



an roinn fiontar, trádála agus fostaíochta  
department of enterprise, trade and employment

# Human Capital Investment Operational Programme 2007-2013

Supported by the  
European Social Fund



Ireland's EU Structural Funds  
Programmes 2007 - 2013

Co-funded by the Irish Government  
and the European Union



EUROPEAN SOCIAL FUND

**“Investing in your future”**

# CONTENTS

<b>Chapter 1 Background to the Operational Programme</b>	<b>P.5</b>
Introduction	
Employment and Human Resources Development OP 2000-2006	
Learning from 2000 – 2006 Operational Programme	
Contribution of the European Union	
Legal basis for the Operational Programme	
Strategic Environmental Assessment	
Structure of the Operational Programme	
Consultation on the Operational Programme	
<b>Chapter 2 Economic and Labour Market Overview</b>	<b>P.13</b>
Introduction	
Trends in GDP and GNP	
Trends in Wages and Consumer Prices	
Trends in Population and Migration	
Labour Market Overview	
Overall Trends in Employment	
Trends in Employment by Gender	
Trends in employment by NUTS 11 Regions	
Overall Trends in Unemployment	
Trends in Unemployment by Gender	
Trends in Unemployment by NUTS 11 Regions	
Poverty and Social Inclusion	
Deprivation and disadvantage in the Labour market	
Productivity	
Education and Training	
Groups Experiencing Low Employment Rates	
Barriers to Women entering the Workforce	
Discrimination in the Workforce	
Needs analysis	
SWOT analysis	
Overview	
Internal Strengths	
Internal Weaknesses	
External Opportunities	
External Threats	
The need to increase the productivity of workers by upskilling	
The need to increase the employability with low employment rates	
<b>Chapter 3 Strategic Context for Investment Priorities</b>	<b>P. 46</b>
The European Policy context	
Lisbon and Gothenburg Agendas	
Community Strategic Guidelines	
The Regulatory Framework	
National Overarching Strategies	
National Reform Programme	

National Development Plan 2007-2013  
 The NDP and Tackling Social Exclusion  
 The Strategic Framework for Tackling Social Exclusion  
 Social Infrastructure Priority  
 Smart Economy  
 The Social Inclusion Priority: Incorporating the Lifecycle Approach  
 National Action Plan for Social Inclusion 2007-2016  
 National Strategic Reference Framework  
 A Framework for Ireland's Smart Economy  
 EU Economic Recovery Plan  
 Sectoral Strategies  
 Enterprise Strategy Group Report  
 Towards 2016  
 National Skills Strategy  
 National Spatial Strategy  
 Equality and Equal Opportunities  
 Regional Operational Programmes  
 Rural Development National Strategy  
 Conclusion

**Chapter 4 Priority Areas for Co-Funding and Transversal Themes** **P.61**

Overall Objectives and Priorities  
 Priorities Selected  
 Upskilling the workforce  
 Training those in Employment  
 Lifelong Learning Back to Education Initiative  
 Skills training for the Unemployed and Job-Seekers  
 Priority 2  
 Activation and Participation of Groups out side the Labour Force  
 Third Level Participation  
 Undergraduate Skills  
 Progression for Early School Leavers  
 Youthreach and Travellers  
 People with Disabilities  
 Adult Literacy  
 Language Support  
 Youth Diversion Measures  
 Promoting Equality Between Women and Men  
 Migrant Workers  
 Industrial Re-Structuring  
 Contribution of Priorities to Interregional and Transnational Co-Operation  
 Contribution of Priorities to Innovation  
 Added value of ESF  
 Technical Assistance

**Chapter 5 Horizontal Principles** **P. 82**

The Challenge of Social Exclusion  
 The NDP and Tackling Social Exclusion

Human Capital Priority  
Social Infrastructure Priority  
The Social Inclusion Priority Incorporating the Lifecycle Approach  
Social Inclusion as a Horizontal Principle under this Programme  
Gender Equality and Equal Opportunities  
Sustainable Development

**Chapter 6 Performance Indicators** **P. 86**

Contextual Indicators  
Priority Indicators

**Chapter 7 Programme Management Monitoring And Evaluation** **P.102**

Programme Management Structures  
Managing Authority  
Paying Authority  
Audit Authority  
Operational Programme Monitoring Committee  
Role of the Monitoring Committee  
Composition of the Monitoring Committee  
Rules and procedure of Monitoring Committee  
Annual Implementations Reports  
Evaluations  
Retention and Exchange of Computerised Data  
Publicity and Information  
Partnership

**Chapter 8 Financial Provisions** **P.119**

Overall Financial Envelope  
Expenditure Profile 2007-2013  
Proposed Financial Allocations  
Meeting Earmarking for Lisbon Agenda  
Performance Reserve

**Annexes** **P.125**

Annex I – Map of BMW and SAE Regions  
Annex II – SEA Screening Report  
Annex III – Extract from Implementing Regulation 1828 of 2006 on Data requirements  
Annex IV - Linkages between HCI OP Investment Priorities and future interventions and policy fields outlined in Article 3 of ESF Regulation 1083/2006  
Annex V – Commission Decision of 21 October 2009

# Chapter 1

## 1. Background to the Operational Programme

### 1.1 Introduction

This Operational Programme is the successor to the Employment and Human Resources Development Operational Programme 2000-2006 (EHRD OP). Whereas the EHRD OP was only one of the Operational Programmes that received European Social Fund co-financing in the 2000-2006 period, this successor programme is the sole vehicle through which the ESF will be applied in Ireland during the 2007-2013 programming period.

### 1.2 Employment and Human Resources Development OP 2000-2006

Both the National Development Plan and the EHRD OP set out particular objectives that were to be achieved during the period 2000-2006. From the employment and human resource policy perspective, the NDP objectives included the need to achieve continued sustainable employment growth, consolidation and improvement of Ireland's international competitiveness, balanced regional development and the promotion of social inclusion. These were further elaborated by the EHRD OP objectives.

Many of the interventions undertaken by FÁS and the Department of Education and Science (and its agencies) have contributed to the achievement of these objectives. Particular success has been achieved by the National Employment Service, which placed significant numbers of people in jobs or in FÁS programmes over the period. Many people also benefited from increased completions on the Early School Leaver Progression Programme.

The EHRD OP has contributed to the enhancement of both skills and education levels among the population. During the five years to end 2004 alone, more than 400,000 people received either FETAC or HETAC certification.

The objective in the NDP of achieving balanced regional development has also been pursued in the Employment and Human Resource Development Operational Programme and the Update Evaluation for the EHRD OP states that it has made a contribution to addressing education, training and skills needs in both regions. There have been particular interventions to address rural development through piloting programmes and research activity in particular.

Finally, on the objective of promoting social inclusion, a range of specific Measures and supports have been applied to promote social inclusion across a range of labour market and education policies. These have targeted the long-term unemployed, disadvantaged groups and young people in particular. Both focused and general interventions were implemented to address the needs of older people, people with disabilities, members of the Traveller Community and ethnic minority groups.

The challenges facing Ireland over the next national programming period are different from those experienced at the outset of the EHRD OP 2000 - 2006. The National Development Plan 2007-2013 will be the primary vehicle by which these challenges will be addressed. Over the period of this Plan, Ireland will continue to implement policies, which will support higher levels of employment, improve the quality and productivity of work and enhance social cohesion. Delivering on these challenges will require focused and flexible policies and measures that are monitored and evaluated on an ongoing basis, to ensure their continued relevance and impact. In addition, a number of interventions under the Human Capital Priority of the NDP are closely related to Measures in the Social Inclusion Priority and close liaison will be maintained to ensure optimal use of all resources in this area.

### **1.3 Learning from the 2000 – 2006 Operational Programme**

The Update Evaluation of the EHRDOP 2000 – 2006, carried out by Farrell, Grant, Sparks Consultants and published in August 2005 identified a number of key learning experiences under a number of areas resulting from the 2000 – 2006 OP. Among the recommendations were:

- The need for a detailed ex-ante analysis to be undertaken to establish the relevance of the OP, prioritisation issues and a clear outline of possible actions
- The need for clear reporting procedures
- The recognition that the introduction and integration of new concepts is a new process and the need for ongoing technical assistance and expert advice in this regard
- That the programme should have a clear, simple and well defined set of overall objectives. Each sub-programme should aim to address a single programme objective, and the Measures under each sub-programme should aim to address the sub-programme objective. In addition, each overall objective (and hence sub-programme objective) should be clearly linked to the labour market, e.g. to train people in employment, to help the socially excluded to gain employment etc
- The need to set targets and indicators at the beginning of the programme as it is very difficult to get agreement on targets and indicators during the programme
- The impact of ESF funding would be greater if the number of co-financed Measures and the number of Intermediate Bodies were reduced. It is felt that this will increase the visibility of the ESF and also make it easier to manage and to monitor
- The influence of the ESF is greatest when it is very closely linked to a wider EU policy or directive

In addition, the EQUAL Community Initiative Mainstreaming Policy group reported the need to invest in:

- Equality competence within organisations providing labour market measures and at enterprise level
- Delivery mechanisms for labour market programmes

The Update (Final) Evaluation of Equal (October 2005) carried out by Fitzpatrick Associates recommends:

*“The funding of innovative labour market interventions should be considered on a more focused, themed basis in order to improve potential for future mainstreaming”.*

The Executive Summary of the draft Ex-ante Evaluation of the ESF Human Capital Investment Operational Programme (OP) 2007-13, received 19 February takes a positive view towards the proposed Operational Programme 2007 – 2013 and finds that the OP is externally consistent with national and regional policy in Ireland and with EU policy, and that it is consistent with commitments to equal opportunities and non-discrimination in the ESF Regulation, and the commitments to social inclusion and equality in the NSRF. The Ex-ante Evaluator also makes the following comments:

- The Managing Authority should continue the process of engaging with Intermediate Bodies in order to develop detailed implementation plans and that this process builds on the lessons from the EHRDOP 2000-2006
- Recommends very close monitoring of applications, approvals and spend, and appropriate responses from the Managing Authority in the first twelve to eighteen months of operations to ensure that delivery is in line with plans and in line with forecast spend
- Recommends that the Managing Authority, Intermediate Bodies, relevant Government Departments and Agencies develop very clear processes and procedures to reduce and avoid potential overlap and duplication with both other EU co-financed investments, with activity under the NDP 2007-2013 and with activity in the private sector
- Recommends that the presence of ‘pilot’ and more innovative interventions be retained within the programme even though initial spend on these activities might be slower to ‘take-off’ than on the more ‘established’ activities
- Endorses the Managing Authorities intention that the funding of activities (Measures) remains flexible within Priorities over the period of the programme and that the Managing Authority maintains the option of operating a ‘stick and carrot’ approach to funding, whereby ‘good’ performance can result in increased funding and ‘bad’ performance can result in reduced funding
- Recommends that the Managing Authority and Intermediate Bodies continue to engage in a process of discussing and agreeing appropriate output, result and impact indicators for activities and the setting of targets in order to ensure that indicator data is available for all indicators as required (baseline and ongoing monitoring) and that targets have been set
- That appropriate breakdowns of indicators are provided during the course of the programme and the Managing Authority should ensure that any additional steps required are taken to ensure a full indicator system is developed to comply with the Commission’s requirements

This OP seeks to implement and incorporate, as necessary, the recommendations of the EHRDOP Mid Term and Update Evaluation, EQUAL Community Initiative Mainstreaming Policy group recommendations, the Update (Final) Evaluation of

Equal and the findings of the Ex-ante Evaluation for this Operational Programme as central procedures within the new Programme. The OP also seeks to promote and support, in a complementary manner, the transfer of learning through support for transnational networks and mainstreaming opportunities for innovative initiatives.

#### **1.4 Contribution of the European Union**

In terms of the contribution from the European Union to Ireland's efforts, the *National Strategic Reference Framework for Ireland: Supporting and Enabling Dynamic Regions* (NSRF) sets out the objectives agreed between Ireland and the European Commission for the period and the financial contributions that the EU is prepared to make to assist in continuing our economic and social progress. This contribution will continue to be a vital element in the effort to maintain economic and social progress and the partnership with the European Commission and, indeed, other Member States, in sharing experience and best practice in tackling the issues faced by modern societies is crucial to our continued success. In respect of the European Social Fund, the priority identified for investment under the NSRF is that of upskilling the workforce and increasing the participation and activation of groups outside the workforce.

It should be noted that the expenditure profile parameters laid down by the European Commission for allocation of ESF funds (61% BMW and 39% S&E Regions), has resulted in the BMW allocation for the first three years of the OP comprising approximately 79%, 75% and 68% of the yearly allocation in each of these respective years. This will present a particular challenge to the Managing Authority and the Intermediate Bodies and will require close monitoring by the Monitoring Committee to ensure that spending profiles are adhered to.

#### **1.5 Legal basis for the Operational Programme**

The legal basis for the Operational Programme is provided in Council Regulation (EC) 1083/2006 (The General Regulation), laying down the general provisions of the European Regional Development Fund, the European Social Fund and the Cohesion Fund. This states that actions taken by the Community under Article 158 of the Treaty "shall be designed to strengthen the economic and social cohesion of the enlarged Community in order to promote the harmonious, balanced and sustainable development of the Community. This action shall be taken with the aid of the Funds, the European Investment Bank (EIB) and other existing financial instruments. It shall be aimed at reducing the economic, social and territorial disparities which have arisen particularly in countries and regions whose development is lagging behind, to the speeding-up of economic and social restructuring, and to the aging of the population."

This Operational Programme covers the period 2007 to 2013 and has been developed in accordance with the General Regulation and the ESF Regulations, and in particular, takes account of the requirement to prepare an Operational Programme, as specified in Article 32 of the General Regulation and as described in Article 37 thereof.



## **1.6 Strategic Environmental Assessment**

The SEA Directive (Directive 2001/42/EC) sets out at Article 3.2 a description of the type of national plans that require a strategic environmental assessment to be carried out. The EU Directive is implemented in Ireland via Statutory Instrument and the relevant provisions are contained in S.I. No. 435 of 2004.

The Managing Authority has given due consideration to the Directive and the Irish Regulations and considers that there is no need for a Strategic Environmental Assessment of this Operational Programme under the terms of the legislation.

Given the nature of the European Social Fund, focussing on immaterial operations related to human resources development, this Operational Programme does not set the framework for operations likely to have significant environmental effects, such as infrastructure projects, especially the one listed in Annexes I and II to Directive 85/337/EEC as amended.

In addition, it is not anticipated that any such infrastructure projects would arise from the flexibility introduced by Article 34.2 of the General Provisions Regulation 1083/2006/EC, through the ESF covering investments normally covered by the ERDF and for sustainable urban development projects mentioned in Article 8 of the ERDF Regulation 1080/2006/EC (reference letter of 12.12.06 of Peter Carl, Director-General, DG Environment, European Commission to the Member States on the SEA Directive).

Consequently, the Managing Authority considered – and the national authorities agreed – that in principle there was no need for a Strategic Environmental Assessment of the OP under Directive 2001/42/EC. A copy of the screening report in this regard is attached at Annex II. This is without prejudice to any screening determinations that are deemed necessary according to national laws or other measures to implement Directive 2001/42/EC.

## **1.7 Structure of the Operational Programme**

The rest of this Operational Programme sets out the overall strategic context for investment decisions and the detailed justification for those investment decisions, as well as setting out the financial allocations and management framework to be applied.

Chapter 2 provides an economic overview and labour market analysis for the Operational Programme and includes a SWOT analysis.

Chapter 3 proceeds to set the strategic context for the Operational Programme outlining the principal strategies at EU and national level that underpin the investment priorities proposed for ESF co-funding.

Chapter 4 details the actual priority areas for investment demonstrating the links with the higher-level strategies and providing examples of how the expenditure at measure level complements them. This chapter also sets out the added value that the ESF brings to the investments and explains how transnational and inter-regional co-

operation and innovation can also contribute to the success of this programme of investment.

Chapter 5 describes the Horizontal Principles that set a framework for the investment priorities and by which the implementation of the Operational Programme will be assessed.

Chapter 6 details the performance indicators that have been chosen to measure progress on implementation of the Programme at Priority level and some contextual indicators for the Programme as a whole.

Chapter 7 provides an overview of the structures for managing, monitoring and evaluating the Operational Programme. These structures and procedures are largely similar to those established under the current programming period and are considered robust and appropriate for the protection of exchequer and ESF monies.

Chapter 8 outlines the financial allocations and the conditions under which these allocations were developed. It is significant to note that the level of ESF funding available to Ireland in the next Operational Programme is, at €375m, much reduced on the €1.2 billion approx. for the period 2000-2006.

## **1.8 Consultation on the Operational Programme**

The Operational Programme was developed by the Managing Authority having regard to the preparations of the National Development Plan 2007-2013 and the other relevant strategic plans and policies. Most of these are described in Chapter 3. Further consultation with the Monitoring Committee in writing and at two special meetings of the committee offered a comprehensive opportunity for the key players in Human Capital Investment to contribute in a meaningful way to the Operational Programme. Detailed pro-active discussions with relevant Government Departments and Agencies were also undertaken by the Managing Authority in preparing the Programme. In addition to the above actions, formal invitations were sent to all Intermediate Bodies and Government Agencies and relevant Non Government Organisations inviting them to contribute to the decision making process on how the Structural Funds available to Ireland for the period 2007-2013 should be allocated and to put forward proposals for programmes or interventions to be co-funded by the ESF in the new Operational Programme.

### **Comments and formal submissions were received from:**

- The Department of Education and Science, which has been a key delivery agent for the ESF in Ireland, propose to continue this role, and to use ESF funding to complement national investment in a number of areas:
  - To facilitate and improve access to the labour market by promoting participation of students with disabilities, students from disadvantaged backgrounds and mature 'second chance' students
  - To respond to the needs of unqualified early school leavers in Ireland

- Provide new opportunities for learning through the provision of flexible part-time and full-time programmes
  - Ensure increased access to literacy, numeracy and basic education for adults whose skills are inadequate for participation in society
  - Provide additional third level places to meet the identified skills needs of the high technology sector
- FÁS, Ireland's national training and employment authority, which proposes investing in a new Disability strategy, which will result in an enhanced service to its clients, founded on its existing range of provision including Specialist Training Providers, FÁS Training Centres and employment supports. FÁS also proposes to deliver Measures dealing with the issues of Skills Training, In Company Training and providing these particular skills to Non-Nationals and Migrants
  - The Department of Justice, Equality and Law Reform proposes a series of actions which focus on enhancing the employability of young people facing social exclusion through crime or other societal problems and encouraging greater female participation in the work force by ensuring that labour market programme design and delivery accommodates diversity and enhances access, participation and outcomes for groups experiencing labour market inequality across the nine grounds covered by Irish equality legislation.

Other organisations and State Bodies, which were consulted during the development of the Operational Programme include:

- EHRDOP 2000-2006 Monitoring Committee
- The ESF Paying Authority
- The ESF Financial Control Unit
- The Internal Audit Section of the Department of Enterprise, Trade and Employment
- NDP Gender Equality Unit
- The Department of Finance
- Combat Poverty Agency
- Chambers of Commerce of Ireland
- SIPTU
- Irish Congress of Trade Unions
- Irish Business and Employers Confederation
- Irish National Organisation of the Unemployed
- BMW and SAE Regional Assemblies
- NUTSIII Regional Authorities
- European Anti Poverty Networks

## Chapter 2

### 2. Economic and Labour Market Overview

#### 2.1 Introduction

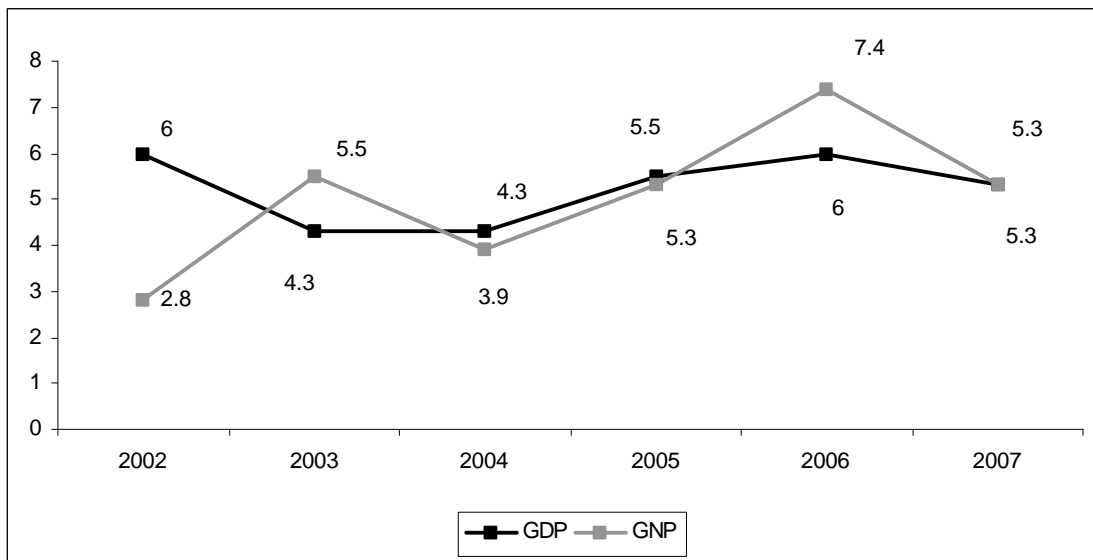
This chapter discusses the main macro-economic, labour market and socio-economic developments since 2000, i.e. since the start of the current Employment and Human Resource Development Operational Programme. It also provides a SWOT analysis to identify the strengths and weaknesses in the Irish labour market at this time. The chapter identifies the key high-level challenges facing human capital policy-makers for the period ahead and shows how these derive from the messages that the economic and labour market analysis provide.

Since this Operational Programme was written and agreed with the European Commission, the economic situation in Ireland has changed very significantly. The worldwide economic crisis has impacted severely on Ireland and, in addition, a collapse in the construction sector has exacerbated the problems facing the Irish economy. The revisions to this Chapter in 2009 seek to set out the impact on the labour market of the economic crisis and to set out the response of the Irish Government in its labour market policy. Updates on the latest developments are added to relevant paragraphs of this Chapter and the Needs Analysis and Conclusion sections are amended to reflect the need to revise the priorities for ESF investment in Ireland

#### 2.2 Trends in GDP and GNP

Figure 2.1 shows the trends in Gross Domestic Product (GDP), or national output, and in Gross National Product (GNP), or national income, over the period 2000-2007. It shows that the rate of growth in both GDP and GNP was 4-5% in the period 2003 to 2005, down on the higher growth rates during the earlier years of the programme. 2006 saw a significant rise in both GNP (to 7.4%) and GDP (6%), driven by strong growth in consumption and investment and Department of Finance estimated rates for 2007 predict a return to more sustainable rates of growth for the next number of years with a growth rate of 5% expected for 2007.

**Figure 2.1 Trends in GDP and GNP 2000- 2007**



Source: Department of Finance, Monthly Economic Bulletin, April 2007

The overall slower rate of growth reflects the slow down that occurred in the world economy in 2001. And the closer the rate of growth in GDP and GNP since 2003 reflects a reduction in profit repatriation from multi-national operations in Ireland. More similar GNP/GDP growth rates also reflect growing inflows from Irish investments abroad, as well as the fact that much of Ireland's economic growth is due to the domestic economy.

Despite the slow down in growth rates the data point to a continued solid economic performance by Ireland. Although more detailed examination of the data suggests that consumer demand and investment picked up while net exports (exports minus imports) declined in 2005, reflecting a more rapid increase in the value of imports than exports.

Despite this, the economy has the potential to continue to record strong growth in the coming years, albeit less than in the previous decade, as shown in Table 2.1. Indeed, a recent report of the European Forecasting Network forecasts Ireland to have the highest rate of growth in real GDP growth in 2006 and in 2007 among the original EU-15 countries.

Table 2.1 Forecast under High Growth and Low Growth Scenarios

	2006	2007	2008	2009	2010	2011	2012
<b>High growth scenario</b>							
<b>GNP</b>	4.8	5.6	5	4.7	4.6	4.4	3.5
<b>GNP per worker</b>	2.5	3.6	2.6	2.1	1.6	1.8	1.2
<b>Low growth scenario</b>							
<b>GNP</b>	4.8	3.8	3.4	2.7	3	3.3	3.3
<b>GNP per worker</b>	2.5	2.5	2	1.6	1.4	2	2

Source: ESRI, 'Medium-Term Review', 2005

Since this Operational Programme was completed in 2007, the economic situation has deteriorated significantly. The results for the First Quarter 2009 show that GDP was 8.5 % lower than a year ago and GNP was 12% lower in the same period<sup>1</sup>. This trend is expected to continue with a total contraction in the Irish economy of 14% expected for the period from 2008-2010.

These revised economic figures have been factored into the Irish Government's budgetary framework and were reflected in the economic recovery plan (Framework for Sustainable Economic Renewal) submitted to the European Commission in January, 2009. The economic scenario has implications for Government finances, spending plans and also for employment and unemployment prospects in the medium term.

### **2.3 Trends in Wages and Consumer Prices**

Figure 2.2 shows the trend in average wages and in consumer prices over the period 2000-2005, and forecast wage growth for 2006 and 2007. It shows that the rate of growth in wages since 2003 has been around 5.3%, and this rate of growth looks set to continue into 2007 and fall in 2008 to 4.6%.

It is also clear from Figure 2.2 that while the rate of wage growth is less than that experienced over the first three years of the programme, when wages increased by more than 7% each year, overall inflation has also declined in line with wages.

There has been a similar pattern in consumer prices, i.e. the rate of increase in the two years since the Mid Term Evaluation (MTE) has been less than that recorded during the first three years of the programme. Consumer prices increased by 3.5% in 2003 and by 2.2% in 2004, compared to increases of more than 4.6% over each of the first three years of the Employment and Human Resources Operational Programme. However the rate of growth in inflation continued with increases of 2.5% and 4% recorded in 2005 and 2006 and predicted rates of 4.6% for 2007. A fall in consumer price growth to 2.6% is anticipated for 2008.

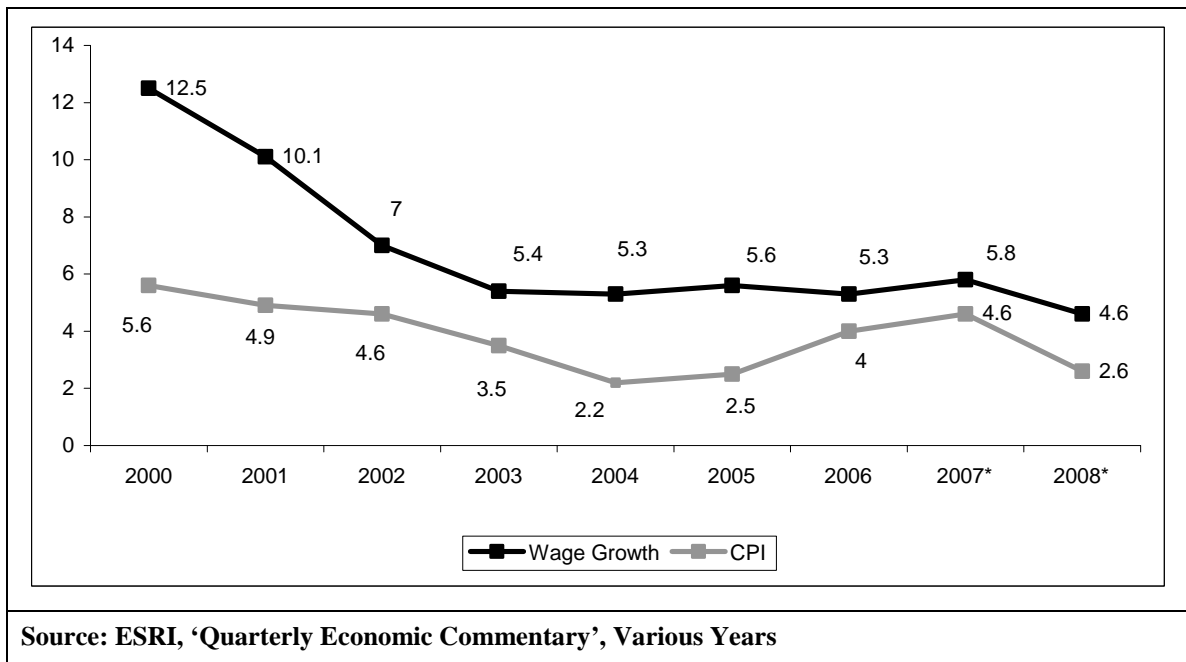
The reduction in wage growth over the last two years reflects the increase in supply relative to demand. Nevertheless, while the rate of wage growth since the MTE has been less than that of the earlier years of the programme, so too has the rate of inflation growth. As a result, workers continued to experience growth in real earnings.

The National Statement in relation to 'Examination of Ireland's 4<sup>th</sup> and 5<sup>th</sup> Reports under the Convention on the Elimination of All Forms of Discrimination Against Women' notes that progress has been made in relation to the gender pay gap, which is close to the EU average of 16%.

---

<sup>1</sup> ESRI QEC Spring 2009

**Figure 2.2 Trend in Wages and in the Consumer Price Index 2000-2008**



While official statistics on wage levels for all sectors are not yet available for the period of the economic recession, it is clear that there have been falls in income levels during that period. The ESRI states that it expects wages to fall by a nominal 4% in 2009, in addition to whatever falls were experienced in 2008. This implies a greater fall in real wages and in disposable incomes given the effect of income and other levies introduced in recent budgets by the Government.

Consumer prices have been reducing in recent months such that the CPI was 2.6% lower in March 2009 than in March 2008. This is driven principally by falling mortgage interest rates and commodity prices such as food, clothing and footwear and oil-related products. The ESRI expects the CPI to fall by 4.6% in 2009 overall. Despite these falls, it is likely that consumption will continue to fall sharply and savings will increase this year, causing demand in the economy to be depressed and limiting scope for spending and investment in both the private and public sectors

## 2.4 Trends in Population and Migration

Table 2.2 shows the change in population since 2000. The CSO estimates the population increased to over 4.23m in 2006. This is an estimated increase of 445,300 or 11.75% since 2000, up from 3.79m in 2000.

**Table 2.2 Estimated Change in Population by Age Group 2000-2006**

Year	2000	2006	Change	% Change 2000-06
<4	266.1	304.9	38.8	14.5%
5-14	561.8	559.6	-2.2	-0.39%
15-19	329.4	294.3	-35.1	-10.67%
20-24	311.9	344.9	33	10.6%
25-39	847.1	1036.7	189.6	22.38%
40-54	724.6	815	90.4	12.48%
55-64	324.0	408.6	84.6	26.11%
64+	424.7	470.6	45.9	10.81%
Total	3,789.6	4234.9	445.3	11.75%

**Source: CSO, 'Population and Migration Estimates', Various Years**

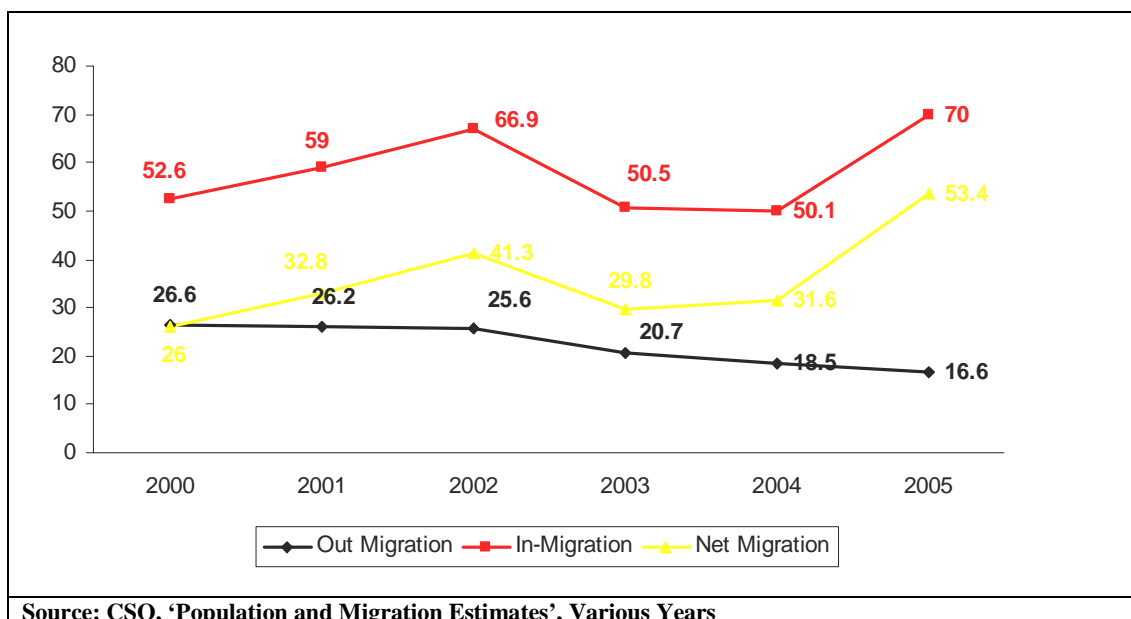
Most age groups experienced an increase in size between 2000 and 2006, the two exceptions were people aged 5-14 and 15-19. The decrease was most notable in the 15-19 age group. This is key age group for secondary and tertiary education, which decreased by 10.67% or 35,100.

The age groups with the largest growth, in absolute terms, were those aged 25-39 and 40-54 with increases of 189,600 and 90,400 respectively. These groups represent the majority of the labour market. Also, the 55-64 age group experienced a large percentile increase of 26.11% over the five years, which equates to 84,600 in real figures. This reflects the beginning of our population aging process.

An important factor in Ireland's population growth since 2000 has been the continued net in-migration, which reached 69,900 in 2006. Figure 2.3 shows that out-migration has decreased every year since 2000, and that in-migration increased in most years (with the exception of 2003) and reached a high of 86,900 in 2006.



**Figure 2.3 Trends in Migration 2000-2006**



Source: CSO, 'Population and Migration Estimates', Various Years

In May 2004 the ten accession countries joined the EU. This had the effect of increasing the size of the labour supply, as measured by the labour force, in the European Union by 33.3mn an increase of 19%. Following this, the number of PPS numbers issued in Ireland more than doubled. This increase was driven primarily by the increase in the numbers of workers in Ireland from Poland, Lithuania, Latvia, Slovakia, the Czech Republic and Estonia. Net inward migration is forecast to continue over the period of the ESF Human Capital OP 2007-2013, see Table 2.3.

**Table 2.3: Net Migration Forecasts to 2012**

	2006	2007	2008	2009	2010	2011	2012
<b>High growth scenario (000's)</b>	29.7	27.3	27	29	31.5	34.2	36.7
<b>Low growth scenario (000's)</b>	29.7	27.3	25	24.1	23.1	22.1	21.1

Source: ESRI Medium-Term Review, 2005

Population projections from the Department of Environment, Heritage and Local Government suggest that the population will increase by 420,000 or 9.9% to 2011. The Mid-East and Dublin regions will account for 38.9% of the total increase in the population. See Table 2.4.

