

# **IRELAND**

## ***EMPLOYMENT AND HUMAN RESOURCES DEVELOPMENT***

### ***OPERATIONAL PROGRAMME 2000–2006***

Department of Enterprise, Trade and Employment

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# Contents

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<b>1</b>	<b>INTRODUCTION</b>	<b>1</b>
1.1	Labour Market Overview 1994-1999	
1.1.1	Regional Differences	
1.1.2	Sectoral Features	
1.2	Human Resources Development OP 1994-1999	
1.3	EU Community Initiative OPs 1989-1999	
1.4	OP Evaluation Context	
1.5	The Impact of Evaluations on OP Content	
<b>2</b>	<b>CONTEXT FOR OPERATIONAL PROGRAMME</b>	<b>15</b>
2.1	National Development Plan (2000-2006)	
2.2	Community Support Framework (2000-2006)	
2.3	European Employment Strategy	
2.4	National Employment Action Plans	
2.5	Labour Market Analysis and Outlook	
2.5.1	Current Strategy	
2.5.2	Macroeconomic Context	
2.5.3	Labour Market Outlook	
2.5.4	Labour Market – Composition and Productivity	
2.5.5	Labour Market – Regional Aspects	
2.6	Equal Opportunities between Men and Women	
2.7	Other Key Policy Contexts	
2.7.1	Education	
2.7.2	Information Society	
2.7.3	Poverty	
2.7.4	Rural Development	
2.7.5	Regionalisation	
2.7.6	Immigration	
2.8	Environment	
2.8.1	Ex-Ante Assessment	
2.8.2	General Situation in Sectors Impacted by OP	
2.8.3	Environmental Awareness	
2.8.4	Environmental Situation in Sectors Impacted by Human Resources Development Operational Programme 1994-1999	
2.8.5	Existing Compliance With Community Rules On The Environment	

2.8.6	Arrangements To Integrate the Environmental Dimension	
2.8.7	Pilot Eco-Audit	
2.8.8	Impact Reports from Implementing Bodies	
2.8.9	Significance of Effects on the Environment	
2.8.10	OP Support for Environment 2000-2006	
2.8.11	Indicators and Targets	
2.8.12	Expected Environmental Impact of the Operational Programme	
2.9	EU Regulatory and Policy Context	
2.9.1	Council Regulation (Reg.1260/99/EEC)	
2.9.2	Objective 3 Policy Frame of Reference (PFR)	
2.9.3	Council Regulation (Reg.1262/99/EEC)	
2.10	State Aids	
2.10.1	Training, Employment and Regional Aid and Specific Sectors	
2.10.2	State Aids – Notifiable Measures	
2.10.3	State Aids – Application of de Minimis Rule	
2.10.4	State Aids – Block Exemptions	
2.10.5	State Aids – Modification of the Operational Programme	
<b>3</b>	<b>ASSESSMENT OF STRENGTHS AND WEAKNESSES</b>	<b>54</b>
3.1	SWOT Table	
3.2	Analysis	
3.2.1	Strengths	
3.2.2	Weaknesses	
3.2.3	Opportunities	
3.2.4	Threats	
3.3	Conclusions	
<b>4</b>	<b>PROGRAMME OBJECTIVES</b>	<b>62</b>
4.1	OP Objectives	
4.2	Priority (Pillar-level) Objectives	
4.2.1	Employability	
4.2.2	Entrepreneurship	
4.2.3	Adaptability	
4.2.4	Equality	
4.2.5	OP/Priority-level Primary Objective Linkages	
<b>5</b>	<b>OP PRIORITY ACTIONS AND MEASURES</b>	<b>66</b>
5.1	Priority Actions by Pillar	
5.1.1	Employability	
5.1.2	Entrepreneurship	
5.1.3	Adaptability	
5.1.4	Gender Equality	
5.1.5	Other Priority Actions	

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6	EUROPEAN SOCIAL FUND ROLE AND CONTRIBUTION	79
6.1	Objective 3 Policy Frame of Reference	
6.2	Role of the European Social Fund (ESF)	
6.3	ESF Policy Fields under Regulation 1262/1999/EEC	
6.4	NEAP Framework and Policy Context for ESF Interventions	
6.5	Rationale for ESF Interventions under OP	
6.5.1	Strategic Priorities	
6.5.2	ESF Priority-level Objectives	
6.6	ESF Measure-level co-funding priorities	
6.6.1	Employability	
6.6.2	Entrepreneurship	
6.6.3	Adaptability	
6.6.4	Equality	
6.7	ESF Priority-level allocations	
7	NORTH/SOUTH CO-OPERATION	91
7.1	Background for Further Development	
7.2	Scope for Labour Market Co-operation	
7.3	Particular Fields with Potential for Increased Co-operation	
7.4	Initial Commitment of Support	
7.5	Related Operational Programme Arrangements	
8	EXPECTED OPERATIONAL PROGRAMME OUTPUTS	95
8.1	Employability	
8.2	Entrepreneurship	
8.3	Adaptability	
8.4	Equality	
8.5	Horizontal Objectives	
8.6	Regionalisation	
8.7	Environment	
8.8	Gender Mainstreaming	
9	OP MANAGEMENT, IMPLEMENTATION AND EVALUATION	100
9.1	OP Management Structures	
9.1.1	Managing Authority	
9.1.2	Role of the OP Monitoring Committee	
9.1.3	Establishment and Composition – Monitoring Committee	
9.1.4	Horizontal Co-Ordination of Employment Policy	
9.1.5	Role and Establishment of Employment Co-Ordination Committee	
9.1.6	Co-operation with Regional, County and other local bodies	
9.1.7	Organisation Chart	
9.2	OP Financial Management, Control and Audit	
9.2.1	Independent Audit Arrangements	
9.2.2	Financial Management and Control Arrangements	
9.2.3	Paying Authority	
9.2.4	Role of Managing Authority	
9.2.5	Implementing Bodies	

- 9.2.6 Final Beneficiaries
- 9.2.7 Use of Euro
- 9.2.8 Irregularity Reporting
- 9.3 OP Implementation
  - 9.3.1 Programme Complement Stage
  - 9.3.2 Integrated Data Management System
  - 9.3.3 Measure Delivery and Market-Driven Approach
  - 9.3.4 Eligibility of Co-funded Measure Expenditure
  - 9.3.5 Annual Report
  - 9.3.6 Annual Review
- 9.4 OP Monitoring Indicators
  - 9.4.1 Indicators
  - 9.4.2 Community Support Framework Indicators
  - 9.4.3 Priority Indicators
  - 9.4.4 Core Minimum Monitoring Indicators
  - 9.4.5 Measure Indicators
  - 9.4.6 Leaver Surveys
- 9.5 OP Evaluation
  - 9.5.1 Evaluation
  - 9.5.2 Ongoing Evaluation
  - 9.5.3 Co-ordination of Evaluations
  - 9.5.4 Response and Follow-up to Recommendations
  - 9.5.5 Mid-Term Evaluation
  - 9.5.6 Performance Reserve
  - 9.5.7 Ex-Post Evaluation
- 9.6 OP Information and Publicity
- 9.7 OP Technical Assistance
- 9.8 OP and Other EU Rules
  - 9.8.1 Award of Contracts
  - 9.8.2 State Aid Rules

