

**Minutes of the Human Capital Investment OP  
Monitoring Committee meeting  
held on the 15<sup>th</sup> July 2014  
at Harbour Hotel, New Dock Road, Galway.**

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

He invited Ms Grosser to make introductory comments to the meeting. Ms Grosser summarised the progress made since the last meeting, the finalisation of the Regulations, and the acceptance of the AIR for 2013.

## **2. AGENDA**

The Chairman presented the agenda and proposed a change in the order of the Agenda. 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 24<sup>th</sup> January 2014. 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 adopted.

### **Matters arising:**

#### Preparation of the new ESF OP

The draft proposal for the new ESF Operational programme for Ireland was submitted to the Cabinet for consideration. The completed draft of the OP would be submitted to the Commission by the deadline of the 22<sup>nd</sup> July. The draft Partnership Agreement had been submitted to the Commission by the deadline of the 22<sup>nd</sup> April; this document incorporated all the EU funds, including the ESF. The Chairman expected that both the Partnership Agreement and the ESF OP would be approved by the Commission before

the end of the year. This item would be dealt with later in the meeting in conjunction with the item on the draft Partnership Agreement.

#### Audits:

The Chairman referred to the recent difficulties experienced by the HCI OP with audit requirements, which related to old findings of technical and minor issues, that had now been resolved, but they had required follow-up audits in order to comply with the Commission's Audit Unit instructions.

## **4. FINANCIAL TABLES and SUMMARY REPORT**

### ***Labour market overview***

The chairman introduced a few important statistics relating to the labour market at the end of 2013.

- The labour force increased by 19,600 in 2013, resulting in 2,163,100 persons in the labour force.
- There were 1,909,800 persons in employment at the end of Q4 of 2013, an increase of 61,000 (3.3%) in the twelve- month period.
- The overall employment rate increased from 63.2% to 66.5% during the year.
- The overall participation rate increased from 59.6% to 60.1%.
- There were 253,200 persons unemployed at the end of 2013, a decrease of - 41,400 (16.4%) in the year.
- The unadjusted unemployment rate decreased from 13.7% to 11.7%.
- The SUR (Standardised Unemployment Rate) series has shown a downward trend for the past 24 months.
- The long-term unemployment rate at the end of 2013 had fallen to 7.2% compared to 8.2% at the end of 2012.

### ***Regional Comparisons***

- In relation to Quarter 1 of 2014, both regions showed a slight decline in employment figures.
- The unemployment rate in the BMW Region was 12.6% and in the SAE Region in was 11.8%.
- The participation rate in the BMW Region was 57.5% and in the S&E Region, it was 60.5%.

The GDP forecasts from the Dept of Finance predicted 1.3% for 2013, 2.1% for 2014 and 2.7% for 2015. The EU predicted 1.1% for 2013, 1.7% for 2014 and 3.0% for 2015.

### ***Comment on HCI OP overall expenditure***

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

Mr McIntosh summarised the main changes within the HCIOP in 2013, namely the new FET strategy, dissolution of FAS, the establishment of SOLAS, the planned merger of the FAS and VECs into the new Education and Training Boards (ETBs). The new Equality legislation had been passed and the Equality Authority was merged into the new body entitled the Irish Human Rights and Equality Commission.

He referred the Members to the Summary Financial Progress Report and the Summary Progress Report circulated to the Members. He directed them to the Table on page three of the Summary Financial Report which provided a picture of the expenditure at both Priority and Activity levels at the end of 2013, capped at the allocation level for those Activities who had exceeded expenditure. He noted that expenditure was satisfactory in most cases, but the slow expenditure in the BMW Region still persisted. There was also an under-spend in the Technical Assistance Priority, which might require re-allocation of some funding to another Priority. A discussion followed on the BMW expenditure and other expenditure related issues, N+2, audits, etc.

## **5. Horizontal Principles**

The Chairman asked the representatives of the Horizontal Principle Bodies to present their reviews of the HP reports under the HCIOP.

### **Gender Equality Horizontal Principle**

Mr Patrick O’Leary, Gender Equality Division, D/JE, stated that there was an improvement by the Activities reporting on the Gender Equality Horizontal Principle. He referred in particular to the ESF 1.3 Back to Education Initiative’s report which remained consistently strong in its reporting and it was an example that others could follow. In relation to the ESF 1.4 Undergraduate Skills, he noted the fact that women were still underrepresented in the ICT and engineering employment sectors. There was an increase in female participation in the universities for these courses. He referred to the importance of the gender equality requirement for the new ESF OP.

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

Ms Carole Sullivan, IHREC, (formerly the Equality Authority), referred to the new Body - Irish Human Rights and Equality Commission – into which the Equality Authority now been incorporated and the legislation - Irish Human Rights and Equality Commission Act 2014 - had just been passed. The legislation provided for a positive duty on public bodies to comply with the equality requirements.

She thanked those who reports had incorporated better reporting of the wider equal opportunities horizontal principle. She referred to the ESF 2.6/2.7 Garda Youth Diversion Projects in this regard and further noted that the ESF 2.7 report provided a description of how one of the projects incorporated a focus on equality and non-discrimination within the project implementation.

## **5. Partnership Agreement and Draft ESF OP.**

Mr Jim Deane, D/PER, Structural Funds Unit, provided an update to the Committee on the progress of the Partnership agreement between Ireland and the Commission. The EU's Cohesion Policy has a budget of up to €351bn to invest in the EU economy. It will be the EU's principle investment device for delivering the EU 2020 goals, i.e. growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. There will be more focus on result-orientated investments with penalties attached.