**Table 2.4 Regional Population Projects to 2011**

<b>Region</b>	<b>2006</b>	<b>2011</b>	<b>Change</b>	<b>% Change</b>	<b>% Share of total change</b>
Mid East	475,026	537,033	62,007	13.05%	14.76%
West	413,383	454,380	40,997	9.92%	9.76%
Dublin	1,186,159	1,287,504	101,345	8.54%	24.13%
Midland	251,380	284,690	33,310	13.25%	7.93%
South East	460,474	506,142	45,668	9.92%	10.87%
Mid West	360,651	391,764	31,113	8.63%	7.41%
Border	467,327	513,674	46,347	9.92%	11.04%
South West	620,525	679,738	59,213	9.54%	14.10%
State	4,234,925	4,654,925	420,000	9.92%	100.00%
<b>Source: Department of the Environment and Local Government, National and Regional Population Projections, February 2007</b>					

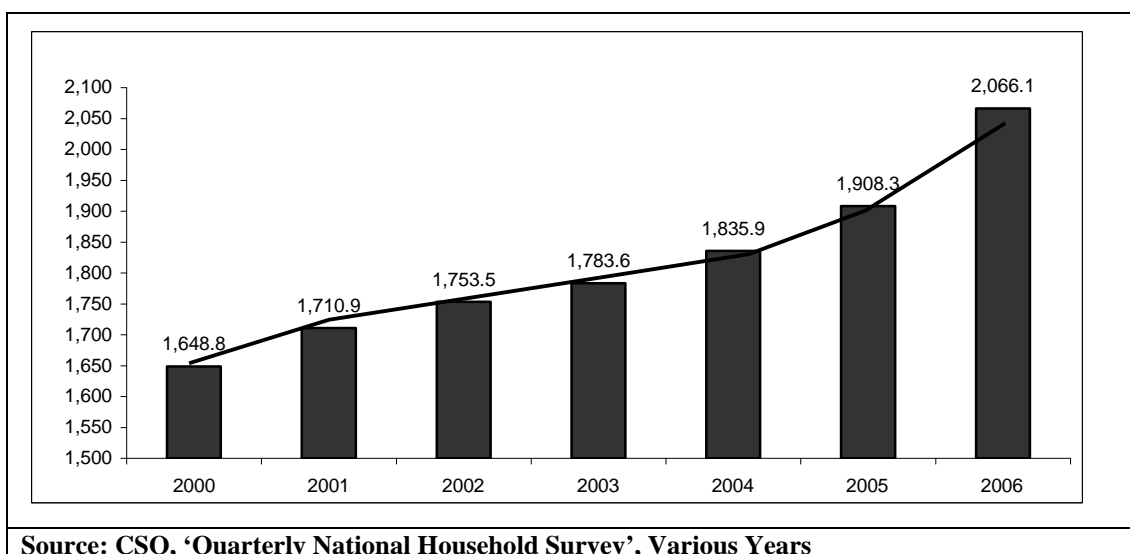
With the decline in economic performance during 2008 and this year, it is clear that trends in population growth and labour force growth have been reversed. As well as anecdotal evidence of outward migration flows returning, the latest CSO QNHS results indicate a fall in non-Irish nationals in the labour force of almost 30,000 year on year at March 2009. The same survey shows a decline in the overall labour force of some 2% year on year and it is anticipated that this trend will continue for the foreseeable future. It is expected that Ireland will experience net emigration in coming years as opposed to the inward migration that was forecast when this Operational Programme was being designed.

## 2.5 Labour Market Overview

### 2.5.1 Overall Trends in Employment

Figure 2.5 shows the trends in employment over the 2000-2006 period, the bars show the overall level of employment and the line highlights the trend in employment. The figure shows that over the seven-year period employment increased by 417,300 or 25.3%. Employment increased continuously over the period of the programme, with positive growth rates each year.

**Figure 2.5 Trend in Employment Q1 2000 to Q4 2006**



Following on from the increase in employment, employment rates have increased and the employment rate in 2006 is the highest it has ever been. See Figure 2.6.

**Figure 2.6 Trend in Employment Rates Q1 2000 to Q1 2006**

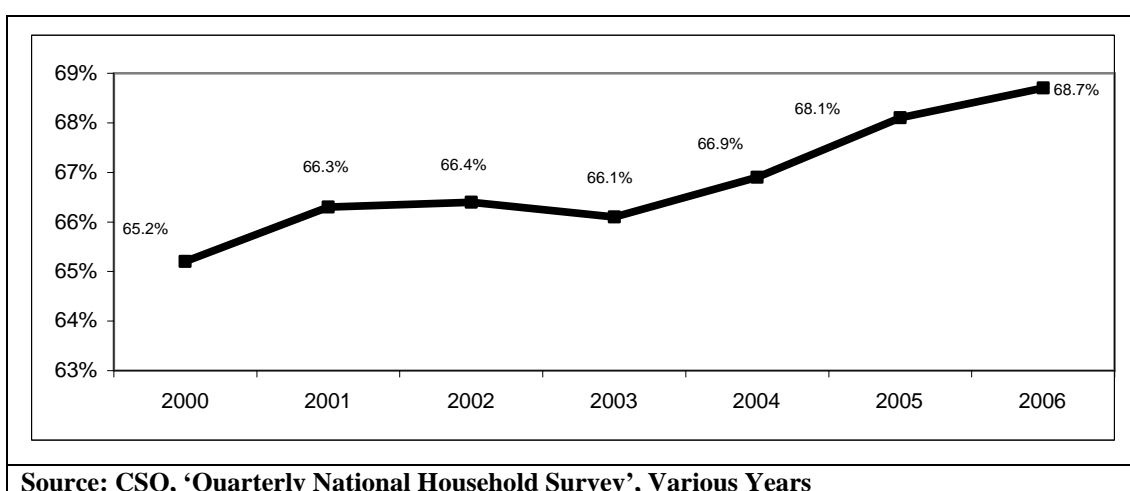


Table 2.5 shows the trend in employment since 2000 by sector. It shows the very rapid growth in employment in the construction sector, where employment increased by 76.7% or 122,200 since 2000. In fact the sector accounted for 29.3% of the growth in employment over the period. However, this level of growth is unlikely to continue

in the construction sector and in the medium-term we are likely to see a reduction in employment numbers arising from the reduction in housing completions and the reduced level of infrastructure investment during 2007-2012. It is also important to point out that not only did the long-run decline in employment in agriculture continue (down by 19,700 or 14.5%), but that employment in manufacturing ('other production industries') also declined, down by 19,900 or 6.4%

**Table 2.5 Trend in Employment by Sector Q1 2000 to Q3 2006 ('000s)**

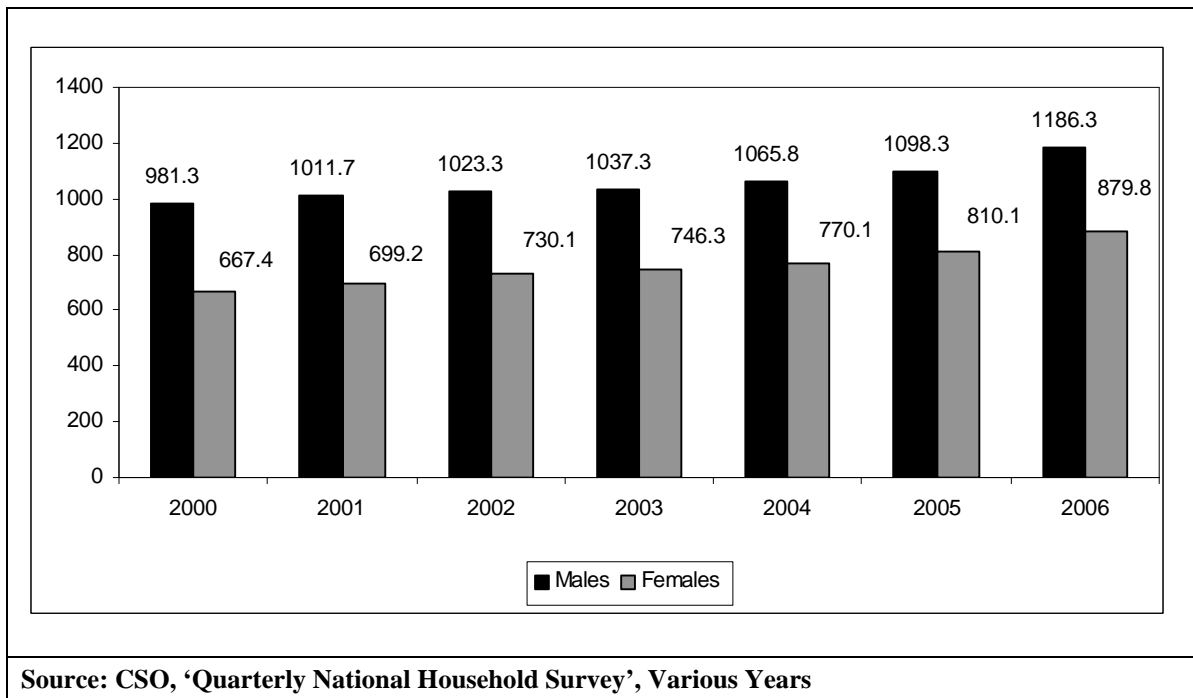
Economic Sector	Q1 2000	Q4 2006	Change	% Ch.
A-B Agriculture, Forestry and Fishing	135.5	115.8	-19.7	-14.5
C-E Other Production Industries	312	292.1	-19.9	-6.4
F Construction	159.4	281.6	122.2	76.7
G Wholesale and Retail Trade	232.3	288.3	56	24.1
H Hotels and Restaurants	104.6	116.6	12	11.5
I Transport, Storage and Communication	101.6	117.2	15.6	15.4
J-K Financial and Other Business Services	205.3	278	72.7	35.4
L Public Administration and Defence	77.4	105.1	27.7	35.8
M Education	101.2	139.6	38.4	37.9
N Health	126.6	210.2	83.6	66.0
O Other Services	92.9	121.6	28.7	30.9
<b>Total</b>	<b>1648.8</b>	<b>2066.1</b>	<b>417.3</b>	<b>25.3</b>

### 2.5.2 Trends in Employment by Gender

As figure 2.7 illustrates, the trend in male and female employment was similar to the overall trend in employment, with both males and females experiencing year on year growth during the period. Female employment steadily increased over the period with growth rates consistently surpassing that of males, with the exception of equal growth in Q1 2006. For example, female employment increased by 40,000 (5.2%) during 2004 and also by 38,000 (4.7%) during 2005. During the same period, male employment increased by 32,500 (3%) and 51,500 (4.7%).

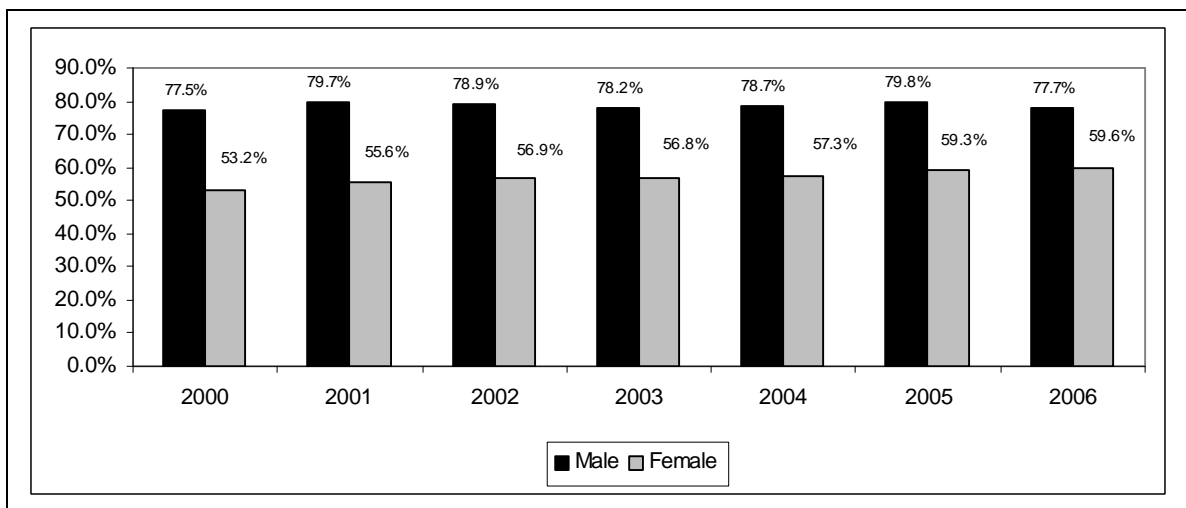
The rapid increase in female employment growth has meant that the female share of employment has increased consistently. At the beginning of 1999, female employment stood at 39.9% of overall employment. As a result of the increasing year on year growth, it now accounts for 42.5% of total employment.

**Figure 2.7 Trend in Employment by Gender Q1 2000 to Q4 2006**



Employment rates for both men and women have increased in recent years. This increase can be attributed to the consistently higher rate of employment growth when compared to the growth of the working-age population. As a result, the male and female employment rates, for the 4th Qtr of 2006, show male employment at 77.7% and the employment rate for females reached 59.6%.

**Figure 2.8 Trend in Employment Rates by Gender Q1 2000 to Q4 2006**

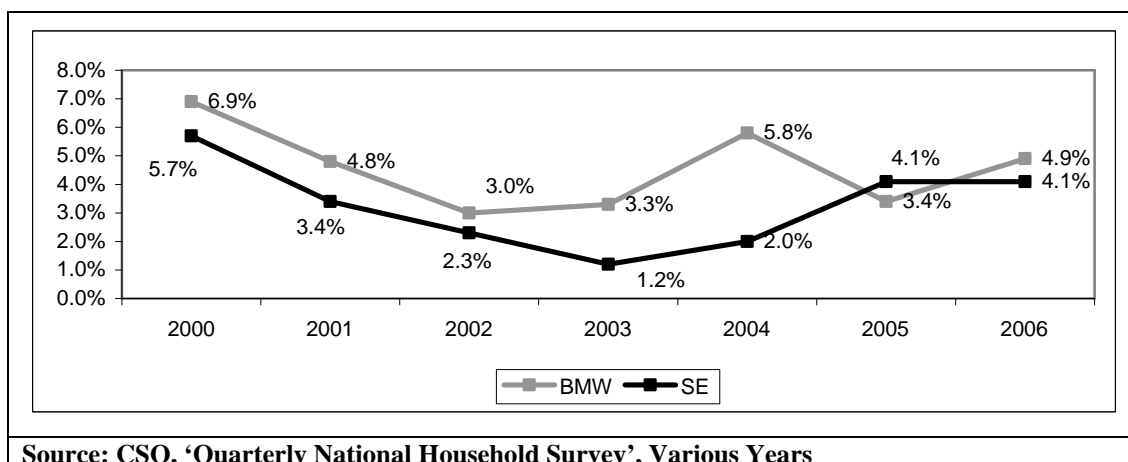


### 2.5.3 Trends in Employment by NUTS II Regions

Figure 2.9 shows the annual growth rates in employment in the Southern and Eastern region and in the Border Midland and Western region for 2000 to 2006. Over the period as a whole the Border, Midland and Western region experienced higher growth rates, although more in line since 2005. As a result, over the entire period the Border Midland and Western region increased its share of national employment from 24.4% in Q1 2000 to 25.7% in Q4 2006 (CSO, QNHS, Q4 2006).

Employment rates in the Border, Midland and Western region remained below those in the Southern and Eastern region in 2005, at 67.5% and 68.9% respectively. CSO Q4 2006 data shows an increase in employment in the BMW region of 24,800 (+4.9%) and 60,700 (+4.1%) in the S&E region.

Figure 2.9 Trend in Employment Growth by NUTS II Region Q1 2000 to Q1 2006



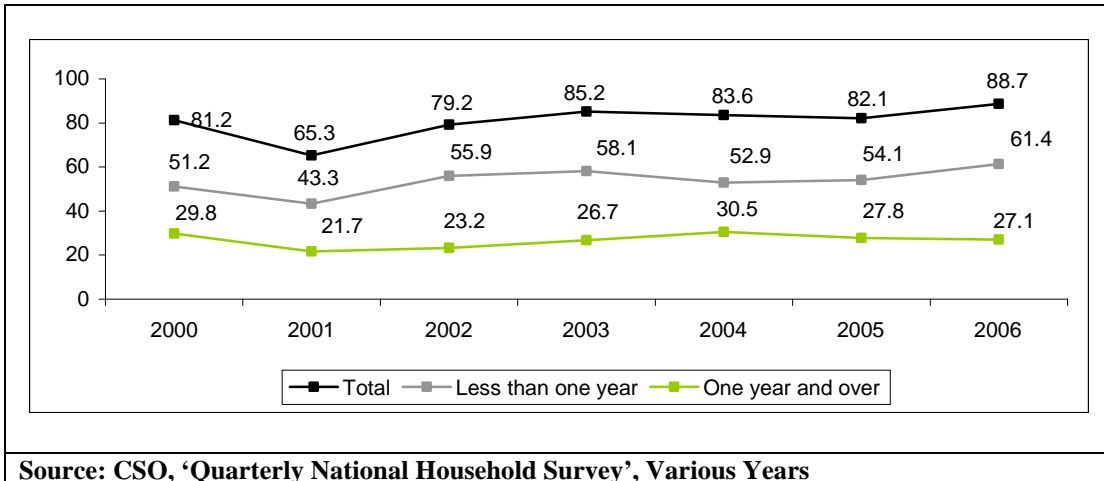
Source: CSO, 'Quarterly National Household Survey', Various Years

### 2.5.4 Overall Trends in Unemployment

Unemployment has increased from 81,200 in 2000 to 88,700 at the end of 2006. Since 2000, the short-term unemployment figure has increased by 10,200 (a 20% rise), but in contrast the number of long-term unemployed decreased by 2,700 (9.1%). A notable feature is the contrasting trends since the beginning of 2004, where short-term unemployment growth has consistently increased and long-term unemployment growth has decreased (see Figure 2.10).

The trend in the number of notified redundancies increased from 25,361 in 2000 to 27,702 in 2003 and then decreased to 23,156 in 2005. Looking at the numbers on the live register at the end of each year we see that the numbers decreased from 159,800 to 157,000 between 2004 and 2005 and have since increased to 158,800 in 2006.

**Figure 2.10 Trend in Unemployment Q1 2000 to Q4 2006**



Since 2000, both the overall and long-term unemployment rates have decreased from 4.7% to 4.1% and from 1.7% to 1.3% respectively, as shown in Figure 2.11. As a result, Ireland has one of the lowest unemployment rates in Europe.

**Figure 2.11 Trend in Unemployment Rates Q1 2000 to Q4 2006**

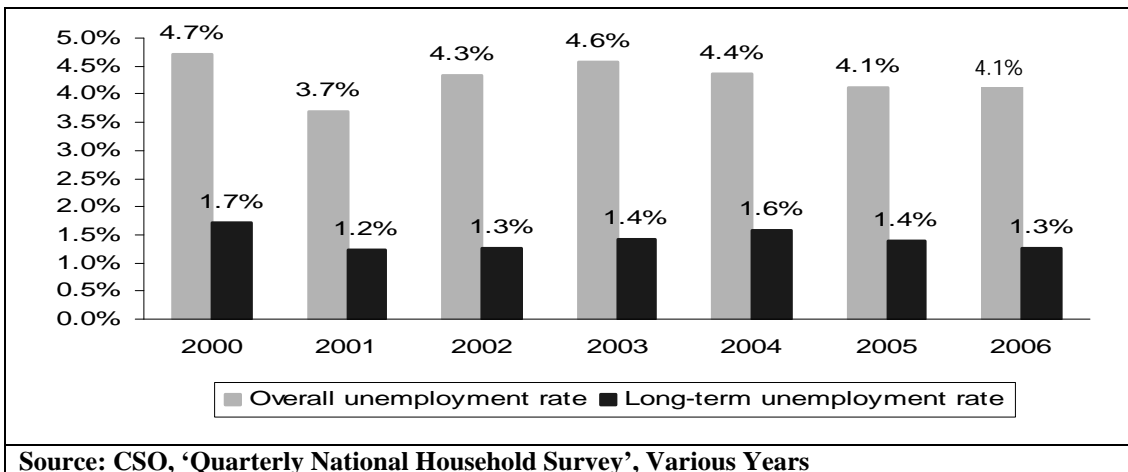


Table 2.6 outlines unemployment rate forecasts in the Medium-term. Should the low growth scenario emerge, the forecasts suggest that unemployment will increase to the 7% band in the period 2010-2013. However it should be noted that should this outcome materialise, the forecasted rates will still be very low by both international standards and by Irish historical standards.

**Table 2.6 Medium Term Unemployment Forecasts**

	2007	2008	2009	2010	2011	2012
<b>High growth scenario</b>						
Unemployment rate - ILO	4.8	4.7	4.4	3.6	3.2	2.6
<b>Low growth scenario</b>						
Unemployment rate - ILO	5.3	6.1	6.9	7.1	7.5	7.3

### 2.5.5 Trends in Unemployment by Gender

The trend in male and female unemployment since 2000 is similar to that of the overall trend in unemployment discussed earlier. For both males and females, short-term unemployment has increased while long-term unemployment has decreased in the period Q1 2000 to Q4 2006.

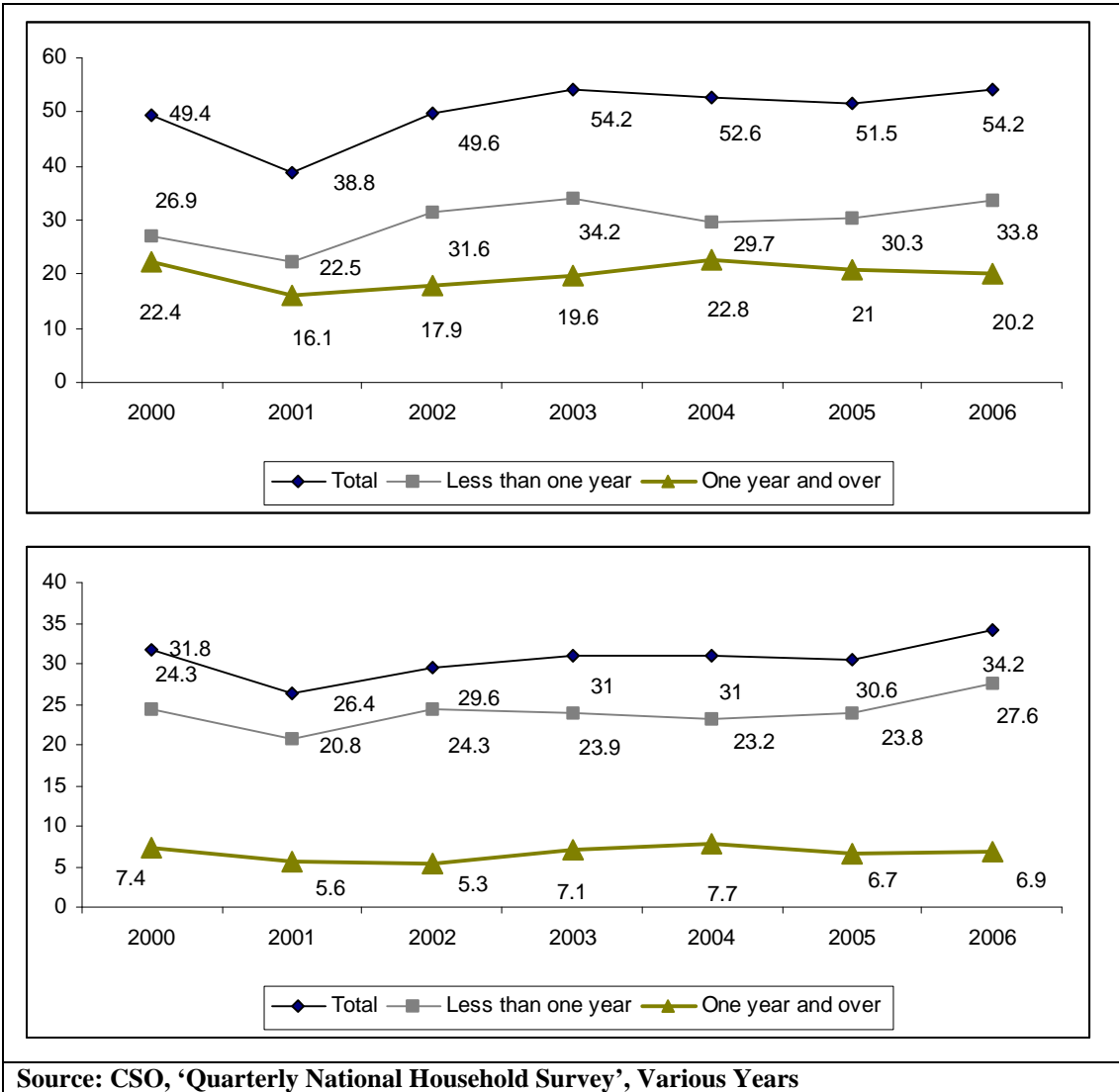
The number of short-term unemployed males has increased from 26,900 in 2000 to 33,800 in 2006, while the number of long-term unemployed males has decreased from 22,400 to 20,200 over the same period. For females, the number of short-term unemployed has increased to 27,600 from 24,300, while the number of long-term unemployed females has decreased to 6,900 from 7,400.

The male unemployment rate decreased from 4.8% in Q1 2000 to 4.4% in Q4 2006. The female unemployment rate decreased from 4.5% to 3.8% over the same period. Long-term unemployment rates for both genders have also fallen since 2000. The male rate fell from 2.2% in 2000 to 1.6% in 2006, while the female rate fell from 1.1% to 0.8% over the same period. See Figure 2.12.

The latest figures from the CSO 4<sup>th</sup> Qtr states that there were 54,200 males (4.4%) and 34,500 females (3.8%) unemployed in that period, a decrease of 100 for males and 2,500 for females.

Figure 2.12 Trend in Unemployment Q1 2000 to Q1 2006



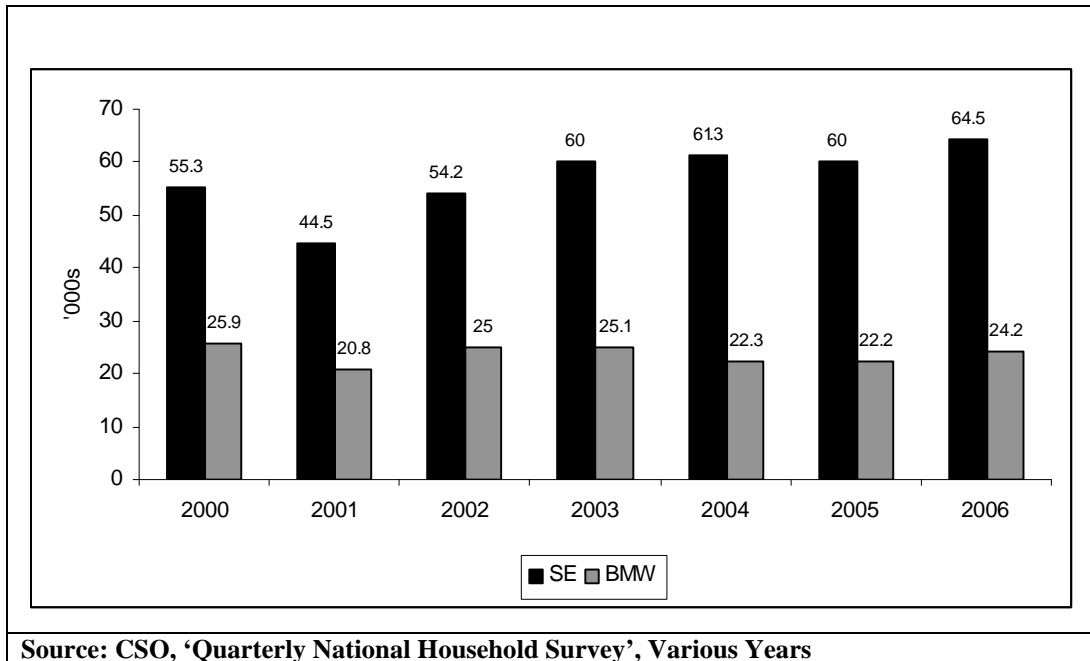


Source: CSO, 'Quarterly National Household Survey', Various Years

### 2.5.6 Trends in Unemployment by NUTS II Regions

Figure 2.13 shows the trend in unemployment in the Southern and Eastern Region, and in the Border, Midland and Western Region over the period Q1 2000 to Q4 2006. Unemployment increased to 2006 was greater in the Southern and Eastern Region with the result that comparing Q1 2000 with Q4 2006 shows that unemployment in the Southern and Eastern Region increased by almost 9,200 or 16.6% whereas unemployment in the Border, Midland and Western Region decreased by 1,700 or 6.6%.

Figure 2.13 Trend in Unemployment by NUTS II Region Q1 2000 to Q1 2006



As a result of the above trends the unemployment rate in the Border, Midland and Western Region decreased more significantly than the unemployment rate in the Southern and Eastern Region. The unemployment rate decreased in the former from 6% in Q1 2000 to 4.4% in Q4 2006. While in the latter, the unemployment decreased to 4%, compared with 4.2% at the beginning of 2000 (CSO, QNHS, Q4 2006).

The numbers in employment in Ireland have fallen quite rapidly in 2008. The CSO QNHS at March 2009 shows that the numbers at work fell from 2.124m at March 2008 to 1.965m at March 2009, a fall of more than 158,000 in one year. This is expected to continue through this year and into 2010 at least as the economy contracts.

Unemployment, as measured by the QNHS, more than doubled in the same period from 109,000 to 222,000. The numbers signing on the Live Register has reached 418,600 at the end of June 2009. This is an increase of over 197,000 since June 2007. The ESRI project that unemployment will average 13.2% in 2009 and 16.8% in 2010. While these forecasts are slightly better than previous estimates, they still indicate significant challenges in the Irish labour market in the coming years.

## 2.6 Poverty and Social Exclusion

Poverty and social exclusion are defined in the NDP as:

*“People are living in poverty if their income and resources (material, cultural and social) are so inadequate as to preclude them from having a standard of living which is regarded as acceptable by Irish society generally. As a result of inadequate income and resources people may be excluded and marginalised from participating in activities which are considered the norm for other people in society”.*

The strong performance of the Irish economy over the last decade has been an important factor in combating poverty and social exclusion. Firstly, the enormous growth in employment has made a very significant reduction in unemployment, facilitated increased participation of women in the labour force, reversed the previous phenomenon of involuntary emigration and produced a real increase in standards of living. Accessing and retaining employment has proved to be one of the most important routes out of poverty. Success in this area has been complemented by the introduction of the minimum wage, the reform of the tax system and the greater flexibility of the social welfare system aimed at supporting people into employment.

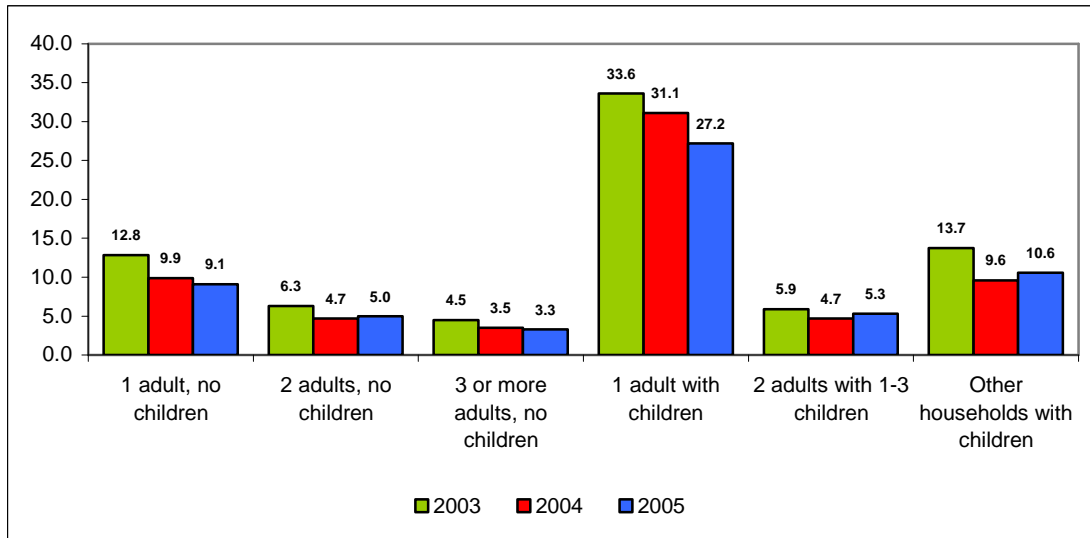
Secondly, the success of the economy has produced the resources to significantly augment public investment in tackling social inclusion. This has been manifested not only in the large increases in income of those dependent on social welfare payments but in the public investment made under the previous NDP in housing, health services, childcare, education inclusion, training, community development and social inclusion generally.

However, despite unprecedented economic performance over the last decade and an overall increase in living standards for everyone, some groups and communities continue to experience poverty and social exclusion. These include: households headed by a person working in the home, particularly lone parents; retired persons; people with disabilities; and those who are unemployed, although the number in this latter group has declined significantly. Certain minority groups, such as Travellers, face particular problems, while newcomers in Irish society present new challenges to achieving social cohesion.

The results from the EU Survey on Income and Living Conditions (SILC) published in November 2006, show that in 2005 19.7% of the population was at risk of poverty compared to 20.1% in 2003. That is, 19.7% of the population was living in households where the income (on an equivalised basis) is less than 60% of the median at an individual level.

The report also shows that in 2005, 7.0% of people were living in consistent poverty and lacked at least one of eight basic deprivation indicators, compared to 8.8% in 2003. As seen in Figure 2.14 there has been an across the board reduction in poverty levels since 2003, however the incidence for consistent poverty is still very high for lone parents at 27.2%.

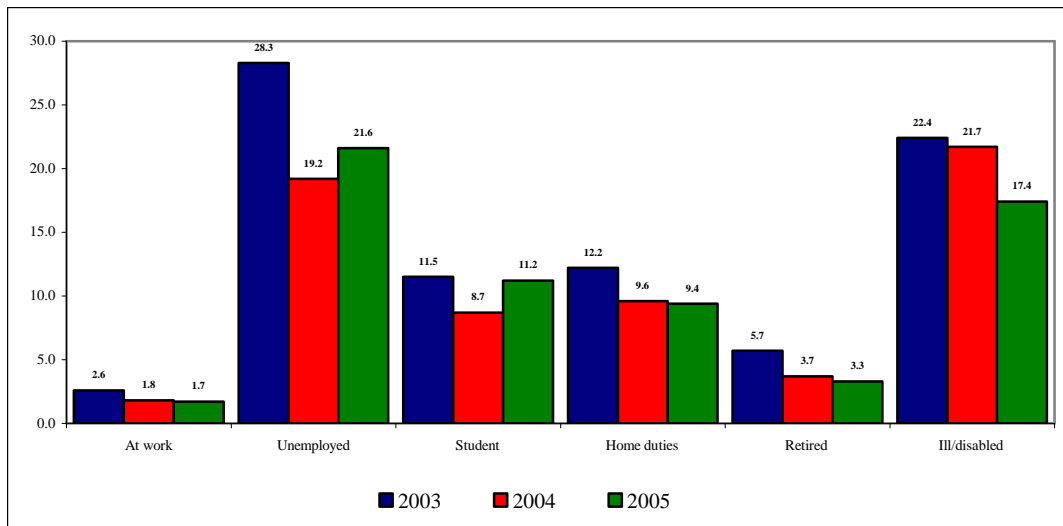
**Figure 2.14 Consistent Poverty (at 60% Level) By Household Composition**



Source: CSO, 'EU SILC', 2006

Figure 2.15 also illustrates the general trend in reduction in levels of consistent poverty since 2003 and also clearly shows the impact that employment has in relation to poverty, with over 21% of unemployed people and 17.4% of disabled people experiencing consistent poverty.

