Guiding the AI

Central to the Annotator's functionality is the EU-ALMPO Taxonomy, a comprehensive classification schema that enables systematic comparison of policies across different national contexts and linguistic traditions. This taxonomy represents more than a reference manual for human annotators; it constitutes the logical framework through which the AI interprets and organizes policy information.

The taxonomy organizes policy-relevant information into four primary dimensions. The first dimension, Instruments, captures the specific policy tools and mechanisms deployed in labor market interventions, such as wage subsidies, vocational training programs, or startup grants for entrepreneurs. The second dimension identifies Target Groups, specifying the intended beneficiaries of each policy intervention—whether long-term unemployed individuals, youth cohorts within specific age ranges, or persons with disabilities. The third dimension focuses on Outcomes, documenting the measurable results directly attributable to the intervention, including metrics such as employment rates, job retention after specified periods, or skill acquisition measures. Finally, the fourth dimension addresses broader Effects, encompassing the socio-economic impacts that extend beyond immediate program participants, such as reduced poverty risk within communities or enhanced social cohesion.

During the annotation process, the AI actively proposes classifications within this four-dimensional framework based on its analysis of document content. Human experts then verify, correct, or refine these suggestions, creating a feedback loop that simultaneously improves data quality and trains the system to make more accurate future predictions. This structured approach to classification enables sophisticated cross-national analysis and comparison. It allows the system to respond to complex analytical queries such as identifying all wage subsidy programs targeting youth populations that demonstrated retention rates exceeding 50% after six months. Without this rigorous taxonomic foundation, such precise comparative analysis across heterogeneous policy contexts would remain computationally intractable.

Looking Ahead: The ALMP Wizard

The carefully curated data being generated through the Annotator represents the foundational intelligence for the project's next major deliverable: the ALMP Wizard. This forthcoming tool will serve as the primary user-facing interface for policymakers and labor market analysts.

Powered by the structured knowledge base produced through systematic annotation, the ALMP Wizard will support evidence-based policy development through multiple functionalities. It will enable policymakers to design new interventions informed by empirical evidence from comparable programs implemented across member states. The tool will facilitate systematic comparison of policy instruments, allowing users to identify best practices and understand the contextual factors that influence program effectiveness. Additionally, by leveraging historical data patterns, the system will offer predictive insights regarding potential outcomes of proposed interventions under specified conditions.

While the ALMP Wizard represents the ultimate expression of interactive, AI-assisted policy design, its analytical capabilities are being constructed incrementally through the ongoing work of annotation and knowledge structuring. Each document processed, each metadata tag validated, and each taxonomic classification confirmed contributes to the system's growing capacity to serve as a reliable partner in evidence-based policymaking. The intelligence that will eventually power the Wizard is being built today, one carefully annotated document at a time.

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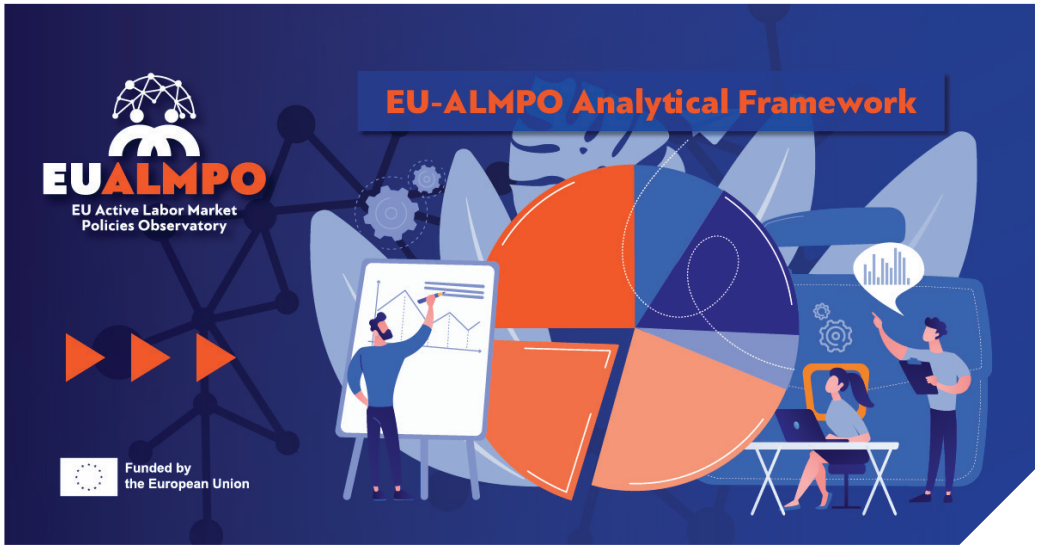
An Analytical Framework for Addressing Skills Mismatch through ALMPs

Discover how the EU-ALMPO Analytical Framework is reshaping our understanding of skills mismatch and Active Labour Market Policies (ALMPs). It lays a clear path for effective policy design and evaluation. By integrating diverse labour market dynamics and offering an insightful analysis of ALMPs, it provides policymakers with the guidance needed to tackle skills imbalances across Europe. Dive into the framework's structure and explore its potential for improving workforce alignment through a comprehensive, forward-thinking approach.

author: IRS team



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Developing the EU-ALMPO Analytical Framework

Analytical frameworks are widely used to structure reasoning in a clear and coherent manner. By drawing on shared categories and conceptual dimensions, they facilitate the understanding of complex phenomena and enable evidence to be assessed consistently across different contexts. For these reasons, such tools are particularly valuable in the field of public policy, where issues often span multiple institutional levels and territorial settings, and where consistency must be maintained alongside diversity in design and implementation.