The Partnership Agreement (PA) is the equivalent of the old National Strategic Reference Framework (NSRF) in the current round of OP's 2007-2013. It is a formal agreement between the Commission and the Member States setting out the targets for all the funds (ESF, Structural, Agriculture and Rural, Maritime and Fisheries, and Cohesion). The deadline for submission of the PA to the Commission is the 22<sup>nd</sup> April 2014. The Government was currently considering the proposals for the BMW and the SAE Regions Structural Funds OP's.

The Chairman thanked Mr. Deane for his update on the Partnership Agreement. Mr. McIntosh then summarised the Memo submitted to Government in relation to the ESF Operational Programme for 2014 to 2020 and the main Priorities outlined in the Memo and the total funding available €542m ESF and an additional €68m in relation to Youth Employment Initiative. Ms. Grosser, EU Commission, then outlined the procedures that would be taken by the Commission and the next steps that the Member State needed to follow. A discussion on the proposals then followed.

## **7. Closure of the HCI OP 2007-2013**

Mr Tom Whelan, head of the ESF Certifying Authority, introduced his presentation entitled "ESF Closure 2007-2013 HCI OP". He outlined the progress made to date, the amount of expenditure certified to the Commission, namely 69% or €517m out of €751m; and the N+2 target that had to be met for 2014. He reminded all that at closure of the OP, the Regional split of expenditure must be maintained, one could not be used to compensate for the other; only 46% of the BMW expenditure had so far been certified.

He outlined the key dates that had to be complied with as part of the closure process -

- the re-allocation of expenditure between Priorities had to be completed and approved by the Commission before the 31/12/2015
- the submission of all the closure documentation (including the final claim, the final implementation report and the Audit opinion/declaration and report) to the Commission had to be completed by the 31/03/2017

Finally he outlined the dates and requirements for submission of declared expenditure as follows –

- Certification of ESF Expenditure on EUSF/Form Bs (TBC) - all expenditure to 31/12/13 certified in Form B1 by end of 2014
- 2014 expenditure certified in Form B1 in Q2 2015 (BMW expenditure only)
- 2015 expenditure certified in Form B1 by end of February 2016 (exceptional and BMW expenditure only)
- Final cumulative claim submitted to Audit Authority by 30/6/2016

The full Closure Presentation can be found on the ESF website at:

[http://www.esf.ie/en/hci\\_view\\_meeting.aspx?article=3839d218-92b4-4ea7-9c51-4ee25cb7f498&meeting=59](http://www.esf.ie/en/hci_view_meeting.aspx?article=3839d218-92b4-4ea7-9c51-4ee25cb7f498&meeting=59)

## **8. 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 “European Semester Country Specific Recommendations and links to operational Programmes”. The purpose of the European Semester was to ‘ensure stronger coordination of plans under preparation, detection of imbalances/ inconsistencies’ This would be achieved by the Commission by publicly informing on national economic, labour market and social plans. The method through which this would be achieved included the following:

- *Annual Growth Survey begins the process*
- *AGS discussed and guidance provided at March Council*
- *European Commission and MS hold bilateral meetings*
- *MS prepare and submit NRPs (after consultation with stakeholders) and Stability or Convergence Programmes (SCPs)*
- *Member States and Commission review implementation of previous years' Country Specific Recommendations (CSRs) in the Committees*
- *Commission publishes CSR proposals*
- *CSRs discussed with MS in the Committees*
- *CSRs endorsed by Council in June Council*
- *MS begin to implement CSRs*

The CSR for Ireland contained seven recommendations covering areas such as the budget deficit; healthcare sector reform; employment and skills; poverty reduction; financing for the SME sector; banking sector; legal reform. Ms Grosser further expanded on the Employment and Poverty Reduction CSRs in relation to Ireland and set out the rationale for both recommendations. These challenges should be linked to and tackled by the new ESF Operational Programme for Ireland.

A brief discussion took place following the presentation. The Chairman thanked Ms. Grosser for her presentation.

The full presentation can be found on the ESF website at:

[http://www.esf.ie/en/hci\\_view\\_meeting.aspx?article=3839d218-92b4-4ea7-9c51-4ee25cb7f498&meeting=59](http://www.esf.ie/en/hci_view_meeting.aspx?article=3839d218-92b4-4ea7-9c51-4ee25cb7f498&meeting=59)

## **9. A.O.B**

### **Next meeting:**

The next meeting of the Monitoring Committee will be held in the S&E Region in the Autumn of 2014.

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 the documentation and logistics for the meeting.

## **Appendix I**

### **Attendance List MC Meeting 15<sup>th</sup> July 2014**

Mr. Vincent Landers	Head of ESF; D/ES
Mr. Willie McIntosh	ESF/HCI OP; D/ES
Mr. Tom Whelan	ESF Certifying Authority/DES
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 Jim Deane	Dept. of Public Expenditure and Reform
Ms Carole Sullivan	IHREC
Ms. Brid O'Brien	INOUE
Ms Mary Kelleher	SFU/DES
Mr Peter Kelly	SFU/DES
Mr Rod Tierney	Solas
Ms Berny Daly	Solas
Mr John McGrath	Solas
Ms Brid Kennedy	Solas
Mr Con O'Carroll	RDU, Dept. of Justice & Equality
Mr Gerard Roughneen	Dept. of Justice & Equality
Mr Gerry Finn	BMW Regional Assembly
Mr Joe Gavin	Irish Youth Justice Service
Mr Jason McLoughlin	Irish Youth Justice Service
Mr Patrick O'Leary	GED, Dept. of Justice & Equality
Mr Damien Geoghegan	S&E Regional Assembly