

**Employment & Human Resources Development  
Operational Programme (2000-2006)**

**IRELAND**

**Annual Implementation Report 2003**

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# **1. OP Structure and Linkages**

## **1.1 Introduction**

This report on the implementation of Ireland's Employment and Human Resources Development Operational Programme in 2003 is presented in two Parts. **Part I** provides a general overview of progress on the OP, covering issues such as:

- Changes in the Programme's environment in 2003,
- Links to the European Employment Strategy and Employment Action Plan,
- Progress in achieving the OP's objectives,
- The contribution of the OP to meeting the objectives of the ESF,
- OP management
- Financial Progress
- Financial Control
- General overview of progress in implementing the OP at Priority level.

**Part II** of the report includes detailed reports on the implementation of each measure/sub-measure in the OP.

## **1.2 EHRD OP structure**

The Employment and Human Resources Development Operational Programme (EHRD OP) is Ireland's largest ESF-supported programme in the 2000-2006 round of Structural Funds, with €901m in ESF aid allocated to the Programme. It is also one of the largest national Operational Programmes under Ireland's National Development Plan 2000-2006, with a total investment of over €14 billion.

The Programme is the key delivery mechanism for employment, education and vocational training strategies under Ireland's Employment Action Plan. A total of 52 measures or sub-measures are supported under the Programme, with 22 of these being co-financed by the ESF. The measures/sub-measures are divided into the following Priorities:

- Employability
- Entrepreneurship
- Adaptability
- Equal Opportunities
- Training Infrastructure
- Technical Assistance

A list of all measures/sub-measures in the Programme, and the agencies responsible for implementing them, are shown on Table 1 overleaf. The primary Implementing Bodies are the Department of Education and Science, and An Foras Aiseanna Saothar (FAS), the National Training and Employment Authority.

The objective of the EHRD OP is to mobilise labour supply, upskill the labour force and contribute to social inclusion. The Programme is, effectively, the labour market

component of the National Development Plan and responds to developments in the labour market. The labour market environment in which the Programme operated in 2003 is outlined in Chapter 2.

The Measures co-funded by the **ESF** are directed towards the achievement of the following objectives:

- The mobilisation of labour supply in order to minimise the disruptive effects of generalised labour scarcity, while recognising the continuing importance of unemployment prevention;
- The encouragement of enterprises, and particularly SMEs, to improve their productivity and added-value in order to underpin future competitiveness;
- The enhancement of the skills and competencies of individuals, through lifelong learning, thereby enabling their participation and progression in the labour market.

2003 was a significant year in terms of Programme implementation, as the Mid-Term Evaluation of the OP was completed in September. The Evaluation found that, generally speaking, the objectives of the Programme were still as relevant as when the OP was approved in 2000. However, some re-focusing was recommended by the Evaluators. The Mid-Term Evaluation is dealt with in Chapter 3.

**Table 1 – EHRD OP Structure and Implementing Bodies**

<b>Measure No</b>	<b>Priority/Measure name</b>	<b>Implementing Body</b>
<b>EMPLOYABILITY</b>		
01	Action Programme for the Unemployed	FAS
<b>02ESF</b>	<b>National Employment Service</b>	<b>FAS</b>
<b>03ESF</b>	<b>Active Measures for LTU &amp; Socially Excluded</b>	<b>FAS</b>
04	Early Education	D/Education & Science
<b>05ESF</b>	<b>School Completion Initiative</b>	D/Education & Science
06	Early Literacy	D/Education & Science
07	Traveller Education	D/Education & Science
08	School Guidance Service	D/Education & Science
<b>09 ESF</b>	<b>Third Level Access</b>	D/Education & Science
10	Schools Modern Languages	D/Education & Science
<b>11AESF</b>	<b>Early School Leaver –Progression</b>	FAS
<b>11AESF</b>	<b>Early School Leaver – Progression (Community Training Workshop)</b>	D/Education & Science
<b>11BESF</b>	<b>Early School Leaver - Youthreach &amp; Travellers</b>	D/Education & Science
12A	Sectoral Entry Training -Tourism School Leavers	D/Arts, Sports & Tourism
12B	Sectoral Entry Training -Tourism	D/Arts, Sports & Tourism
12C	Sectoral Entry Training –Tourism (Education)	D/Education & Science
12D	Sectoral Entry Training -Agriculture	D/ Agriculture & Food
<b>13ESF</b>	<b>Skills Training for Unemployed &amp; Redundant Workers</b>	FAS
<b>14AESF</b>	<b>Apprenticeship/Traineeship-FAS</b>	FAS
14B	Apprenticeship-Education	D/Education & Science
15	Employment Support Services	D/ Social & Family Affairs
16	Voc. Training & Pathways Employment People with Disabilities	FAS
17	Refugee Language Support Unit	D/Education & Science
<b>ENTREPRENEURSHIP</b>		
<b>18AESF</b>	<b>In Company Training -FAS</b>	FAS
<b>18BESF</b>	<b>In Company Training -Enterprise Ireland</b>	Enterprise Ireland
<b>18CESF</b>	<b>In Company Training – D/ETE</b>	D/Enterprise loyment
<b>19AESF</b>	<b>Social Economy -Programme</b>	FAS
<b>19BESF</b>	<b>Social Economy -Local Social Capital</b>	FAS

<b>ADAPTABILITY</b>		
20	Lifelong Learning -General Training	FAS
<b>21ESF</b>	<b>Lifelong Learning -Back to Education Initiative</b>	D/Education & Science
<b>22ESF</b>	<b>Lifelong Learning- National Adult Literacy Strategy</b>	D/Education & Science
23	Lifelong Learning- Further Education Support Services	D/Education & Science
24A1	Ongoing Sectoral Training -Gaeltacht	Udaras na Gaeltacht
24A2	Ongoing Sectoral Training - Film	D/Arts, Sports & Tourism
24B	Ongoing Sectoral Training -Seafood	D/ Communications, Marine & Nat. Resources
24C	Ongoing Sectoral Training -Forestry	D/ Communications, Marine & Nat. Resources
24D	Ongoing Sectoral Training -Equine Institute	D/ Agriculture & Food
24E	Ongoing Sectoral Training -Agriculture	D/ Agriculture & Food
24F	Ongoing Sectoral Training -Tourism	D/ Arts, Sports & Tourism
24G	Ongoing Sectoral Training -Tourism Education	D/Education & Science
25	Middle-Level Technician/Higher Technical Business Skills	D/Education & Science
<b>26ESF</b>	<b>Undergraduate Skills</b>	D/Education & Science
27	Postgraduate Conversion Courses	D/Education & Science
28A	Training of Trainers- Primary, Post-Primary & Further Education	D/Education & Science
28B	Training of Trainers- FAS	FAS
29A	Quality Assurance-Training of Trainers	D/Education & Science
<b>29B ESF</b>	<b>Quality Assurance-Certification &amp;National Qualifications Framework</b>	D/Education & Science
<b>EQUALITY</b>		
<b>30ESF</b>	<b>Education Equality Initiative</b>	D/Education & Science
<b>31AESF</b>	<b>Equal Opps Promotion &amp; Monitoring - Education</b>	D/Education & Science
<b>31BESF</b>	<b>Equal Opps Promotion &amp; Monitoring - NDP</b>	D/ Justice, Equality & Law Reform
<b>31B1 ESF</b>	<b>Equality for Women</b>	D/ Justice, Equality & Law Reform
<b>TRAINING INFRASTRUCTURE</b>		
32A	Education Infrastructure	D/Education & Science
32B	Training Infrastructure	FAS
<b>TECHNICAL ASSISTANCE</b>		
<b>33AESF</b>	<b>Technical Assistance (Equality Studies )</b>	Equality Authority
<b>33BESF</b>	<b>OP Technical Assistance</b>	D/Ent. Trade & Emp

### **1.3 Links with the European Employment Strategy and the National Employment Action Plan**

The structure of the EHRD OP was designed to conform with the Pillars of the original European Employment Guidelines – Employability, Entrepreneurship, Adaptability and Equality. In 2003, the European Employment Guidelines were revised, and the four “Pillars” were replaced with a more flexible series of ten Guidelines to operate for the period 2003-2005.

Table 2 shows each of the measures/sub-measures in the OP in their original “Pillar” format, and their link to the new Guidelines. Many measures address more than one guideline indicated by an “X” against the appropriate Guideline. The total indicative expenditure and ESF expenditure (where relevant) in 2003 under each measure/sub-measure is also provided on the table.

Ireland’s response to the European Employment Guidelines is given expression through the National Employment Action Plan (NEAP). The NEAP supports the strategic goals of the Lisbon Objectives, which seek to make Europe “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”.

Ireland’s NEAP for 2003-05 is set against a much-changed economic background relative to previous years. The plan recognises that the favourable global environment that has been a feature of recent years has changed to the degree that the challenge for the next few years is to consolidate the positive impact of previous achievements and to maintain low levels of unemployment. The Plan complements the new Social Partnership Agreement, *Sustaining Progress 2003-2005*, the overall goal of which is “in a period of considerable uncertainty, to sustain economic growth, maintain high levels of employment, secure living standards while strengthening the economy’s competitiveness and thereby its capacity to resume trend growth in more favourable international conditions”.

There is a recognition also that Ireland’s future competitiveness can no longer rely on its traditional advantages of a low cost base for wages and services and the availability of a well-educated, skilled and flexible workforce. Continued competitiveness will be increasingly dependent on knowledge, innovation, skills, education and research, the quality of research, the quality of infrastructure and services in the economy and the maintenance of the low tax regime.

Therefore, the areas outlined as priority areas for employment policy for the period 2003-05 are:

- Greater emphasis on investment in research and development
- A greater regional spread of investment
- Heightened responsibility among employers for upskilling employees
- The promotion of lifelong learning
- Adoption of family-friendly work practices
- Support for disadvantaged people to enter the workforce.



Page 6: Table 2 – See Excel spreadsheet

Page 7: Table 2 – See Excel spreadsheet

Page 8: Table 2 – See Excel spreadsheet

Page 9: Table 2 – See Excel spreadsheet

The EHRD OP and the ESF directly support many of these objectives, as evidenced on Table 2.

As required under the EU Employment Strategy, the NEAP for 2003-05, which was prepared in consultation with other relevant Government Departments and the Social Partners, was submitted to the European Commission in October 2003. The Joint Employment Recommendations which were addressed to Ireland as a result of Commission and Council's consideration of the NEAP focused on the two areas outlined below:

***Attracting more people to the labour market and making work a real option for all***

- Increase access to active labour market measures for a larger share of the unemployed and inactive population and ensure their effectiveness.
- Increase the supply and affordability of childcare facilities and take urgent action to tackle the causes of the gender pay gap.

***Investing more and more effectively in human capital and lifelong learning***

- Implement a coherent lifelong learning strategy to reduce early school leaving and increase participation in training, especially for the low-skilled and for older workers.

These were similar to recommendations made to Ireland under the NEAP process in the previous years, and also in the Report of the Employment Task Force (the "Kok Report"), published in November 2003.

Ireland sought to address these recommendations in a variety of ways in 2003, not least through many of the activities being supported under the Employment and Human Resources Development Operational Programme (EHRD OP), for example:

- Actively engaging with unemployed people at an early stage to prevent the drift into Long Term Unemployment is a fundamental objective of *Measure 2 - National Employment Service*. Under this process, the Department of Social and Family Affairs (DSFA) refers all persons reaching certain thresholds of unemployment for interview by FÁS. The NEAP "Preventive Strategy" is now being rolled out on a phased basis to all persons who are over six months on the Live Register<sup>1</sup> and have not been selected for inclusion in the process previously. The process commenced in Dublin in May 2003, followed by the West, the Northwest and the Midlands in October 2003. The South East and North East had commenced by the end of 2003. During 2003, 43,595 clients were referred to FAS by DSFA, including clients from the roll-out process. It is expected that over 60,000 clients (including 20,000 clients from the roll-out process) will be referred during 2004, coming from a 90,000 referral capacity (some clients can be referred more than once).

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<sup>1</sup> The Live Register is the register of all those signing for Unemployment payments or certain social security credits. It is not strictly regarded as a measure of unemployment.

- Training and education courses for the unemployed operated by FAS and the Department of Education and Science carry entitlement to allowances for childcare provision. In addition, FAS carries out training of childcare workers, to address the supply requirement. The two Regional OPs in Ireland receive ESF for a more substantive Childcare Strategy. In the context of the Mid Term Review of the EHRD OP, it was decided to transfer a further €9 million in ESF support from the OP to the Regional OPs in an effort to address the Joint Council/Commission recommendation to Ireland on increasing the supply and affordability of childcare places.
- Initiatives to tackle Early School Leaving are addressed in *Measure 5 – School Completion Initiative* and *Measure 11a Early School Leaver -Progression* and *11b Early School Leaver - Youthreach & Travellers*.
- Measures to promote Lifelong Learning and to up-skill those in employment – particularly in SMEs – are found in the Adaptability and Entrepreneurship Priorities of the OP respectively.

#### **1.4. Links with the NAPS/incl. process**

Social Inclusion/Poverty is one of the key policy contexts within which the EHRD OP was prepared in terms of the needs to be addressed and the strategies and policies put in place at EU and national level. As can be seen from Table 2, many of the measures in the OP address the Employment Guideline of combating discrimination against people at a disadvantage in the labour market.

The impact of employment policy was included in Ireland's report to the European Commission in 2003 on the National Action Plan for Social Inclusion and was commented favourably upon by the Commission.

The revised National Anti Poverty Strategy, (NAPS) which was agreed in 2002, notes that if consistent poverty is to be eliminated and the risk of poverty reduced, policies must address the patterns of risk and incidence that underlie poverty processes. Accordingly, the objective is to provide maximum opportunity for the most vulnerable members of society to gain employment and to progress to better paid and more fulfilling employment. Three key targets have been set:

1. The elimination of long-term unemployment as soon as circumstances permit but, in any event, not later than 2007
2. The reduction in the level of unemployment experienced by vulnerable groups towards the national average by 2007
3. The achievement of the objectives set out in the National Employment Action Plan to increase employment rates

The approach towards achieving the key targets include:

- Having in place a proactive policy of engagement with people of working age on social welfare to ensure that, where possible, they have the opportunity to

avail of employment, education and training options (*Measure 2 - National Employment Service*)

- Creating new opportunities for unemployed people and for marginalized groups to access employment and training (*Measure 1, 3 and 13*)
- Eliminating any remaining gaps or disincentives to employment/training in the application of the secondary benefit systems so that, at a minimum, nobody is materially worse off as a result of taking up employment, training, or education opportunities.
- Ensuring that those in low paid and low skilled jobs have access to higher incomes and the opportunity to progress to better paid and more highly skilled employment.

The National Anti Poverty Strategy also has a specific target to reduce the number of young people who leave the school system early so that the percentage of those who complete upper second level or equivalent will reach 90 % by 2006 from a baseline figure of 81.6 % in 1999. In the context of the EHRD OP, the *School Completion Initiative (Measure 5)*, combining the Early School Leaver Initiative and the School Retention Initiative, are among a number of measures aimed at meeting this objective.

## **2. The Economic & Labour Market in Ireland in 2003**

### **2.1 The economic climate in 2003**

The unprecedented growth that characterised Ireland's economic climate in the late 1990s has now given way to a period of more moderate growth. While growth levels averaged in the region of 10% in the closing years of the last millennium, the years since 2001 have seen economic growth at low single digit rates.

Nonetheless, while the global economy struggled during 2003 to regain improved economic performance after the downturn of recent years, Ireland continued to weather the global slowdown relatively well. The most significant feature of the Irish economy's resilience has been the continued growth in employment, with a rise of 2.5% last year. This strong growth, while much lower than some of the rates recorded by Ireland over the last decade, has kept average unemployment for 2003 at a comparatively low rate of 4.7%, which compares favourably with the EU average of over 7%.

Consumer price inflation averaged 3.5% in 2003, but was rapidly decelerating throughout the year, ending at below 2%, its lowest rate in four years. The deterioration in general government revenues was reversed with stronger taxation growth, suggesting an improving economic backdrop. The divergent pattern in the GDP and GNP measures of output growth was again evident in 2003. In contrast to 2002, real GDP is estimated to have slowed dramatically to a growth rate of 1.2 % in 2003, while real GNP picked-up from practically no growth in 2002 to an estimated rate of 3.0 % in 2003.

#### ***Future economic prospects***

While the short-term outlook is still somewhat uncertain, the Irish economy remains fundamentally healthy and well-placed to respond to an apparent improvement in global economic conditions (mid-2004). The independent research body, the Economic and Social Research Institute (ESRI), estimates that the economy has the potential to grow five % a year, with any underperformance in the next two years being matched by a subsequent spurt of activity that would return the economy to its normal growth path from 2005.

The prospects for acceleration in output growth in 2004 and 2005 remain significant, despite the capacity of global economic confidence to be affected by the threat of international terrorism. The ESRI forecasts for output growth in 2004 and 2005 are 3.5 and 4.5 % in real GDP and 3.3 and 4.4 % in real GNP terms respectively.