Against this background, the development of a unified reference model represented the main deliverable of **Work Package 1 (WP1)** within the EU-ALMPO project, carried out under the responsibility of **IRS – Istituto per la Ricerca Sociale**. This work constituted a foundational step for subsequent activities, aiming to consolidate a common perspective on the relationship between skills mismatch and Active Labour Market Policies (ALMPs).

Skills mismatch is conceptualised here as a structural labour market friction, arising from persistent discrepancies between the supply and demand of skills. Given the multidimensional and locally contingent nature of this challenge, its examination requires an approach capable of capturing interdependencies, cross-country variations, and the interplay between policy instruments and labour market dynamics.

Building on this exploratory need, the model draws on the preparatory study developed within the project, notably the Key Trends and Factors Report and the Determinants of Effective ALMPs Report. These outputs provided both the conceptual underpinnings and the empirical foundation informing its development, thereby ensuring continuity with earlier steps and establishing a benchmark for the research undertaken under WP1.

On this basis, the resulting conceptual structure is intended primarily as a guidance for boh for policy design and evaluation. On the one hand, it provides a coherent grounding to support the design or

revision of policy measures aimed at enhancing skills alignment in the labour market. At the same time, it offers an organised perspective for investigating existing ALMPs systems and identifying strengths, gaps, and areas for improvement. In this sense, it operates less as a prescriptive instrument and more as an interpretative lens to inform decision-making at EU, national, and local levels.

Structure and internal logic

The model follows a sequential and problem-oriented line of reasoning, starting by framing skills mismatch as a central issue within the broader set of labour market frictions. It then examines how ALMPs can contribute to addressing these imbalances, while recognising the diversity of such policies in terms of objectives, instruments, and target populations. This variety makes it necessary to clarify the scope of ALMP-related action and its interaction with other policy areas that may influence skills alignment more indirectly.

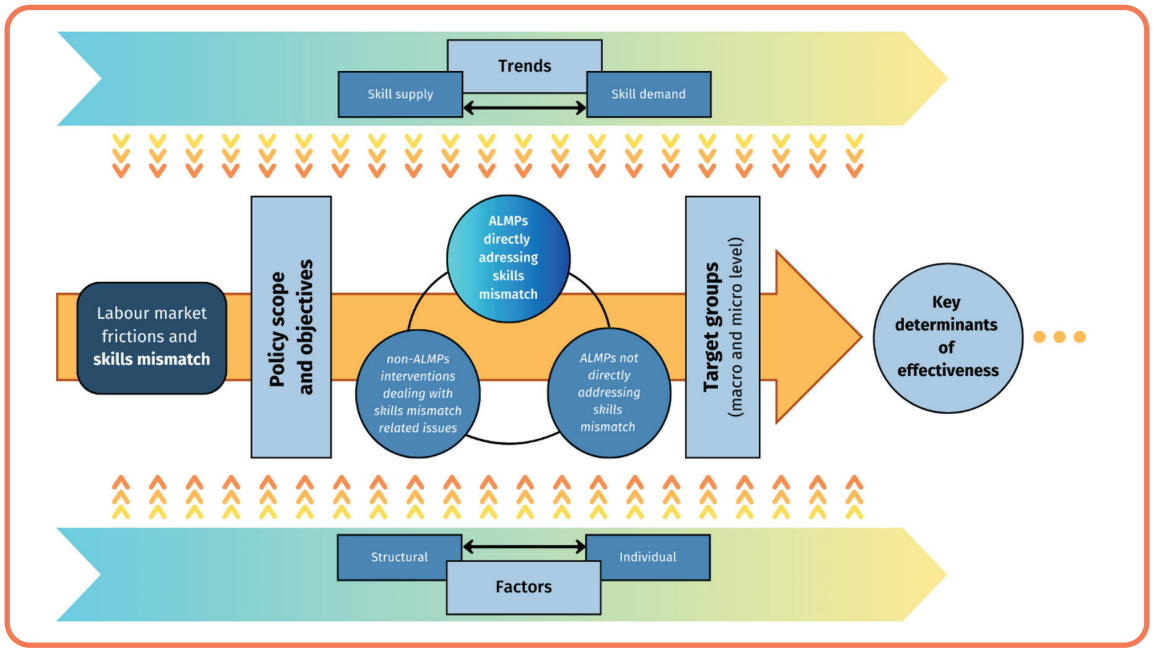
In particular, the overall structure is articulated around four main components:

- labour market frictions, skills mismatch, and the role of ALMPs;
- the scope and objectives of ALMPs in relation to skills mismatch;
- the definition of target groups;
- the key determinants of ALMP effectiveness.

These components are complemented by two transversal dimensions that cut across the entire framework. The first concerns trends, understood as the broader dynamics shaping skills supply and demand over time. The second relates to factors, referring to the institutional, organisational, and operational conditions under which ALMPs are devised and implemented.

Across all components, a common internal configuration is applied. Each section, indeed, introduces the relevant context and underlying rationale, identifies the key elements to be considered, and discusses their implications for policy formulation, analysis and evaluation. This methodology allows the model to move beyond a purely descriptive account, highlighting the connections between different elements and their relevance for understanding and addressing skills mismatch. To support interpretation, a visual representation was developed, illustrating the sequential arrangement of the model and the relationships between its main components (see figure below).

Taken together, this conceptual architecture provides a coherent reference for interpreting the diversity of ALMP approaches and their relationship with skills mismatch, while helping to maintain a consistent perspective across policy domains. On this foundation, the model offers a structured yet flexible foundation for reflection and analysis.