**Figure 2.15 Consistent Poverty (at 60% Level) By Principal Economic Status (Aged 16 and over)**



Source: CSO, 'EU SILC', 2006

Table 2.6 shows the number of people in receipt of social welfare payments in 2000 and in 2005. The number of people in receipt of social welfare payments increased by 41,800 or by 4.5%. This overall increase reflected a rapid rise in the numbers in receipt of 'illness, disability and caring' (which saw an increase of 60,000 recipients or 33%) and 'child related payments' (49.4% or 4,000). At the same time there were large decreases in recipients of 'employment supports' and 'other categories', down 25,000 (38.9%) and 62,000 (68.7%) respectively.

**Table 2.6 Trend in the Number of Social Welfare Recipients 2000-2005 (000's)**

<b>Category</b>	<b>2000</b>	<b>2005</b>	<b>Change 2000-2005</b>	<b>% Change 2000-2005</b>
<b>Old age pensions</b>	267.8	311.2	43.4	16.2%
<b>Widowed and One parent Families</b>	206.1	215.7	9.6	4.7%
<b>Child related Payments</b>	8.1	12.1	4	49.4%
<b>Illness, disability and caring</b>	181.6	241.6	60	33.0%
<b>Unemployment supports</b>	116.1	128.1	12	10.3%
<b>Employment supports</b>	64.8	39.6	-25.2	-38.9%
<b>Other</b>	90.3	28.3	-62	-68.7%
<b>Total</b>	934.8	976.6	41.8	4.5%

**Source: CSO, Health and Social Conditions, Various Years.**

Despite the recent striking performance of the Irish economy and increased public investment in tackling the issues of social inclusion, the National Development Plan 2007 – 2013 identified the following groups and communities as continuing to experience poverty and social exclusion:

- Households headed by a person working in the home, particularly lone parents
- Retired Persons
- People with Disabilities
- Unemployed Persons
- Travellers and Minority Groups

The National Report for Ireland on Strategies for Social Protection and Social Inclusion 2006 – 2008, identified the following four priority policy objectives:

- Child poverty
- Access to quality work and learning opportunities (activation measures)
- Integration of immigrants
- Access to quality services

Area Development Management Ltd<sup>2</sup> (now known as POBAL) published a report 'Deprivation and its Spatial Articulation in the Republic of Ireland – New Measures of Deprivation based on the Census of Population, 1991, 1996 and 2002' (Haas & Pratschke, 2005) which indicated that the overall level of deprivation in Ireland fell substantially in the period 1991 to 2002, although the relative change in deprivation (i.e. the relative deprivation of one area compared with the rest of the country within the one time period) was limited. It also noted that the worst affected areas in 1991

<sup>2</sup> AREA DEVELOPMENT MANAGEMENT LTD (ADM) was an intermediate company, operating under Company Law. It was established by the Irish Government in agreement with the European Commission to promote social inclusion, reconciliation and equality and to counter disadvantage through local social and economic development. It has now changed its name to POBAL.

were generally the worst affected areas in 2002. The most deprived urban areas tended to be mainly in the Southern and Eastern Region, while the deprived rural areas were mainly in the BMW Region.

The study also identifies pockets of labour market disadvantage and found that: *‘The labour market dimension is predominantly urban in nature, and the most accentuated concentrations of unemployment are to be found in urban areas. Interestingly, however, there are also extensive areas of acute labour market deprivation in rural Ireland, notably larger parts of Donegal, West Mayo and West Galway. Other than this, labour market deprivation is less significant within rural Ireland, in line with our hypothesis that prolonged negative labour market conditions in rural areas tend to lead to emigration from these areas, as well as to underemployment, both of which artificially reduce the extent of current labour market deprivation, as measured by such indicators as the unemployment rate.’*

## 2.7 Productivity

Figure 2.16 shows the trend in productivity per worker over the period 1995 to 2004, as measured by GDP per worker and GNP per worker. It shows that productivity per worker, when measured by GDP per worker increased by 36% or a compound rate of 3.5%. This has been a much higher rate of growth compared to the EU average over the same period and has enabled Irish output per worker to converge on and exceed the EU average.

Ireland’s productivity performance is less impressive when measured by GNP per worker, which shows an increase of 21% or a compound rate of 2.2%. GNP is a measure of income levels and growth in GNP drives increases in living standards of the population. The lower levels of productivity growth, based on the GNP measure reflect the much higher levels of productivity growth recorded by multi-nationals than by indigenous firms.

**Figure 2.16 Trend in Irish Productivity 1995-2004**

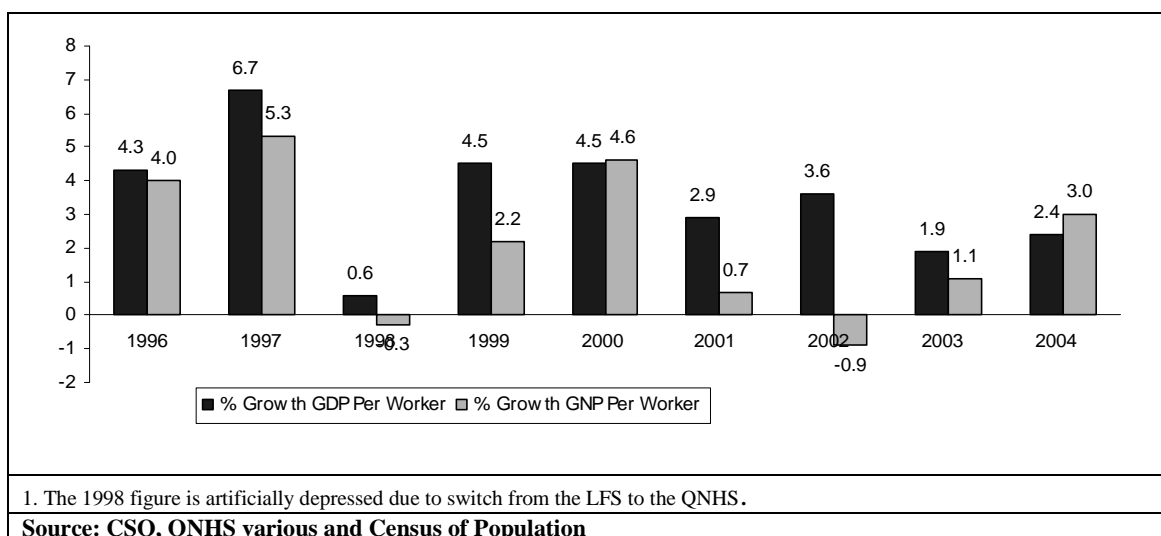


Figure 2.16 also shows that Irish productivity growth since 2000 has been much less than in the previous five years. Productivity growth averaged 4.1% (GDP measure)

and 3.1% (GNP measure) per annum during the years 1995 to 2000, whereas it averaged only 2.7% (GDP measure) and 1% (GNP measure) from 2000 to 2004.

Undertaking international comparisons of productivity shows the dual sided productivity performance of the Irish economy. Based on a GDP measure of productivity Ireland scores very well - Table 12.7 shows that Ireland ranks first in a comparison of twelve countries. However, based on a GNP comparison Ireland falls to eight place in a comparison of twelve countries.

**Table 2.7 Comparative Indicators of Ireland’s Productivity Performance**

<b>GDP: Overall Productivity<sup>1</sup></b>	<b>GNP: Hourly Productivity<sup>2</sup></b>	<b>Productivity in Private Services<sup>3</sup></b>	<b>Productivity in Public Sector<sup>4</sup></b>
<b>1. IRELAND</b>	1. USA	1. Switzerland	1. Switzerland
2. USA	2. France	2. France	2. Finland
3. Italy	3. Germany	3. Germany	3. Netherlands
4. Netherlands	4. Netherlands	4. Italy	4. Denmark
5. France	5. Switzerland	5. Denmark	5. New Zealand
6. Denmark	6. Denmark	6. Britain	6. USA
7. Finland	7. Britain	7. Netherlands	7. Germany
8. Germany	<b>8. IRELAND</b>	8. Finland	8. Britain
9. Britain	9. Italy	<b>9. IRELAND</b>	<b>9. IRELAND</b>
10. Spain	10. Spain	10. Spain	10. France
11. Switzerland	11. Korea		11. Spain
12. Singapore	12. Poland		12. Italy
<b>TOTAL: 16</b>	<b>TOTAL: 13</b>	<b>TOTAL: 10</b>	<b>TOTAL: 12</b>
1. GDP per employee per annum in 2003 in US\$ at Purchasing Power Parities (PPP) sourced from the IMD World Competitiveness Yearbook 2004; 2. Hourly productivity based on GNP in 2003 in Euro, derived by ForFÁS from national accounts data; 3. Index of Productivity in Private Sector Services in 2003, taken from the European Competitiveness Index 2004; 4. Unweighted average of ‘opportunity’ indicators measuring performance in Administration, Education, Health and Infrastructure, derived by ForFÁS using European Central Bank methodology.			
<b>Source: National Competitiveness Council/Forfás, ‘Annual Competitiveness Report 2004’</b>			

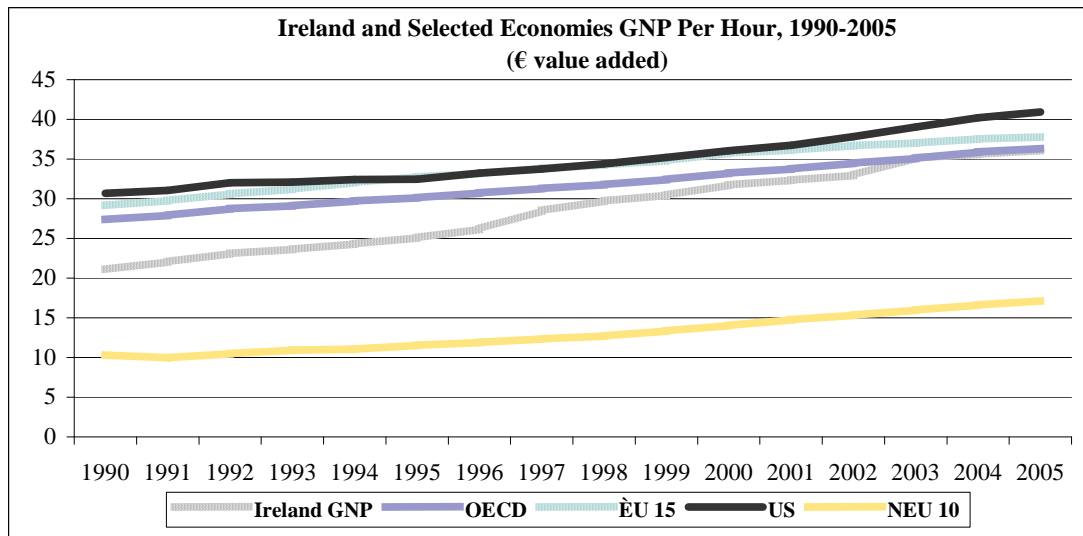
As stated above, the difference in performance between GDP and GNP measures can be attributed to the very high levels of productivity in multi-nationals (largely in the manufacturing sector) operating in Ireland. Therefore, detailed examination of Ireland’s productivity figures reveals the following:

- Relatively low levels of productivity within indigenous manufacturing sector
- Relatively low levels of productivity within private services sector
- Relatively low levels of productivity within the public sector

See Table 2.7.

Another generally used indicator of productivity is GNP per hour (Figure 2.17 below). The National Competitiveness Department of Forfás stated in the report “Detailed Assessment of Ireland’s Productivity Performance 1980-2005” that “GNP per hour productivity figures indicate that although recent growth rates have been impressive in absolute terms, Ireland’s productivity remains below the average of both the USA and the EU-14”. This would suggest that while Ireland’s productivity remains strong it has not yet reached the US and EU average.

**Figure 2.17 Ireland and Selected Economies GNP per Hour 1990 – 2005 (€ value added)**



Source: From Forfás Calculations; Groningen Growth & Development Centre, Total Economy Database, March 2006; United Kingdom, Office for National Statistics, 2006 [online]; Northern Ireland Department of Enterprise, Trade & Investment, Northern Ireland Labour Force Survey: Historical Supplement Spring 984 – Spring 2005, August 2005

## 2.8 Education and Training

Given the high level of employment in the services sector and the trend for this to increase, future investment in human capital is a key driver for increasing Ireland’s productivity. Indeed, the level of investment in the education and training of people in work will be a core factor driving Ireland’s medium term living standards. However, the participation of workers in non-formal education and training in Ireland is below the EU average, as shown in Table 2.8.

**Table 2.8 Participation Rate in Non-formal Learning by Employed People Aged 25-65, in 2003**

Rank	Country	Employed %
1	Denmark	53
2	Sweden	53
3	Finland	50

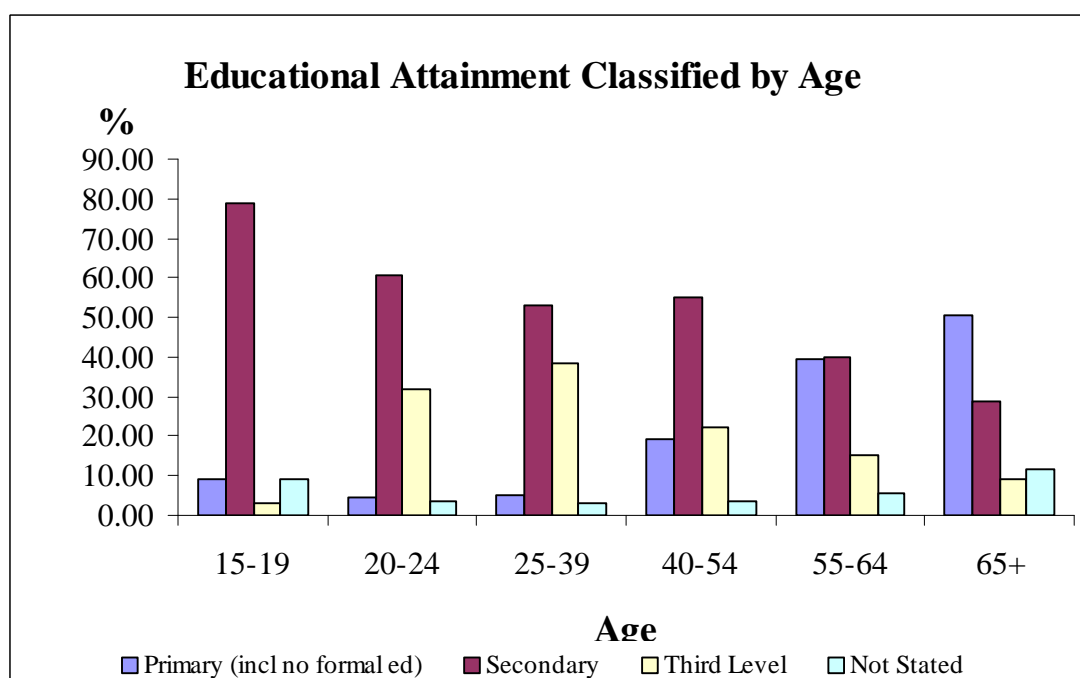


4	United Kingdom	42
11	EU-25	21
15	Ireland	17
Source: Eurostat, 2005 'Lifelong Learning in Europe' Statistics in Focus, 8/2005		

The proportion of people in employment in Ireland with low skills is higher than the EU average. As a report by the Expert Group on Future Skills Needs recently noted;

*'This means that greater investment in training the lower skilled is necessary if Ireland is to catch up with the countries with which it must compete for markets and foreign investment. Being at the average in terms of training is not enough to bridge the gap among the low skilled'.*

**Figure 2.18 Educational Attainment Classified by Age**



Source: CSO, Census 2002

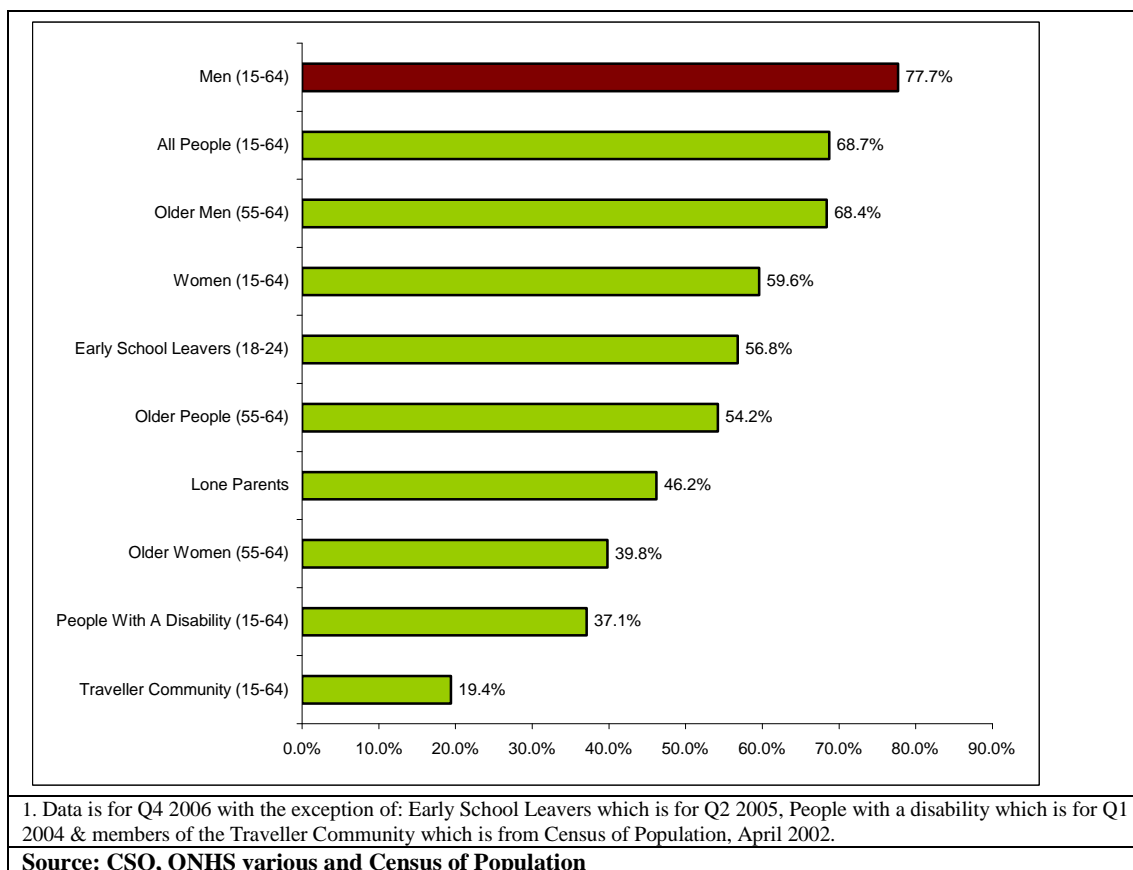
As can be seen in Figure 2.18 above only 22.2% of people in the 40-54 and 15% in the 55-64 age cohorts have third level qualifications. In addition 60% of people in the 55-64 age group do not have a second level qualification. This underlines the skills deficit for older workers in Ireland and leaves this cohort vulnerable to the effects of industrial restructuring and outsourcing of more traditional or labour intensive industries.

## 2.9 Groups Experiencing Low Employment Rates

A number of groups continue to experience difficulties in gaining employment despite the phenomenal growth in employment over the last decade as shown by Figure 2.19. The employment rates (the share of people in a particular group who are employed)

remain extremely low for a number of groups such as early school leavers, women, older people, lone parents, people with a disability and members of the Traveller Community.

**Figure 2.19 Employment Rates by Group Q4 2006**

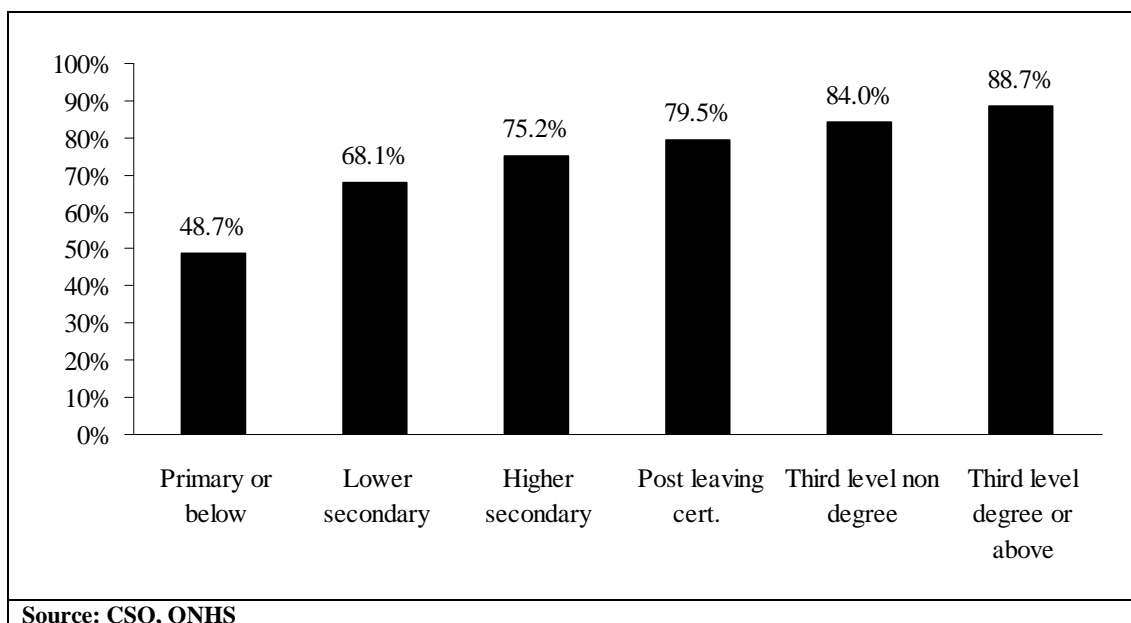


Employment rates are 77.7% for men and 59.6% for women. The Lisbon target for the female participation rate, to be attained by 2010, is 60%. The employment rate for people aged 55-64, is 54.2% as compared with the Lisbon target of 50% for this group the employment rate for early school leavers is also below the overall employment rate, 56.8% compared to 68.7% and their unemployment rate at 16.3% is very high compared to an overall average of 4.1%.

Figure 2.19 also shows that there are a number of groups where less than half of the members of the group are employed. For instance, lone parents have an employment rate of only 46.2%, only 39.8% of older women are employed, people with a disability have an employment rate of only 37.1% and only 19.4% of members of the Traveller Community of working age are employed. There are other groups who have also experienced difficulties in gaining employment, but for whom data on employment rates is not available. These include minority ethnic groups, ex-prisoners, certain immigrants, people with alcohol and addiction problems etc.

Employment rates are positively correlated to levels of educational attainment as shown in Figure 2.20. This is a very strong relationship; employment rates increase from 48.7% for people with primary or below as their highest level of educational attainment to 88.7% for people with third level education or above. This is a relationship that generally holds true across the board for different groups in society.

**Figure 2.20 Employment Rates by Level of Education Attainment, Q2 2003**



## 2.10 Barriers to Women entering the Workforce

The active promotion of gender equality has been a feature of EU funded programmes since the 1994 -1999 round of Structural Funds. EU policy, particularly the Lisbon Strategy and the 2006 Roadmap for Equality between Women and Men attaches priority to women's labour market participation, including access to quality employment, and representation in decision making areas. EU commitments on gender equality are a clear priority at national level and are stated in the National Reform Programme, the National Anti-Poverty Strategy and the National Women's Strategy (forthcoming) and are also form part of social partnership commitments in Towards 2016. Barriers to women entering the workforce include:

- The cost and availability of childcare support. The OECD report, Economic Survey of Ireland 2006, stated that "Out-of-school-hours care is almost non-existent and is one reason why the employment rate of mothers with children is especially low" and concluded that "Labour supply could be increased by encouraging school boards to make their facilities available for after-school care". As this issue is dealt with extensively in the National Development Plan 2007-2013, with some €1.3 billion investment projected under the National Childcare Investment Sub-Programme, it therefore is not an appropriate issue for this OP to deal with.

- Worklife balance issues such as the lack of availability of flexible working arrangements in many employments, pressures to produce increases in productivity and long commutes.
- The gender pay gap continues to be an issue. For example in 2005 average weekly earnings of industrial workers were €609.91 for males and €430.23 for females (CSO, 2006). The introduction of the Statutory Minimum Wage has helped to close the gap but it remains a significant factor.
- Issues such as vertical (the low numbers of women in senior positions) and horizontal (the grouping of women in a few sectors) segregation continue to affect female workforce participation.

## 2.11 Discrimination in the Workforce

The extent of discrimination experienced in Ireland is highlighted in recent data from the Central Statistics Office. It shows that in Q4 2004 an estimated 382,000 or 12.5% of people aged 18 and over reported that they had experienced discrimination in the last two years. Of these, the majority (271,300 people or 71%) indicated that they experienced it more than once.

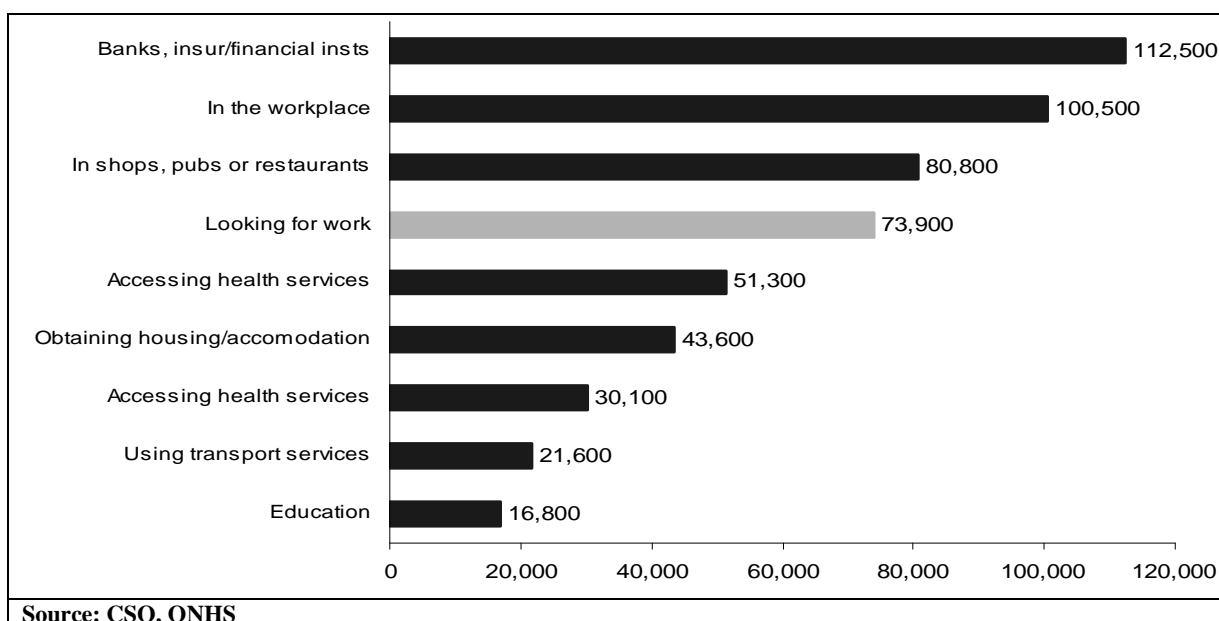
The Quarterly National Household Survey (QNHS) shows that the incidence of discrimination varies across a wide range of socio-economic variables such as age, economic status, nationality, religion and ethnicity. The groups that reported the greatest levels of discrimination were people from non-white ethnic backgrounds (31%), unemployed people (28.8%), non-nationals (24.4%), non-Catholics (21.6%), people with a disability (19.6%), and young people aged 18 to 24 (17.6%).

Lack of knowledge or understanding of their rights is an important factor. As a quarter of people who reported experiencing discrimination indicated they had no understanding of their rights from an equality perspective. The groups reporting the highest incidence were the groups least likely to take action, and they were the least well informed about their rights under equality legislation.

Figure 2.21 shows that 'looking for work' is the fourth most common area in absolute terms where people reported experiencing discrimination. A total of 73,900 people reported that they experienced discrimination when looking for work.

The number of people reporting discrimination when looking for work is *nearly the same* as the number of people who reported discrimination 'in shops, pubs or restaurants' (73,900 versus 80,700) and it is *more than twice* the number reporting discrimination 'accessing public services and it is *three times* the level reporting discrimination 'using transport services'. This is despite the fact that the number of people who actually look for work (and so who could in theory experience discrimination) is much lower than the number who use shops, pubs or restaurants, it is much lower than the number who access public services and it is much lower than the number who use transport services.

**Figure 2.21 Areas in Which People Indicated they Experienced Discrimination**



These figures suggest a high level of discrimination of people when looking for work. Statistics from the CSO show that unemployed people reported the highest incidence of labour market related discrimination, at 23%. This shows that discrimination as well as lack of appropriate skills is a major reason why certain people find it difficult to get a job.

The grounds on which unemployed people reported experiencing discrimination when looking for work are shown in Table 2.9. It shows that age and ‘race/ethnic group/nationality’ are the grounds covered by the equality legislation most frequently cited. It also shows that a large number of people, 26,400, felt they experienced discrimination on a basis not covered by the equality legislation.

**Table 2.9 Perceived Grounds for Discrimination Experienced When Looking For Work**

Perceived basis for discrimination	Numbers identifying with basis for discrimination
Age	31,300
Other'	26,400
Race/skin colour/ethnic group/nationality	23,100
Family status	10,100
Disability	7,300
Gender	5,500
Marital status	2,300

<b>Sexual orientation/religion/Traveller Community</b>	1,800
1. The question allowed for multiple responses so the figures are not additive.	
Source: CSO, QNHS	

## 2.12 Needs Analysis

The Managing Authority considered that a full needs analysis specifically for this Operational Programme was not warranted given the various reports and analyses carried out that are directly relevant to the labour market and human capital investment area. In setting the framework in which the new ESF Operational Programme is framed, the studies prepared for the Southern and Eastern Regional Assembly (Regional Needs Analysis 2007-2013, Fitzpatrick Associates, 2006) and the Border, Midland and Western Regional Assembly (New Challenges, New Opportunities, 2006) provided much useful analysis and material. Further, the Ex Ante Evaluation of the Investment Priorities for the National Development Plan 2007-2013 (ESRI, 2006) provided substantial analysis and information that proved very useful in preparing this Operational Programme.

The preparation of the Ex-ante Evaluation for this Operational Programme involved the preparation of a number of policy papers that proved very useful in scoping the main economic and labour market issues facing Ireland.

## 2.13 SWOT Analysis

### 2.13.1 Overview

The purpose of the SWOT analysis is to highlight the key internal strengths and weaknesses of the Irish labour market and to illustrate opportunities and threats relative to the external environment.

Almost all of the internal strengths and external opportunities identified in the original SWOT analysis conducted in 2007 have been undermined by the economic crisis. Further, the internal weakness and external threats have all been exacerbated by the economic situation and appear to be some way from offering positive possibilities

### 2.13.2 Internal Strengths

- The economy has been transformed over the last decade. Growth in national output and national income has been historically high and has exceeded EU and OECD averages, government borrowing as a percentage of GDP has declined significantly, and the number of work days lost to industrial disputes has declined exponentially.
- Ireland's labour market has been transformed over the last decade. Employment has increased rapidly, unemployment has reduced significantly and the country is now a net importer rather than a net exporter of labour.
- High quality education system at all levels delivering a skilled and flexible labour force, which has underpinned employment growth from 1.1 million in 1991 to over 2 million in 2006.

- Despite the more recent slow down in world economic activity Ireland continues to perform well against most macro-economic variables, and overall employment remains at historically high levels.
- ‘Towards 2016’, a new 10 year social partnership has been agreed, and aims to create “*a dynamic, internationalised, and participatory society and economy, with a strong commitment to social justice, where economic development is environmentally sustainable, and internationally competitive*” (Towards 2016, June 2006). Whilst this agreement does not include direct tax reductions and the extent to which it will increase productivity remains unclear, it provides a framework, through a continued commitment to the social partnership process and structures, to assist keeping the number of work days lost to industrial disputes low and also provide a framework to address wider social issues.
- The very strong macro-economic and labour market performance of recent years provides the opportunity and platform to address a number of weaknesses that currently prevail in the Irish labour market.

### **2.13.3 Internal Weaknesses**

- The level of growth in employment over the medium-term will be less than that over the previous decade and so its stimulus to economic growth will be less. In addition, the inflow of new workers direct from second and third level education will be less than in previous periods. Therefore, increasing the productivity of workers will be more important in driving Ireland’s economic growth. However, the upskilling of workers is not an area where Ireland has a strong tradition, and is below highest international standards.
- Inflows into short-term unemployment are likely to increase in the medium-term, arising in particular from increased wage competition for lower skilled manufacturing jobs and a decline in output from the construction sector. Increased investment will therefore be required to prevent these inflows into short-term unemployment moving into long-term unemployment.
- Educational disadvantage remains. The share of young people leaving school before completion of their Junior Certificate and Leaving Certification remains stubbornly high. In addition, the share of people aged 35 plus with none or a low level of educational/formal qualifications remains undesirably high by international standards. While participation rates in higher or third level education has increased over the last decade, lower take-up by the lower socio-economic groups in society remains.
- Discrimination in the labour market, and more generally in Irish society, remains an issue of significant concern. This is best documented in relation to gender, where there is vertical segregation and a gender pay gap. Ireland has been successful in increasing female employment rates over recent years.

There is now a need for a greater focus on the quality of jobs for women and so on addressing the gender pay gap.

- Despite the rapid growth in employment, the rapid reduction in unemployment and increased expenditure on ALMPs (Active Labour Market Programmes) over the last decade, the employment rate of certain 'groups' remains significantly lower than those in the rest of the population.
- There remain sub-regional employment black spots, throughout the Southern and Eastern Region and the Border, Midland and Western Region. These black spots are associated with high incidents of educational disadvantage, high unemployment and high levels of poverty. In addition certain groups have experienced high levels of poverty and social exclusion. This is closely, although not exclusively, related to low levels of employment for groups with particular characteristics within the population.
- While increased employment opportunities and income levels impacted positively on quality of life, a number of work-life balance factors (such as increased commuting times, the lack of affordable high quality childcare places, work pressures and reduced family and neighbourhood support networks) impacted negatively on quality of life. And these factors are particularly pronounced in certain regions (e.g. the Mid-east Region) and for people with certain characteristics (e.g. dual earner households with young children).

#### **2.13.4 External Opportunities**

- Ireland's national output is forecast to grow over the next two years at a rate above the EU average. This provides the opportunity to increase Ireland's share of world economic output.
- It is estimated by the ERSI and Forfás (*'Skill needs in the Irish Economy: The role of Migration'* report, 2005) that Ireland requires *net* in-migration of 109,000 in the medium-term (2005-2010) to sustain economic growth. Potential labour supply for the expanded EU-25 countries and from non-EU countries provides Ireland with the opportunity to achieve this level of immigration. The need to attract and integrate into the labour force high levels of immigrants, in particular skilled migrants will be of particular importance.
- The increased development and application of ICT and new technologies along with the increased globalisation of economic activity increases the opportunities for an island economy to expand its output in the global market.