Inflation as measured by the consumer price index is forecast to continue to moderate to an average of 1.8% in 2004 and 2.0% in 2005. In terms of the EU Harmonised Index of Consumer Prices (HICP), Ireland is no longer at the top of the EU inflation league and is expected to approach the Euro Area average rate during 2004. The unemployment rate is forecast to continue to rise marginally in 2004 and 2005, to average 4.9% and 5.0% respectively.



## 2.2 The Irish labour market in 2003

The overall aim of the Irish labour market policy has been “to promote quality employment, meet the labour supply and skill needs of the economy, foster social inclusion, protect the welfare of workers, facilitate industrial peace and promote social policy as a productive factor”.

The economic growth enjoyed by Ireland over the last decade has seen a dramatic increase in the numbers employed and further growth was experienced in this area in 2003.

### *Labour Force Participation Rates by Age and Gender*

The labour force increased by 47,100 in the year to reach 1,901,800 in the fourth quarter of 2003. This accounted for 60.2% of all persons aged 15 or over, slightly up on the previous year when the labour force participation rate was 59.7%.

Participation rates increased in the 20-24, 25-34, 45-54 and 55-59 age groups, with the biggest increase recorded in the 55-59 group (1.3% increase). Small decreases were recorded in all other age groups in the year to the fourth quarter 2003. There was an increase of 16,000 in the number of women in the labour force and the female participation rate rose from 48.9% to 49.7% in the year. Female participation rates increased at a higher level than the overall participation rate. The increase in female participation in the 55-59 age group was significant, with a 2.8% increase being recorded over the year. *See tables below for full details.*

All persons	15-19 %	20-24 %	25-34 %	35-44 %	45-54 %	55-59 %	60-64 %	65+ %	Total %
Q4 2002	27.7	72.6	83.7	79.0	72.3	57.7	39.5	8.0	59.7
Q4 2003	27.4	73.5	84.6	78.9	73.0	59.0	39.3	7.7	60.2
Change	-0.3	0.9	0.9	-0.1	0.7	1.3	-0.2	-0.3	0.5

Female	15-19 %	20-24 %	25-34 %	35-44 %	45-54 %	55-59 %	60-64 %	65+ %	Total %
Q4 2002	24.3	67.7	75.0	65.5	57.2	39.7	23.4	3.2	48.9
Q4 2003	24.5	68.7	76.6	65.4	58.2	42.5	23.2	2.7	49.7
Change	0.2	1.0	1.6	-0.1	1.0	2.8	-0.2	-0.5	0.8

### *Employment*

In 2003, employment grew by 44,600, or 2.5%, to reach just over 1.81 million persons by the end of 2003. This increase was due mainly to employment growth in the Health and Construction sectors. The employment rate for the 15 to 64 age group was 65.6%, which is a slight increase from the same period in the previous year.

### ***Unemployment***

At the end of 2003, there were 86,500 persons unemployed. While this figure is an increase of 2,400 over the previous year's figure, it represents a decrease of 12,400 compared to the figure for the third quarter of 2003. The unemployment rate in the fourth quarter of 2003 was 4.5%. This compares with 5.2% in the third quarter of 2003, and 4.5% in the fourth quarter of 2002.

There were 53,300 males and 33,200 females unemployed at the end of 2003, representing annual increases of 1,600 and 800 respectively. The unemployment rate for males rose to 4.8% compared with 4.2% for females.

The Long-Term Unemployment rate in the fourth quarter of 2003 was 1.4%, (25,900 people) slightly higher than the corresponding figure in 2002 of 1.3% (24,700 people).

### ***Sectoral Employment***

The main sectors which showed increases in employment in 2003 were *Health* (+12,100), *Construction* (+9,300), *Other Services* (+7,500) and *Financial and other business services* (+6,400). Decreases were a feature of the *Other Production Industries* sector (-7,600) and the *Agriculture, forestry and fishing* sector (-200).

### ***Full-Time and Part-Time Employment***

In 2003, full-time employment increased by 34,500, of which 15,500 were female and 19,000 male.

In the same period, part-time employment increased by 10,100, the overwhelming majority of whom were female (9,800) compared to just 300 males.

### ***Regional Comparisons***

In 2003, employment grew by 18,300 (4.1%) in the Border, Midland and Western (BMW) region and 26,300 (2%) in the Eastern and Southern (E&S) region. Unemployment decreased slightly (-200) in the BMW region and increased by 2,600 to 61,600 in the E&S region.

The rate of unemployment was the highest in the Border and South East regions at 5.1%, with the Mid-East region recording the lowest unemployment rate, at 4.4%.

### ***Work Permits***

A total of 47,551 work permits were issued in 2003, to address skills shortages in certain sectors of the economy. This represented an increase of 7,230 (17.9%) on the previous year. However, 52.6% of these permits related to renewals. The number of permits issued that related to new applications was 21,965 – a decrease of 1,361 (5.8%) on 2002.

Given that the rise in new applications for work permits occurred at a time of increased unemployment in the domestic economy, the Irish authorities introduced a process whereby employers seeking to engage non-EEA workers are now required to

advertise the vacancy for a period of four weeks, with FAS, the Training and Employment Authority. The process is designed to ensure that mobilization of labour from within the EU/EEA is maximised and that work permits are issued to citizens of other countries only where necessary to fill skills shortages.

### ***Main Conclusions***

Despite concerns about an on-going global economic slow-down, the Irish labour market remains buoyant, with increased participation rates, greater numbers at work and a stable unemployment rate which, at 4.7% is well below the (old 15 MS) EU average of 7%.

There was a noticeable increase in the number of older workers entering the labour force in 2003, particularly amongst women. The overall female participation rate now stands at 49.7%, slightly higher than the EU average of 47.6%. The number of females in employment in 2003 was 25,200 higher than in the previous year, compared with an increase of 19,400 male workers.

A significant number of Work Permits were also issued in 2003, to address skills shortages in certain sectors of the economy.

### ***Implications for the OP and ESF***

The trends in Ireland's economic performance and labour market climate do not have any major *implications* for changes in ESF support under the EHRD OP, insofar as the Programme already contains a balanced mix of measures to address Ireland's labour market requirements, viz.:

- A significant emphasis on services to employers and employed people;
- A greater focus on mobility and flexibility, through the “upskilling” of the workforce;
- The promotion of employment through greater mobilisation of labour supply from all available sources, and;
- Continuing to improve services for unemployed people particularly those who are marginalized with an emphasis on:
  - a focussed approach, tailored to individual needs;
  - using the Employment Service as a “gateway” to all labour market services;
  - a guarantee of service to unemployed people.

Nonetheless, the Mid-Term Evaluation recommended a shift in focus within the OP, to measures which prevent the drift into Long Term Unemployment and the need to invest in training of those already in employment.

## **2.3 Other National Training Policy Advances**

In relation to national training policy, developments in 2003 were as follows:

### ***The establishment of new national qualifications structures***

The National Framework of Qualifications was launched in October 2003 by the National Qualifications Authority of Ireland (NQAI), in association with the Further Education and Training Awards Council (FETAC), the Higher Education and Training Awards Council (HETAC). The Framework was defined by the NQAI as:

*“The single, nationally and internationally accepted entity, through which all learning achievements may be measured and related to each other in a coherent way and which defines the relationship between all education and training awards.”*

The primary purpose of the National Framework of Qualifications is the support of lifelong learning in Ireland. It has led to significant change in the systems and structures of education and training in Ireland. In addition to the development of the Framework, the NQAI has also developed a wide-ranging strategy to promote opportunities for learner mobility.

### ***The enhancement of future skills needs in Ireland***

The Expert Group on Future Skills Needs in Ireland published a report in October 2003 outlining their views on the current labour market situation and recommending that the focus going-forward should be placed on “increasing the proportion of highly skilled workers in the labour force by: upskilling, re-skilling, improving the quality of the vocational systems, increasing the proportion of third-level science and engineering graduates, efforts to improve the take-up of further education for disadvantaged groups, and establishing a more targeted immigration policy.”

The full report can be found at the following web address:

**[http://www.skillsireland.ie/press/reports/pdf/egfsn0310\\_4th\\_skills\\_report.pdf](http://www.skillsireland.ie/press/reports/pdf/egfsn0310_4th_skills_report.pdf)**

### **3. Management of the Employment and Human Resources Development Operational Programme**

#### **3.1 Changes in the Managing Authority**

2003 was a challenging year for the management of the EHRD OP. During the year, changes took place in three of the four staff posts in the Managing Authority. In addition, there was a change in the Head of the ESF Unit in Ireland. In spite of these changes, the Managing Authority successfully carried out the regular monitoring work on the OP, in addition to overseeing the Mid-Term Evaluation. Some improvements to the monitoring of the OP were commenced in 2003, including the standardisation of the detailed financial tables which are used for reporting on all measures. The standardisation of these tables was completed in 2004 and have enabled the Managing Authority to compile Priority-level and OP-level financial data more rapidly than heretofore. The standardised tables are also more manageable for Monitoring Committee members to follow.

The Managing Authority also introduced a more formalised system of following up issues for action arising from Monitoring Committee meetings.

#### **3.2 OP Monitoring Committee**

Decisions regarding the orientation of the Operational Programme are made by a Monitoring Committee, which includes representatives of the Managing Authority and implementing Government Departments and agencies, the European Commission, the social partners and regional representatives.

The OP Monitoring Committee met in April and October 2003 to review the six-month and yearly Progress Reports on the OP compiled by the Managing Authority. The April meeting was held in County Kildare, within the SAE region, while the October meeting was held in County Monaghan within the BMW region. The Progress Reports were approved at both meetings and were also submitted to the NDP/CSF Monitoring Committee.

In September 2003, an additional meeting of the Monitoring Committee was held in Dublin to discuss the Mid-Term Evaluation and to formulate a response. This response was communicated to the European Commission in October 2003, in accordance with requirements under Regulation 1280/99.

#### **3.3 Compliance with Community policies**

All activities under the OP are required to operate in full compliance with EU and (where appropriate) national policies and rules on State Aid, competition, the award of public contracts, environmental protection and improvement, the elimination of inequalities and the promotion of equal opportunities between men and women. Implementing Bodies have been asked to respect these policies in their operational

procedures. The measure-level progress reports in Part II provide assurance of the actions taken to ensure compliance with the relevant policies. Chapter 5 also sets out, in summary form, details of activities undertaken in the Operational Programme in 2003 which address the policies areas of gender equality, environmental protection and rural development.

### **3.4 Information, Communications & Publicity**

Under the 2000-2006 National Development Plan, a central NDP/CSF Information and Communications Unit was established to co-ordinate the dissemination of information and communications material across all NDP/CSF activity and for all Structural Funds activity. The EHRD OP Managing Authority continued to engage with the NDP/CSF Information and Communications Unit in relation to publicity for the OP and the European Social Fund during 2003.

The NDP/CSF Newsletter included various articles on the ESF and EQUAL as well as ESF funded initiatives. ESF was further promoted as part of the Local Advertising Campaign on the NDP/CSF in Ireland.

The OP Managing Authority also continued to be represented on the NDP/CSF Communications Implementation Group in 2003. A representative of the OP Managing Authority attended the Informal Network of Information Officers organised by the European Commission in Brussels in October 2003.

In November 2003, as part of an EU-wide series of seminars to highlight the ESF and its contribution to the European Employment Strategy, the Managing Authority hosted a conference in The Burlington Hotel, Dublin, which was opened by the Irish Minister for European Affairs, Mr Dick Roche, T.D. The Conference featured presentations by ESF Beneficiaries and included a “Questions and Answers” session, with a panel of key speakers, addressing questions posed by the audience. DG Employment and Social Affairs contributed speakers to both the formal presentations and to the panel for the Questions and Answers session. A series of Case Studies were also compiled for this conference.

The ESF Website ([www.esf.ie](http://www.esf.ie)) continued to be used extensively to inform the Monitoring Committee of various issues relating to the OP and to circulate documents for Monitoring Committee meetings. Both the Paying Authority and the Managing Authorities use the website as an effective means for circulating information on Financial Management and Control issues. The website is also used to provide general information on ESF, as well as more specific information on the EHRD OP. The Managing Authority has planned to improve the Website in 2004. Acknowledgement posters/plaques were also distributed to projects in order to allow them to highlight ESF support for projects at a local level.

The acknowledgement of the implementing agencies of the role of the ESF continues to be expressed and is given particular prominence through the display of the EU logo on publicity material related to their measures. This material includes application forms, general reports, leaflets, websites and advertisements.

For example, information leaflets and posters are widely circulated on the Youthreach and Senior Traveller Training Centre programmes (Measure 11b), which include acknowledgement of the contribution of ESF funding and the display of the EU logo.

Full acknowledgement of EU support is given by Enterprise Ireland in the new promotional materials that form the basis for web material and presentation graphics under the In-company Training Measure (Measure 18b). All documentation relating to the schemes bears the EU logo as prescribed. Enterprise Ireland provides each of its client companies with publicity material and ensures the participants are aware of the ESF contribution to their development. The EU logo is displayed on Enterprise Ireland application forms and letters of offer. All letters of offer, where EHRD OP is involved, contain specific conditions relating to the EU publicity requirements. The implementation of this condition is inspected at the time of the physical audit.

Under the *National Adult Literacy Strategy Measure* (Measure 22), leaflets and posters publicising the READ WRITE NOW series have been produced, and the TV series includes acknowledgement of the ESF funding and logo etc, as do the videos produced of the series.

The projects funded under the *Equality for Women Measure* (Sub-Measure 31B1) are promoted by a wide range of organisations, including local community groups, educational institutions, local development agencies and statutory agencies. In consequence, there is widespread opportunity to publicise the ESF funding for this measure at local, regional and national level. The ESF logo has been used extensively by projects in recruiting staff, advertising the project and in launches, etc.

### **3.5 Mid-Term Evaluation**

The Mid-Term Evaluation of the OP was completed by *Fitzpatrick's and Associates* in September 2003. In general, the Evaluators concluded that the objectives of the OP were still as relevant at the mid-term point as they were when the OP was approved in 2000. Nonetheless, given Ireland's strong employment record since 2000, the Evaluation recommended a shift in emphasis from measures focusing on the Long Term Unemployed, to measures focusing on short-term unemployed people, to prevent the drift into Long-Term Unemployment. The Evaluation also highlighted the need to focus on training of those already in employment, to ensure that the skills of the workforce remained relevant to the needs of the economy.

The Evaluation noted shortcomings in indicator data being reported. According to the Evaluators, the lack of indicator data for some measures made it difficult to gauge progress in achieving the physical targets of those measures, and of the OP as a whole.

A special meeting of the OP Monitoring Committee took place on 22 September 2003 to consider the Evaluation report. The Committee adopted an Opinion on the Evaluation and this was communicated to the European Commission in October.

The Evaluation of the EHRD OP fed in to the evaluation of Ireland's NDP/CSF, which was carried out by the Economic and Social Research Institute (ESRI) and

Associates. The Evaluation of the CSF - including the EHRD OP element - was discussed between the Irish Authorities and the Commission in November 2003. Work on completing the Mid-Term Review of the EHRD OP, with re-profiling of money between Measures continued into 2004, with a special meeting the Monitoring Committee being held on 31 March 2004 for this purpose. It was agreed, in the context of the Mid-Term Review, to transfer a sum of €9 million from the EHRD OP to the Childcare Measures in Ireland's two Regional OPs (BMW OP and SAE OP).

With regard to the shortcomings in indicators referred to in the EHRD OP Mid-Term Evaluation, the Department of Education and Science signalled that it would welcome Technical Assistance to support the development and collection of indicators for its measures. However, the NDP/CSF Evaluation Unit subsequently commenced a wider evaluation of indicators across all OPs, including the EHRD OP, with a view to ensuring that the indicators set for each measure are relevant. All Implementing Bodies co-operated fully in this exercise. Revisions to the Programme Compliments which are currently (Autumn 2004) being made by the Implementing Bodies should significantly help to re-establish relevant indicators for all measures/sub-measures and set base-line figures and targets to be reported on.

Follow-up of other, non financial, recommendations in the Mid-Term Evaluation will continue in 2004.

### **3.6 Monitoring & Indicators**

The Measure-level Progress Reports in Part II of this report provide information on the position at the end of 2003 in relation to financial and physical progress. Priority level indicators will be furnished to the Commission as an Addendum to this report as soon as they are sourced – they were not immediately available at the time of finalisation of this report.

As reported in the previous Section, the Mid-Term Evaluation carried out in 2003 concluded that there were shortcomings in the indicators at measure level, Priority level and OP level. The Evaluation found that while the Output indicators at measure level were comprehensive, this was not the case for Result indicators or Impact indicators. The adequacy of data collection and reporting on indicators was found to be mixed across the Implementing Bodies. The evaluation recommended that Priority level and OP level indicators be redefined.

With regard to reporting on the Horizontal Principles, the Mid-Term Evaluation noted that there was a lack of clarity as to their purpose and their practicality.

As mentioned above, the NDP/CSF Evaluation Unit conducted a review of the measure-level indicators in consultation with the Implementing Bodies. Revisions to the Programme Compliments which are currently being made by the Implementing Bodies should help to re-establish relevant indicators for all measures/sub-measures.