▲ **FIGURE 1:** *Visual representation of the EU-ALMPO Analytical Framework*

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Validation and refinement through stakeholder engagement

A key phase in the development of the analytical framework involved validation through stakeholder engagement. Following its construction by means of desk research and literature review, the model was discussed during an online workshop held on 26 September 2025, bringing together representatives and experts from European Member States and project partners. This exchange provided an opportunity to confront the preliminary configuration with policy-making experience and practical considerations.

The workshop was conceived as a space for reflection rather than formal endorsement. Participants were invited to comment on the clarity, coherence, and relevance of the proposed framework, as well as on its potential applicability across different implementation contexts. Insights emerging from the discussion contributed to refining the structure and strengthening its internal consistency, helping to consolidate it as a usable and credible reference for subsequent project activities.

Linking the framework to the AI-supported Wizard

The analytical framework is further elaborated through an Appendix entitled "Implications and suggestions for the future development of the AI tools", which addresses the challenge of operationalising the conceptual architecture within the practical functioning of the AI-supported Wizard developed in this context.

While the model systematises key concepts, relationships and analytical dimensions, the Wizard is conceived as a service-oriented instrument whose effectiveness ultimately depends on its uptake by policymakers and practitioners. Drawing on service design and public service logic perspectives, the Appendix examines how users may interact with the broader EU-ALMPO infrastructure, illustrating potential usage scenarios and identifying critical touchpoints across the different stages of policy formulation and implementation.

In doing so, it shows how the framework can inform both the initial configuration and the iterative refinement of the Wizard, reinforcing its role as a shared structural backbone for the overall project.

The EU-ALMPO Analytical Framework lays a clear path for effective policy design and evaluation

EU-ALMPO Launch Event: Harnessing AI to Strengthen Labour Market Policymaking

On 10 February 2026, the EU-ALMPO project launched its AI-powered tools to transform labour market policymaking. The event brought together experts to explore how AI can enhance Active Labour Market Policies (ALMPs), improving policy design, monitoring, and evaluation. Discover how EU-ALMPO is advancing evidence-based, inclusive labour market governance across Europe.

author: **Anastasopoulou Eugenia**, *EU project manager of p-consulting.gr*

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On 10 February 2026, the Horizon Europe project EU-ALMPO – EU Active Labour Market Policies Observatory held its high-level Launch Event titled "Harnessing AI in Supporting Labour Market Policy Making."

While described as a "Launch Event," the project officially began one year earlier. The event therefore marked an important milestone, signalling the transition from foundational research to the presentation of initial insights, emerging directions, and early lessons from the project's analytical work.

The event brought together representatives from European institutions, international organisations, academia, research centres, and policy practice to explore how Artificial Intelligence (AI) can strengthen evidence-based labour market governance across Europe.

Labour markets are undergoing rapid transformation. Digitalisation, demographic shifts, green transition pressures, and economic volatility are reshaping employment structures and skills demand.

Yet policymaking tools often remain fragmented, static, and reactive.

EU-ALMPO was created to address this gap. The project aims to develop AI-supported tools that enhance the full Active Labour Market Policy (ALMP) cycle — from policy design and targeting to monitoring and evaluation — while ensuring transparency, accountability, and ethical safeguards.

In the opening presentation, Prof. Giannis Tzimas (University of Peloponnese, Project Coordinator) outlined the project's ambition to move from fragmented ALMP evidence toward a structured, AI-powered observatory model.

Key components include:

- A centralized EU repository of ALMP knowledge
- AI-powered monitoring and classification systems
- A Retrieval-Augmented Generation (RAG) analytical infrastructure
- An Interactive ALMP Design Wizard to support policymakers

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The objective is not automation of decisions, but augmentation of institutional capacity through structured evidence and advanced analytics.

The keynote session provided strategic insights into the intersection between AI and labour market policy.

Mihai Palimariciuc (European Commission) underlined the strategic importance of aligning AI deployment with Europe's employment, digital transformation, and competitiveness priorities.

Dr. Stefano Scarpetta (OECD) emphasised that AI adoption does not inherently reduce employment but reshapes task composition and skills demand. He highlighted the importance of investing in upskilling and reskilling while ensuring that AI deployment remains human-centred and inclusive.

Andrea Glorioso (European Commission, DG Employment) addressed the balance between algorithmic innovation and the protection of quality jobs and worker wellbeing. The discussion reinforced that governance frameworks must evolve alongside technological capabilities.

Dr. Konstantinos Pouliakas (CEDEFOP) presented evidence showing that AI-related skills are spreading beyond ICT occupations. Skills gaps, rather than technological limitations, may become the primary bottleneck for effective adoption.

Dr. Eleana Kafeza (Technology Innovation Institute) explored open-source AI approaches, demonstrating how large language models can support explainable workflows, multilingual services, and privacy-preserving deployment within public administrations.

Together, the keynote contributions underscored a common message: AI can enhance policymaking only when embedded within strong institutional governance and ethical safeguards.

The roundtable discussion, moderated by Prof. Łukasz Sienkiewicz (Gdańsk University of Technology), brought together representatives from the OECD, Eurofound, academic institutions, and policy practice to examine how AI tools can become usable and actionable within policymaking environments.

The exchange focused on:

- AI applications across the ALMP cycle
- Institutional readiness and barriers to adoption
- Governance and accountability mechanisms
- Ensuring transparency and public trust
- Strengthening collaboration between research and policy communities

Participants agreed that AI should augment, not replace, policy judgement. Effective deployment requires continuous validation, stakeholder involvement, and clear governance frameworks.