## APPENDICES

128

- Appendix I The BMW and S&E Regions
- Appendix II Eco-Audit of OP Education and Training 1994-1999
- Appendix III OP Measures and Sub-Measures Descriptions – By Priority
- Appendix IV Public Assistance Rationale Typology
- Appendix V Measures – by ESRI Public Assistance Rationale Type
- Appendix VI Terms of Reference – Market Based Delivery Study
- Appendix VII Functional Roles of Organisations in OP
- Appendix VIII Operational Programme Financial Tables

## ABBREVIATIONS GLOSSARY

## *Introduction*

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This Employment and Human Resources Development Operational Programme addresses the labour market and human capital needs of the Irish economy for the period 2000 to 2006. The programme is devised within the context of the National Development Plan 2000-2006 and is consistent with that plan, with the Community Support Framework for Ireland 2000-2006 and with the European employment process. The Programme's broad context is set out in this document, as are its strategic objectives and measures as well as its financing and management structures. The detailed implementing provisions which spring from this Operational Programme will be incorporated in the Programme Complement to be adopted by the Monitoring Committee in accordance with the General Regulation (EEC) No 1260/99. In this introductory chapter, the historical context within which the Programme will operate is outlined<sup>1</sup>.

### *1.1 Labour Market Overview 1994-1999*

The education and training needs addressed in this Operational Programme are those arising from the labour market situation and its prevailing requirements. In recent years the Irish labour market has changed significantly. Table 1 overviews the key demographic and labour market changes which have taken place over the lifetime of the previous Operational Programme 1994-1999.

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<sup>1</sup> This Operational Programme contains both EU co-financed (European Social Funds only) and non-co-financed expenditure. The co-financed elements are contained in all four of the Programme's priorities; 22 of its 51 measures and sub-measures include elements of co-financing. However, only the co-financed part of the programme is subject to the Structural Funds' Regulations. Chapter 6 provides the rationale covering the nature and scope of ESF support to this Programme.

**Table 1. Overview of 1994-1999 Changes in Key Demographic, Labour Force, Employment and Unemployment Variables (April 1994 and April/2nd quarter 1999) (000)s**

	April 1994			2nd quarter 1999			%change (on totals)
	Male	Female	Total	Male	Female	Total	
<b>Demographics</b>							
Population	1783.3	1802.6	3585.9	1859.1	1885.6	3744.7	+4.4
Population under 15	462.2	436.3	898.5	425.6	403.6	829.3	-7.7
Population 15 and over	1321.1	1366.3	2687.4	1433.5	1482.0	2915.4	+8.5
Working age population	1145.9	1132.8	2278.8	1251.6	1242.2	2493.8	+9.4
Population 65 and over	175.2	233.5	408.6	182.0	239.8	421.6	+3.2
Dependency ratio*	35.7%	37.2%	36.5%	32.7%	34.1%	33.4%	-8.5
<b>Labour Market</b>							
Labour Force (15 and over)	898.1	533.5	1431.6	1006.7	681.4	1688.1	+17.9
Participation rate †	76.0%	46.6%	61.4%	78.3%	54.3%	66.3%	+8.0
Employment	766.3	454.3	1220.6	947.3	643.9	1591.1	+30.4
Employment rate°	58.0%	33.3%	45.4%	66.1%	43.5%	54.6%	+20.3
Unemployment	131.9	79.1	211.0	59.4	37.5	96.9	-54.1
Unemployment rate°	14.7%	14.8%	14.7%	5.9%	5.5%	5.7%	-61.2
LTU	85.4	42.9	128.2	30.8	10.8	41.6	-67.6
LTU rate	9.5%	8.0%	9.0%	3.1%	1.6%	2.5%	-72.2

Notes: \* Population under 15 and 65 and over as % of total population † Labour Force Participation as % of working age population ° Employment/unemployment as % of population aged 15 and over. Some totals do not add due to rounding.

Source: Central Statistics Office, Labour Force Surveys (LFS), 1993-97; Quarterly National Household Survey (QNHS), 2nd quarters 1998 and 1999

Key changes include:

- ◆ labour force growth of 266,000 or 17.9% over the period, or an average of over 3% per annum
- ◆ increasing labour force participation, particularly among women where it rose from 46.6% in 1994 to 54.3% in 1999
- ◆ exceptional employment growth of some 370,500, or over 5% average per annum; the employment rate overall increased from 45.5% to 54.6% while the female employment rate rose from 33.32% to 43.5%
- ◆ a reduction in unemployment of 114,100 (from 211,000 to 96,900), equivalent to a reduction in the unemployment rate from 14.7% to 5.7%.

Subsequent data<sup>2</sup> confirms a continuation of these trends later into 1999; at end September 1999, there was a year-on-year increase in employment of 7% or 109,500, the unemployment rate remained at 5.7% and the year-on-year labour force grew by 4.9% or 82,200 to stand at 1.669m. The same data showed a year-on-year fall in the long-term unemployed of 23,800, with the rate falling from 3.7% to 2.1%.

The economy has clearly experienced strong growth over the previous funding period. Total employment rose steadily and, while unemployment continued to fall significantly, declining from 14.7% to 5.7% by April 1999, long-term unemployment (LTU) fell even faster to 2.5%. This represents a fundamental structural transformation of the Irish labour market to a current situation of relative tightness; in certain skill areas, special measures have been necessary in the current economic climate to seek to ensure that supplies of trained people remain adequate.

### *1.1.1 Regional Differences*

Analysis of the two NUTS II regions, Border Midlands West (BMW) and South and East (S&E), established in 1999 for regional development purposes (see Appendix 1), reveals differences in labour force growth, participation and employment rates. Table 2 summarises these.

Key changes over the lifetime of the previous Programme include:

- ◆ labour force growth of some 9% in the BMW Region as against 18% in the S&E Region
- ◆ growth in the female participation rate from 45% to 47% in the BMW Region and from 47% to 54% in the S&E Region
- ◆ employment growth of 58,000 (or 19%) in the BMW Region and of 253,000 (or 29%) in the S&E Region
- ◆ a reduction in unemployment in the BMW Region from 16% to 8% and in the S&E Region from 15.5% to 7.6%.