The NDP/CSF Evaluation Unit also undertook an assessment of the relevance of measures to the Horizontal Principles (relating to environment, social inclusion/poverty, rural development, equal opportunities and the wider equality



grounds). A paper on this issue was presented to the EHRD OP Monitoring Committee in April 2004, and subsequently to the NDP/CSF Monitoring Committee. As a result, the reporting requirements for the Horizontal Principles are being rationalised. The redefining of OP and Priority level indicators will be reviewed in the context of following up the non-financial recommendations of the Mid-Term Evaluation.

### **3.7 Use of Technical Assistance**

In 2003, just over €560,000 of funds allocated to OP Technical Assistance was spent. The major expenses during this period were:

- Mid-Term Evaluation Costs
- Administrative Costs, i.e. Monitoring Committee Meetings, etc
- Salaries of the staff of the ESF Financial Control Unit
- Travel & Subsistence costs
- ESF Conference costs (Nov. 2003).

### **3.8 Amendments to Programme Compliments**

At the April 2003 meeting of the OP Monitoring Committee, the Managing Authority sought approval for a textual change to the Programme Complement for the Enterprise Ireland strand of the *In-Company Training* measure. The change was requested in order to indicate a shift in focus from helping companies to helping employees. The revised Programme Complement was approved by the Monitoring Committee.

### **3.9 Problems and corrective measures**

The more significant problems which were encountered in the management of the Operational Programme in 2003 were:

- (i) staff changes and loss of expertise in the Managing Authority (see Section 3.1)
- (ii) the lack of quality indicators (see Sections 3.5 and 3.6)
- (iii) under-absorption in the Entrepreneurship Priority (see Section 4.3)

The actions taken to address these problems are outlined, where appropriate, in the relevant Sections of the report. With regard to staff changes, a further change took place at the level of the Head of the Managing Authority in 2004, resulting in this post being vacant from May to July. While the loss of expertise in the Managing Authority has impacted on the timely completion of certain tasks, the Head of the ESF Unit has worked closely with the Department of Enterprise, Trade and Employment's Personnel Unit to ensure that the replacement staff have the skills necessary to deal with the complex work of managing ESF programmes generally, and the EHRD OP in particular.

## 4. Overview of the EHRD OP in 2003

### 4.1 Introduction

The objectives of the EHRD OP are to:

- promote employment growth and improve access to employment
- mobilise all potential sources of labour supply
- promote the development of a strategic Lifelong Learning framework
- promote equal opportunities between men and women
- promote social inclusion
- strive for balanced regional development
- contribute to the protection and improvement of the environment.

These objectives translate into specific Priority-level objectives. In 2003, the OP continued to make progress towards the objectives of the Programme. The main developments in each Priority are outlined below.

### 4.2 Employability Priority

The following objectives have been set out in the Operational Programme for this Priority-

- *To mobilise all potential sources of labour supply,*
- *To minimise unemployment and prevent the drift into long-term unemployment by strengthening the preventative approach,*
- *To promote social inclusion with particular reference to the re-integration of the socially excluded and the long-term unemployed into the labour force.*

An extensive range of activities is covered under this priority, as indicated in Table 2 (Chapter 1). Some of the more significant developments in 2003 are set out below. More comprehensive information on all of the measures in the Priority is available in Part II of this Report.

The ESF has been directed at key Measures under this Priority to assist in attaining the Priority's objectives. During 2003, for example, under the **National Employment Service** measure (Measure 2), referral to FÁS of unemployed persons by the Department of Social and Family Affairs was extended to long-term unemployed clients on a regional basis. By the end of the year, the process was operational in six of the eight FÁS regions including Dublin. It will become operational in all regions during 2004. The referral threshold for those aged 25-54 was reduced from 9 months to 6 months in March 2003. By the end of December 2003, the Department of Social and Family Affairs had referred 39,418 clients to FÁS.

Of those referred, 60% had left the live register by the end of December 2003. 11,130 (28%) of those referred did not attend for interview and, of these, almost 76% (8,558) had signed off the live register by the end of 2003.

Of the 25,791 clients interviewed by FÁS, 15,374 (almost 60%) had left the live register by end December 2003, of which 10,154 (nearly 66%) were recorded as having left to enter employment or education.

In the period January-December 2003, a total of 98,098 persons registered with the National Employment Service. There were 98,976 placements in jobs or FAS programmes (a client can have multiple placements during the year). Jobseekers can now use a free phone number to receive up-to-date information on vacancies.

Under *Active Measures for Long-Term Unemployed & Socially Excluded* (Measure 3), in July 2003, a new two week full-time course, Pathways, was piloted in a number of FÁS training centres and Local Employment Services offices in Blanchardstown, Finglas, Clondalkin, Ballyfermot, Sligo and Dundalk. The programme aims to identify the most appropriate development pathway for each participant to help them obtain employment. Client feedback has been very positive. The FÁS Employment Services Support Unit compiled a preliminary evaluation of the Pathways pilot based on primary research data gathered from the four programmes in the Dublin area to inform future development and roll-out of the programme.

As part of the *Early School Leaver Progression* measure (Measure 11A), FÁS commissioned an independent review of the level, uptake and impact of its provision for early school leavers. This report is to be available in 2004. An internal review into the Community Training Programme was also concluded and the recommendations were to go before the FÁS Board in 2004. This also involves a re-labeling to Local Training Initiatives (LTI) to reflect the local nature of the programme in responding to the specific needs of a range of client groups, including where required, early school leavers.

Also under this measure, Linked Work Experience, an employer or workplace-based programme of six months duration, which provides a useful progression option for Early School-leavers, was maintained at its 2002 level. Pre-Apprenticeship and Bridging Training continued to prepare early school leavers for admission to more extensive training courses.

In the *ESL – Youthreach and Travellers* measure (Measure 11B), extra places have been provided in Senior Traveller Training Centres to support a longer programme - a minimum of two years for those following Foundation and Progression programmes, with 3 years for those following the Leaving Certificate Applied programme. The number of places in the system has increased from 550 places to 1061, allied with the introduction of a new guidance, counselling and psychological service, and childcare provision.

Under *Skills Training for Unemployed & Redundant Workers* (Measure 13), FÁS training centres continued, throughout 2003, to review and adjust the mix of existing and new skills training courses, including the development of new training courses to reflect the changes in the labour market.

An improved Job and Training Courses website called “FÁS Jobs Ireland” was developed and was launched in early 2004. This will provide improved access to FÁS day and evening training courses and employment opportunities nationally.

A “Childcare Level III” course, with certification, was also implemented in 2003. Seventeen people are currently doing this course. Level III certification will be the recognized qualification for supervisors/coordinators working in a childcare setting, as Level II is the recognized childcare worker qualification.

By the end of 2003, some 10,282 companies were participating in the *Apprenticeship* scheme (Measure 14A), with a population of 26,853 apprentices by year-end - a 3% increase approximately on 2002. 7,336 new apprentices were registered in 2003. 2003 saw further discussion between FÁS and the social partners regarding the possible expansion of apprenticeship to the following occupations:

- Insulator (curriculum design stage),
- Stonecutting/Stone Restoration (curriculum design stage),
- Security Systems (curriculum design stage),
- Environmental (curriculum design stage),
- Goldsmith (feasibility study stage).

In July 2003, the FAS Traineeship Unit commenced a systematic review of current Traineeships. This work was completed in December 2003 and resulted in the consolidation of a number of Traineeships. As part of this review, the Traineeship Unit began a quality check of Traineeship documents to ensure conformance with FÁS Quality Assurance Standards. This work will continue in 2004.

In September 2003, work commenced on the design and development of an Accreditation of Prior Learning (APL) process for the training and certification of existing employees working in the following sectors: Security Guards, Auto-Turning Operatives and Retail Sales Assistants.

The *Third Level Access* measure (Measure 9) provides grants and supports to disabled and disadvantaged students entering Third Level education. A key recommendation of the Action Group on Access to Third Level Education was that a single co-ordinating body was essential to improve access to third-level education. In November 2002, the Minister for Education and Science gave approval for the establishment of the National Office within the Higher Education Authority. The National Office was established in August 2003 and has been fully operational from February 2004, taking over the administration of a number of access measures from the Department of Education and Science – the Student Assistance Fund, the Fund for Students with Disabilities and the Millennium Partnership Fund for Disadvantage as well as the access element of the Higher Education Authority’s targeted initiatives.

Under the Student Assistance Fund for the 2002/03 academic year, a total of 9,795 students received assistance – this compares to 7128 in 2001/2.

Under the Special Fund for Students with Disabilities, total allocations approved increased significantly from €3.737m in respect of the 2002/03 academic year to

approx €5.5m in 2003/04. A total of 1,095 individual students, plus 9 group applications, benefited from the Fund to date.

59 partnerships/community groups received funding under the Millennium Partnership Fund for Disadvantage for the 2003/04 academic year – an increase of 9 against 2002/3.

Significant improvements in the special rates of maintenance grant for students from disadvantaged backgrounds were implemented in 2003. Following a review of the operation of the special rates of grant (“Top-up”), the grant was increased to €4,495 for students residing more than 15 miles from college and €1,800 for students resident within 15 miles of college. This was equivalent to a “top-up” of €1,610 and €645 respectively, for eligible students, on the ordinary maintenance grant. The number of students qualifying for the “top-up” grant in the 2002/03 academic year was 9,984 which compares to approx 4000 in 2001/02.

In areas that were funded exclusively from the Exchequer with no ESF support, progress towards meeting the Priority objectives was also made. Under the ***Action Programme for the Unemployed*** measure (Measure 1), in January 2003, FÁS introduced a new High Supports Process (HSP) for jobseekers who are suffering personal barriers to employment. Participants availing of the HSP are assigned to FÁS Employment Services Officers and/or LES Mediators under a caseload management system. A budget of approx €1.3 million has been allocated for the HSP process for 2004.

In the ***Early Education*** measure (Measure 4), an audit of research into the area of early childhood was conducted by the Centre for Early Childhood Education and Development (CECDE) and it was launched in September 2003. The research, which will be made available in an online searchable database, will be of great benefit as a resource to policy-makers, professionals and researchers working in the early childhood area. An audit of provision for disadvantaged children and children with special needs has also been completed and is due to be launched soon.

Under ***School Guidance Service*** (Measure 8), the Minister for Education and Science recently announced an extension for a further 2 years of the Guidance Enhancement Initiative under which 50 guidance counsellor posts were allocated to 103 Post Primary schools. The Minister also announced the creation of an additional 30 guidance posts under this initiative from the commencement of the coming school year (2004/05).

Under the ***Tourism Training*** measures (Measures 12A to 12C), a total of 2,152 persons received training on formal college-based professional hospitality and tourism programmes during 2003. 39% of training activity took place in the BMW region and 61% in the SAE region. The level of new entrants was broadly in line with 2002, at 1,292, and placement rates were maintained at 98%, as in previous years.

In sectoral entry training for unemployed persons in tourism, placement rates were up on last year, with 93% of those attending Elementary Skills Programmes being placed in jobs on completion of training and 85% of those attending Return to Work Programmes.

The ***Vocational Training and Pathways Employment People with Disabilities*** measure (Measure 16) saw two new programmes introduced in 2003 to support the employment of persons with disabilities. These will aim to increase awareness of, and support for, the employment of persons with a disability. The Employee Retention Grant Scheme aims to help in circumstances where an employee acquires a disability that impacts on their capability to carry out their existing duties. It provides grants for an assessment of the situation, re-training and other supports as necessary. The Disability Awareness Grant Scheme provides funds for companies wishing to raise awareness of disability issues within their workforce. Take-up of the new schemes was limited in 2003. FÁS has been conducting a promotional campaign to raise awareness and increase participation levels in 2004.

### **4.3 Entrepreneurship Priority**

The objectives of this Priority as set out in the Operational Programme are

- *To support sustainable productivity and competitiveness improvements in existing businesses, and SMEs in particular, by improving education and training levels and to intensify policy efforts to that end.*
- *To more fully exploit the employment or income-generating potential of the Social Economy initiatives in regard to disadvantaged individuals or groups at local level.*

Although this Priority contains only four measures/sub-measures, it has proven to be the most challenging of the Priorities in the OP in terms of physical and financial progress.

Progress on the ***In-Company Training*** measure (Measure 18), in particular, has been poor since the start of the Operational Programme – notably in relation to expenditure on Enterprise Ireland’s sub-measure. Nonetheless, during 2003, some progress was made towards achieving the Priority-level objectives.

Actions undertaken by FÁS in 2003 to encourage and support the training of people in employment included:

- Development of a FÁS/Enterprise Ireland *National Register of Approved Trainers*. The aim is to ensure that Irish companies have access to approved training providers. A register of approved training organisations is now available on both the FÁS and Enterprise Ireland web sites.
- A Pilot Diagnostic/Cluster Programmes for owners/managers commenced in March 2003.
- FÁS and the Society of the Irish Motor Industry (SIMI) established a Centre of Excellence for the Motor Industry in the Baldoy Training Centre early in 2003.

- Occupational Profiling for Operatives in the Chemical, Engineering and Logistics sectors commenced in April 2003.

A new Competency Development Programme was introduced by FÁS in January 2003 to replace the Training Support Scheme (TSS) and Construction Training Incentive Scheme (CTIS), which were terminated on 31<sup>st</sup> December 2002. The Competency Development Programme provides financial support for the training of employed persons in key skill areas. Programmes are identified based on local and national needs, in consultation with industry organisations and the statutory industrial development bodies. Among the training areas supported are computer and IT skills, particularly the European Computer Driving Licence standard. Programmes in relation to quality were also supported in a number of regions in 2003.

In 2003, some 124,557 Safepass cards were issued to workers in construction sector. There are 335 tutors approved by FÁS to deliver the Safe Pass programme.

Enterprise Ireland has continued to develop a number of mechanisms for supporting its clients within the agreed policy framework to deliver solutions for competitiveness and business growth constraints. The mechanisms deliver solutions and support under two broad headings:

- *Individual company training initiatives.*

This is based on an individual client's strategic business plans with a focus on achieving growth in profitable sales, exports and jobs. Clients in the Consumer Products, Industrial Products and Internationally Traded Services sectors received support.

To date EI has carried out strategic interventions in a total of 254 client companies, which received financial support.

- *Sector level initiatives.*

Examples of such initiatives included:

- Consumer Food & Functionality Academies Training. This programme is targeted at consumer food and High Potential Start-up client companies to develop the entrepreneurship and innovation skills they need to succeed in the international functional/nutritional /nutraceutical sector.
- 'Strategy for Export Programme' (STEP) aimed at the needs of promoters of young high-growth, high technology companies.
- N.U.I. Diploma in Management Practice (Consumer Foods). This programme was developed by UCC in response to a request from Enterprise Ireland's Prepared Consumer Foods Working Group. The programme is targeted at newly appointed graduates, established managers and team leaders in the Food Industry.

- ‘Selling to the European Buyer’ for the Industrial Products sector. This programme is targeted at Managers with responsibility for export business development.

In the ***Social Economy Programme measure*** (Measure 19A), by the end of December 2003:

- a total of 857 applications from Community/Voluntary Groups for Business Plan Grant support had been received, of which 601 were approved.
- 336 Social Economy businesses had been approved for full grant funding. Grants comprise contributions towards the recruitment of a manager and employees, training, capital, accountant and auditor services and overheads.
- 335 Social Economy Enterprises had started, employing 2,375 grant-supported persons; of these 37 % were part time employees.

An evaluation of the Social Economy Programme was completed in October 2003. Among the findings of the report were that

- enterprises currently receiving support would not be viable without some form of public support (SEP funding or other funding);
- some enterprises in the SEP generate public goods or are engaged in activities that are only indirectly related to securing social inclusion;
- the confusion/conflict between the SEP objective of supporting the development of social economy enterprises and the restrictions imposed by the employee eligibility criteria (whereby enterprises were confined to recruiting from a narrow pool of labour and an even narrower skills base) and thereby compromising sustainability.

The report outlined eleven main conclusions regarding the performance and impact of the SEP. The Social Economy Monitoring Committee, the Board of FÁS and Department of Enterprise, Trade and Employment are considering the recommendations in the report. The full report is available at the following address:

<http://www.entemp.ie/publications/labour/2004/evalsocialeconomy.pdf>.

The ***Local Social Capital*** measure (Measure 19B) was included in the Employment and Human Resources Development OP at drafting stage in 1999, in anticipation of it being a labour market measure complimentary to the Social Economy Programme. It was envisaged that the measure would not be operational before 2002, as further examination of the concept of local social capital was awaited to inform the detailed modalities of delivering the measure. No money has been spent on the measure to date.

In October 2003, the National Economic and Social Forum (NESF) published a report on *The Policy Implications of Social Capital* (Forum Report No. 28). This report points out that there is a growing international debate about the meaning and impact of social capital. The report appeared to suggest that Local Social Capital is not an



active labour market programme. While the report notes that social capital can have a positive impact for job searchers, this is achieved through social networks and participative citizenship, rather than through active labour market measures.

In this context, it was considered that it would not be eligible for funding from the ESF. If a specific labour market component *were* to be developed which would be eligible for ESF support, the earliest possible date for its implementation would be 2005. In the context of the Mid Term Review of the NDP/CSF, it was agreed that €9 million in ESF support should be reallocated from the Local Social Capital measure to the *Childcare* measures in the Regional Operational Programmes (on a technicality, the full €9 million could not be transferred from the Local Social Capital measure, but the full amount was transferred from the Entrepreneurship Priority). This transfer of funds was endorsed by the NDP/CSF Monitoring Committee at its meeting in December 2003.

