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Enterprise,
Trade and
Employment**

**Ex-ante
Evaluation of
the Human
Capital
Investment
Operational
Programme
2007-2013**

**Supported by
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Final Report

**FGS Consulting
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Conclusions on the Final OP

Overview

This Section presents the overall conclusions of the Ex-ante Evaluator on the extent to which the recommendations in the Ex-ante Evaluation report, submitted to the Managing Authority during the preparation of the final text for the Operational Programme, have been implemented and are addressed in the final text of the Operational Programme.

The Ex-ante Evaluation report is based on the draft version of the OP provided by the Managing Authority to the Evaluator in early February 2007. The Main Report of this evaluation presents the text from the Ex-ante Evaluation as submitted to the Managing Authority in the second half of February 2007.

The remainder of this section presents the Evaluator's assessment of the extent to which the recommendations contained in the Ex-ante Evaluation report were addressed by the Managing Authority when finalising the text for the final OP, and is based on the text contained in the OP dated 1st October 2007.

The Evaluator's overall conclusion is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority and the recommendations are addressed appropriately in the text of the OP dated 1st October 2007 (hereafter referred to as the 'final OP').

The details for the basis of this overall conclusion are presented in the following sub-sections. Each sub-section presents the original recommendations as per the Ex-ante Evaluation of February and presents after each recommendation, in bold text, Evaluator's view on whether the recommendations were implemented accordingly in the final OP.

Programming Content

As discussed in Section 3 the draft OP contains most of the programming content requirements. The exceptions relate to an absence of targets for physical performance indicators, and relevant information on the EAFRD and the EFF - see below for recommendations. **The Evaluator's final conclusion on Programming Content issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority, and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).**

1. The Ex-ante Evaluator recommends that the Managing Authority provide targets for the priority axes indicators specified in the draft OP in order to address the requirement in the Commission's General Regulation for 'information on the priority axes and their specific indicators *and targets for achievement*'.

Recommendation 1 is addressed in the final OP as Chapter 6, Section 6.3 contains targets for the priority axes indicators, and targets are provided for both 2010 and for 2013.

2. The Ex-ante Evaluator recommends that the Managing Authority provide information on complementarities with measures financed by the EAFRD and those financed by the EFF, where relevant, in line with the requirement in the Commission's General Regulation.

Recommendation 2 is addressed in the final OP. In particular Section 3.5 'Regional Operational Programmes' provides information on the two Regional Operational Programmes to be co-financed by the ERDF and Section.3.7 'Fisheries Sector Operational Programme' contains relevant information on the European Fisheries Fund (EFF).

3. The Ex-ante Evaluator recommends that the Managing Authority provide information in a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds as per the Commission's General Regulation.

Recommendation 3 is addressed in the final OP. In particular this information is provided in Table 8.1: Total Expenditure by Priority for the HCI OP 2007 –2013 in Chapter 8 'Financial Provisions'.

OP Appraisal and Analysis

We noted in Section 3 that we judge the OP to include a systematic needs analysis, and the OP objectives are clearly related to underlying needs. In order to improve the readability of the Analysis chapters we make the recommendations below. **The Evaluator's final conclusion on OP Appraisal and Analysis issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).**

4. The Ex-ante Evaluator recommends that the Managing Authority add a brief discussion to Section 1.2 'Employment and Human Resources Development Operational Programmes 2000-2006' to reflect the lessons learnt during the 2000-2006 programming period, as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013. The more detailed lessons identified during the Update (Final) Evaluation of the EHRDOP 2000-2006 could be inserted as an Annex.

Recommendation 4 is addressed in the final OP. In particular, Chapter 1, now includes Section 1.3 'Learning from the 2000-2006 Operational Programme'. This section presents a summary of the lessons from the Update (Final) Evaluation of the EHRDOP 2000-2006. In addition, it includes key lessons identified by the EQUAL Community Initiative Mainstreaming Policy group and the Update (Final) Evaluation of the EQUAL Community Initiative.

5. The Ex-ante Evaluator recommends that the Managing Authority insert a brief section on the Ex-ante Evaluation of the 2007-2013 OP as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013.

Recommendation 5 is addressed in the final OP in Section 1.3 ‘Learning from the 2000-2006 Operational Programme’ where the Ex-ante Evaluation is discussed as recommended.

6. The Ex-ante Evaluator recommends that the Managing Authority insert a map into Chapter 1 ‘Background to the Operational Programme’ as suggested in the Commission’s Aide Mémoire for Desk Officers 2007-2013 and highlight that both NUTS II Regions will be eligible for assistance under the Competitiveness and Employment Objective, with the BMW Region qualifying as a ‘phasing-in’ region under the transitional arrangements as a previous Objective One region which now has a per capita GDP above 75% of the EU-25 average, and that this affects the spending profile for the OP (as discussed in Chapter 8).

Recommendation 6 is addressed in the final OP which now includes, as Annex I, a map as recommended.

7. The Ex-ante Evaluator recommends that the Managing Authority insert the correct chapter headings and section headings throughout the report, including one, two and three point headings in sequential order. In addition the figure and table headings should be corrected to run sequentially and also that the figure and table numbering relate to the specific chapter they appear in, e.g. the first table in chapter 2 is Table 2.1 and the first table in chapter 3 is Table 3.1, etc. In addition, current issues in relation to different fonts should be corrected. A series of detailed suggested ‘edits’ were also provided to the Managing Authority.

Recommendation 7 was implemented by the Managing Authority as the relevant editorial changes are incorporated into the final OP.

8. The Ex-ante Evaluator recommends that the Managing Authority insert the term ‘2000-2006’ before the terms ‘MTE’ and ‘programme’ in Chapter 2 ‘Economic and Labour Market Overview’ to clarify that the analysis is referring to the ‘2000-2006 MTE’ and to the ‘2000-2006 programme’.

This very specific editorial recommendation has not been implemented but our overall conclusion is that this is not significant, as the original recommendation related to an editorial, and was not a substantive analytical point.

9. The Ex-ante Evaluator recommends that the Managing Authority add text to the ‘Needs Analysis’ section in Chapter 2 stating that as part of the Ex-ante Evaluation the Evaluator provided a labour market and SWOT analysis as recommended under the Commission’s guidance paper on undertaking Ex-ante Evaluations and that this fed into the Managing Authority’s analysis, in addition, to the other documents mentioned in the draft OP.

Recommendation 9 is addressed in the final OP as the end of Section 2.12 ‘Needs Analysis’ notes that:

'The preparation of the Ex-ante Evaluation for this Operational Programme involved the preparation of a number of policy papers that proved very useful in scoping the main economic and labour market issues facing Ireland.'

10. The Ex-ante Evaluator recommends that the Managing Authority delete Figure 3.1 'Revised Process for Implementation of the Lisbon Strategy' as while valid we believe the 'figure' might confuse the reader and judge that the text provide before and after 'Figure 3.1' is sufficient.

Recommendation 10 is addressed in the final OP as the information referred to has been removed from the final OP.

Objectives and Internal Coherence

As discussed in Section 3 we judge the objectives of the draft OP to be clearly stated. We also judge that the structure of objectives within the OP is internally coherent. Nevertheless, in order to improve on the clarity and relevance of the objectives and to improve the readability of the OP we make a number of detailed recommendations below. **The Evaluator's final conclusion on Objectives and Internal Coherence issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority, and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).**

11. The Ex-ante Evaluator recommends that the objective for Priority 2 Activation and Participation of Groups Outside the Labour Force include the text *'in order to help increase their employment rates'* in order to more fully capture the Priority objectives. This would involve replacing the current objective of: *'To provide for increased activation and participation with certain groups who can contribute to Ireland's workforce but who face barriers to employment, progression and participation.'* With the following text:

'To provide increased activation and participation to certain groups who face barriers to employment, progression and participation in order to help increase their employment rates.'

This very specific editorial recommendation has not been implemented but our overall conclusion is that this is not significant, as the original recommendation was editorial in nature, and it was not a substantive analytical point.

12. The Managing Authority should set Priority level objectives below the two overall OP objectives.

Recommendation 12 is addressed in the final OP. Priority level objectives below the two overall OP objectives are provided in Chapter 4 'Priority Areas for Co-Funding and Transversal Themes' and indicators for these objectives are detailed in Chapter 6 'Performance Indicators'.

13. The Managing Authority should move the text in relation to 'Undergraduate Skills' which is currently located under Priority 2 and move its location to under Priority 1.

Recommendation 13 is addressed in the final OP as the Managing Authority made the suggested change.

14. The Managing Authority should amend the heading in Section 4.4 'Promoting Equality Between Women and Men' to incorporate the fact that the discussion under this heading includes activity to promote equality among grounds in addition to gender, i.e. the nine grounds covered by equality legislation. This could be done by changing the heading to 'Promoting Equality Between Women and Men, and Non-Discrimination' or by changing it to 'Promoting Gender Equality and Equal Opportunities'. The second suggested heading above has the advantage that it is consistent with the subsequent heading in Chapter 5 'Horizontal Principles', which uses the heading 'Gender Equality and Equal Opportunities'. Alternatively, the headings on both sections could be changed to 'Equality'.

Recommendation 14 is addressed in the final OP as the title of the section has been changed to 'Equality and Equal Opportunities'. The Table of Contents for the OP still needs to reflect this change.

15. In relation to Section 4.7 'Contribution of Priorities to Interregional and Transnational Co-operation' the Managing Authority should consider changing the heading to 'Interregional and Transnational Co-operation' (i.e. drop the text 'Contribution of Priorities to') and the Managing Authority should insert additional text indicating how it intends to promote this area, e.g. whether it intends to pro-actively promote this area among Implementing Bodies (identified in the draft OP) and/or a wider a field during the programme period.

Our conclusion is that Recommendation 15 is addressed in the final OP. Although the title of the section has not been changed the substantive points have been addressed. In particular, the final OP now contains additional information as follows:

- a. The OP provides examples of *'transnational areas for potential co-operation which could deliver mutual benefits'*;
- b. The OP notes that *'the Managing Authority will be charged with pro-actively developing transnational and interregional co-operation actions under this programme'*;
- c. The OP notes that *'it is envisaged that strategy in relation to potential transnational or interregional activities will be informed through consultation with ESF Intermediate Bodies, other relevant organisations (Government Departments, State Agencies, NGOs) and through information exchange and consultation with ESF Managing Authorities in other countries...'*
- d. The OP notes that *'a specific allocation of funding is being set aside in each Priority to finance activity in these areas and the Managing Authority will be seeking to maximise the potential of this resource over the programming period.'*

16. The Managing Authority should add additional text to the Section 4.8 'Contribution of Priorities to Innovation' to provide a more detailed description of innovation actions to be supported by the OP.

Recommendation 16 is addressed in the final OP. The OP now contains additional information as follows:

- The OP notes that under the Lisbon Strategy *'Social innovations could encompass such measures as facilitating the acquisition of skills and competencies and the establishment of networks and partnerships between stakeholders to ensure that all groups, particularly those who are most disadvantaged in the labour market, can participate fully. Such actions could also encompass the inclusion of new target groups and the promotion of the quality of employment.'*;
- The OP notes that *'The Managing Authority will develop themes for funding in respect of innovation. In selecting activities for inclusion in the Programme, particular cognisance will be taken of the extent to which an activity contains some level of social innovation.'*;
- The OP notes that *'New actions will be particularly encouraged and sought out for co-financing within the Priority objectives. Innovative pilot schemes and expansions of successful pilots will also be considered for assistance.'*;
- The OP notes that *'It is not proposed to have a separate theme within the Programme for social innovation, but any new proposals for funding under the Programme that have a social inclusion or mainstreaming focus will be prioritised by the Managing Authority.'*;
- The OP notes that *'A number of areas for investment included in the Programme have innovative aspects to them, in particular, under Priority 2 Activation and Participation of Groups outside the Labour Force'* and Section 4.4 summarises of these areas.

17. The Managing Authority should amend the heading of Section 4.10 'Technical Assistance' to 'Priority 3 Technical Assistance' in order to clearly signal that it is one of the three Priorities in the OP and it should also consider changing the location of that section, so that it appears after the end of the text on Priority 2.

Recommendation 17 is addressed in the final OP as the recommended change has been made. The section on technical assistance now appears as Section 4.3.3 'Priority 3: Technical Assistance' after the section on Priority 2.

Policy and Implementation Risks

The Evaluator's final conclusion on Policy and Implementation Risks issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).

18. The Ex-ante Evaluator recommends that the Managing Authority continue the process of engaging with Implementing Bodies in order to develop detailed implementation plans and that this process builds on the lessons from the EHRDOP 2000-2006.

Recommendation 18 was implemented by the Managing Authority. In the period following the submission of the draft Ex-ante Evaluation, the Managing Authority continued to engage with Implementing Bodies and developed detailed Programme Activity Implementation Plans with Implementing Bodies, drawing on the lessons from the EHRDOP 2000-2006.

19. The Ex-ante Evaluator recommends very close monitoring of applications, approvals and spend, and appropriate responses from the Managing Authority in the first twelve to eighteen months of operations to ensure that delivery is in line with plans and in line with forecast spend.

This recommendation relates to the future monitoring of the Programme and as such is not something the Managing Authority can take immediate action to implement. Nevertheless, the inclusion of more detailed priority indicators and targets in the final OP is a significant step to assist in the close monitoring as suggested. In addition, the conclusion to Chapter 6 in the OP notes that:

'The identification and reporting of indicators is an essential management element required regularly at both Priority and OP levels over the implementation period of the Programme. The Priority and contextual indicators outlined above will facilitate ongoing monitoring and evaluation of the Operational Programme and act as a gauge of the programme's effectiveness, for both the MC and the MA.'

20. The Ex-ante Evaluator recommends that the Managing Authority, Implementing Bodies, relevant Government Departments and Agencies develop very clear processes and procedures to reduce and avoid potential overlap and duplication with other EU co-financed investments, with activity under the NDP 2007-2013 and activity in the private sector.

Recommendation 20 is addressed in the final OP. In particular Section 4.5.2 'Co-ordination with other Funds' discusses arrangements and notes that:

'Article 27(5)(b) of Regulation 1083/2006 indicated that the National Strategic Reference Framework (NSRF) document may contain details on the 'mechanisms for ensuring coordination between operational programmes'. Ireland's NSRF sets out the arrangements that are to be put in place to meet this need. A Monitoring Committee for the Coordination of EU Funds for the NSRF will be established between ERDF, ESF, EFF and EAFRD, which would meet at intervals as required. The Department of Finance will chair the Committee and the Committee expects to report to the NSRF Monitoring

Committee on any issues of relevance. The role of the Committee would be to discuss the demarcation of the funds in the operational programmes, any implementation issues that might warrant demarcation in the operational programmes and any plans for new programmes to ensure that the Funds are not overlapping.'

- 21.** The Ex-ante Evaluator recommends that the presence of 'pilot' and more innovative interventions be retained within the programme even though initial spend on these activities might be slower to 'take-off' than on the more 'established' activities.

This recommendation relates to the retention of pilot projects and initiatives during the future Programme and as such is not something the Managing Authority can take immediate action to implement. Nevertheless, the final OP contains more explicit referencing to pilot projects and initiatives to be pursued. In addition, the discussion in Section 4.4 'Transversal Themes' on the Contribution of Priorities to Innovation gives particular weight to the role of pilot projects and interventions.

- 22.** We endorse the Managing Authority's intention that the funding of activities (measures) remains flexible within Priorities over the period of the programme and recommend that the Managing Authority maintains the option of operating a 'stick and carrot' approach to funding, whereby 'good' performance can result in increased funding and 'bad' performance can result in reduced funding.

Recommendation 22 is addressed in the final OP as the Managing Authority's intention remains, and indeed the final OP notes that:

'Given that the allocations are made at Priority level, greater flexibility exists for the Managing Authority and Intermediate Bodies to apply ESF co-financing, in a more pro-active manner, to Measures as the Programme proceeds. The Managing Authority will seek to use this to best effect in order to obtain the best added value from the ESF and the investments under the Programme.'

External Coherence

As noted in Section 3 we judge that the OP is externally consistent with national and regional policy in Ireland and with EU policy, and that it is consistent with commitments to equal opportunities and non-discrimination in the ESF Regulation, and the commitments to social inclusion and equality in the NSRF. Nevertheless, we make a number of recommendations to improve the readability of Chapter 5 Horizontal Principles and to provide greater clarity in relation to the commitments to the Horizontal Principles. **The Evaluator's final conclusion on External Coherence issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority, and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).**

23. The Ex-ante Evaluator recommends that the Managing Authority consider moving material from the first five Sections in Chapter 5 to Chapter 3, or at least reducing the size of these sections if they remain in Chapter 5.

Recommendation 23 is addressed in the final OP. The material referred to in the draft OP has been revised, with the result that the current text in Section 5.1 'Social Inclusion' is now more succinct and more focused than the original text in the draft OP.

24. The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will address social inclusion to the section 'Social Inclusion as a Horizontal Principle under this Programme'.

Recommendation 24 is addressed in the final OP. The OP now contains additional information as follows:

- **The OP notes that *'The focus of this Operational Programme on two specific areas, Upskilling the Workforce and the Activation of Groups Outside the Workforce, will ensure the co-funding is directed to niche interventions delivered to groups such as older people, migrants and ethnic minorities, women, young people and people with a disability, targeted under both the National Development Plan 2007-2013 and the NAPInclusion Plan.'***
- **The OP notes that *'Intermediate Bodies under this Operational Programme will be required to adhere to the principle of social inclusion and agreed targets as outlined in this Operational Programme, the National Development Plan and the NAPInclusion.'***
- **The OP notes that *'All actions and activities in co-funded Measures must build in social inclusion outcomes to the objectives and strategies and place those actions in a social inclusion context.'***
- **The OP notes that *'Bodies receiving co-funding under this Operational Programme will be required to report on these principles and targets and satisfy the Monitoring Committee that a contribution to or fulfilment of social inclusion objectives is being achieved.'***

25. The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will promote gender equality and equal opportunities to the section 'Gender Equality and Equal Opportunities' in Chapter 5.

Recommendation 25 is addressed in the final OP. The OP now contains additional information as follows:

- **The final OP notes that *'Under this Operational Programme gender mainstreaming and a more expanded wider equal opportunities focus which covers the nine grounds set out in the Irish equality legislation are now included.'***

- The final OP notes that *'Under Priority 2 of this Programme, specific interventions that may occur in relation to gender equality and the National Women's Strategy can contribute directly to meeting the objectives of pursuing equality between women and men.'*;
- The final OP notes that *'Co-funding under this Operational Programme will contribute to achieving the targets of equality, both from a gender and wider equality basis, by focusing on particular interventions in relation to Activation of Groups outside the Workforce, Supports to Migrants, Language Skills provision and the Promotion of Equality interventions.'*;
- The final OP notes that *'All Intermediate Bodies receiving co-funding under this Operational Programme will be required to report on these principles and targets and satisfy the Monitoring Committee.'*;
- The final OP notes that *'All actions and activities in co-funded measures must build in equality outcomes to the objectives and strategies and place those actions in a gender and wider equality context.'*;
- The final OP notes that *'Reporting in respect of equal opportunities across all grounds will also be relevant for some of the investments under this Programme.'*;
- The final OP notes that *'The work of the Equality Mainstreaming Unit in the Equality Authority can contribute to meeting the objectives of pursuing equality across the grounds covered by the equality legislation and support the reporting in respect of wider equal opportunities as appropriate under the Programme.'*

26. The Ex-ante Evaluator recommends that the Managing Authority insert text highlighting its commitment to sustainable development.