In both regions long-term unemployment has fallen faster than overall unemployment, indicating the new responsiveness to economic growth and labour market programmes. However, structural weaknesses in the context of labour market access remain an issue which must be addressed in relation to those who are still in long-term unemployment in both regions.

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2 QHNS, Quarter 3-1999, December 1999

		BMW Region		S&E Region		National	
		1993	1998	1993	1998	1993	1998
<b>Population (15-64)</b> (000's)	Female	279.2	305.1	838.1	914.7	1,117.3	1,219.8
	Male	296.1	317.9	835.8	911.7	1,131.9	1,229.6
Total Pop (15-64)		575.3	623.0	1,673.9	1,826.4	2,249.2	2,449.4
<b>Labour Force</b> (000's)	Female	124.6	144.2	390.5	498.2	515.1	642.4
	Male	239.2	252.2	648.8	726.5	888.0	978.7
Total labour force		363.8	396.4	1,039.3	1,224.7	1,403.1	1,621.1
<b>Participation Rate</b> (%)	Female	44.6%	47.3%	46.6%	54.5%	46.1%	52.7%
	Male	80.8%	79.3%	77.6%	79.7%	78.5%	79.6%
Total Participation Rate		63.2%	63.6%	62.1%	67.1%	62.4%	66.1%
<b>Employment</b> (000's)	Female	103.2	132.5	330.5	462.1	433.7	594.6
	Male	201.7	230.5	547.7	669.4	749.4	899.9
Total at work		304.9	363.0	878.2	1,131.5	1,183.1	1,494.5
<b>Employment Rate</b> (%)	Female	37.0%	43.4%	39.4%	50.5%	38.9%	48.7%
	Male	68.1%	72.5%	65.5%	73.4%	66.2%	73.2%
Total Employment Rate		53.0%	58.3%	52.5%	62.0%	52.6%	61.0%
<b>Unemployed</b> (000's)	Female	21.4	11.7	60	36.1	81.4	47.8
	Male	37.5	21.7	101.1	57.1	138.6	78.8
Total Unemployed		58.9	33.4	161.1	93.2	220.0	126.6
<b>Unemployment Rate</b> (%)	Female	17.2%	8.1%	15.4%	7.2%	15.8%	7.4%
	Male	15.7%	8.6%	15.6%	7.9%	15.6%	8.1%
Total Unemployment Rate		16.2%	8.4%	15.5%	7.6%	15.7%	7.8%
<b>LTU</b> (000's)	Female	10.6	4.2	30.1	13	40.7	17.2
	Male	22.6	12.8	62.1	33.5	84.7	46.3
Total LTU		33.2	17.0	92.2	46.5	125.4	63.5
<b>LTU Rate</b> (%)	Female	8.5%	2.9%	7.7%	2.6%	7.9%	2.7%
	Male	9.4%	5.1%	9.6%	4.6%	9.5%	4.7%
Total LTU Rate		9.1%	4.3%	8.9%	3.8%	8.9%	3.9%

Source: NDP 2000-2006 (CSO LFS 1993 and QNHS Q2 1998)

## 1.1.2 Sectoral Features

<b>Table 3. Employment by NUTS II Region and by Sector 1993 and 1998</b>						
(000s)	<b>BMW Region</b>		<b>S&amp;E Region</b>		<b>National</b>	
	<b>1993</b>	<b>1998</b>	<b>1993</b>	<b>1998</b>	<b>1993</b>	<b>1998</b>
<b>Agriculture, Forestry, Fishing</b>						
Female	5.8	7.4	10.0	8.7	15.8	16.1
Male	56.7	54.4	77.2	71.1	133.9	125.5
Total	62.5	61.8	87.2	79.8	149.7	141.6
<b>Building, Construction</b>						
Female	0.7	0.9	2.8	4.0	3.5	4.9
Male	17.4	24.8	50.5	67.9	67.9	92.7
Total	18.1	25.7	53.3	71.9	71.4	97.6
<b>Other Production Industries</b>						
Female	20.2	27.9	48.3	60.3	68.5	88.2
Male	45.4	58.4	130.4	146.2	175.8	204.6
Total	65.6	86.3	178.7	206.5	244.3	292.8
<b>Commerce, Insurance, Finance, Business</b>						
Female	22.4	27.3	84.5	107.3	106.9	134.6
Male	32.4	33.4	114.6	127.6	147.0	161.0
Total	54.8	60.7	199.1	234.9	253.9	295.6
<b>Transport, Communication, Storage</b>						
Female	2.7	2.8	11.5	15.9	14.2	18.7
Male	11.1	11.9	45.0	54.1	56.1	66.0
Total	13.8	14.7	56.5	70	70.3	84.7
<b>Professional Services</b>						
Female	31.2	38.1	105.3	124.6	136.5	162.7
Male	18.2	18.0	60.0	63.5	78.2	81.5
Total	49.4	56.1	165.3	188.1	214.7	244.2
<b>Public Administration, Defence</b>						
Female	5.0	6.8	17.3	21.7	22.3	28.5
Male	11.6	9.1	34.1	37.5	45.7	46.6
Total	16.6	15.9	51.4	59.2	68.0	75.1
<b>Other</b>						
Female	15.1	17.5	51.0	68.6	66.1	86.1
Male	8.7	12.5	36.1	49.9	44.8	62.4
Total	23.8	30.0	87.1	118.5	110.9	148.5
<b>Total</b>						
Female	103.1	128.7	330.7	411.1	433.8	539.8
Male	201.5	222.5	547.9	617.8	749.4	840.3
Total	304.6	351.2	878.6	1,028.9	1,183.2	1,380.1

Source: NDP 2000-2006 (Fitzpatrick Associates analysis of CSO Data)

Table 3 shows that the BMW Region's share of National Agriculture, Forestry and Fishing employment is 44%. For Building, Construction and Manufacturing, the share is 29% while Market and non-Market Services account for 21%. There are generally less women than men employed in both regions across most sectors (with the exception of Professional and Other Services).

The latest information available on earnings from the Census of Industrial Production, at Table 4, shows a marginally higher increase in earnings per capita for the BMW Region between 1994 and 1996 of 7.2% compared to 6.6% for the S&E Region.