The transfer of resources to the Regional OPs represents a strategic response to the recommendations in the Joint Employment Report and the report of the Employment Taskforce (the “Kok” report) for Ireland to increase the number of affordable childcare places available to facilitate the labour market participation of women, in particular.

### ***In-Company Training measure***

A challenge still remains to increase the level of activity under the In-Company Training measure.

The Enterprise Ireland element of Measure (18B) was underperforming against its allocation since the start of the OP. At an early stage, €5.5m was re-allocated from Enterprise Ireland to FÁS. However, Enterprise Ireland continued to experience difficulty in utilising the resources available and the agency’s latest forecast of ESF expenditure over the period 2000-2006 on this measure is €12.22 million.

The Department of Enterprise, Trade and Employment launched a direct public call for proposals in 2002 in an effort to increase the level of activity under the measure. Arising from the call for proposals, a total of 39 project applications were received. Of these, 16 projects are now proceeding and it is estimated that these projects will require an ESF funding requirement of about €6.6 million.

In the context of the Mid Term Review of the EHRD OP, detailed analysis by the OP Managing Authority of the likely overall spend on the In-Company Training measure to the end of 2006 established that approximately €60 million in ESF funding is still available in the measure. This is a much higher figure than the Managing Authority had previously considered to be at stake; the upward adjustment resulted from Enterprise Ireland’s latest forecast of expenditure.

The Department of Enterprise, Trade and Employment does not have the administrative capacity to disperse and manage the take-up of this amount of money and it decided to ask FAS, which has a large administrative structure and many contacts with companies throughout the country, to consider if they could help utilise the ESF funds available for this important policy objective. This approach was

endorsed by the EHRD OP Monitoring Committee at its meetings on 31<sup>st</sup> March 2004 and 27<sup>th</sup> April 2004.

In response, FAS has outlined a number of proposals which would make use of the funding and these proposals are being considered by the Department. However, to cash-flow any of the proposals which may be endorsed by the Department, FAS will need additional funding up-front (ESF monies are drawn down on the basis of expenditure actually incurred). In this context, the Department of Enterprise, Trade and Employment has approached the Department of Finance regarding the use of resources in the National Training Fund. At the time of writing, the matter was under consideration by the Department of Finance.

#### **4.4 Adaptability Priority**

The objectives of this Priority as set out in the Operational Programme are-

- *To promote a skills trained and adaptable workforce by facilitating people in the wider economy and in specific sectors to adapt their skills to changing labour market requirements through further training, re-skilling and lifelong learning.*
- *To enhance the quality of labour supply through continued investment in education and training and, in particular, through developing a strategic and flexible framework for lifelong learning.*
- *To enhance the quality of labour supply and ease of adaptability by developing and deploying an improved framework of certification and qualifications.*

An extensive range of activities is covered under this priority, as indicated in Table 2. Some of the more significant developments in 2003 are set out below. More comprehensive information on all of the measures in the Priority is available in Part II of this Report.

Under the co-funded element of the ***Back to Education Initiative*** (Measure 21), following the invitation to VECs and Schools to apply for an allocation of places under the Formal Strand of the programme, applications for 12,770 places were received in May 2002. After an appraisal process, 6,691 places were approved under the Formal Strand in July 2002 across 33 VECs, 19 Secondary Schools, 7 Community & Comprehensive Schools and 1 Special School. In a number of centres, an industrial dispute delayed the implementation of the administrative processes required to get courses up and running. This dispute was resolved early in 2003 and all approved centres proceeded to establish provision.

The application and approval process for places under the Community strand was completed in late 2002. A total of 689 places were approved across 64 community groups and organisations. 59 groups and organisations proceeded with activity in 2003. A total of 34 Community Education Facilitators (CEFs) were appointed by VECs in 2003.

The number of clients catered for under the ***Lifelong Learning - National Adult Literacy Strategy*** measure (Measure 22) increased from 23,973 in 2002 to 30,672 in 2003. Work continued in the context of the 6-country Working Group on Basic Skills (Ireland, UK, Portugal, Spain, Netherlands and Denmark), and also in the context of the EU Working Group on Basic Skills. The Department of Education and Science hosted a study visit for the 6-country group from 1-3 October 2003.

In terms of enhancing numbers on ***Undergraduate Skills*** (Measure 26), the Higher Education Authority (HEA) is examining all means of securing a recovery in enrolments on the Skills 1&2 Programmes. In the Accelerated Technician Programme in the period Jan-Dec 2003, 620 students were enrolled on various courses under this measure. In the period June to December 2003, approximately 97 trainees were participating on courses under the *Institute Trainee Programme* initiative.

Under the ***Certification*** measure (Measure 29B), a new Qualifications Framework, spanning from basic education/literacy to doctorate level, developed by the National Qualifications Authority of Ireland, is designed to provide for progression pathways to higher levels of education and training for award holders. The new framework was launched at a national conference on 17 October 2003, and was disseminated through a communication strategy which will run over the period October 2003-June 2004.

The Framework covers all learning whether for social, personal, citizenship or economic/vocational reasons. The aim is that this will be the single national and internationally accepted entity, through which all learning achievements may be measured and related to each other in a coherent way and which defines the relationship between all education and training awards. The objective is to provide for access, transfer and progression to higher levels of learning across the education and training sectors.

A key element of the new system is a focus on the achievement of learning outcomes (standards of knowledge, skills and competences), which is designed to ensure that all learners can access accreditation irrespective of the learning site, in the formal, non-formal, community and workplace settings.

In the ***non co-financed Measures*** of this Priority, a key impact indicator for the ***Lifelong Learning General Training*** measure (Measure 20) is the percentage of employed persons in receipt of education/training. In 2003, FÁS produced a report which showed that 11.5% of employed persons in Ireland were in receipt of education/training in 2002 compared with 8% in 1996. FÁS Net College continued to develop the provision of on-line flexible learning opportunities for all. In the period January-December 2003, particular emphasis was put on building partnerships with local access points (e-learning centres & libraries) for FÁS Net College.

The main focus in 2003 under the *Seafood Industry Training* measure (Measure 24B) continued to be mandatory Basic Safety Training incorporating the three elements of Personal Survival Techniques, Elementary First Aid and Fire Prevention and Safety Awareness with 850 personnel completing this extremely popular and highly relevant training since it became a legal requirement in March 2002.

Under the *Sectoral Training - Tourism* measure (Measure 24F) during 2003, a total of 6,748 (7,220 in 2002) tourism industry personnel received training on both college and industry-based programmes at advanced, supervisory and management levels. Training activity exceeded the target of 6,020 set in the Programme Complement, but was slightly down on 2002 levels. This was due to the fact that the outlook for industry performance in 2003 was poor, and the uptake of training was sluggish during the first quarter of 2003. This trend was reversed during the remainder of the year, with demand for many programmes returning to expected levels.

During 2003, FÁS continued to implement a range of courses under the *Training of Trainers* measure (Measure 28B). These included training in (1) new and emerging technologies, (2) pedagogic approaches to help trainers work with a broader range of clients including people with disabilities, ethnic minorities and long-term unemployed. A total of 358 FÁS staff were trained under this measure.

The on-going development of the *MLT/HTBS* programmes (Measure 25) is seen as essential to maintaining and enhancing Ireland's ability to attract and retain highly mobile international investment in an increasing knowledge-based global economy.

Due to a diminished interest in Science courses, a number of Institutes of Technology have initiated a variety of schemes at a local level to encourage students to pursue third level science related courses. These initiatives include the following: local advertising campaigns, career talks at second-level schools, induction science days, taster summer school for fifth year students, tutorial support in specific science subject areas (maths, physics, etc), advisory services including counselling, academic supports and career guidance, upgrade of documentation including prospectus, web site, other guidance material and student to student programmes.

Under the *Third Level Quality Assurance* measure (Measure 29A), in early 2003, the Conference of Heads of Irish Universities produced a publication entitled 'A Framework for Quality in Irish Universities – Meeting the Challenge of Change', which is a framework document for Quality Assurance in Irish Universities aiming to provide information on principles and practice.

The HEA, together with the Irish Universities Quality Board (IUQB) have initiated the first external review of quality assurance processes. The review was undertaken to consider the different approaches in both the University and Institute of Technology sectors, the funding mechanisms for the programme, the selection process, the method of allocation of funding, etc. The review is being undertaken by distinguished international experts and will support the universities in ensuring the best quality in the provision of their services, as well as meeting accountability requirements. The report of the review will be available by end 2004.

## 4.5 Equal Opportunities Priority

The objectives of this Priority as set out in the Operational Programme are-

- *To adopt a comprehensive gender-mainstreaming approach, including measure components to tackle gender employment gaps, and monitoring of progress through adequate data collection.*

Under the **Educational Equality Initiative** measure (Measure 30), Phase 1 operated from 2000 to December 2003. At its expiry, Drury Research was commissioned by the Department of Education and Science to conduct a final evaluation of this phase of the Initiative. The Final Evaluation Report states that the EEI projects:

‘clearly demonstrate the positive impact of EEI, delivering a broad range of benefits to participants, individual organisations and the locale. Moreover, the Initiative has delivered new insights and learning about engaging with specifically disadvantaged groups that adds to our body of knowledge about tackling educational disadvantage.’

The Department received 97 applications for Phase 2 of the Education Equality Initiative in response to press advertisements. Ten projects were selected for funding.

To end December 2003, a total of 3,708 people had benefited from the **Equality for Women** Measure (Measure 31B1). 678 of these were participants on structured education or training programmes and 3,030 were defined as service users. These are people who benefit from the work undertaken by the Equality for Women Projects, but in a less formal or intense manner. 105 people received accreditation in 2003. The most accreditation awarded was FETAC at Foundation Level and Levels 1 and 2. Some ECDL accreditation also featured.

Under the **Equal Opportunities Promotion and Monitoring** sub-measure (Measure 31B), the NDP Gender Equality Unit continued to support and monitor gender equality in the NDP and to assist with gender mainstreaming issues.

## 4.6 Infrastructure Priority

The Infrastructure Priority comprises two measures – Education Infrastructure, delivered by the Department of Education and Science, and Training Infrastructure, delivered by FAS. Neither is supported by the ESF.

The **Education Infrastructure** measure has three elements:

- (1) Primary Level Capital Programme,
- (2) Post-Primary Level Capital Programme and
- (3) Third Level Capital Programme.

The 2003 School Building Programme was published in January 2003 and included schools at Primary and Post-Primary levels. An innovative feature of the *Primary* element of the Programme was the introduction of a devolved building initiative for 20 small rural schools. A further development was the introduction of a new pilot

initiative in May 2003 for a further 20 schools aimed at reducing the amount of temporary accommodation required in primary schools.

An innovative feature of the *Post-Primary* element of the Programme was the commissioning of a modular style precast building which delivered top quality accommodation in a thirteen week building programme in time for the 2003/2004 academic year.

The capital programme for 2003 at *Third Level* is based on legally enforceable contractual commitments within the funding allocation approved in advance by the Department. Projects approved by the Department and at architectural planning stage are paused since November 2002, pending a review of all capital projects at Third Level. This review is currently being carried out in order to assess the entire set of demands in all publicly funded Third Level Institutions, to establish prioritisation and agree re-phasing in preparation for a building programme in 2004 and future years. Decisions in respect of a capital investment programme for the third level sector will be made in the context of the capital envelope of funds available.

The Training Infrastructure measure operated by FAS saw the continuation of work on the fitting-out of the extensions to the Letterkenny and Gweedore training centres and refurbishment to the facilities for clients at FÁS's Employment Services in Jervis Street.

Throughout 2003, FÁS continued to invest in on-going building work in all training centres to ensure maximum utilisation of available space. FÁS also commissioned an evaluation of the condition of all training centres to establish the investment required to bring each centre to the standard required. In addition to building and refurbishment work, investment of over €5 million was made by FAS in capital equipment for training courses and general administrative activities in 2003.

#### **4.7 Technical Assistance Priority**

The Technical Assistance Priority comprises two measures – the Equality Studies Unit and OP Technical Assistance. Both measures are ESF co-funded.

Two Research Officers posts in the Equality Studies Unit were filled in latter half of 2003. The Unit published the following reports in 2003-

- *Accommodating Diversity in Labour Market Programmes* (WRC Social and Economic Consultants)
- *Travellers Experiences in Labour Market Programmes: Barriers to Access and Participation* (Pearn Kandola Occupational Psychologists)

A rolling programme of measure studies commenced with a set of three initial studies in: Measure 12B: Sectoral Entry Training Tourism; Measure 13: Skills Training for the Unemployed and Redundant Workers; Measure 21: Lifelong Learning Back to Education Initiative (BTEI Part-time). Work also commenced on producing an ESU fact file.

Under the *OP Technical Assistance Measure* (Measure 33B), consultants were appointed in December 2002 to undertake the Mid-Term Evaluation of the Operational Programme. The Evaluation was completed at the beginning of September 2003 and was discussed at a special meeting of the EHRD OP Monitoring Committee in September 2003, where an opinion was prepared and transmitted to the European Commission. The regular Spring and Autumn meetings of the Monitoring Committee were also held in 2003.

In November 2003, a seminar on the *ESF and its contribution to the European Employment Strategy* was held in the Burlington Hotel, Dublin, as part of a series of seminars on the same theme which was held in all EU Member States.

#### **4.8 Major projects and Global Grants**

There were no major projects or global grant mechanisms under the Operational Programme in 2003.

## 5. Meeting Horizontal Objectives

In addition to addressing the Priority-level objectives in 2003, as outlined in the previous Chapter, activity in the OP addressed:

1. Operational Programme Horizontal objectives
2. ESF Horizontal objectives
3. CSF Horizontal objectives.

### 5.1 Meeting the OP Horizontal Objectives

The three horizontal objectives set out in the Operational Programme, are:

- *To strive for balanced regional development by addressing the existing and potential education, training and skills deficits of the BMW and SAE Regions*
- *To contribute to the protection and improvement of the environment.*
- *To promote equal opportunities between women and men.*

#### 5.1.1 Supporting Balanced Regional Development

During 2003, employment grew by 18,300 (+ 4.1%) in the Border, Midland and Western (BMW) region and by 26,300 (+ 2%) in the Southern and Eastern (SAE) Region. It must be borne in mind that the BMW region was starting from a lower employment base.

Unemployment decreased slightly (200) in the BMW Region and increased by 2,600 in the SAE region.

In 2003, total expenditure on the Operational Programme was as follows:

BMW Region:	106.97% of 2003 forecast
SAE Region:	106.91% of 2003 forecast.

Total cumulative expenditure from January 2000 to the end of 2003 as a percentage of the original forecast was as follows:

BMW Region	90.77% of 2000-2003 forecast
SAE Region	92.48% of 2000-2003 forecast.

Cumulative ESF expenditure since the start of the OP as a percentage of the original forecast was:

BMW Region	72.54% of 2000-2003 forecast
SAE Region	78.50% of 2000-2003 forecast.



These figures indicate that the performance of measures under the Operational Programme is progressing reasonably evenly across the two NUTS II regions in the OP. Further detail on expenditure by Priority is provided in Chapter 6.

Examples of progress under the EHRD OP in 2003 which have contributed to the aim of achieving balanced regional development are:

The ***Tourism Training*** measures (Measures 12A to 12C and Measures 24F and 24G). Tourism is an important regional industry, with major tourist attractions located in both NUTS II regions covered by the OP. Training was provided to both new entrants to the sector (including the unemployed) and to those already in the sector. Under entry-level training, a total of 2,152 persons received training on formal college-based professional hospitality and tourism programmes during 2003. 39% of this training activity took place in the BMW region and 61% in the SAE region.

A total of 6,748 personnel already in the industry received training in 2003 on both college and industry-based programmes at advanced, supervisory and management levels.

The ***Lifelong Learning/National Adult Literacy Strategy*** (Measure 22) reached out into the regions through audio and visual media. Literacy programmes were broadcast initially by radio and extended to television because of their popularity. They have proved to be a continuing success. The fourth series of the TV series 'Read Write Now' was broadcast in 2003 and a fifth series is due to begin in September 2004. As before, this will be supplemented by a national free phone helpline provided by the National Adult Literacy Agency, and by the availability of learner workbooks and resource packs. Video recordings of the fourth series are also being sent free to literacy schemes, public libraries, training centres and video outlets. Approximately 8,000 people contacted the support line with 7,000 learner packs sent to individual learners and a further 7,000 sent to 578 groups. 10,000 packs were sent to the Adult Literacy Service.

The average audience for the fourth series was 124,000, which is 9 per cent of the TV audience for the time of broadcast. The average audience for the repeat broadcast on Thursdays at midnight was 33,000 or 8 per cent of the audience share.

FAS's new Competency Development Programme, under Measure 18A, ***In-Company Training***, provides financial support to up-skill employees through training programmes identified on the basis of local need. The ***Social Economy Programme*** (Measure 19A) also supports community-based enterprises at a local and regional level.