Recommendation 26 is addressed in the final OP, as the above issue is now dealt with in Section 5.3 'Sustainable Development.'

Expected Results and Impacts

The Evaluator's final conclusion on Expected Results and Impacts issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).

27. As part of the development of the OP the Managing Authority and Implementing Bodies have engaged in a process of discussing and agreeing appropriate output, result and impact indicators for activities and the settling of targets for these. We recommend that the Managing Authority and Implementing Bodies continue to work on this process in order to ensure that indicator data is available for all indicators as required (baseline and ongoing monitoring) and that targets have been set. And that appropriate breakdowns of indicators are provided during the course of the programme.

Recommendation 27 was implemented by the Managing Authority; see the text under Recommendation 28 for more details.

- 28.** Based on the outcome from the above process the Managing Authority should ensure that any additional steps required are taken to ensure a full indicator system is developed to comply with the Commission's requirements.

The Managing Authority took the specific actions as suggested in Recommendation 27 and has taken the additional steps suggested in Recommendation 28. Work continued with implementing bodies following the submission of the Ex-ante Evaluation report. Additional indicators were developed, baseline data was provided and targets were set. In addition, the final OP contains text specifying cases where breakdowns of indicators will be required. The final OP also recognises that ongoing work will need to be done to ensure that commitments to collect and report on indicators are delivered on during the course of the Programme.

Implementation Systems

The Evaluator's final conclusion on Implementation Systems issues is that the recommendations made in the Ex-ante Evaluation report of February 2007 have been implemented accordingly by the Managing Authority, and the recommendations are addressed appropriately in the final OP dated 1st October 2007 (see text in bold below for details).

- 29.** The Ex-ante Evaluator recommends that the Managing Authority should clarify further the role that the Central Expenditure Evaluation Unit in the Department of Finance will play. For example, whether or not the Central Expenditure Evaluation Unit will have a representative serving on the Monitoring Committee in an advisory capacity.

Recommendation 29 was implemented by the Managing Authority; see the text under Recommendation 31 for details.

- 30.** The Ex-ante Evaluator recommends that the Managing Authority should provide some additional text to the discussion of evaluation. In particular, it should clarify the role of the Mid-term Evaluation, and make direct reference to an Ex-post Evaluation to be commissioned by the Commission.

Recommendation 30 was implemented by the Managing Authority, see the text under Recommendation 31 for details.

- 31.** The draft OP notes that in addition to the Mid-term Evaluation 'additional evaluations may be undertaken at the level of Priority or activity as required'. The Ex-ante Evaluator recommends that the Managing Authority and Monitoring Committee give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term given the front loading of expenditure for the programme, as this will optimise the benefit of such evaluations.

Recommendations 29, 30 and 31 were implemented by the Managing Authority, as the final OP contains the following information:

- In relation to the Mid-term Evaluation the OP notes that *'External evaluators will be commissioned by the Managing Authority to carry out a mid-term evaluation. This is not a requirement of the Regulations but the Managing Authority has identified this evaluation as being crucial in assisting with the management of the OP. The role of the Mid-Term Evaluation is to examine the extent to which objectives and targets have been achieved and to propose corrective action as appropriate. The Managing Authority will set up a small Steering Committee to oversee the evaluation.'*;
- In relation to the Ex-post Evaluation *'The Commission shall carry out an Ex-post Evaluation for each objective in close cooperation with the Member State and managing authorities as per Article 49 EU Regulation 1083/2006. . . The Managing Authority shall assist in as far as is possible with the Ex-post Evaluation.'*;
- In relation to other evaluations, Section 7.7 'Evaluations' lists the criteria under which specific Evaluations will be carried out. In addition, the OP also notes that *'Over the programming period, additional evaluations will be carried out as deemed appropriate by the Managing Authority. These evaluations may be undertaken at the level of Priority or activity as required. They may also address themes such as social inclusion, equality, equal opportunities and innovation. While the Monitoring Committee will hold overall responsibility in relation to monitoring and evaluation of the Operational Programme, Steering Committees may be established to set the terms of reference for individual evaluations and to exercise quality control in relation to them. Such Steering Committees will be chaired by the Department of Enterprise, Trade and Employment and membership will comprise the relevant Intermediate Authorities, technical experts and other members as deemed relevant by the Managing Authority as appropriate.'*;
- In relation to the timing of other evaluations, the OP notes that *'The Managing Authority and the Monitoring Committee will give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term, given the front loading of expenditure for the programme as this will optimise the benefit of such evaluations.'*;
- In terms of possible themes for specific evaluations, the OP notes that *'Possible themes for specific evaluations may include New/Innovative Measures supported under the Operational Programme, Transnational/Interregional actions, Cross Measure/Cross Priority Target Group Participation and Coverage and specific evaluations of how Target Group needs and issues affecting their participation in the workforce are addressed by this Operational Programme.'*

EXECUTIVE SUMMARY

1. Introduction

This is the Executive Summary of the final Ex-ante Evaluation of the ESF Human Capital Investment Operational Programme (OP) 2007-13. The Ex-ante Evaluation fed into the process of planning and preparation for the OP. This Evaluation was prepared by FGS Consulting on behalf of the Department of Enterprise, Trade and Employment. This Ex-ante Evaluation report is based on the version of the draft OP sent to the Evaluator on 6th of February (the Chapter on Performance Indicators was presented to the Evaluator on 12th February, and additional financial information on Friday 16th February).

This Executive Summary presents the Evaluator's overall assessment of the OP and our recommendations. Section 2 reviews the structure and content of the draft OP and compares it to the requirements of the Commission's General Regulation. Section 3 presents a summary of key recommendations and points made during the course of the OP drafting process and before the production of the draft OP that was circulated on 6th February. It also presents our judgements on the draft OP against the key evaluation issues. Finally, Section 4 presents our recommendations to the Managing Authority on the draft OP circulated on the 6th of February 2007.

2. Programming Content

The ESF Human Capital Investment Operational Programme 2007-2013 is structured as follows:

- **Chapter 1 Background to the Operational Programme:** this chapter details the background and the legal basis for the OP, and outlines the structure of the Operational Programme (3-4 pages);
- **Chapter 2 Economic and Labour Market Overview:** provides an economic overview and labour market analysis for the Operational Programme and includes a SWOT analysis (25 pages);
- **Chapter 3 Strategic Context for Investment Priorities:** discusses the policy context within which the ESF Human Capital Investment Operational Programme 2007-2013 was developed in terms of the policies in place at the EU and national level and the needs and strategies identified in these (11 pages);
- **Chapter 4 Priority Areas for Co-Funding:** presents the three Priorities under the OP namely 'Upskilling the Workforce' and 'Activation and Participation of Groups Outside the Labour Force', and 'Technical Assistance'. This Chapter also sets out the objectives and sample interventions under the two main or non-technical assistance Priorities (8 pages);
- **Chapter 5 Horizontal Principles:** discusses the commitment of the Managing Authority to addressing the Horizontal Principles of social inclusion, and gender equality and equal opportunities (4 pages);
- **Chapter 6 Operational Programme and Performance Indicators:** outlines broad contextual indicators and Priority level indicators which can be utilised as a benchmark of the effectiveness of

the programme implementation and inform ongoing programme management, prioritisation and targeting of funding (4 pages);

- **Chapter 7 Programme Management, Monitoring and Evaluation:** this chapter describes the implementation provisions, as well as management, and monitoring and evaluation arrangements, and reporting plans including management arrangements; monitoring and evaluation systems; financial management and control systems; information and publicity; data collection, storage and exchange systems; project selection systems; implementation plans (7 pages);
- **Chapter 8 Financial Provisions:** this chapter describes the proposed financial allocation for the Operational Programme and other associated information (3 pages).

The Operational Programme (OP) has a logical flow. The logic of the OP flows from labour market analysis and policy context to development strategy and priorities and indicators to implementation arrangements and to financial provisions.

The draft OP also embraces the key change between the 2000-2006 period and the 2007-2013 programming period, namely the more strategic approach to programming. With the key focus being on establishing a clear and coherent policy response to underpin the achievement of EU objectives and tackle key challenges.

In this context the OP is a more strategic document than in the previous programming period and it does not contain a detailed description of measures, the main focus is placed on the description of the strategy and priorities. The draft OP addresses most of the programming content elements as required in the EU General Regulation 2006 Article 36. The exceptions relate to details of indicators, to information on complementarities with measures financed by the EAFRD and those financed by the EFF, and a financial table showing for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds.

Figure 1: Programming Contents Required for ESF Funded OPs 2007-2013

| | Programme Contents | Addressed? | Chapter in OP |
|----|--|-------------------|----------------------|
| 1. | An analysis of the situation of the eligible area or sector in terms of strengths and weaknesses and the strategy chosen in response (drawing primarily on available data) | Yes | Chapters 2 and 3 |
| 2. | A justification of the priorities chosen having regard to the Community Strategic Guidelines on cohesion, the national strategic reference framework, as well as the results from the ex ante evaluation | Yes | Chapters 2,3 and 4 |
| 3. | Information on the priority axes and their specific indicators and targets for achievement | Partially | Chapters 4 and 6 |
| 4. | An indicative breakdown by category of the programmed use of the contribution of the Funds; | Yes | Chapter 8 |

| | Programme Contents | Addressed? | Chapter in OP |
|--|---|------------|---------------|
| 5. | A financing plan containing two tables: | | |
| | i) a table breaking down for each year, the amount of the total financial appropriation envisaged for the contribution from each Fund | Yes | Chapter 8 |
| | ii) a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds | No | Chapter 8 |
| 6. | Information on complementarities with measures financed by the EAFRD and those financed by the EFF, where relevant | No | Not provided |
| 7. | The implementing provisions for the operational programme, including: | | |
| | i) designation by member state of all entities stipulated in Article 58, or, if the member state exercises the option provided for in Article 73, the designation of other bodies and procedures in accordance with the rules laid down in Article 73 | Yes | Chapter 7 |
| | ii) a description of monitoring and evaluation systems | Yes | Chapter 7 |
| | iii) information about the competent body for receiving payments made by the Commission and the body or bodies responsible for making payments to the beneficiaries | Yes | Chapter 7 |
| | iv) a definition of the procedures for the mobilization and circulation of financial flows in order to ensure their transparency | Yes | Chapter 7 |
| | v) the elements aiming at ensuring the publicity and the information of the operational programme as referred to in Article 68 | Yes | Chapter 7 |
| | vi) a description of the procedures agreed between the Commission and the Member State for the exchange of computerised data to meet the payment, monitoring and evaluation requirements laid down by the regulation | Yes | Chapter 7 |
| 8. | An indicative list of major projects within the meaning of Article 38 which were expected to be submitted within the programming period for Commission approval | Yes | Chapter 7 |
| Source: Adapted from the EU General Regulation, Article 36 and the ESF Human Capital Investment Operational Programme 2007-2013 | | | |

3. Evaluation Issues

This Evaluation examined the draft OP against a series of issues as outlined in the evaluation Terms of Reference and in line with the Commission's guidance paper on Ex-ante Evaluations.

As part of the Ex-ante Evaluation the Evaluator made a range of suggestions and comments for improvement of the OP before the production of the draft OP that was circulated to the Evaluator on 6th February. As required by the Terms of Reference a summary of key recommendations and points made during the course of the evaluation are presented in Figure 2.

Figure 2: Summary of Recommendations Made During the OP Drafting Process

- 1. The Ex-ante Evaluator recommended that the Managing Authority provide additional details on the economic, labour market and SWOT analysis that underlies the selection of OP Priorities.**
- 2. The Ex-ante Evaluator recommended that the Managing Authority provide additional details on the policy and strategy context within which the selection of OP Priorities was made and the OP was formulated.**
- 3. The Ex-ante Evaluator recommended that the Managing Authority re-structure an earlier version of Chapter 1, moving details of the SWOT analysis to Chapter 2.**
- 4. The Ex-ante Evaluator recommended that the Managing Authority more explicitly state the OP objectives in Chapter 4.**
- 5. The Ex-ante Evaluator recommended that the Managing Authority provide additional details in Chapter 4 on the type of interventions that are likely to be funded and on the objectives of these interventions.**
- 6. The Ex-ante Evaluator provided the Managing Authority with a set of 'edits' to 'working drafts' of OP material.**

The remainder of this report presents our judgement on the draft OP issued on 6th February. Our overall assessment is a positive one and Figure 3 summaries our views in relation to the five key evaluation areas and it shows where we have made additional recommendations.

Figure 3: Summary of Judgements on Evaluation Areas: Draft OP Dated 6th February

| 1. Appraisal of Socio-Economic Analysis and Relevance of Draft Programme to Need | |
|--|--|
| <p>A detailed needs analysis is included in the OP, including an appraisal of the socio-economic situation and SWOT analysis. The relevance of the strategy and programme objectives to the identified needs is clear as the OP strategy draws on the labour market analysis and policy analysis and it is clearly focused on achieving EU objectives.</p> | <p>Some additional recommendations in Section 4.</p> |
| 2. Rationale of the draft OP and its Internal Consistency | |
| <p>There is a clear public intervention rationale for possible investment areas. In relation to whether an alternative policy would be more likely to achieve the programme's objectives more effectively, it is important to note that there is scope for flexibility in precisely what is funded under certain the Priorities and that interventions identified to date include a combination of existing and 'new' areas. The overall thematic and geographical financial concentration is heavily influenced by the spending profile for the OP, with most of planned spend in the BMW region and concentrated over the first half of the period. The OP is internally consistent, although a number of recommendations are made to improve this further. In addition, we make further recommendations in relation to minimising potential policy risks.</p> | <p>Some additional recommendations in Section 4.</p> |
| 3. Appraisal of Coherence with Regional/National Policies/Community Strategic Guidelines | |
| <p>The OP is externally coherent with the priorities within the National Strategic Reference Framework, National Reform Programme, the Community Strategic Guidelines, and the NDP 2007-2013. We judge that the Ex-ante appropriately addressed the requirements of the SEA Directive. At an overall level equality between men and women and non-discrimination, and social inclusion issues have been appropriately taken into account, although there is some scope to improve this further. In addition, given the strategic nature of OP this will need to be factored into future implementation, monitoring and evaluation arrangements as appropriate.</p> | <p>Some additional recommendations in Section 4.</p> |
| 4. Expected Results and Impacts | |
| <p>The indicators that are identified (and their causality) are appropriate. The draft OP provides Priority output, result <i>and</i> impact indicators in line with good practice. The indicators proposed appear manageable and usable (in line with the EU Commission's draft Working Paper on Indicators) provided of course they are collected and reported by Implementing Bodies are required. Recommendations are made in relation to the inclusion of targets and baselines as required.</p> | <p>Some additional recommendations in Section 4.</p> |
| 5. Implementation Systems | |
| <p>The details provided in relation to implementing provisions for managing, monitoring and evaluating the programme seem appropriate. And the information provided in relation to partnership arrangements, publicity and procedures for the exchange of computerised data are in line with ESF regulations. A number of recommendations are made in relation to the future role of Evaluation.</p> | <p>Some additional recommendations in Section 4.</p> |

4. Recommendations

Programming Content

As discussed in Section 3 the draft OP contains most of the programming content requirements. The exceptions relate to an absence of targets for physical performance indicators, and relevant information on the EAFRD and the EFF - see below for recommendations.

32. The Ex-ante Evaluator recommends that the Managing Authority provide targets for the priority axes indicators specified in the draft OP in order to address the requirement in the Commission's General Regulation for 'information on the priority axes and their specific indicators *and targets for achievement*'.
33. The Ex-ante Evaluator recommends that the Managing Authority provide information on complementarities with measures financed by the EAFRD and those financed by the EFF, where relevant, in line with the requirement in the Commission's General Regulation.
34. The Ex-ante Evaluator recommends that the Managing Authority provide information in a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds as per the Commission's General Regulation.

OP Appraisal and Analysis

We noted in Section 3 that we judge the OP to include a systematic needs analysis, and the OP objectives are clearly related to underlying needs. In order to improve the readability of the Analysis chapters we make the recommendations below.

35. The Ex-ante Evaluator recommends that the Managing Authority add a brief discussion to Section 1.2 'Employment and Human Resources Development Operational Programmes 2000-2006' to reflect the lessons learnt during the 2000-2006 programming period, as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013. The more detailed lessons identified during the Update (Final) Evaluation of the EHRDOP 2000-2006 could be inserted as an Annex.
36. The Ex-ante Evaluator recommends that the Managing Authority insert a brief section on the Ex-ante Evaluation of the 2007-2013 OP as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013.
37. The Ex-ante Evaluator recommends that the Managing Authority insert a map into Chapter 1 'Background to the Operational Programme' as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013 and highlight that both NUTS II Regions will be eligible for assistance under the Competitiveness and Employment Objective, with the BMW Region qualifying as a 'phasing-in' region under the transitional arrangements as a previous Objective One region which

now has a per capita GDP above 75% of the EU-25 average, and that this affects the spending profile for the OP (as discussed in Chapter 8).

38. The Ex-ante Evaluator recommends that the Managing Authority insert the correct chapter headings and section headings throughout the report, including one, two and three point headings in sequential order. In addition, that the figure and table headings are corrected to run sequentially and also that the figure and table numbering relate to the specific chapter they appear in (e.g. the first table in chapter 2 is Table 2.1 and the first table in chapter 3 is Table 3.1, etc). In addition, current issues in relation to different fonts should be corrected. A series of detailed suggested 'edits' were also provided to the Managing Authority.
39. The Ex-ante Evaluator recommends that the Managing Authority insert the term '2000-2006' before the terms 'MTE' and 'programme' in Chapter 2 'Economic and Labour Market Overview' to clarify that the analysis is referring to the '2000-2006 MTE' and to the '2000-2006 programme'.
40. The Ex-ante Evaluator recommends that the Managing Authority add text to the 'Needs Analysis' section in Chapter 2 stating that as part of the Ex-ante Evaluation the Evaluator provided a labour market and SWOT analysis as recommended under the Commission's guidance paper on undertaking Ex-ante Evaluations and that this fed into the Managing Authority's analysis, in addition, to the other documents mentioned in the draft OP.
41. The Ex-ante Evaluator recommends that the Managing Authority delete Figure 3.1 'Revised Process for Implementation of the Lisbon Strategy' as while valid we believe the 'figure' might confuse the reader and judge that the text provide before and after 'Figure 3.1' is sufficient.

