

**Minutes of the Human Capital Investment OP
Monitoring Committee meeting held on the
12th December 2012
at the Annebrook house Hotel, Mullingar, Co. Westmeath.**

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 eleventh meeting of the Human Capital Investment OP. He welcomed Ms. Cornelia Grosser Deputy Head of Unit, DG EMPL, and Ms. Renate Schopf, DG EMPL, EU Commission to the meeting.

Apologies were received from the Dept of Public Expenditure Reform who were unable to attend the meeting. Apologies were also received from Ms. P. Moreau and Mr. P. O’Leary of Gender Equality Unit, D/JE, Mr. B. Duggan and Ms. M. Kelleher of Dept of Education and Skills, Ms. M. Connaughton, IBEC, Mr. G. Finn, BMW Regional Assembly and Mr. J. Collins ESF Audit Authority.

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 5th June 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 possible. The minutes were adopted.

Matters arising:

Mr. William McIntosh, Managing Authority, informed the Monitoring Committee that:

- the final payment had been received from the Commission in relation to the EHRD OP 2000-06 and the Programme was now closed;
- that the Annual Implementation Report (AIR) for 2011 had been accepted and approved by the Commission;

- an application for payment of a claim had been submitted to the Commission at the end of October and it was expected to be paid before the end of the year;
- there were a number of on-going issues in relation to the audits of the HCI OP carried out recently, which were being followed up by the relevant bodies;
- the new Labour Market Training and Education fund (LMETF), due to be launched on the 18th December, would be administered by FÁS/SOLAS.

Mr. Brian Fields, FÁS, gave an update on the current situation in relation to the establishment of SOLAS. The process involves the merger of 33 VECs with the 16 FÁS Centres to create the new Education & Training Board (ETB) centres; the legislation was expected to be finalised by March 2013. The SOLAS Action Plan, published recently by the Department, set out the vision and the functions for SOLAS. A further update on the status of SOLAS will be given at the spring Monitoring **Committee meeting**.

4 FINANCIAL TABLES and SUMMARY REPORT

Labour Market

The Chairman noted the following in relation to the labour market:

- there were 1,841,300 persons in employment at the end of the 3rd Qtr in 2012;
- there were 324,500 persons unemployed;
- the labour force decreased by 7,900 at the end of the 3rd Qtr 2012;
- the overall employment rate increased slightly from 58.8% to 59.0%;
- the overall participation rate declined from 60.4% to 60.2%;
- The overall unemployment rate decreased slightly from 15.1% to 15.0%;
- Long-term unemployment increased to 193,000 from 191,700 a year previously
- The long-term unemployment rate increased from 8.8% (2011) to 8.9%
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Regional Comparisons

- Employment fell by -7,900 in the BMW region, and increased by 3,600 in the SAE region at the end of Q3 2012.
- The participation rate in the BMW Region was 57.7% and in the S&E Region 60.2%.

Forecasts for 2013

	GDP 2013
Dept of Finance	2.2%
ESRI	2.1%
Central Bank	1.7%
EU	1.4%
IMF	1.4%

Mr. William McIntosh, Head of the HCI OP Managing Authority introduced the financial reports. He referred the Members to the Summary Report, in particular, to the general commentary and table on page three of the report, which showed the overall allocations, the expenditure to June 2012 and the balance remaining to be spent. It was noted that expenditure for the Programme as a whole for the first half of 2012 was ahead of forecast.

Priority 1 - Increasing Activation of the Labour Force Priority

The total expenditure for Priority 1 - *Increasing Activation of the Labour Force* for the first half of 2012 was €128.6 million and the ESF expenditure for the period reached €27.5 million. Total expenditure in the BMW region for the first half of 2012 was €39 million and in the SAE region, it was €89.58 million. The ESF expenditure for the BMW Region was €12.2 million and in the S&E Region it was €15.3 million.

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 first half of 2012 was €46.6 million. The ESF expenditure for the same period reached €23.28 million; for the BMW region, expenditure reached €25.18 million and in the SAE Region, it was almost €21.4 million. The ESF expenditure for the BMW Region was €12.6 million and in the S&E Region, it was €10.7 million.

Priority 3 – Technical Assistance

Total expenditure on the *Technical Assistance Priority* for the first half of 2012 was €0.305 million and the ESF expenditure for the period was €0.152 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 June 2012 €1.674m.

The Chairman said that the expenditure shortfalls in the Programme would be examined at the end of the first quarter of 2013. 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

Wider Equal Opportunities Horizontal Principle

Ms. Carol Baxter, Equality Authority, introduced the Review of the wider equal opportunities horizontal principle by the Equality Authority. While all of the reports were received, a disappointing number did not provide any information on the wider equality grounds. She pointed out that all selected activities must report on the gender and the wider equal opportunities principle. Those reports that did provide information, it was confined to data on participation.

The Review provided specific comments on the Activity reports on the wider equal opportunities horizontal principle. The Back to Education Initiative report was singled out as being a good model in terms of reporting on wider equal opportunities and

suggested that it could be used as an example of good practice for other activities. The Review also noted improvements in a number of the other reports for 2011.

Specific action in relation to the design and delivery of activities is needed to ensure that the wider equal opportunities horizontal principle is integrated fully within activities. The Equality Mainstreaming Unit remained available to have meetings and to offer support to Intermediate Bodies to develop action plans to support the practical application of the wider equal opportunities horizontal principle within activities funded.

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'Seaghdha, Dept of Social Protection, stated that he had spoken to the Social Inclusion Division of D/SP and that they would present a Review of the Social Inclusion Horizontal Principle reports for the next (Spring) meeting.