### **5.1.2 Contributing to the protection of the environment**

Measures under the Operational Programme continued to discharge their Environmental responsibilities in 2003, insofar as practicable. Within FÁS, a pre-pilot of the new Environment Training Unit was completed in November 2003 and was well received. This one-day training module, which is one of the eight units in FAS's *Standard Trainee Induction Module*, will give trainees a basic introduction to the important issues of sustainability, waste, recycling and litter prevention.

Changes are currently being made to the content and structure of the curriculum as a result of the pre-pilot. The final version will be formally piloted and rolled out to all FÁS Training Centres.

In 2003, an internal FÁS *Environmental Quality Policy* sub-group recommended that an Environmental Scoping Study be undertaken. The aim of the study was to determine the obligations and duties imposed on FÁS to comply with national and EU legislation and to review current practice and costs. The study was conducted by Cara Waste Management Ltd, in conjunction with an internal project team, and involved visits to training centres and office facilities. As part of the survey, a questionnaire was issued to all Training Centres and Employment Services Offices. The resulting report recommends a set of actions over a short term (6 month) and medium term (18 month) period.

The report also recommends the appointment of a suitably qualified environmental manager for FÁS, with responsibility for implementation and ongoing maintenance of a programme of environmental management, improvement and control. The recommendations contain references to control of emissions; discharges; waste segregation; storage and handling of hazardous and non-hazardous wastes; whilst also addressing prevention, minimisation and procurement issues.

Under the ***Training Infrastructure*** Priority in the OP, both FÁS and the Department of Education and Science conform to planning and environmental regulations in the construction and refurbishment of their Training Centres, schools and colleges.

In the *Education Infrastructure* programme, for example, all projects comply in full with the Building Regulations of the Department of the Environment and Local Government. All projects have been the subject of planning applications to relevant local authorities and comply in full with the terms and conditions of the planning permission granted. Projects have been designed in a holistic way, applying the broadest meaning of sustainability from the way the building fits the landscape to the considered selection of construction materials. An integral element of every project is the exploration of the application of building principles to the construction of healthy learning and working environments. All projects aspire to reducing the energy requirements and aim to improve the architectural considerations traditionally applied to educational buildings.

### **5.1.3 Promoting equal opportunities between women and men**

The OP directly promotes equality of opportunity between men and women through the Equality Priority of the OP. Each of the measures/sub-measures in this Priority has equality as a central objective and progress in meeting this objective has been outlined in the previous chapter.

In addition to the specific provision in that Priority, equality of opportunity is promoted across the Programme. For example, FÁS is responsible for eight of the co-funded measures/submeasures of the EHRD OP. All schemes operated by FÁS are open to men and women and FÁS has actively promoted the increased participation

by women in traditionally male-dominated courses. During 2003, FÁS continued to promote the participation of women in apprenticeship through:

- Continuation of the FÁS Bursary for employers of female apprentices.
- Specific promotional activities for women apprentices.
- The Code of Practice - “Equity in Recruitment of Apprentices”.
- Changes to the Apprenticeship promotional brochure to highlight female participation.

In spite of these measures, the take-up of apprenticeships by women remains low.

As part of a FÁS *Equality Proofing* pilot, a paper was prepared on “Data Collection for Equality Proofing”. Work is now underway to develop an Action Plan for on-going equality proofing within FÁS.

FAS has also introduced more flexible attendance arrangements at its Training Centres to facilitate those who may have childcare responsibilities and the introduction of childcare support payments to FÁS trainees has enhanced the access to training for both long-term unemployed men and women.

Gateway for Women is a further initiative from FAS aimed at proactively encouraging women to return to the workforce. It is a tailored response to individual needs and focuses on addressing concerns experienced by women returnees, such as flexibility of training and accessibility to services. In 2003, the programme was extended to the West of Ireland and it will be further extended to the North West and the North East during 2004. Since the commencement of this initiative, in excess of 600 women have registered to engage with the ‘Gateway’ process.

Under the *Refugee Language Support* measure (Measure 17), the implementing body, Integrate Ireland Language & Training Ltd., have put in place a number of actions aimed at facilitating greater participation in direct language training by female students. These include:

- ♦ continuation of organisation of some classes on a part-time (mornings) basis to allow access to mothers whose children may be at school;
- ♦ allowing a married couple share one place in a class, with each attending on alternate sessions. The couple then assist each other in the evenings. This has been found to be particularly successful;
- ♦ encouraging greater participation of females in language training when they first interact with the Unit to establish their needs.

Negotiations (March 2003) resulted in the establishment of a female-only class in the Dublin Mosque.

Returns from providers under the *National Adult Literacy Strategy* (Measure 22), indicate that 59% of those accessing adult literacy programmes are female. It has been found that women are more likely to seek help with literacy problems in order to support their children’s learning and counter exclusion.

Under Measure 33A *Technical Assistance (Equality Studies)*, a rolling programme of measure studies commenced in 2003 with a set of three initial studies in:

- Measure 12B - Sectoral Entry Training Tourism;
- Measure 13 - Skills Training for the Unemployed and Redundant Workers;
- Measure 21 - Lifelong Learning Back to Education Initiative (BTEI Part-time).

## 5.2 Meeting the ESF Horizontal Objectives

The ESF contributes to the actions of the Employment Guidelines and the National Employment Action Plan. Three horizontal objectives are set out for the ESF in Article 2 of the ESF Regulation:

1. Support for Local Initiatives/Local Development;
2. Employment Potential of the Information Society;
3. Equal Opportunities for Women and Men.

The EHRD OP addressed these objectives in 2003 in a number of ways.

### 5.2.1 Support for Local Initiatives/Local Development

As pointed out in the previous Chapter, the *Early School Leaver Progression* measure (Measure 11A), includes the Community Training Programme which is a programme of a very local nature which responds to the specific needs of a range of client groups, including where required, early school leavers.

The *Social Economy Programme* (Measure 19A) provides support for the development of community-based enterprises. By the end of December 2003,

- a total of 857 applications from Community/Voluntary Groups for Business Plan Grant support had been received, of which 601 were approved, and
- 335 Social Economy Enterprises had started, employing 2,375 grant-supported persons.

The *Sectoral Training* measures in the Adaptability Priority, involving training for the Seafood Industry, Agriculture and the Equine Industry contribute to local development as these industries tend to be focused in very specific areas of the country (especially the Seafood Industry). Full details of developments in these measures in 2003 are contained in Part II of the report.

In the *MLT/HTBS* Measure (Measure 25), a number of Institutes of Technology have initiated a variety of schemes at a local level to encourage students to pursue third level science related courses. These initiatives include local advertising campaigns, career talks at second-level schools, induction science days, taster summer school for

fifth year students, tutorial support in specific science subject areas (maths, physics, etc), advisory services including counselling, academic supports and career guidance, upgrade of documentation including prospectus, web site, other guidance material and student to student programmes.

The **National Employment Service** Measure (Measure 2) incorporates FÁS's Employment Service and the Local Employment Services (LES), the latter of which operates mainly through local Area Based Partnership Companies.

FÁS's Employment Service operates through a network of 63 offices throughout the country. The LES operates throughout a network of offices and outreach centres located in 26 locations with supplementary contact points. In 2003, a total of 6,892 persons registered with the LES nationally. The LES continued to assist those most disadvantaged in the labour market to obtain employment by the provision of a specialist high support and locally responsive service. The LES referred interested persons to job vacancies, training, education and employment programmes.

The development of online training and application facilities such as *Callnet* and *Job-Connect* has increased access for rural clients. Whereas previously they would have had to personally visit a FÁS office, they can apply for vacancies, or study, from home.

FÁS activities under the **Active Measures for Long-Term Unemployed and Socially Excluded** Measure (Measure 3) promote social inclusion with particular emphasis on the reintegration of long-term unemployed and socially excluded people into the workforce. Programmes are designed to assist long-term unemployed and socially excluded people to make a meaningful contribution to the local community and improve their prospects of obtaining or returning to employment.

The **School Completion Programme** (Measure 5) is designed to deal with issues of both concentrated and regionally dispersed disadvantage and is a key component of the Department of Education and Science's strategy to discriminate positively in favour of children and young people who are at risk of early school leaving.

82 project sites, involving 110 post primary schools and 295 primary schools are participating in the School Completion Programme. Each project is managed by a local management committee, comprising school principals, relevant statutory, voluntary and community agencies, local drug task forces and County/City Development Boards. In addition, 53 second level schools will continue to be supported under the Stay in School Retention Strand up to August 2005.

The **National Adult Literacy Strategy** Measure (Measure 22) has a positive impact on both rural and urban communities. The literacy service is offered in 776 venues at present. In addition, the use of 1:1 volunteers in the service provides an important flexibility for rural areas where class groups in dispersed locations might not be viable.

The **Education Equality Initiative** (Measure 30) supported 18 projects aimed at the development of models which address gaps in the provision for educationally disadvantaged adults. Evidence from project personnel suggests positive outcomes on

local communities. Two projects in particular are notable in terms of local impact. The *Educate! Create! Advocate!* theatre project in Galway demonstrated the potential to change public perceptions and stereotypes regarding intellectual disability through partnerships and public drama productions with local theatre and education groups.

The *DIT/SIDS Ltd Pilot Project in Art and Culture*, which delivered higher education in art on a modular, residential basis on Sherkin Island had an economic impact on goods and services providers on the island. Moreover, the creation of the *Island Critical Literature Group* was a cultural spin-off from the project. The project also led to a formal partnership between the West Cork Arts Centre in Skibbereen, Co Cork and Sherkin Island, with the Arts Centre committing to provide space for future SIDS Ltd programmes and the two bodies now working together to market and promote the area as a hub of artistic activity.

### **5.2.2 Employment Potential of the Information Society**

There are several examples of the EHRD OP's contribution to exploiting the employment potential of the information society.

Under the *Skills Training for Unemployed & Redundant Workers* Measure (Measure 13), a new course entitled "*Installation of Computer Systems, Internet and Web Page Design*" was introduced in 2003. It caters for entry-level computer skills, office applications training, and computer hardware maintenance. With the development of the Kerry Technology Park, which has a target employment figure of 10,000 by 2007, and which has a predominance of ICT companies, the introduction of this course to Tralee is timely and will provide employment opportunities for trainees. This course will also create a progression route for entry level IT courses.

Also under this Measure, in response to redundancies in the Mid-West region, FAS's Limerick Training Centre introduced the following:

- *Introduction to Computers*, implemented in Roscrea for redundant Avensis employees.
- *Introduction to Computers*, run in Limerick for redundant Wilo employees
- *CAD course*, run in Limerick City for redundant Wilo employees and others.

New courses introduced in Limerick also included a new *Basic Computers* course, a second ECDL course and an *Introduction to Computers* course.

Under the previously mentioned *National Adult Literacy Strategy* Measure (Measure 22), it is likely that the fifth series of the TV programme "Read Write Now" will feature an ICT programme targeted at people with basic education needs. The series will cover use of bank ATM machines, websites, spreadsheets and other applications which are in common use in a modern economy.

As mentioned in the previous chapter, under the *Undergraduate Skills Measure* (Measure 26), the Higher Education Authority (HEA) is at present examining all means of securing a recovery in enrolments on the Skills 1&2 Programmes. The HEA is working with the ICT industry and universities in this regard.

Under the *Lifelong Learning General Training* Measure (Measure 20), FÁS's Net College continued to develop the provision of on-line flexible learning opportunities for all. In the period January-December 2003, particular emphasis was put on building partnerships with local access points (e-learning centres & libraries) for FÁS Net College.

The FÁS computerised career guidance tool 'Career Directions' is in widespread use and has been distributed to over 1,250 locations nationwide, including FÁS Employment Offices and Training Centres, Guidance Counsellors, Youth Information Centres, Second Level Schools and careers services in third-level institutions. It is regularly updated and now hosts an extensive database on over 720 careers. The programme was developed into a web-enabled package and also contains links to all current vacancies and training courses on the FÁS jobs web site. Career Directions is also available on multimedia CD, online at [www.careerdirections.ie](http://www.careerdirections.ie) and also through the FÁS website.

An improved Job and Training Courses website called 'FAS Jobs Ireland' was developed in 2003 and was launched in January 2004. This will provide improved access to FÁS day and evening courses and employment opportunities nationally.

### **5.2.3 Equal Opportunities for Women and Men**

Progress in relation to this objective is outlined under the OP Horizontal objectives above.

## **5.3 Meeting the CSF/NDP Objectives**

The CCSF/NDP Horizontal objectives aim to address:

1. Social Inclusion/Poverty
2. Environmental Protection
3. Rural Development
4. Equal Opportunities/Gender Mainstreaming.

Progress with regard to these objectives is reported at each OP Monitoring Committee Meeting and also to the NDP/CSF Monitoring Committee.

### **5.3.1 Social Inclusion/Poverty**

Promoting social inclusion and tackling poverty are key policy contexts within which the EHRD OP was prepared. Many of the measures/submeasures under the OP continue to contribute directly to promoting social inclusion and tackling poverty on an ongoing basis. The measures/sub-measures which address this objective (also one of the objectives of the Employment Guidelines) are identified on Table 2 in chapter one. Some examples of specific activity under the OP are set out below:

The *National Employment Service* Measure (Measure 2) provides intensive support to those experiencing labour market disadvantages. The 'case-load' approach, which is designed to prevent unemployed persons drifting into long-term unemployment, continued to produce positive results, with three out of five persons coming off the live register.

The High Supports Process (HSP), which was launched on a pilot basis in January 2003, is designed to assist Employment Service placement officers in FÁS to implement flexible responses for clients who encounter barriers in attempting to progress from unemployment to the world of work. Under the HSP, participants are assigned, on a caseload basis, to FÁS Employment Services Officers who offer support as appropriate. This support is arranged in consultation with external agencies such as the Department of Social and Family Affairs, the Department of Health and Children, and the Department of Education and Science.

The HSP is available to long-term participants on the Job Initiative Programme as well as to job seekers referred to FÁS under the National Employment Action Plan who are identified as 'Non-Progression Ready'.

The *Customised Training Fund* (CTF) allowance continued to provide an immediate training option for long-term unemployed jobseekers where the type of training required was not immediately available in FÁS Training Centres

Participants in programmes under *Active Measures for Long Term Unemployed and Socially Excluded Workers* Measure (Measure 3) have the opportunity and support to attain the skills, knowledge and certification which will enable them to participate in the open labour market and so reduce the likelihood of social exclusion and long-term unemployment. The Mid-Term Evaluation examined the impact of FÁS measures on trainees' employment prospects. This was done by comparing follow-up survey results for 1999-2000 and 2000-2001 with the position of unemployed persons who did not attend FÁS programmes. The Evaluation found that participation on Measure 3 increased the employment prospects of trainees by 6 per cent.

The National Anti-Poverty Strategy identifies education as central to addressing poverty. The inter-relationship between educational attainment and subsequent life changes has been well documented. The Department of Education and Science has responsibility for a number of measures that seek to improve the skills of adults, thereby enhancing their prospects of attaining sustainable employment and enhancing support for their children's participation in schooling, e.g., *Back to Education Initiative* (Measure 21), *National Adult Literacy Strategy* (Measure 22), *School Completion Initiative* (Measure 5).

Measures such as *Early School Leavers Progression*, *Youthreach and Travellers*, *Skills Training for the Unemployed and Redundant Workers*, *Third Level Access*, *Early Education*, *Vocational Training and Pathways to Employment for People with Disabilities*, and the *Social Economy Programme*, which have been outlined in the previous Chapter all contribute to the attainment of social inclusion.

All Implementing Agencies for Measures funded under the OP are required to report twice yearly to the OP Monitoring Committee on progress in relation to Social



Inclusion/Poverty with regard to their Measures. In addition, the EHRD OP Managing Authority is represented on the NDP/CSF co-ordinating Committee for Social Inclusion/Equal Opportunities.

### **5.3.2 Environment**

FÁS contracted an environmental consultant to conduct an Environmental Scoping Study to determine its compliance with environmental legislation and to prepare recommendations and a work plan to implement those recommendations.

The consultant submitted the final report in October 2003. The report gives short term and medium term recommendations for FÁS, as well as advice on continuing environmental best-practices and environmental awareness-raising for staff and trainees. FÁS adopted the consultant's proposal.

The Department of Communications Marine and Natural Resources published the Irish National Forest Standard, and the Code of Best Forest Practice. This is designed to ensure that the development of the forestry sector is undertaken on a sustainable basis. These publications are supported by a suite of five environmental guidelines on forestry as it relates to the landscape, harvesting, archaeology, biodiversity and water quality.

In the Education Infrastructure programme, all projects comply in full with the Building Regulations of the Department of the Environment and Local Government. All projects have been the subject of planning applications to relevant local authorities and comply in full with the terms and conditions of the planning permission granted. Projects have been designed in a holistic way taking the broadest meaning of sustainability from the way the building fits the landscape to the considered selection of construction materials. An integral element of every project is the exploration of the application of building principles to the construction of healthy learning and working environments. All projects aspire to reduce the energy requirements and aim to improve the architectural considerations traditionally applied to educational buildings.

During the period January-December 2003, FÁS continued to discharge its responsibilities to both deliver relevant environment-related training to our trainees and ensure that we also complied with all current and emerging legislative requirements.