Objectives and Internal Coherence

As discussed in Section 3 we judge the objectives of the draft OP to be clearly stated. We also judge that the structure of objectives within the OP is internally coherent. Nevertheless, in order to improve on the clarity and relevance of the objectives and to improve the readability of the OP we make a number of detailed recommendations below.

42. The Ex-ante Evaluator recommends that the objective for Priority 2 Activation and Participation of Groups Outside the Labour Force include the text *'in order to help increase their employment rates'* in order to more fully capture the Priority objectives. This would involve replacing the current objective of: *'To provide for increased activation and participation with certain groups who can contribute to Ireland's workforce but who face barriers to employment, progression and participation.'* With the following text:

'To provide increased activation and participation to certain groups who face barriers to employment, progression and participation in order to help increase their employment rates.'

43. The Managing Authority should set Priority level objectives below the two overall OP objectives.

-
- 44. The Managing Authority should move the text in relation to 'Undergraduate Skills' which is currently located under Priority 2 and moves its location to under Priority 1.

 - 45. The Managing Authority should amend the heading in Section 4.4 'Promoting Equality Between Women and Men' to incorporate the fact that the discussion under this heading includes activity to promote equality among grounds in addition to gender, i.e. the nine grounds covered by equality legislation. This could be done by changing the heading to 'Promoting Equality Between Women and Men, and Non-Discrimination' or by changing it to 'Promoting Gender Equality and Equal Opportunities'. The second suggested heading above has the advantage that it is consistent with the subsequent heading in Chapter 5 'Horizontal Principles', which uses the heading 'Gender Equality and Equal Opportunities'. Alternatively, the headings on both sections could be changed to 'Equality'.

 - 46. In relation to Section 4.7 'Contribution of Priorities to Interregional and Transnational Co-operation' the Managing Authority should consider changing the heading to 'Interregional and Transnational Co-operation' (i.e. drop the text 'Contribution of Priorities to') and the Managing Authority should insert additional text indicating how it intends to promote this area, e.g. whether it intends to pro-actively promote this area among Implementing Bodies (identified in the draft OP) and/or a wider a field during the programme period.

 - 47. The Managing Authority should add additional text to the Section 4.8 'Contribution of Priorities to Innovation' to provide a more detailed description of innovation actions to be supported by the OP.

 - 48. The Managing Authority should amend the heading of Section 4.10 'Technical Assistance' to 'Priority 3 Technical Assistance' in order to clearly signal that it is one of the three Priorities in the OP and it should also consider changing the location of that section, so that it appears after the end of the text on Priority 2.

Policy and Implementation Risks

- 49. The Ex-ante Evaluator recommends that the Managing Authority continue the process of engaging with Implementing Bodies in order to develop detailed implementation plans and that this process builds on the lessons from the EHRDOP 2000-2006.

- 50. The Ex-ante Evaluator recommends very close monitoring of applications, approvals and spend, and appropriate responses from the Managing Authority in the first twelve to eighteen months of operations to ensure that delivery is in line with plans and in line with forecast spend.

- 51. The Ex-ante Evaluator recommends that the Managing Authority, Implementing Bodies, relevant Government Departments and Agencies develop very clear processes and procedures to reduce and avoid potential overlap and duplication with other EU co-financed investments, with activity under the NDP 2007-2013 and activity in the private sector.

- 52.** The Ex-ante Evaluator recommends that the presence of ‘pilot’ and more innovative interventions be retained within the programme even though initial spend on these activities might be slower to ‘take-off’ than on the more ‘established’ activities.
- 53.** We endorse the Managing Authority’s intention that the funding of activities (measures) remains flexible within Priorities over the period of the programme and that the Managing Authority maintains the option of operating a ‘stick and carrot’ approach to funding, whereby ‘good’ performance can result in increased funding and ‘bad’ performance can result in reduced funding.

External Coherence

As noted in Section 3 we judge that the OP is externally consistent with national and regional policy in Ireland and with EU policy, and that it is consistent with commitments to equal opportunities and non-discrimination in the ESF Regulation, and the commitments to social inclusion and equality in the NSRF. Nevertheless, we make a number of recommendations to improve the readability of Chapter 5 Horizontal Principles and to provide greater clarity in relation to the commitments to the Horizontal Principles.

- 54.** The Ex-ante Evaluator recommends that the Managing Authority consider moving material from the first five Sections in Chapter 5 to Chapter 3, or at least reducing the size of these sections if they remain in Chapter 5.
- 55.** The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will address social inclusion to the section ‘Social Inclusion as a Horizontal Principle under this Programme’.
- 56.** The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will promote gender equality and equal opportunities to the section ‘Gender Equality and Equal Opportunities’ in Chapter 5.
- 57.** The Ex-ante Evaluator recommends that the Managing Authority insert text highlighting its commitment to sustainable development.

Expected Results and Impacts

- 58.** As part of the development of the OP the Managing Authority and Implementing Bodies have engaged in a process of discussing and agreeing appropriate output, result and impact indicators for activities and the settling of targets for these. We recommend that the Managing Authority and Implementing Bodies continue to work on this process in order to ensure that indicator data is available for all indicators as required (baseline and ongoing monitoring) and that targets have been set. And that appropriate breakdowns of indicators are provided during the course of the programme.

- 59.** Based on the outcome from the above process the Managing Authority should ensure that any additional steps required are taken to ensure a full indicator system is developed to comply with the Commission's requirements.

Implementation Systems

- 60.** The Ex-ante Evaluator recommends that the Managing Authority should clarify further the role that the Central Expenditure Evaluation Unit in the Department of Finance will play. For example, whether or not the Central Expenditure Evaluation Unit will have a representative serving on the Monitoring Committee in an advisory capacity.
- 61.** The Ex-ante Evaluator recommends that the Managing Authority should provide some additional text to the discussion of evaluation. In particular, it should clarify the role of the Mid-term Evaluation, and make direct reference to an Ex-post Evaluation to be commissioned by the Commission.
- 62.** The draft OP notes that in addition to the Mid-term Evaluation 'additional evaluations may be undertaken at the level of Priority or activity as required'. The Ex-ante Evaluator recommends that the Managing Authority and Monitoring Committee give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term, given the front loading of expenditure for the programme, as this will optimise the benefit of such evaluations.

EVALUATION AND INDICATOR CONCEPTS

| | |
|---|--|
| Rationale | The fact that an intervention can be justified in relation to needs to satisfy or socio-economic problems to solve. |
| Relevance (Appropriateness) | Appropriateness of the explicit objectives of an intervention, with regard to the socio-economic problems the intervention is meant to solve. |
| Sustainability | The ability of effects to last in the middle to long-term. Effects are sustainable if they last after the funding granted by the intervention has ceased. They are not sustainable if an activity is unable to generate its own resources, or if it is accompanied by negative effects, particularly on the environment and if that leads to blockages or rejection. |
| Utility | The fact that the impacts obtained by an intervention correspond to society's needs and to the socio-economic problems to be solved. |
| Effectiveness | The fact that expected effects have been obtained and that objectives have been achieved. |
| Internal coherence (consistency) | Correspondence between the different objectives of the same intervention. Internal coherence implies that there is a hierarchy of objectives, with those at the bottom logically contributing towards those above. |
| External coherence (consistency) | Correspondence between the objectives of an intervention and those of other public interventions which interact with it. For example, if a national policy and a European Union socio-economic programme are implemented in a complementary manner in the same territory for the purpose of developing SME's, it can be said that there is external coherence. |
| Monitoring | Monitoring is essentially the checking of outturns against expectations. It is generally relatively easy to monitor the values for output and - with some more effort required – result indicators. |
| Indicator | An indicator can be defined as the measurement of an objective to be met, a resource mobilised, an effect obtained, a gauge of quality or a context variable. An indicator should be made up by a definition, a value and a measurement unit |
| Context Indicator | Context Indicators provide quantified information on the socio-economic and environmental situation and can express identified needs in quantitative terms. |
| Programme indicator | Programme Indicators relate to the effects of the intervention. They gauge the extent to which the (intended) effects of a programme are expected to change the socio-economic reality or the behaviour of socio-economic actors, expressing in this way the quantified objective of the intervention. |
| Financial Indicator | Financial indicators are used to monitor progress under a programme in terms of the (annual) commitment and payment of the funds available for any operation, measure or programme in relation to its eligible cost. |

| | |
|-------------------------|---|
| Output Indicator | Output indicators relate to activity under a programme. They are measured in physical or monetary units (e.g., length of railroad constructed, number of firms financially supported, etc.). |
| Result Indicator | Result indicators relate to the direct and immediate effect on direct beneficiaries brought about by a programme. They provide information on changes to, for example, the behaviour, capacity or performance of beneficiaries. Such indicators can be of a physical (reduction in journey times, number of successful trainees, number of roads accidents, etc.) or financial nature (leverage of private sector resources, decrease in transportation cost, etc.). |
| Impact Indicator | Impact indicators refer to the consequences of the programme beyond the immediate effects. Two concepts of impact can be defined: <i>Specific impacts</i> are those effects occurring after a certain lapse of time but which are, nonetheless, directly linked to the action taken and the direct beneficiaries. <i>Global impacts</i> are longer-term effects affecting a wider population. |
| Baselines | Baseline data refer to the initial value against which an indicator is subsequently measured. It is the instrument to understand the relative importance of a Structural Fund intervention in relation to the existing situation, the needs and national policy instruments. For example, if the aim of a measure is to increase the number of SMEs in a region, the most appropriate baseline data are the number of SMEs existing at the start of the programme. Once this information is collected, it will then be possible to conclude, quite specifically, that, say, 20% of the existing businesses in an eligible region benefited from Structural Fund assistance. |
| Target | Indicators need quantified targets because otherwise the extent to which the original objectives are being met cannot be measured. Inevitably, as with all such forecasting exercises, an element of judgement is required in addition to data processing |

1 INTRODUCTION

1.1 Evaluation Objectives

This is the final report of the Ex-Ante Evaluation of the ESF Human Capital Investment Operational Programme (OP) 2007-13. This Evaluation was prepared by FGS Consulting on behalf of the Department of Enterprise, Trade and Employment. This Ex-ante Evaluation report is based on the version of the draft OP sent to the Evaluator on 6th of February (the Chapter on Performance Indicators was presented to the Evaluator on 12th February, and additional financial information on Friday 16th February).

This Ex-ante Evaluation fed into the process of planning and preparation for the OP to be co-financed by national sources and the ESF under the Regional Competitiveness and Employment Objective of the 2007-2013 Structural Funds round.

The main aim of the evaluation, as set out in the Terms of Reference, is *'To optimise the allocation of budgetary resources under operational programmes and improve programming quality.'* The detailed requirements of the Terms of Reference are presented in Section 1.2.

1.2 Specific Requirements

An 'ex-ante' evaluation of the Programme is a requirement of existing EU Regulations (Article 41 of Council Regulation (EC) No 1260/1999) and of the regulations for the 2007-2013 programming period. Ex-Ante Evaluations for the 2007-2013 period must address five key issues and these are as follows:

1. *'An Appraisal of the Socio-Economic Analysis and Relevance of Draft Programme to the Needs Identified;*
2. *An Evaluation of Rationale of the draft Programme and its Consistency;*
3. *An Appraisal of Coherence of Strategy with Regional and National Policies and the Community Strategic Guidelines;*
4. *Evaluation of Expected Results and Impacts;*
5. *Appraisal of Proposed Implementation Systems.'*

A series of specific areas where judgements were required under the five areas above were identified during the inception phase based on the Terms of Reference for this Evaluation and the Commission's Guidance Paper on Ex-Ante Evaluations. These areas are shown in Figure 1.1

Figure 1.1: Ex-Ante Evaluation: Judgements Required

| |
|---|
| <p>1. Appraisal of Socio-Economic Analysis and Relevance of Draft Programme to Needs</p> <ul style="list-style-type: none"> i. Appraisal of the socio-economic analysis, SWOT, identification of disparities, gaps and potential for development and assessment of the needs resulting from it; ii. Evaluate the appropriateness of the employment and human resource development policy needs (as expressed in the NSRF and Ex-Ante Evaluation of the NDP); iii. Evaluate the relevance of the strategy chosen with the needs identified (in the context of the NDP and NSRF preparation) and to provide direction as necessary to ensure coherence. |
| <p>2. Evaluation of Rationale of the draft Programme and its Consistency</p> <ul style="list-style-type: none"> i. In-depth analysis of the objectives and priorities of the programme and an examination of the basis and validity for the programme strategy; ii. Analysis of relationships and complementarities between different priorities, including the contribution of each priority to the programme objectives and how the combination of policy priorities will contribute to achieving these objectives, highlighting any conflicts between priorities; iii. Evaluation of the consistency of the strategy with regard to socio-economic and needs analysis (internal coherence); iv. Consideration if an alternative policy mix might be more likely to achieve the programme's objectives; v. Assessment of policy risk in the choice of priorities; vi. Appraisal of the justification for the thematic, geographical and financial concentration proposed; vii. Evaluate the extent to which proposals are most appropriate for use of ESF in particular and make recommendations in this regard as appropriate. |
| <p>3. Appraisal of Coherence with Regional/National Policies/Community Strategic Guidelines</p> <ul style="list-style-type: none"> i. Provide an assessment of the relevance of the OP with the Community Strategic Guidelines, the National Reform Programme and the National Strategic Reference Framework and provide direction as appropriate; ii. Assessment of how SEA requirements were addressed; iii. Evaluate the extent to which the Horizontal Principles, as set out in the NSRF, are incorporated. |
| <p>4. Evaluation of Expected Results and impacts</p> <ul style="list-style-type: none"> i. Assessment of the appropriateness of the structure and hierarchy of the objectives and the indicators (output, result and impact and their targets) identified as well as the proposed quantification of the indicators, on the basis of past experience and appropriate benchmarks; ii. Verification of the causality between policy interventions, outputs, results and impacts and make recommendations for improvements, if appropriate; iii. Evaluation on whether the proposed system of indicators is manageable and usable; iv. Evaluate the extent to which the OP is likely to contribute to the promotion of equality and social inclusion and provision of direction as appropriate; v. Evaluate the extent to which the OP contributes to balanced regional development. |
| <p>5. Appraisal of Proposed Implementation Systems</p> <ul style="list-style-type: none"> i. Assessment of the implementation provisions for managing, monitoring and evaluating the |

programme, including an examination of previous experience and an appraisal of possible bottlenecks and recommendations for preventative actions should be made;

- ii. Evaluation of the quality and extent of partnership arrangements, publicity and procedures for the exchange of computerized data;
- iii. Provide an assurance of the coherence of the OP with sound financial management principles.

The Terms of Reference also notes that in making recommendations the Evaluator should be cognisant of:

- The EU Lisbon agenda (and, in particular the requirement to ensure that at least 75% of funding is directed at activities that contribute to the achievement of the Lisbon objectives);
- The National Reform Process;
- The objective of achieving a more balanced spatial distribution of economic activity in Ireland consistent with the National Spatial Strategy and other regional considerations;
- The requirement for actions to address social inclusion and equality considerations including the integration of legally resident migrants;
- Environmental sustainability;
- The potential for cross-border and all-island co-operation.

1.3 Evaluation Method and Process

The Ex-Ante Evaluation included a detailed review of relevant literature, detailed examinations of drafts of the OP and associated material, and a series of meetings with the Managing Authority. The various stages in the Evaluation process involved the following:

- An initial inception meeting with the Managing Authority in the summer of 2006, followed by a series of meetings between the Ex-Ante Evaluator and the Managing Authority drafting team;
- Detailed review of literature on EU, national and regional policy, on Commission evaluation and indicators guidelines and various other reports (see Figure 1.2);
- A review of submissions or proposals for funding from potential implementing bodies;
- The Ex-ante Evaluator provided a series of discussion papers to the Managing Authority as recommended in the Commission's guidance paper on Ex-ante Evaluation;
- A review and feedback on individual sections of OP material as these were drafted;
- The Ex-Ante Evaluator aided the implementing bodies in the development of indicators. The Evaluator would like to thank the Implementing Bodies for their co-operation during this process.

Figure 1.2: Literature Reviewed

| |
|---|
| <p>The National Development Plan 2000-2006 and the constituent Operational Programmes 2000-2006</p> <p>The National Spatial Strategy</p> <p>National Reform Programme</p> <p>The Mid-Term Evaluation and Update Evaluation of the Employment and Human Resources Development Operational Programme</p> <p>The Enterprise Strategy Group Report</p> <p>National Strategic Reference Framework</p> <p>Roadmap for Equality between Women and Men 2006-2010 – European Commission</p> <p>Community Strategic Guidelines 2007-2013</p> <p>European Commission Draft Working Paper on Ex-ante Evaluation</p> |
|---|

1.4 Report Structure

The remainder of the main report consists of the following chapters:

- **Chapter 2 Programme Content:** Chapter 2 presents an assessment of the overall programme content, examining the content and structure of the draft OP and comparing it to the European Commission's content requirements;
- **Chapter 3 Relevance to Needs:** Chapter 3 assesses the relevance of the OP to the needs identified. It presents an appraisal of the socio-economic and SWOT analysis, and an assessment of the relevance of the strategy and programme objectives to the identified needs;
- **Chapter 4 Rationale and Consistency:** Chapter 4 examines the rationale for intervention, the internal consistency of the OP and its external coherence with national and EU policy;
- **Chapter 5 Expected Results and Impacts:** Chapter 5 assesses the appropriateness of indicators identified and the extent to which the proposed system of indicators is manageable and usable;
- **Chapter 6 Implementation Systems:** Chapter 6 appraises the proposed implementation system. It examines implementing provisions for managing, monitoring and evaluating the programme, partnership arrangements, publicity and procedures for the exchange of computerised data;
- **Chapter 7 Conclusions and Recommendations:** Chapter 7 provides the Evaluation's conclusions and recommendations.

2 ASSESSMENT OF PROGRAMME CONTENT

2.1 Chapter Introduction

This Chapter provides an overview of the draft content and compares this to the requirements of the Commission's General Regulation. Section 2.2 summarises the content and structure of the draft OP and Section 2.3 compares the content of the draft OP to the Commission's requirements.

2.2 Programming Content

The draft ESF Human Capital Investment Operational Programme 2007-2013 is structured along key themes, over seven chapters, and is approximately 70 pages in total. A brief description of Chapter 1 to 8 is set out below.

Chapter 1 Background to the Operational Programme

This chapter details the background and the legal basis for the OP, and outlines the structure of the Operational Programme. This chapter is four pages long.

Chapter 2 Economic and Labour Market Overview

Chapter 2 provides an economic overview and labour market analysis for the Operational Programme and includes a SWOT analysis. This chapter is 25 pages long;

Chapter 3 Strategic Context for Investment Priorities

This chapter discusses the policy context within which the ESF Human Capital Investment Operational Programme 2007-2013 is being developed in terms of the policies in place at the EU and national level and the needs and strategies identified in these. This chapter is 11 pages long.