The Launch Event positioned EU-ALMPO within the broader European debate on digital transformation, competitiveness, and inclusive labour market governance.

The project now advances into its next phase, focusing on:

- Further development of the AI-powered repository
- Deployment of the RAG-based analytical system
- Implementation of the Interactive ALMP Design Wizard
- Policy validation and innovation experiments

EU-ALMPO aims to provide European policymakers with practical, responsible, and forward-looking tools that strengthen evidence-based decision-making.

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EU-ALMPO 3rd TPM in Patras: From Progress to Real Impact

The 3rd EU-ALMPO project meeting in Patras, Greece, highlighted the transition to real-world implementation. With AI tools like the Document Annotation Tool and ALMP Design Wizard now operational, the project is preparing for pilot experiments across Europe. The CMO framework, built from in-depth case studies, ensures the tools are grounded in real practices, ready to be tested and refined in real-world settings.

author: **Anastasopoulou Eugenia**, *EU project manager of p-consulting.gr*

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The 3rd Transnational Project Meeting of EU-ALMPO took place in Patras, Greece, from 17 to 19 March 2026, marking a decisive transition from development to real-world implementation. Partners came together not only to review progress, but to align on the next phase: turning AI-driven tools into practical solutions for labour market policy.

Significant progress has been achieved across the project.

The AI-powered Document Annotation Tool (WP3) is fully operational, providing a structured knowledge base for Active Labour Market Policies. At the same time, key components are advancing rapidly, including the Labour Market Analysis Tool (WP4), the upcoming LM Insights Platform (WP5), and the ALMP Design Wizard. Together, these tools form a single integrated system that connects policy evidence, real-time labour market data, and personalised recommendations.

The objective is clear: to support faster, more informed, and more effective policy decisions.

A strong analytical foundation has been established through WP2 (Gdańsk University of Technology). WP2 delivered the first structured comparative analysis of skills matching practices across partner countries. This includes:

- Mapping of skills ecosystems
- Identification of good practices
- Ten in-depth case studies
- A Context–Mechanism–Outcome (CMO) framework explaining what works and why

This ensures that the AI tools are not theoretical, but grounded in real practices, real systems, and real policy needs.

The next phase focuses on WP6 pilot experiments, which will take place in Greece, Spain, Italy, and Denmark. These pilots will bring together policymakers, training providers, and end beneficiaries to test the

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tools in real environments.

Two complementary approaches will be implemented:

- Policy-focused pilots (Italy, Denmark)
- Practice-focused pilots (Greece, Spain)

This ensures that both policy design and on-the-ground application are tested and improved.

A central message of the TPM was clear: partners are not passive users.

They actively shape the system by:

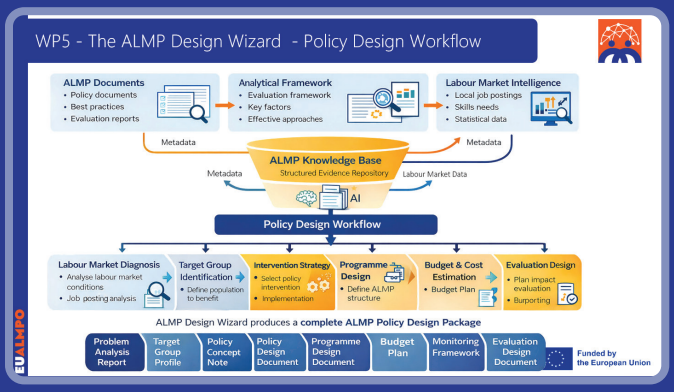
- Defining real use cases
- Providing data and feedback
- Addressing ethical, legal, and bias-related challenges

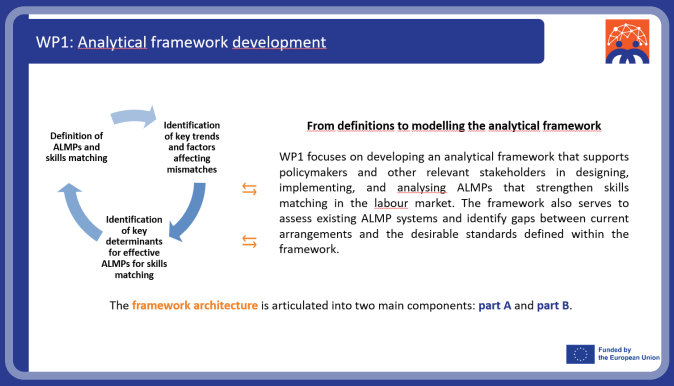
This co-creation approach increases relevance, usability, and long-term impact.

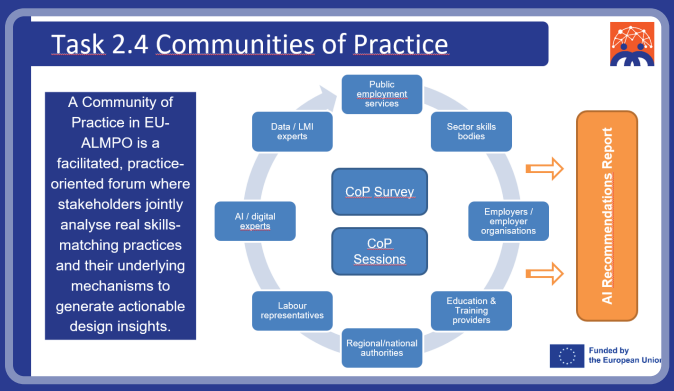
Dissemination activities are gaining momentum, with strong social media performance and increasing engagement across partners. The next phase will focus on strengthening visibility, sharing results, and reaching key stakeholders at both European and national level.