<b>Table 4. Industrial Activity by Region 1994 and 1996 – Persons Engaged and Wages and Salaries</b>								
	<b>BMW Region</b>		<b>S&amp;E Region</b>		<b>Non-attributable to Region</b>		<b>National</b>	
	<b>1994</b>	<b>1996</b>	<b>1994</b>	<b>1996</b>	<b>1994</b>	<b>1996</b>	<b>1994</b>	<b>1996</b>
<b>Number local units</b>	1,313	1,320	3,412	3,438	80	45	4,805	4,803
<b>Total engaged:</b>	57,786	63,075	153,012	169,490	13,875	12,020	224,673	244,585
Males	35,318	39,381	105,999	116,354	11,998	10,340	153,315	166,075
Females	22,468	23,694	47,013	53,136	1,877	1,680	71,358	78,510
Outside piece workers	1,574	1,650	371	261	0	0	1,945	1,911
Overall totals at work	59,360	64,725	153,383	169,751	13,875	12,020	226,618	246,496
<b>Wage/Salaries(£K)</b>								
Industry	502,231	579,518	1,558,646	1,774,638	158,960	180,675	2,219,837	2,534,831
Other employees	212,744	257,024	878,201	1,099,964	133,154	92,958	1,224,099	1,449,046
Outside piece workers	1,805	1,065	1,250	1,192	0	0	3,055	2,257
Totals	716,780	837,607	2,438,097	2,875,794	292,113	273,633	3,446,991	3,986,134
<b>Wage/Salaries/ per capita(£k)</b>	12,075	12,941	15,895	16,941	21,053	22,765	15,342	16,171

Source: NDP 2000-2006 (CSO Census of Industrial Production)

Earnings per capita in the BMW Region do, however, lag significantly behind those in the Southern and Eastern Region by some 30%.

## **1.2 Human Resources Development Operational Programme 1994-1999**

Human resources development in support of employment was one of the four central priorities in the National Development Plan for 1994-1999. The Human Resources Development Operational Programme 1994-1999 pursued a range of supply-side programmes and measures to restructure and update education and

training systems and the labour market. The Programme accounted for €2,460 million of co-financed public expenditure (€1,809 million of EU aid) over the programming period (31% of total EU aid). Table 5 shows the composition and scale of actual expenditure over the period.

<b>Year (k/ECU)</b>	<b>ERDF</b>	<b>ESF</b>	<b>EFTA+ Co-Fin</b>	<b>Public Co-Fin</b>	<b>Private Co-Fin</b>	<b>Public Non-Co-Fin</b>	<b>Total</b>
1994	4.879	258.101	9.183	99.337	1.082	418.295	790.877
1995	19.909	247.748	7.292	97.959	6.099	484.522	863.528
1996	19.588	260.108	6.992	102.708	4.487	536.924	930.807
1997	26.231	275.908	4.013	109.997	2.303	606.980	1,025.432
1998	45,588	281.607	12,401	118,615	-	249,037	707,250
1999 estimated	57,630	338,402	-	138,250	-	238,769	773,051
							5,090,945

Goodbody Consultants, who conducted the Mid-term Evaluation Report on the Programme in 1997, established, amongst other findings, that the

- ◆ basic aims remained valid and measure implementation was broadly on schedule
- ◆ relevant target groups focus needed to be tightened in some measures
- ◆ participants required improved progression between courses
- ◆ early school leavers and counselling for long-term unemployed cohorts needed extra provision.

Changes arising from these and other recommendations were made to the Operational Programme and were implemented over the latter half of the Programme's duration.

The Programme provided training and education directly to a significant percentage of the population over the period. Table 6 shows annual numbers who *completed* courses by sub-programme.

<b>Priority</b>	<b>Completions</b>							<b>Totals</b>
	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999 Est.</b>		
Initial Education and Training	37,867	37,324	35,904	41,363	65,739	45,000	263,197	
Ongoing Training for Unemployed	16,331	18,245	13,887	14,743	10,386	13,000	86,592	
Social Exclusion: Objective 3	48,933	68,045	67,143	68,286	49,804	49,000	351,211	
Adaptation to Industrial Change	25,653	32,445	28,495	21,889	27,546	25,000	161,028	
Quality of Training	56,289	68,709	134,940	131,764	139,877	132,000	663,579	
Totals	185,073	224,768	280,369	278,045	293,352	264,000	1,525,607	

Source: HRD-Operational Programme Report to Community Support Framework, June 1999

The Operational Programme played an important role in providing trained people in sufficient numbers as required by labour market growth over the period; in the absence of such a funded initiative, supply-side constraints on the labour market would have arisen earlier given the scale of real growth.

### *1.3 EU Community Initiative Operational Programmes 1989-1999*

Funding under a range of EU Community Initiatives over the last two funding periods provided further important support in the human resources development field. Initiatives such as EMPLOYMENT (with NOW, YOUTHSTART, INTEGRA and HORIZON strands) and ADAPT were central in this regard. The total funding for EMPLOYMENT and ADAPT in the period 1994-1999 amounted to €150m, of which €109.6m was provided through the European Social Funds. While the Initiatives were conceived in terms of pilot projects to test new approaches to ongoing problems, they have yielded significant direct benefits in their own right. An estimated 9,000 individuals benefited directly from the EMPLOYMENT Initiative with some 89% of participants progressing to education, further training and employment. Almost 8,000 individuals benefited under the ADAPT Programme which directly employed over 120 full-time and 245 part-time individuals at project level.

The important aim of learning from the Initiatives and of applying that learning in the wider context of mainstreaming received increasing focus over recent years in the Irish case. A forum on project learning was established by the Department of Enterprise, Trade and Employment in 1997 on the recommendation of the Operational Programme's Monitoring Committee. This provided a basis for policymakers to learn directly about the range of outcomes from the projects and to consider their usefulness in terms of adapting and framing policy. The following four examples from EMPLOYMENT and ADAPT give an indication of the extent and nature of mainstreaming 'value-added' derived from implementing the Initiatives over the previous programming periods.

- ◆ An INTEGRA (EMPLOYMENT) project developed and provided a method of effective training for long-term unemployed people in IT skills for employment; a novel feature was its involvement of a group of leading IT manufacturing and service industry firms in project support, syllabus design, certification and employment of the trainees. It was successful in addressing simultaneously both skills shortages in the IT sector and the social inclusion needs of the long-term unemployed. The project approach is now being delivered on a much wider scale as a significant response in both skills and social inclusion contexts.
- ◆ ADAPT projects promoted by ICTU<sup>3</sup>/IBEC<sup>4</sup> and by SIPTU<sup>5</sup> on social

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3 Irish Congress of Trade Unions

4 Irish Business and Employers Confederation

5 Services Industrial Professional Technical Union

partnership at the level of the enterprise have strongly demonstrated the value of social partnership in enterprise. Traditionally, many employer and union interests have tended to see their relationship in conflict terms. The learning from the project has been taken on board by the National Centre for Partnership: reinforcement mechanisms supporting the social partnership model are strategically important at National level.