#### **2.13.5 External Threats**

- As a small open economy, Ireland's economic and labour market performance is dependent on the performance of the international economy and so is vulnerable to shocks. This is particularly true of the performance of the American and the UK economies.



- Irish exports are highly reliant on exports from multi-national firms in a relatively small number of sectors. This makes the total value of exports vulnerable to shocks to a number of sectors and decisions within a relatively small number of firms.
- Competition from foreign-direct investment has increased in recent years due to the addition of new members states in the EU-25 and the emergence of non-EU competitors such as India and China.
- Increases in prices (the price of goods and service, labour and accommodation) places increased pressure on Ireland's international competitiveness and country's economic and labour market performance.

Taking into account the SWOT analysis and the wider socio-economic analysis detailed in this chapter, we believe there are two fundamental disparities in the Irish labour market that need to be addressed as outlined below.

## **2.14 The Need to Increase the Productivity of Workers by Upskilling**

The new economic reality for Ireland requires a revision of strategic priorities in labour market policy. The priorities identified in 2007 focused on upskilling the workforce and increasing participation and activation of groups outside the workforce. While there is still some validity in these strategic goals, the fact is that a shift in emphasis is now demanded by the effects of the economic crisis.

In this regard, the principal focus for investing in the unemployed has to be on *increasing activation* measures with a view to preventing loss of labour market connection and the drift to long term and very long term unemployment. Priority 1 in this Operational Programme is amended to reflect this need in the labour market.

It is still important, however, that a strategic focus is maintained on those facing significant disadvantage and exclusion from the labour force. These groups now face even greater challenges to their meaningful participation in active society and in the workforce; as such, the second priority in this Operational Programme is aimed at *increasing participation and reducing inequality* in the labour force. The strategic goals in this area will remain similar to those previously set out in the Programme and a particular effort to take forward the lessons learned from the EQUAL Community Initiative will be made in this Priority. It should be noted that the amount of investment in this area will be less than that proposed for the activation priority. This priority will seek to maintain a focus on the issues around equality that the ESF Regulation has established as key objectives.

The main strengths of previous performance have been the creation of employment, which has been a core driver of growth in income per person. One of the key medium-term labour market challenges is to increase the productivity of workers (by education and training) in order to prevent a rise in future unemployment and to drive future growth in income per person and in living standards.

A key disparity driving Ireland's lower productivity figures in the indigenous sector is the relatively high share of the working population with low levels of educational attainment and the relatively low share of workers who engage in non-formal education and training to enhance their skill levels.

To overcome this it will be necessary to increase the levels of participation, and the volume of investment, in the education and training of workers. This will require actions on both the demand and the supply side to address challenges such as the following:

**Information and Guidance:** There is a need for easily understood and accessible information on education and training opportunities, information on costs and subsidies/supports available, information on job requirements and career qualification routes. There is also a need for guidance to help people use this information to make decisions effectively;

**Time:** For workers, a challenge is finding the time to undertake education and training, especially as there is no form of learning leave entitlement in Ireland;

**Costs:** Fees associated with education and training costs, other non-fee costs associated with courses, and the opportunity costs of undertaking education and training are also barriers to workers partaking in certain forms of education and training;

**Flexible Provision:** Given the previous priorities of Irish education and training provision much provision is through a modular regular 'office hours' delivery approach. This needs to be supplemented with more flexible opening hours and forms of delivery;

**Open and Distance Learning:** Open and distance learning can reduce location and time barriers faced by workers. However, there is relatively limited provision of such opportunities in Ireland;

**Previous Experience:** Many workers, especially low skilled workers, previous experience of education and training has been negative which can act as a barrier to undertaking further education and training;

**Lack of Precedent:** For workers in certain sectors or in certain occupations a lack of precedent of partaking in education and training by work colleagues can act as a barrier to partaking in education and training;

**Return on investment:** Uncertainty and lack of information in relation to return on investment, concerns that share of return on investment goes to employees, concerns about future staff retention, opportunity and associated costs can act as disincentives for employers.

Further validation for these findings is provided in Chapter 3 where the principal employment and labour market strategic plans and policies at EU and national level are set out.

## **2.15 The need to increase the employability of groups with low employment rates**

Despite the excellent ‘macro’ performance of the labour market, a number of groups continue to have very low employment rates. Such low rates remain due to continued educational disadvantage, negative perceptions of and discrimination of these groups, and the wide range of barriers limiting the ability of people to gain employment - reflecting a high degree of multiple-disadvantage. Increasing the employment rates of these groups would help increase national income per person (by increasing employment and the size of the labour force) and would also help reduce absolute poverty. In addition, increasing employment rates in these groups would help achieve wider social and equality objectives, as higher employment rates can only be achieved if the fundamental causes of multiple-disadvantage arising from educational disadvantage and discrimination are addressed.

Certain people continue to experience significant problems gaining employment. For many ‘identifiable groups’ in society, employment rates are less than half the rate of the overall working population. This reflects considerable inequality in labour market outcomes, as discussed earlier.

The fact that employment rates remain so low for certain groups, in such a buoyant labour market, appears to be due to the fact that the interaction of labour supply and labour demand for these groups is not operating in the same way as for the wider population.

There appears to be two fundamental factors influencing the interaction of labour supply and labour demand for these groups, as follows:

**Labour market disadvantage:** People with low employment rates typically have very low levels of educational attainment and little employment experience. Consequently, they find it difficult to signal their underlying potential or capacity of supply to potential employers, i.e. what it is they have to ‘supply’;

**Negative perceptions and discrimination:** People with low employment rates typically have clearly ‘identifiable characteristics’ which can be associated with negative perceptions and which can result in discrimination. The implications of this is that the demand side of the labour market often ‘fails’ to see the underlying capabilities that such people have to offer, i.e. employers can fail to recognise that people with these characteristics can meet their demands.

To significantly increase employment rates of these groups and to thereby reduce inequality of labour market outcomes, it is necessary to systematically focus on both labour supply and labour demand. On the labour supply side it is necessary to enhance education, skill levels and employment experience. On the labour supply side it is necessary to address negative perceptions and discrimination.

Addressing, systematically, these labour supply and demand side issues will require removing the barriers faced by disadvantaged groups and also overcoming the challenges faced by employers.

On the supply side of the labour market, policy needs to focus on overcoming personal, informational, situational, institutional and contextual barriers faced by people experiencing low employment rates. On the demand side of the labour market, policy needs to address negative perceptions among employers and the general public, provide clear information on the business case for employing people from disadvantaged groups and to provide focused information and clear guidance on supports available to employers seeking to recruit and employ people from disadvantaged groups. In addition, there is a need to assist firms with the cost of implementing policies and changes for employing disadvantaged people and to adopt a wider focus on State supports.

Achieving the changes required to significantly increase employment rates of people experiencing labour market inequality will require changes across a wide range of stakeholders. These include Government Departments, State agencies, the community and voluntary sectors and the private sector. The types of changes required are also wide-ranging. This will include changes to existing policies and the development of new policies, changes to the delivery of existing labour market policies and the development of new policies aimed specifically at the needs of people experiencing labour market disadvantage and discrimination. It will also require the effective co-ordination of HRD policies and wider social welfare and transport policies.

## **2.16 Conclusion**

Ireland, through its education and training policies, and its continuing efforts to create a flexible and responsive labour market, aims to address the above challenges and this Operational programme, supported by the European Social Fund, will seek to make a substantial contribution to that process in the areas in which it is focused. These areas have been identified in this analysis chapter as that of enhancement of worker productivity through addressing existing and emerging skill gaps and the need to enhance employment, participation and activity rates of specific groups facing barriers to employment and low employment rates. The next chapter describes how various strategies and actions are seeking to address these matters and then chapter 4 will set out how this Operational Programme will prioritise these areas and how it is proposed to contribute to addressing them utilising the ESF.

The revised strategic priorities set out above should make a significant contribution to addressing the challenges facing the Irish labour market in the coming years. The following chapters set out the more detailed proposals to give effect to them and specify relevant performance criteria and targets

## Chapter 3

### 3. Strategic Context for Investment Priorities

#### 3.1 Introduction

This Paper discusses the policy context within which the ESF Human Capital Investment Operational Programme 2007-2013 is being developed, in terms of the policies in place at the EU and national level and the needs and strategies identified in these.

#### 3.2 The European Policy Context

##### 3.2.1 Lisbon and Gothenburg Agendas

At the Lisbon European Council (March 2000), the European Union set itself a new strategic goal for the next decade: *'to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion'*.

The strategy was designed to enable the Union to regain the conditions for full employment and to strengthen cohesion by 2010. Following the independent Mid-term Review of the Lisbon Strategy, the Commission presented a Communication on growth and jobs in February 2005. This review found that the policy was still valid but proposed two changes to re-enforce the Lisbon strategy, namely a greater focus within the member states towards the goals of the strategy and the development of a new process to underpin the implementation of the strategy.

In March 2005 the European Council, as well as the European Parliament and the European social partners, gave full support to the Commission's proposal to re-launch and refocus the Lisbon Strategy. The Lisbon Action Plan outlines actions to be taken at EU and at national level under three policy areas as follows:

- Making Europe a more attractive place to invest and work
- Knowledge and innovation for growth
- Creating more and better jobs

The Gothenburg Summit in 2001 added an environmental dimension to the Lisbon strategy. It defined sustainable development as meeting the needs of the present generation without compromising those of future generations, and dealing with economic, social and environmental policies in a mutually reinforcing way. Priorities identified include the following:

- Combating climate change
- Ensuring sustainable transport
- Addressing threats to public health
- Managing natural resources more responsibly

- Integrating environmental policy into other Community policies

### **3.2.2 Community Strategic Guidelines**

The Community Strategic Guidelines (CSG) set out a framework for new programmes, which will be supported by the European Regional Development Funds (ERDF), the European Social Fund (ESF) and the Cohesion Fund. The CSG sets the key priorities for the Structural Funds for the period 2007-2013 as follows:

- *‘Improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services and preserving their environmental potential;*
- *Encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities;*
- *Create more and better jobs by attracting people into jobs and entrepreneurial activity, improving the adaptability of workers and enterprises and increasing investment in human capital.’*

The priorities chosen for co-financing by the ESF for 2007-2013 will all contribute to meeting the terms of the Community Strategic Guidelines. The goal of creating more and better jobs is to be met by attracting more people into employment or entrepreneurial activity, by improving the adaptability of workers and enterprises and by increasing investment in human capital through better education and skills. These will be met primarily through investment under the National Development Plan 2007-2013. This Operational Programme will, in particular, take into account the requirements regarding earmarking of Lisbon-related interventions, equality between women and men, tackling discrimination, improving access for people with disabilities to opportunities, mainstreaming the learning from EQUAL and strengthening access of migrant workers to the labour market.

### **3.2.3 The Regulatory Framework**

The regulations consist of a General Regulation setting out the common governance framework for Cohesion Policy, an Implementing Regulation setting out the rules for the implementation of the General Regulation and the specific regulations for the European Social Fund (ESF), the European Regional Development Fund (ERDF), the Cohesion Fund and a regulation establishing a European Grouping of Territorial Co-operation (EGTC).

Ireland falls under the ‘Regional Competitiveness and Employment’ objective and so interventions under this Operational Programme need to be consistent with the four ESF priorities as shown in Table 3.1.

**Table 3.1 Relevant ESF Scope of Assistance Priorities for 2007-2013**

<p><b>A. Increasing adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change, in particular by promoting:</b></p>
<p><b>i.</b> Lifelong learning and increased investment in human resources by enterprises, especially SMEs, and workers, through the development and implementation of systems and strategies, including apprenticeships, which ensure improved access to training by, in particular, low-skilled and older workers, the development of qualifications and competences, the dissemination of information and communication technologies, e-learning, eco-friendly technologies and management skills, and the promotion of entrepreneurship and innovation and business start-ups</p>
<p><b>ii.</b> The design and dissemination of innovative and more productive forms of work organisation, including better health and safety at work, the identification of future occupational and skills requirements, and the development of specific employment, training and support services, including outplacement, for workers in the context of company and sector restructuring</p>
<p><b>B. Enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people, preventing unemployment, in particular long-term and youth unemployment, encouraging active ageing and longer working lives, and increasing participation in the labour market, in particular by promoting:</b></p>
<p><b>iii.</b> The modernisation and strengthening of labour market institutions, in particular employment services and other relevant initiatives in the context of the strategies of the European Union and the Member States for full employment</p>
<p><b>iv.</b> The implementation of active and preventive measures ensuring the early identification of needs with individual action plans and personalised support, such as tailored training, job search, outplacement and mobility, self-employment and business creation, including cooperative enterprises, incentives to encourage participation in the labour market, flexible measures to keep older workers in employment longer, and measures to reconcile work and private life, such as facilitating access to childcare and care for dependent persons</p>
<p><b>v.</b> Mainstreaming and specific action to improve access to employment, increase the sustainable participation and progress of women in employment and reduce gender based segregation in the labour market, including by addressing the root causes, direct and indirect, of gender pay gaps</p>
<p><b>vi.</b> Specific action to increase the participation of migrants in employment and thereby strengthen their social integration and to facilitate geographic and occupational mobility of workers and integration of cross border labour markets, including through guidance, language training and validation of competences and acquired skills</p>
<p><b>C. Reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment and combating all forms of discrimination in the labour market, in particular by promoting:</b></p>
<p><b>vii.</b> Pathways to integration and re-entry into employment for disadvantaged people, such as people experiencing social exclusion, early school leavers, minorities, people with disabilities and people providing care for dependent persons, through employability</p>

measures, including in the field of the social economy, access to vocational education and training, and accompanying actions and relevant support, community and care services that improve employment opportunities.
<b>viii.</b> Acceptance of diversity in the workplace and the combating of discrimination in accessing and progressing in the labour market, including through awareness- raising, the involvement of local communities and enterprises and the promotion of local employment initiatives
<b>D. Enhancing human capital, in particular by promoting:</b>
<b>ix.</b> The design and introduction of reforms in education and training systems in order to develop employability, the improvement of the labour market relevance of initial and vocational education and training and the continual updating of the skills of training personnel with a view to innovation and a knowledge-based economy
<b>x.</b> Networking activities between higher education institutions, research and technological centres and enterprises
<b>xi.</b> Promoting partnerships, pacts and initiatives through networking of relevant stakeholders, such as the social partners and non-governmental organisations, at the transnational, national, regional and local levels in order to mobilise for reforms in the field of employment and labour market inclusiveness
<b>E. Promoting partnerships, pacts and initiatives through networking of relevant stakeholders, such as the social partners and non-governmental organisations, at the transnational, national, regional and local levels in order to mobilise for reforms in the field of employment and labour market inclusiveness.</b>

In particular, the ESF will support actions in line with the guidelines and recommendations adopted under the European Employment Strategy, which are in line with the Lisbon Agenda. These recommendations are dealt with on a national level through policies and guidelines prioritised in the National Reform Programme (see 3.3.2 below).

The ESF Regulation gives an increased emphasis to the Union's commitment towards the elimination of inequalities between women and men: specific actions addressed to women are combined with a robust gender mainstreaming approach, to increase participation and progress of women in employment. In addition, the ESF Regulation notes that the promotion of innovative activities and trans-national co-operation should be fully integrated in the scope of the ESF. The ESF Regulation also states that it will give priority to funding trans-national cooperation, including exchanges of experiences and best practices across the Union and joint actions, ensuring where appropriate, coherence and complementarity with other trans-national Community programmes.

### 3.3 National Overarching Strategies

#### 3.3.1 Overview

This section discusses the Irish policy context and describes the National Development Plan, the Enterprise Strategy Group report, the National Strategic Reference



Framework and other national programmes that are relevant to the ESF Human Capital Investment Operational Programme.

### **3.3.2 National Reform Programme**

Every EU Member State draws up a National Reform Programme, which describes how common priorities for Member States are put into practice at the national level. They present the progress achieved in the Member State over the last 12 months and the measures planned for the coming 12 months: they are both reporting and planning documents.

The Irish National Reform Programme (NRP), launched in October 2005, brings together a broad range of policies and initiatives, the implementation of which aims to sustain Ireland's strong economic growth and employment performance as its overall contribution to the re-launched Lisbon Agenda over the period to 2008. In responding to the Integrated Guidelines, agreed by the European Council, the policy priorities for Ireland under the National Reform Programme are as follows:

- Macro-economic policy/guidelines
- Micro-economic policy/guidelines
- Employment policy/guidelines

The employment policy/guidelines are broken down into three sub-priorities:

- Continue to achieve higher levels of employment, improved quality and productivity of work and social cohesion
- Focus on education and training, including lifelong learning to develop high-skilled innovative and adaptable workforce for the knowledge economy
- Ensure an adequate labour supply to meet economy's needs

The National Reform Programme has specific commitments in the area of improving labour supply through intensified measures to address specific target groups in the inactive population. Many of these have been targeted in previous ESF funding programmes including increasing female participation, activating the long term unemployed and measures for groups such as people with disabilities and members of the Traveller Community.

In October 2006 the Progress Report on the Implementation of National Reform Programme Ireland was able to report that the economy has continued to perform strongly and the short- to medium-term outlook also remains favourable. Over the period 2006-2009, the economy is likely to grow broadly in line with its assumed potential growth rate of between 4.5 and 5%. This strong economic performance is mirrored in employment growth of 4.6% in the year to October 2006. Key policies progressed included preparation of a new National Development Plan (2007 – 2013), Transport 21, Strategy for Science, Technology and Innovation 2006-2013, a new social partnership agreement Towards 2016 and a Green Paper on Energy Policy.

In relation to labour market it was reported that:

- 45.6% of lone parents are in employment, an increase of 1.3% on 2005
- The number of females in the labour force increased by approximately 40,000 (4.7%) to 891,100
- The gender pay gap has fallen by 3% since the 2005 report (the latest rate according to Eurostat is 11% for 2004 compared to 15% for the EU as a whole)
- Under Towards 2016, the Government and the social partners agreed to continue to work together over a ten-year period to develop an infrastructure to provide quality, affordable childcare and to work towards increasing the supply of childcare places (of all types) by 100,000 over this period

**Source: Implementation of National Reform Programme, Progress Report (October 2006)**

In its assessment of the NRP in 2006 the European Commission stated:

*“Ireland is making very good progress in the implementation of its National Reform Programme and of the commitments made by the 2006 Spring European Council. Furthermore, governance of the Growth and Jobs Strategy has gained political visibility, notably due to the recently concluded social partnership agreement, ‘Towards 2016’”.*

The Commission assessment of the NRP resulted in country specific recommendations on jobs and growth which – after endorsement of both the EPSCO council and ECOFIN Council – were finally adopted by the European Council in March 2007.

Together with five other countries, Ireland did not receive any recommendations that year since the progress in implementing the reform programmes had been significant. However, the Council identified the need for *“accelerating progress in increasing labour market participation, including by establishing a comprehensive childcare infrastructure, further developing the policy framework for labour market and social integration of migrants and by placing a particular emphasis on support to older and low-skilled workers.”* The issues around childcare are to be tackled under the NDP and the National childcare Strategy and this Operational Programme will seek to address and progress the latter issues commented on by the European Commission.

However, with the recent difficult and uncertain times for the Irish, European and World economies, the Lisbon Agenda for Growth and Jobs assumes an even greater importance.

Ireland had made good progress since the first National Reform Programme (NRP) in 2005, as reflected in economic and employment growth over that period. However, the economic situation has changed rapidly during the course of 2008, with a domestic slowdown due to declining construction output compounded by the severe international financial crisis. This creates serious economic and fiscal challenges for the Irish Government and is being reflected in increased unemployment.

The NRP 2008-2010 was prepared after consultation with the social partners under Ireland's social partnership framework, in particular the Review of Towards 2016 which took place during 2008. It is informed by the shared analysis of the social partners and also takes account of consultation with the relevant Oireachtas (Parliamentary) Committee and regional assemblies.

In view of the fast-changing economic situation, Ireland's 2009 Budget was brought forward to 14 October 2008. While key elements of the Budget are reflected in the 2008-2010 Programme, Irish Government policies will continue to evolve in response to the serious challenges which lie ahead.

However, the broad thrust of the Government's strategy remains clear and is consistent with the priorities identified by the European Council including:

- investing in Research & Development and innovation to build a knowledge-based economy
- providing a positive climate for entrepreneurship and start-up companies, and supporting export-led growth
- improving skill levels throughout the workforce and helping those who lose their jobs back into employment or training, and
- increasing energy efficiency and moving towards a low carbon economy.

The Irish Government will continue to respond to the competitive pressures and challenges which will arise in the period ahead.

### **3.3.3 Towards 2016**

The latest national partnership agreement, *Towards 2016*, is a 10-year Framework Social Partnership Agreement for the period 2006 to 2015. It provides the framework for meeting the economic and social challenges ahead. Each of the previous social partnership agreements had a particular focus and contained significant innovations. In this respect *Towards 2016* develops a new framework to address key social challenges, and also shifts the focus of policy interventions to life stages which the individual faces at each stage of life. This 'lifecycle approach' means a focus on the needs of children, young adults, people of working age, older people and people with disabilities.

The shared overall goal of *Towards 2016* is to realise this vision by:

- Nurturing the complementary relationship between social policy and economic prosperity;
- Developing a vibrant, knowledge-based economy;
- Re-inventing and repositioning Ireland's social policies;
- Integrating an island-of-Ireland economy;
- Deepening capabilities, achieving higher participation rates and more successfully handling diversity, including immigration.

### **3.3.4 National Development Plan 2007-2013**

The National Development Plan (NDP) 2007-2013 is a high level strategic document which aims to set out, within a sustainable and budgetary framework, the indicative multi-annual seven year investment allocations for the various sectoral areas. Investment in education, training and upskilling, broadly termed as investment in human capital, has played a very important role in Ireland's successful economic performance. It has provided a well skilled and flexible labour force and thereby helped make Ireland a major attraction for domestic and foreign enterprises. Ireland was particularly successful in harnessing European Social Fund (ESF) receipts to very good effect. Human Capital funding in the Plan 2007-2013 will be domestically generated but the objective will still be to ensure access to a very good standard of education and training for all and, in particular, to provide the labour force with the skills and adaptability to meet the challenges of the future. There are also strong linkages between the availability and quality of human capital and the competitiveness of Irish regions. Investment in human capital will have an important role in promoting the development and competitiveness of the regions over the period of this Plan.

Accordingly, continued high levels of investment will be necessary under the NDP in the areas of Labour Force Development, Higher Education and School Modernisation. The level of investment proposed under this Priority reflects the importance Government attaches to maintaining an educated, skilled and adaptable labour force in Ireland.

Unlike the 2000-2006 funding period, where EU structural fund programmes were fully integrated within the NDP, in the 2007-2013 period the NDP will be funded almost entirely from Exchequer resources. Investment under this Programme will amount to €7.7 billion broken down between the Sub-Programme for Upskilling the Workforce (€2.8 billion) and the Sub-Programme for the Activation and Participation of Groups outside the Workforce (€4.9 billion). The NDP provides that the National Skills Strategy will be a central element of the strategy to tackle skills gaps in the years ahead.

#### **The NDP and Tackling Social Exclusion**

##### **The Strategic Framework for Tackling Social Exclusion**

Ireland first adopted a strategic approach to combating poverty with the publication of the National Anti-Poverty Strategy (NAPS) in 1997. This process was further developed in 2001 when Ireland produced its first National Action Plan against Poverty and Social Exclusion as part of an EU-wide effort. These processes recognise the multi-faceted nature of poverty and the need for a coordinated multi-policy response. The Government emphasised this strategic approach to combating poverty when it made social inclusion a key horizontal element of the NDP in 2000-2006. That Plan provided for substantial investment in social infrastructure (such as housing and childcare), capacity building in relation to employment and training, educational inclusion and community development.

The strategic framework for social inclusion will now be significantly enhanced. For the first time, the numerous processes that have heretofore made up the overall strategy for promoting social inclusion, will be brought together in an integrated framework that will ensure that economic and social development go hand in hand. This will be achieved through streamlining the goals and implementation of several key processes:

- The new partnership agreement, '*Towards 2016*'
- The recent National Report on Strategies for Social Protection and Social Inclusion (NSSPI), submitted to the EU in September 2006
- The new National Action Plan for Social Inclusion (NAPinclusion) which will be published shortly
- This Social Inclusion Priority chapter and other important elements of the NDP (2007-2013)

From a social policy perspective, the most significant feature of the new agreement is the development of the lifecycle approach, which offers a comprehensive framework for driving forward a streamlined, cross-cutting and visible approach to tackling poverty and social exclusion, and improving health outcomes throughout the lifecycle. The key lifecycle stages are identified as Children; People of Working Age; Older People and People with Disabilities. The agreed ten strategic vision and key long-term goals for each stage of the lifecycle, together with agreed priority actions for the initial phase of the agreement, form the basis for the measures outlined below.

### **Human Capital Priority**

Given the recognised importance of employment as the key factor in people exiting poverty, the measures outlined in the Human Capital Priority will have a fundamental impact on the lives and opportunities of those who are in low skilled jobs and those who are furthest from the labour market. These measures, together with the programmes outlined in this chapter, can make a real and decisive impact on families and their children who are living in poverty.

### **Social Infrastructure Priority**

The Social Infrastructure Priority will also play a key role in promoting social inclusion and improving the quality of life of people who are disadvantaged economically or socially. In particular, the provision of local authority and voluntary housing, an integrated response to homelessness, the provision and improvement of Traveller accommodation, improvements to the existing local authority rented stock, improvements in the housing conditions of the most vulnerable (including older people, people with a disability and others) and the provision of affordable housing form a comprehensive range of targeted anti-poverty policies and programmes.

The Priority also includes details of investment in health infrastructure. Good health is a prerequisite for participation in the social and economic life of society and the Government has recognised access to health services as an important aspect of social inclusion. There is a well observed relationship in Ireland and internationally between health status and income levels, especially for the most disadvantaged groups in

society. Additionally, there are a range of vulnerable groups for whom the health and personal social services are an essential ingredient to improve their quality of life and prevent deterioration in their circumstances. These groups include children in need of care and protection; persons with disabilities, including those with mental illness; people, including young people, who are homeless; drug users and older people. The potential improvement in health status arising from the NDP investment can contribute to greater participation by disadvantaged groups in education and in the labour force thus helping to break the cycle of disadvantage and poor health over the longer term.

Access to other services, including play and recreation facilities, sports, heritage and community infrastructure programmes are all important measures that will contribute to the general well being of communities.

### **The Social Inclusion Priority: Incorporating the Lifecycle Approach**

The lifecycle approach agreed under *Towards 2016* provides a framework within which the key social inclusion challenges can be addressed. It adopts the perspective of the individual as the centrepiece of social development and requires the development of policy in an integrated manner. Achieving such an approach is ambitious and poses major challenges in terms of resources, infrastructure and inter-agency delivery at both national and local level. The social partners have acknowledged that flexibility and learning will inform the overall effort. The social partners are also committed to striking the appropriate balance between prioritising specific vulnerable groups and delivering desirable social outcomes for all groups of the lifecycle.

Key programmes under the Social Inclusion Priority across the four key stages of the lifecycle are outlined in this chapter. Also detailed are a number of programmes and initiatives, which will impact broadly across the lifecycle stages. These include supports for health, community development, gender equality and specific groups like immigrants and Travellers.

#### **3.3.5 National Action Plan for Social Inclusion 2007-2016**

The Government is committed to a coherent strategy for social inclusion based on the lifecycle approach set out in the national partnership agreement *Towards 2016*. The National Action Plan for Social Inclusion (NAPinclusion), complemented by the social inclusion elements of the National Development Plan 2007-2013, sets out how the social inclusion strategy will be achieved over the period 2007-2016.

The NAPinclusion focuses primarily on those who are most deprived and vulnerable. The main emphasis, using the lifecycle approach, is on:

- Ensuring children reach their true potential;
- Supporting working age people and people with disabilities, through activation measures and the provision of services to increase employment and participation;

- Providing the type of supports that enable older people to maintain a comfortable and high-quality standard of living;
- Building viable and sustainable communities, improving the lives of people living in disadvantaged areas and building social capital.

The NAPinclusion sets out a wide-ranging and comprehensive programme of action to address poverty and social exclusion. To ensure that a decisive impact on poverty is made, the Government has prioritised a small number of high level goals which are also contained in the NDP. These high level goals, together with in excess of 150 targeted actions and interventions, are designed to mobilise resources to address long-standing and serious social deficits with the ultimate aim of achieving the overall objective of reducing consistent poverty.

### **3.3.6 National Strategic Reference Framework**

The National Strategic Reference Framework (NSRF) outlines the strategy for allocating the available EU funding through three operational programmes – two regional ERDF programmes and one national ESF programme. Its purpose is to provide an overarching structure that allows for the development of the operational programmes and ensures consistency with Community and national policies. The strategic objective of Ireland’s NSRF is to complement the investment priorities being pursued under the NDP 2007-2013 by focusing on niche priorities in line with the Community Strategic Guidelines, ESF/ERDF Regulations, the two regional foresight studies and the extensive consultation process undertaken to prepare the NSRF.

On the Human Capital front, the NSRF identifies worker productivity and barriers to employment resulting in low employment rates for certain groups as a weakness facing Ireland in the immediate future. It proposes an ESF-funded priority to assist in tackling these weaknesses that is based around upskilling the workforce and improving participation and activation for the relevant groups.

The strategic focus of the NSRF is on the following themes;

- *European Social Fund (ESF)*
  - Human Capital Investment – Up-skilling the workforce and increasing the participation and activation of groups outside the workforce.
- *European Regional Development Fund (ERDF)*
  - Innovation, knowledge and entrepreneurship
  - Strengthening the competitiveness and connectivity of Gateways and Hubs through improved access to quality infrastructure and environmental and sustainable development

The NSRF also ensures that the objectives of the Funds are pursued in the framework of sustainable development and also to promote equality in order to prevent discrimination on the basis of gender, race or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of implementing the Funds and, in particular, access to them. In addition the NSRF and the Operational Programmes will as far as possible incorporate measures to ensure Social Inclusion

and minimise the effects of Social Exclusion in the development and implementation of the Operational Programmes.

The NSRF will provide a framework to address issues such up-skilling the workforce and increasing the participation and activation of groups outside the workforce, measures designed to encourage greater female participation in the workforce and interventions designed to increase the participation and activation of groups outside the workforce including early school leavers, migrants, Youthreach and travellers.

The ESF Managing Authority will be a member of the NSRF Monitoring Committee, which will oversee the implementation of the Operational Programmes under the Regional Competitiveness and Employment Objective and ensure co-ordination across the Funds. The ESF Managing Authority will also be a member of the Funds Monitoring Committee to be established to address cooperation and demarcation issues between ERDF/ESF, EFF and EAFRD. The role of the Committee will be to put in place, where necessary, appropriate systems to address these issues in the operational programmes, and address any implementation issues that may warrant demarcation in the operational programmes and any plans for new programmes to ensure that the Funds are not overlapping.

### 3.3.6 A Framework for Ireland's Smart Economy

In relation to the Irish Smart Economy Framework initiative announced on the 18<sup>th</sup> December 2008, the Taoiseach spoke of supporting those who become unemployed and of the need to re-focus resources in a manner that will hasten economic renewal. The re-focused Priorities seek to address these concerns from an ESF perspective.

### 3.3.7 EU Economic Recovery Plan

In a report adopted by the European Commission on the 16<sup>th</sup> December 2008, measures facilitating support to people hit by the economic crisis and detailed in the report, the Commission recommended that European Social Fund programmes be refocused to help the unemployed back into jobs, prevent long-term unemployment and to raise overall skill levels to better match with labour market needs.

The EU recommended the need to target in particular the most disadvantaged who are at greatest risk of becoming unemployed and facing social exclusion.

Furthermore, in its 'shared commitment for employment' strategy initiative announced on the 3<sup>rd</sup> June, 2009, the Commission reaffirmed its commitment to assist with early drawdown of ESF funding to assist economic recovery in Member States. The Commission put forward three main priorities: maintaining employment, creating jobs and promoting mobility; upgrading skills and matching labour market needs; and increasing access to employment. These priorities align favourably with the overall objectives and priorities of the OP.



### **3.4. Sectoral and Other Strategies**

#### **3.4.1 Enterprise Strategy Group Report**

The Enterprise Strategy Group Report was published in 2004 and it made a number of recommendations in relation to human resource development in Ireland. The most significant recommendation, relevant to the EHRDOP, is the recommendation for a ‘One Step Up’ initiative.

Specifically, the report recommended that Ireland ‘*Establish a national “One Step Up” initiative, facilitated by the National Framework of Qualifications. While this initiative seeks to engage with the workforce as a whole, it should pay particular attention to the people with low levels of qualification and in low-level occupations, who are least likely to receive sufficient access to learning opportunities.*’

The report also identified the responsibility for implementation of this recommendation with the Department of Enterprise, Trade and Employment and with the Department of Education and Science.

A key finding highlighted in the Enterprise Strategy Report was the OECD conclusion that 80% of the workforce of 2015 is already at work but most of their skills will be obsolete by then. This raises very important issues for skills policy and the education and training of workers in Ireland post-2006 and for the use of ESF funds.

#### **3.4.2 National Skills Strategy**

The Enterprise Strategy Group (ESG) Report stated that Ireland needs to pursue a knowledge-based, innovation-driven economy in order to maintain competitiveness into the future. A key input in the coming years will be the National Skills Strategy based on the findings of the Expert Group on Future Skills Needs report, entitled “Towards a National Skills Strategy”. Investment under this sub-programme will be informed by the Strategy. The objective is to ensure that we have, over the period to 2020, the skills required to achieve the ESG objective and to remain competitive in the global marketplace.

The Expert Group on Future Skills Needs has articulated a vision where 48% of the labour force would have qualifications at NFQ (National Framework for Qualifications) Levels 6 to 10 (post-Leaving Certificate to PhD levels), 45% would have qualifications at levels 4 & 5 (Leaving Certificate) and the remaining 7% would have qualifications at levels 1 to 3 (Level 3 is Junior Certificate) by 2020. This would be achieved by both improvements in the education of young people coming through the education system and improved training of those of working age. Within this objective, Ireland would build capability at fourth level and double its PhD output (Level 10) by 2013, approximately 172,000 additional people would be upskilled to levels 6 to 10 of the NFQ, and 300,000 additional workers would be trained up to Leaving Certificate level or equivalent.

This vision would require maximising the skills of the resident population through both education and training and at the same time continuing to attract a highly skilled

migrant cohort. These skills needs would be met by maximising the use of the National Training Fund resources, existing capacity in educational institutions and the private sector contribution to training and education, in order to raise skill levels in the labour force and protect competitiveness.

In addition to ESF interventions described in this OP, specific investment strategies under the NDP 2007-2013 (totalling over €20 billion) will deal with the areas of Science, Technology and Innovation, Enterprise and Research and Development.

It is also proposed that this Operational Programme will support the implementation of the National Skills Strategy by providing co-funding from ESF for appropriate measures that are designed to increase skills and education levels in the workforce.