The TPM concluded with the project's Review Meeting, where partners presented progress, results, and next steps to external reviewers, highlighting the project's innovation, impact, and readiness for implementation.

EU-ALMPO is now entering its most critical phase, where tools will be tested, validated, and refined in real environments across Europe.







The next phase: turning AI-driven tools into practical solutions for labour market policy

SECTION B

Skills matching across Europe: lessons from ten in-depth case studies

As artificial intelligence becomes embedded in labour market analysis and decision-making, ensuring its reliability is a critical policy challenge. Issues such as data quality, transparency, and accountability directly affect the fairness and effectiveness of AI-driven insights. This article examines the key factors that policymakers must address to ensure that AI systems support informed, inclusive, and evidence-based labour market policies.

author: **IRS team**

Introduction

This section presents a synthesis of the comparative insights from Deliverable 2.1 of the EU-ALMPO project, based on ten case studies on skills matching policies across five countries: Germany, Greece, Italy, Poland, and Spain.

Two case studies were developed in each country, covering a range of interventions within and beyond Active Labour Market Policies (ALMPs), with the aim of understanding how skills ecosystems function in different contexts.

The work forms part of Work Package 2 (WP2) and builds on a prior mapping of national skills ecosystems (Task 2.1), which informed the selection and development of cases (Tasks 2.2 and 2.3). Each project partner elaborated the case studies at country level, combining desk research and stakeholder interviews.

As part of this process, Initial Programme Theories (IPTs) were defined to outline how each intervention was expected to work under specific contextual conditions. The IRS team then conducted a comparative analysis across the ten cases, refining the IPTs into a set of Context–Mechanism–Outcome (CMO) configurations.

This realist-informed approach makes it possible to move beyond description and identify how and why different interventions produce results, and how these vary depending on context.

The aim is not to identify best practices in isolation, but to support cross-country learning through a context-sensitive understanding of what works, for whom, and under what conditions.

The ten case studies at a glance

Germany

- **Alliance for Initial and Further Training:** a multi-stakeholder platform established in 2014 to strenghten Germany's dual VET system and address regional and sectoral mismatches in training supply and demand. It functions as a dialogue and coordination forum rather than a decision-making body. Based on voluntary cooperation, it aligns priorities across key institutional actors.
- **ReDI School of Digital Integration:** a non-profit technology school providing free digital skills training to refugees, migrants and other marginalised groups, combining coding and digital literacy classes with mentoring and career support. It operates through a broad network of partners, stakeholders and volunteers, with government bodies also playing a key role: national agencies certify ReDI as an official training provider, while local authorities support its activities through co-financing and the provision of facilities and event spaces.

Greece

- **Elefsina Pilot:** a pilot initiative of Greece's 2018 ALMPs reform strategy, designed to test a locally integrated model for supporting the long-term unemployed. It combined personalised activation, training, incentives and digital development

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tailored to local labour market needs, while also contributing to more evidence-based and employer-oriented public employment services.

- **Mechanism of Labour Market Diagnosis:** Greece's central system for identifying current and emerging skill needs, combining multi-source data through a dedicated digital platform. It provides detailed insights on labour market trends, occupations and associated skills – across sectors, regions and demographic groups – supporting the design of ALMPs and education programmes.

Italy

- **GOL Programme (Garanzia Occupabilità Lavoratori):** Italy's most ambitious ALMPs reform in decades, embedded in the National Recovery and Resilience Plan (PNRR). Funded with over €6 billion and targeting 3 million beneficiaries, it uses a multidimensional profiling system to assign tailored pathways based on labour market distance and introduces national minimum service standards (LEPs), trying to reduce territorial fragmentation.
- **ReMAP – Metropolitan Network for Lifelong Learning:** a Bologna-based initiative led by the Metropolitan City and Emilia-Romagna Region, involving 87 public and private organisations to strengthen a lifelong learning ecosystem across formal, non-formal and informal contexts. It operates through three service levels – guidance, training and competence recognition – and a multi-level governance structure to improve coordination and system integration among local actors.

Poland

- **Human Capital Balance (BKL) and Sectoral Human Capital Balance (BBKL):** large-scale monitoring and foresight initiatives led by the Polish Agency for Enterprise Development (PARP) in partnership with research institutions, providing national evidence base on skills supply, employer demand and emerging labour market needs. The aim is to support policymakers, training providers and employment services in aligning interventions with labour market trends, also including sectoral and regional insights.
- **Sectoral Skills Councils (SRKs):** A nationwide network of sector-based, multi-stakeholder bodies coordinated by PARP, aimed at strengthening skills governance through the provision of sector-specific intelligence. They bring together employers, education and training providers, and public actors to carry out analyses, foresight and consultations. These activities inform training provision, curricula development and qualification systems, improving alignment between skills supply and labour market demand.

Spain

- **COE Network – National Programme for Career Guidance and Employment Training:** Spain's integrated framework for delivering coordinated career guidance, skills assessment, training and mentoring services to job seekers, workers and businesses. At its core, the COE Network - coordinated by the State Public Employment Service (SEPE) in collaboration with regional employment services – acts as the technical backbone of the National Employment System and generates evidence-based inputs to improve responsiveness to labour market needs.
- **Barcelona Activa – Cibernàrium:** A municipal initiative of Barcelona City Council providing training, support and networking services aligned with local labour market priorities. Its Cibernàrium programme, originally created in 1999, specialises in digital skills development, offering free training from basic digital literacy to advanced ICT and bootcamps, alongside targeted initiatives such as digital coaching and hackathons for tech talents.