- ◆ Learning from YOUTHSTART (EMPLOYMENT)-assisted projects on integrated local approaches to counter early school leaving has been particularly valuable. It has influenced a Department of Education and Science Initiative for 8-15 year olds in using an integrated approach within a local context for the prevention of early school leaving. This mainstreaming approach has since been a feature of the modalities of that Department's early school leaver measures, including those put forward for support in this Operational Programme.
- ◆ A HORIZON (EMPLOYMENT) project led to the establishment of a University accredited course in training and education in supported employment while another developed and piloted peer counselling training for people with disabilities which has been endorsed by many regional health authorities. This, and related HORIZON projects, have had a major influence on the ongoing national strategy of 'mainstreaming' people with disabilities into general training courses. The strategy continues to be financed under this Operational Programme.

There have been other more indirect benefits derived from EU Community Initiatives as well; the engagement in practical projects with partners, including those from other Member States, has improved the capacity of voluntary-sector and NGO bodies, in particular, to explore new means of dealing with employment, Social inclusion and adaptability issues.

In the coming period, the horizontal dimension of the new EQUAL Initiative should reinforce the level of co-ordination among the public, private and voluntary sector bodies involved. In the Irish case, it is intended that the EQUAL Initiative will address areas of national labour market policy identified in the Employment Action Plan which are complementary to the themes set out in the Commission's Guidelines. To ensure continued integration, these propose to periodically assess the value added of EQUAL in relation to the Employment Action Plans and to establish a database of good practice to that end. For similar reasons, the management arrangements proposed for this Operational Programme, set out in Chapter 9, envisage an Employment Co-ordinating Committee to bring together those implementing EQUAL and this Operational Programme, amongst others, in the wider NEAP/ESF interest.

### *1.4 Operational Programme Evaluation Context*

A large body of evaluation work was produced in Ireland on EU Structural Funds-supported Operational Programmes during the last programming period. Amongst the more influential evaluations were the more than forty reports produced by the ESF Programme Evaluation Unit attached to the Department of Enterprise, Trade and Employment. The Unit's work focused on activity across the Community Support Framework and, in particular, on the range of measures supported under the Human Resources Development Operational Programme.

Reference has already been made to the 1997 *Mid-Term Review of the Human Resources Development Operational Programme (1994-1999)* conducted by Goodbody Consultants. This report found that

- ◆ preventing and ameliorating early school leaving and the reintegration of the long-term unemployed, through provision of increased resources and improved counselling and mediation services, should be given a higher priority
- ◆ a gradual increase in Youthreach places should be provided and a continuous focus should be maintained on preventative action as the most appropriate response to ESL
- ◆ a targeted and flexible expansion in response to evidence of increasing skill shortages in relation to post-graduate provision was required
- ◆ an increased focus should be placed on progression to skills programmes and on developing alternative job options for those unlikely to integrate into the mainstream economy.
- ◆ greater targeting of employee support on managers of very small firms, in high growth sectors, and action geared to encouraging such employers to invest their own resources to a more significant extent in human resource development
- ◆ provision should be focused to the greatest extent possible on emerging skills needs and on ensuring that unemployed persons develop and upgrade their skills in a way that ensures their continuing employability in changing economies and labour markets
- ◆ the skill development needs of women returners should be a key focus ... with provision geared to meeting their needs (e.g. part-time courses, childcare support, etc.). Any remaining barriers to women's participation on courses and in other measures which aim to re-integrate women should be removed.

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Looking to the 2000-2006 period, the *ESRI National Investment Priorities for the Period 2000-2006* (1999) pointed out that

- ◆ Ireland stands out among countries in Northern Europe as having the highest proportion of its labour force without second-level school-leaving qualifications
- ◆ ... the current level of investment in human capital is broadly satisfactory, though measures are needed to make good some of the failures of the past
- ◆ ... the potential growth rate of the Irish economy is more likely to face input constraints in the coming decade than demand constraints
- ◆ human capital continues to have a high priority for investment in the future ... however, the changing demographic structure of the economy will reduce the pressures on the educational sector
- ◆ the highest priority for public investment is in public physical infrastructure although education and training is also an important priority.

In *Southern & Eastern NUTS II Region Development Strategy 2000-2006*, Fitzpatrick Associates (March 1999), regional human resources priorities were established which included

- ◆ further development of education and training programmes to meet existing and anticipated labour shortages
- ◆ promotion of more effective delivery of training and education through distance learning and outreach campuses in areas of the region and to classes of persons currently experiencing access difficulties
- ◆ targeted human resource interventions in areas of multiple deprivation, particularly in the urban centres of the region.

In the corresponding *Border, Midlands and Western NUTS II Region Development Strategy 2000-2006*, Fitzpatrick Associates (March 1999), the regional human resources priorities included

- ◆ that UCG, as the only university located in the region, develop to the maximum potential, with a particular emphasis on outreach services in other parts of the region
- ◆ the region's institutes of technology continue to be developed to their full potential, with a particular emphasis on the institutes in the new city regions of Sligo and Athlone.

On the text of the National Development Plan for 2000-06, *the Ex-Ante Evaluation of the National Development Plan* prepared by the Community Support Framework Evaluation Unit (November 1999) considered that

- ◆ the rationale for State investment in employment and human resources development was generally robust, and ... that this area of investment is likely to contribute to the overall objectives of the Plan, particularly in terms of promoting social inclusion
- ◆ the four pillar NEAP structure did not easily lend itself to developing coherent programming approaches
- ◆ the three-fold strategy (NEAPs, sectoral training and education) was not linked to the structure of the programme which follows the four pillars
- ◆ the level of capacity set out in a number of areas did not appear to take sufficient account of the projected decline in the number of labour market entrants
- ◆ the assumption that all early school leavers could be attracted into further training seemed optimistic
- ◆ on support for under-graduate skills and post-graduate conversion measures, the economy is suffering more from a labour shortage than a skills shortage
- ◆ while the programme provides for an expansion in areas like traineeship numbers (from 1,600 in 1999 to 6,000 by 2006), there is no evidence of corresponding reductions in capacity elsewhere for this broad target group
- ◆ the levels of provision for the Active Measures for the long-term unemployed and Socially Excluded and the Employment Support Services should be very carefully monitored.

The ESF Programme Evaluation Unit's *Challenges for Human Resource Development, 2000-2006, A Report on Major Human Resource Development Issues 2000-2006 Emerging from Evaluation Literature 1994-1999*, points to key issues to be borne in mind regarding programmes in the forthcoming period including the importance of ensuring that the implementation of measures is in accordance with stated policy and that delivery systems are designed with the policy objective of the programme in mind. It argues for

- ◆ a move towards a 'client driven' system, which will require developing a pathways to progression approach for disadvantaged target groups, *through*
- ◆ recognition of the longer duration interventions or range of interventions which a disadvantaged person should be facilitated to access in order to give him or her the chance of gaining sustainable employment

- ◆ delivering skills training and education provision on a flexible basis to meet the needs both of those in work and those unemployed or outside the labour force, to include part-time delivery, delivery in the community, distance learning, etc.; and
- ◆ establishing the National Qualifications Authority and ensuring that it delivers a flexible national framework of qualifications which recognises all forms of learning, regardless of whether learning is gained in a formal setting, in employment or in the home.