### **5.3.3 Rural Proofing**

The EHRD OP Co-Ordinating Managing Authority continued, in 2003, to participate in the Co-ordinating Committee for Rural Development. The promotion of rural development continued to be addressed and progressed by the OP during 2003. Examples of this included:

- The development by FÁS of *Callnet* and *Job-Connect* (as previously mentioned in paragraph 2.3.1) has increased access to the work opportunities for rural clients by allowing them to apply for vacancies from home.

- FÁS is particularly aware of the relevance of transport for early school leavers in rural locations and is examining the extent to which this affects participation and progression choices.
- FÁS continues to deliver training programmes to areas not directly serviced by its training centre network by using approved external training providers to deliver the training programmes.
- FÁS Net College continued to expand its bank of on-line training programmes and uses blended training solutions to deliver training nationwide.
- Fáilte Ireland programmes have a positive impact in terms of rural proofing. Courses are delivered on a regional basis and their widespread dispersal throughout the country, in urban and in locations close to rural tourism, promotes a balanced contribution towards both urban and rural economies. Programmes are delivered in ten Institutes of Technology in Athlone, Cork, Dublin, Dundalk, Galway, Limerick, Sligo, Tallaght, Tralee and Waterford. They are also delivered in the Killybegs Tourism College and Shannon Hotel School.

#### **5.3.4 Equal Opportunities/Gender Mainstreaming**

Progress in relation to this objective is outlined under the OP Horizontal objectives above. Additional examples of action to promote gender mainstreaming in the Programme, noted by the NDP Gender Equality Unit are as follows:

- The Department of Sociology in Trinity College Dublin has carried out research into gender-related patterns in School Completion.
- The introduction of part-time options under the Early School Leavers - Youthreach and Travellers measure (Measure 11B) will facilitate the participation of those with family responsibilities and other commitments.
- Gender-proofing activities carried out by Fáilte Ireland under Measure 12A are beginning to show some impact on participation, with the overall male:female participation rate at 46%:54%, compared to 40%:60% in the previous year.
- In the Ongoing Sectoral Training: Seafood Industry Training (Measure 24B), the target of 6% female participation was surpassed, with a rate of 12% being attained.
- Under Measure 31B, the NDP Gender Equality Unit continued to advise and support policy-makers, with specific actions including a survey on women and men in enterprise.
- To end December 2003, a total of 3,708 people had benefited from the Equality for Women Measure.

## 6. Financial Overview of Activity

### 6.1 OP Summary of Expenditure

Financial absorption on the EHRD OP was ahead of target for 2003, with total NDP expenditure coming in at 106% of forecast. Spending was fairly balanced across both regions, with both the BMW and SAE regions achieving over 106% of forecast expenditure in 2003.

Cumulative NDP expenditure since the start of the Programme was 92% of forecast overall. ESF expenditure on the OP was 112% of forecast for 2003, and 76.4% of forecast for the period January 2000 to December 2003. There was a strong level of ESF activity in the Employability Priority in 2003, helping to boost absorption.

The apparent gap between the cumulative ESF spend (76% of forecast) and expenditure at NDP level (92% of forecast) can be explained by the fact that there is a substantial amount of Non Co-Financed expenditure in this OP (representing 89% of total forecast for the six year period of the OP) and there has been a strong absorption of Non Co-Financed expenditure on some measures.

Equally, there have also been difficulties in drawing down ESF aid on some co-funded measures, such as In Company Training and Undergraduate Skills. However, it is hoped that developments on these measures, together with financial re-profilings arising from the Mid Term Review process, will contribute to a greater absorption rate over the period 2004-2006.

### Summary of expenditure – OP Total

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	655.604	97.127	71.504	584.100	0.000
2000 Expenditure	493.681	51.184	38.118	450.703	4.860
<b>% of OP Forecast</b>	<b>75.30%</b>	<b>52.70%</b>	<b>53.31%</b>	<b>77.16%</b>	
2001 Forecast	657.976	80.523	59.277	598.699	0.000
2001 Expenditure	588.736	58.784	43.953	542.077	2.706
<b>% of OP Forecast</b>	<b>89.48%</b>	<b>73.00%</b>	<b>74.15%</b>	<b>90.54%</b>	
2002 Forecast	648.856	72.189	53.145	595.711	0.000
2002 Expenditure	610.570	49.801	36.974	571.138	2.458
<b>% of OP Forecast</b>	<b>94.10%</b>	<b>68.99%</b>	<b>69.57%</b>	<b>95.87%</b>	
2003 Forecast	558.106	60.364	44.427	513.679	0.000
2003 Expenditure	597.419	63.037	47.395	549.308	0.716
<b>% of OP Forecast</b>	<b>107.04%</b>	<b>104.43%</b>	<b>106.68%</b>	<b>106.94%</b>	
Cum. Forecast 2000-Dec 03	2520.542	310.203	228.353	2292.189	0.000
Cum. Exp. 2000-Dec 03	2290.405	222.805	166.440	2113.225	10.740
<b>% of OP Forecast</b>	<b>90.87%</b>	<b>71.83%</b>	<b>72.89%</b>	<b>92.19%</b>	

**SAE**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1615.250	247.192	123.596	1491.654	0.000
2000 Expenditure	1331.640	158.830	79.270	1243.325	9.046
<b>% of OP Forecast</b>	<b>82.44%</b>	<b>64.25%</b>	<b>64.14%</b>	<b>83.35%</b>	
2001 Forecast	1588.599	200.738	100.369	1488.230	0.000
2001 Expenditure	1516.576	153.191	76.713	1432.236	7.627
<b>% of OP Forecast</b>	<b>95.47%</b>	<b>76.31%</b>	<b>76.43%</b>	<b>96.24%</b>	
2002 Forecast	1571.504	173.344	86.672	1484.832	0.000
2002 Expenditure	1377.351	123.544	61.953	1309.841	5.557
<b>% of OP Forecast</b>	<b>87.65%</b>	<b>71.27%</b>	<b>71.48%</b>	<b>88.21%</b>	
2003 Forecast	1330.300	140.826	70.413	1259.887	0.000
2003 Expenditure	1421.878	162.625	81.493	1337.799	2.587
<b>% of OP Forecast</b>	<b>106.88%</b>	<b>115.48%</b>	<b>115.74%</b>	<b>106.18%</b>	
Cum. Forecast 2000-Dec.03	6105.65	762.10	381.05	5724.60	0.00
Cum. Exp. 2000-Dec 03	5647.44	598.19	299.43	5323.20	24.82
<b>% of OP Forecast</b>	<b>92.50%</b>	<b>78.49%</b>	<b>78.58%</b>	<b>92.99%</b>	

**NATIONAL**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	2270.854	344.319	195.100	2075.754	0.000
2000 Expenditure	1825.321	210.014	117.388	1694.027	13.906
<b>% of OP Forecast</b>	<b>80.38%</b>	<b>60.99%</b>	<b>60.17%</b>	<b>81.61%</b>	
2001 Forecast	2246.575	281.261	159.646	2086.929	0.000
2001 Expenditure	2105.311	211.975	120.666	1974.313	10.333
<b>% of OP Forecast</b>	<b>93.71%</b>	<b>75.37%</b>	<b>75.58%</b>	<b>94.60%</b>	
2002 Forecast	2220.360	245.533	139.817	2080.543	0.000
2002 Expenditure	1987.920	173.345	98.927	1880.979	8.015
<b>% of OP Forecast</b>	<b>89.53%</b>	<b>70.60%</b>	<b>70.75%</b>	<b>90.41%</b>	
2003 Forecast	1888.406	201.190	114.840	1773.566	0.000
2003 Expenditure	2019.297	225.662	128.888	1887.106	3.303
<b>% of OP Forecast</b>	<b>106.93%</b>	<b>112.16%</b>	<b>112.23%</b>	<b>106.40%</b>	
Cum. Forecast 2000-Dec 03	8626.195	1072.303	609.403	8016.792	0.000
Cum. Exp. 2000-Dec 03	7937.850	820.996	465.868	7436.425	35.557
<b>% of OP Forecast</b>	<b>92.02%</b>	<b>76.56%</b>	<b>76.45%</b>	<b>92.76%</b>	

## 6.2 N+2 rule

The OP has met the N+2 rule for each year of the programme so far. Claims for ESF aid amounting to €299 million were lodged with the Commission from the start of the Programme to the end of 2003.

## 6.3 Employability Priority

Total NDP Expenditure on the Employability Priority for 2003 was strong, with provisional figures showing achievement of 101% of forecasted expenditure. On a cumulative basis, NDP spending on this Priority since the start of the OP stood at just under 94% of forecast to the end of 2003. Expenditure in both regions exceeded 100% of forecasted expenditure in 2003.

ESF expenditure in 2003 showed a significant improvement on previous years and reflects the positive developments reported in the Measure level Progress Reports in Part II. ESF expenditure under this Priority reached 118% of forecast in 2003 and was particularly high in the SAE region, at 133%. The BMW region absorbed 98% of its ESF forecast under this Priority in 2003.

On a cumulative basis, ESF expenditure under the Employability Priority since the start of the OP stood at 88% of forecast at the end of 2003.

The re-profiling proposals agreed by the Monitoring Committee at its meeting of 31<sup>st</sup> March 2004 in the context of the Mid-Term Review envisage the allocation of an additional €37.8 million in ESF support to this Priority from 2004-2006.

### Summary of expenditure – Employability Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	333.528	64.635	47.137	286.391	0.000
2000 Expenditure	298.743	39.573	29.681	269.062	0.000
<b>% of OP Forecast</b>	<b>89.57%</b>	<b>61.22%</b>	<b>62.97%</b>	<b>93.95%</b>	
2001 Forecast	334.259	53.588	39.078	295.181	0.000
2001 Expenditure	331.879	44.805	33.602	298.277	0.000
<b>% of OP Forecast</b>	<b>99.29%</b>	<b>83.61%</b>	<b>85.99%</b>	<b>101.05%</b>	
2002 Forecast	326.102	48.028	35.028	291.074	0.000
2002 Expenditure	299.992	30.911	23.188	276.804	0.000
<b>% of OP Forecast</b>	<b>91.99%</b>	<b>64.36%</b>	<b>66.20%</b>	<b>95.10%</b>	
2003 Forecast	293.686	40.171	29.287	264.399	0.000
2003 Expenditure	302.533	38.247	28.722	273.811	0.000
<b>% of OP Forecast</b>	<b>103.01%</b>	<b>95.21%</b>	<b>98.07%</b>	<b>103.56%</b>	
Cum. Forecast 2000-Dec 03	1287.575	206.422	150.530	1137.045	0.000
Cum. Exp. 2000-Dec 03	1233.147	153.536	115.193	1117.954	0.000
<b>% of OP Forecast</b>	<b>95.77%</b>	<b>74.38%</b>	<b>76.53%</b>	<b>98.32%</b>	

**SAE**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	853.079	137.414	68.707	784.372	0.000
2000 Expenditure	739.342	123.552	61.776	677.565	0.000
<b>% of OP Forecast</b>	<b>86.67%</b>	<b>89.91%</b>	<b>89.91%</b>	<b>86.38%</b>	
2001 Forecast	829.825	111.652	55.826	773.999	0.000
2001 Expenditure	822.464	110.670	55.335	767.129	0.000
<b>% of OP Forecast</b>	<b>99.11%</b>	<b>99.12%</b>	<b>99.12%</b>	<b>99.11%</b>	
2002 Forecast	802.042	96.562	48.281	753.761	0.000
2002 Expenditure	691.134	70.678	35.339	655.796	0.000
<b>% of OP Forecast</b>	<b>86.17%</b>	<b>73.19%</b>	<b>73.19%</b>	<b>87.00%</b>	
2003 Forecast	763.175	78.346	39.173	724.002	0.000
2003 Expenditure	769.063	104.642	52.321	716.742	0.000
<b>% of OP Forecast</b>	<b>100.77%</b>	<b>133.56%</b>	<b>133.56%</b>	<b>99.00%</b>	
Cum. Forecast 2000- Dec 03	3248.121	423.974	211.987	3036.134	0.000
Cum. Exp. 2000-Dec 03	3022.003	409.542	204.771	2817.232	0.000
<b>% of OP Forecast</b>	<b>93.04%</b>	<b>96.60%</b>	<b>96.60%</b>	<b>92.79%</b>	

**NATIONAL**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1186.607	202.049	115.844	1070.763	0.000
2000 Expenditure	1038.085	163.125	91.457	946.627	0.000
<b>% of OP Forecast</b>	<b>87.48%</b>	<b>80.74%</b>	<b>78.95%</b>	<b>88.41%</b>	
2001 Forecast	1164.084	165.240	94.904	1069.180	0.000
2001 Expenditure	1154.343	155.475	88.937	1065.406	0.000
<b>% of OP Forecast</b>	<b>99.16%</b>	<b>94.09%</b>	<b>93.71%</b>	<b>99.65%</b>	
2002 Forecast	1128.144	144.590	83.309	1044.835	0.000
2002 Expenditure	991.127	101.589	58.527	932.600	0.000
<b>% of OP Forecast</b>	<b>87.85%</b>	<b>70.26%</b>	<b>70.25%</b>	<b>89.26%</b>	
2003 Forecast	1056.861	118.517	68.460	988.401	0.000
2003 Expenditure	1071.596	142.889	81.043	990.553	0.000
<b>% of OP Forecast</b>	<b>101.39%</b>	<b>120.56%</b>	<b>118.38%</b>	<b>100.22%</b>	
Cum. Forecast 2000- Dec 03	4535.696	630.396	362.517	4173.179	0.000
Cum. Exp. 2000-Dec 03	4255.150	563.078	319.964	3935.186	0.000
<b>% of OP Forecast</b>	<b>93.81%</b>	<b>89.32%</b>	<b>88.26%</b>	<b>94.30%</b>	

## 6.4 Entrepreneurship Priority

Figures for this priority reflect the difficulties which have been experienced with the In - Company Training measure and the Local Social Capital measure.

Total NDP Expenditure for 2003 under this Priority was 68% of forecast, although in the BMW region, the percentage was significantly higher, at 97% of forecast. By comparison, in the SAE region, expenditure in 2003 was 57% of forecast.

Cumulative NDP expenditure since 2000 was just under 42% of forecast by the end of 2003, with the BMW region performing considerably better than the SAE region (56.3% absorption in the BMW region compared to 34.8% in the SAE region). It is worth noting, however, that the amount of funding allocated to the SAE region is significantly higher than the allocation to the BMW region and more money has been spent in real terms in the SAE region.

ESF expenditure under this Priority was 48% of forecast for 2003. Cumulative ESF expenditure since the beginning of the OP stood at just under 41% of the cumulative forecast at the end of 2003.

In the context of the Mid Term Review of the CSF, it has been agreed that €9 million in ESF support will transfer from this Priority to the Regional OPs for Childcare provision. A further €5.8 million is transferring from this Priority (Social Economy measure) to the Employability Priority for the Skills Training measure, reflecting the recommendation in the Mid Term Evaluation for an increased focus on measures with strong progression to employment and preventing the drift into Long Term Unemployment.

