

**Minutes of the Human Capital Investment OP  
Monitoring Committee meeting held on the  
10<sup>th</sup> July 2013  
at the Gresham Metropole Hotel,  
MacCurtain Street, Cork City**

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**CHAIRMAN: Mr. Vincent Landers, Dept. of Education and Skills**

Attendance: See Appendix I – Attendance list

## **1. OPENING REMARKS**

Mr. Vincent Landers, Chairman, welcomed the members of the Committee to the twelfth meeting of the Human Capital Investment OP. He also welcomed Ms. Cornelia Grosser Deputy Head of Unit, DG EMPL, and Ms. Renate Schopf, DG EMPL, EU Commission (in their capacity as observers) to the meeting.

Apologies were received from Ms P. Moreau Gender Equality Unit, D/JE, Ms. M. Connaughton, IBEC, Mr David Salter, Audit Authority, D/ES; Mr David Kelly, S and E Regional Assembly; Mr Brian Liggett, Special EU Programmes Body

## **2. AGENDA**

The Chairman introduced the agenda and sought adoption of the agenda by the Committee. No additional items for inclusion under AOB were proposed. The Agenda was adopted.

## **3 MINUTES AND MATTERS ARISING**

The Chairman sought the agreement of the Committee to the minutes of the last MC meeting held on the 12<sup>th</sup> December 2012. He allowed a week for the submission of written comments to be provided to the Managing Authority and agreed to incorporate minor amendments where received. The minutes were approved.

### **Matters arising:**

There were no matters arising from the previous minutes.

## 4 FINANCIAL TABLES and SUMMARY REPORT

### Labour Market

The Chairman noted that there were indications of a stabilisation in the labour market. There were 1,848,900 persons in employment at the end of the 4<sup>th</sup> Qtr in 2012 (+ 1,200). This was the first annual increase in employment since the 2<sup>nd</sup> Qtr of 2008.

- there were 294,600 persons unemployed;
- the overall participation rate declined from 60.3% to 59.7%;
- The overall unemployment rate decreased slightly from 14.5% to 13.7%;
- Long-term unemployment decreased from 196,000 to 176,400 a year previously
- The long-term unemployment rate increased from 9.1% (2011) to 8.2%

The Chairman also noted that there was net migration of -34,400 as a result of the 87,100 people who emigrated from Ireland and 52,700 who immigrated into Ireland.

### Forecasts for 2013 and 2014

The Chairman stated that the prediction for economic growth in Ireland for 2014 was 2.4%.

	<b>GDP 2013</b>	<b>GDP 2014</b>
<b>Dept of Finance</b>	1.3%	2.4%
<b>ESRI</b>	1.8%	2.7%
<b>Central Bank</b>	1.2%	2.5%
<b>EU</b>	1.1%	2.2%
<b>IMF</b>	1.1%	2.2%

### *Comment on HCI OP overall expenditure*

The Chairman noted that the challenge currently facing the Programme related to under expenditure in the BMW Region. The overall expenditure for the OP in the BMW Region showed 62% of the allocation spent at the end of 2012. The amount of funding drawn down from the EU Commission stood at €263 million or approx. 70% of the allocation for the Programme.

The Chairman asked Mr William McIntosh, Head of the HCI OP Managing Authority to introduce the financial reports.

Mr McIntosh directed the attention of the Committee to pages two and three of the Financial Summary Report, which showed the overall allocations, the expenditure to the end of 2012 and the balance remaining to be spent for the OP as a whole (he advised that some amendments were required to the Table on page 3). It was noted that expenditure for the Programme as a whole for 2012 was ahead of forecast, i.e., €341.121m, Table, page 4 refers. The expenditure shown on page 5 in relation to the BMW Region showed that only 62% of the overall allocation had been spent by the

end of 2012; for the S&E Region (page 6), the expenditure to date has exceeded the allocation. The text on page 7 is to be amended to include the amount - €119m - for ESF remaining to be spent in the OP,