## *1.5 The Impact of the Evaluations on Operational Programme Content*

Learning from evaluation reports like these has, in many cases, already been reflected in re-programming and re-orientation decisions during the 1994-1999 period. The Operational Programme formulation process represents an important opportunity to respond or to further respond to recommendations from the evaluation reports. The range of recommendations and comments at 1.4 are reflected in varying ways in the contents and proposals in this Operational Programme.

The 1997 Goodbody Report's commitment to equality and to social inclusion is strongly reflected in the National Development Plan and in this and other Operational Programmes for 2000-2006.

This Operational Programme furthermore develops the active EU commitment to employment policy in the ESF and NEAP contexts. The significant commitment in the 1994-99 Human Resources Development Programme to tackling early school leaving is continued in this Operational Programme. The ongoing commitment to the preventive strategy to youth and long term unemployment, and the efforts to reintegrate those already long-term unemployed, are consolidated in several respects: for example through the intended strengthening and improved integration of the Employment Service function. There is now increased emphasis on responding to shortages through targeted supply-side initiatives in education and training. The Social Economy Initiatives in this Operational Programme will offer job options for people outside of the mainstream economy. Greater selectivity in providing public support to SME's and seeking ways of persuading employers that training is in their own interest remain at the heart of strategy in this regard. There is now a greater stress on Adaptability and responding to changing market needs; the Operational Programme signals the deployment of several schemes in lifelong learning and gives indications of future developments. The commitment to gender mainstreaming in the Programme will accelerate the removal of any remaining structural impediments to women's equality in the access routes to the labour market.

In relation to the ESRI's 1998 Report, the impediment of having the highest proportion of a national labour force in Northern Europe without second-level school-leaving qualifications is reducing rapidly. However, it remains a sufficiently important feature in the tight labour markets to warrant several important initiatives in the domains of life-long learning and adult literacy. Such measures will strengthen the particular focus now being placed on mobilisation and activation of all labour supplies. Its analysis of input constraints, demographic change and the increased relative importance in the National Development Plan of responding to physical investment needs have also been quite influential in shaping both the National Development Plan and this Operational Programme.

The range of priorities in the Fitzpatrick S&E and BMW Region Reports 1999 – which focused on urban exclusion, concerns around skill shortages, the spatial re-distribution of capabilities and on spatial development from a narrow base – are responded to in this Operational Programme through, for example, regional allocations to all measures, the commitment to tackling exclusion, and through recognition of the human capital needs to support regional and spatial development.

The 'robustness' recognised in the 1999 National Development Plan, Ex-Ante Evaluation Report in the case of Employment and Human Resource Development, is further developed in this Operational Programme. The full articulation of the cascade of objectives from Programme down to measure level in Chapters 4 and 5 of the Programme, address the Report's concerns on the NEAP's four pillar structure. Equally, the extensive prior analysis of the supply-side assumptions that underpin the proposals made in the current and emerging labour market conditions should serve to re-assure the Report's view of some specific aspects of the investment intended. Furthermore, the Operational Programme structure, implementation and monitoring processes are designed to identify and to accommodate change and adaptation should new circumstances or conditions call for this.

As regards the ESF Programme Evaluation Unit's Report<sup>6</sup>, it is intended in the Programme Complement and implementation phases to place renewed emphasis on such issues as flexible measure delivery modalities and on the use of indicators which focus on outcomes as well as outputs in ongoing monitoring of the measures. The conduct of Leaver Surveys will, for example, be established on a new integrated basis using the approach of a common methodology.

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6 ESF Programme Evaluation Unit, 'Challenges for Human Resource Development, 2000-2006, A Report on Major Human Resource Development Issues 2000-2006 Emerging from Evaluation Literature 1994-1999', Dublin 2000

## *Context of Operational Programme*

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This chapter deals with the essential context within which this Operational Programme has been prepared in terms of the needs being addressed and the strategies and policies put in place at EU and national level. The key contextual elements in this regard are the National Development Plan, the Community Support Framework and the European Employment process. In addition, the scope for contributing to the wider commitments on public policy towards the environment and gender mainstreaming (as well as the poverty, regional development and rural development dimensions of measures) is considered.

### *2.1 National Development Plan (2000-2006)*

Total expenditure on the 2000-2006 National Development Plan is estimated at €57 billion. Of this, some €3.2 billion is to be provided by the EU Structural Funds. The Commission confirmed the admissibility of the National Development Plan on 2 December 1999. This Operational Programme was one of the three National (Inter-Regional) Operational Programmes included in the National Development Plan. Chapter 5 of the Plan signalled the commitment of some €14.2 billion over the 2000-2006 period to this Operational Programme. Reflecting the basic four pillar structure of the EU Employment Guidelines and the National Employment Action Plan (NEAP), the National Development Plan indicated that this Operational Programme would be similarly structured. All of the measures outlined for this Programme in the National Development Plan are incorporated.

## *2.2 Community Support Framework (2000-2006)*

Article 17 of the General Funds Regulation (R.1260/99/EEC) provides for a Community Support Framework (CSF) to co-ordinate all EU structural assistance in the regions over the 2000-2006 period, including assistance relating to human resources development. As a result, a Community Support Framework has been negotiated between Ireland and the Commission on the purposes and priorities for the use of the funding to be provided by the Structural Funds to Ireland for this period.

The Community Support Framework sets out a range of general provisions including

- ◆ a statement of the strategy and priorities for joint Community and national action
- ◆ an indicative financing plan specifying for each priority and each year the financial allocation envisaged for the contribution of each Fund
- ◆ the funding planned for the regions receiving transitional support.

More specific provisions set out include

- ◆ an assessment of the extent of compliance of the National Development Plan with various relevant EU policy fields
- ◆ the nature, duration, specific aims and priorities of the operational programmes, including Employment and Human Resources Development
- ◆ an emphasis, in this context, of evidence of labour scarcity across the skills spectrum
- ◆ an analysis of the European Social Funds support strategy in this Programme down to measure level.

This Operational Programme complies in all respects with the relevant requirements of the Community Support Framework.