Chapter 4 Priority Areas for Co-Funding:

Chapter 4 presents the three Priorities under the OP namely 'Upskilling the Workforce' and 'Activation and Participation of Groups Outside the Labour Force', and 'Technical Assistance' This Chapter also sets out the themes under the two main or non-technical assistance Priorities providing a introduction/description, a set of objectives, indicative operations and indicators for each. This chapter is eight pages long.

Chapter 5 Horizontal Principles

This chapter discusses the commitment of the Managing Authority to addressing the Horizontal Principles of Social Inclusion and Equality. This chapter is four pages long.

Chapter 6 Operational Programme and Performance Indicators

Chapter 6 outlines broad contextual indicators which can be utilised as a benchmark of the effectiveness of the programme implementation and inform ongoing programme management, prioritisation and targeting of funding. This chapter is four pages long.

Chapter 7 Programme Management, Monitoring and Evaluation

This chapter describes the implementation provisions, as well as management, and monitoring and evaluation arrangements, and reporting plans including management arrangements; monitoring and evaluation systems; financial management and control systems; information and publicity; data collection, storage and exchange systems; project selection systems; implementation plans. This chapter is seven pages long.

Chapter 8 Financial Provisions

Chapter 8 describes the proposed financial allocation for the Operational Programme, the proportion earmarked for the Lisbon Agenda and a Performance Reserve. This chapter is three pages long.

The Operational Programme (OP) has a logical flow consistent with Commission Guidelines. The logic of the OP flows from regional analysis and policy context to development strategy and priorities and indicators to relationships with other investment programmes to implementation arrangements.

The draft OP also embraces the key change between the 2000-2006 period and the 2007-2013 programming period, namely the more strategic approach to programming. The key focus is on establishing a clear and coherent policy response which underpins the achievement of EU objectives, and tackles the particular challenges and needs. In this context the OP is a more strategic document than in the previous programming period and does not contain a detailed description of measures. Instead, the main focus is placed on the description of the strategy and priorities.

2.3 Assessment of Content Against Requirements

The draft OP addresses most of the programming content elements as required in the EU General Regulation 2006 Article 36. Figure 2.1 below examines the Programming Contents required for ESF funded OP's for the 2007-13 period. The first column in the table details the requirement set out in the Guidelines; the second column indicates whether this requirement has been addressed or not in the Draft OP, and the final column shows in what section of the draft the requirement is addressed.

Figure 2.1: Programming Contents Required for ESF Funded OPs 2007-2013

| | Programme Contents | Addressed? | Chapter in OP |
|----|---|-------------------|----------------------|
| 1. | An analysis of the situation of the eligible area or sector in terms of strengths and weaknesses and the strategy chosen in response (drawing primarily on available data) | Yes | Chapters 2 and 3 |
| 2. | A justification of the priorities chosen having regard to the Community Strategic Guidelines on cohesion, the national strategic reference framework, as well as the results from the ex ante evaluation | Yes | Chapters 2,3 and 4 |
| 3. | Information on the priority axes and their specific indicators and targets for achievement | Partially | Chapters 4 and 6 |
| 4. | An indicative breakdown by category of the programmed use of the contribution of the Funds; | Yes | Chapter 8 |
| 5. | A financing plan containing two tables: | | |
| | i) a table breaking down for each year, the amount of the total financial appropriation envisaged for the contribution from each Fund | Yes | Chapter 8 |
| | ii) a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds | No | Chapter 8 |
| 6. | Information on complementarities with measures financed by the EAFRD and those financed by the EFF, where relevant | No | Not provided |
| 7. | The implementing provisions for the operational programme, including: | | |
| | i) designation by member state of all entities stipulated in Article 58, or, if the member state exercises the option provided for in Article 73, the designation of other bodies and procedures in accordance with the rules laid down in Article 73 | Yes | Chapter 7 |
| | ii) a description of monitoring and evaluation systems | Yes | Chapter 7 |
| | iii) information about the competent body for receiving payments made by the Commission and the body or bodies responsible for making payments to the beneficiaries | Yes | Chapter 7 |

| | Programme Contents | Addressed? | Chapter in OP |
|--|--|------------|---------------|
| | iv) a definition of the procedures for the mobilization and circulation of financial flows in order to ensure their transparency | Yes | Chapter 7 |
| | v) the elements aiming at ensuring the publicity and the information of the operational programme as referred to in Article 68 | Yes | Chapter 7 |
| | vi) a description of the procedures agreed between the Commission and the Member State for the exchange of computerised data to meet the payment, monitoring and evaluation requirements laid down by the regulation | Yes | Chapter 7 |
| 8. | An indicative list of major projects within the meaning of Article 38 which were expected to be submitted within the programming period for Commission approval | Yes | Chapter 7 |
| Source: Adapted from the EU General Regulation, Article 36 and the ESF Human Capital Investment Operational Programme 2007-2013 | | | |

As evidenced by the table above, the draft OP addresses most of the programming content elements as required in the EU General Regulation 2006 Article 36.

Exceptions relates to indicator targets. As regards information on the priority axes and their specific indicators and targets for achievement, this requirement is partially dealt with in Chapter 5 of the Draft OP as indicators have been identified but targets have not been set for these indicators. In order to address this, we make a number of recommendations in Section 7.3, Chapter 7).

3 RELEVANCE

3.1 Chapter Introduction

The purpose of this Chapter is to examine the relevance of the ESF Human Capital Investment Operational Programme. It addresses item one in the Terms of Reference, as shown below.

ToR Item 1: 'An Appraisal of the Socio-Economic Analysis and Relevance of Draft Programme to the Needs Identified;

- i. Appraisal of the socio-economic analysis, SWOT, identification of disparities, gaps and potential for development and assessment of the needs resulting from it;
- ii. Evaluate the appropriateness of the employment and human resource development policy needs;
- iii. Evaluate the relevance of the strategy chosen with the needs identified (in the context of the NDP and NSRF preparation) and to provide direction as necessary to ensure coherence.

Section 3.2 details the assessment of the needs analysis and the SWOT analysis. Section 3.3 provides an assessment of the Relevance of the OP Strategy to the Needs identified.

3.2 Assessment of Needs Analysis and SWOT

The Managing Authority considered that a full needs analysis specifically for this Operational Programme was not warranted given the various reports and analyses carried out that are directly relevant to the labour market and human capital investment area. In setting the framework in which the new ESF Operational Programme is framed, the studies prepared for the Southern and Eastern Regional Assemblies (Regional Needs Analysis 2007-2013, Fitzpatrick Associates, 2006) and the Border, Midland and Western Regional Assemblies (New Challenges, New Opportunities, 2006) provided much useful analysis and material. Further, the Ex Ante Evaluation of the Investment Priorities for the National Development Plan 2007-2013 (ESRI, 2006) provided substantial analysis and information that proved very useful in preparing this Operational Programme.

Nevertheless, the OP sets out a detailed analysis of both the Irish economy and its labour market since 2000 (i.e. since the start of the previous Employment and Human Resources Development Operational Programme). The areas examined in this analysis are shown in Figure 3.1.

Figure 3.1 Areas and Issues Covered by the Economic and Labour Market Analysis

| Economic |
|---|
| Trends in GDP and GNP |
| Trends in Wages and Consumer Prices |
| Trends in Population and Migration |
| Labour Market |
| Overall Trends in Employment |
| Trends in Employment by gender |
| Trends in Employment by NUTS II region |
| Overall Trends in Unemployment |
| Trends in Unemployment by gender |
| Trends in Unemployment by NUTS II region |
| Deprivation and disadvantage in the Labour Market |
| Productivity |
| Groups experiencing low employment rates |

A SWOT analysis of the Irish labour market is out set out in the OP to highlight the key internal strengths and weaknesses of the Irish labour market and to illustrate opportunities and threats relative to the external environment. Taking into account the SWOT analysis the OP puts forward two disparities in the Irish labour market which it feels need to be addressed:

- The need to increase the productivity of workers by upskilling;
- The need to increase the employability of groups with low employment rates.

3.3 Assessment of the Relevance of OP Strategy to Needs

3.3.1 Overall Assessment

As noted in Chapter 2, the OP has two main priorities (excluding the Technical Assistance Priority), namely: 'Upskilling the Workforce' and 'Activation and Participation of Groups outside the Labour Force'.

Our assessment is that these are highly relevant to the underlying needs as reflected in the economic and labour market analyses, national and regional policy and related research reports. At the same time these priorities are highly EU-objective driven. They are also consistent the needs identified in the NDP and NSRF. The relevance of individual Priorities is discussed in the following sub-sections.

3.3.2 Upskilling the Workforce

The OP notes the necessity for the the delivery of activities to upskill the Irish labour force as a means of enabling it to respond effectively to the evolving needs of industry and the economy. This upskilling is considered central to Ireland's ability to maintain its economic competitiveness. The Operational Programme will seek to support those actions that best fit with the objectives of the ESF Regulation and employment recommendations for Ireland in the NRP process.

The figure below shows the identified investment areas, details of the administering body, and an overview of planned investment activities.

| |
|--|
| Training of Employees |
| In-Company Training |
| FAS provides training for companies and those in employment and has proposed this Measure for co-financing under the Operational Programme. The measure will provide funding to help enable employed persons to receive training and development. To support this objective a number of specific activities will be undertaken; analyses of sectoral and regional training needs, the development and implementation of programmes to meet these needs, the development and implementation of quality assurance measures and training standards, best practice workshops and the development and/or mainstreaming of innovative training models (including the use of Recognition of Prior Learning). It will also help companies to assess their HRD practices and processes and benchmark their performance against comparators. |
| Education Programmes for Adults to Provide Upper Second Level Education and/or Qualifications at FETAC levels (3-6) |
| Lifelong Learning - Back to Education Initiative |
| The Back to Education Initiative administered by the Department of Education and Science provides new opportunities for learning through the provision of flexible part-time and full-time programmes that consolidate and build on existing further education services. It provides a progression route for school leavers, a re-entry route for those who wish to upgrade their skills, a bridge from adult literacy and community education. |
| Its principal objective is to increase the base of adults with upper second level education and/or qualifications at FETAC Levels 3, 4, 5 and 6 and relevant or updated skills to meet the needs of the economy. |
| Vocational Training Courses for Job Seekers and Unemployed People |
| Skills Training for the Unemployed and Job Seekers |
| This measure will address the need to provide unemployed persons and other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work. One of the aims of the skills training is |

to ensure that there is a better alignment between FAS training courses and the National Framework of Qualifications. FAS training courses will be classified as Foundation, Bridging or Advanced Skills.

The objective of the measure is to help unemployed persons or other jobseekers to obtain employment through improving their skills. This will contribute directly to the Programme's objective of enhancing worker productivity and skills levels.

Courses to Increase Graduates for Key Sectors of the Economy

Undergraduate Skills

This measure meets the recurrent costs of providing the additional third level places to meet the identified skills needs of the high technology sector. The programmes included in this measure are those recommended by the Expert Group on Future Skills Needs (EGFSN) and the joint education/industry Task Force on the Supply of Technicians. The objective of this intervention is to increase the supply of graduates qualified in these areas in order to address skills shortages in the economy. It will, therefore, focus on issues that are central to ESG report recommendations and to the achievement of the National Skills Strategy.

3.3.3 Activation and Participation of Groups Outside the Labour Force

The OP notes that this priority is designed to provide for the increased activation and participation within certain groups that are regarded as being a potentially valuable source of workers to Ireland's labour force. It is envisaged that this Priority will seek to enhance social inclusion outcomes for the groups involved. The OP is intended to complement the NDP and the NAPS inclusion processes, the major national strategies for addressing these issues.

The figure below shows the identified investment areas, details of the administering bodies, and an overview of planned investment activities.

Targeting Young People

Third Level Participation

To support the retention in higher education of students facing social or economic barriers, either of a temporary or more entrenched nature, including through the allocation of earmarked funding to colleges for the provision of a range of tailored supports and services to students with disabilities. Support for the Student Access Fund and the Fund for Students with Disabilities would be examples of how this will be delivered.

Progression for Early School Leavers

The policy in Ireland is to seek to ensure that persons with little or no education/skills are not isolated and vulnerable to potential economic downturn. This is delivered through measures, which address early school leaving, combine education with labour market participation and Upskilling. The European Youth Pact identifies the need to provide education and training to address the labour market challenges facing young people. Ireland supports the Pact's emphasis on youth and the policies it proposes.

Youthreach and Travellers

Youthreach seeks to provide early school leavers with the knowledge, skills and confidence required to participate fully in society and progress to further education, training and employment. Senior Traveller Training seeks to provide an opportunity for members of the Traveller community and others to engage in a programme of learning that affirms their cultural identity, acquire the knowledge, skills and confidence to participate fully in society and progress to further education, training and employment.

Youth Diversion Measures

Measures are being developed with the objective of enhancing the employability of youths facing social exclusion through crime or other societal problems. The aim is to provide key skills in the area of IT and personal development to identify pathways for individual participants towards the labour market. The ESF contribution will enable expansion of these interventions and provide some certainty around future activity levels.

Supporting People with a Disability

People with Disabilities

The implementation of sectoral plans under the Disability Act 2005 will be supported, thereby assisting in the mainstreaming of services for the disabled and the increase of participation by people with disabilities in society.

In relation to the labour market programmes, the policy emphasis is to ensure that disabled people have an equal opportunity to participate in mainstream employment and training programmes. Where this is not possible there are a number of training and employment supports targeted specifically at people with a disability, which will continue to be provided, including the vocational training by Specialist Training Providers and the Supported Employment Programme. Innovative work by the Department of Social and Family Affairs on testing a comprehensive employment strategy based on individual case management of people on disability welfare payments that will have the capacity to increase their employment rate will also assist with implementing the Disability Strategy.

Basic Education Skills

Adult Literacy

Adult literacy is the Government's top priority in adult education. Literacy is fundamental to empowerment and personal development. It is an attempt to give a second chance to people for whom the mainstream system did not properly cater when they were younger. The NDP will fund actions to provide access to literacy, numeracy and basic education to those adults whose skills are deficient in these areas. Adult literacy courses are delivered through the VECs and the service is free of charge to students. The VECs currently deliver adult literacy courses to approximately 35,000 participants annually. In line with the commitment under *Towards 2016* there will be an increase of 7,000 places over the period of the NDP.

The aim in this Programme is to provide increased access to literacy, numeracy and language tuition for adults whose skills are inadequate for participation in modern society and to increase capacity in the adult literacy service.

Language Support

The NDP contains a Sub-Programme for language support teachers to assist children from a non-English speaking background (mainly the children of immigrants from EU countries and the children of refugees from outside of the EU). The objective of the Sub-Programme will to enable these children

to acquire a sufficient knowledge of the English language to enable them to benefit from the Irish education system at the same level as their Irish peers.

Provision for the appointment of an extra 550 language support teachers by 2009 is included as one of the priority actions in the Ten-Year Framework Social Partnership Agreement 2006-2015 Towards 2016.

The Operational Programme will seek to provide funding towards the language support area and by so doing to make a tangible contribution to addressing the particular needs of migrant communities and to addressing the skills needs of their children before language becomes a barrier to full participation in the labour market.

Equality

Positive Actions to Promote Gender Equality

This aims to contribute to and assist in drawing more women into the labour market and in promoting women as decision makers at all levels.

Equality Mainstreaming Approach

This approach will aim to drive institutional change within providers of vocational education and training, labour market programmes and within small and medium enterprises that reflects a capacity to combat discrimination and to promote equality and accommodate diversity.

4 RATIONALE AND CONSISTENCY

4.1 Chapter Introduction

This Chapter discusses the rationale of the programme, its internal and external consistency and a number of other issues. It addresses item two in the Terms of Reference as shown below.

TOR Item: 2. Evaluation of Rationale of the draft Programme and its Consistency

- i.** In-depth analysis of the objectives and priorities of the programme and an examination of the basis and validity for the programme strategy;
- ii.** Analysis of relationships and complementarities between different priorities, including the contribution of each priority to the programme objectives and how the combination of policy priorities will contribute to achieving these objectives, highlighting any conflicts between priorities;
- iii.** Evaluation of the consistency of the strategy with regard to socio-economic and needs analysis (internal coherence);
- iv.** Consideration if an alternative policy mix might be more likely to achieve the programme's objectives;
- v.** Assessment of policy risk in the choice of priorities;
- vi.** Appraisal of the justification for the thematic, geographical and financial concentration proposed;
- vii.** Evaluate the extent to which proposals are most appropriate for use of ESF in particular and make recommendations in this regard as appropriate.

Section 4.2 discusses the rationale for public intervention. The internal consistency of the programme is examined in Section 4.3. Relationships and complementarity of OP Priorities are discussed in Section 4.4. External coherence is the focus of Section 4.5. The appropriateness of areas for ESF funding is discussed in Section 4.6. Section 4.7 discusses the idea of an alternative policy mix and an assessment of the policy risk. Thematic, geographic and financial concentration is examined in Section 4.8, and Section 4.9 discusses how the OP addresses the SEA Directive.

4.2 Public Intervention Rationale

In order to assess the rationale of the OP (i.e. whether an intervention can be justified in relation to needs to satisfy or socio-economic problems to solve), we will use a methodology which has been used in a number of previous CSF-level evaluations in Ireland and is highlighted in the European Commission's Working Paper on ex-ante evaluation for the 2007-2013 period.

This methodology employs a four-way typology of interventions corresponding to the following instances of market failure as shown in Figure 4.1.

Figure 4-1: Public Intervention Rationale Type

Type 1 Public goods: a purely public good is one that is 'non-rival' in consumption. One person's consumption of the good or service in question (e.g., a public park, street lighting or a road in a rural area) does not preclude its consumption or use by others. Because of the difficulty or impossibility of charging for the use of such goods, the market will tend to under provide or, in some cases, not to provide them at all.

Type 2 Corrective subsidy: a corrective subsidy is an open-ended intervention designed to alter relative prices facing firms or individuals in order to correct for, or capture, a general or ongoing externality or spillover effect. For example, firms will tend to under-invest in the provision of general (i.e., not firm- or job-specific) training for their employees because some of the benefits cannot be retained by them but rather accrue to the trainees or to other firms (in the event that the trained employees leave).

Type 3 Targeted schemes: these are designed to alter behaviour where private agents are thought to be inadequately informed, or where a specific externality or information barrier exists (for example, firms may not recognise the benefits accruing from investment in research and development or management training). Unlike the second type, these are not open-ended subsidies.

A further sub-division of this group is made into:

- (a) *Enterprise management development* - Management focused skills for managers
- (b) *Strategic Positioning of Enterprises* – Enterprise focused
- (c) *Other Market Skills* – Enhance skills level of general workforce
- (d) *Labour Market Skills for the Disadvantaged* – To lift people out of skills, experience or motivation traps
- (e) *Enterprise or applicable R&D*
- (f) *Other*

Type 4 Redistribution: interventions where the primary motivation is redistributive, i.e. to provide goods or services to groups or regions who would otherwise not have access to these.

Based on the descriptions included in the draft OP and previous use of the typology in 2000-2006 Employment and Human Resources Development Operational Programme, the key interventions proposed were classified under the four categories of intervention listed above. It should be emphasised that the classification of an intervention under any one of the categories does not, of itself, provide a full justification for investment in the area concerned. Nevertheless, the exercise provides an insight into the broad nature of the market failures that the OP aims to address.