### **3.4.3 National Spatial Strategy**

Ireland's first National Spatial Strategy (NSS) was adopted by Government in 2002, during the period of the 2000-2006 NDP. The NSS defines a long-term spatial development strategy to which all other national policies, including labour market strategies, should adhere. The strategy has a 20 year timeframe and aims for a better spread of activities around the country. In particular the NSS calls for a focusing on investment and growth potential around a network of nine competitive, national Gateways supported by a range of other significant urban areas in the form of nine additional Hubs as well as other large towns to drive the development of their wider regions. The NSS is being implemented at three levels:

- **National:** Government departments and their agencies have been embedding the policies contained in the NSS in their programmes and investment activities.
- **Regional:** Regional Planning Guidelines (RPG's) have been adopted by the NUTS III regional authorities. These set the strategic policy agenda for local authority development plans at city and county level. The process of implementing these RPG's is ongoing.
- **Local:** Strategic spatial plans for the gateways of Dublin, Cork, Limerick, Galway, Waterford are in place. Forfás have published a "Gateways Investment Priorities Study" which builds on the implementation of the National Spatial Strategy and the overall gateway approach.

This Operational Programme will respect the work to be undertaken in implementing the NSS and through financing of projects in each of the regions will seek to contribute where possible to the aims of the NSS.

### **3.4.4 Equality and Equal Opportunities Strategic Framework**

Ireland has made progress in relation to combating discrimination and promoting equality of opportunity. Progress has been made in developing the various elements of a strategic framework for action on equality. This includes:

- Legislation, which encompasses the Employment Equality Acts 1998 and 2004, the Equal Status Acts 2000 to 2004 and a significant body of case law that has been established under this legislation. This legislation covers the grounds of gender, marital status, family status, age, disability, sexual orientation, race, membership of the Traveller community and religion. The Employment Equality Acts prohibit discrimination in the workplace and in vocational training. The Equal Status Acts prohibit discrimination in the provision of goods and services, accommodation and education.
- Institutions, including the establishment of the Equality Authority and the Equality Tribunal under the equality legislation, and a growing capacity in leading organisations in the public and private sectors to promote equality, take account of diversity and combat discrimination.
- The National Women’s Strategy 2007 – 2016 which has an overall funding package of about €120 million under the NDP 2007 – 2013 aims to address the needs of the women of Ireland. As an “ all of Government” commitment, the Strategy contains over 200 actions arranged under three key themes in relation to the equalisation of socio-economic opportunity, ensuring women’s wellbeing and engaging women as equal and active citizens. Its vision is an Ireland where all women enjoy equality with men and can achieve their full potential.
- Mainstreaming, including the development of gender mainstreaming within the previous National Development Plan, the development of multi-ground equality proofing initiatives under national agreements and the application of a broad equal opportunities horizontal principle within the previous National Development Plan.

### **3.5 Regional Operational Programmes**

In addition to the ESF Human Capital Investment Operational Programme there will be two Regional Operational Programmes. The BMW and S&E Regional Assemblies have been designated by the Government to be the Managing Authorities for their respective Regional Operational Programmes, and as such will be responsible for the preparation of these Programmes. These Programmes will be co-financed by the ERDF and will not utilise ESF funds. However, the Managing Authority for this Operational Programme will work closely with the Regional OP Managing Authorities in ensuring appropriate synergies and co-ordination between the various Programmes to the best effect for Ireland.

### **3.6 Rural Development Strategy**

In February 2006 the Agriculture Council adopted EU strategic guidelines for rural development. These guidelines set out a strategic approach and a range of options, which Member States could use, in their national Rural Development Programmes. For each priority, key actions are suggested in the guidelines.

In line with the regulatory requirements, Ireland is preparing a National Strategy Plan for Rural Development on the basis of six community strategic guidelines, which will help to identify the areas where the use of EU support for rural development creates the most value added at EU level and link with the main EU priorities. The Managing

Authority will also seek to ensure appropriate synergies with this investment programme.

### **3.7 Fisheries Sector Operational Programme**

The European Fisheries Fund (EFF), established under Council Regulation (EC) No 1198/2006 on 27 July 2006, requires each Member State to draw up a National Strategic Plan and Operational Programme for its fisheries sector for the period 2007-2013.

Where opportunities exist the Managing Authority will also seek to ensure appropriate synergies with this investment programme.

### **3.11 Conclusion**

This chapter has set out the principal strategies and plans at EU and national level that contribute to addressing labour market issues. It is clear from the plans that focus directly on human capital challenges that two challenges consistently emerge for Ireland. These are:

- The challenge around worker productivity that arises to a large degree from existing and emerging skills gaps that threaten our continuing competitiveness, and;
- Barriers to employment for specific groups within society that are experiencing low participation or employment rates and the continuing challenge of social exclusion.

The challenge for the ESF Human Capital Investment Programme 2007-2013 is to identify the areas for investment that it will impact on the above issues, and ensure that the areas selected have the greatest impact possible. In order to do that, and taking account of the priorities identified in the NSRF, the following priorities have been identified for this Operational Programme:

- Priority 1: Increasing activation of the labour force
- Priority 2: Increasing participation and reducing inequality in the labour force

The next chapter sets out in more detail how those priorities will be implemented and the areas of investment that are proposed to deliver on the objectives of the Priorities.

## Chapter 4

### - Priority Areas for Co-Funding and Transversal Themes

#### 4.1 Overall Objectives and Priorities

The Priority areas for ESF co-funding will be consistent with the conclusions drawn from the labour market analysis and SWOT exercise set out in Chapter 2 and with the strategic considerations discussed in Chapter 3. These complementary considerations have the overall objective of developing the workforce in terms of both its size and skills base. These Priorities will have the effect of increasing the adaptability of the workforce as discussed in the Community Strategic Guidelines while also taking account of the need to strengthen economic and social cohesion as discussed in the European Social Fund Regulation. They will also contribute to the objectives of the National Reform Programme by inclusion of activities that underpin Ireland's long-standing commitment to education and training, particularly lifelong learning. Annex IV outlines the linkages between HCI OP Investment Priorities and future interventions and policy fields outlined in Article 3 of ESF Regulation 1083/2006

#### 4.2 The objectives of the Programme are as follows: -

- To provide education, training and other supports necessary to upskill the workforce as a means of enabling it to respond to the challenges posed by international competition, to enhance worker productivity and to assist in meeting the evolving needs of industry and the economy
- To provide for increased activation and participation with certain groups who can contribute to Ireland's workforce but who face barriers to employment, progression and participation

#### 4.3 Priorities Selected

Chapter 2 above referred to the need for the revised OP in 2009 in order to reflect the new economic reality for Ireland and to shift the emphasis in priorities.

Priority I has, therefore, been re-titled *increasing activation of the labour force* to reflect the new focus on preventing loss of labour market connection and the drift to long term and very long term unemployment.

#### 4.3.1 PRIORITY 1: Increasing Activation of the Labour Force

*The objectives of this Priority are to contribute to increased skill levels in the workforce and to enhancing the productivity of the workforce. These are broad objectives and will primarily be achieved through the very substantial investments under the National Development Plan and other strategies set out in Chapter 2. However, the ESF can make a substantial contribution in niche areas of labour market and education interventions and some examples of where ESF can be applied most effectively follow below.*

This Priority is concerned with the delivery of activities necessary to upskill the Irish labour force as a means of enabling it to respond effectively to the evolving needs of industry and the economy. This is considered central to Ireland's ability to maintain its economic competitiveness. The Priority contains a variety of possible approaches from which the issue of workforce adaptability can be addressed. The Programme will support activities that fall within the remit of these approaches.

The investments under this Priority will seek to address the first Programme objective set out above. It will seek to support and complement actions under the existing and emerging strategies set out in Chapter 3 in addressing issues around worker productivity and skills gaps. The key guiding strategy will be the National Skills Strategy – it will decide the focus for investments in skills development and for the lifelong learning agenda.

### **National Skills Strategy**

The Enterprise Strategy Group (ESG) Report stated that Ireland needs to pursue a knowledge-based, innovation-driven economy in order to maintain competitiveness into the future. A key input in the coming years will be the National Skills Strategy based on the findings of the Expert Group on Future Skills Needs (EGFSN) report, entitled "Towards a National Skills Strategy". Investment under this Priority will be informed by the Strategy. The objective is to ensure that we have, over the period to 2020, the skills required to achieve the ESG'S objective and to remain competitive in the global marketplace.

The vision set out by the EGFSN would require maximising the skills of the resident population through both education and training and at the same time continuing to attract a highly skilled migrant cohort.

These skills needs would be met by maximising the use of the National Training Fund resources, existing capacity in educational institutions and the private sector contribution to training and education, in order to raise skill levels in the labour force and protect competitiveness.

It is also proposed that this Operational Programme will support the implementation of the National Skills Strategy by providing co-funding from ESF for appropriate Measures that are designed to increase skills and education levels in the workforce.

### **Areas for Investment in Priority 1**

Investments under this Operational Programme will seek to support those actions that best fit with the objectives of the ESF Regulation and employment recommendations for Ireland in the NRP process.

The following are examples of the type of areas that may be supported under this Priority.

## ***Training Of Employees***

Ireland's economy requires a well-educated and flexible workforce in order to achieve the vision of the Enterprise Strategy Group of a knowledge-based innovation-driven economy. The Report of the Enterprise Strategy Group stressed the importance of further increasing workforce education and skill levels, thereby increasing productivity.

The private sector will always play the greatest role in the training of those in employment. However, the public sector does have a role in encouraging and providing guidance for that investment and in providing training in cases of market failure, such as for the low and unskilled and for those working in the SME sector.

This training for companies and those in employment will increase the number of employed persons acquiring certified training qualifications and hence their employability and companies' productivity and competitiveness. It will also help companies to assess their HRD practices and processes and benchmark their performance against comparators.

Specific activities, which may be undertaken in support of this objective, are:

- Analyses of sectoral and regional training needs
- Development and implementation of programmes to meet these needs
- Development and implementation of quality assurance measures and training standards
- Best practice workshops
- Development and/or mainstreaming of innovative training models (including the use of Recognition of Prior Learning)

The training provided will also help to promote the goal of health and safety in the workplace through specific training programmes which deal with specific areas of training which involve risk (such as machine operating and driving) to more generalised good workplace training in foundation skills programmes which promote safe ways and methods of working and minimisation of workplace risks.

These actions are consistent with activities outlined under ESF Regulation Article 3, which outlines eligible interventions for co-funding under the ESF.

Target groups who will benefit from co-funded interventions include lower qualified employees, employees in SME's, disadvantaged or atypical workers and workers in vulnerable jobs.

*ESF investment will add value by co-funding interventions, which are intended to intervene where gaps or negative externalities are identified in relation to workplace education and skills and which are not currently funded from other sources. The focus of this measure is on the up-skilling of certain sections of the workforce that do not receive training, in particular lower qualified employees, employees in SME's, disadvantaged or atypical workers, workers in vulnerable jobs and in respect of priority skills. This is in line with Government policy as outlined in Towards 2016 and*

*the National Skills Strategy. The objective is to increase the number of employed persons acquiring certified training qualifications resulting in improved employability prospects for the trainees and also increasing the companies' productivity and competitiveness.*

### ***Increased numbers of Graduates to meet needs of the Economy***

The aim here will be to contribute to the recurrent costs of providing the additional third level places to meet the identified skills needs of the high technology sector and those recommended by the Expert Group on Future Skills Needs (EGFSN).

The role of education in the transformation of Ireland's economy is well known. Investment in education produces clear and positive results for individuals in terms of earning potential. Likewise, National Anti-Poverty Strategy identifies education as central to addressing poverty. The inter-relationship between educational attainment and subsequent life chances are well documented. At economic level evidence suggests that an individual's participation in education, and particularly higher education, has spillover effects for the economy as a whole through enhanced productivity and increasingly from research and development.

The recurrent costs of providing the additional third level places to meet the identified skills needs of the high technology sector, for example, are a focus of the Undergraduate Skills Investment by the Department of Education and Science (DES). The programmes included in this Measure are those recommended by the EGFSN and the Joint Education/Industry Task Force on the Supply of Technicians. The objective of this intervention is to increase the supply of graduates qualified in these areas in order to address skills shortages in the economy. It will, therefore, focus on issues that are central to ESG report recommendations and to the achievement of the National Skills Strategy.

The ICT Undergraduate Skills Programme was introduced as a result of the Government's intervention to address identified and anticipated computing skills of the high-technology sector needs (with particular emphasis on Information and Communication Technologies (ICTs) and chemical and biological sciences) and to ensure an improvement in the supply of trained graduates and technicians in the short and medium term. FÁS/ESRI is predicting a shortfall of 100,000 graduates over the next decade.

ICT Ireland launched an Internship programme in the final years of existing third level degree programs. Students spend 2 days per week working in industry while continuing their full time studies. The students will benefit from gaining practical experience in their chosen career, as well as creating closer links between the ICT industry and academia. This programme will help address the decline in students choosing IT courses. The provision of courses under the Undergraduate Skills Measure will enable students to gain the necessary skills and qualifications to meet the skills needs of the economy thus ensuring that Ireland meets its obligations under the Lisbon Process.



*ESF investment in this area will add value in a number of ways. It will provide additional places for students, particularly in the ICT, Engineering and Science disciplines. The IT Investment Fund, which will be co-financed by ESF, will be expanded to improve completion rates; it funds Part-Time Undergraduate Courses and Postgraduate Full-Time and Part Time courses, in DIT and the Institutes of Technology. Regional expansion of this fund by the inclusion of the Institutes of Technology, which were not previously involved in the post-graduate conversion courses, will enable all the regions to participate in and benefit from such provision. The aim of achieving an improved balance of social, economic and physical development will also be facilitated through support to third level institutions are located in Gateways as specified under the National Spatial Strategy. While national policy has identified a requirement for a general expansion in student numbers, ESF co-funding will assist in a targeted, strategic expansion in student numbers and places to ensure a steady skills supply to areas in the ICT, Engineering and Science disciplines to meet the needs of the high technology sector and the recommendations of the Expert Group on Future Skills Needs. ESF investment will also contribute to focus activity within this Measure on groups, which experience disadvantage and under-representation at third level.*

### ***Third Level Access***

The purpose of this measure is to promote the participation of students with disabilities, students from disadvantaged backgrounds, including from the Traveller community, ethnic minorities and mature 'second-chance' students, in third-level and post leaving certificate (PLC) courses. The measure seeks to facilitate and improve access to the labour market for the beneficiaries whilst improving their long-term employability through enhancing their educational qualifications. A dedicated national office to promote equity of access was established in 2003. The National Office for Equity of Access to Higher Education is based in the Higher Education Authority and it works with all publicly funded higher education institutions. From January 2005 the National Office has been implementing a three-year national strategy and its first annual report was published in January 2006. It also manages the Fund for Students with a Disability, the Student Assistance Fund, the Millennium Partnership Fund and monitors expenditure on access in higher education institutions. An advisory group assists the National Office in its work.

In addition to the means tested maintenance grants schemes, provision was made under the social inclusion Measures in the National Development Plan for a Third Level Access Fund, over the period 2000 to 2006, which was aimed at tackling under representation by the following three target groups:

(a) The Fund for Students with a Disability: This fund is an essential part of the Third Level Access fund which provides grants towards the provision of services and the purchase of equipment for students with disabilities attending courses in Third Level Institutions or Post Leaving Certificate courses. The scheme applies to students who have serious sensory, physical and/or communicative disabilities, including dyslexia. ESF co-financing is provided for students to avail of targeted supports such as transport services, sign language assistance/interpreters and personal assistants.

(b) The Student Assistance Fund, which is aimed at assisting students in a sensitive and compassionate manner who might otherwise, because of financial reasons, suffer severe hardship or be unable to continue their third-level studies, is an integral part of third level access funding.

Currently, the Student Assistance Fund is allocated to higher education institutions on the basis of their overall student numbers. The Fund is an important source of support for students who experience circumstances of hardship while in college. It is proposed, however, that a more effective means of allocating the funding is to link it to identified target groups, in particular those from socio-economically disadvantaged backgrounds.

*ESF investment will assist in the development and implementation of proposed new and innovative initiatives such as development work with institutes of technology, the establishment of a needs assessment service for students with a disability, expansion of a community-based approach to access, a national information campaign for all students, provision of new part-time education opportunities and childcare support to students.*

### ***Vocational Education and Accredited Education***

This will address the need to provide unemployed persons and other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work. There are 2 aspects to this measure – Back to Education Initiative and FÁS-administered Skills Training for the Unemployed and Job Seekers.

The Back to Education Initiative (BTEI) administered by the Department of Education and Science provides new opportunities for learning through the provision of flexible part-time and full-time programmes that consolidate and build on existing further education services. It provides a progression route for school leavers, a re-entry route for those who wish to upgrade their skills, a bridge from adult literacy and community education. Its principal objective is to increase the base of adults with upper second level education and/or qualifications at FETAC Levels 3, 4, 5 and 6 and relevant or updated skills to meet the needs of the economy.

The introduction of the BTEI arose from the need to provide, on a part-time basis, programmes that had previously been full-time, with the target group being the one million adults who did not complete upper second-level schooling. The BTEI (part-time) has built on the full-time and part-time provision of the Adult Literacy services, Community Education, Youthreach, Senior Traveller Training Programmes, Vocational Training Opportunities Scheme (VTOS) and Post Leaving Certificate (PLC) Courses. The BTEI places a particular emphasis on promoting a return to learning for those in the population with less than upper secondary education. Also, improved job prospects in recent years are resulting in participants being attracted out of educational courses into employment prior to completion and attainment of qualifications. For those most marginalised, an immediate return to full-time education or training is not always realistic. In addition, demographic change makes it an imperative to encourage those not at present in the labour force to re-enter employment.

The overall aim of the BTEI will be to increase the participation of people with less than upper second level education in a range of flexible learning opportunities. The priority will be to target people who experience particular and acute barriers to participation. In particular, the objectives are to engage with hard-to-reach groups including key groups such as:

- People with disabilities
- Lone parents
- Early school leavers
- Unemployed people
- Travellers
- Ex-offenders
- Homeless people
- Older people
- Persons from ethnic minority backgrounds

*ESF investment under BTEI will support individuals to obtain employment through improving their skills. ESF investment will provide funding for greater participation and places on these measures and allow for the provision of innovative and flexible learning opportunities aimed at addressing difficulties in combining family, personal and work responsibilities with education. ESF will also support participants access to training programmes in the areas of information and communications technology, electronic technician, language skills, enterprise development, business, tourism, art and craft, child care, and a broad range of disciplines within the industry and services sector. It will also facilitate access to state examinations such as the Junior and Leaving Certificate.*

*ESF co-financing will continue to facilitate the continued expansion of Community education opportunities and allow for greater targeting and participation of marginalised groups, particularly those with less than upper second level education. It will also assist in the increased provision of English language courses (ESOL) to migrant workers arriving in Ireland as a consequence of EU enlargement.*

*ESF co-funding will also provide complementary support to the nationwide network of 35 community education facilitators who focus on new initiatives such as the development of new community-based learning groups, networking of providers, accessing funding, sharing good practice and promotion of the development of partnerships with the statutory sector. The ESF also will continue to support the development of innovative approaches to recruitment and teaching.*

The FÁS-administered Skills Training for the Unemployed and Job Seekers Programme seeks to address the need to provide unemployed persons and other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work. The objective of the Measure is on helping unemployed persons or other job seekers to obtain employment or improved employment through enhanced skills and employability. The objectives of the Irish economy depend upon having a skilled workforce, a high level of participation in the labour force and keeping

unemployment rates low. These objectives are in line with the obligatory Lisbon targets for the EU. One of the aims of the skills training is to ensure that there is a better alignment between FÁS training courses and the National Framework of Qualifications. FÁS training courses will be classified as Foundation, Bridging or Advanced Skills.

The target groups of Measures under this area of investment include unemployed persons or other jobseekers, lone parents and persons returning to the workforce from home duties.

*ESF investment will permit greater numbers of persons to benefit from training and skills development. It will facilitate a focus within the measure on marginalised groups such as unemployed persons, lone parents, unemployed migrants and persons returning to the workforce. It will also support courses imparting specific skill sets in the areas of computer applications and software development, financial services, caring, driving, machine operations, electronics and retail. Investments under this measure will also co-fund off site training provision by external contractors and community/voluntary groups.*

*Under the policy of active labour market intervention, which forms part of the European Employment Strategy, an active process of referral and intervention is underway for all unemployed registrants after three months of unemployment. The proposed expansion of this process to other groups, such persons on single parents' allowance and persons on disability benefit will be facilitated by ESF co-funding which will be used to provide activation options for these groups.*

*The Border, Midlands and West (BMW) region of Ireland is classified as an 'economic development region'. This region contains just a quarter of the population of Ireland. ESF funding under this measure will prioritise this region with 69% of trainees coming from the BMW Region and while National expenditure by FÁS on skills training is predominantly devoted to the South and East region (71%) compared to the BMW region (29%), ESF-supported expenditure under this measure is projected to be 80% in the BMW region compared to only 20% to the S & E region.*

### ***New Labour Market Activation Measures***

These measures - which may be co-financed by Ireland in the future - include

-Work Experience/graduate placement, which is targeted at the unemployed and those on the Live Register for at least 6 months and in receipt of Job Seekers Allowance. The programme consists of two different streams; the first is for graduates who possess qualifications at ordinary degree level or higher. Stream two is for individuals who do not possess a qualification at ordinary degree level. A set number of places (250) have been ring-fenced for under 25s;

- part-time third level study; again targeted at the unemployed and those on the Live Register for at least 6 months and in receipt of Job Seekers Allowance;

- short-time workers training scheme targeted at employees who have had their working hours reduced and are now working three days a week. They must also be in receipt of systematic short time payments from the Department of Social and Family Affairs;
- wage subsidy measures/job retention schemes aim to support vulnerable but viable firms who as a result of the global economic crisis may have to make several of their employees redundant. To qualify, enterprises must not have been in financial difficulty before 1<sup>st</sup> July 2009 and must be in the internationally traded services and/or manufacturing sectors;
- provision for redundant apprentices interventions i.e., apprentices who have been made redundant prior to their apprenticeships being completed. The purpose of the interventions is to assist these redundant apprentices progress and complete their apprentices, thereby improving their employability.

Any measures adopted will be in the context of addressing the sharp recent rise in unemployment in Ireland. ESF Investment in new labour market activation measures may result in the possible expansion of these measures to enable greater numbers of unemployed access them. It may also allow a greater variety of training options to be made available to the unemployed.

#### **4.3.2 PRIORITY 2: INCREASING PARTICIPATION AND REDUCING INEQUALITY IN THE LABOUR FORCE -**

Again, Chapter 2 above referred to the need for the revised OP to reflect the new economic reality for Ireland and to shift the emphasis in priorities.

Priority II is, therefore, now to be aimed at *increasing participation and reducing inequality in the labour force* in order to reflect the maintenance of a strategic focus on those facing even greater challenges to their meaningful participation in active society and in the workforce.

*The objective of this Priority is to contribute to addressing labour market gaps for specific groups that are experiencing barriers to participation and employment, including those created by gender inequality and wider inequalities.*

This Priority is designed to provide for the increased activation and participation within certain groups that are regarded as being a valuable source of workers to Ireland's labour force. The Priority will allow for a range of activities that may be undertaken to deal with the disparate requirements of each group.

Investments under this Priority will seek to address the second Programme objective set out above. In addition to meeting the labour market needs, this Priority will seek to enhance social inclusion outcomes for the groups involved. These broad objectives are primarily tackled through the NDP and the NAP inclusion processes, but this Operational Programme can contribute in a substantial way to complementing the national strategies concerned.

Social inclusion is a stated objective of the ESF. The NAPinclusion will have a 10-year timescale up to 2016, coinciding with the timescale of the new national partnership agreement, *Towards 2016*. The plan is closely linked to the new National Development Plan 2007-2013 (NDP), within the overall framework of *Towards 2016*, which sets out the Government's high-level goals to combat poverty and social exclusion, based on the lifecycle approach. This approach places the individual at the centre of policy development and delivery and offers a framework for implementing a streamlined, crosscutting and visible approach to tackling poverty and social exclusion. Implementation of this approach will primarily be achieved through the NAPS Inclusion and the NDP and they may be supported by the Measures in this Priority.

Social inclusion actions under this Programme need to address barriers to employment by, for example, providing education and training and access to lifelong learning for those most disadvantaged. They should also be reflected in Measures to target early school leaving, female participation, labour supply mobilisation and preventative measures to minimise the drift into long term unemployment. These will help to promote social inclusion with particular emphasis on the re-integration of the socially excluded, new immigrants and the long-term unemployed into the labour force.

The EQUAL Community Initiative Programme 2000-2006 has made a valued contribution in allowing an opportunity for innovative practices and actions to be piloted. The strategic focus of the programme on disadvantage and the opportunities it provided for voluntary and community organisations to engage in a participative and bottom-up approach is seen as a strength in addressing the social impacts of the economic and structural change on groups and communities suffering from exclusion.

The increased participation of women in the labour market has contributed significantly to Irish economic growth and steps are being taken to further increase this participation for groups currently under-represented or inactive and to foster their advancement to decision-making levels within organisations and in broader civil society. This requires targeted training responses and the greater flexibility required in delivery of training needs particular attention.

The National Women's Strategy, published in Spring 2007, will address the themes of equalising socio-economic opportunity for women, ensuring their well being and engaging them as equal and active citizens. On a broader basis, a gender equality mainstreaming approach within all policy development, including labour market programmes, will further advance the role of women in the Irish economy and Irish society.

## **Areas for Investment in Priority 2**

The following are examples of the type of areas that may be supported under this Priority.

### ***Supporting People with a disability***

The implementation of sectoral plans under the Disability Act 2005 will be supported, thereby assisting in the mainstreaming of services for the disabled and the increase of participation by people with disabilities in society.

In relation to the labour market programmes, the policy emphasis is to ensure that disabled people have an equal opportunity to participate in mainstream employment and training programmes. Where this is not possible there are a number of training and employment supports targeted specifically at people with a disability, which will continue to be provided, including the vocational training by Specialist Training Providers and the Supported Employment Programme. The participation of persons with a disability in the labour force remains considerably lower than for the working age population as a whole. The focus of this measure is on increasing this percentage thus contributing to the national goal of increasing the labour force and supporting individuals' own prospects of meaningful, paid, employment.

Support for the Student Access Fund and the Fund for Students with Disabilities provide examples of how this will be delivered through the provision of assistive, academic and personal supports to students enabling full participation in higher and further education courses.

*ESF co-financing will support a range of tailored supports and services in higher education which will assist individual students with disabilities participating to tackle social or economic barriers, either of a temporary or more entrenched nature.*

### ***Targeting Young People and Early School Leavers***

Youthreach seeks to provide unqualified school leavers with the knowledge, skills and confidence required to participate fully in society and progress to further education, training and employment. Senior Traveller Training seeks to provide an opportunity for members of the Traveller community and others to engage in a programme of learning that affirms their cultural identity, acquire the knowledge, skills and confidence to participate fully in society and progress to further education, training and employment.

The policy in Ireland is to seek to ensure that persons with little or no education/skills are not isolated and vulnerable to potential economic downturn. This is delivered through Measures, which address early school leaving, combine education with labour market participation and upskilling. The European Youth Pact identifies the need to provide education and training to address the labour market challenges facing young people. Ireland supports the Pact's emphasis on youth and the policies it proposes.

Youthreach is the national response to the needs of unqualified early school leavers in Ireland, and offers a programme of integrated general education, vocational training and work experience. A weekly training allowance is paid which varies depending on age. Courses are full-time and are available on a year round basis, and part time options are currently being developed. Centres and Workshops are distributed throughout the country, mostly in disadvantaged areas, in both urban and rural communities. It is delivered in out-of-school settings. The programme is structured

around a Foundation phase to help overcome learning difficulties, develop self-confidence and gain a range of competences essential for further learning and a Progression phase, which provides for more specific development through a range of educational, training and work experience options.

Basic skills training, practical work training and general education are features of the programme, and the application of new technology is integrated into all aspects of programme content. The programme provides a strong emphasis on personal development, on the core skills of literacy/numeracy, communications and IT, along with a choice of vocational options such as Catering, Hairdressing, Computers, Woodwork, Photography, Video, Sports, Art and Craft, and a work experience programme. National certification is available through the Further Education and Training Awards Council usually at levels 3 and 4. Participants are also entitled to enter Department of Education and Science examinations as mature or external applicants.

"Towards 2016 - Ten Year Framework Social Partnership Agreement 2006 - 2015" includes provision for a further increase in Youthreach student numbers. Overall this will allow for an additional 1,000 places for the Youthreach programme before the end of 2009, including some 400 additional places in 2007.

*ESF funding will facilitate the provision of additional places in Youthreach under this area of investment as envisaged in 'Towards 2016'. Within the measure support is also provided to the increasing numbers of Youthreach participants in all strands who chose the Leaving Certificate Applied Programme as a progression option. A pilot programme involving the introduction of additional staffing resources such as community workers, counsellors, mentors or resource personnel aimed at addressing the Special Educational Needs of Youthreach students is planned for 2007. ESF co-funding may facilitate the mainstreaming and expansion of this initiative following a planned evaluation and also support the development of innovative interventions in the areas of individual education plans, mentoring and inter-agency work.*

**Senior Traveller Training Centres** were established in 1974 to provide basic compensatory education for Travellers between the ages of 15 and 25, although the upper age limit has since been abolished. There is a network of 33 centres and three outreach centres throughout the country. The aim of the centres is to provide Travellers with the knowledge, skills and attitudes required to successfully make the transition to work and adult life, and to participate fully in their communities. The target group is people who have left school with either minimal or no qualifications and there is no upper age limit.

The centres have been successful in imparting the essential skills of literacy, numeracy, social/life skills, woodwork, metalwork and home economics, among many others, for Travellers who have left school after primary level or who may not have gone to school at all. Many adult Travellers are now availing of second chance education in centres. They recognise the value that education provides in the context of breaking the cycle of educational and social disadvantage that their community has experienced for many years. As well as providing essential education in a more holistic-centred approach, they help to break down the barrier of discrimination and



engender more co-operation and respect between the Travelling community and the 'settled' community. Local referral networks play a key role in the successful delivery of the programmes in Centres, links with schools, youth organisations, the probation services, the Juvenile Liaison service and the Health Boards are important in ensuring that those in need have access to appropriate programmes.

*ESF co-funding ensures that these Centres maintain an integrated area-based response to tackling the issue of educational disadvantage of the Travelling community. The ESF will support the ongoing provision of supports to Senior Traveller Training through the provision of specific training interventions on both Foundation and Progression levels, enabling greater numbers to participate. ESF support will ensure that programme offered by Senior Traveller Training Centres develop innovative approaches to recruitment and curriculum development and continue to recognise and accommodate diversity and the particular cultural and social needs of the traveller community.*

### **Basic Education Skills**

Adult literacy is the Government's top priority in adult education. Literacy is fundamental to empowerment and personal development. It is an attempt to give a second chance to people for whom the mainstream system did not properly cater for when they were younger. The NDP will fund actions to provide access to literacy, numeracy and basic education to those adults whose skills are deficient in these areas. Adult literacy courses are delivered through the VECs and the service is free of charge to students. The VECs currently deliver adult literacy courses to approximately 35,000 participants annually. The aim in this Programme is to provide increased access to literacy, numeracy and language tuition for adults whose skills are inadequate for participation in modern society and to increase capacity in the adult literacy service.

Key target groups under this area of investment include unqualified members of the traveller community, young persons at risk of being involved in anti social/criminal behaviour and adults in need of improved basic literacy, language and numeracy skills.

*The ESF contribution under this area of investment will enable enhanced supports for those with literacy and numeracy issues and will enable expansion of these interventions and provide ongoing provision at current activity levels. ESF support facilitates the provision of complementary initiatives in Adult Literacy such as Intensive literacy programmes, development of multi-media literacy projects, specially targeted literacy programmes (e.g. literacy for deaf people, literacy for people with dyslexia and literacy for native Irish speakers in Gaeltacht areas) and workplace literacy schemes (targeted at groups such as Community Employment participants and Local Authority outdoor workers). ESF support may also be utilised to develop interventions for youths facing social exclusion through crime or other societal problems. The aim of this proposed programme is to provide key skills in the area of IT and personal development to identify pathways for individual participants towards the labour market.*

## ***Equality and Equal Opportunities***

Measures to encourage greater female participation at all levels in the work force will also be supported. These Measures will take into account the National Women's Strategy, which is being prepared by an inter-Departmental group chaired by the Department of Justice, Equality and Law Reform and supported by a social partnership consultative group. This is intended to provide a framework within which the outstanding gaps in the position of women in Irish society are addressed over a ten year period. It will support positive actions to promote gender equality. It will aim to equalise the socio-economic status of women, ensure their well being and engage them in decision- making and in civil society. The commitments of the European Pact for Gender Equality agreed at the Spring 2006 European Council and the recommendation of the European Commission's Roadmap for Equality between Women and Men will also inform actions under this Operational Programme and the broader National Development Plan.

The equality proofing process seeks to identify any unintended negative impacts of policy on any category of persons protected by equality legislation. It is a process for ensuring that policy is more efficient, effective and economic, i.e. for ensuring value for money, as well as maximising the equality impact of policy. The Department of Justice, Equality and Law Reform, through the Working Group on Equality Proofing and in collaboration with the Equality Authority, is now in a position to provide technical assistance to other Departments in proofing their policies to avoid unanticipated negative impact on any of the groups protected under the equality legislation.

In addition, the Equality Authority, in collaboration with the Department of Justice, Equality and Law Reform, will develop a measure to support an equality mainstreaming approach across all labour market programme providers that ensures that labour market programme design and delivery accommodates diversity and enhances access, participation and outcomes for groups experiencing labour market inequality across the nine grounds covered by equality legislation.

*In this area ESF funding will add value through supporting those groups and projects that build on work undertaken during NDP 2000-2006, supporting the development and implementation of new actions under the National Women's Strategy and the mainstreaming of equality support packages in labour market programmes*

## ***Migrant Workers***

In 2002, approximately 7% of Ireland's population of just under 4 million were immigrants. CSO Population and Migration Estimates (April 2006) put the total immigration flow into Ireland in the twelve months to April 2006 at 86,900; the highest figure on record. The estimated number of emigrants in the same period was 17,000 resulting in a net migration figure of 69,900, compared with 53,400 and 31,600 in the previous two years. We are thus rapidly moving towards a situation where almost one in ten of our population will be non-Irish nationals, a phenomenal demographic change, which will shape a very different society by 2013.

Social inclusion policy and measures must therefore address, not only whatever inequalities and divisions exist within our native Irish population, but also those contained in an Irish society, which will be fundamentally and irrevocably multicultural by nature. A new dimension in our planning which focuses on integrating our immigrant population is required. A national integration policy will be developed, based on equality principles and taking a revised and broader view of social inclusion, which builds on the experience of other countries. The current positive impact of immigrants on a growing Irish economy is acknowledged and there is an ongoing commitment to serving the continuing social, cultural and economic aspirations of our immigrant population.

Under this priority, the Reception and Integration Agency provides projects aimed at the most vulnerable of legally resident migrants that are having difficulty accessing employment because of language difficulties, health issues, lack of training or social skills or non-recognition of their qualifications.

*ESF will support the implementation of a series of initiatives which will increase the employment possibilities for the target group through a linked comprehensive employment program embracing all stages of preparation which will include language training around the work place, social skills training and a one on one mentoring programme that will lead to long term placement of beneficiaries in either training or employment. ESF investment in this area may be used to promote and extend initiatives to increase the levels of employability of the target group of legally resident migrants.*

#### **4.3.3 PRIORITY 3: TECHNICAL ASSISTANCE**

Implementation of this Operational Programme and of the ESF will give rise to significant intrinsic administration costs over the next Programme period.