### Summary of expenditure – Entrepreneurship Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	34.438	19.169	14.376	20.062	0.000
2000 Expenditure	13.135	7.183	5.116	3.273	4.746
<b>% of OP Forecast</b>	<b>38.14%</b>	<b>37.47%</b>	<b>35.59%</b>	<b>16.31%</b>	
2001 Forecast	29.265	15.891	11.917	17.348	0.000
2001 Expenditure	6.801	6.801	4.967	3.774	2.583
<b>% of OP Forecast</b>	<b>23.24%</b>	<b>42.80%</b>	<b>41.68%</b>	<b>21.75%</b>	
2002 Forecast	25.834	14.252	10.686	15.148	0.000
2002 Expenditure	21.260	10.475	7.475	11.495	2.290
<b>% of OP Forecast</b>	<b>82.29%</b>	<b>73.50%</b>	<b>69.95%</b>	<b>75.88%</b>	
2003 Forecast	22.378	11.910	8.929	13.449	0.000
2003 Expenditure	21.827	6.707	5.110	16.207	0.510
<b>% of OP Forecast</b>	<b>97.54%</b>	<b>56.31%</b>	<b>57.23%</b>	<b>120.50%</b>	
Cum. Forecast 2000-Dec 03	111.915	61.222	45.908	66.007	0.000
Cum. Exp. 2000-Dec 03	63.022	31.165	22.668	34.748	10.129
<b>% of OP Forecast</b>	<b>56.31%</b>	<b>50.91%</b>	<b>49.38%</b>	<b>52.64%</b>	

**SAE**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	97.567	49.470	24.735	72.832	0.000
2000 Expenditure	21.340	11.270	5.490	7.820	8.030
<b>% of OP Forecast</b>	<b>21.87%</b>	<b>22.78%</b>	<b>22.20%</b>	<b>10.74%</b>	
2001 Forecast	79.831	40.200	20.100	59.731	0.000
2001 Expenditure	20.265	12.515	6.375	7.220	6.670
<b>% of OP Forecast</b>	<b>25.38%</b>	<b>31.13%</b>	<b>31.72%</b>	<b>12.09%</b>	
2002 Forecast	70.939	34.758	17.379	53.560	0.000
2002 Expenditure	32.177	18.423	9.392	18.095	4.690
<b>% of OP Forecast</b>	<b>45.36%</b>	<b>53.00%</b>	<b>54.04%</b>	<b>33.78%</b>	
2003 Forecast	57.649	28.214	14.107	43.542	0.000
2003 Expenditure	32.960	11.660	6.010	25.440	1.510
<b>% of OP Forecast</b>	<b>57.17%</b>	<b>41.33%</b>	<b>42.60%</b>	<b>58.43%</b>	
Cum. Forecast 2000-Dec 03	305.986	152.642	76.321	229.665	0.000
Cum. Exp. 2000-Dec 03	106.742	53.868	27.267	58.575	20.900
<b>% of OP Forecast</b>	<b>34.88%</b>	<b>35.29%</b>	<b>35.73%</b>	<b>25.50%</b>	

**NATIONAL**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	132.005	68.639	39.111	92.894	0.000
2000 Expenditure	34.475	18.453	10.606	11.093	12.776
<b>% of OP Forecast</b>	<b>26.12%</b>	<b>26.88%</b>	<b>27.12%</b>	<b>11.94%</b>	
2001 Forecast	109.096	56.091	32.017	77.079	0.000
2001 Expenditure	31.589	19.316	11.342	10.994	9.253
<b>% of OP Forecast</b>	<b>28.96%</b>	<b>34.44%</b>	<b>35.43%</b>	<b>14.26%</b>	
2002 Forecast	96.773	49.010	28.065	68.708	0.000
2002 Expenditure	53.437	28.898	16.867	29.590	6.980
<b>% of OP Forecast</b>	<b>55.22%</b>	<b>58.96%</b>	<b>60.10%</b>	<b>43.07%</b>	
2003 Forecast	80.027	40.124	23.036	56.991	0.000
2003 Expenditure	54.787	18.367	11.120	41.647	2.020
<b>% of OP Forecast</b>	<b>68.46%</b>	<b>45.77%</b>	<b>48.27%</b>	<b>73.08%</b>	
Cum. Forecast 2000-Dec 03	417.901	213.864	122.229	295.672	0.000
Cum. Exp. 2000-Dec 03	174.287	85.033	49.935	93.323	31.029
<b>% of OP Forecast</b>	<b>41.71%</b>	<b>39.76%</b>	<b>40.85%</b>	<b>31.56%</b>	



## 6.5 Adaptability Priority

Total NDP expenditure under the Adaptability Priority in 2003 amounted to 99.9% of the annual forecast. Cumulative NDP expenditure since the beginning of the OP was at 89% of forecast to the end of 2003.

At regional level, NDP expenditure in the BMW region under this Priority exceeded 100% of forecast in 2003, while expenditure in the SAE region was marginally short of the 2003 forecast, at 99.3%.

ESF expenditure under this Priority was at 161% of forecast for 2003, reflecting a degree of “catch-up” on the Undergraduate Skills measure where ESF draw downs in earlier years had been delayed pending agreement with the Commission on apportionment methodology (now agreed). In the regions, ESF expenditure greatly exceeded the 2003 forecast in both the BMW region (220%) and SAE region (138%).

Cumulative ESF expenditure since the start of the OP reached 80% of forecast to the end of 2003. It is worth noting that in 2000 and 2001, ESF expenditure on this Priority was low compared to non co-financed expenditure. The strong absorption of ESF expenditure in 2003 has helped to redress the balance.

The Mid-Term Review re-profiling proposals for 2004-2006 agreed by the Monitoring Committee at its meeting of 31<sup>st</sup> March 2004 envisage the re-allocation of €33.1 million in ESF support from this Priority to the Employability Priority, with a sum of €1.259 million transferring in to the Adaptability Priority to support the national qualifications framework, including HETAC and FETAC.

### Summary of expenditure – Adaptability Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	172.251	12.897	9.672	162.579	0.000
2000 Expenditure	122.448	4.428	3.321	119.013	0.114
<b>% of OP Forecast</b>	<b>71.09%</b>	<b>34.33%</b>	<b>34.34%</b>	<b>73.20%</b>	
2001 Forecast	172.943	10.690	8.017	164.926	0.000
2001 Expenditure	120.595	7.113	5.335	115.137	0.123
<b>% of OP Forecast</b>	<b>69.73%</b>	<b>66.54%</b>	<b>66.55%</b>	<b>69.81%</b>	
2002 Forecast	171.441	9.593	7.194	164.247	0.000
2002 Expenditure	128.433	8.373	6.280	121.985	0.168
<b>% of OP Forecast</b>	<b>74.91%</b>	<b>87.28%</b>	<b>87.29%</b>	<b>74.27%</b>	
2003 Forecast	173.259	8.020	6.014	167.245	0.000
2003 Expenditure	174.698	17.706	13.280	161.212	0.206
<b>% of OP Forecast</b>	<b>100.83%</b>	<b>220.77%</b>	<b>220.82%</b>	<b>96.39%</b>	
Cum. Forecast 2000-Dec 03	689.894	41.200	30.897	658.997	0.000
Cum. Exp. 2000-Dec 03	546.175	37.620	28.216	517.348	0.611
<b>% of OP Forecast</b>	<b>79.17%</b>	<b>91.31%</b>	<b>91.32%</b>	<b>78.51%</b>	

# SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	315.941	54.620	27.310	288.631	0.000
2000 Expenditure	287.908	23.966	11.983	274.909	1.016
<b>% of OP Forecast</b>	<b>91.13%</b>	<b>43.88%</b>	<b>43.88%</b>	<b>95.25%</b>	
2001 Forecast	313.044	44.376	22.188	290.856	0.000
2001 Expenditure	288.250	28.940	14.470	272.823	0.957
<b>% of OP Forecast</b>	<b>92.08%</b>	<b>65.21%</b>	<b>65.21%</b>	<b>93.80%</b>	
2002 Forecast	311.747	38.386	19.193	292.554	0.000
2002 Expenditure	309.074	32.434	16.217	291.990	0.867
<b>% of OP Forecast</b>	<b>99.14%</b>	<b>84.49%</b>	<b>84.49%</b>	<b>99.81%</b>	
2003 Forecast	303.023	31.144	15.572	287.451	0.000
2003 Expenditure	301.123	43.102	21.551	278.495	1.077
<b>% of OP Forecast</b>	<b>99.37%</b>	<b>138.40%</b>	<b>138.40%</b>	<b>96.88%</b>	
Cum. Forecast 2000- December 2003	1243.755	168.526	84.263	1159.492	0.000
Cum. Exp. 2000-December 2003	1186.354	128.441	64.220	1118.217	3.917
<b>% of OP Forecast</b>	<b>95.38%</b>	<b>76.21%</b>	<b>76.21%</b>	<b>96.44%</b>	

# NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	488.192	67.517	36.982	451.210	0.000
2000 Expenditure	410.356	28.394	15.304	393.922	1.130
<b>% of OP Forecast</b>	<b>84.06%</b>	<b>42.05%</b>	<b>41.38%</b>	<b>87.30%</b>	
2001 Forecast	485.987	55.066	30.205	455.782	0.000
2001 Expenditure	408.845	36.053	19.805	387.961	1.080
<b>% of OP Forecast</b>	<b>84.13%</b>	<b>65.47%</b>	<b>65.57%</b>	<b>85.12%</b>	
2002 Forecast	483.188	47.979	26.387	456.801	0.000
2002 Expenditure	437.507	40.807	22.497	413.975	1.035
<b>% of OP Forecast</b>	<b>90.55%</b>	<b>85.05%</b>	<b>85.26%</b>	<b>90.62%</b>	
2003 Forecast	476.282	39.164	21.586	454.696	0.000
2003 Expenditure	475.821	60.808	34.831	439.707	1.283
<b>% of OP Forecast</b>	<b>99.90%</b>	<b>155.27%</b>	<b>161.36%</b>	<b>96.70%</b>	
Cum. Forecast 2000-Dec 03	1933.649	209.726	115.160	1818.489	0.000
Cum. Exp. 2000-Dec 03	1732.529	166.061	92.436	1635.565	4.528
<b>% of OP Forecast</b>	<b>89.60%</b>	<b>79.18%</b>	<b>80.27%</b>	<b>89.94%</b>	

## 6.6 Equality Priority

Considerable progress was made in relation to the financial progress of the Equality Priority in 2003. Total NDP expenditure on the Priority amounted to more than 146% of forecast. This was helped, in particular, by strong expenditure on the *Equality for Women* measure which funded 23 projects in 2003 to the sum of over €1.8 million. NDP expenditure in 2003 was particularly strong in the BMW region (226% of forecast), although the amount of money allocated to this region is very small in real terms. Expenditure in the SAE region exceeded 140% of forecast.

In spite of the strong performance in 2003, cumulative NDP expenditure since the start of the OP is just over 50% of forecast, reflecting the low level of expenditure in earlier years of the programme.

ESF expenditure under the Priority reached 120% of forecast in 2003 and stood at 36% of cumulative forecast to the end of 2003, again reflecting the low absorption in the earlier years of the OP. It is also worth noting that there was a relatively higher absorption of Non Co-Financed expenditure under this Priority in the earlier years.

The Mid-Term Review re-profiling proposals agreed by the Monitoring Committee at its meeting of 31<sup>st</sup> March 2004 envisage the net reduction of ESF funding in this Priority by a small amount (€0.180 million). Other re-allocations are, however, taking place within this Priority and a sum of €1.779 million in ESF support is being added to the Equality for Women measure.

### Summary of expenditure – Equality Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	0.290	0.270	0.202	0.088	0.000
2000 Expenditure	0.045	0.000	0.000	0.045	0.000
<b>% of OP Forecast</b>	<b>15.52%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>51.14%</b>	
2001 Forecast	0.253	0.223	0.167	0.086	0.000
2001 Expenditure	0.150	0.065	0.049	0.101	0.000
<b>% of OP Forecast</b>	<b>59.28%</b>	<b>29.14%</b>	<b>29.18%</b>	<b>117.73%</b>	
2002 Forecast	0.400	0.200	0.150	0.250	0.000
2002 Expenditure	0.266	0.042	0.031	0.235	0.000
<b>% of OP Forecast</b>	<b>66.50%</b>	<b>21.00%</b>	<b>20.67%</b>	<b>94.00%</b>	
2003 Forecast	0.187	0.167	0.125	0.062	0.000
2003 Expenditure	0.423	0.377	0.283	0.140	0.000
<b>% of OP Forecast</b>	<b>226.20%</b>	<b>225.75%</b>	<b>226.40%</b>	<b>225.81%</b>	
Cum. Forecast 2000-Dec 03	1.130	0.860	0.644	0.486	0.000
Cum. Exp. 2000-Dec 03	0.884	0.484	0.363	0.521	0.000
<b>% of OP Forecast</b>	<b>78.23%</b>	<b>56.28%</b>	<b>56.33%</b>	<b>107.25%</b>	

**SAE**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	4.083	3.788	1.894	2.189	0.000
2000 Expenditure	0.083	0.010	0.005	0.078	0.000
<b>% of OP Forecast</b>	<b>2.03%</b>	<b>0.26%</b>	<b>0.26%</b>	<b>3.56%</b>	
2001 Forecast	3.335	3.076	1.538	1.797	0.000
2001 Expenditure	1.099	0.487	0.243	0.855	0.000
<b>% of OP Forecast</b>	<b>32.94%</b>	<b>15.82%</b>	<b>15.82%</b>	<b>47.60%</b>	
2002 Forecast	2.968	2.660	1.330	1.638	0.000
2002 Expenditure	1.640	1.149	0.575	1.066	0.000
<b>% of OP Forecast</b>	<b>55.27%</b>	<b>43.21%</b>	<b>43.21%</b>	<b>65.06%</b>	
2003 Forecast	2.413	2.182	1.091	1.322	0.000
2003 Expenditure	3.389	2.369	1.185	2.205	0.000
<b>% of OP Forecast</b>	<b>140.45%</b>	<b>108.57%</b>	<b>108.57%</b>	<b>166.75%</b>	
Cum. Forecast 2000-Dec 03	12.799	11.706	5.853	6.946	0.000
Cum. Exp. 2000-Dec 03	6.211	4.015	2.007	4.203	0.000
<b>% of OP Forecast</b>	<b>48.53%</b>	<b>34.30%</b>	<b>34.30%</b>	<b>60.52%</b>	

**NATIONAL**

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	4.373	4.058	2.096	2.277	0.000
2000 Expenditure	0.128	0.010	0.005	0.123	0.000
<b>% of OP Forecast</b>	<b>2.92%</b>	<b>0.24%</b>	<b>0.23%</b>	<b>5.40%</b>	
2001 Forecast	3.588	3.299	1.705	1.883	0.000
2001 Expenditure	1.249	0.552	0.292	0.957	0.000
<b>% of OP Forecast</b>	<b>34.80%</b>	<b>16.72%</b>	<b>17.13%</b>	<b>50.80%</b>	
2002 Forecast	3.368	2.860	1.480	1.888	0.000
2002 Expenditure	1.906	1.191	0.606	1.301	0.000
<b>% of OP Forecast</b>	<b>56.61%</b>	<b>41.66%</b>	<b>40.93%</b>	<b>68.90%</b>	
2003 Forecast	2.600	2.349	1.216	1.384	0.000
2003 Expenditure	3.812	2.746	1.468	2.345	0.000
<b>% of OP Forecast</b>	<b>146.62%</b>	<b>116.90%</b>	<b>120.68%</b>	<b>169.40%</b>	
Cum. Forecast 2000-Dec 03	13.929	12.566	6.497	7.432	0.000
Cum. Exp. 2000-Dec 03	7.095	4.499	2.370	4.725	0.000
<b>% of OP Forecast</b>	<b>50.94%</b>	<b>35.80%</b>	<b>36.48%</b>	<b>63.57%</b>	

## 6.7 Technical Assistance Priority

Total expenditure on Technical Assistance was 82% of forecast for 2003, reflecting an increasingly strong spend on this Priority as it achieved its activity targets. Expenditure items in 2003 included the completion of the Mid Term Evaluation report on the OP, the holding of three Monitoring Committee meetings, an ESF seminar in November, and the production of reports by the Equality Studies Unit.

All expenditure on this Priority is in the SAE region. Allocations were made at BMW region level in the OP, but although expenditure is incurred in holding Monitoring Committee meetings and conducting research in the region, the Implementing Bodies (the OP Managing Authority and the Equality Studies Unit) are based in Dublin; therefore expenditure must be recorded against the SAE region.

Although expenditure in 2003 was very strong, cumulative NDP spending on this Priority since the start of the OP is much lower, at 41% of forecast. This reflects the slow start to absorbing the available funds.

ESF expenditure in this Priority was 78.6% of forecast for 2003 and 38.7% of cumulative forecast since the start of the OP. At its meeting on 31<sup>st</sup> March 2004, the Monitoring Committee approved the transfer of €1.079 million from this Priority to the Equality for Women measure in the Equality Priority. This transfer will help to reduce the ESF absorption difficulty as a result of the slow start-up of the Priority.

### Summary of expenditure – Technical Assistance Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	0.157	0.156	0.117	0.040	0.000
2000 Expenditure	0.000	0.000	0.000	0.000	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
2001 Forecast	0.005	0.131	0.098	0.038	0.000
2001 Expenditure	0.000	0.000	0.000	0.000	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
2002 Forecast	0.116	0.116	0.087	0.034	0.000
2002 Expenditure	0.000	0.000	0.000	0.000	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
2003 Forecast	0.096	0.096	0.072	0.034	0.000
2003 Expenditure	0.000	0.000	0.000	0.000	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
Cum. Forecast 2000-Dec 03	0.374	0.499	0.374	0.146	0.000
Cum. Exp. 2000-Dec 03	0.000	0.000	0.000	0.000	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	

# SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1.900	1.900	0.950	0.950	0.000
2000 Expenditure	0.032	0.032	0.016	0.016	0.000
<b>% of OP Forecast</b>	<b>1.68%</b>	<b>1.68%</b>	<b>1.68%</b>	<b>1.68%</b>	
2001 Forecast	0.040	1.434	0.717	0.757	0.000
2001 Expenditure	0.000	0.580	0.290	0.290	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>40.45%</b>	<b>40.45%</b>	<b>38.31%</b>	
2002 Forecast	0.978	0.978	0.489	0.559	0.000
2002 Expenditure	0.860	0.860	0.430	0.430	0.000
<b>% of OP Forecast</b>	<b>87.93%</b>	<b>87.93%</b>	<b>87.93%</b>	<b>76.92%</b>	
2003 Forecast	0.940	0.940	0.470	0.570	0.000
2003 Expenditure	0.852	0.852	0.426	0.426	0.000
<b>% of OP Forecast</b>	<b>90.64%</b>	<b>90.64%</b>	<b>90.64%</b>	<b>74.74%</b>	
Cum. Forecast 2000-Dec.03	3.858	5.252	2.626	2.836	0.000
Cum. Exp. 2000-Dec 03	1.744	2.324	1.162	1.162	0.000
<b>% of OP Forecast</b>	<b>45.20%</b>	<b>44.25%</b>	<b>44.25%</b>	<b>40.97%</b>	

# NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	2.057	2.056	1.067	0.990	0.000
2000 Expenditure	0.032	0.032	0.016	0.016	0.000
<b>% of OP Forecast</b>	<b>1.56%</b>	<b>1.56%</b>	<b>1.50%</b>	<b>1.62%</b>	
2001 Forecast	0.045	1.565	0.815	0.795	0.000
2001 Expenditure	0.000	0.580	0.290	0.290	0.000
<b>% of OP Forecast</b>	<b>0.00%</b>	<b>37.06%</b>	<b>35.58%</b>	<b>36.48%</b>	
2002 Forecast	1.094	1.094	0.576	0.593	0.000
2002 Expenditure	0.860	0.860	0.430	0.430	0.000
<b>% of OP Forecast</b>	<b>78.61%</b>	<b>78.61%</b>	<b>74.65%</b>	<b>72.51%</b>	
2003 Forecast	1.036	1.036	0.542	0.604	0.000
2003 Expenditure	0.852	0.852	0.426	0.426	0.000
<b>% of OP Forecast</b>	<b>82.24%</b>	<b>82.24%</b>	<b>78.60%</b>	<b>70.53%</b>	
Cum. Forecast 2000-Dec 03	4.232	5.751	3.000	2.982	0.000
Cum. Exp. 2000-Dec 03	1.744	2.324	1.162	1.162	0.000
<b>% of OP Forecast</b>	<b>41.21%</b>	<b>40.41%</b>	<b>38.73%</b>	<b>38.97%</b>	

## 6.8 Infrastructure Priority

There is no ESF allocation for this Priority. Therefore, the tables below reflect only Non Co-financed expenditure.