Common contextual challenges

Despite the diversity of national contexts and policy approaches, the analysis identified four recurring contextual dimensions that shape how the analysed interventions operate in practice.

The first is **governing complexity**. In all five countries, labour market and skills policies often operate within multi-level governance arrangements where responsibilities are distributed across territorial tiers and a heterogeneous mix of public and private actors. In some cases, cooperation remains loosely structured or programme-driven, limiting continuity and systemic learning. Fragmentation is not merely an operational inconvenience, it is a constitutive feature of the environments in which these interventions must function.

The second dimension concerns **institutional capacity**. Significant variation in staffing levels, digital readiness, and organisational maturity across and within countries means that the same tools and frameworks can produce very different results depending on where they are applied. Italy's GOL programme, for example, performs markedly better in regions like Lombardy, where administrative infrastructure and digital systems are more developed.

The third dimension relates to **data and information systems**. Across all five countries, the problem is rarely a complete absence of data, but rather inconsistent or poorly connected information environments. Evidence exists but is not consistently translated into shared reference points for decision-making. This helps explain why so many of the case study initiatives prioritise the consolidation and dissemination of skills intelligence as a precondition for effective coordination.

Finally, **structural labour market pressures and access barriers** shape the operating ecosystem in all cases. Skills shortages coexist with segments of the workforce that remain weakly connected to employment and training frameoworks. Demographic ageing, technological change, and uneven territorial development compound these pressures, while access to activation and upskilling often remains unevenly distributed across gender, age, migration background, and geography.

How change happens: key mechanisms

Using the CMO methodology, the comparative analysis identified distinct configurations explaining how and why the case study interventions generate – or fail to generate – their intended outcomes.

At the system level, **strategic inter-institutional coordination, facilitation and alignment** emerged consistently as the mechanism through which fragmented governance environments are reshaped. Interventions that establish permanent or semi-permanent coordination structures – such as the Germany's Alliance for Initial and Further Training, or Bologna's ReMAP – create structured spaces for regular interaction, role clarification, and shared problem-solving. Importantly, these mechanisms work not by replacing existing relationships but by reorganising and stabilising them.

A second system-level mechanism is the **institutionalisation of evidence and skills intelligence**. When interventions consolidate labour market data into credible, accessible, and embedded tools – such as profiling systems, skills monitoring frameworks or integrated diagnostic platforms – they can help reduce uncertainty and provide common reference points that shift decision-making from anecdotal reasoning to collectively validated outputs, effectively usable for planning, prioritisation and implementation. Some examples can be provided by both the Polish case studies and by the Greek's Mechanism of Labour Market Diagnosis.

At the actor level, three further mechanisms recur across cases. **Professionalisation of staff and providers through shared standards, tools, and**

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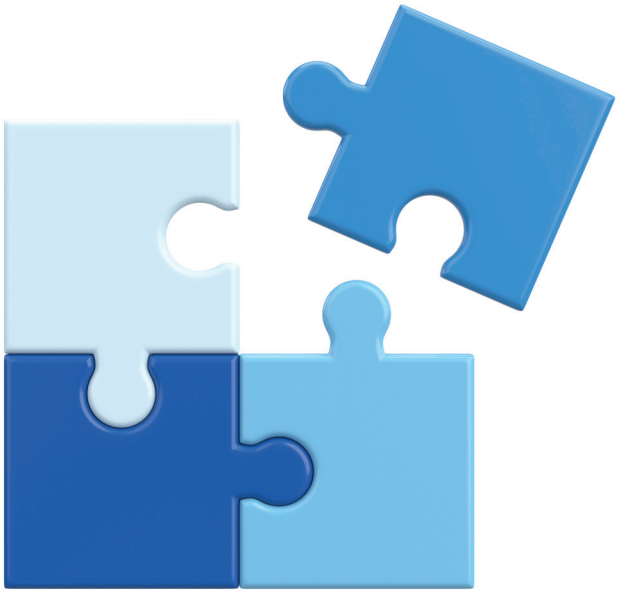
training enables more consistent and higher-quality service delivery. Spain's COE Network, for instance, operates a joint permanent training plan for employment professionals across all autonomous communities, creating a unified professional language and common methodological standards. **Behavioural change triggered by relational recognition and person-centred engagement** is especially visible in the ReDI School and the Elefsina Pilot: when participants feel genuinely seen and supported -rather than administratively processed, they are significantly more likely to engage, complete training, and progress towards employment.

Finally, **strategic incentives shape strategic reasoning and behaviour** among both beneficiaries and institutions: in Italy's GOL programme, conditionality ties benefit access to participation in activation pathways, while in Spain's COE Network, funding allocations are linked to measurable outcomes, reinforcing accountability.