The Technical Assistance Priority will cover certain costs in relation to the Audit Authority (ESF Financial Control Unit, DETE), Monitoring Committee Meetings, activities of the ESF Authorities such as document printing, evaluations, seminars, the computer based integrated data management system, information and publicity and other costs. It is also envisaged that some of the Technical Assistance Priority will cover expenditure relating to transnational activities and will also cover expenditure relating to capacity building.

The staffing costs and expenses of the Audit Authority, as well as the expenses incurred by that unit in delivering its official functions will be co-funded by Technical Assistance. General expenses such as room hire, logistical costs and other official expenses arising from Monitoring Committee meetings shall also be met from this budget. Evaluation activity, including the proposed Mid-term Evaluation and Measure level/thematic evaluations, will also be funded from this budget. Participation by the ESF authorities in ESF-related fora, nationally and at EU level will also come within the remit of Technical Assistance. Funding may be provided under this heading for organisations involved with administering ESF programmes to build appropriate capabilities to enable them to take full advantage of the ESF and to ensure that they

have the capability to manage the requirements of the Regulations when utilizing ESF in their work. The Technical Assistance priority will also be required to co-fund certain expenses associated with audit and regulatory requirements in relation to items (such as retention and storage of records) relating to this and previous ESF Operational Programmes.

This Priority will be administered by the Managing Authority under the general control of the Operational Programme Monitoring Committee.

The amount of ESF set aside for Technical Assistance in this Operational Programme is €3m.

#### **4.4 Transversal Themes**

The transversal themes to be considered during the implementation of the HCI OP are listed below. The potential for ESF investment to make a meaningful contribution to addressing the issues relevant to these themes will be considered when making investment decisions under this OP.

To best inform actions within the OP to address these themes, it is proposed that these themes will form the basis for a series of presentations and discussions at Monitoring Committee level. Progress on the contribution which ESF investment has made to addressing these themes will be measured as an element of the proposed Mid-term Evaluation of the OP.

#### **A - Contribution of Priorities to Interregional and Transnational Co-operation**

The area of transnational and interregional co-operation will continue to be supported in this programme. This will occur on a cross-programme basis involving a variety of activities rather than being a dedicated stand-alone Priority. This 'cross cutting' approach offers the opportunity to participate in transnational actions under all Priorities and offers a maximum degree of flexibility in programme implementation.

Transnational areas for potential co-operation which could deliver mutual benefits will be explored. These may include:

- Sharing of experiences
- Specific research and analysis
- Capacity building among participants and organisations
- Areas where joint approaches should be developed
- Exploration of best practice
- Development of learning and information exchange networks
- Exchange of personnel and learning
- Seminars and training
- Multilateral co-operation and partnership projects

Due to the significant scope for learning and experience that is to be drawn from such co-operation, the Managing Authority will be charged with pro-actively developing transnational and interregional co-operation actions under this programme. Building

on networks with partners established under, for example, the EQUAL Community Initiative, the challenge will be to utilise to the best of our ability the resources, information and people available through such networks and structures to assist with development of measures to address our labour market challenges. It is envisaged that strategy in relation to potential transnational or interregional activities will be informed through consultation with ESF Intermediate Bodies, other relevant organisations (Government Departments, State Agencies, NGOs) and through information exchange and consultation with ESF Managing Authorities in other countries.

A specific allocation of funding is being set aside in each Priority to finance activity in these areas and the Managing Authority will be seeking to maximise the potential of this resource over the programming period.

## **B - Contribution of Priorities to Innovation**

Article 7 of Regulation (EC) 1081/2006 states as follows:

*“In the framework of each operational programme, particular attention shall be paid to the promotion and mainstreaming of innovative activities. The managing authority shall choose the themes for the funding of innovation in the context of partnership and shall define the appropriate implementation arrangements. It shall inform the monitoring committee referred to in Article 63 of Regulation (EC) No 1083/2006 of the themes chosen”.*

The Lisbon Strategy’s emphasis on promoting knowledge, boosting education and promoting innovation also included social innovations to support modernisation of the economy and reform of employment and social inclusion policies and actions. Social innovations could encompass such measures as facilitating the acquisition of skills and competencies and the establishment of networks and partnerships between stakeholders to ensure that all groups, particularly those who are most disadvantaged in the labour market, can participate fully. Such actions could also encompass the inclusion of new target groups and the promotion of the quality of employment.

The Managing Authority will develop themes for funding in respect of innovation. In selecting activities for inclusion in the Programme, particular cognisance will be taken of the extent to which an activity contains some level of social innovation. New actions will be particularly encouraged and sought out for co-financing within the Priority objectives. Innovative pilot schemes and expansions of successful pilots will also be considered for assistance. It is not proposed to have a separate theme within the Programme for social innovation, but any new proposals for funding under the Programme that have a social inclusion or mainstreaming focus will be prioritised by the Managing Authority.

A number of areas for investment included in the Programme have innovative aspects to them, in particular, under Priority 2 Activation and Participation of Groups outside the Labour Force. Innovative activities which may be supported by this OP include:

- A pilot intervention which aim to increase participation of disabled persons in mainstream training courses
- The development and testing of a comprehensive employment strategy based on individual case management of people on disability welfare payments that will have the capacity to increase their employment rate
- Proposed activities involves diverting young people from socially disadvantaged backgrounds away from criminal activities, and into developing skills, both social and practical, to enable them to return to education or employment
- Proposals for mainstreaming of equality in vocational education and training, labour market programmes and at the level of the enterprise
- Activities under the crosscutting theme of transnational and interregional co-operation will, by its nature, involve and require some element of innovation on behalf of the Managing Authority and participating partners and this aspect will be a particular focus for the Managing Authority when considering investment choices

### **C – Contribution to Life Long Learning**

Ireland’s economy requires a well educated and flexible workforce in order to continue to meet the demands of an evolving, competitive environment and the demands of industrial re-structuring that globalisation continues to bring. This will require an approach to ongoing education and upskilling that can be provided through a strong focus on life long learning initiatives. The Government is committed to the implementation of a Lifelong Learning policy and to the modernisation of the workplace. Under Towards 2016, it was agreed that one of the high level objectives to be reached is to drive the lifelong learning agenda by enhancing access to training, the development of new skills, the acquisition of recognised qualifications and progression to higher level qualifications. The frameworks for the development of these policies were set out in the White Paper on Adult Education ‘‘Learning for Life’’, published in 2000, the Taskforce on Lifelong Learning Report and in the Report of the Forum on the Workplace of the Future and these frameworks will inform policy over the period of the Plan. The continued implementation of policy in these areas will be supported through providing second chance education and training for those with low skills and addressing access barriers through a strengthening of supports, guidance, counselling and childcare services and increased flexibility of provision.

The lifelong learning agenda will be primarily delivered through the actions under the National Development Plan. The challenge for this Operational Programme will be to contribute to the upgrade of the competencies and qualifications of the workforce (particularly those with low skill levels and in low value added occupations) by supporting targeted training and education programmes where necessary. These will need to be broad and flexible and need to incorporate gender sensitive and multi-cultural approaches, in terms of design and delivery, in order to prove accessible to all those groups that may need to access them.

### **D – Contribution to Industrial Restructuring**

As well as the broader challenges posed by globalisation, there are more specific areas that are under threat from industrial re-structuring and competition from lower cost economies. For example, traditional low technology manufacturing and production employment is under threat and the sectors most affected need targeted measures to assist the workers in these industries in obtaining the necessary skills and education levels to enable them to become re-employed as quickly as possible.

Planned interventions under this OP, particularly in the areas of Upskilling the Workforce and Training for the Unemployed, will ensure that the impacts of industrial restructuring on individual workers are minimised and opportunity to take advantage of new job opportunities, which may emerge through the development of existing skills and the attainment of new skills is maximised.

This Programme will, where appropriate, seek to support measures that are developed with the particular problems of industrial restructuring in mind. Due cognisance of the European Globalisation Fund and other such intervention mechanisms will be taken when making decisions on investment in this category.

## **4.5 Contribution of the European Union**

### **4.5.1 Added Value of ESF**

The Priority areas for investment of the ESF in this Programme are such that they align well with the objectives of the ESF Regulation, as set out in Chapter 3. The potential Measures to be co-financed, described above, aim to deliver on aspects of policy that are designed to meet Ireland's commitments under the Lisbon Agenda, the National Reform Programme and the other strategic plans relevant to labour market and social inclusion interventions. In some instances, the proposed Measures are new and the ESF contribution will be vital to their viability over their set-up and initial operational periods. In other cases, the ESF will facilitate the expansion of existing pilots where policy-makers are of the view that significant impact can be made on social exclusion in particular. Elsewhere, the ESF will be used to focus activity within Measures in order to highlight particular aspects of ongoing interventions or to ensure that sufficient priority is given to the sub-activities by the responsible bodies. The individual Measures chosen for ESF co-financing will fall within one or more of these categories.

ESF will also fund interventions which directly focus on the different range and levels of action and can be taken in terms of individual support strategies (i.e. student focussed initiatives, such as guidance and counselling, vocational guidance, childcare, training allowances, special needs resources) as well as curriculum initiatives, organisational change (e.g. BTEI- part-time options), community based approaches, leading to systemic change and mainstreaming.

### **4.5.2 Co-ordination with other Funds**

Article 27(5)(b) of Regulation 1083/2006 indicated that the National Strategic Reference Framework (NSRF) document may contain details on the "mechanisms for

ensuring coordination between operational programmes”. Ireland’s NSRF sets out the arrangements that are to be put in place to meet this need.

A Monitoring Committee for the Coordination of EU Funds for the NSRF will be established between ERDF, ESF, EFF and EAFRD, which would meet at intervals as required. The Department of Finance will chair the Committee and the Committee expects to report to the NSRF Monitoring Committee on any issues of relevance. The role of the Committee would be to discuss the demarcation of the funds in the operational programmes, any implementation issues that might warrant demarcation in the operational programmes and any plans for new programmes to ensure that the Funds are not overlapping.

The European Refugee Fund and the European Fund for the Integration of Third-country Nationals will provide funding to support EU Member States in dealing with immigration and refugee issues through the agreed Solidarity and Management of Migration Flows Framework Programme. This framework aims to facilitate a fair share of responsibilities between Member States managing the external border and the implementation of common asylum and immigration policies. Where appropriate the HCI OP will seek to complement activities undertaken under both these funds.

In the fields of education and training, in particular in the context of transnational cooperation, synergies may be developed with the Lifelong Learning Programme, in particular the Leonardo da Vinci sub-programme. There is also the strong possibility for synergies between the ESF and, in particular, the ERDF. The combination of investments in human and physical capital in areas that suffer from deprivation or that would benefit significantly from such investment as part of their economic and social development could act as a catalyst for sustainable development and growth, particularly in the gateway locations identified in the NDP. There will also be a need to monitor activity in the various funds to avoid duplication of investment and to ensure that the funds are employed in the most appropriate and relevant manner. The ESF Managing Authority will participate fully in the proposed Monitoring Committee for the Coordination of EU Funds and will submit any proposed changes to the Human Capital Investment OP 2007-2013 to the Committee for consideration, if necessary.

The principles of the Sustainable Development Strategy, adopted by the European Council, and particularly point 25 on co-ordination of EC co-financing, which requires that Member States and the Commission should co-ordinate to enhance complementarities and synergies between various strands of Community and other co-financing mechanisms, such as Cohesion Policy, Rural Development, LIFE+, Research and Development (RTD), the Competitiveness and Innovation Program (CIP), and the European Fisheries Fund (EFF), will be respected in the implementation of this Programme. This is to ensure that EU funding is channeled and used in an optimum way to promote sustainable development. This Operational Programme will seek to apply this principle in all co-financed projects.

#### **4.6 Roles of Non Governmental Organisations (NGOs)**



A relationship already exists between some of the OP Intermediate Bodies and locally based NGOs, such as Area Based and Community Partnerships, who receive the majority of their programme funding through State sources. These provide interventions which are focussed on dealing with social inclusion, capacity building and local development through supporting education and training and career planning, working with the most socially excluded members of Irish society.

Nationally, issue based NGOs or NGOs, which represent specific groups (such as Travellers, lone parents etc), also maintain a strategic and operational partnership with Intermediate Bodies and other Government Departments.

The Managing Authority will explore, with Intermediate Bodies and NGOs, what opportunities there may be for the ESF to add value to present services by co-funding niche interventions, particularly under Priority 2 - Activation and Participation of Groups outside the Labour force and under the 'crosscutting' transnational and interregional cooperation theme. The promotion and awareness of the ESF among NGOs will be included in the Communications Action Plan to be formulated by the Managing Authority.

#### **4.7 Conclusion**

This chapter has set out the priority areas for investment of ESF monies over the programming period. Later chapters deal with the financial allocations that will be required to deliver on the aspirations established herein and provide further context for the investment decisions under the heading of Horizontal Principles. The Managing Authority will work with all relevant bodies and partners to ensure the most efficient and effective delivery of actions to support the Priority and Programme objectives identified and to meet the challenges posed by those objectives.

## **Chapter 5**

### **5. Horizontal Principles**

#### **5.1 Social Inclusion**

The economic and labour market analysis in Chapter 2 have set out the policy challenges for Ireland in developing our human capital capabilities. They have also highlighted the need to address, in particular, barriers to employment and participation faced by some groups of people. The achievement of the targets of the National Development Plan 2007-2013, particularly the Training and Skills Development Programme under the Human Capital Investment Theme and the Working Age–Education, Older People, People with Disabilities and the Horizontal Social Inclusion Programmes under the Social Inclusion Investment Theme (dealing with Equality, Migrants, National Action Plan Against Racism and Equality) is a central objective of Government in this area. The NAPinclusion (the new National Action Plan for Social Inclusion, 2007) also is a central focus of Government policy and targets relating to People of Working Age, Older People, People with Disabilities and Integration of Migrant Communities are also key Government objectives in the Social Inclusion area. These interventions promote the Governments High Level Goals for Social Inclusion, which are aimed at reducing consistent poverty based on a life cycle approach.

This Operational Programme will act in a complementary manner to Government policy in this regard and will focus in particular on two themes, which will contribute to achievement of Government targets in this area. The focus of this Operational Programme on two specific areas, Upskilling the Workforce and the Activation of Groups Outside the Workforce, will ensure the co-funding is directed to niche interventions delivered to groups such as older people, migrants and ethnic minorities, women, young people and people with a disability, targeted under both the National Development Plan 2007-2013 and the NAPInclusion Plan.

Intermediate Bodies under this Operational Programme will be required to adhere to the principle of social inclusion and agreed targets as outlined in this Operational Programme, the National Development Plan and the NAPInclusion. All actions and activities in co-funded Measures must build in social inclusion outcomes to the objectives and strategies and place those actions in a social inclusion context. Bodies receiving co-funding under this Operational Programme will be required to report on these principles and targets and satisfy the Monitoring Committee that a contribution to or fulfilment of social inclusion objectives is being achieved.

#### **5.2 Gender Equality and Wider Equal Opportunities**

The key focus of both EU and Irish gender equality policy at present is clearly linked to female labour market participation; and to maximisation of the benefits from prior investment in female human capital, i.e. the retention of women in the labour market and their advancement to derive maximum benefit from their high standards of employment. It was in this context that the Spring 2006 European Council adopted the

European Commission's Road Map on Equality between Women and Men and more importantly the EU Gender Equality Pact. Both are clearly linked to the labour market/economic growth philosophy. The Council Regulation requires Member States to ensure that equality between men and women is promoted and to take steps to prevent discrimination on the basis of six grounds – gender, race or ethnic origin, religion or belief, disability, age, and sexual orientation. The Community Strategic Guidelines call on Member States and regions to pursue the objective of equality between men and women and to take appropriate steps to prevent discrimination on the basis of the six grounds outlined above. The commitment to gender mainstreaming in employment and training is further supported by Directive 2002/73/EC to which Ireland acceded in 2004.

In an Irish context the National Development Plan 2007-2013 and the NAP Inclusion Plan 2007 both contain a number of initiatives to support the further development/ advancement of women and also focus on wider equality issues. Initiatives such as the Childcare Programme (which will enable more women to enter the workforce) and the Equality Programme and the National Action Plan Against Racism, under the Horizontal Social Inclusion principle, are included in the National Development Plan 2007-2013; and interventions in relation to Child Income Support, supports to lone parents to progress into education, training and employment, integration of migrants and focus on vulnerable groups in the NAP Inclusion Plan will ensure a focus on gender and wider equality in Government policy.

Under this Operational Programme gender mainstreaming and a more expanded wider equal opportunities focus which covers the nine grounds set out in the Irish equality legislation are now included. Under Priority 2 of this Programme, specific interventions that may occur in relation to gender equality and the National Women's Strategy can contribute directly to meeting the objectives of pursuing equality between women and men. Co-funding under this Operational Programme will contribute to achieving the targets of equality, both from a gender and wider equality basis, by focusing on particular interventions in relation to Activation of Groups outside the Workforce, Supports to Migrants, Language Skills provision and the Promotion of Equality interventions.

All Intermediate Bodies receiving co-funding under this Operational Programme will be required to report on these principles and targets and satisfy the Monitoring Committee. All actions and activities in co-funded measures must build in equality outcomes to the objectives and strategies and place those actions in a gender and wider equality context. Reporting in respect of equal opportunities across all grounds will also be relevant for some of the investments under this Programme. The work of the Equality Mainstreaming Unit in the Equality Authority can contribute to meeting the objectives of pursuing equality across the grounds covered by the equality legislation and support the reporting in respect of wider equal opportunities as appropriate under the Programme.

### **5.3 Sustainable Development**

Article 17 of Regulation 1083/2006 states as follows:

*“The objectives of the Funds shall be pursued in the framework of sustainable development and the Community promotion of the goal of protecting and improving the environment as set out in Article 6 of the Treaty”.*

The Gothenburg Summit in 2001 defined sustainable development as meeting the needs of the present generation without compromising those of future generations, and dealing with economic, social and environmental policies in a mutually reinforcing way. Priorities identified include the following elements - combating climate change; ensuring sustainable transport; addressing threats to public health; managing natural resources more responsibly and integrating environmental policy into other Community policies.

The Human Capital Investment Operational Programme has limited potential to directly promote sustainable development in relation to the environment. The Programme’s proposed activities do not impact directly or indirectly on the environment. The core elements of the Programme will relate to the provision of training courses, the provision of educational courses and the promotion of equality. Intermediate Bodies charged with the provision of the training or education courses are already familiar with the laws on environmental protection and best practice in this area (for instance, FÁS, the national training body, as a part of its training programmes includes an *environment module* as part of the standard course induction process and relevant environment-related issues are included in training courses). Nevertheless under this Operational Programme it is proposed to address the issue of promotion of the theme of sustainable development as follows:

- The Department of the Environment, Heritage and Local Government will be invited to become a member of the OP Monitoring Committee
- The MA will report on Sustainable Development as an element of the Annual Implementation Report
- A thematic presentation and discussion on sustainable development issues will be made to the Monitoring Committee on an annual basis
- Evaluation of the OP impact in relation to sustainable development will be undertaken as an element of the proposed Mid-term Evaluation of the OP

## Chapter 6

### 6. Operational Programme and Performance Indicators

#### 6.1 Introduction

This chapter outlines broad contextual indicators, which can be utilised to inform ongoing programme management, prioritisation and targeting of funding. It also outlines the key Priority level indicators that will be used to measure the effectiveness of interventions under the two priority areas for co-funding the Operational Programme 2007 – 2013.

#### 6.2 Contextual Indicators

Table 6.1 outlines a set of broad contextual indicators that will be used to inform the choices for investment at Priority level and below. They will serve as a guide to investment and prioritisation decisions. They are not achievable on the basis of interventions under this Programme in isolation, but rather reflect the contextual parameters within which this OP is positioned and can make a contribution. These indicators will assist the Managing Authority and Monitoring Committee in the ongoing operation and management of the OP. Taken in conjunction with the priority indicators, the contextual indicators will help identify areas where lack of progress is occurring and provide a benchmark from which to interpret progress on the Operational Programme.

It would be outside the scope of this Operational Programme to formulate targets in relation to contextual indicators, which are intended to reflect wider labour market indicators and will not directly reflect the impact of priorities under this OP. It should also be noted that as these indicators are contextual, and not solely the focus of this Operational Programme, other National Policies and programmes, and in particular the National Development Plan 2007-2013, will provide strategic impetus and significant resources to enable improvement in these prioritised areas.

In relation to the forecasts contained in the table below systematic official forecasts are not available. However, overall economic forecasts by the Department of Finance foresee sustainable growth in GNP per capita of 3.2% in 2007 and 2.2% in 2008 and the Economic and Social Research Institute predicts an average growth rate of GNP per head of approximately two per cent for the next decade (Medium Term Review 2005-2012).

**Table 6.1**

<b>Issue to be measured: Upskilling of the workforce, growth in labour productivity</b>	
1	% of the Adult Population aged 25-64 participating in education and training (over the four weeks prior to the survey) *
2	Overall labour productivity (increase in Gross Value Added at factor cost per worker) **
3	Hours worked productivity (increase in Gross Value Added at factor cost per hours worked)
<b>Issue to be measured: Labour market gaps for disadvantaged groups, gender and wider inequality.</b>	
4	% of population aged 18-24 with most lower secondary education and not in further education and training ***
5	Employment rate (%) of 'groups' disadvantaged in the labour market compared to overall employment rate****
6	Number of people indicating they felt discriminated against when looking for work
* Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 23.M4 ** Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 17.M5 *** Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 23.M3 **** Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 19.M5	

Table 6.2 outlines the baseline position and sources from which the contextual indicators are derived. The Managing Authority will report on contextual indicators in this Operational Programme annually, on the basis of the most recent data available at the time of reporting.

**Table 6.2**

<b>Contextual Indicator Number</b>	<b>Indicator Description</b>	<b>Baseline Year</b>	<b>Source</b>	<b>Baseline Position</b>
1	% of the Adult Population aged 25-64 participating in education and training	2006	Eurostat	7.4%
2	Overall labour productivity (increase in Gross Value Added at factor cost per worker) **	2004, 2005	National Accounts	2.5%, 0.9%
3	Hours worked productivity (increase in Gross Value Added at factor cost per hours worked)	2004, 2005	National Accounts	2.9%, 1.5%
4	% of population aged 18-24 with at most lower secondary education and not in further education and training	2006	Eurostat	12.3%
5	Employment rate (%) of 'groups' disadvantaged in the labour market			(Variance from Employment Rate of all persons)

	compared to overall employment rate <ul style="list-style-type: none"> <li>• All persons (15-64)</li> <li>• Older men (55-64)</li> <li>• Early school leavers (18-24)</li> <li>• Women (15-64)</li> <li>• Older people (55-64)</li> <li>• Lone parents</li> <li>• Older women (55-64)</li> <li>• People with a disability (15-64)</li> <li>• Traveller Community (15-64)</li> </ul>	2006 2006 2005 2006 2006 2006 2006 2004 2002	QNHS Q4 QNHS Q4 QNHS Q2 QNHS Q4 QNHS Q4 QNHS Q4 QNHS Q4 QNHS Q1 Census	68.7% 68.4% (-0.3%) 56.8% (-11.9%) 59.6% (-9.1%) 54.2% (-14.5%) 46.2% (-22.5%) 39.8% (-28.9%) 37.1% (-31.6%) 19.4% (-49.3%)
6	Number of people indicating they felt discriminated against when looking for work	2004	QNSH Q4	382,000

### 6.3 Priority Indicators for ESF Human Capital Operational Programme 2007-2013

Table 6.3 below outlines the Priority level indicators that will reflect the impact of the Operational Programme across the two principal Priority Areas. These indicators will be used in Annual Reports and in reporting to the Monitoring Committee. These indicators have been selected to give an overview of progress at Priority level and, where appropriate and possible, are aggregated across Measures in order to provide valid higher level indicators.

Whilst the target values for each indicator is expressed as a specific yearly figure, it is envisaged that indicators will be reported in both yearly and cumulative terms.

## **Priority Axis 1: Increasing Activation of the Labour Force**

### **Priority Objective**

*To upskill the Irish labour force as a means of enabling it to respond effectively and efficiently to the evolving needs of industry and the economy*

This Priority objective will contribute to achieving the challenges of the Lisbon agenda by investing in interventions which will support a pathway approach to labour market integration, and in particular support interventions in educational and vocational training, employment aids and promoting socio-educational development as set out in Article 3 of the ESF Regulation. Actions under this Priority are consistent with the Lisbon objectives and the Strategic Priorities of the NSRF 2007-2013 of investing in human capital actions aimed at improving the adaptability of workers and increasing investment in human capital through better education and skills.

Activities under this Priority, which are fully aligned with the objectives of Upskilling of the Workforce sub-programme of the Human Capital Priority chapter of NDP 2007-2013, will ensure the focus of this intervention meets the requirements of Article 4 of ESF Regulation relating to concentrating investment in a limited number of areas and at the most important needs and effective operations.

### **Specific Objectives:**

1. To increase the number of employed persons acquiring certified training qualifications
2. To increase the supply of graduates qualified in key areas such as engineering, science and ICT
3. To increase the base of adults with upper second level education and or qualifications at FETAC Levels 3 to 6

### **Target Groups (by Specific Objective):**

1. Lower qualified employees, Employees in SMEs, Disadvantaged or atypical workers and Workers in vulnerable jobs
2. Third level students
3. Unemployed persons or other jobseekers, lone parents and persons returning to the workforce from home duties.



<b>Priority Level Indicators</b>			
<b>Description of indicator</b>	<b>Type of Indicator</b>	<b>Outcomes</b>	
Total no. of persons supported under Upskilling the Workforce Priority	Output	<b>Target 2010</b>	92,888
		<b>Target 2013</b>	93,088
Total no. of persons successfully completing accredited programmes under Upskilling the Workforce Priority	Result	<b>Target 2010</b>	64,200
		<b>Target 2013</b>	72,200

**Specific Objective 1: To increase the number of employed persons acquiring certified training qualifications and hence their employability and companies' productivity and competitiveness. Under this measure specific support will be given to training of people in employment under the FÁS Competency Development Programme and the upskilling of workforces to the achievement of the Excellence Through People National Human Resource Standard. (Other possible Interventions under this such as; analyses of sectoral and regional training needs; development and implementation of programmes; development and implementation of QA measures and standards; best practice workshops and mainstreaming of projects, are fully consistent with assistance activities outlined under ESF Regulation Article 3/1 (a) - increasing adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change).**

<b>Description of indicator</b>	<b>Type of Indicator</b>	<b>Outcomes</b>	
No. of workers trained using CDP funding	Output	<b>Baseline (2006)</b>	20,000
		<b>Target 2010</b>	28,000
		<b>Target 2013</b>	28,000
No. of workers receiving certification using CDP funding	Result	<b>Baseline (2007)</b>	15,000 (75%)
		<b>Target 2010</b>	22,400 (80%)
		<b>Target 2013</b>	25,200 (90%)
No. of companies with the Excellence Through People National Human Resource Standard	Impact	<b>Baseline (2006)</b>	700
		<b>Target 2010</b>	1150
		<b>Target 2013</b>	1500

**Specific Objective 2: To increase the supply of graduates qualified in key areas such as engineering, science and ICT, in order to address skills shortages in the economy. (Interventions under this will comprise the provision of extra undergraduate places in courses to increase graduates for key sectors of the economy. This is fully consistent with assistance activities outlined under ESF Regulation Article 3/2 (a)(iii) - the development of human potential in research and innovation, notably through post-graduate studies and the training of researchers).**

Description of indicator	Type of Indicator	Outcomes	
No. of additional students enrolled on key courses identified such as ICT, Engineering and Science	Output	<b>Baseline (2006)</b>	1,500
		<b>Target 2010</b>	1,700
		<b>Target 2013</b>	1,900
No. of additional graduates on key courses identified such as ICT, Engineering and Science	Result	<b>Baseline (2006)</b>	1,100
		<b>Target 2010</b>	1,300
		<b>Target 2013</b>	1,500
No. of additional graduates from key courses identified such as ICT, Engineering and Science who go into employment or further education	Impact	<b>Impact of this intervention will be measured by means of a destination survey</b>	

**Specific Objective 3: To (a) increase the base of adults with upper second level education and/or qualifications at FETAC Levels 3 to 6, unemployed persons (b) to increase the number/base of other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work. (Interventions under this comprise full time training programmes under the PLC and VTOS schemes and Part Time learning programmes which are fully consistent with assistance activities outlined under ESF Regulation Article 3/1 (a) - increasing adaptability of workers, enterprises and entrepreneurs with a view to improving the anticipation and positive management of economic change).**

Description of indicator	Type of Indicator	Outcomes	
1) No. of Full-time participants 2) No. of Part-time places provided	Output	<b>Baseline (2006)</b>	1. 35188 2. 8,000 places (app. 25.000 participants)
		<b>Target 2010</b>	1. 35,188 2. 10,000 places (app. 28,000 participants)
		<b>Target 2013</b>	1. 35,188 2. Under Review
1) No. of Full-time participants gaining certification 2) No. of Part-time participants gaining certification	Result	<b>Baseline (2006)</b>	1. 28,000 2. 7,500 (30%)
		<b>Target 2010</b>	1. 28,000 2. 12,500 (50%)
		<b>Target 2013</b>	1. 28,000 2. 17,500 (70%)
1) No. of Full-time participants who progress to further education or work 2) No. of Part-time participants who progress to further education or work	Impact	<b>Baseline (2006)</b>	1. 28,648 (95%) 2. 15,000 (60%)
		<b>Target 2010</b>	1. 28,648 (95%) 2. 18,200 (65%)
		<b>Target 2013</b>	1. 28,648 (95%) 2. 19,600 (70%)

## Priority Axis 2: Increasing participation and reducing inequality in the labour force

### Priority Objective

*To provide for increased activation and participation with certain groups who can contribute to Ireland's workforce but who face barriers to employment, progression and participation*

This priority objective will contribute to achieving the challenges of the Lisbon agenda by investing in interventions, which will support actions to address barriers to employment by, for example, providing education and training and access to lifelong learning for those most disadvantaged and by investing in Measures to target early school leaving, female participation, labour supply mobilisation and preventative measures to minimise the drift in to long term unemployment. These will help to promote social inclusion with particular emphasis on the re-integration of the socially excluded, new immigrants and the long-term unemployed into the labour force. Actions undertaken under this priority will support interventions in educational and vocational training, employment aids and promoting socio-educational development as set out in Article 3 of the ESF Regulation. Actions under this Priority are consistent with the Lisbon objectives and the Strategic Priorities of the NSRF 2007-2013 of investing in human capital actions aimed at improving the adaptability of workers and increasing investment in human capital through better education and skills.

Activities under this priority will complement the wider range of social inclusion interventions envisaged under both the Human Capital Priority and Social Inclusion Priority chapters of NDP 2007-2013. The niche focus of this intervention ensures that investment meets the requirements of Article 4 of ESF Regulation relating to concentrating investment in a limited number of areas and at the most important needs and effective operations.

Interventions under this Priority are particularly consistent with assistance activities outlined under ESF Regulation Article 3/1(c)(i) – *reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment and combating all forms of discrimination in the labour market, in particular by promoting: (i) pathways to integration and re-entry into employment for disadvantaged people, such as people experiencing social exclusion, early school leavers, minorities, people with disabilities and people providing care for dependent persons, through employability Measures, including within the field of the social economy, access to vocational education and training, accompanying actions and relevant support and community and care services that improve employment opportunities.*

**Specific Objectives:**

1. To ensure that disabled people have an equal opportunity to participate in mainstream employment and training programmes
2. To support unqualified school leavers, between the ages of 15 and 20 and members of the travelling community to participate in educational, training and personal development programmes enabling them to progress into further education/training and employment and participate fully in society
3. To address the needs of those who wish to improve their literacy skills
4. To support equality of access to the labour market by women and other groups experiencing discrimination
5. To increase access to employment for legally resident migrants that are having difficulty accessing employment because of language difficulties, health issues, lack of training or social skills or non-recognition of their qualifications

**Target Groups (by Specific Objective):**

1. People with a disability
2. Unqualified school leavers aged 15-20 and members of the Traveller community
3. Adults with skills deficits in literacy, numeracy and language
4. Women (particularly women experiencing disadvantage such as disadvantaged mothers, lone parents and women in the older age group) and groups experiencing inequality and discrimination
5. Legally resident migrants seeking employment

**Priority Level Indicators**

<b>Description of indicator</b>	<b>Type of Indicator</b>	<b>Outcomes</b>	
Total no. of persons supported under Priority 2:	Output	<b>Target 2010</b>	64,807
		<b>Target 2013</b>	67,521
Total no. of persons successfully completing accredited programmes under Priority 2:	Result	<b>Target 2010</b>	24,803
		<b>Target 2013</b>	26,677

**Specific Objective 1: To support persons with a disability to move into employment through educational, training and employment supports. (Interventions under this such as; the provision of specialised training; assistive, academic and personal supports and development of innovative co-ordination supports, are fully consistent with assistance activities outlined above under ESF Regulation Article 3/1 (c)(i).)**

Description of indicator	Type of Indicator	Outcomes	
No. of participants supported	Output	Baseline (2006)	3715
		Target 2010	5082
		Target 2013	6550
No. of participants achieving certification/accreditation	Result	Baseline (2006)	2445
		Target 2010	3530
		Target 2013	4599
No. of participants progressing into further education, training and employment	Impact	Baseline (2006)	Subject to clarification by end 2007
		Target 2008*	
		Target 2010	

**Specific Objective 2: To provide unqualified school leavers with the knowledge, skills and confidence required to participate fully in society and progress to further education, training and employment and to provide an opportunity for members of the Traveller community and others to engage in a programme of learning that affirms their cultural identity, acquire the knowledge, skills and confidence to participate fully in society and progress to further education, training and employment. (Interventions under this will take the form of training programmes delivered through Youthreach, Garda Youth Diversion Projects and Senior Traveller Training Centres for the target groups. This is fully consistent with assistance activities outlined above under ESF Regulation Article 3/1 (c) (i)).**

Description of indicator	Type of Indicator	Outcomes	
1) No. of participants on Youthreach and Senior Traveller Training Programmes 2) No. of students supported by the Student Assistance Fund 3) No. participants receiving support on Garda Youth Diversion Projects	Output	<b>Baseline (2005/7)</b>	1) 3837 2) 9587 3) To be determined by survey to be carried out in 2007
		<b>Target 2010</b>	1) 5298 2) 9943 3) 1184
		<b>Target 2013</b>	1) 5298 2) 10143 3) 1600
1) No. participants on Youthreach and Senior Traveller Training Programmes successfully completing programme or achieving certification 2) No. of students supported by the Student Assistance Fund successfully completing academic year 3) No. participants receiving support on Garda Youth Diversion Projects successfully completing training	Result	<b>Baseline (2005/7)</b>	1) 2266 2) 4388 3) 40% of baseline
		<b>Target 2010</b>	1) 3221 2) 5928 3) 474
		<b>Target 2013</b>	1) 3221 2) 6577 3) 640

<p>1) No. participants on Youthreach and Senior Traveller Training Programmes progressing to further education/training or employment</p> <p>2) Proportion of new entrants in full time higher education from social groups, non-manual workers and unskilled manual workers</p> <p>3) Garda Youth Diversion Impact Study to be commenced in 2007 and followed up 18 months from survey date to measure impact</p>	Impact	<b>Baseline (2005)</b>	<p>1) 2482</p> <p>2) Subject to clarification in 2007</p> <p>3) Baseline + 10%</p>
		<b>Target 2010</b>	<p>1) 3520</p> <p>2) Subject to clarification in 2007</p> <p>3) Baseline + 10%</p>
		<b>Target 2013</b>	<p>1) 3520</p> <p>2) Subject to clarification in 2007</p> <p>3) Baseline + 10%</p>



**Specific Objective 3: The aim of this objective is to provide increased access to literacy, numeracy and language tuition for adults whose skills are inadequate for participation in modern society and to increase capacity in the adult literacy service. (Interventions under this comprises literacy, numeracy and language skills training programmes which are fully consistent with assistance activities outlined above under ESF Regulation Article 3/1 (c) (i)).**

Description of indicator	Type of Indicator	Outcomes	
No. of participants in Adult Literacy Training Programmes	Output	<b>Baseline (2005)</b>	35,000
		<b>Target 2010</b>	42,000
		<b>Target 2013</b>	42,000
No. of participants on Adult Literacy Training Programmes successfully completing programme or achieving certification	Result	<b>Baseline (2005)</b>	5250
		<b>Target 2010</b>	11340
		<b>Target 2013</b>	11340
Impact Indicator to be identified and quantified by end 2007	Impact	<b>Baseline (2006)</b>	Subject to clarification in 2007
		<b>Target 2010</b>	
		<b>Target 2013</b>	

**Specific Objective 4: This objective will encourage greater female participation in the workforce and support an equality mainstreaming approach across all labour market programme providers that ensures that labour market programme design and delivery accommodates diversity and enhances access, participation and outcomes for groups experiencing labour market inequality across the nine grounds covered by equality legislation. (Interventions under this will comprise support for equality themed projects, initiatives promoting gender equality and awareness raising programmes. These proposed Measures are fully consistent with assistance activities outlined above under ESF Regulation Article 3/1 (c)(i).)**

Description of indicator	Type of Indicator	Outcomes	
1) No. of consultancies delivered to enable employers to develop equality policies and strategies 2) No. of Full- (part-) time courses developed under Positive Action Programmes for women 3) No. of participants under Positive Action Programmes for women	Output	<b>Baseline</b>	New actions
		<b>Target 2010</b>	1) 100 2) 5(20) 3) 1000
		<b>Target 2013</b>	1) 100 2) 5(20) 3) 1000
1) No. of equality policies/equality and diversity training actions developed by employers 2) No. of participants under Positive Action Programmes taking up employment, progressing in the labour market or taking decision making roles as appropriate	Result	<b>Baseline</b>	New action
		<b>Target 2010</b>	1) 100 2) 100
		<b>Target 2013</b>	1) 100 2) 100
1) Satisfaction rates for groups experiencing inequality in education/training, labour market programmes and employment	Impact	<b>Baseline (2006)</b>	New action
		<b>Target 2010/13</b>	To be measured by baseline and post training surveys

**Specific Objective 5: This objective will be to implement a series of initiatives aimed at increasing the employability and economic independence for the target group through a linked comprehensive employment program embracing all stages of preparation for employment. (Interventions under this measure will include language training around the work place, social skills training and a one on one mentoring programme that will lead to long-term placement of beneficiaries in either training or employment. These actions are fully consistent with assistance activities outlined above under ESF Regulation Article 3/1 (c)(i).)**

Description of indicator	Type of Indicator	Outcomes	
No. of individuals participating in preparation for employment programme	Output	<b>Baseline</b>	New action
		<b>Target 2010</b>	300
		<b>Target 2013</b>	300
No. of participants who complete specific training and/or individualised mentoring and are considered ready to enter the employment market	Result	<b>Baseline (2005)</b>	New action
		<b>Target 2010</b>	210
		<b>Target 2013</b>	210
No. of participants gaining employment	Impact	<b>Baseline (2006)</b>	New action
		<b>Target 2010</b>	100
		<b>Target 2013</b>	100

## **6.4 Conclusion**

The identification and reporting of indicators is an essential management element required regularly at both Priority and OP levels over the implementation period of the Programme. The Priority and contextual indicators outlined above will facilitate ongoing monitoring and evaluation of the Operational Programme and act as a gauge of the programme's effectiveness, for both the MC and the MA.