In 2003, expenditure on education and training infrastructure reached almost 150% of forecasted spend. Both regions performed strongly from an expenditure perspective – spending in the BMW region was 143% of target, while in the SAE region, spend was 151% of target.

Cumulative expenditure since the start of the OP was just above target (102%) at the end of 2003, with a similar level of performance against target in both regions.

### Summary of expenditure – Infrastructure Priority

#### BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	114.94	0.00	0.00	114.94	0.00
2000 Expenditure	59.31	0.00	0.00	59.31	0.00
<b>% of OP Forecast</b>	<b>51.60%</b>			<b>51.60%</b>	
2001 Forecast	121.12	0.00	0.00	121.12	0.00
2001 Expenditure	124.79	0.00	0.00	124.79	0.00
<b>% of OP Forecast</b>	<b>103.03%</b>			<b>103.03%</b>	
2002 Forecast	124.96	0.00	0.00	124.96	0.00
2002 Expenditure	160.62	0.00	0.00	160.62	0.00
<b>% of OP Forecast</b>	<b>128.54%</b>			<b>128.54%</b>	
2003 Forecast	68.49	0.00	0.00	68.49	0.00
2003 Expenditure	97.94	0.00	0.00	97.94	0.00
<b>% of OP Forecast</b>	<b>143.00%</b>			<b>143.00%</b>	
Cum. Forecast 2000-Dec 03	429.51	0.00	0.00	429.51	0.00
Cum. Exp. 2000-Dec 03	442.65	0.00	0.00	442.65	0.00
<b>% of OP Forecast</b>	<b>103.06%</b>			<b>103.06%</b>	

# SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	342.68	0.00	0.00	342.68	0.00
2000 Expenditure	282.94	0.00	0.00	282.94	0.00
<b>% of OP Forecast</b>	<b>82.57%</b>			<b>82.57%</b>	
2001 Forecast	361.09	0.00	0.00	361.09	0.00
2001 Expenditure	383.92	0.00	0.00	383.92	0.00
<b>% of OP Forecast</b>	<b>106.32%</b>			<b>106.32%</b>	
2002 Forecast	382.76	0.00	0.00	382.76	0.00
2002 Expenditure	342.47	0.00	0.00	342.47	0.00
<b>% of OP Forecast</b>	<b>89.47%</b>			<b>89.47%</b>	
2003 Forecast	203.00	0.00	0.00	203.00	0.00
2003 Expenditure	307.80	0.00	0.00	307.80	0.00
<b>% of OP Forecast</b>	<b>151.62%</b>			<b>151.62%</b>	
Cum. Forecast 2000-Dec.03	1289.53	0.00	0.00	1289.53	0.00
Cum. Exp. 2000-Dec 03	1317.12	0.00	0.00	1317.12	0.00
<b>% of OP Forecast</b>	<b>102.14%</b>			<b>102.14%</b>	

# NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	457.62	0.00	0.00	457.62	0.00
2000 Expenditure	342.25	0.00	0.00	342.25	0.00
<b>% of OP Forecast</b>	<b>74.79%</b>			<b>74.79%</b>	
2001 Forecast	482.21	0.00	0.00	482.21	0.00
2001 Expenditure	508.71	0.00	0.00	508.71	0.00
<b>% of OP Forecast</b>	<b>105.49%</b>			<b>105.49%</b>	
2002 Forecast	507.72	0.00	0.00	507.72	0.00
2002 Expenditure	503.08	0.00	0.00	503.08	0.00
<b>% of OP Forecast</b>	<b>99.09%</b>			<b>99.09%</b>	
2003 Forecast	271.49	0.00	0.00	271.49	0.00
2003 Expenditure	405.74	0.00	0.00	405.74	0.00
<b>% of OP Forecast</b>	<b>149.45%</b>			<b>149.45%</b>	
Cum. Forecast 2000-Dec 03	1719.04	0.00	0.00	1719.04	0.00
Cum. Exp. 2000-Dec 03	1759.77	0.00	0.00	1759.77	0.00
<b>% of OP Forecast</b>	<b>102.37%</b>			<b>102.37%</b>	



## **6.9 Summary of ESF performance**

While the above commentary incorporates details of the performance of ESF expenditure at Priority level, Table 3 overleaf provides a summary of the performance of ESF absorption at Measure level. Overall, at the end of 2003, the Programme had absorbed 52% of its ESF allocation for the full period 2000-2006. The explanation for the weak performance of certain measures has been outlined above and in Chapter 4 on OP Progress.

## **6.10 Performance Reserve**

An amount equivalent to 4% of the 2000-2006 Structural Funds was reserved for allocation to Member States at the mid-term stage, based on performance of their programmes. In Ireland's case this amounted to €134 million. Assessments of the performance of each of Ireland's Operational Programmes against the ex-ante targets for financial absorption, key effectiveness and management criteria, were used to evaluate eligibility for a share of the Performance Reserve. The exercise was conducted centrally by the Department of Finance, in consultation with the OP Managing Authorities.

While it was noted that the EHRD OP was making good progress, it was difficult to fully assess the overall progress of the OP against the mid-term targets because information on all key effectiveness indicators were absent for 7 measures out of the 24 in the Programme (see section 3.6 of this report). The under-absorption of expenditure on the Entrepreneurship Priority was also noted.

While it was accepted that the OP was performing well and probably would meet the minimum requirements necessary for the receipt of a share of the Performance Reserve if information on all the relevant indicators were available, the Irish Authorities proposed that the Performance Reserve be fully allocated to the Economic and Social Infrastructure OP. The policy rationale for allocating the Reserve in this way was presented to, and accepted by, the Commission.

**Table 3 - ESF MEASURE EXPENDITURE AS AT THE END OF 2003**

All figures in €m

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Priority	Measure Title	Meas. No.	Implementing Body	ESF Allocation 2000-2006	Total Eligible Expenditure 2003*	Total ESF Expenditure 2003	Cumulative Total Expenditure 2000-2003*	Cumulative ESF Expenditure 2000-2003	Cumulative ESF exp. as a % of total ESF allocation (i/e)	Field of Intervention
<b>Employability</b>	National Employment Service	2	FAS	11.500	58.690	2.765	210.670	5.689	49%	323
	Active Measures for LTU & Socially Excluded	3	FAS	48.600	288.870	6.410	1489.374	27.431	56%	21
	School Completion Initiative	5	D/ES	53.500	19.515	10.733	47.816	22.013	41%	23
	Third Level Access	9	D/ES	62.800	23.179	6.000	67.298	14.323	23%	23
	Early School Leaver - Progression FAS	11A	FAS	88.000	27.810	13.860	101.610	50.090	57%	23
	Early School Leaver - Progression (CTW)	11A	D/ES	7.503	1.570	0.907	6.752	3.747	50%	23
	Early School Leaver - Youthreach & Travellers	11B	D/ES	106.460	53.400	27.768	184.857	86.744	81%	23
	Skills Training for Unemployed & Redundant Workers	13	FAS	75.000	73.840	0.000	342.867	74.980	100%	23
	Apprenticeship/Traineeship	14A	FAS	85.650	143.380	12.600	510.052	34.948	41%	167
<b>Priority Total</b>				<b>539.013</b>	<b>690.254</b>	<b>81.043</b>	<b>2961.296</b>	<b>319.965</b>	<b>59%</b>	
<b>Entrepreneurship</b>	In Company Training -FAS	18A	FAS	66.545	14.000	8.200	60.634	33.592	50%	24
	In Company Training - Enterprise Ireland	18B	Ent. IRL	79.498	2.800	0.730	43.948	10.500	13%	24
	In Company Training	18C	D/ETE	0.000	0.000	0.000	0.000	0.000		24
	Social Economy -Programme	19A	FAS	25.700	37.987	2.190	69.706	5.843	23%	22
	Social Economy -Local Social Capital	19 B	FAS	9.000	0.000	0.000	0.000	0.000	0%	22
<b>Priority Total</b>				<b>180.743</b>	<b>54.787</b>	<b>11.120</b>	<b>174.288</b>	<b>49.935</b>	<b>28%</b>	

\* Includes national co-financed and non co-financed expenditure

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Priority	Measure Title	Meas. No.	Implementing Body	ESF Allocation 2000-2006	Total Eligible Expenditure 2003*	Total ESF Expenditure 2003	Cumulative Total Expenditure 2000-2003*	Cumulative ESF Expenditure 2000-2003	Cumulative ESF exp. as a % of total ESF allocation (i/e)	Field of Intervention
<b>Adaptability</b>	Lifelong Learning -Back to Education Initiative	21	D/ES	62.450	84.898	7.532	341.638	9.680	16%	24
	Lifelong Learning- National Adult Literacy Strategy	22	D/ES	35.400	17.725	6.565	63.559	28.326	80%	24
	Undergraduate Skills	26	D/ES	63.202	46.000	20.000	126.072	50.426	80%	24
	Quality Assurance-Certification &National Qualifications Framework	29B	D/ES	6.500	8.881	0.734	25.603	4.004	62%	23
<b>Priority Total</b>				<b>167.552</b>	<b>157.504</b>	<b>34.831</b>	<b>556.872</b>	<b>92.436</b>	<b>55%</b>	
<b>Equality</b>	Educational Disadvantage	30	D/ES	1.538	0.422	0.048	1.922	0.136	9%	25
	Equal Opps Promotion & Monitoring - Education	31A	D/ES	2.234	0.888	0.085	1.373	0.241	11%	25
	Equal Opps Promotion & Monitoring - NDP	31B	D/JELR	2.500	0.622	0.311	1.580	0.790	32%	25
	Equality for Women 31B1ESF	31B1	D/JELR	3.228	1.880	1.024	2.220	1.204	37%	25
<b>Priority Total</b>				<b>9.500</b>	<b>3.812</b>	<b>1.468</b>	<b>7.095</b>	<b>2.371</b>	<b>25%</b>	
<b>Technical Assistance</b>	Technical Assistance (Equality Studies )	33A	Eq. Auth	1.279	0.292	0.146	0.844	0.422	33%	413
	OP Technical Assistance	33B	D/ETE	3.000	0.560	0.280	1.480	0.740	25%	411
<b>Priority Total</b>				<b>4.279</b>	<b>0.852</b>	<b>0.426</b>	<b>2.324</b>	<b>1.162</b>	<b>27%</b>	
<b>OVERALL TOTAL</b>				<b>901.087</b>	<b>907.209</b>	<b>128.888</b>	<b>3,701.875</b>	<b>465.869</b>	<b>52%</b>	

\* Includes national co-financed and non co-financed expenditure

## **7. Financial Control**

### **7.1 Article 4 Checks**

#### ***ESF Paying Authority***

The ESF Paying Authority undertook an Article 4 visit to Enterprise Ireland (EI) – one of the Implementing Bodies under the Employment & Human Resources Development OP - in order to assess the arrangements in place for the proper validation and certification of expenditure claims by the Agency. The Paying Authority was aware that the ESF FCU, in undertaking an Article 10.1 (b) audit (as part of Ireland's 5% certifications requirement) had noted shortcomings in the IT "tool" used by EI to generate its claims and wished to revisit with EI how their claims were being generated. The Paying Authority also had some queries it wished to clarify arising from the autumn claim submitted by the Agency. The Paying Authority excluded the EI sub-measure from the OP claim to the Commission, pending receipt of the necessary clarifications from EI.

EI briefed the Paying Authority on the IT issue that had arisen on foot of the ESF FCU audit and was informed on how the Agency was progressing with the adjustment of its software to correct the problem identified. The Paying Authority undertook a spot check of a number of files maintained by EI. On checking the IT records and the paper trail on file for the small sample examined, the Paying Authority established that the IT and paper records matched.

#### ***EHRD OP Managing Authority***

During 2003, the EHRD OP Managing Authority conducted the following "Article 4" visits:

- Department of Education and Science (Early School Leavers Measure - May 2003);
- Department of Justice, Equality and Law Reform (Equal Opportunities, Promotion and Monitoring – NDP - May 2003); and
- Equality Authority (Technical Assistance – Equality Studies Measure - July 2003).

The Co-ordinating Managing Authority subsequently followed-up any issues that required further examination/clarification with these Implementing Agencies. Among the matters concerned were the use of ESF logo on headed paper and ensuring that procedures manuals were being kept up to date. All relevant issues were subsequently clarified/resolved to the Co-ordinating Managing Authority's satisfaction and will be further assessed when the next series of Article 4 checks are undertaken in the Implementing Departments/Agencies concerned. Most importantly, no particular financial control weaknesses or irregularities were uncovered during the course of the series of Article 4 visits.

## **7.2 Procedures Manual**

A detailed Procedures Manual was prepared by the OP Managing Authority in 2002 outlining responsibilities, tasks and procedures in place for the implementation of EU co-financed activity. This manual was updated, as necessary, throughout 2003. When completing Article 4 Checks, the EHRD OP Managing Authority continuously examines the implementing agencies procedures manual to ensure they are kept up to date and to ensure full compliance with the Structural Funds Regulations.

## **7.3 Changes in Ireland's Financial Management and Control Structures**

There were some changes to the ESF structure in 2003. Mr William Parnell replaced Ms Clare Dunne as ESF Head of Mission/Principal ESF Unit. Mr. John Hughes replaced Mr. Brendan O'Leary as Head of the ESF Paying Authority and Mr. Vincent Landers replaced Mr. Hughes as Head of the EHRD OP Managing Authority (Mr. Landers was subsequently succeeded in this post by Mr. Eamonn Balmer in July 2004).

It was agreed that the Head of the Paying Authority, rather than the Head of Mission, would in future certify all ESF draw-down claims to the Commission.

## **7.4 Audits by the European Commission**

The European Commission conducted a systems audit of the management and control systems of the Department of Education and Science in February 2003. Some further follow-up work was carried out by the ESF Financial Control Unit in June 2003. The Irish Authorities responded to the Commission's report on the audit in December 2003.

## **7.5 Audits by the Court of Auditors**

The European Court of Auditors carried out a Value for Money audit of the School Completion Initiative (*Measure 5*) in January 2003. A detailed response to the findings of the Court of Auditors was provided in July 2004.

## **7.6 Other audits**

The Department of Enterprise, Trade and Employment's *Internal Audit Unit* commenced a review of the structures of the ESF Unit in 2003. The overall objective of the audit was to ensure that the management and control systems are operating in accordance with EU requirements including, in particular, Council Regulation 1260/99 supplemented by Commission Regulations 438/01 and 448/01.

The following general objectives were identified:

- provide assurance that functions have been clearly allocated and that there is adequate separation of duties;
- provide assurance that procedures are adequate to verify the delivery of services and the reality and eligibility of expenditure;
- review systems to ensure that they are adequate to provide reliable financial information;
- provide assurance that procedures are in place to ensure that declarations made to the Commission are accurate, result from accounting systems based on verifiable supporting documents and include only expenditure actually incurred;
- review the effectiveness of systems in place to prevent errors and irregularities and ensure that any identified are reported and adequately addressed.

The audit report was being finalised at the time of compiling this report.

The **ESF Financial Control Unit** carried out a transaction audit of Enterprise Ireland's strand of the In-Company Training measure (*Measure 18*) in 2003 and made a number of recommendations which Enterprise Ireland have accepted.

## 7.7 Drawdown of ESF

The following table summarises the amount of ESF claimed from the Commission in 2003 under the EHRD OP.

OP/CI	Eligible Expenditure Declared in 2003 €	ESF Claimed in 2003 €	ESF Received in 2003 €
EHRD OP	292,015,191.00	122,014,301.00	96,045,753.76*

\* *Claim(s) made in December 2003 did not fall due for payment until 2004.*