

**Minutes of the Human Capital Investment OP
Monitoring Committee meeting held on the
5th June 2012
at the Academy Plaza Hotel, Dublin 1.**

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 tenth meeting of the Human Capital Investment OP.

He welcomed Ms. Cornelia Grosser, Deputy Head of Unit, DG EMPL, and Ms. Renate Schopf of DG Employment, Social Affairs and Inclusion, European Commission. Apologies were received from Ms. Pauline Moreau of Gender Equality Unit, D/JE, Mr. Brian Duggan of Dept of Education and Skills, Ms. Mary Connaughton, IBEC, Ms. Theresa McNamara, Dept of Social Protection, Ms. Deirdre NiNeill, Dept of Justice and Equality and Mr. Joe Gavin, IYJS, Dept of Justice and Equality.

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 11th November 2011. 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:

The Chairman noted that the Annual Implementation Report (AIR) for 2010 had been accepted and approved by the Commission.

4 FINANCIAL TABLES and SUMMARY REPORT

The Chairman informed the Committee that following the latest revision of the HCI OP, the total size of the Programme was now €751 million, with the ESF co-funding element at 50%. He referred to the continuing problem with expenditure in the BMW Region and he anticipated that the recent change to the OP would assist in dealing with this challenge. The cumulative forecast for the BMW Region up to the end of 2011 was €425 million while the ESF forecast for the same period was €212.8 million. The cumulative forecast for the S&E Region to the end of 2011 amounted to €205 million with the ESF expenditure for the same period was €102.6 million. The total ESF expenditure for the BMW to the end of 2011 was €164.4m and for the S&E was €226.87m approx.

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

Priority 1- Increasing Activation of the Labour Force Priority

The total expenditure for Priority 1 - *Increasing Activation of the Labour Force* for 2011 was €213.58 million and the ESF expenditure for the period reached €35.6 million. Total expenditure in the BMW region for 2011 was close to €61.6 million and in the SAE region, it was €152 million. The ESF expenditure for the BMW Region was €17.6 million and in the S&E Region it was almost €18 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 year 2011 was €74.9 million. The ESF expenditure for the same period reached €37.46 million. For the BMW region in 2011, expenditure reached €44 million and in the SAE Region, it was almost €30.7 million. The ESF expenditure for the BMW Region was €22 million and in the S&E Region, it was €15 million.

Priority 3 – Technical Assistance

Total expenditure on the *Technical Assistance Priority* for 2011 was €0.8 million and the ESF expenditure for the period was €0.4 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 2011 €1.521m.

Labour Market

The Chairman gave a brief overview of the current state of the labour market and the economy. The Government had allocated a sum of €20 million in the Budget for 2012 for the new Labour Market Education and Training Fund. In February the minister for Education and Skills launched a new €10 million initiative - the Springboard Programme - to provide free part-time higher education courses to enable unemployed people to upskill and re-skill in areas of identified skills needs where sustainable employment opportunities were expected to arise. FÁS introduced the Redundant Apprentice Placement Scheme in May 2012 to enable redundant

apprentices to progress in their apprenticeships, to complete their courses or move to a new conversion programme. Skillnets programmes were allocated €14.5 million under the budget for training for the unemployed and job-seekers. The 'Pathways to Work' programme (Labour Market Activation), is to ensure that the creation of new jobs results in a reduction in unemployment, particularly long-term unemployment. This plan would be achieved through more regular engagement with the unemployed; greater targeting of activation places and opportunities; motivating the take-up of opportunities; motivating employers to provide more jobs for people who were unemployed; and reforming institutions (e.g., FÁS/SOLAS) to deliver better services to people who were unemployed.

In the Government's Action Plan for jobs, over 270 distinct actions were selected to be utilised in the creation of employment with a target of 100,000 by 2016 and to have two million at work by 2020 (the figure at the end of 2011 was 1.8m.). The new National Employment and Entitlements Service (NEES), as provided for in the Programme for Government, combines welfare and jobs initiatives together and is aimed at increasing social and economic participation.

Labour Force Statistics

- The labour force decreased to 2,109,800 persons in 2011, a fall of 12,400.
- At the end of 2011, there were 1,807,800 persons in employment
- The overall employment rate fell from 59.4% to 59.3% during the year.
- The overall participation rate declined from 60.4% to 60.2% during 2011.
- There were 302,000 persons unemployed at the end of 2011
- The unadjusted unemployment rate increased from 14.1% to 14.3% in 2011
- The numbers in full-time employment decreased from 1,400,100 to 1,383,000
- The long-term unemployment figure increased by 18.3% to 182,100 in 2011
- The long-term unemployment rate reached 8.6%
- The number of long-term unemployed reached 60.3%

The Chairman opened the meeting to the floor and a brief discussion on jobs and unemployment followed.

Horizontal Principles

Ms. Carole Sullivan, Equality Authority, asked the Managing Authority to maintain the Horizontal Principles Reports as separate item on the Agenda.