When we examine the number of interventions in the OP across each of the types identified earlier we find that they are split across two types, i.e. public goods and targeted schemes. There are four activities under Priority 1. Three of these are primarily targeted schemes, 'Back to Education Initiative', 'In-Company Training' and 'Skills Training for the Unemployed and Job Seekers'. Of these two, 'Back to Education Initiative' and 'Skills Training for the Unemployed and Jobs Seekers' provided

labour market skills for the disadvantaged while 'In-Company Training' was primarily focused on other market skills. The 'Undergraduate Skills' activity is classified as a Public Good. Priority 2 was predominantly made up of targeted schemes with seven in total, all of which provided labour market skills for the disadvantaged, with the two equality measures being 'Public Goods'. This is shown in Figure 4.2.

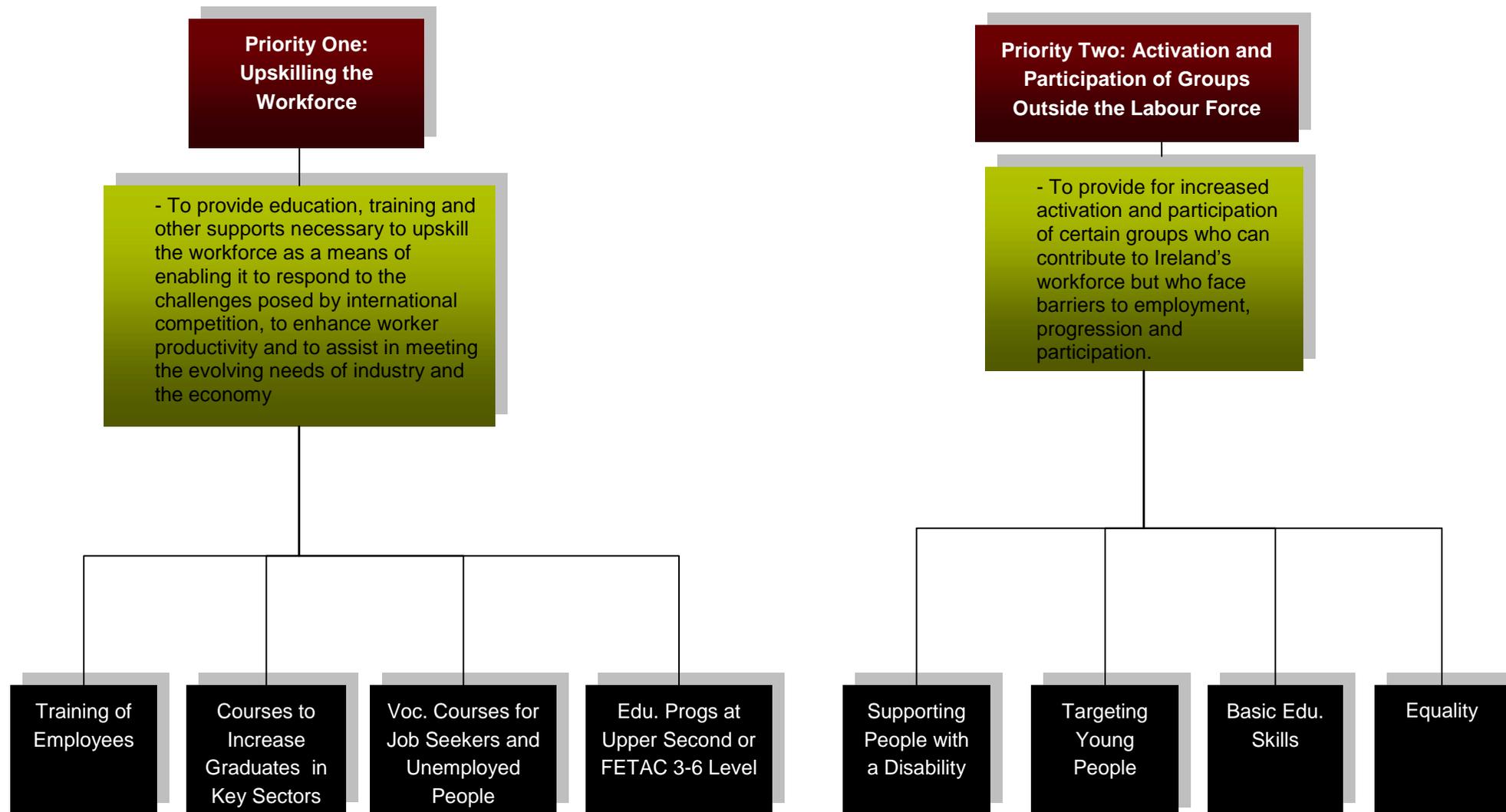
Figure 4.2: Typology of Interventions

| Main Intervention | Type | Comment |
|--|---------------------|---|
| Priority 1: Upskilling the Workforce | | |
| <i>Education Programmes for Adults to Provide Upper Second Level Education and/or Qualifications at FETAC levels (3-6)</i> | | |
| Back to Education Initiative | Targeted scheme (d) | A targeted scheme to increase the base of adults with upper second level education and/or qualifications at FETAC Levels 3, 4, 5 and 6 and relevant or updated skills |
| <i>Training of Employees</i> | | |
| In-Company Training | Targeted scheme (c) | A targeted scheme to increase the number of workers with qualifications |
| <i>Courses to Increase Graduates in Key Sectors of the Economy</i> | | |
| Undergraduate Skills | Public Good | A targeted subsidy to meet the recurrent costs of providing the additional third level places to meet the identified skills needs of the high technology sector |
| <i>Vocational training courses for jobs seekers and unemployed people</i> | | |
| Skills Training for the Unemployed and Jobs Seekers | Targeted scheme (d) | A targeted scheme to help unemployed persons or other jobseekers to obtain employment through improving their skills |
| Priority 2: Activation and Participation of Groups Outside the Labour Force | | |
| <i>Supporting People with a Disability</i> | | |
| People with disabilities | Targeted scheme (d) | A targeted scheme to assist persons with a disability move into employment through training and employment supports. |
| <i>Targeting Young People</i> | | |
| Third Level Participation | Targeted scheme (d) | A targeted scheme to support the retention in higher education of students facing social or economic barriers |
| Progression for Early School Leavers | Targeted scheme (d) | A targeted scheme to address early school leaving |
| Youthreach and Travellers | Targeted scheme (d) | A targeted scheme to assist early school leavers and members of the Traveller Community to progress to further education, training and employment. |

| Main Intervention | Type | Comment |
|--|---------------------|---|
| Youth Diversion Measures | Targeted scheme (d) | A targeted scheme to enhance the employability of youths facing social exclusion through crime or other societal problems. |
| <i>Basic Education Skills</i> | | |
| Adult Literacy | Targeted scheme (d) | A targeted scheme to improve literacy among adults |
| Language Support | Targeted scheme (d) | A targeted scheme to address the skills needs of migrants and their children before language becomes a barrier to full participation in the labour market |
| <i>Equality</i> | | |
| Positive Action to Promote Gender Equality | Public Good | A public good to contribute to and assist in drawing more women into the labour market and in promoting women as decision makers at all levels |
| Equality Mainstreaming Approach | Public Good | A public good to improve capacity to combat discrimination and to promote equality and accommodate diversity |

4.3 Internal Consistency of the Programme

As highlighted in Section 4.1 the Terms of Reference require the ex-ante evaluation to comment on the 'consistency of the strategy with regard to socio-economic and needs analysis (internal coherence), including the appropriateness of the allocated financial resources to the proposed strategic priorities'. As noted in the definitions of terms included in this report the internal consistency of the programme refers to correspondence between the different objectives of the same intervention. Internal coherence implies that there is a hierarchy of objectives, with those at the bottom logically contributing towards those above. The strategy, OP and Priorities and areas for investment are internally coherent. This is highlighted in Figure 4.3.



4.4 Relationships and Complementarity

One of the items in the Terms of Reference is an *'analysis of relationships and complementarities between different priorities, including the contribution of each priority to the programme objectives and how the combination of policy priorities will contribute to achieving these objectives, highlighting any conflicts between priorities.'*

The two Priorities are directly related to the two overall OP objectives, namely 'Up-skilling the Workforce' and 'Activation and Participation of groups with low employment rates'.

The type of activities to be funded under Priority 1 include: training of employees; courses to increase graduates for key sectors of the economy; vocational training courses for jobs seekers and unemployed people; education programmes for adults to provide upper second level education and/or qualifications at FETAC levels (3-6).

The type of activities to be funded under Priority 2 include: training and employment support services for people with a disability; targeting young people; basic education skills; equality promotion, training and good practice.

Given the nature of the intended investments and their specific objectives we do not envisage any conflict between the two Priorities, while at the same time the level of direct (as opposed to indirect) complementarity is likely to be limited.

4.5 External Coherence

Chapter 3 of the draft OP comprehensively sets out relevant community and national policies and programmes. At EU level, it outlines the basic direction of the Lisbon and Gothenburg agendas, of the Regulatory Framework and of the Community Strategic Guidelines. The draft Programme is thus very consistent with these. This consistency is reflected in the draft OP's basic objectives, structure and rationale, in its Priorities and in the main interventions likely to be supported.

At national level, this consistency is also assured, not least because relevant national Priorities are consistent with EU ones. Key dimensions here are the National Reform Programme for Ireland, the National Skills Strategy and the National Strategic Reference Framework. The proposed Priorities and interventions are, as set out in the OP, fully consistent with these. This is shown in Figure 4.4.

Figure 4.4: Consistency with Key Community and National Policies

| | Community Strategic Guidelines | Lisbon and Gothenburg Agendas | ESF Regulation | National Reform Programme for Ireland | National Strategic Reference Framework | NEAP Recoms. |
|------------------------------|---------------------------------------|--------------------------------------|-----------------------|--|---|---------------------|
| Operational Programme | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Other financed instruments affecting Ireland are also discussed in Chapter 3 of the draft OP. The other main EU co-financed financial initiatives operating will be the Regional Development Operational Programmes. Also relevant are the EARD and the EFF. A number of national instruments will also be operating during the 2007-2013 period, in particular the National Development Plan 2007-2013 and the Rural Development National Strategy Plan and Programme 2007-2013.

Generally, the nature of this Programme is such that there is consistency with, and no overlap and duplication between, it and these other co-financed Programmes. However, mechanisms to ensure that this is the case in practice will be important, e.g. common membership of Monitoring Committees to ensure full information exchange, and availability and checks by implementing agencies at project application and appraisal stage to ensure that there is no overlap or duplication. We return to this in Chapter 7 in our recommendations.

4.6 Appropriateness for ESF Funding

For the OP the ESF interventions have to be consistent with the priorities for the Regional Competitiveness and Employment Objective. The relevant priorities under Article 3 are set out in the Figure 4.5. The areas for investment are also in line with the recommendations made to Ireland under the National Employment Action Plan process during the EHRDOP 2000-2006 period. In addition, the recommendations are also in line with the findings of the Update Evaluation of the EHRDOP 2000-2006 and the areas identified under the Update Evaluation for possible of ESF funding.

Figure 4.5: Relevant Priorities Under Article 3 of the ESF Regulation

| |
|---|
| 1. Within the framework of the convergence and the regional competitiveness and employment objectives, the ESF shall support action under the following priorities: |
| <p>(a) increasing adaptability of workers and enterprises, in particular by promoting:</p> <ul style="list-style-type: none"> (i) increased investment in human resources by enterprises, especially SMEs, and workers, through the development and implementation of lifelong learning systems and strategies which ensure improved access to training of low skilled and older workers, transparency of qualifications and competences, dissemination of ICT and management skills and the promotion of entrepreneurship and innovation; (ii) the anticipation and positive management of economic change, notably through the design and dissemination of innovative and more productive forms of work (iii) organisation, including better health and safety, the identification of future occupational and skills requirements, and the development of specific employment, training and support services to workers in the context of company and sector restructuring. <p>(b) enhancing access to employment of job seekers and inactive people, preventing unemployment, prolonging working lives and increasing participation in the labour market of</p> |

women and migrants, in particular by promoting:

- (i) the modernisation and strengthening of labour market institutions, in particular employment services;
- (ii) the implementation of active and preventive measures ensuring early identification of needs and personalised support, job search and mobility, self-employment and business creation;
- (iii) specific action to increase sustainable participation and progress of women in employment, to reduce gender-based segregation in the labour market including by addressing the roots of the gender pay gaps, and to reconcile work and private life including by facilitating access to childcare and care for dependent persons;
- (iv) specific action to strengthen the social integration of migrants and increase their participation in employment, including guidance and language training and validation of competences acquired abroad.

(c) reinforcing social inclusion of people at a disadvantage and combating discrimination, in particular by promoting:

- (i) pathways to integration in employment for disadvantaged people, people experiencing social exclusion, early school leavers, minorities and people with disabilities, through employability measures, including in the field of the social economy, accompanying actions and relevant social support and care services;
- (ii) diversity in the workplace and the combat against discrimination in accessing the labour market through awareness-raising and the involvement of local communities and enterprises.

(d) mobilising for reforms in the fields of employment and inclusion, in particular by promoting the development of partnerships and pacts through networking of relevant stakeholders at national, regional and local level.

The Priorities, Themes and Indicative Measure of the draft OP are consistent with these ESF priorities. This is shown in Figure 4.6 (on the next page).

Figure 4.6: Coherence of the Draft OP and the ESF Priorities

| Priority 1: Up-skilling the Workforce | | ESF Guidelines – priorities under Article 3 | | | |
|---|--|---|------|------|------|
| Possible Area | Need, Problem or Issue to be Addressed | 1(a) | 1(b) | 1(c) | 1(d) |
| Back to Education Initiative (BTEI) | To address the education needs of those with minimal or no educational qualifications and school leavers through: <ul style="list-style-type: none"> ■ the provision of programmes that lead to qualifications equivalent to upper second level; ■ the provision of programmes that lead to qualifications in line with labour market demands; ■ the provision of re-entry routes for those who wish to upgrade their skills in line with emerging socio-economic needs | | X | | |
| Undergraduate Skills | To address identified shortages of skilled graduates in areas as highlighted by the Expert Group on Future Skills Needs (EGFSN) and other reports in particular in the ICT/Engineering and Science disciplines | X | | | |
| Skills Training for the Unemployed and Job-Seekers | The measure will address the need to provide unemployed persons and other job-seekers with the skills they need firstly to gain suitable employment, secondly to be productive at work, and thirdly to progress in the future to different or more advanced work. | | X | | |
| In-Company Training | The measure will provide funding to help enable employed persons to receive training and development. To support this objective a number of specific activities will be undertaken; analyses of sectoral and regional training needs, the development and implementation of programmes to meet these needs, the development. | X | | | |

| | | | | | |
|--|--|--|-------------|-------------|-------------|
| | and implementation of quality assurance measures and training standards, best practice workshops and the development and/or mainstreaming of innovative training models (including the use of Recognition of Prior Learning). It will also help companies to assess their HRD practices and processes and benchmark their performance against comparators. | | | | |
| Priority 2: Activation and Participation of Groups outside the Labour Force | | ESF Guidelines – priorities under Article 3 | | | |
| Possible Area | Need, Problem or Issue to be Addressed | 1(a) | 1(b) | 1(c) | 1(d) |
| Third Level Participation | Inequities in participation in higher education faced by students with limited economic resources. | | X | | |
| Early School Leavers - Youthreach and Travellers | <p>Youthreach - To address the needs of unqualified early school leavers. It is specifically targeted at unemployed young school leavers aged 15-20.</p> <p>Senior Traveller Training – To address the needs of unqualified early school leavers and adults in the travelling community. There is no upper age limit on this programme.</p> <p>Both programmes seek to address the personal and social development needs of participants. The need to improve self esteem, promote independence and personal autonomy are common among programme entrants. The programmes seek to instil a pattern of lifelong learning and integrate participants into further education and training opportunities and the labour market. Certification is available relative to the ability and career options of the individual participant.</p> <p>Both programmes seek to improve social inclusion on a broader scale.</p> | | X | X | |
| Adult Literacy | To address the needs of those who wish to improve their literacy skills. | | X | | |

| | | | | | |
|-------------------------|---|--|----------|----------|--|
| Language Support | To provide the specific supports needed by children whose first language is not English to help them to succeed at school. | | X | | |
| Disability | <p>The measure will include a number of actions all designed to achieve the overall aim. It will include:</p> <ul style="list-style-type: none"> ■ Provision of training by Specialist Training Providers, ■ Financial incentives to employers to recruit persons with a disability (the Wage Subsidy Scheme), ■ The Supported Employment Programme (SEP), which provides mentors/advocates to assist persons with disabilities to take up and maintain employment and ■ The Disability Awareness Training Scheme for companies and their employees. <p>The measure will also fund a Disability Support Service, which has been piloted by FÁS recently. The aim of this service will be to increase the participation of disabled persons on FÁS (mainstream) training courses. This service is a contracted service that provides support workers to the Training Centres. The support workers provide a range of support services to both trainees and training staff, including awareness training, additional academic supports, motivation and training, guidance on course completion, study skills and assistive technology assistance. In general, the measure will include information aimed at a number of audiences, in particular persons with a disability and employers, to encourage participation in the various opportunities available</p> | | X | X | |

| | | | | | |
|--|--|--|-----------------|-----------------|--|
| <p>Garda Youth Diversion - IT Skills/Personal Development</p> | <p>The Garda Youth Diversion Projects (GYDP) aim, through both intervention and prevention, to divert young people from becoming involved in crime and to provide suitable activities to facilitate personal development and encourage civic responsibility, and work towards improving the long-term employability prospects of the participants. The sub-measures are targeting young people who may have little engagement with the more established routes into education, training and employment. Existing projects do not have sufficient resources/ skills to effectively target key employment skills, in particular IT and job-specific personal development skills.</p> | | <p>X</p> | <p>X</p> | |
| <p>Garda Youth Diversion - Additional Workers</p> | <p>The Garda Youth Diversion Projects (GYDP) aim, through both intervention and prevention, to divert young people from becoming involved in crime and to provide suitable activities to facilitate personal development and encourage civic responsibility, and work towards improving the long-term employability prospects of the participants. By their nature diversion projects are time bound and a longer term support would be beneficial in maintaining the impact of the project into the future. The objective of this proposal is to improve participation in employment through additional workers who would identify pathways for individual participants towards the labour market. Many of the young people involved in the projects, as a result of their social and educational backgrounds, have difficulty identifying and accessing education and employment support services. One to one support services, delivered to them by workers within the projects, would assist them in understanding and accessing the range of support services available in the community and provide follow up support during initial placements.</p> | | <p>X</p> | <p>X</p> | |

| | | | | | |
|---|---|--|-----------------|-----------------|-----------------|
| <p>Positive Actions to Promote Gender Equality</p> | <p>The present Measure will make available funding</p> <ul style="list-style-type: none"> ■ to build upon the work undertaken in the 2000 – 2006 National Development Plan which supported a range of positive action measures; and ■ to implement actions which will deliver the National Women’s Strategy. To increase the representation of women in the work force. To increase women’s availability to participate in and progress upwards in the labour market and in decision making at all levels | | <p>X</p> | <p>X</p> | <p>X</p> |
| <p>Equality Mainstreaming Approach</p> | <p>The effective participation by people who experience inequality across the nine grounds (gender, marital status, family status, sexual orientation, age, disability, race, Traveller community) in vocational education and training, labour market programmes and employment. The following are an indicative specification of the barriers to participation experienced by groups experiencing inequality from Accommodating Diversity in Labour Market Programmes (WRC Social and Economic Consultants) Equality Authority 2003</p> <ul style="list-style-type: none"> ■ Contextual barriers including prevailing labour market conditions and trends. They also include factors such as public and institutional perceptions of and attitudes towards groups experiencing inequality. ■ Institutional barriers such as inappropriate location and timing of programmes, low levels of outreach recruitment and lack of childcare (particularly impacting on lone parents). ■ Informational barriers such as weak information strategies, the reliance of educational and training providers on written materials as the main means to promote awareness of their programmes. ■ Situational barriers arising from the cost of participation in education and training programmes ■ Dispositional barriers arising from the acquisition of negative attitudes towards education and training and low expectation of the benefits to be gained from participation. | | <p>X</p> | <p>X</p> | <p>X</p> |

| | | | | | |
|---|---|--|----------|----------|----------|
| Social & Employment Integration of Migrants (Reception and Integration Agency) | This project is aimed at the most vulnerable of legally resident migrants that are having difficulty accessing employment because of language difficulties, health issues, lack of training or social skills or non-recognition of their qualifications. This project proposes to promote and extend initiatives to increase the levels of employability of the target group. | | X | X | |
| Supporting People with Disabilities | The size and persistence of the employment rate gap between people with disabilities and people without a disability; the evidence that the current system of supports aimed at enabling people with disabilities access the labour market and employment is limited in its effectiveness; The need to enhance the coherence and connectedness of existing services. | | X | X | X |

4.5.3 Equal Opportunity and Social Inclusion

This Section compares the provisions made in the draft OP with the requirements of the Commission's Aide-Memoire for the programming period 2007-2013 to ensure Equal Opportunity and Social Inclusion.