## Chapter 7

### 7. Programme Management, Monitoring and Evaluation

#### 7.1 Programme Management Structures

Management of the Programme will be the responsibility of the Managing Authority subject to the control of the Programme Monitoring Committee. The Managing Authority will be responsible for the efficiency and correctness of the management and implementation of the programme. The Programme itself will be supervised by a Monitoring Committee, which will monitor the progress of the Programme in terms of both its financial performance and achievement of physical progress. Management systems will be established in accordance with Article 71 of the General Regulations 1083/2006.

#### 7.2 Managing Authority

The Managing Authority shall be responsible for managing and implementing the operational programme in accordance with the principle of sound financial management. It shall be functionally independent of the Certifying Authority and Audit Authority.

The Managing Authority for the Programme will be the Department of Enterprise, Trade and Employment. The Department of Enterprise, Trade and Employment has managed European Social Funds (ESF) for many years and, given the strong labour market focus of the ESF, is the logical choice to manage this Operational Programme. The ESF Policy and Operations Unit is DETE has much experience in ESF management and will continue to build on this knowledge and expertise in seeking to promote the most professional and effective management of this OP.

The functions of the Managing Authority with regard to the management and monitoring of the Programme are defined in Article 60 of Council Regulation (EC) 1083/2006. These include:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the Operational Programme and that they comply, for their whole implementation period, with applicable Community and national rules;
- verifying the delivery of the co-financed products and services and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules;
- ensuring that there is a system for recording and storing in computerised form accounting records of each operation under the Operational Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation is collected;
- ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;

- ensuring that the evaluations of Operational Programmes referred to in Article 48(3) are carried out in accordance with Article 47;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of article 90;
- ensuring that the certifying authority shall receive all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- guiding the work of the Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the Operational Programme to be monitored in the light of its specific goals;
- drawing up and, after approval by the Monitoring Committee, submitting to the Commission the annual and final reports on implementation;
- ensuring compliance with the information and publicity requirements laid down in Article 69;
- ensuring that public support under this programme complies with the procedural and material State aid rules applicable at the point of time when the aid is granted;
- ensuring that public contracts awarded, concerning projects benefiting from the assistance of the European Social Fund, comply with the provisions of Directives 2004/17/EC, 2004/18/EC and the Treaty principles where applicable;
- providing the Commission with information to allow it to appraise major projects; and
- chairing and providing the secretariat for the Monitoring Committee.

### **7.3 Certifying Authority**

The Certifying Authority for this Programme will be the Department of Enterprise, Trade and Employment (DETE). The DETE has several years experience in this area having provided the Paying Authority for the entire ESF in the 2000-2006 programming period. The Certifying Authority shall be functionally independent of the Managing Authority and Auditing Authority. The functions of the Certifying Paying Authority are defined in Article 61 of Council Regulation (EC) 1083/2006. These include:

- Drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
- Certifying that:
  - The statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;
  - The expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;

- Ensuring for the purposes of certification that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
- Taking account for certification purposes of the results of all audits carried out by or under the responsibility of the audit authority;
- Maintaining accounting records in computerised form of expenditure declared to the Commission;
- Keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

The Certifying Authority will also, as required by Article 37/1(g)(iii) of Council Regulation (EC) 1083/2006 act as the competent body to receive ESF payments from the Commission and be responsible for making payments in respect of verified payment claims under the OP. The Certifying Authority will also ensure that the payments received are distributed to reimburse the appropriate organisations as quickly as possible.

#### **7.4 Audit Authority**

The Audit Authority for this Programme will be the ESF Financial Control Unit (FCU), which will be co-funded from the Technical Assistance Priority of the Programme, and which will be located in the Department of Enterprise, Trade and Employment. It shall be functionally independent of the Managing Authority and Certifying Authority and will be responsible for verifying the effective functioning of the management and control system. The Financial Control Unit will be responsible for audits of operations selected based on a random statistical sampling method of Fund-related expenditure within Departments, Intermediate Agencies and Beneficiaries. System audits will be carried out by Internal Audit Units based on audit cooperation agreements. The level of expenditure audited before the closure of the Operational Programme will be sufficient to provide a high level of assurance.

The Audit Authority shall be responsible in particular for:

- Ensuring that audits are carried out to verify the effective functioning of the management and control system of the Operational Programme
- Ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared
- Presenting to the Commission, within nine months of the approval of the Operational Programme, an audit strategy covering the bodies which will perform the audits referred to above, the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period

Where a common system applies to several Operational Programmes, a single audit strategy may be submitted:

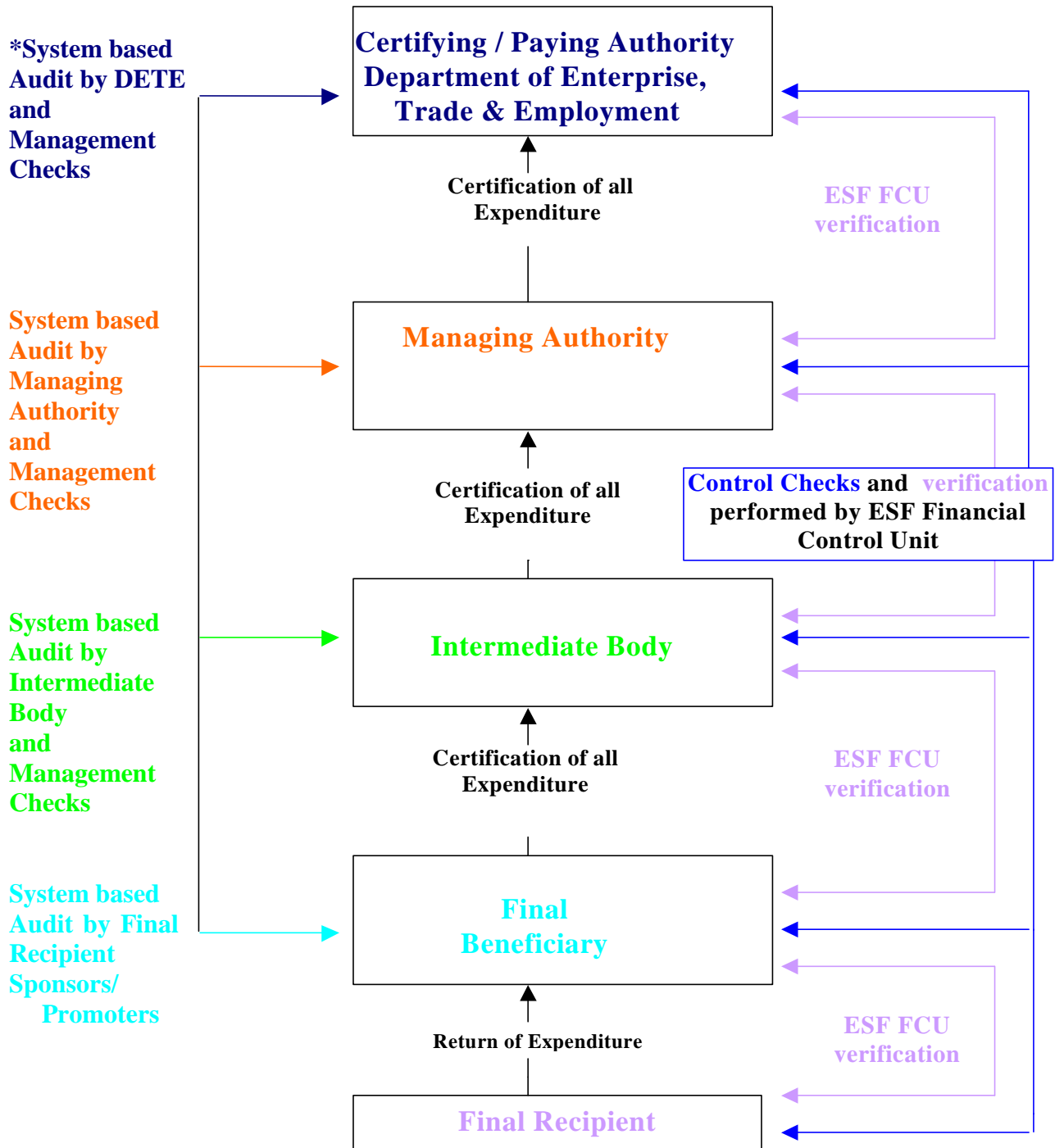
- By 31 December each year from 2008 to 2015;
- Submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous twelve month period ending on 30 June of the year concerned in accordance with the audit strategy of the Operational Programme and reporting any shortcomings found in the systems for the management and control of the OP. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to below;
- Issuing an opinion, on the basis of the controls and audits that have been carried out under the responsibility of the Audit Authority, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the Commission are correct and consequence reasonable assurance that the underlying transactions are legal and regular;
- Submitting, where applicable, under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned;
- Submitting to the Commission, at the latest by 31 March 2017, a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.

The Audit Authority will ensure that the audit work takes account of internationally accepted audit standards.

System audits of the Programme will be carried out by the Internal Audit Units of the Departments, Intermediate Agencies and Beneficiaries in receipt of ESF. Auditing by the Comptroller and Auditor General will take place in line with national audit rules.



## ESF National Cascade



\*Council Regulation (EC) 1083/2006

### **7.5.1 Intermediate Bodies**

Under Article 59/2 of Council Regulation (EC) 1083/2006, the Managing Authority may '*designate one or more intermediate bodies to carry out some or all of the tasks of the managing or certifying authority under the responsibility of that authority*'. In the event that more than one Intermediate Body is designated in respect of a Measure, the Managing Authority shall set out the functions for each Intermediate Body. Functions and responsibilities will be formally designated in service level written agreements between the Managing Authority and the individual Intermediate Bodies.

The Intermediate Bodies shall be responsible in particular for:

- Submitting eligible expenditure in the format required by the Certifying Authority to the Managing Authority in order for payment claims to be prepared for submission to the Certifying Authority
- In respect of ESF funds the Intermediate Bodies will, for the purpose of drawing down EU funds, report expenditure to the Managing Authority
- Ensuring that all payment claims for Structural Fund expenditure submitted by beneficiaries are supported with receipted invoices, audit documents and that a clear audit trail exists
- Ensuring that only eligible expenditure actually incurred, in respect of co-financed measures/projects, is submitted to the Managing Authority
- Certification of all expenditure incurred by beneficiaries (It will be the responsibility of the Managing Authority (or Intermediate Body which may be delegated this function on its behalf) to ensure that control checks are carried out on at least 5% of expenditure transactions (Article 3.1(b) and 3.2 of Commission Regulation 2064/97). These controls will be carried out by units that are independent of the management function)

The Intermediate Bodies may also be designated other tasks as deemed appropriate by the Managing Authority.

The following organisations are Intermediate Bodies for the purpose of this Operational Programme.

#### **FÁS**

FÁS is Ireland's national training and employment authority. FÁS's main aim is to promote a more competitive and inclusive knowledge-based economy, in collaboration with their stakeholders, by enhancing the skills and capabilities of individuals and enterprises. They provide a wide range of services to the labour market in Ireland. Its functions include training and re-training; designated apprenticeships; recruitment service; employment schemes; placement and guidance services; assistance to community groups; advice for people returning to Ireland and those seeking employment elsewhere in the EU. The statutory functions of the organisation also include the collection and publication of information relating to the labour market and the provision, to the Minister for Enterprise, Trade and Employment, of information, reports etc. on matters within FÁS remit.

## **Department of Education and Science**

The Department of Education and Science is the Government Department responsible for the provision of a wide range of functions and services in the educational sector in Ireland. Among the Department's functions are the provision of a wide range of programmes and services for students at every level, particularly those with special educational needs and those experiencing educational disadvantage; funding adult literacy and community education, vocational education and training programmes for early school leavers, the unemployed, Travellers and participants of Post Leaving Certificate courses; funding and development of a network of Education Support Centres; supporting the activities of a range of organisations involved in education, training and out-of-school activities for young people; participating in and contributing to the work of a wide range of working groups and committees at national and international levels; providing information and advice to schools, parents, teachers, students and others. The Department's priorities include the promotion of equity and inclusion, quality outcomes and lifelong learning; planning for education that is relevant to personal, social, cultural and economic needs and enhancement of the capacity of the Department for service delivery, policy formulation, research and evaluation.

## **Department of Justice, Equality and Law Reform**

The Department of Justice, Equality and Law Reform's functions include maintaining and enhancing community security and the promotion of equality, through the development of a range of policies and high quality services, which underpin the protection and assertion of human rights and fundamental freedoms consistent with the common good; the security of the State; an effective and balanced approach to tackling crime; and progress towards the elimination of discrimination and the promotion of equal opportunities and the accommodation of diversity.

## **Equality Authority**

The Equality Authority is an independent body set up under the Employment Equality Act 1998, established in 1999. The Employment Equality Acts 1998 and 2004 and the Equal Status Act 2000 outlaw discrimination in employment, vocational training, advertising, collective agreements, the provision of goods and services and other opportunities to which the public generally have access on nine distinct grounds. These are gender; marital status; family status; age; disability; race; sexual orientation; religious belief; and membership of the Traveller Community.

## **Reception and Integration Agency (RIA)**

The Reception and Integration Agency (RIA) was established on 2 April 2001. The RIA replaced and combined the functions performed previously by the Directorate for Asylum Support Services (DASS was established by the Government in November 1999 under the aegis of the Department of Justice, Equality and Law Reform to co-ordinate the scheme of dispersal and direct provision for asylum seekers) and the former Refugee Agency which operated on an administrative basis under the Department of Foreign Affairs.

## **Department of Social and Family Affairs**

The Department of Social and Family Affairs mission is to promote a caring society through ensuring access to income support and other services, enabling active participation, promoting social inclusion and supporting families. The main functions of the Department are to formulate appropriate social protection policies; to administer and manage the delivery of statutory and non-statutory social and family schemes and services and to work with other Departments and agencies in the delivery of Government priorities. The main business of the Department continues to be the provision of income support, including insurance (PRSI) based payments, social assistance (means tested) payments, associated secondary benefits and universal schemes such as child benefit. The Department is also responsible for the provision, either directly or indirectly through its agencies, of other services designed to support individuals and families in participating actively in society. This also requires collaboration with other Government Departments and Agencies and with the voluntary and community sector.

### **7.6 Operational Programme Monitoring Committee**

#### **7.6.1 Monitoring Committee**

A Monitoring Committee will be established for the Programme within three months from the date of the notification to Ireland by the European Commission of the decision approving the Operational Programme.

The Monitoring Committee shall draw up its rules of procedure within the institutional, legal and financial framework and adopt them in agreement with the Managing Authority in order to exercise its missions in accordance with the Regulation.

#### **7.6.2 Role of the Monitoring Committee**

As required by Article 63 of Council Regulation (EC) 1083/2006, the Programme will be overseen by a Monitoring Committee. The role of the Monitoring Committee will be to satisfy itself as to the effectiveness and quality of the Programme in accordance with the criteria contained in Article 65 of the General Regulation 1083/2006.

The Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the Operational Programme, in accordance with the following provisions:

- It shall consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with programming needs;
- It shall periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted by the managing authority;

- It shall examine the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Article 48(3);
- It shall consider and approve the annual and final reports on implementation referred to in Article 67;
- It shall be informed of the annual control report, or of the part of the report referring to the operational programme concerned, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- It may propose, to the Managing Authority, any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management;
- It shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds.

### **7.6.3 Composition of the Monitoring Committee**

The Monitoring Committee will be chaired by the Department of Enterprise, Trade and Employment and its membership will comprise representatives of the following interests:

- Intermediate Bodies
- The ESF Certifying Authority
- The ESF Audit Authority
- The Department of Finance
- The Department of Education and Science
- The Department of Social and Family Affairs
- FÁS
- The Department of Justice, Equality and Law Reform
- The Department of the Environment, Heritage and Local Government
- The Equality Authority
- BMW and SAE Regional Assemblies
- Regional Authorities
- Irish Congress of Trade Unions
- Irish Business and Employers Confederation
- Chambers of Commerce of Ireland
- Irish National Organisation of the Unemployed
- Other members as deemed appropriate by the Monitoring Committee

Agencies involved in co-ordinating Horizontal Principles across Structural Funds as relevant, the Structural Funds Central Evaluation Fund and the ERDF Certifying Authority will be represented in an advisory capacity. At its own initiative or at the request of the monitoring committee, a representative of the Commission shall participate in the work of the monitoring committee in an advisory capacity. The Monitoring Committee shall endeavour to achieve an appropriate gender balance among its membership.

#### **7.6.4 Rules and procedures of Monitoring Committee**

Subject to the requirements of Article 63 of Council Regulation (EC) 1083/2006, the Monitoring Committee will be responsible for formulating its own rules of procedure.

#### **7.6.5 Monitoring Arrangements**

The Managing Authority and the Monitoring Committee shall ensure the quality of the implementation of the Operational Programme.

The Managing Authority and the Monitoring Committee shall carry out monitoring by reference to financial indicators and the indicators referred to in Article 37(1)(c) General Regulation 1083/2006 specified in this Operational Programme.

Data collection will be carried out on a systematic basis utilising the cascade management structures established under this Operational Programme with each level of the cascade being responsible for providing information in a timely and accurate manner to the next cascade level. Bi-annual reporting of required data will be required to inform the compilation of Monitoring Committee Progress Reports and the requirements of the Annual Implementation Report to the Commission. This process will be co-ordinated by the Managing Authority through the cascade structure.

Where the nature of the assistance permits, statistics shall be broken down by gender and by the size of the recipient undertakings. The Implementing Regulation requires the collection of certain data outlined in Annex XXIII of the Implementing Regulation. (See Annex III p. 129 below). The structure of this Operational Programme positions the collection of this information by the Intermediate Bodies at Measure level and these reporting requirements were notified to Intermediate Bodies during the consultation process for this Programme. It will be important to demonstrate how each action co-funded by the ESF meets the aims of National Strategies on gender equality and equal opportunities.

The cross-programme nature of this data collection will enable the Managing Authority, Monitoring Committee, Intermediate Bodies and the European Commission to attain a comprehensive overview of the profile of participants benefiting from interventions under the Operational Programme and gain clarity against target indicators.

Data exchange between the Commission and the Member States for this purpose will be carried out electronically, in accordance with the implementing rules of this Regulation adopted by the Commission in accordance with the procedure referred to in Article 103(3).

#### **7.6.6 Irregularity Reporting**

The Department of Finance is the responsible authority for reporting any irregularities to the European Commission and, in carrying out this function, will require reporting of such irregularities on a quarterly basis from the Certifying Authority, based on information provided through the Managing Authority. The basis for reporting

irregularities is as set out in Article 70(2) of Council Regulation 1083/2006 and Section 4 of Commission Regulation 1828/2006. On the spot checks and inspections which may be carried out by the Commission in association with recoupment of amounts irregularly paid will be subject to the requirements of Commission Regulations 2185/96 and 2988/95, which deal with the protection of the European Communities financial interests.

#### **7.6.7 State Aid**

Any public support under this operational programme must comply with the procedural and material State aid rules applicable at the point of time when the aid is granted.

#### **7.6.8 Annual and Final Implementation Reports**

For the first time in 2008 and by 30 June each year, the Managing Authority will send the Commission an annual report and by 31 March 2017 a final report on the implementation of the Operational Programme. The format of such reports will be as set out in Article 67(2) of General Regulation 1083/2006.

#### **7.6.9 Annual examination of programmes**

Every year, when the Annual Report on Implementation is submitted, the Commission and the Managing Authority shall examine the progress made in implementing the Operational Programme, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation.

Any aspects of the operation of the management and control system raised in the last annual control report, referred to in Article 62(1)(d)(i) of the General Regulation may also be examined.

After the examination referred to above, the Managing Authority shall inform the Monitoring Committee of any comments made by the Commission. The Managing Authority shall inform the Commission of the action taken in response to those comments.

When the Ex-Post evaluations of assistance granted over the 2000 to 2006 programming period, where appropriate, are available, the overall results may be examined in the next annual examination.

#### **7.7 Evaluations**

The programme shall be subject to evaluations over the programming period as per Article 47 of the General Regulations. An Ex-ante Evaluation of the Programme will immediately follow its production to provide assurances, as appropriate, on the quality of the Programme and the extent to which resources have been optimally allocated. The Ex-ante Evaluation for this Programme has been drafted in parallel to the Programme itself and has been very useful in informing the drafting of this

Programme. The principal findings of the Ex-ante Evaluation are set out in paragraph 7.7.1 below.

Evaluations shall be carried out in line with the following criteria:

- Evaluations shall aim to improve the quality, effectiveness and consistency of the assistance from the Funds and the strategy and implementation of Operational Programmes with respect to the specific structural problems affecting the Member States and regions concerned
- Evaluations will take into account the objective of sustainable development and of the relevant Community legislation concerning environmental impact and strategic environmental assessment
- Evaluations may be of a strategic nature in order to examine the evolution of a programme, or group of programmes, in relation to Community and national priorities, or of an operational nature in order to support the monitoring of an operational programme
- Evaluations shall be carried out before, during and after the programming period
- Evaluations shall be carried out under the responsibility of the Member State or the Commission, as appropriate, in accordance with the principle of proportionality laid down in Article 13
- Evaluations shall be carried out by experts or bodies, internal or external, functionally independent of the authorities referred to in Article 59(b) and (c); the results shall be published according to the applicable rules on access to documents
- Evaluations shall be financed from the budget for technical assistance
- The Commission shall provide indicative guidance on evaluation methods, including quality standards, in accordance with the procedure laid down in Article 10.3(2)

A programme level evaluation will also be carried out at mid-term to examine the extent to which objectives and targets have been achieved and to propose corrective action as appropriate.

Over the programming period, additional evaluations will be carried out as deemed appropriate by the Managing Authority. These evaluations may be undertaken at the level of Priority or activity as required. They may also address themes such as social inclusion, equality, equal opportunities and innovation.

While the Monitoring Committee will hold overall responsibility in relation to monitoring and evaluation of the Operational Programme, Steering Committees may be established to set the terms of reference for individual evaluations and to exercise quality control in relation to them. Such Steering Committees will be chaired by the Department of Enterprise, Trade and Employment and membership will comprise the relevant Intermediate Authorities, technical experts and other members as deemed relevant by the Managing Authority as appropriate.

### **7.7.1 Ex-ante Evaluation of the Programme**



Regulations require that the Operational Programme will be subject to evaluation over the Programming period to provide assurances, as appropriate, on the quality of the Programme and the extent to which resources have been optimally allocated. As provided for by Article 48(2) the Ex-ante Evaluation for this Programme has been drafted in parallel to the Programme itself and has been very useful in informing the drafting of this Programme.

As envisaged, in the Terms of Reference for the Ex-ante Evaluation, the Ex-ante Evaluator has worked closely with the Managing Authority and has provided feedback at various stages of the OP drafting -process. The Ex-ante Evaluation report was based on a draft version of the Operational Programme.

During 2006 the Ex-ante Evaluator produced a series of discussion papers to the Managing Authority in line with the Commission's guidance for undertaking an Ex-ante Evaluation of ESF funded programmes. In addition, the Ex-ante Evaluator provided feedback on working drafts of sections of the OP.

Prior to the draft of the OP being circulated, the Ex-ante Evaluator provided a number of recommendations on earlier material. In particular the Ex-ante Evaluator recommended that the Managing Authority provide additional details on: the economic, labour market and SWOT analysis that underlies the selection of OP Priorities; the policy and strategy context within which the selection of OP Priorities was made and the OP was formulated; more explicit statement of the OP objectives; and additional details on the type of interventions that are likely to be funded and on the objectives of these interventions.

Having reviewed the draft OP the Ex-ante Evaluator met with the Managing Authority and provided a verbal assessment of the draft OP against the key evaluation issues for the Ex-ante Evaluation.

In relation to programming content the Ex-ante Evaluator noted that the draft OP contained most of the programming content requirements as per the Commission's General Regulation. The exceptions related to an absence of targets for physical performance indicators, some financial information on the rate of contribution from the Funds, and information on complementarities with other funds.

Having examined the OP appraisal and analysis, the Ex-ante Evaluator judged the OP to include a systematic needs analysis, and that the OP objectives are clearly related to underlying needs. Nevertheless, the Ex-ante Evaluator noted the need to reflect the lessons learnt during the 2000-2006 programming period and to include a brief section on the Ex-ante Evaluation of the 2007-2013 OP, as these were not included in the draft as of Tuesday 6<sup>th</sup> February 2007.

Having examined the objectives and internal coherence of the OP the Ex-ante Evaluator judged the objectives of the draft OP to be clearly stated and articulated, and that the structure of objectives within the OP is internally coherent. Nevertheless, the Evaluator noted that the draft Ex-ante would make a number of recommendations in order to improve the clarity and relevance of the objectives and to improve the readability of the OP.

The Ex-ante Evaluator noted that the draft Ex-ante will make a number of recommendations in relation to policy and implementation risks, relating to processes to be put in place during the period of the OP and close monitoring of spend.

The Ex-ante Evaluator also noted that the OP is judged to be externally consistent with national and regional policy in Ireland and with EU policy, and that it is also consistent with equal opportunities and non-discrimination as per the ESF Regulation, and the commitments to social inclusion and equality in the NSRF.

The Ex-ante Evaluator also noted that the draft Ex-ante will include a number of recommendations in relation to inclusion of targets and baseline data, the role of the Central Evaluation Unit in the Department of Finance in future monitoring and evaluation, the need to make direct reference to the Ex-post Evaluation to be commissioned by the Commission, and to give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term given the front loading of expenditure for the programme as this will optimise the benefit of such evaluations.

#### **7.7.2 Mid-Term Evaluation**

External evaluators will be commissioned by the Managing Authority to carry out a mid-term evaluation. This is not a requirement of the Regulations but the Managing Authority has identified this evaluation as being crucial in assisting with the management of the OP. The role of the Mid-Term Evaluation is to examine the extent to which objectives and targets have been achieved and to propose corrective action as appropriate. The Managing Authority will set up a small Steering Committee to oversee the evaluation.

#### **7.7.3 Ex-Post Evaluation**

The Commission shall carry out an Ex-post Evaluation for each objective in close cooperation with the Member State and managing authorities as per Article 49 EU Regulation 1083/2006. The Ex-post Evaluation shall cover all the Operational Programmes under each objective and examine the extent to which resources were used, the effectiveness and efficiency of Fund programming and the socio-economic impact. It shall be carried out for each of the objectives and shall aim to draw conclusions for the policy on economic and social cohesion. It shall identify the factors contributing to the success or failure of the implementation of Operational Programmes and identify good practice. Ex-post evaluation shall be completed by 31 December 2015. The Managing Authority shall assist in as far as is possible with the Ex-post Evaluation.

#### **7.7.4 Other Evaluations**

As per Article 49 EU Regulation 1083/2006 the Commission may carry out strategic evaluations. The Commission may carry out, at its initiative and in partnership with the Member State concerned, evaluations linked to the monitoring of Operational Programmes where the monitoring of programmes reveals a significant departure from the

goals initially set. The results shall be sent to the Monitoring Committee for the Operational Programme.

The Managing Authority and the Monitoring Committee will give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term, given the front loading of expenditure for the programme as this will optimise the benefit of such evaluations.

Possible themes for specific evaluations may include New/Innovative Measures supported under the Operational Programme, Transnational/Interregional actions, Cross Measure/Cross Priority Target Group Participation and Coverage and specific evaluations of how Target Group needs and issues affecting their participation in the workforce are addressed by this Operational Programme.

### **7.8 Retention and Exchange of Computerised Data**

The Irish Authorities will provide relevant documentation and information for inputting into the computer system established by the Commission for the purpose of permitting the secure exchange of data between the Commission and each Member State.

The Commission and the Authorities designated by the Member State and the bodies to which that task has been delegated shall record into the computer system for data exchange the documents for which they are responsible in the format required and update them.

The costs of interfacing between the common computer system for data exchange and the national, regional and local computer systems and any costs of adapting national, regional and local systems to the requirements under the General Regulation will be eligible under Technical Assistance under Article 46 of that Regulation.

All required financial and physical progress information, appropriately codified, including annual reports, to enable the European Commission to fulfill its responsibilities under the Structural Funds Regulations, would be relayed electronically to the Commission by the Managing and Certifying Authorities, as appropriate. The frequency of electronic transmission will conform to the management requirements as agreed between the Commission and the Managing Authority and the Department of Finance.

### **7.9 Publicity and Information**

The Managing Authority will be responsible for information and publicity on the Operational Programme. Information actions on operations will be addressed to citizens and potential beneficiaries with the aim of highlighting the role of Community funding and ensuring transparency.

The EU logo is to be displayed along with the Intermediate Body's logo in all publicity material, application forms, letters of offer or grant approval, as well as on

signs for projects as required under the Commission Regulation on implementing the Operational Programme.

The ESF website will contain up to date relevant information on matters pertaining to the Operational Programme.

The Managing Authority will be assisted by the NDP Information Office in developing and implementing their information and publicity strategy for the Operational Programme.

A Communications Action Plan will be drawn up in consultation with the Monitoring Committee, in accordance with Article 2(2) of the Implementation Regulation, for submission to the Commission within four months of the date of adoption of the Operational Programme

The communication plan shall include at least the following:

- (a) The aims and target groups
- (b) The strategy and content of the information and publicity measures to be taken by the Member State or the Managing Authority, aimed at potential beneficiaries, beneficiaries and the public, having regard to the value added of Community assistance at national, regional and local level
- (c) The indicative budget for implementation of the plan
- (d) The administrative departments or bodies responsible for implementation of information and publicity measures
- (e) An indication of how the information and communication measures are to be evaluated in terms of transparency, awareness of Operational Programmes and of the role played by the Community

The Managing Authority will inform the Monitoring Committee of progress in implementing the Communications Action Plan, the information and communication measures carried out and the means of communication used. The Annual Report on Implementation of the Operational Programme shall include examples of information and communication measures for the Operational Programme taken in implementing the communication plan; the arrangements for the information and publicity measures and, where applicable, the electronic address at which those data may be found and the content of major amendments to the communication plan.

Beneficiaries will be responsible for informing the public about the assistance obtained from the Funds by appropriate information means. Beneficiaries will also ensure that those taking part in an operation have been informed of that funding. Beneficiaries will provide clear notice to the effect that the operation being implemented has been selected under this Operational Programme co-financed by the European Social Fund.

The Managing Authority will publicise and build awareness of the OP through a variety of mechanisms. Events such as an official launch of the Operational Programme and the ESF, Conferences, Seminars and Information Sessions will be organised. The ESF Website and appropriate information media shall be updated on a

regular basis. Priority will be given to building media awareness and the public profile of the OP by highlighting significant events and success stories.

### **7.10 Partnership**

Ireland's commitment to the concept of partnership is reflected in its series of social partnership agreements, the latest such programme, *Towards 2016*, continues this approach. The decision-making Monitoring Committee will comprise representatives of all social partnership groups, as appropriate. The consultation process for the drafting of this Programme utilised the partnership structures in Ireland to full effect.

## Chapter 8

### 8. Financial Provisions

#### 8.1 Overall Financial Envelope

The total expenditure under this Programme will reflect a combination of ESF, Exchequer and private funding. The total financial allocations are set out in paragraph three below. The total expenditure amount reflects the activity necessary to draw down the allocation of ESF monies over the programming period, the expected level of expenditure in the anticipated co-financed Activities and includes some projected overbooked expenditure to provide scope for unexpected events or shocks. The total anticipated expenditure is €906.7 million which revised amount reflects the need to maximise drawdown of ESF funds in a timely manner commensurate with the need to address immediately the economic situation, frontload the drawdown to the greatest extent possible and the fact that funding for the Disability Training Activity administered by FÁS is unlikely to be drawn down due to ongoing compliance issues regarding procurement.