## *2.3 European Employment Strategy*

When the Treaty of Amsterdam was signed in 1997, the EU Heads of Government agreed to put employment at the centre of Europe's policy agenda and to co-ordinate, to a hitherto unprecedented degree, national employment initiatives within a European Employment Strategy (EES). At the first 'Jobs Summit' in Luxembourg in 1997, the leaders further agreed on an annual process of implementing and reviewing the EES. The process takes the form of each Member State preparing

National Employment Action Plans (NEAPs) which respond to an agreed annual set of Employment Guidelines set out under a four-pillar framework of Employability, Entrepreneurship, Adaptability and (Gender) Equal Opportunities. The essentials of current Irish strategy in this context were outlined at 1.2.3 above. This same four-pillar framework has been adopted as the basis for this Operational Programme's priorities.

The European Commission proposed to the Council of Ministers in September 1999 that it should make recommendations to individual Member States on their employment policies. The recommendations were drawn up on the basis of a comparative analysis of Member States' performance in implementing their National Action Plans for Employment, and addressed shortcomings in implementing the 1998 Employment Guidelines or in translating into action the 1999 Employment Guidelines. The first set of such recommendations were endorsed by the European Council in Helsinki in December 1999.

The recommendations addressed to Ireland were as follows.

- ◆ That it should adopt a comprehensive strategy to increase the participation of women in the labour market, including the removal of tax-benefit disincentives and putting in place measures which facilitate the reconciliation of work and family life. In particular, a sustained effort to raise the standards of care for children and other dependants and flexible leave schemes should be made.
- ◆ That it should pursue recently implemented policies, encompassing regulatory, educational and fiscal measures, to further exploit the potential for job growth in the service sector.
- ◆ That it should intensify policy efforts to expand and improve in-house training of employees.

The fullest responses possible are made to these recommendations in the proposals contained in this and other relevant operational programmes. It is intended also in the context of the operational programmes that ongoing prioritisation and resource allocations would be reviewed on a regular basis in the light of the annual employment process and in the light of any such recommendations in future years.

## *2.4 National Employment Action Plans*

Member States give effect to the agreed annual set of Employment Guidelines through their annual National Employment Action Plans. These provide a rolling multi-annual framework for strategies and actions built around the four pillars framework to address particular national labour market situations over the short to

medium-term. This same four-pillar structure of Employability, Entrepreneurship, Adaptability and Gender Equality provides the basic structure for this Operational Programme while the current NEAP policy agenda determines most of the measures in the Programme.

The current Irish NEAP strategy outlined at 2.5.1 reflects the impact on strategy and actions of changed labour market conditions over recent years. Each year's plan evolves dynamically as the Employment Guidelines and the market circumstances which they reflect change.

As part of an on-going process of developing appropriate policy responses, the Irish NEAP 2000 reveals a broadly-based 'policy-mix' of actions under each of the four pillars.

### **Employability**

- ◆ mobilisation and activation of all potential sources of labour supply
- ◆ implementation of the preventive strategy of engaging systematically with people at an early stage in the unemployment spell
- ◆ considerably strengthening the capacity of Ireland's Employment Service, given the commitment to the case-management system now in operation, which underpins the preventive strategy
- ◆ implementation of an income tax credit system and the individualisation of the 'standard rate' band
- ◆ establishing a National Minimum Wage with effect from 1 April 2000
- ◆ developing the range of policies which are in place to tackle educational disadvantage and optimise participation in, and benefit from, the education system
- ◆ ensuring that education and training policies retain a key role in overcoming supply-side restrictions resulting from imbalances or mismatches of demand and supply
- ◆ dedication of additional resources to further develop the Schools IT 2000 programme and related initiatives, with the objective of ensuring that all pupils have access to ICT facilities in keeping with their educational needs.

### **Entrepreneurship**

- ◆ expanding and improving in-company training
- ◆ developing Social Economy proposals to generate sustainable employment for people distant from the labour market.

### **Adaptability**

- ◆ developing innovative and flexible approaches to maximising the available labour supply
- ◆ strengthening life-long learning and ICT skills.

### **Gender Equality**

- ◆ commitment to gender mainstreaming in the National Development Plan 2000-2006
- ◆ commitment to childcare.

## ***2.5 Labour Market Analysis and Outlook***

### *2.5.1 Current Strategy*

The labour market challenges now facing Ireland require a change in focus from solely tackling unemployment to pursuing policies that provide the economy with an adequate supply of appropriately skilled workers to sustain economic growth.

Bearing in mind the important differences between skills shortages and labour shortages and that their causes and remedies are quite different, responses to labour shortages have been aimed at expanding the overall supply of labour in the economy. These responses include

- ◆ assisting unemployed people in their return to work
- ◆ increasing labour force participation.

In the case of skills shortages, the principal policy response has been the provision of enhanced education and training, for example through FÁS. This response was adopted in implementing the recommendations of the First Report of the Expert Group on Future Skills Needs. It nevertheless represents only one element of a broad-based set of responses on the supply side to high-level skills imbalances. Closing the 'skills gaps' with competitor countries requires a commitment to in-company training and lifelong learning for those already at work. Skills upgrading in this context also plays a part in alleviating skills shortages.

Attracting immigrants to augment domestic skills represents also an additional source of labour supply. A balanced approach to immigration is being developed, based on a more pro-active policy to meet selected skills needs. As part of this policy the government, in March 2000, decided that a working visa system should be introduced in respect of persons in selected occupational categories.

To place these issues in context, a notable finding of a recent vacancy survey<sup>7</sup> showed that 60% of the vacancies were for jobs requiring intermediate or lower levels skills. Experts agree that a high-skilled route is best to sustain long-running economic growth but that demand for high-skilled people co-exists with that for medium or low-skill employees in circumstances of high economic growth. The projected strong demand for higher skilled occupations in high-skilled sectors undoubtedly suggests the need for an intensification of human resource supports in high-tech areas but the evidence also signals a parallel need for human resource investment across a wider range of skills. This underlines the importance of continuous redevelopment of existing education and training policies to cater for the full range of skills needs.

The forces behind buoyant labour market demand show no sign of abating. There are considerable pressures on available supply resources, being reflected in higher wages and non-traded inflation. These pressures point to the risk of a sharper deceleration in activity than possibly envisaged; inadequate labour supply and a sudden loss in competitiveness could lead to an appreciable slowdown in growth.

In order to reposition Irish industry so that it will continue to have sufficient adaptability to meet the challenges of new technologies, skills and the globalisation of markets, there is a need for employment and labour market policies to address both the quantitative and qualitative aspects of labour market supply. Key policies in this regard involve continuing efforts to increase participation in the labour force, improving employability and the incentive to work (with particular reference to reform of fiscal policy), further developing education and training measures aimed at overcoming supply-side constraints, facilitating inward immigration aimed at addressing skills shortages in the economy, encouraging lifelong learning (including up-skilling of those already in the workforce) and enhancing the partnership between employers and employees at the level of the firm through, for example, flexible arrangements to suit individual family circumstances.