With regard to Equal Opportunities the Commission requires that:

'Each OP should include a description of:

- **how the promotion and mainstreaming of gender equality and equal opportunities will be ensured.'**

Chapter 5 in the draft OP discusses the Managing Authority's commitment to ensuring that Equal Opportunities are ensured in the delivery of the OP. In Chapter 7 of this Ex-ante Evaluation we recommend that the Managing Authority provide some additional detail of what it intends to do in this regard.

4.7 Alternative Policy Mix and Policy Risk Assessment

4.7.1 Alternative Policy Mix

As required by the CSG and the ESF Regulation the OP is highly EU objective driven. And in this light the two non-technical assistance Priorities appear to be an appropriate mix. It is also the case that the priority areas are in line with the Commission's recommendations made to Ireland under the NEAP process during the period of the EHRDOP 2000-2006. One area where the Commission made recommendations, that is not addressed in the OP is the area of childcare provision. Nevertheless, the issue of childcare infrastructure and provision is targeted within the context of the new NDP and wider strategies.

When commenting on the selection of activity within Priorities it is important to note that unlike the 2000-2006 OP there is still scope for alternative mixes of interventions, and indeed the Managing Authority has indicated a commitment to this. This is in line with the EU move to a more strategic approach to programme planning for the 2007-2013 period.

Examination of the information included in the draft OP indicates that many of the proposed activities or intervention areas under Priority 1 'Upskilling the Workforce' are a continuation of measures under the 2000-2006 period. To this extent it could be argued that there is a lack of innovation or 'new' measures under the OP.

Against this, however, it is important to note that there are a number of the interventions proposed under Priority 2 'Activation and Participation of Groups Outside the Labour Force' that are 'new' and 'innovative'. For instance, the introduction of two activities (measures) in relation to Youth Diversion, namely the provision of IT and personal development skills, and the provision of extra support workers

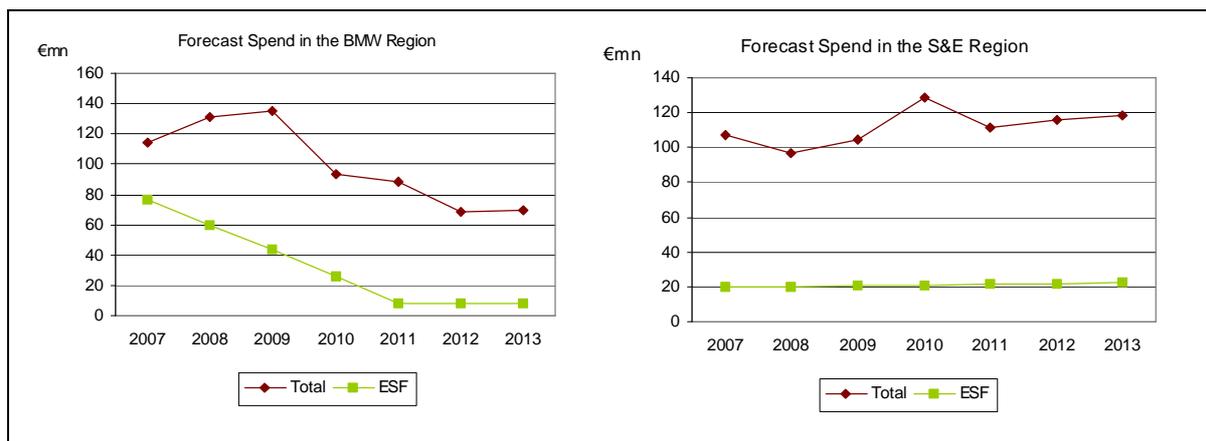
under Garda Youth Diversion Projects (GYDP). The draft OP also includes a commitment to pilot a new approach of case management for people with a disability in receipt of disability payments. The draft OP also aims to build on the learning of the EHRDOP 2000-2006 and the EQUAL Initiative through the new measure on the Equality Mainstreaming Approach.

Therefore, given the requirement to operate within the ‘N+2’ rule and the combination of ‘old’ and ‘new’ investment areas within the OP there is no clear basis for arguing that the policy mix is not appropriate.

4.7.2 Policy Risk Assessment

We interpret policy risk as relating to the fact that the planned interventions may not deliver on their objectives as intended, in terms of results or within the intended timeframe. At an overall level, a risk to the OP is that it does not ‘spend’ in line with forecast. This is especially so, given the nature of the forecast for the OP, with most of the ESF spend in the BMW region and planned for the earlier years of the OP. The planned spend is shown in Figure 4.7. Achieving this spend will require careful monitoring and management of claims over the period of the OP.

Figure 4-7: Planned ESF and Total Expenditure by Region 2007-2013



Source: Derived from Department of Enterprise, Trade and Employment figures

One of the lessons from the EHRDOP 2000-2006 in relation to activity (measure) implementation was that ‘new’ measures or actions tended to take longer to deliver than originally allowed for in the planning process. In this regard there is a risk that the new activities planned under Priority 2 ‘Activation and Participation of Groups Outside the Labour Force’ may not deliver in line with their envisaged timeframe. This applies in particular to the Youth Diversion Measures, the pilot employment strategy based on individual case management of people on disability welfare payments and the Equality Mainstreaming Approach. Managing this risk will require careful planning by the implementing bodies and close monitoring by the Managing Authority.

Another potential risk is a danger of duplication and overlap across certain activities within the draft OP and the wider NDP and other areas. This is especially the case in relation to the activities focused on providing additional support to groups with low employment rates. A number of activities under the

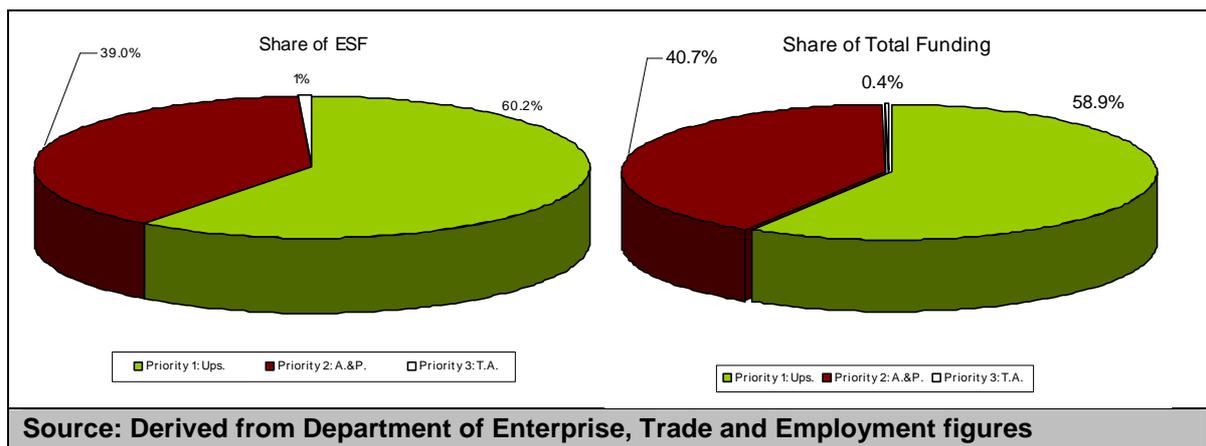
OP are designed to provide additional support to these groups so that they can more effectively link in or benefit from existing delivery mechanisms but in doing so it will be important to ensure effective co-ordination between new activities and existing provision.

A final risk, which is outside the control of the Managing Authority and indeed the implementing bodies, is the overall economic and labour market risks in terms of the labour market environment that will prevail during the course of the programming period. This will have an influence on both the take-up of certain interventions and also on placement rates and on ultimate impacts.

4.8 Thematic, Geographic and Financial Concentration

Examining the thematic concentration of planned spend shows that planned spend of ESF is €146mn (€605mn in total) on Priority 1 ‘Upskilling the Workforce’, €226mn (€872mn in total) on Priority 2 ‘Activation and Participation’ and €3mn (€6mn in total) on Priority 3 ‘Technical Assistance’. Figure 4.8 shows the share of planned ESF and total spend by the three Priorities.

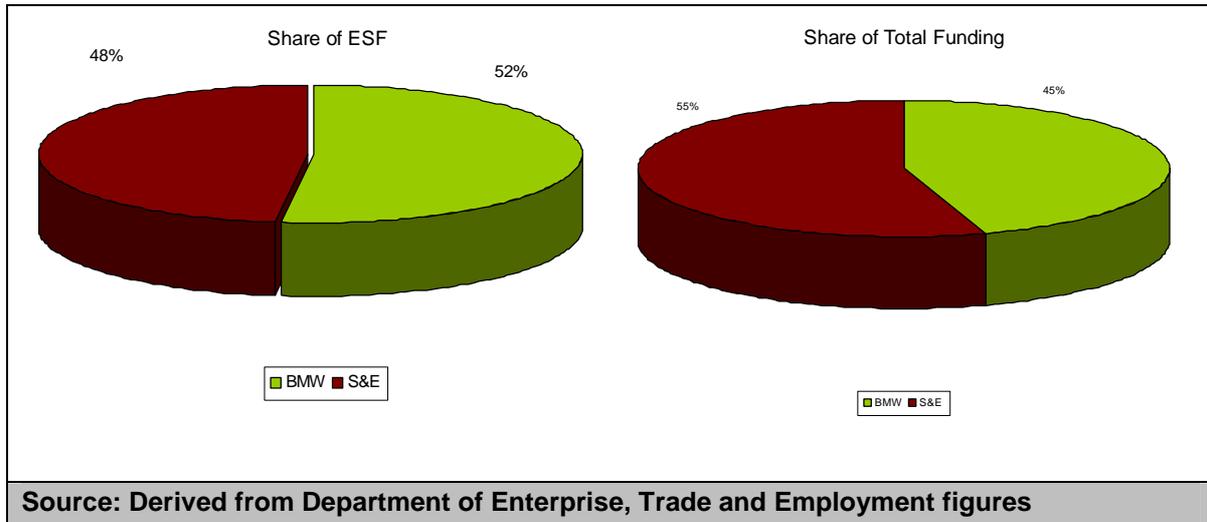
Figure 4-8: NUTS II Regional Share of ESF and Total Forecast Spend



The planned expenditure is €1.5bn with ESF expenditure of €375mn. Therefore, the ESF share of total expenditure is forecast at 25%. In terms of geographic expenditure the forecast is for 52% (€195mn) of ESF to be allocated to the BMW Region with the remaining 48% (€182mn) in the Southern and Eastern Region. See Figure 4.9.

Figure 4.9 also shows that in terms of overall spend the geographic concentration in the Southern and Eastern Region is 55% and it is 45% in the BMW Region. The difference between the share of spend by region between the ESF contribution and the total spend reflects the higher concentration of the ESF in the BMW Region. The contribution rate of ESF for the BMW is 29% of total forecast spend compared to 22% in the S&E Region.

Figure 4-9: NUTS II Regional Share of ESF and Total Forecast Spend



The intervention rate for the OP is 25%. For Priority 1 'Upskilling the Workforce' it is 24%, for Priority 2 'Activation and Participation' it is 26% and for Priority 3 'Technical Assistance' it is 50%.

4.9 Addressing the SEA Directive

The European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004, S.I. No. 435 of 2004, was transcribed into Irish law pursuant to Directive 2001/42/EC also known as 'the SEA Directive'. S. I. No. 435 of 2004 introduced a requirement for the assessment of the effects of certain plans and programmes on the environment. The Directive applies to all programmes or plans commenced after 21st July 2004.

In order to determine the necessity to carry out a Strategic Environmental Assessment under S. I. 435 of 2004, the Managing Authority considered two main factors. (1) the types of plans or programmes being introduced and (2) the likelihood of the plan or programme having an effect on the environment.

The Managing Authority judged that the draft Human Capital Investment Operational Programme qualifies under Section 2(3) as a Programme within the meaning of this Article. This is because 'as a part of the process of finalising the new ESF Programme for 2007-2013, the draft Programme must be presented to the Government for its approval. Once the Government has approved the draft Programme, it will then be formally presented to the European Commission for its evaluation and approval under the new Regulations.'

The Managing Authority subsequently concluded that the draft Human Resources Development Operational Programme 2007-2013 does not require an environmental assessment under Article 9(1) of the Regulations. This is because it judged that 'The draft Human Capital Investment Operational Programme's objectives relate to addressing certain aspects of the labour market needs of the Irish economy by means of a series of training, education and employment-support activities. Unlike the previous ESF Programme, the Employment and Human Resources Development Operational

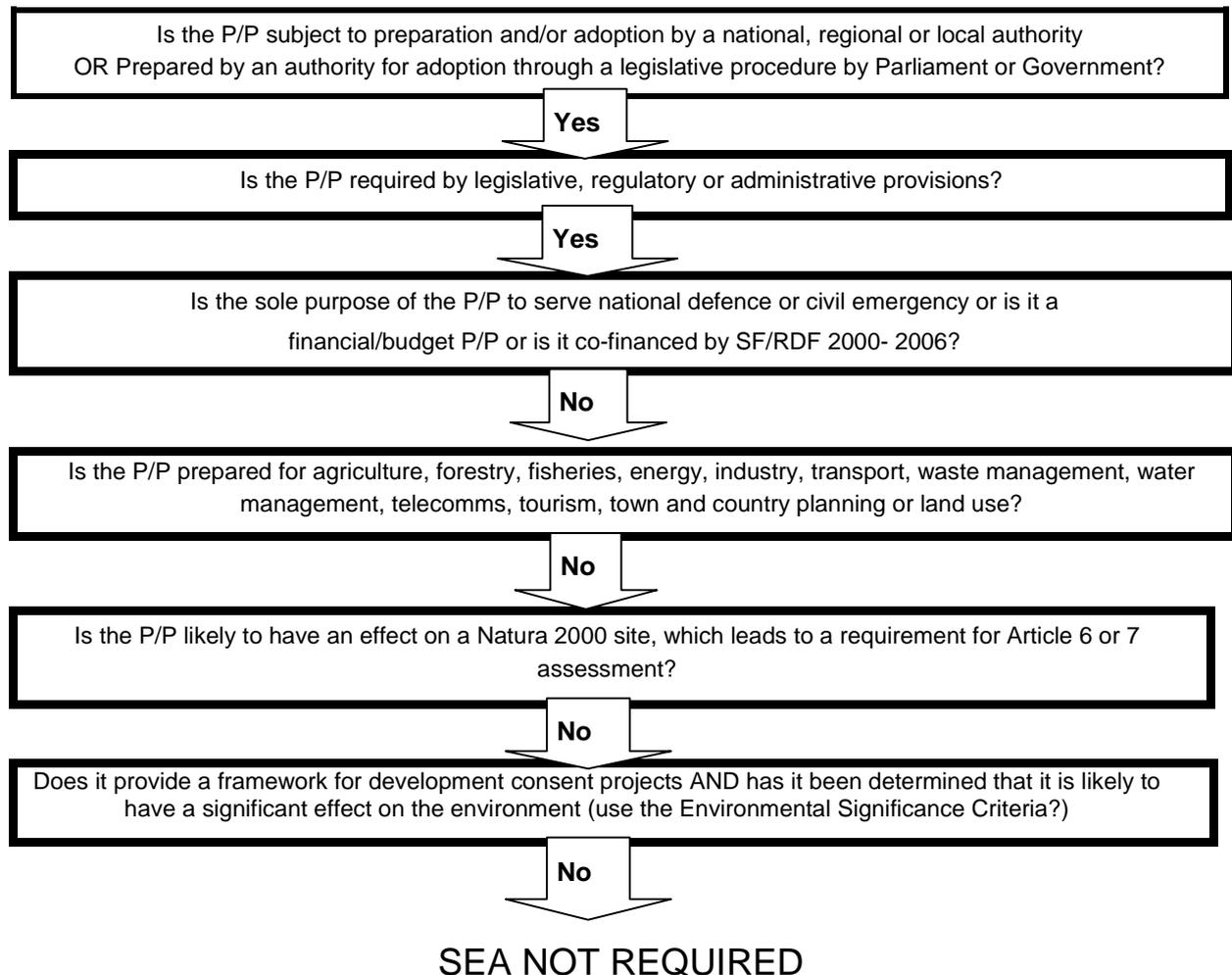
Programme 2000-2006, which contained two measures or activities directly involved with the building of schools and training centres, the current Programme has a much narrower aim, focussing solely on training and educational type activities.’ and because it judged that the ‘The draft Human Resources Development Operational Programme 2007-2013 does not ‘set the framework for future development consent of projects as mentioned in Article 9(3).’

Therefore, the overall conclusion of the Managing Authority was that the draft Human Resources Development Operational Programme 2007-2013 does not require a Strategic Environmental Assessment Report under the terms of the SEA Directive.