Following agreement by the European Council of the overall financial perspectives for the 2007-2013 period, the European Commission adopted on 4 August 2006 the fixed annual breakdowns of the financial commitments for each Member State for 2007 to 2013. The overall allocation for Ireland for the period is €901.4 million. This allocation is then sub-divided regionally and between the ERDF and the ESF. The ESF contribution to this Programme is €375m in total. This is a significant reduction on the amount of ESF available in the 2000-2006 period. This amount was determined in the Financial Perspectives exercise concluded last year and there is no scope for alteration of this amount. It places an onus on Ireland to be more focused and strategic in investment choices under this Programme and this is reflected in the approach set out in Chapter 4 to Priority selection.

#### 8.2 Expenditure Profile 2007-2013

The financial perspectives outcome also dictated the regional profile for ESF expenditure over the programming period. This results in the majority of ESF financing being applied to the BMW region with circa €205m (out of a total BMW allocation of almost €229m) being allocated in respect of the first four years of the period. This presents particular challenges to the Managing Authority and intermediate Departments and Agencies to meet this demanding expenditure profile. Of course, the situation is exacerbated by the fact that expenditure under the 2000-2006 EHRD OP is to continue for 2007 at least and this will have an effect on Measures that it is proposed should receive continuing ESF support in this Programme.

#### 8.3 Proposed Financial Allocations

The proposed financial allocations are set out in Table 8.1 below. The allocations are broken down by year at Priority level in line with the requirements of the Regulations. Given that the allocations are made at Priority level, greater flexibility exists for the

Managing Authority and Intermediate Bodies to apply ESF co-financing, in a more pro-active manner, to Activities as the Programme proceeds. The Managing Authority will seek to use this to best effect in order to obtain the best added value from the ESF and the investments under the Programme.





**Table 8.1 Total Expenditure by Priority for the HCI OP 2007 –2013**

<b>HCI OP - Priority Axes by source of funding 2007-2013</b>									
		Community Funding <b>(a)</b>	National counterpart <b>(b)</b>	Indicative breakdown of the National Counterpart		Total funding (e) = (a) +(b) <b>(e)</b>	Co-financing rate (f)= (a)/(e)	For Information	
				National Public Funding <b>(c)</b>	National Private Funding <b>(d)</b>			EIB contributions	Other funding
<b>Priority 1 Increasing Activation of the Labour Force</b>	National	246,953,783	402,924,593	399,924,593	3,000,000	649,878,376	38.00%	0	0
<b>Priority 2 Increasing Participation and reducing Inequality in the Labour Force</b>	National	125,408,587	125,408,587	125,408,587	0	250,817,174	50.00%	0	0
<b>Priority 3 Technical Assistance</b>	National	3,000,000	3,000,000	3,000,000	0	6,000,000	50.00%	0	0
<b>Total Programme</b>	National	375,362,370	531,333,180	528,333,180	3,000,000	906,695,550	41.40%	0	0

The principal organisations that will be involved in ESF-finance Measures under this Programme are:

- FÁS
- Department of Education and Science
- Department of Justice, Equality and Law Reform
- Department of Social and Family Affairs
- Equality Authority

Other organisations may come on board as the Programme progresses, particularly in relation to transnational and interregional co-operation activity.

#### **8.4 Mobilisation and Circulation of Financial Flows**

The following principles will apply in relation to mobilisation and circulation of financial flows under this OP:

- Intermediate Bodies will be responsible for submitting eligible expenditure in the format (electronic and hard copy) required by the Certifying Authority to the Managing Authority in order for payment claims to be prepared for submission to the Certifying Authority
- Expenditure to be reimbursed may, in the case of Government Departments be pre-financed through Exchequer funds and therefore directly reimbursable to the Exchequer by the Certifying Authority; or be pre-financed from within the Intermediate Body's own resources, in which instance claims will be reimbursed directly to the Intermediate Body concerned by the Certifying Authority
- Other beneficiaries may fund their activities directly from their own resources and in such cases ESF monies may be repayable by the Certifying Authority directly to those beneficiaries or through Intermediate Bodies as appropriate

#### **8.5 Meeting Earmarking for Lisbon Agenda**

The proposed expenditure under this Operational Programme relates to activities and interventions that reflect Ireland's strategies for implementation of the Lisbon Agenda. It is the view of the Managing Authority that the entire expenditure under this Programme is Lisbon-related and therefore the requirement to earmark at least 75% of expenditure for Lisbon-related activity has been fully met.

#### **8.6 Categorisation of Expenditure**

The primary requirements under the European Commission's `Lisbon Agenda` are as follows:

1. Knowledge and Innovation
2. Attractive Place to Invest and Work
3. Creating More and Better Jobs

Compliance with the Lisbon Agenda requirements for the Priorities in the Programme is indicated in the third column of the following table.

**Table 1: Categorisation of ESF Expenditure by Region**

Code	Dimension	Lisbon Agenda Compliant	Proposed ESF Expenditure		
			BMW	SAE	NAT
64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills	Yes –1,2, 3.	€2,500,000	€7,500,000	€10,000,000
69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons	Yes – 3	€2,345,000	€5,530,000	€7,875,000
70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration	Yes – 3	€1,320,000	€3,080,000	€4,400,000
71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace	Yes –3.	€8,813,000	€8,740,000	€17,553,000
72	Design, introduction and implementation of reforms in education and training systems in order to develop employability, improving the labour market relevance of initial and vocational education and training, updating skills of training personnel with a view to innovation and a knowledge based economy	Yes – 3.	€128,665,777	€72,090,356	€200,756,133
73	Measures to increase participation in education and training throughout the lifecycle, including through action to achieve a reduction in early school leaving, gender-based segregation of subjects and increased access to and quality of initial vocational and tertiary education and training	Yes – 3.	€85,115,062	€46,663,175	€131,778,237
85	Preparation, implementation, monitoring and inspection.		-	€2,500,000	€2,500,000
86	Evaluation and studies; information and communication		-	€500,000	€500,000
	<b>Totals:</b>		<b>€228,758,839</b>	<b>€146,603,531</b>	<b>€375,362,370</b>

**Table 2: Codes For the Form of Finance**

<b>Code:</b>	<b>Form of Finance</b>
01	Non-repayable aid

**Table 3: Codes for the Territorial Dimension**

<b>Code:</b>	<b>Territory Type</b>
00	Not Applicable

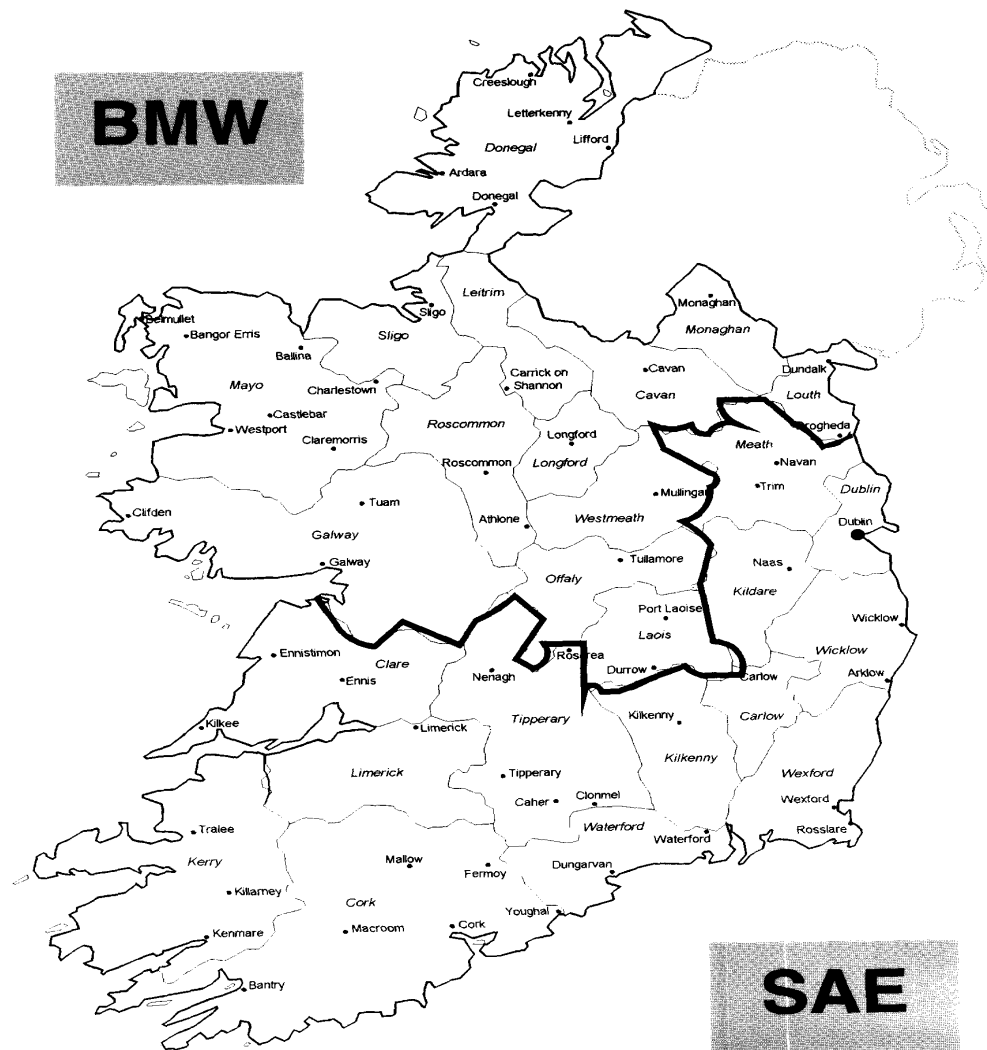
### **8.7 Performance Reserve**

The Irish Government has exercised its authority not to establish a national performance reserve for allocation in 2011, as provided for in Article 50 of the General Regulation. The Irish Government has also decided not to reserve a 1% proportion of the Structural Funds annual contribution to cover unforeseen local or sectoral crises linked to economic and social restructuring, in accordance with Article 51.

<b>Human Capital Investment Operational Programme 2007- 2013</b>						
<b>Source of Total Investment Costs (€)</b>						
	Total Investment Cost	Community Assistance	National Public (or equivalent)	National Private	Other sources	EIB/EIF
	<b>(a)=(b)+(c )</b>	<b>(b)</b>	<b>(c )</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>
<b>BMW Region</b>						
2007	185,708,778	76,071,816	109,636,962	0	0	0
2008	147,523,767	60,008,712	87,015,055	500,000	0	0
2009	105,053,445	43,272,654	61,280,791	500,000	0	0
2010	61,357,071	25,843,152	35,013,919	500,000	0	0
2011	17,958,142	7,699,158	10,258,984	0	0	0
2012	18,173,890	7,853,142	10,320,748	0	0	0
2013	18,730,014	8,010,205	10,719,809	0	0	0
<b>2007-2013</b>	<b>554,505,107</b>	<b>228,758,839</b>	<b>324,246,268</b>	<b>1,500,000</b>	0	0
<b>SAE Region</b>						
2007	46,682,757	19,719,928	26,962,829	0	0	0
2008	47,957,379	20,114,326	27,343,053	500,000	0	0
2009	49,516,981	20,516,613	28,500,368	500,000	0	0
2010	49,778,276	20,926,945	28,351,331	500,000	0	0
2011	51,091,273	21,345,484	29,745,789	0	0	0
2012	52,956,826	21,772,394	31,184,432	0	0	0
2013	54,206,951	22,207,841	31,999,110	0	0	0
<b>2007-2013</b>	<b>352,190,443</b>	<b>146,603,531</b>	<b>204,086,912</b>	<b>1,500,000</b>	0	0
<b>NATIONAL</b>						
2007	232,391,535	95,791,744	136,599,791	0	0	0
2008	195,481,146	80,123,038	114,358,108	1,000,000	0	0
2009	154,570,426	63,789,267	89,781,159	1,000,000	0	0
2010	111,135,347	46,770,097	63,365,250	1,000,000	0	0
2011	69,049,415	29,044,642	40,004,773	0	0	0
2012	71,130,716	29,625,536	41,505,180	0	0	0
2013	72,936,965	30,218,046	42,718,919	0	0	0
<b>2007-2013</b>	<b>906,695,550</b>	<b>375,362,370</b>	<b>528,333,180</b>	<b>3,000,000</b>	0	0

ANNEX I

*The BMW and SAE Regions*



**ANNEX II**

**DRAFT HUMAN CAPITAL INVESTMENT OPERATIONAL  
PROGRAMME 2007-2013**

**STRATEGIC ENVIRONMENT ASSESSMENT  
SCREENING REPORT**

Prepared by the ESF Policy & Operations Unit, DETE

January 2007.

## Consideration of the requirement to carry out a Strategic Environmental Assessment for the draft Human Capital Investment Operational Programme for Ireland

---

The European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004, S.I. No. 435 of 2004, was transcribed into Irish law pursuant to Directive 2001/42/EC also known as “the SEA Directive”. S. I. No. 435 of 2004 introduced a requirement for the assessment of the effects of certain plans and programmes on the environment. The Directive applies to all programmes or plans commenced after 21<sup>st</sup> July 2004.

### **A. Determining the need for an SEA**

In order to determine the necessity to carry out a Strategic Environmental Assessment under S. I. 435 of 2004, a number of factors must be taken into consideration. These can be categorised under two main headings as follows – (1) the types of plans or programmes being introduced and (2) the likelihood of the plan or programme having an effect on the environment.

#### **(1) Types of plans and programmes**

The legislation outlines the kinds of plans and programmes that are required to carry out the SEA.

The S.I. under Article 2(3) defines “plans and programmes” as being those

- a) which are subject to preparation and/or adoption by an authority at national, regional or local level or which are prepared by an authority for adoption, through a legislative procedure by Parliament or Government, and*
- b) which are required by legislative, regulatory or administrative provisions.*

Article 9(1) of the S.I., subject to sub-article (2) states that an environmental assessment must be carried out for all plans and programmes

- (a) which are prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications and tourism, and which set the framework for future development consent of projects listed in Annexes I and II to the Environmental Impact Assessment Directive, or*
- (b) which are not directly connected with or necessary to the management of a European site but, either individually or in combination with other plans, are likely to have a significant effect on any such site.*

#### **(2) Criteria to determine effects on the Environment**

The body or authority responsible for preparing the plan or programme is required under Article 9(3) to make a determination as to whether plans or programmes not coming within Article 9(1) but which set the parameters for future development consent of projects, are likely to have significant effects on the environment.



Furthermore, the competent authority is required to take account of the relevant criteria set out in Schedule 1 “for determining whether a plan or programme (or modification thereto) is likely to have significant effects on the environment. The criteria in Schedule 1 are broken down into two separate parts. Section 1 outlines the relevant characteristics of the plan or programme as follows:

- *the degree to which the plan or programme, or modification to a plan or programme, sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources,*
- *the degree to which the plan or programme, or modification to a plan or programme, influences other plans including those in a hierarchy,*
- *the relevance of the plan or programme, or modification to a plan or programme, for the integration of environmental considerations in particular with a view to promoting sustainable development,*
- *environmental problems relevant to the plan or programme, or modification to a plan or programme.*
- *the relevance of the plan or programme, or modification to a plan or programme, for the implementation of European Union legislation on the environment (e.g. plans and programmes linked to waste management or water protection).*

Section 2 of the Schedule deals with the characteristics of the effects and the area likely to be affected in relation to the following:

- *the probability, duration, frequency and reversibility of the effects,*
- *the cumulative nature of the effects,*
- *the transboundary nature of the effects,*
- *the risks to human health or the environment (e.g. due to accidents),*
- *the magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected),*
- *the value and vulnerability of the area likely to be affected due to:*
  - (a) *special natural characteristics or cultural heritage,*
  - (b) *exceeded environmental quality standards or limit values,*
  - (c) *intensive land-use,*
- *the effects on areas or landscapes which have a recognised national, European Union or international protection status.*

## **B. Draft Human Capital Investment Operational Programme 2007-2013**

The Government, by means of the draft National Strategic Reference Framework, has decided to introduce separate programmes for the next round of EU Structural and Social Funds. These will include two Regional Programmes in relation to the ERDF

and a single national ESF Programme. As part of the process to complete the preparations for the proposed new Human Capital Investment Operational Programme for the period 2007 to 2013, an Ex-ante Evaluation of the Programme has to be completed before the it can be adopted (Article 41 of Regulation 1260/1999).

There will be only one ESF Programme in Ireland for the period 2007 to 2013, the Human Capital Investment Operational Programme, and it will address certain aspects of the labour market needs of the Irish economy through a series of training, education and employment-support activities. The focus of the Programme is essentially on immaterial operations related to human resources development, as agreed with the European Commission. The NDP, which will run in parallel with it, will also contain human resources development activities.

### **1) *Plan or Programme?***

The first issue to be determined under the terms of S.I. 435 of 2004 is whether the draft ESF Programme comes within the definition as set out in Article 2(3) above namely

*(a) which are subject to preparation and/or adoption by an authority at national, regional or local level or which are prepared by an authority for adoption, through a legislative procedure by Parliament or Government, and*

*(b) which are required by legislative, regulatory or administrative provisions.*

As a part of the process of finalising the new ESF Programme for 2007-2013, the draft Programme must be presented to the Government for its approval. Once the Government has approved the draft Programme, it will then be formally presented to the European Commission for its evaluation and approval under the new Regulations.

### **Conclusion:**

Therefore, the draft Human Capital Investment Operational Programme qualifies under Section 2(3) as a Programme within the meaning of this Article.

### **2) *Need for an assessment to be carried out?***

Because the draft Human Capital Investment Operational Programme comes within the definition set out above, the next step, pursuant to Article 9 of the S.I. is to determine whether an environmental assessment must be carried out. Article 9(1) outlines the types of plans or programmes requiring an environmental assessment namely plans:

*(a) which are prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications and tourism, and which set the framework for future development consent of projects listed in Annexes I and II to the Environmental Impact Assessment Directive, or*

*(b) which are not directly connected with or necessary to the management of a European site but, either individually or in combination with other plans, are likely to have a significant effect on any such site.*

The draft Human Capital Investment Operational Programme's objectives relate to addressing certain aspects of the labour market needs of the Irish economy by means of a series of training, education and employment-support activities. Unlike the previous ESF Programme, the Employment and Human Resources Development Operational Programme 2000-2006, which contained two measures or activities directly involved with the building of schools and training centres, the current Programme has a much narrower aim, focussing solely on training and educational type activities.

***Conclusion:***

Therefore the draft Human Resources Development Operational Programme 2007-2013 does not require an environmental assessment under Article 9(1) of the Regulations.

Article 9(3) of the S.I. states that "A competent authority shall determine whether plans and programmes other than those referred to in sub-article (1), which set the framework for future development consent of projects, are likely to have significant effects on the environment." The draft Human Resources Development Operational Programme 2007-2013 does not "set the framework for future development consent of projects as mentioned in Article 9(3).

**OVERALL CONCLUSION:**

The draft Human Resources Development Operational Programme 2007-2013 does not require a Strategic Environmental Assessment Report under the terms of the SEA Directive.

**3) Methodology**

The methodology used in this screening report is set out in figure 1 attached.

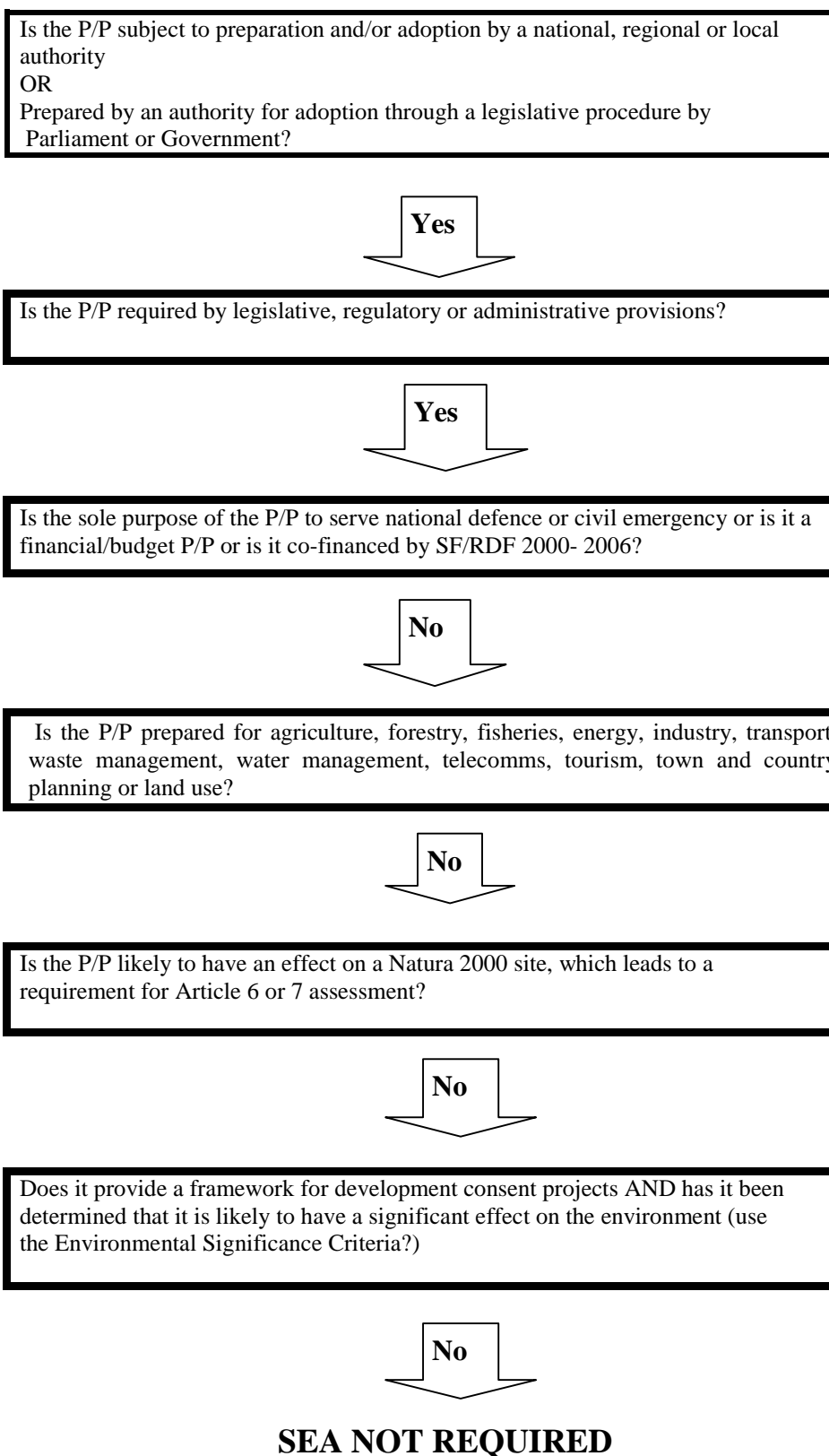
**C Additional Checks**

For the avoidance of any doubt in relation to the conclusions reached here above, the competent authority (Managing Authority) intends to seek the formal advice of the following:

- The Environmental Protection Agency
- The Minister for the Environment, Heritage and Local Government and
- The Minister for Communications, Marine and Natural Resources

**FIGURE 1.**

**Human Capital Investment Programme 2007 -2013**



**ANNEX III - Extract from Implementing Regulation 1828 of 2006**

**Annex XXIII: Data on participants in ESF operations**

NUMBER OF PARTICIPANTS PER YEAR

(people entering, those leaving, carry-over from one year to the next)

BREAKDOWN OF PARTICIPANTS BY GENDER

BREAKDOWN OF PARTICIPANTS ACCORDING TO STATUS IN THE  
LABOUR MARKET

- employed (total number of employed, including self-employed)
- self-employed
- unemployed (total number of unemployed including long-term unemployed)
- long-term unemployed
- inactive persons (total number of inactive persons, including those in education, training or retirement, those having given up business, the permanently disabled, those fulfilling domestic tasks or other)
- inactive persons in education or training

BREAKDOWN OF PARTICIPANTS BY AGE

- young people (15-24 years)
- older workers (55-64 years)

BREAKDOWN OF PARTICIPANTS BY VULNERABLE GROUPS, IN  
ACCORDANCE WITH NATIONAL RULES

- minorities
- migrants
- disabled
- other disadvantaged people

BREAKDOWN OF PARTICIPANTS BY EDUCATIONAL ATTAINMENT

- Primary or lower secondary education (ISCED 1 and 2)
- Upper secondary education (ISCED 3)
- Post-secondary non-tertiary education (ISCED 4)
- Tertiary education (ISCED 5 and 6)

**ANNEX IV – Linkages between HCI OP Investment Priorities and future interventions and policy fields outlined in Article 3 of ESF Regulation 1083/2006**

<b>Priority 1: Up-skilling the Workforce</b>		<b>ESF Guidelines – priorities under Article 3</b>					
<b>Possible Area</b>	<b>Need, Problem or Issue to be Addressed</b>	<b>1(a)</b>	<b>1(b)</b>	<b>1(c)</b>	<b>1(d)</b>	<b>2(a)</b>	<b>2(b)</b>
<b>Training of Employees</b>	The Measure will provide funding to help enable employed persons to receive training and development. To support this objective a number of specific activities will be undertaken; analyses of sectoral and regional training needs, the development and implementation of programmes to meet these needs, the development and implementation of quality assurance measures and training standards, best practice workshops and the development and/or mainstreaming of innovative training models (including the use of Recognition of Prior Learning). It will also help companies to assess their HRD practices and processes and benchmark their performance against comparators.	X				X	
<b>Skills Training for the Unemployed and Job-Seekers</b>	The Measure will address the need to provide unemployed persons and other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work.		X			X	
<b>Undergraduate Skills</b>	The Measure will address identified shortages of skilled graduates in areas as highlighted by the Expert Group on Future Skills Needs (EGFSN) and other reports in particular in the ICT, Engineering and Science disciplines.	X				X	
<b>Back to Education Initiative (BTEI)</b>	The Measure is intended to address the education needs of those with minimal or no educational qualifications and school leavers through: <ul style="list-style-type: none"> <li>• Provision of Programmes that lead to qualifications equivalent to upper second level</li> <li>• Provision of Programmes that lead to qualifications in line with labour market demands</li> <li>• Provision of re-entry routes for those who wish to upgrade their skills in line with emerging socio-economic needs</li> </ul>		X				

<b>Priority 2: Activation and Participation of Groups outside the Labour Force</b>							
<b>Possible Area</b>	<b>Need, Problem or Issue to be Addressed</b>	<b>1(a)</b>	<b>1(b)</b>	<b>1(c)</b>	<b>1(d)</b>	<b>2(a)</b>	<b>2(b)</b>
<b>Supporting People with Disabilities</b>	The size and persistence of the employment rate gap between people with disabilities and people without a disability; The evidence that the current system of supports aimed at enabling people with disabilities access the labour market and employment is limited in its effectiveness; The need to enhance the coherence and connectedness of existing services.		X	X	X		
<b>Disability</b>	<p>The measure will include a number of actions all designed to achieve the overall aim. It will include:</p> <ul style="list-style-type: none"> <li>• Provision of training by Specialist Training Providers</li> <li>• Financial incentives to employers to recruit persons with a disability (the Wage Subsidy Scheme)</li> <li>• The Supported Employment Programme (SEP), which provides mentors/advocates to assist persons with disabilities to take up and maintain employment</li> <li>• The Disability Awareness Training Scheme for companies and their employees</li> </ul> <p>The measure will also fund a Disability Support Service, which has been piloted by FÁS recently. The aim of this service will be to increase the participation of disabled persons on FÁS (mainstream) training courses. This service is a contracted service that provides support workers to the Training Centres. The support workers provide a range of support services to both trainees and training staff, including awareness training, additional academic supports, motivation and training, guidance on course completion, study skills and assistive technology assistance. In general, the measure will include information aimed at a number of audiences, in particular persons with a disability and employers, to encourage participation in the various opportunities available</p>		X	X			
<b>Early School Leavers - Youthreach and Travellers</b>	<ul style="list-style-type: none"> <li>• Youthreach - To address the needs of unqualified early school leavers. It is specifically targeted at unemployed young school leavers aged 15-20.</li> <li>• Senior Traveller Training – To address the needs of unqualified early school leavers and adults in the travelling community. There is no upper age limit on this programme.</li> </ul>		X	X		X	

	Both programmes seek to address the personal and social development needs of participants. The need to improve self esteem, promote independence and personal autonomy are common among programme entrants. The programmes seek to instil a pattern of lifelong learning and integrate participants into further education and training opportunities and the labour market. Certification is available relative to the ability and career options of the individual participant. Both programmes seek to improve social inclusion on a broader scale.						
<b>Third Level Participation</b>	Inequities in participation in higher education faced by students with limited economic resources.		<b>X</b>				
<b>Adult Literacy</b>	To address the needs of those who wish to improve their literacy skills.		<b>X</b>				
<b>Garda Youth Diversion</b>	The Garda Youth Diversion Projects (GYDP) aim, through both intervention and prevention, to divert young people from becoming involved in crime and to provide suitable activities to facilitate personal development and encourage civic responsibility, and work towards improving the long-term employability prospects of the participants.		<b>X</b>	<b>X</b>			
<b>Positive Actions to Promote Gender Equality</b>	The present Measure will make available funding <ul style="list-style-type: none"> <li>● to build upon the work undertaken in the 2000 – 2006 National Development Plan which supported a range of positive action measures; and</li> <li>● to implement actions which will deliver the National Women’s Strategy. To increase the representation of women in the work force. To increase women’s availability to participate in and progress upwards in the labour market and in decision making at all levels</li> </ul>		<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>



<b>Equality Mainstreaming Approach</b>	<p>The effective participation by people who experience inequality across the nine grounds (gender, marital status, family status, sexual orientation, age, disability, race, Traveller community) in vocational education and training, labour market programmes and employment. The following are an indicative specification of the barriers to participation experienced by groups experiencing inequality from Accommodating Diversity in Labour Market Programmes, WRC Social and Economic Consultants, Equality Authority 2003</p> <ul style="list-style-type: none"> <li>● Contextual barriers including prevailing labour market conditions and trends. They also include factors such as public and institutional perceptions of and attitudes towards groups experiencing inequality.</li> <li>● Institutional barriers such as inappropriate location and timing of programmes, low levels of outreach recruitment and lack of childcare (particularly impacting on lone parents).</li> <li>● Informational barriers such as weak information strategies, the reliance of educational and training providers on written materials as the main means to promote awareness of their programmes.</li> <li>● Situational barriers arising from the cost of participation in education and training programmes.</li> <li>● Dispositional barriers arising from the acquisition of negative attitudes towards education and training and low expectation of the benefits to be gained from participation.</li> </ul>		X	X	X	X	X
<b>Social &amp; Employ Integration of Migrants (Reception and Integration Agency)</b>	<p>This Measure is aimed at the most vulnerable of legally resident migrants that are having difficulty accessing employment because of language difficulties, health issues, lack of training or social skills or non-recognition of their qualifications. This project proposes to promote and extend initiatives to increase the levels of employability of the target group.</p>		X	X			

## **ANNEX V**



---

Brussels, 21.10.2009 C(2009) 7923

### **COMMISSION DECISION**

of 21.10.2009

amending Decision C(2007) 5460 adopting the operational programme for Community assistance from the European Social Fund under the Regional competitiveness and employment objective in Ireland

**CCI: 20071E052P0001**

(ONLY THE ENGLISH TEXT IS AUTHENTIC)

**COMMISSION DECISION  
of 21.10.2009**

**amending Decision C(2007) 5460 adopting the operational programme for Community assistance from the European Social Fund under the Regional competitiveness and employment objective in Ireland**

**CCI: 20071E052P0001**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999', and in particular Article 33(2) thereof,

Whereas:

On 25 August 2009, Ireland submitted through the computer system for data exchange with the Commission a request for the revision of the operational programme for Community assistance from the European Social Fund under the Regional competitiveness and employment objective in Ireland, adopted by Commission Decision C(2007) 5460 of 6 November 2007.

- (2) The proposed revision of the operational programme, including the increase of the Community co-financing rates, is justified by significant socio-economic changes, notably the current serious economic crisis.
- (3) Pursuant to Article 65(g) of Regulation (EC) No 1083/2006 at its meeting, on 23 June 2009, the monitoring committee considered and approved the proposal to amend the content of Decision C(2007) 5460, in particular as regards the text of the operational programme and its financing plan.
- (4) It is appropriate to fix the starting date for the eligibility of new expenditure in accordance with the second subparagraph of Article 56(3) of Regulation (EC) No 1083/2006.
- (5) Decision C(2007) 5460 should therefore be amended accordingly,

---

OJ L 210, 31.7.2006, p. 25. [Regulation as amended by Regulation (EC) No 1989/2006 (OJ L 411, 30.12.2006, p. 6)]

HAS ADOPTED THIS DECISION:

*Article 1*

Decision C(2007) 5460 is amended as follows:

(1) Article 1 is replaced by the following:

"Article 1

The operational programme for Community assistance under the Regional competitiveness and employment objective in Ireland qualifying for transitional support under the Regional competitiveness and employment objective for the programming period 1 January 2007 to 31 December 2013 as set out in Annex I and containing the following priority axes is hereby adopted:

- (a) Increasing Activation of the Labour Force;
- (b) Increasing Participation and reducing Inequality in the Labour Force;
- (c) Technical Assistance."

(2) Article 3(1) is replaced by the following:

"1. The maximum amount of assistance from the European Social Fund granted under the operational programme, as calculated with reference to the total eligible public and private expenditure, is set at EUR 375 362 370 and the maximum co-financing rate is set at 41,40%."

(3) In Article 3, paragraphs 3 and 4 are replaced by the following:

"3. The national counterpart of EUR 531 333 180 may be partly met by Community loans from the European Investment Bank (EIB) and other lending instruments, however for the time being no such loans are foreseen.

4. Within the operational programme referred to in paragraph 1 the maximum amount for assistance and the maximum co-financing rate for each priority axis shall be as set out in the second, third and fourth subparagraphs of this paragraph.

The maximum co-financing rate for priority axis "Increasing Activation of the Labour Force" referred to under Article 1(a) is set at 38% and the maximum amount for assistance from the ESF to that priority axis, as calculated with reference to the total eligible public and private expenditure, is set at EUR 246 953 783.

The maximum co-financing rate for priority axis "Increasing Participation and reducing Inequality in the Labour Force" referred to under Article 1(b) is set at 50% and the maximum amount for assistance from the ESF to that priority axis, as calculated with reference to the total eligible public and private expenditure, is set at EUR 125 408 587.

The maximum co-financing rate for priority axis "Technical Assistance" referred to under Article 1(c) is set at 50% and the maximum amount for assistance from the ESF to that priority axis, as calculated with reference to the total eligible public and private expenditure, is set at EUR 3 000 000."

- (4) Annex I is replaced by the text set out in Annex I to this Decision.
- (5) Annex II is replaced by the financing plan set out in Annex

II to this Decision.

*Article 2*

New expenditure resulting from the amendments referred to in Article 1 of this Decision shall be eligible from 25 August 2009.

*Article 3*

This Decision is addressed to Ireland.

Done at Brussels, 21.10.2009

*For the Commission*  
*Vladimir Spidla*  
*Member of the Commission*