What the interventions achieve

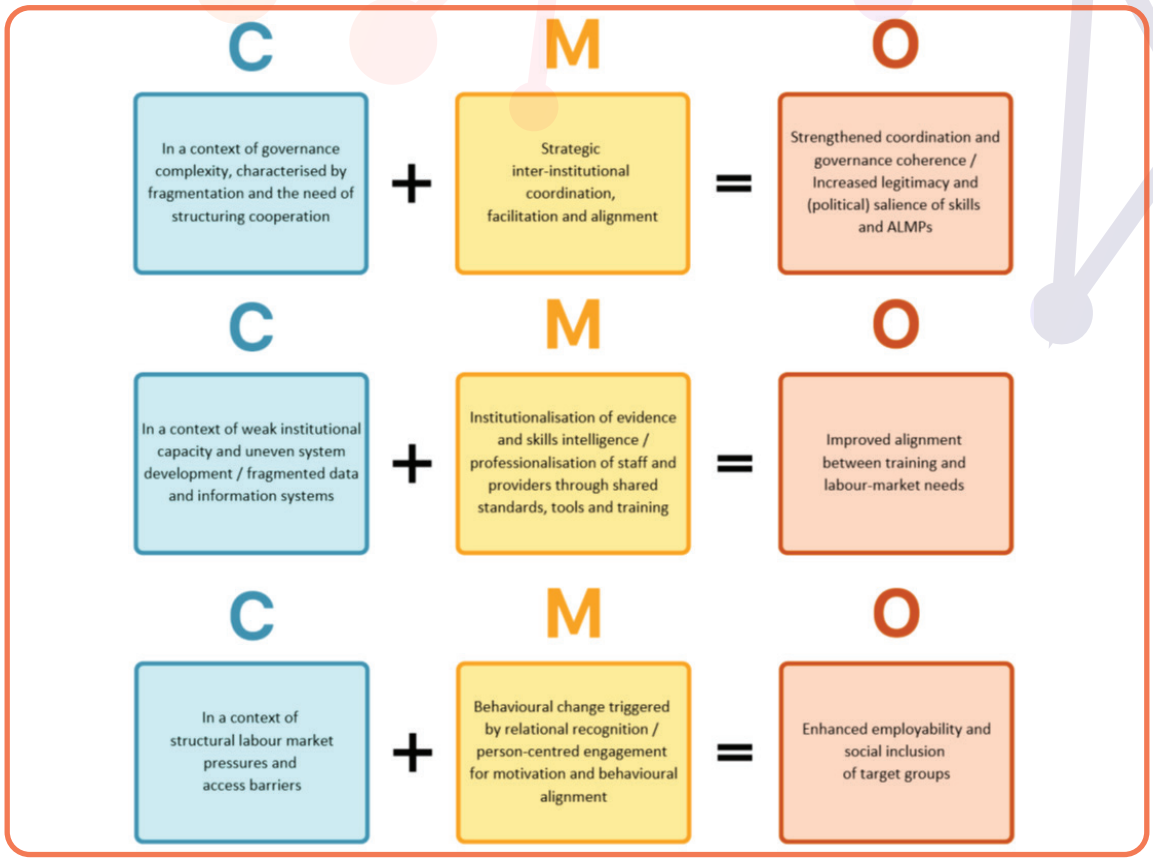


Despite different national starting points, the comparative analysis identified four consistent outcome areas across the ten case studies:

- **Strengthened coordination and governance coherence:** most interventions contributed to more structured and sustained collaboration. Germany's Alliance for Initial and Further Training maintained the political salience of VET through trust-based inter-institutional dialogue. Bologna's ReMAP contributed to consolidating lifelong learning as a metropolitan ecosystem, supported by a defined governance structure and regular coordination practices. Spain's COE Network replaced fragmented cooperation with a more institutionalised governance architecture and shared planning instruments.
- **Improved alignment between training and labour market needs:** this outcome is most evident where skills intelligence is linked to training provision. Poland's BKL/BBKL system has become a permanent monitoring infrastructure embedded in national strategies and reportedly used to inform, for example, ESF+ priorities. By September 2025, Italy's GOL programme had enrolled over 817,000 beneficiaries in training, exceeding its PNRR target, with rising service activation rates across cohorts.
- **Increased legitimacy and political salience of skills and ALMPs:** participatory governance, evidence production, and formalised structures contribute to positioning skills as a policy priority. Germany's Alliance for Initial and Further Training, through initiatives such as the Summer of Vocational Training and the VET Ambassador network, has reinforced the visibility and attractiveness of VET pathways. Likewise, BKL and BBKL findings are embedded across multiple strategic and operational policy frameworks.
- Improved employability and social inclusion of target groups: the most direct impact is visible in programmes combining personalised support with accessible delivery. For example, Barcelona's Cibernàrium reached over 110,000 attendees in basic digital training (2010 – 2019), with women comprising 67% and older adults 64% of the total. In the Greece's Elefsina Pilot, completion rates were particularly high among those with lower levels of education, and enrolled individuals showed higher employment rates than comparable non-enrollees.

Lessons learnt

Building on this realist-informed approach, the comparative analysis of the ten case studies, highlights a set of recurring patterns emerging from the interaction between policy design choices, implementation mechanisms and contextual features across the participating Member States. The following figure illustrate three overarching CMO configurations, which aim to briefly summarise the findings from individual cases and the subsequent insights gained from the systematic review.



Source: Authors' analysis

The synthesis points to a consistent set of enabling conditions. Effective interventions are mostly grounded in multi-actor partnerships, embedded in national or regional strategies, and supported by stable governance structures combining formal frameworks with trust-based informal dynamics. Co-creation with stakeholders – including employers, training providers, and beneficiaries – enhances both relevance and ownership. Digital tools, when designed around user needs, may play a key enabling role, as do flexible and individualised delivery models that reduce administrative and practical participation barriers.