The details of the Managing Authority’s conclusion are Annexed to the draft OP. In addition, the Managing Authority has sought formal advice of the Environmental Protection Agency; the Minister for the Environment, Heritage and Local Government and; the Minister for Communications, Marine and Natural Resources.

A summary of the Managing Authority’s approach to reaching its conclusion is presented below.

Human Capital Investment Programme 2007 -2013



5 EXPECTED RESULTS AND IMPACTS

5.1 Chapter Introduction

This Chapter examines the expected results and impacts of the Operational Programme. It addresses item 4 in the Terms of Reference, as shown below.

TOR Item: 4. Evaluation of Expected Results and Impacts

- i. Assessment of the appropriateness of the structure and hierarchy of the objectives and the indicators (output, result and impact and their targets) identified as well as the proposed quantification of the indicators, on the basis of past experience and appropriate benchmarks;
- ii. Verification of the causality between policy interventions, outputs, results and impacts and make recommendations for improvements if appropriate;
- iii. Evaluation of whether the proposed system of indicators is manageable and usable;
- iv. Evaluate the extent to which the OP is likely to contribute to the promotion of equality and social inclusion and the provision of direction as appropriate;
- v. Evaluate the extent to which the OP contributes to balanced regional development.

Section 5.2 examines the requirements of the Commission on indicators, the adherence of the draft OP to the Commission's requirements is outlined in Section 5.3. Section 5.4 discusses the likely contribution of the OP to social inclusion and equality.

5.2 Commission Requirements

The Commission's Guidance Paper on Indicators sets out the important role to be played by indicators during the lifecycle of the OP. The paper discusses the need for the consideration of indicators through all phases of the programme management cycle: planning and programming, implementing structural interventions and evaluation. The methodological paper notes that *'decisions and actions can be influenced by information provided by the indicator system at each of these stages. Therefore, it is crucial that the structure of the system as well as indicators themselves are tailor-made to users' needs at each stage of programme management.'* (European Commission, 'Indicators for Monitoring and Evaluation: A Practical Guide', p 20). Figure 5.1 outlines the Commission's intentions in this regard.

Figure 5.1: The Indicator System during the Programming Life Cycle

| Stage of Programme Cycle | Issues for Indicators system |
|--------------------------|--|
| Programme elaboration | <ul style="list-style-type: none"> ■ Analytical part: Definition of context indicators. |
| Definition of programme | <ul style="list-style-type: none"> ■ Definition of objectives at the Programme and Priority level – establishment of output, result and impact and core indicators. |

| Stage of Programme Cycle | Issues for Indicators system |
|---|--|
| strategy | |
| Planning and implementation arrangements | <ul style="list-style-type: none"> ■ Designing the monitoring system: electronic data processing, quality check of indicators, ■ Designing the evaluation system: planning evaluation, with a description of indicator data needed to evaluate the Programme; selecting indicators, information on which should be delivered by an evaluation exercise. ■ Establishing rules and conditions for the smooth and efficient cooperation between these two systems. |
| Integration of ex-ante evaluation | <ul style="list-style-type: none"> ■ Ex ante evaluation as a parallel process to Programme design. ■ Close co-operation between the evaluators and programme designers as regards the indicator system, monitoring and evaluation arrangements. ■ Examination of the evaluation recommendations and their possible consideration in the design of the Programme. |
| Implementation | <ul style="list-style-type: none"> ■ Collecting and updating information on indicators and transferring it to the users; ■ On-going process of improving the functioning of the monitoring system ■ Carrying out on-going evaluations |
| Annual reporting on implementation | <ul style="list-style-type: none"> ■ Preparation of the selected indicator data and their preliminary interpretation for the Annual Reports – possible linkage between the on-going evaluation exercise and annual reporting which could improve the decision making process. |
| Preparing information for the committee | <ul style="list-style-type: none"> ■ Compiling information on indicators and the progress achieved by the programme towards the defined targets – delivery of data to the Monitoring Committee on a regular basis |
| Ongoing evaluations | <ul style="list-style-type: none"> ■ Evaluation of the programme performance as regards particular priorities or themes by using indicators as necessary. ■ Review of indicators linked to a possible review of the programme strategy. ■ Review of functioning of the monitoring system (quality of indicators, data collection and their transfer to the users), if necessary. |
| Ex-post evaluation (Commission) | <ul style="list-style-type: none"> ■ Monitoring system delivering data on indicators (output and result indicators, if appropriate) for the purpose of the evaluation. ■ Evaluation role in assessing impact (and results, if appropriate) achieved by the programme – possible use of macro-economic models. |
| <p>Source: Derived from European Commission, 'The New Programming Period 2007-2013: Methodological Working Papers Draft Working Paper [X] – Indicators for Monitoring and Evaluation: A Practical Guide', January 2006</p> | |

The Commission's paper also summarises the indicators and explanations which should be included in an Operational Programme.

Figure 5.2: A Checklist of Indicator Information to be Included in Operational Programmes

| Analysis (Context Indicators) |
|---|
| <ul style="list-style-type: none"> ■ context indicators ■ name/definition ■ baseline ■ data source, frequency of reviewing |
| Description of Strategy (Programme Level Indicators) |
| <ul style="list-style-type: none"> ■ impact or result indicators and core indicators ■ name/definition ■ baseline ■ quantified target ■ description of source or measurement method ■ breakdown by sex and size of recipient undertakings <p>where appropriate:</p> <ul style="list-style-type: none"> ■ source of information ■ periodicity ■ measurement method |
| Description of Strategy (Priority Level Indicators) |
| <ul style="list-style-type: none"> ■ result (impact) indicators; output indicators if necessary ■ name/definition ■ baseline ■ quantified target ■ description of measurement method or source ■ breakdown by sex and recipient undertakings <p>where appropriate:</p> <ul style="list-style-type: none"> ■ source of information ■ periodicity ■ measurement method |
| Description of implementation system |
| <ul style="list-style-type: none"> ■ description of responsibilities for data collection and analysis ■ provisions for annual report: up-date of context and programme indicators planned ■ regular information on indicator values for Monitoring Committee planned |
| <p>Source: Derived from European Commission, 'The New Programming Period 2007-2013: Methodological Working Papers Draft Working Paper – Indicators for Monitoring and Evaluation: A Practical Guide', January 2006</p> |

5.3 Appropriateness of Indicators

5.3.1 Overview

This Section discusses the appropriateness of the indicators included in the draft OP. Section 5.3.2 discusses the context indicators provided and Section 5.3.3 discusses the Priority indicators.

5.3.2 Context Indicators

The draft OP includes five context indicators as shown in Figure 5.3 below. Our assessment is that these are appropriate context indicators. This assessment is based on the following:

- There is a set of indicators for each of the two objectives of the OP;
- The indicators defined are context indicators, i.e. they relate to the context within which the OP will be delivered, and they are clearly defined;
- The indicators capture the core contextual issues for the OP. Namely, upskilling of the workforce, growth in labour productivity, labour market gaps for disadvantaged groups and gender and wider inequality;
- The set of indicators include a number of indicators that are used in EU policy settings, and take into account the Commission's guidance on indicators;
- Data is available for the indicators from national and EU sources.

Figure 5-3: List of Context Indicators Included in the Draft OP

| Issue to be measured: Upskilling of the workforce, growth in labour productivity | |
|--|--|
| 1 | % of 25-64 year olds receiving education/training* |
| 2 | Growth rate of GDP per FTE worker** (CSO, National Accounts) |
| 3 | Growth rate of GNP per FTE worker (CSO, National Accounts) |
| Issue to be measured: Labour market gaps for disadvantaged groups, gender and wider inequality. | |
| 1 | Employment rate of disadvantaged groups' in the labour market compared to overall employment rate*** (CSO, QNSH and Census of Population) Data is available for the following groups: older men, early school leavers, immigrants, women, older people, lone parents, older women, people with a disability and members of the Traveller Community. |
| 2 | Number of people indicating they felt discriminated against when looking for work (CSO, QNHS). |
| <p>* Eurostat Life Long Learning Structural indicator ** Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 17.M5. *** Is an indicator under the Employment Guidelines 2005-2008, specifically indicator 19.M5.</p> | |

5.3.3 Priority Indicators

The draft OP includes a set of Priority level indicators, as shown in Figure 5.4. Our assessment is that these are appropriate Priority indicators. This assessment is based on the following:

- The indicators defined are all programme indicators, i.e. they relate to activity or the benefits of activity to be funded under the Programme;
- The set of indicators captures both output and result nature of activity and also the eventual impact of activity;
- The assignment of indicators across output, result and impact categories is appropriate, i.e. outputs typically relate to what was purchased (e.g. number of places), results typically relate to immediate benefit (e.g. certification or completion) and impacts typically relate to non-immediate benefits (e.g. improved situation a year later);
- The indicators cover the two Priorities and capture the main activity to be funded under the Programme;
- The indicators are all clearly defined and the body responsible for collection is identified.

What is missing from the draft OP is a set of indicator *targets* and we return this omission in our recommendations in Chapter 7 of this Ex-ante Evaluation.

Figure 5.4: Priority Indicators in the Draft Operational Programme

| Intervention Type | Output Indicator → | Result Indicator → | Impact Indicator |
|---|---|---|--|
| Priority 1: Up-skilling the Workforce | | | |
| Training of employees. | No. of companies using CDP funding (FÁS). | No. of workers trained using CDP funding (FÁS). | No. of workers trained with CDP funding and who are satisfied with training (FÁS). |
| Courses to increase graduates for key sectors of the economy. | No. of additional students enrolled on key courses identified such as ICT, Engineering and Science (DES). | No. of additional graduates on key courses identified such as ICT, Engineering and Science (DES). | No. of additional graduates from key courses identified such as ICT, Engineering and Science who go into employment or further education (DES). ^P |
| Vocational training courses for jobs seekers and unemployed people. | No. of persons trained in skills training courses (FÁS). | No. of persons gaining certification from skills training courses (FÁS). | No. of persons who complete skills training courses and who progress to employment or further education at the time of follow-up survey (FÁS). |
| Education programmes for adults to provide upper second level education and/or qualifications at FETAC levels (3-6). | No. of full-time participants on courses to provide upper second level education and/or qualifications at FETAC levels 3-6 (DES). | No. of full-time participants on second level education and FETAC levels 3-6 courses completing with certification (DES). | No. of full-time participants who complete second level education and FETAC levels 3-6 courses and progress to further education or work (DES). |
| | No. of part-time participants on courses to provide upper second level education and/or qualifications at FETAC levels 3-6 (DES). | No. of part-time participants on second level education and FETAC levels 3-6 courses completing with certification (DES). | No. of part-time participants who complete second level education and FETAC levels 3-6 courses and progress to further education or work (DES). |

| Intervention Type | Output Indicator ➔ | Result Indicator ➔ | Impact Indicator |
|---|--|--|---|
| Priority 2: Activation and Participation | | | |
| Supporting People with a disability * | No. of people with disabilities supported under specialised training programmes with FAS and under the fund for students with disabilities | No. of people with disabilities participating in interventions. | No. of people with disabilities successfully progressed (completed specialized training, in further education/training, gained employment or continue (12 months later) to engage in economic activity) |
| Targeting Young People | No. of young people accessing supports under Youthreach, Garda Youth Diversion Projects and the Student Assist fund | No. of young people who obtain certification or successfully complete programmes (DES, DJELR) | No. of participants progressing to further education, training or employment. (DES, DJELR) |
| Basic Education Skills | No. of persons participating in Adult Literacy training, Senior Traveller Training Centres and Basic Education programmes. (DES, DJELR, RIA) | No. of persons participating who obtain certification or successfully complete programmes (DES, DJELR) Number of Migrants in receipt of language supports (RIA) | No. of participants progressing to further education, training or employment. (DES, DJELR, RIA) |

| Intervention Type | Output Indicator → | Result Indicator → | Impact Indicator |
|--|--|--|---|
| Equality - Gender - Other Grounds | No. of Women supported (DJELR) No. of Organisations supported No of support packages/consultancies delivered | No. of women participating in training, education and other courses. Number of (DJELR) No. courses. provided (DJELR) No. of equality policies developed No. of and training actions put in place. (DJELR) | Increased satisfaction rates (from baseline) for groups experiencing inequality in vocational education and training, labour market programmes and in employment. (DJELR) |

5.4 Contribution to Inclusion and Equality and BRD

5.4.1 Overview

The Terms of Reference for this Evaluation requires the Evaluator to comment on ‘the likely contribution of the OP to the promotion of equality and social inclusion’ and to ‘balanced regional development’. Section 5.4.2 discusses the likely contribution of the OP to social inclusion and equality, and Section 5.4.3 discusses the likely contribution to balanced regional development.

5.4.2 Social Inclusion and Equality

Given the focus of the OP and in particular the type of interventions planned for Priority 2 ‘Activation and Participation of Groups Outside the Workforce’ the OP is likely to make a positive contribution to social inclusion and equality.

The OP has a strong focus on the labour market needs of groups of people who have a high incidence of social exclusion. This is reflected by a number of specific measures aimed at addressing the educational and labour market needs of early school leavers, members of the Traveller Community, people with a disability, certain groups of migrants, youths at risk etc.

In terms of equality the OP includes two activities aiming to address this issue. It includes funding the positive actions to promote gender equality and actions as needed under the National Women’s Strategy. It also includes planned activity under a new Equality Mainstreaming Approach building on the experience of the EHRDOP and the EQUAL Initiative.

5.4.3 Balanced Regional Development

As this OP is a national investment programme it does not provide a breakdown of planned spend or activity below the two NUTS II regions of the Southern and Eastern Region, and the Border, Midland and Western Region.

Table 5.1 shows the planned spend in the S&E Region is €782mn and the planned spend in the BMW Region is €700mn. The planned ESF spend by region is €147mn in the S&E Region and €229mn in the BMW Region. Planned spend per capita is considerably higher in the BMW region than in the S&E Region, with ESF spend per capita 4.3 times higher and planned total spend 2.4 times higher per capita in the BMW Region than in the S&E Region. Therefore, given the higher per capita spend in the BMW Region the OP is likely to contribute to more balanced regional development at NUTS II level.

Achievement of this regional expenditure profile, will require funding a greater share of measure activity in the Border, Midland and Western Region than in the Southern and Eastern Region.

Table 5-1: Planned Spend by Region and Per Capita

| | ESF €mn | Total €mn | ESF per capita € | Total per capita € |
|--|---------|-----------|------------------|--------------------|
| BMW | 228.76 | 700.33 | 201.76 | 617.68 |
| S&E | 146.60 | 782.15 | 47.27 | 252.22 |
| National | 375.36 | 1,482.48 | 88.64 | 350.06 |
| Source: Derived from Department of Enterprise, Trade and Employment figures | | | | |

Some of the activities under the Programme are likely to have an urban concentration, especially in relation to the Undergraduate Skills courses reflecting the location of the higher education infrastructure in the country's main urban centres, and in the Southern and Eastern Region. Nevertheless, while activity of these interventions may be concentrated in these centres the benefits are not, as participation rates in higher education tend to be higher among students from the west of the country.

Other activity will be spread throughout the country, across the two NUTS regions and across urban and rural areas. This is especially the case in relation to programmes delivered by FÁS. Finally, it is also the case that one of the activities identified (i.e. the pilot case management employment strategy for people in receipt of disability payments) is to be located in the BMW region.

6 IMPLEMENTATION SYSTEMS

6.1 Chapter Introduction

This Chapter examines the implementation systems proposed for the management of the OP. It addresses item 5 in the Terms of Reference, as shown below.

TOR Item: 5. Appraisal of Proposed Implementation Systems

- i. Assessment of the implementing provisions for managing, monitoring and evaluating the programme, including an examination of previous experience and an appraisal of possible bottlenecks and recommendations for preventative actions should be made;
- ii. Evaluation of the quality and extent of partnership arrangements, publicity and procedures for the exchange of computerised data;
- iii. Provide an assurance of the coherence of the OP with sound financial management principles.

Section 6.2 examines the implementing provisions for managing, monitoring and evaluating the programme and Section 6.3 discusses partnership arrangements, publicity and procedures for the exchange of computerised data.

6.2 Management, Monitoring and Evaluation Provision

6.2.1 Overview

This section examines the implementing provisions for managing, monitoring and evaluating the programme. Section 6.2.2 looks at lessons in this area from previous evaluations and Section 6.2.3 examines the actual provisions contained in the draft OP.

6.2.2 Lessons from Previous Experience

It is instructive to examine the lessons identified in previous OP evaluations during the 2000-2006 period. In particular it is useful to re-cap on the lessons identified in the Update Evaluation of the Employment and Human Resources Development Operational Programme.

Figure 6.1 reproduces some of the lessons identified in this evaluation in relation to the management, monitoring and evaluation of OP's. Of particular relevance are the lessons that there should be a greater willingness to address uptake problems at an early stage, the need for a focused approach to implementation along with a willingness to revisit key parameters if they are proving problematic and a willingness to change the 'fine print' of measures if existing mechanisms are failing to deliver.

Figure 6.1: Lessons Identified in Previous Evaluation

| Update Evaluation of the Employment and Human Resources Development Operational Programme | |
|--|--|
| <ul style="list-style-type: none"> i. Ex-ante analysis/planning is the most important stage of the programming cycle. The planning stage offers the only real opportunity to ‘innovate’ and to introduce new approaches into programme delivery. It also puts in place the structure upon which considerable reporting and monitoring will take place; ii. It follows from the above that evaluation/independent advice is most beneficial at ex-ante stage, provided of course it is provided early enough; iii. A programme should have a clear, simple and well defined set of overall objectives. Each sub-programme should aim to address a single programme objective, and the measures under each sub-programme should aim to address the sub-programme objective. In addition, each overall objective (and hence sub-programme objective) should be clearly linked to the labour market, e.g. to train people in employment, to help the socially excluded to gain employment etc; iv. A programme and its associated measures should be presented in as a clear and simple a way as possible, and it should be easy for members of the Monitoring Committee to find out information on the various education and training schemes; v. A fundamental review of current reporting arrangements should be undertaken; vi. If targets are not set and if indicators are not defined at the beginning of the programme then it is very difficult to get agreement on targets and indicators during the programme; vii. Greater use of technical assistance resources during the planning stages should be used than has been the case for previous programmes; viii. Greater rigour in the establishment of forecasts and targets should be applied as this is the basis of good planning; ix. Some form of ‘stick and/or carrot’ mechanism should be built into the programme to facilitate effective programme management. | |
| <p>Source: Update Evaluation of the Employment and Human Resources Development Operational Programme, FGS Consulting, 2005.</p> | |

A number of our recommendations in Chapter 7 under the heading ‘Policy and Implementation Risk’ aim to build on these lessons.

6.2.3 Actual Provisions

This section compares the actual provisions which are made in the OP for the management, monitoring and evaluation functions to the requirements of the Commission and provides details of any recommendations arising from this Ex-Ante evaluation which need to be implemented.

In relation to management the Commission’s Aide-Memoire for the programming period 2007-2103 sets out requirements for details of the management of the OP. These requirements are set out below.