#### Priority 1- Increasing Activation of the Labour Force Priority

The Table on page 8 show the **total expenditure for Priority 1** (Increasing Activation of the Labour Force) for the year 2012 was €203.63 million and **ESF expenditure** for the period reached €13.96 million (or 74.2% of forecast); by region total expenditure in the BMW for the year 2012 was €64.08 million and in the SAE, it reached €139.548 million. However, ESF expenditure for the BMW Region was €6.16 million, which represented just 29.7% of the total allocation for the OP period while in the S&E Region it was €7.798 million, which exceeded the total allocation for the Region.

#### Priority 2 - Increasing Participation and Reducing Inequality in the Labour Force

**Total expenditure for Priority 2** (Increasing Participation and Reducing Inequality in the Labour Force) for the year 2012 was €63.131 million. The **ESF expenditure** for the same period reached €31.565 million; by region total expenditure was €37.865 million in the BMW and €25.266 million in the SAE Region. The **ESF expenditure** for the BMW Region was €18.932 million and in the S&E it was €12.633 million. There were no difficulties in relation to the expenditure for the BMW Region under this Priority.

#### Priority 3 – Technical Assistance

Total expenditure on the *Technical Assistance Priority* for the year 2012 was €0.609 million and the ESF expenditure for the period was €0.304 million. The ESF allocation for the Priority for the period 2007 to the end of 2013 was €3.674m and the total ESF expenditure to the end of 2012 €1.826 million (or approx. 50% of total expenditure).

The Chairman said that the expenditure shortfalls in the BMW Region and the Programme as a whole would be examined at the end of the first quarter of 2014. If expenditure forecasts to end of Programme did not address these shortfalls, then the Managing Authority would most likely bring forward proposals for re-allocations within the Priorities or across Priority, as necessary.

## **5. Horizontal Principles**

### **Gender Equality Horizontal Principle**

Mr Patrick O’Leary, Gender Equality Division, D/IE, noted that all the Activities had provided reports with data on the gender equality horizontal principle and he thanked them for that. He stated that the Back to Education Initiative (BTEI) Activity report remained strong and it was a model on how to implement the gender equality horizontal principle. In the future round of funding, gender equality data would require data on progression information as well. Future policy would have to address increasing the economic engagement of women; one of the aims of the Europe 2020 programme under economic growth included increasing the economic engagement of women.

The Chairman stated that the Regulations covering the next round of funding included reporting requirements for Indicators - not just outputs - but also onward progression of participants in the longer term. The chairman thanked Mr O’Leary for his review of the Activity reports.

Mr Peter Kelly, SFU, D/ES, stated that the Adult Literacy programme (ESF 2.3) was introduced following the findings of a White Paper published in 2001/02, where the rate of illiteracy was found to be 25%. The adult literacy programme was subject to ongoing redesign over the years; new guidelines were issued in 2012, in conjunction with stakeholders, to assist in the administration and management of the programme. The service had increased annually from 46,000 in 2007 to 57,000 in 2012.

The full review report can be sourced on the ESF website at:

[http://www.esf.ie/en/hci\\_view\\_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57](http://www.esf.ie/en/hci_view_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57)

### **Wider Equal Opportunities Horizontal Principle**

Ms Carole Sullivan, Equality Authority, introduced her report by stating that the HCI OP required all the Intermediate Bodies funded under the OP to report on the nine grounds set out in the Equality Legislation. She noted that all the reports from the IBs were received. The revised template has helped to clarify the reporting requirements in respect of the two horizontal principles (gender and wider equal opportunities), but some Activities were still using the old template. While the reporting had improved for the wider equality grounds, participation data was only provided for four of the eight grounds (excluding gender).