Gender Equality Horizontal Principle

Ms. Carol Baxter, Equality Authority, also introduced the Review of the gender equality horizontal principle, in the absence of a representative from the Gender Equality Division. The Review found that the Back to Education Initiative demonstrated a true understanding and knowledge of gender mainstreaming and presented an excellent report on how the IB has successfully integrated gender equality within the activity. It also noted that some IBs had taken action on equal opportunities in order to foster gender equality. Such measures were regarded as positive action measures and IBs should consider promoting themselves as 'good practice organisations'. The Review also noted that IBs should consider showing more analysis of the data and should consider tracking women's progression beyond project participation to areas such as employment, education or further training initiatives.

6. 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 "Structural funds – preparations for the next "round". The main focus of the presentation was on the challenges and policies underpinning the Structural Funds.

The purpose of the Common Strategic Framework (CSF) was to ensure that all the Funds (ESF, ERDF, EAFRD and EMFF) would be founded on a strategic, integrated, coordinated and coherent approach; centred on thematic objectives and with a strong focus on results. The socio-economic situation in Ireland was outlined along with the targets set for Ireland under the Europe 2020; (see table here below).

Europe 2020 headline targets	Current situation Ireland	National 2020 target - NRP
3% of EU GDP to be invested in research and development	1.8%	2%
20% energy from renewables	5,8%	16%
75% population aged 20-64 should be employed	64,1%	69-71%
Reduction in number of people in EU at risk of poverty or social exclusion by at least 20 million	277,000	200,000

The purpose of the Commission's Position Paper was outlined, i.e., to provide information on the requirements for the 2014-2020 priorities up-front for all the Member States and to advance the process between the Commission and the Member States. The challenges underpinning the funds for the 2014-2020 period were highlighted – high levels of unemployment (especially long-term unemployment); high youth unemployment; and the increasing risk of social exclusion; these would be the main funding priorities

The priorities and specific objectives for the ESF were set out as follows: -

1. Promoting employment and labour mobility
2. Promoting social inclusion
3. Investing in education and lifelong learning

Other challenges and priorities for the 2014-2020 funds were promoting R&D investment and the competitiveness of the business sector and the promotion of an environmentally-friendly and resource efficient economy.

The success factors for the effective delivery of the funds were included an approach that was strategic, integrated, coordinated and coherent; Monitoring and Evaluation aligned to the new regulatory framework; and coordination, complementarity and synergy between CSF funds including use of integrated approaches. Among the ex-ante conditionalities were a "Smart Specialisation" strategy and an active labour market policies are designed and delivered in coherence with Employment Guidelines.

For Monitoring and Evaluation of the Funds, the emphasis should shift from financial absorption to results, i.e., building robust monitoring and evaluation capacities, through the setting of reliable targets and tracking of physical progress; improved alert mechanisms; in-depth evaluations and conversion of results into remedial measures when required; and the development of sound methodologies to capture the results of the interventions

The next steps in the process were outlined as follows:

- Informal dialogue meetings between Commission and Ireland
- Submission of draft Partnership Agreement
- Negotiation mandate and observations on Partnership Agreement sent to Ireland by Commission
- Adoption Partnership Agreement

- Submission of draft Programmes
- Observations on Programmes by Commission
- Final deadline for adoption of Programmes

The Chairman thanked Ms. Grosser for her presentation. A discussion on the future of the structural funds for Ireland then followed.

The full presentation can be found on the ESF website at the following location:
http://www.esf.ie/en/hci_view_meeting.aspx?article=cce95e98-c8c3-473f-8a1d-57d2ca93f7e5&meeting=56

7. A.O.B

Next meeting:

The next meeting of the Monitoring Committee will be held in the S&E Region in the Spring of 2013.

The Chairman thanked those present for their attendance and contributions; the hotel for its service and courtesy and the sound engineer for his work and the Managing Authority staff for arranging the meeting.

Appendix I

Attendance List MC Meeting 12th December 2012

Mr. Vincent Landers	Head of ESF; D/ES
Mr. Willie McIntosh	ESF/HCI OP; D/ES
Mr. Tom Whelan	ESF/CA; D/ES
Ms. Catherine Ryan	ESF/HCI OP; D/ES
Mr. Conor Shiels	ESF/HCI OP; D/ES
Ms. Cornelia Grosser	EU Commission, EMPL/F3
Ms. Renate Schopf	EU Commission, EMPL/F3
Mr. Eoin O'Seaghdha	Illness and Disability Policy Planning Unit, D/SP
Ms. Brid O'Brien	INOUE
Mr. Peter Kelly	Dept of Education and Skills
Mr. David Dunne	FÁS
Mr. Bryan Fields	FÁS
Mr. Con O'Carroll	Dept of Justice & Equality
Mr. Gerard Roughneen	Dept of Justice & Equality
Ms. Carol Baxter	Equality Authority
Mr. Joe Gavin	IYJS
Mr. Jason McLoughlin	Dept of Children and Youth Affairs
Ms. Sonya Maurus	S & E Regional Assembly
Mr. Michael McCawley	BMW Regional Assembly
Mr. Damien Geoghegan	Southern & Eastern Regional Assembly
<u>Apologies:</u>	
Ms. Mary Kelleher	Dept of Education and Skills
Mr. Gerry Finn	BMW Regional Assembly
Mr. Brian Duggan	Dept of Education and Skills
Mr. John Collins	ESF Audit Authority
Ms. Pauline Moreau	Gender Equality Unit, D/JE
Mr. Patrick O'Leary	Gender Equality Unit, D/JE
Ms. Mary Connaughton	IBEC
Mr. Gearoid O'Keefe	D/PER