'The provisions for implementing each OP shall include a description of:

- **the managing authority, certifying authority, audit authority and intermediate bodies designated by the Member State for the OP (Art. 36.1.g.i and Art. 58). This should include the name of the authorities and bodies and/or any other specific information necessary to identify them in a non-ambiguous manner, a brief description of their role and responsibilities in the management and the control of the OP and how they exercise them. When Article 73 applies, and the Member State does not designate the certifying authority and the audit authority under Article 58.1 points (b) and (c), the same information on the national bodies/services which carry out the tasks and responsibilities of the certifying authority and the audit authority, should be provided. How the principle of separation of functions between and within the authorities and bodies is to be respected should be explained (Art. 57).**
- **the public or private body designated to give an opinion on the compliance of the systems descriptions when this is not done by the Audit Authority (Art. 70.3).**
- **the body responsible for receiving payments from the Commission [art. 36 (1)(g) iii and art. 75.2]**
- **the body or bodies responsible for making payments to the beneficiaries [art. 36 (1)(g) iii and art. 79]'**

The draft OP addresses management requirements in Sections 7.1, 7.2, 7.3, 7.4 and 7.5.

With regard to monitoring the Commission's Aide-Memoire for the programming period 2007-2103 sets out requirements for details of the monitoring of the OP. These requirements are set out below.

'Each OP should include a description of:

- **the monitoring and evaluation system (Art. 36.1.g.ii): the OP document should describe the indicators system established and define how it will be used. This could include responsibility for the collection of data and its initial analysis (this is normally done by the managing authority), regular presentation of data to the Monitoring Committee, use in annual reports, use for evaluations.**
- **procedures for ensuring monitoring of the specific allocations referred to Annex II of the General Regulation, where applicable. '**

The draft OP addresses monitoring requirements in Sections 7.6.

In relation to evaluation the Commission's Aide-Memoire for the programming period 2007-2103 sets out requirements for details of the evaluation of the OP. These requirements are set out below.

'Each OP should include a description of:

- **the monitoring and evaluation system (Art. 36.1.g.ii): the OP document should**

describe the indicators system established and define how it will be used. This could include responsibility for the collection of data and its initial analysis (this is normally done by the Managing authority), regular presentation of data to the Monitoring committee, use in annual reports, use for evaluations.

The draft OP has been designed to meet the requirements for evaluation arrangements with (current) ex-ante evaluation, ongoing and ad-hoc evaluations as required, and the ex post evaluation in Sections 7.7, 7.8, 7.9, and 7.10.

6.3 Partnership Arrangements, Publicity and Procedures for Exchange of Computerised Data

6.3.1 Overview

This section discusses the quality and extent of partnership arrangements in section 6.3.2, publicity in section 6.3.3. and procedures for the exchange of computerised data in section 6.3.4.

6.3.2 Partnership Arrangements

The Commission's Aide-Memoire for the programming period 2007-2013 sets out requirements for the integration of a Partnership Principle into the OP. These requirements are set out below.

'Each OP should include a description of:

- **The procedures for ensuring that the partnership principle is applied at all levels of implementation (including in the composition of the Monitoring Committee) and description of how partnership will be ensured especially in the development and implementation of the projects.'**

The draft OP addresses partnership requirements in Section 7.13.

It notes that the Programme will be overseen by a Monitoring Committee with representation drawn from a wide variety of interests in labour market affairs, as well as at a wider national level. This is shown in Figure 6.2

Figure 6.2: Proposed Monitoring Committee Membership

- **Implementing Agencies;**
- **The Department of Education and Science;**
- **FAS;**
- **THE ESF Paying Authority;**
- **The Financial Control Unit;**

- The internal audit section of the Department of Enterprise, Trade and Employment;
- The Department of Finance (Structural Funds Unit);
- Teagasc;
- Chambers of Commerce of Ireland;
- SIPTU;
- Irish Congress of Trade Unions;
- Irish Business and Employers Confederation;
- Irish National Organisation of the Unemployed;
- BMW and S&E Regional Assemblies;
- The Department of Justice, Equality and Law Reform;
- The Gender Equality Unit;
- The Equality Authority;
- Combat Poverty Agency;
- A representative of the Commission (in an advisory capacity);

6.3.3 Publicity

The Commission's Aide-Memoire for the programming period 2007-2013 sets out requirements for publicity and information into the OP. These requirements are set out below.

'Each OP should include a description of:

- **The elements aiming at ensuring the publicity and the information of the operational programme.'**

The draft OP addresses publicity requirements in Section 7.12.

6.3.4 Exchange of Computerised Data

The Commission's Aide-Memoire for the programming period 2007-2013 sets out requirements for the exchange of computerised data between Ireland and the Commission. These requirements are presented below.

'Each OP should include a description of:

- **The arrangements to be agreed between the Commission and the Member State for the computerised exchange of data needed to fulfil the management, monitoring and evaluation requirements.'**

The draft OP addresses requirements on the exchange of computerised data in Section 7.11.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Chapter Introduction

This Chapter presents a summary of the Evaluation's main conclusions (Section 7.2) and presents our recommendations (Section 7.3).

7.2 Summary Conclusions

The draft Operational Programme (OP) has a logical flow, running from analysis to strategy to Priorities and to implementation. It addresses most of the programming content elements as required in the EU General Regulation 2006 Article 36. The main exceptions relate to financial planning details and indicator targets. We return to these omissions in our recommendations in Section 7.3.3.

We judge that the appraisal of socio-economic analysis and relevance of the draft Programme to needs is adequate (Chapter 3). A detailed economics and labour market analysis is included in the OP with an appraisal of the socio-economic situation and SWOT analysis. The OP strategy draws on the labour market and policy analysis and is clearly focused on achieving EU objectives. We make a number of recommendations to improve the readability of the analysis in Section 7.3.3.

We judge that the rationale of the draft OP is clear and that the OP is internally consistency (Chapter 4). There is a clear public intervention rationale for possible investment areas. It is unlikely that an alternative policy would be more likely to achieve the programme's objectives more effectively, although it is important to note that there is scope for flexibility in precisely what is funded under certain themes. The overall geographical and financial profile is highly influenced by the expenditure profile for the OP with most of the expenditure to take place in the BMW region and most of this occurring during the first few years of the programme.

While the OP is internally consistent, a number of recommendations are made to improve this further and to minimise potential policy risks in Section 7.3.3. We judge the OP to be externally coherent with the priorities within the National Strategic Reference Framework, National Reform Programme, the Community Strategic Guidelines, and the NDP 2007-2013 (Chapter 4). Our assessment is that SEA Directive requirements were appropriately addressed. At an overall level equality between men and women and non-discrimination issues have been appropriately taken into account, although there is some scope to improve this further. In addition, given the strategic nature of OP this will need to be factored into future implementation, monitoring and evaluation arrangements as appropriate – we discuss this further in Section 7.3.3.

The indicators that are identified (and their causality) are appropriate. Furthermore, the OP identifies indicators not just at output and result level but also at impact level. The indicators proposed appear manageable and usable (in line with the EU Commission's draft Working Paper on Indicators)

provided of course they are collected and reported by Implementing Bodies as required. In Section 7.3.3 we make recommendations for the Managing Authority to include indicator *targets*.

Overall the proposals for implementation systems are in line with the Commission's requirements (Chapter 6). The details provided in relation to implementing provisions for managing, monitoring and evaluating the programme seem appropriate. And the information provided in relation to partnership arrangements, publicity and procedures for the exchange of computerised data are in line with regulations. A number of recommendations are made in relation to the future role of Evaluation in Section 7.3.3.

7.3 Recommendations

7.3.1 Overview

This Evaluation examined the draft OP against a series of issues as outlined in the evaluation Terms of Reference and in line with the Commission's guidance paper on Ex-ante Evaluations.

As part of the Ex-ante Evaluation the Evaluator made a range of suggestions and comments for improvement of the OP before the production of the draft OP that was provided to the Evaluator on 6th February. As required by the Terms of Reference a summary of key recommendations and points made during the course of the evaluation are presented in Section 7.3.2. Section 7.3.3 presents our recommendations based on the current draft of the OP, i.e. the version circulated on 6th February.

7.3.2 Recommendations Based on the Draft OP of February 2007

Figure 7.1 presents a summary of the recommendations made by the Evaluator during the drafting of the OP, i.e. before the draft of the OP that was circulated on 6th February 2007.

Figure 7.1: Summary of Recommendations Made During the OP Drafting Process

- 1. The Ex-ante Evaluator recommended that the Managing Authority provide additional details on the economic, labour market and SWOT analysis that underlies the selection of OP Priorities.**
- 2. The Ex-ante Evaluator recommended that the Managing Authority provide additional details on the policy and strategy context within which the selection of OP Priorities was made and the OP was formulated.**
- 3. The Ex-ante Evaluator recommended that the Managing Authority re-structure an earlier version of Chapter 1, moving details of the SWOT analysis to Chapter 2.**

4. The Ex-ante Evaluator recommended that the Managing Authority more explicitly state the OP objectives in Chapter 4.
5. The Ex-ante Evaluator recommended that the Managing Authority provide additional details in Chapter 4 on the type of interventions that are likely to be funded and on the objectives of these interventions.
6. The Ex-ante Evaluator provided the Managing Authority with a set of 'edits' to 'working drafts' of OP material.

7.3.3 Recommendations Based On the Draft OP of February 2007

This Section presents the recommendations of this Ex-ante Report, i.e. it presents our recommendations based on the version of the draft OP circulated on 6th February.

Programming Content

As discussed in Section 3 the draft OP contains most of the programming content requirements. The exceptions relate to an absence of targets for physical performance indicators, and relevant information on the EAFRD and the EFF - see below for recommendations.

1. The Ex-ante Evaluator recommends that the Managing Authority provide targets for the priority axes indicators specified in the draft OP in order to address the requirement in the Commission's General Regulation for 'information on the priority axes and their specific indicators *and targets for achievement*'.
2. The Ex-ante Evaluator recommends that the Managing Authority provide information on complementarities with measures financed by the EAFRD and those financed by the EFF, where relevant, in line with the requirement in the Commission's General Regulation.
3. The Ex-ante Evaluator recommends that the Managing Authority provide information in a table specifying, for the whole programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the Community contribution and the national counterparts and the rate of contribution from the Funds as per the Commission's General Regulation.

OP Appraisal and Analysis

We noted in Section 3 that we judge the OP to include a systematic needs analysis, and the OP objectives are clearly related to underlying needs. In order to improve the readability of the Analysis chapters we make the recommendations below.

4. The Ex-ante Evaluator recommends that the Managing Authority add a brief discussion to Section '1.2 Employment and Human Resources Development Operational Programmes 2000-2006' to reflect the lessons learnt during the 2000-2006 programming period, as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013. The more detailed lessons identified during the Update (Final) Evaluation of the EHRDOP 2000-2006 could be inserted as an Annex.
5. The Ex-ante Evaluator recommends that the Managing Authority insert a brief section on the Ex-ante Evaluation of the 2007-2013 OP as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013.
6. The Ex-ante Evaluator recommends that the Managing Authority insert a map into Chapter 1 'Background to the Operational Programme' as suggested in the Commission's Aide Mémoire for Desk Officers 2007-2013 and highlight that both NUTS II Regions will be eligible for assistance under the Competitiveness and Employment Objective, with the BMW Region qualifying as a 'phasing-in' region under the transitional arrangements as a previous Objective One region which now has a per capita GDP above 75% of the EU-25 average, and that this affects the spending profile for the OP (as discussed in Chapter 8).
7. The Ex-ante Evaluator recommends that the Managing Authority insert the correct chapter headings and section headings throughout the report, including one, two and three point headings in sequential order. And that the figure and table headings are corrected to run sequentially and also that the figure and table numbering relate to the specific chapter they appear in, e.g. the first table in chapter 2 is Table 2.1 and the first table in chapter 3 is Table 3.1 etc. In addition, current issues in relation to different fonts should be corrected. A series of detailed suggested 'edits' were also provided to the Managing Authority.
8. The Ex-ante Evaluator recommends that the Managing Authority insert the term '2000-2006' before the terms 'MTE' and 'programme' in Chapter 2 'Economic and Labour Market Overview' to clarify that the analysis is referring to the '2000-2006 MTE' and to the '2000-2006 programme'.
9. The Ex-ante Evaluator recommends that the Managing Authority add text to the 'Needs Analysis' section in Chapter 2 stating that as part of the Ex-ante Evaluation the Evaluator provided a labour market and SWOT analysis as recommended under the Commission's guidance paper on undertaking Ex-ante Evaluations and that this fed into the Managing Authority's analysis, in addition, to the other documents mentioned in the draft OP.
10. The Ex-ante Evaluator recommends that the Managing Authority delete 'Figure 3.1 Revised Process for Implementation of the Lisbon Strategy' as while valid we believe the 'figure' might confuse the reader and judge that the text provide before and after 'Figure 3.1' is sufficient.

Objectives and Internal Coherence

As discussed in Section 3 we judge the objectives of the draft OP to be clearly stated. We also judge that the structure of objectives within the OP is internally coherent. Nevertheless, in order to improve

on the clarity and relevance of the objectives and to improve the readability of the OP we make a number of detailed recommendations below.

- 11.** The Ex-ante Evaluator recommends that the objective for Priority 2 Activation and Participation of Groups Outside the Labour Force include the text *'in order to help increase their employment rates'* in order to more fully capture the Priority objectives. This would involve replacing the current objective of: *'To provide for increased activation and participation with certain groups who can contribute to Ireland's workforce but who face barriers to employment, progression and participation.'* With the following text:

'To provide increased activation and participation to certain groups who face barriers to employment, progression and participation in order to help increase their employment rates.'

- 12.** The Managing Authority should set Priority level objectives below the two overall OP objectives.
- 13.** The Managing Authority should move the text in relation to 'Undergraduate Skills' which is currently located under Priority 2 to Priority 1.
- 14.** The Managing Authority should amend the heading in Section 4.4 'Promoting Equality Between Women and Men' to incorporate the fact that the discussion under this heading includes activity to promote equality among grounds in addition to gender, i.e. the nine grounds covered by equality legislation. This could be done by changing the heading to 'Promoting Equality Between Women and Men, and Non-Discrimination' or by changing it to 'Promoting Gender Equality and Equal Opportunities'. The second suggested heading above has the advantage that it is consistent with the subsequent heading in Chapter 5 'Horizontal Principles', which uses the heading 'Gender Equality and Equal Opportunities'. Alternatively, the headings on both sections could be changed to 'Equality'.
- 15.** In relation to Section 4.7 'Contribution of Priorities to Interregional and Transnational Co-operation' the Managing Authority should consider changing the heading to 'Interregional and Transnational Co-operation' (i.e. drop the text 'Contribution of Priorities to') and the Managing Authority should insert additional text indicating how it intends to promote this area, e.g. whether it intends to pro-actively promote this area among Implementing Bodies (identified in the draft OP) and/or a wider a field during the programme period.
- 16.** The Managing Authority should add additional text to the Section 4.8 'Contribution of Priorities to Innovation' to provide a more detailed description of innovation actions to be supported by the OP.
- 17.** The Managing Authority should amend the heading of Section 4.10 'Technical Assistance' to 'Priority 3 Technical Assistance' in order to clearly signal that it is one of the three Priorities in the OP and it should also consider changing the location of that section, so that it appears after the end of the text on Priority 2.

Policy and Implementation Risks

18. The Ex-ante Evaluator recommends that the Managing Authority continue the process of engaging with Implementing Bodies in order to develop detailed implementation plans and that this process builds on the lessons from the EHRDOP 2000-2006.
19. The Ex-ante Evaluator recommends very close monitoring of applications, approvals and spend, and appropriate responses from the Managing Authority in the first twelve to eighteen months of operations to ensure that delivery is in line with plans and in line with forecast spend.
20. The Ex-ante Evaluator recommends that the Managing Authority, Implementing Bodies, relevant Government Departments and Agencies develop very clear processes and procedures to reduce and avoid potential overlap and duplication with other EU co-financed investments, with activity under the NDP 2007-2013 and activity in the private sector.
21. The Ex-ante Evaluator recommends that the presence of 'pilot' and more innovative interventions be retained within the programme even though initial spend on these activities might be slower to 'take-off' than on the more 'established' activities.
22. We endorse the Managing Authority's intention that the funding of activities (measures) remains flexible within Priorities over the period of the programme and that the Managing Authority maintains the option of operating a 'stick and carrot' approach to funding, whereby 'good' performance can result in increased funding and 'bad' performance can result in reduced funding.

External Coherence

As noted in Section 3 we judge that the OP is externally consistent with national and regional policy in Ireland and with EU policy, and that it is consistent with commitments to equal opportunities and non-discrimination in the ESF Regulation, and the commitments to social inclusion and equality in the NSRF. Nevertheless, we make a number of recommendations to improve the readability of Chapter 5 Horizontal Principles and to provide greater clarity in relation to the commitments to the Horizontal Principles.

23. The Ex-ante Evaluator recommends that the Managing Authority consider moving material from the first five Sections in Chapter 5 to Chapter 3, or at least reducing the size of these sections if they remain in Chapter 5.
24. The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will address social inclusion to the section 'Social Inclusion as a Horizontal Principle under this Programme'.

25. The Ex-ante Evaluator recommends that the Managing Authority add additional information on how it will promote gender equality and equal opportunities to the section 'Gender Equality and Equal Opportunities' in Chapter 5.
26. The Ex-ante Evaluator recommends that the Managing Authority insert text highlighting its commitment to sustainable development.

Expected Results and Impacts

27. As part of the development of the OP the Managing Authority and Implementing Bodies have engaged in a process of discussing and agreeing appropriate output, result and impact indicators for activities and the settling of targets for these. We recommend that the Managing Authority and Implementing Bodies continue to work on this process in order to ensure that indicator data is available for all indicators as required (baseline and ongoing monitoring) and that targets have been set. And that appropriate breakdowns of indicators are provided during the course of the programme.
28. Based on the outcome from the above process the Managing Authority should ensure that any additional steps required are taken to ensure a full indicator system is developed to comply with the Commission's requirements.

Implementation Systems

29. The Ex-ante Evaluator recommends that the Managing Authority should clarify further the role that the Central Expenditure Evaluation Unit in the Department of Finance will play. For example, whether or not the Central Expenditure Evaluation Unit will have a representative serving on the Monitoring Committee in an advisory capacity.
30. The Ex-ante Evaluator recommends that the Managing Authority should provide some additional text to the discussion of evaluation. In particular, it should clarify the role of the Mid-term Evaluation, and make direct reference to an Ex-post Evaluation to be commissioned by the Commission.
31. The draft OP notes that in addition to the Mid-term Evaluation 'additional evaluations may be undertaken at the level of Priority or activity as required' the Ex-ante Evaluator recommends that the Managing Authority and Monitoring Committee give careful consideration to commissioning evaluations, where relevant, before rather than after the Mid-term given the front loading of expenditure for the programme as this will optimise the benefit of such evaluations.