The Back to Education Initiative (ESF 1.3) report was highlighted as being a report which could act as an example of good practice for the other Activities. She noted that the VECs who delivered the BTEI had availed of equality expert support to implement a range at an organisational level from the Equality Mainstreaming Unit. She also noted an improvement in the report for the Adult Literacy Activity (ESF 2.3) in relation to the wider grounds, but no data on participation rates was provided. Ms Sullivan repeated her offer of support for the Activities in relation to developing

equality grounds and reporting on them. The full review report can be sourced on the ESF website at:

[http://www.esf.ie/en/hci\\_view\\_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57](http://www.esf.ie/en/hci_view_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57)

The draft Regulations for the next round of funding place greater emphasis on equality, non-discrimination grounds and social inclusion than the current round.

The Chairman emphasised that the capacity and ability to collect and report data in relation to activities/programmes would be a key aspect of the next round of ESF funding. He thanked Ms Sullivan for her review of the wider equal opportunities reports for the OP's Activities.

### **Social Inclusion Horizontal Principle**

The Chairman noted that there was no Review of the Social Inclusion Horizontal Principle presented to the Monitoring Committee by the Social Inclusion Division, D/SP. Mr Eoin O'Seaghda, Dept of Social Protection, stated that he had spoken to the Social Inclusion Division of D/SP and that they expected to present a Review of the Social Inclusion Horizontal Principle reports for the next meeting.

## **6. Labour Market Education and Training fund (LMETF)**

Dr Bryan Fields, FÁS, explained that the LMETF was the successor to the Labour Market Activation Fund (LMAF), which was completed in 2010. New aspects were included in this Initiative (MOMENTUM) and it was targeted at the long term unemployed. MOMENTUM was an outcomes-based model of education and training, tailored to meet the needs of the long-term job-seeker and employers who were experiencing skills shortages. The courses included on-the job training in the form of work experience modules as well as the development of the workplace skills required to obtain and retain employment. All the 6,500 places would be taken up before the end of 2013, but some of the courses would continue into the following year. (The projects range in duration from 11 weeks to 45 weeks.) FÁS had set up a control group to determine what would happen if the participants didn't go on the programme.

The Chairman asked FÁS to provide updates on the programme; this kind of information would be very important for the planning of the next Operational Programme. Dr. Fields agreed to give a presentation on the progress and outcomes of the LMETF at the next MC meeting.

## **7. Presentation on Future of Structural Funds**

Ms. Cornelia Grosser, Deputy Head of Unit, DG EMPL, EU Commission, introduced her presentation on the future of the Structural Funds entitled "Preparation 2014 - 2020".

Firstly, she outlined the indicative timetables involved in the preparation for the various stages of the new regulations, with the expected publication of the new regulations by the end of November. She also outlined the indicative timetable for the Partnership Agreement and the new Operational Programme with an expected adoption date in the first half of 2014.

The Commission's proposal for the Youth Employment Initiative (YEI) was aimed at Regions with greater than 25% youth unemployment. The total expected additional EU funding for the YEI is €6bn. It was expected that the Initiative would commence in 2015 and that all the funding would be committed in the years 2014-15. Member States were expected to adopt a plan to tackle youth unemployment by implementing the Youth Guarantee before the end of 2013. The Commission will produce a report in 2016 on the implementation of the YEI.

The Chairman thanked Ms. Grosser for her presentation. He advised that the YEI would be funded from the ESF. A discussion on the future of the structural funds for Ireland then followed. It was noted that policy responsibility for the YEI rested with D/SP which was chairing a coordinating group in relation to same which included appropriate representation from DES.

A copy of the presentation can be found on the ESF website at the following location:  
[http://www.esf.ie/en/hci\\_view\\_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57](http://www.esf.ie/en/hci_view_meeting.aspx?article=67bc8f7d-8bec-4b2f-b53e-d92a1286a739&meeting=57)

## **8. OP 2014-2020**

Mr Jim Deane, Dept/PER, summarised the current position of the draft Structural Funds Regulations. This involved six regulations covering all the funds including the ERDF, the ESF, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. There were 150 common provisions to be agreed, over 90 "Trilogues" (informal tripartite meetings attended by representatives of the European Parliament, the Council and the Commission), and these were linked to agreement on the Multiannual Financial Framework (MFF).