5. Presentation on Labour Market Education and Training Fund

Mr. Ciaran Conlon from FÁS introduced his presentation on the new Labour Market Education and Training Fund (LMETF). The Department of Education and Skills committed €20m to fund a range of education and training interventions for up to 6,500 individuals who are long-term (more than 12 months) unemployed. The aim of the Fund was to develop cooperation and engagement between employers and education and training providers in the design and delivery of relevant projects for the

unemployed in support of the Government's Action Plan for Jobs and the National Skills Strategy.

The Fund would incorporate the lessons and experience of the previous LMAF, including the analysis and recommendations as appropriate of the independent evaluation. Relevant solutions would be identified within the context of the following themes:-

- *Support of occupational clusters where demand and vacancies exist within the Labour Market sectors.*
- *Support to provide for the specific needs of younger people who are unemployed.*

The focus would be on new innovative 'market-led' measures that training and education providers could provide, in order to activate people who were unemployed and progress their return to the labour market directly or through further training and education. Opportunities offered would be learner-centred, outcomes-based education and training to meet the skill needs of the learner and stakeholders in our evolving economy; full-time or part-time in nature and it was intended to cover all forms of flexible delivery; and seek to address a precise labour market need and provide support to its participants with expert career guidance, job preparation skills and work placements and supports that will lead to sustainable employment.

The initial Labour Market Activation Fund (LMAF) Evaluation report recommended taking a multi-annual approach to funding labour market activation projects and having a pre-qualification process for the providers of the LMAF projects. The planned pre-qualification process and criteria would include demonstrating that the funds were being utilised so as to satisfy public scrutiny; full compliance with public procurement procedures and other statutory duty and legal requirements. FÁS/SOLAS would consider and evaluate the applications periodically.

Support and co-financing would be sought from the European Social Fund (ESF) for appropriate elements of this funding programme. The contractor would be required to adhere to specific requirements relating to ESF funding which would be detailed at proposal stage.

Operating procedures would be drawn up by FAS/Solas to monitor and evaluate the projects, including the on-going monitoring of participant progression outcomes and reporting both post funding and post-project to ensure that:-

- *The full value of the public investment can be established.*
- *Capture of certification, job placement and progression to further/higher education and training opportunities.*
- *Completion rates, dropout rates, utilisation data.*
- *Other qualitative data such as cohort information, NQF starting and finishing point, information on the learners' journey during the life of the project.*

Responsibility for the recruitment of participants on the LMETF will rest with the Contractors working in close co-operation with DSP staff. A Memorandum of Understanding would be entered into with DSP to allow participants to retain their social welfare payment. All participants would be subject to referral by DSP or its

nominated agents (e.g. LES). Participants may be recruited in the first instance by the course provider but their place on the programme required DSP sanction.
[See FAS presentation at: http://www.esf.ie/en/hci_monitoring_meetings.aspx]

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 “Strategic Programming 2014-2020”.

The objective for the EU’s cohesion policy for the period 2014 to 2020 was to achieve greater impact for the Funds by means of two instruments namely the Common Strategic Framework and the new proposed Partnership Contract, in order to achieve the following:

- *Delivering Europe 2020 objectives*
- *Focusing on results*
- *Reinforced coordination*
- *Greater effectiveness through ex-ante and ex-post conditionality*

She outlined the structure of the Common Strategic Framework for the years 2014 to 2020 at EU level, at National level (introduction of a Partnership Contract) and at National or Regional level (individual funds in addition to multifund operational programmes). The purpose of the CSF was defined as:

"The Commission should adopt by delegated act a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments." (Recital 14 of the Common Provisions Regulation)

The main elements of the CSF were listed as follows:

- *Thematic objectives and key actions – the role of the CSF funds in relation to Europe 2020*
- *Coherence and consistency with EU economic governance*
- *Reinforcing coordination and integration among the CSF Funds and with other EU policies and instruments*
- *Horizontal principles and policy objectives*
- *Meeting the territorial challenges of smart, sustainable and inclusive growth*
- *Annex setting out for each thematic objective: targets and policy objectives, key actions, implementation principles, coordination and complementarity*

The proposed Partnership Contract /Agreement would be prepared at national level with the involvement of the social partners and it would be agreed between the Commission and the Member States. These would include the contribution of the CSF Funds towards the achievement of thematic objectives, translating Europe 2020 priorities in a national and/or regional context based on identification of needs; framework for concentration; summary of the main results expected; a coherent

approach to territorial development at Member State level; overview of all commitments taken at regional and national level to achieve effective and efficient delivery.

The main requirements in relation to Europe 2020 were the objectives and targets at EU and national level; the identification of the thematic objectives; the specific institutional and territorial conditions and the main results to be achieved for the period. The allocation of the funding would be defined along the lines of single or multi-fund programmes, allocations for ESF and ERDF, by thematic objectives and priorities, etc. The identification of areas of complementary intervention with other EU instruments as well as the involvement of relevant ministries in the development of schemes to promote synergies and avoid overlaps would be explored. The tools that would be employed to ensure effective implementation included a framework for assessing ex-ante conditionality; a framework for achieving results and a framework for setting milestones.