On the other hand, several cross-cutting obstacles constrain even well-designed programmes. A first set of constraints concerns limited administrative and organisational capacity – including staff shortages, high turnover, and procedural cultures resistant to innovation – which slows implementation and reduces quality. A second relates to fragmented data ecosystems that undermine coordination, even when formal evidence is available. Funding conditions also play a critical role, as short-term and unstable resources create sustainability risks and discourage long-term capacity building. Further constraints stem from high administrative burdens and procedural rigidity, which limit responsiveness to changing needs. Finally, social, cultural, and behavioural barriers among both beneficiaries – such as low confidence, care responsibilities, and digital exclusion – and employers – including limited trust in public institutions and perceived red tape – reduce engagement and stifle outcomes, regardless of the quality of programme design.

Conclusion

The ten case studies analysed offer a rich and nuanced picture of how skills matching policies operate across diverse European contexts. Their comparative reading reveals that effective interventions are rarely about the introduction of a single tool or measure: they work according to the relational, institutional, and informational conditions in which actors operate. Coordination, evidence, professionalisation, recognition, and incentives each play a role, and their interaction with context determines whether intended outcomes are reached. As the EU-ALMPO continues its work, these findings will provide a shared reference for project partners and stakeholders across the consortium and beyond, contributing to the research for more effective, context-sensitive, and transferable approaches to skills governance in Europe.

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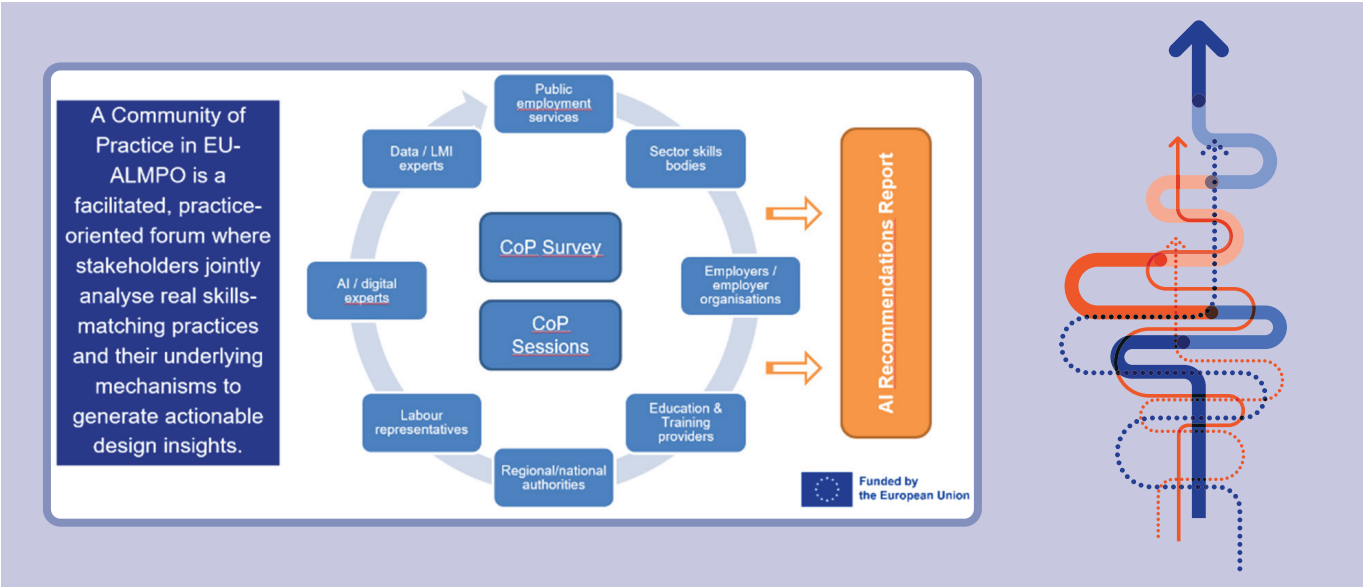
Forward Looking



Turning knowledge into action

The project is now entering a decisive phase, where analytical work and technological development converge with real-world application.

By the time you read this newsletter, the consortium will have completed the launch of a structured survey across all partner countries. Designed to capture both national specificities and cross-European dynamics, the survey brings together five national sections and three international components, engaging policymakers, Public Employment Services, training providers, researchers, and other key stakeholders.

Its objective is to generate grounded and comparable insights on labour market needs, skills mismatches, and the effectiveness of existing policy approaches. These insights will form a critical evidence base for the next stage of the project.

Importantly, this data will not remain static. It will be systematically integrated into the project's AI-powered tools, supporting more informed policy design, improved targeting of training measures, and enhanced decision-making processes.

At the same time, partners will begin preparing for the pilot phase. Stakeholders will be engaged through initial sessions to introduce the tools and align expectations. Each country will define its own priorities based on its socio-economic context and survey results.

From mid-2026, the project will move into active testing. The AI tools will be applied in real settings, both at policy level and at training provider level. Continuous feedback will be collected through workshops and collaborative activities.

This process will ensure that the tools are not only technically sound, but also relevant, practical, and adaptable to different national contexts.

As the project progresses, the focus clearly shifts from development to validation—placing stakeholders at the centre of shaping solutions that are both evidence-based and operationally meaningful.

Be part of EU-ALMPO

Labour market policies will not improve on their own. They improve when evidence is shared, voices are heard, and action follows.

EU-ALMPO is building a European space where policymakers, researchers, practitioners, and institutions work with real data, not assumptions. The Observatory grows stronger through collaboration, critical input, and active engagement from those shaping labour markets every day.

By joining EU-ALMPO, you contribute to policies that are smarter, fairer, and grounded in reality. You help turn analysis into decisions and insight into impact.

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