The Partnership Agreement (PA) was being prepared by D/PER; Agriculture and Fisheries were now also included in the Partnership Agreement. The Partnership Agreement would inform the Operational Programmes and vice versa. The other outstanding issues/documents were the Needs Analysis, the ex-ante evaluations and the thematic objectives (80% or four objectives per fund). The ESF thematic objectives were:

- promoting employment and supporting labour mobility;
- promoting social inclusion and combating poverty;
- investing in education, skills and lifelong learning;

In addition, at least 20 % of the ESF allocation should be dedicated to 'promoting social inclusion and combating poverty' and operational programmes should concentrate funding on a limited number of 'investment priorities'. The elimination of inequalities between women and men and the prevention of discrimination were further

objectives set by the regulations, by means of a mainstreaming approach and specific actions to promote gender equality and non-discrimination.

The Chairman thanked Mr Deane for his summary of the current position in relation to the Structural Funds Regulations for the next round. He outlined the next steps to be completed in the process; the ex-ante evaluation of the current OP would run in tandem with the design of the next Programme. The consultation process would be carried out through the Monitoring Committee structure. The Youth Employment Initiative (YEI) would absorb a lot of expenditure in the first two years of the programme. Among the elements to be considered was the structure of the ESF management for the new round, particularly the monitoring and administration requirements demanded by the Regulations. A discussion of the issues involved followed.

## **9. Transnational Cooperation**

Mr McIntosh updated the Committee on the latest position in relation to Transnational Cooperation. He explained that the ESF MA had joined a Learning Network for mobility for disadvantaged youth and young adults with a view to seeing a coordinated call for proposals being issued in 2014 across all MS; the German Labour Ministry is the lead body on this network. The Chairman added that funds had been allocated to a Transnational Cooperation initiative within both Priorities under the HCI OP.

## **10. A.O.B**

### **Next meeting:**

The next meeting of the Monitoring Committee will be held in the BMW Region in the Autumn of 2013.

The Chairman thanked those present for their attendance and contributions, the hotel for its service, the sound engineer for his work and the Managing Authority staff for attending to the logistics for the meeting.

## **Appendix I**

### **Attendance List MC Meeting 10<sup>th</sup> July 2013**

Mr. Vincent Landers	Head of ESF; D/ES
Mr. Willie McIntosh	ESF/HCI OP; D/ES
Ms. Catherine Ryan	ESF/HCI OP; D/ES
Ms. Cornelia Grosser	EU Commission, EMPL/F3
Ms. Renate Schopf	EU Commission, EMPL/F3
Ms. Brid O'Brien	INOUE
Mr Bryan Fields	FÁS
Mr David Dunne	FÁS
Mr Joe Gavin	Irish Youth Justice Service
Mr Con O'Carroll	Dept. of Justice & Equality
Mr Alan Lombard	Dept. of Justice & Equality
Mr Gerard Roughneen	Dept. of Justice & Equality
Mr Patrick O'Leary	Dept. of Justice & Equality
Mr Barry Guckian	BMW Regional Assembly
Mr Eoin O'Seaghdha	Dept. of Social Protection
Ms Carole Sullivan	Equality Authority
M. Peter Kelly	Dept. of Education and Skills
Ms Mary Kelleher	Dept. of Education and Skills
Mr Jim Deane	Dept. of Public Expenditure Reform
<b><u>Apologies:</u></b>	
Ms Pauline Moreau	Gender Equality Unit, D/JE
Mr David Salter	ESF Audit Authority
Ms Mary Connaughton	IBEC
Mr Brian Liggett	Special EU Programmes Body
Mr David Kelly	South and Eastern Regional Assembly