The challenges for Ireland for the design and agreement of new programmes for the 2014-2020 period included:

- *Partnership contract/agreement is key instrument in identifying how Ireland will mobilise the 4 CSF funds towards the Europe 2020 Agenda*
- *Thematic concentration*
- *Robust performance framework, with clear targets and result indicators*
- *Coordination/alignment between funds and other EU instruments*
- *Simplification (Joint Action Plan, simplified costs options)*
- *Efficient delivery system/e-Cohesion*

The timetable for the finalisation of the various instruments and the adoption of the CSF were summarised by Ms. Grosser at the end of her presentation. [See presentation on the ESF website at: http://www.esf.ie/en/hci_monitoring_meetings.aspx]

Ireland's position

Mr. Jim Deane, Structural Funds Unit, D/PER, gave an outline of the challenges for the next year in relation to Structural Funds. Preparations were being put in place to prepare for Ireland's role in relation to the Presidency in 2013. The draft regulations for the next round of Structural Funds for the period 2014 to 2020 were being negotiated between the Commission and the Member States.

D/PER had concerns about some of the proposals in the current version of the draft regulations, including the level funding that Ireland would receive from the funds; the fact that the BMW Region would no longer be categorised as a Phasing in Region; the problem that GDP per capita below 90% was being used as a measure to determine the Phasing in Region, but the BMW Region was ahead of that, notwithstanding the current unemployment and economic problems. The D/PER was seeking to have a more accurate measurement used, particularly with Ireland's unemployment rate at 14.8%

and a 30.5% youth unemployment rate. In addition, there were other challenges for Ireland including the macro-economic conditionality, which Ireland would not be able to meet; the additional significant administrative burden from the proposals in the current draft regulations, etc.

D/PER would favour more discretion for Member States to target areas best suited to their individual requirements. At this point, there was no agreement on the MFF for the next round of funding. A national coordinating committee had been established including all the MAs, CAs and Audit Authorities to put Ireland's position across to the various Fora. He also outlined the various steps needed to be completed in the process to comply with the regulations.

7. Transnational Cooperation

Mr. McIntosh, ESF Managing Authority, updated the Committee on the Transnational Cooperation element of the HCI OP, which had yet to commence activity. He had circulated various proposals received in relation to possible Transnational partners and projects to the relevant IB or Public Beneficiary Bodies with similar projects under the HCI OP. The ESF Managing Authority would continue to seek a suitable Transnational project to correspond with an existing Activity or project within the OP.

8. A.O.B

(i) Activity Implementation Plans

The Chairman informed the Committee that the revised Activity Implementation Plans (AIP) were all available on the website for their perusal. He stated that he would allow a week for comments or amendments to the AIPs from the Committee and on that basis the revised AIPs would be adopted by the Committee.

(ii) ESF Newsletter

Mr. McIntosh informed the Committee that the fourth edition of the ESF Newsletter would be issued within a few weeks. He thanked all those who had contributed articles and photos to the Newsletter and he urged all involved to continue to promote the ESF and provide details of ESF events to the Managing Authority.

(iii) Next meeting:

The next meeting of the Monitoring Committee will be held in the BMW Region in the Autumn of 2012.

The Chairman thanked those present for their attendance and contributions; the EU Commission for its contribution and assistance over the past year, particularly with the revision of the HCI OP; the hotel for its service and courtesy and the sound technician for his work.

Appendix I

Attendance List MC Meeting 5th June 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 Shields	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 Reform
Mr. Eoin O'Seaghdha	Illness and Disability Policy Planning Unit, D/SP
Ms. Brid O'Brien	INOUE
Mr. Gerry Finn	BMW Regional Assembly
Mr. Gerard Roughneen	Dept of Justice & Equality
Ms. Carole Sullivan	Equality Authority
Ms. Grainne Whelan	Dept of Justice & Equality
Ms. Susan Crilly	Dept of Justice & Equality
Mr. Patrick O'Leary	GED, Dept of Justice & Equality
Mr. David Dunne	FÁS
Mr. Ciaran Conlon	FÁS
Mr. John McGrath	FÁS
Mr. Peter Rigney	ICTU
Ms. Mary Kelleher	Dept of Education and Skills
Mr. Peter Kelly	Dept of Education and Skills
<u>Apologies:</u>	
Ms. Pauline Moreau	Gender Equality Unit, D/JE
Mr. Brian Duggan	Dept of Education and Skills
Ms. Mary Connaughton	IBEC
Ms. Theresa McNamara	Dept of Social Protection
Ms. Deirdre NiNeill	Dept of Justice & Equality
Mr. Joe Gavin	IYJS, Dept of Justice & Equality