The Irish NEAP Strategy for 2000 re-affirms the national policy commitment to the provision of equal opportunities for women and disadvantaged categories in education, training and employment. Against that background, the following are the current key objectives of labour market policy:

- ◆ to promote both employment growth and employment for all who seek it, and to effectively eliminate long-term unemployment
- ◆ to mobilise labour supply to address skills and labour shortages in the economy
- ◆ to enhance labour quality through education, training and, in particular, lifelong learning

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<sup>7</sup> ESRI, *National Survey of Vacancies in the Private Non-Agricultural Sector in August 1998*, ESRI, Dublin 1999.

- ◆ to strengthen the preventative approach to minimising unemployment and halting the drift into long-term unemployment,
- ◆ to support increased female participation, equal opportunities and a balanced increase in immigration
- ◆ to promote social inclusion with particular reference to the re-integration of the socially excluded, especially the long-term unemployed, into the open labour market.

### 2.5.2 Macroeconomic Context

The latest forecasts<sup>8</sup> point to the economic climate in Ireland remaining good. The data at Table 7 points to a continuation of the solid progress made in recent years in income convergence, employment creation and the improvement of public finances.

<b>Table 7. Economic Indicators for Ireland 1997-2003</b>								
Annual % change unless otherwise stated								
	1997	1998	1999	2000	2001	2002	2003	2000/03
GDP	10.7	8.9	7.8	6.9	5.8	5.3	5.2	5.8
GDP/Head (PPS) EU15 = 100	101.7	107.1	111.6	115.1	117.4	N/A	N/A	N/A
Total Employment	5.6	5.0	4.2	3.2	2.4	2.2	2.1	2.5
Unemployment Rate	9.8	7.8	6.4	5.5	4.9	4.4	4.1	4.7
Consumer Prices	1.2	2.1	2.3	2.5	2.1	2.5	2.2	2.3
Public Investment % of GDP	2.5	2.4	2.5	2.6	2.7	2.6	2.7	2.7
Gen. Govt. Surplus % of GDP	0.8	2.0	3.9	3.3	2.8	2.9	3.0	3.0

Source: Department of Finance and European Commission DG ECFIN

Real GDP growth is projected to average over 5.8% in the period 2000-2003 and approximately 5% over the Programme period 2000-2006. This would give Ireland a positive growth differential of over 2 percentage points relative to the EU15 which, even if net immigration continues at the 1997-1998 level of 15,000 per annum, should reinforce the steady upward trend in relative per capita income levels. The general government surplus is projected to average 3% per year over the period 2000-2003.

<sup>8</sup> Table 7 data, based on the Commission's 2000 Spring forecast and medium-term projections (assuming unchanged policies), is quoted at 1.2.2 of the Community Support Framework for Ireland

### *2.5.3 Labour Market Outlook*

The National Development Plan highlights the expectation that buoyant economic conditions will lead to continuing increases in demand for labour. There is some risk therefore that underlying inflationary pressures may gradually erode cost competitiveness within the Euro zone. From a labour market standpoint, the most recent social and economic consensus agreement (November 1999), the Programme for Prosperity and Fairness (PPF), spanning a three year period and providing for continued wage restraint, is of particular importance. Increased weight must now be attached to modernising industry as well as developing adaptation and restructuring programmes particularly directed at those in employment within the indigenous sector. Such an approach has the potential to deliver the productivity gains which could prevent a loss of competitiveness in the future.

The transformation of the Irish labour market requires a decisive shift in policy. From its inception, the National Employment Action Plan process placed particular emphasis on preventing inflows into unemployment. Efforts to prevent the drift of individuals into unemployment must retain their importance, even though the preventive strategies are now well established and functioning effectively for both young persons and adults.

Of relevance also to the prevention of inflows to unemployment and the mobilisation of the labour supply is the Education (Welfare) Act 2000. In addition to addressing the needs of children of compulsory school-going age, the Act contains provisions relating to young people under the age of eighteen years who leave school early. This involves the identification and registration of the young people concerned and places an obligation on the National Educational Welfare Board to assist them with continuing education/training.

The policy emphasis towards mobilisation of labour supply indicated in the 2000 Budget will need to be reinforced to ensure that future labour force expansion requirements can be met. Strategy will need to include efforts to further increase labour force participation rates among women in the home and among older persons, and to facilitate inward migration aimed at addressing skills shortages in the economy. Attempts to raise female participation rates will need to address childcare provision and tax individualisation on a continuing basis. In the case of older workers, the aim should be to become more 'employment friendly'. There is official recognition that immigration will become a more important source of labour supply and it is therefore considered important for the future orderly evolution of the labour market that a coherent and proactive immigration policy be maintained.

Of particular relevance in the current labour market climate are the specific policy recommendations to Ireland adopted by the Helsinki Council in December 1999 under the 1999 Employment package. These propose a comprehensive strategy to further increase the participation of women and to facilitate the reconciliation of

work and family life. The Council also called for an intensification of efforts to expand and improve in-company training, and recommended that the potential for jobs in the service sector be further exploited.

The assessment of the 1999 National Employment Action Plan (NEAP) reinforced the recommendations of the European Employment Strategy (EES) to increase female participation and to mobilise labour supply. It also highlighted Ireland's poor levels of adult literacy as a barrier to a return to work, as well as emphasising the need to strengthen the mechanisms to promote gender mainstreaming. The assessment marked an important policy shift towards increasing the participation of the long-term unemployed and the low-skilled in mainstream education and training programmes and in strengthening employment opportunities in new growth sectors through improvements in the overall environment for enterprise. It is considered that the pace of economic growth and the competitiveness of Irish output over the years to 2006 will largely be determined by the rate of labour force growth, the productivity of labour and the annual rate of wages change.

#### *2.5.4 Labour Market: Composition and Productivity*

Significant changes are forecast to take place in the composition of future labour force growth. High birth rates through the 1970s generated a rapid increase in labour supply through the 1990s. This natural increase component is now forecast to slow rapidly, accounting for 1.3 percentage points of the overall labour force growth to 2005. Increased labour force participation rates, particularly amongst women and older people, combined with continuing net migration inflows, will be needed if labour force growth sufficient to deliver the National Development Plan's growth targets is to be attained. Expectations are for a 2% annual employment growth over the 2000-2006 period. This represents an increase of 230,000 over the period, consisting of a natural increase of 115,000 in the labour force, an increase resulting from improved labour force participation of 55,000 and an absolute drop in unemployment of 15,000. This leaves a balance of 45,000 to be met through net immigration.

Given 2% annual employment growth, the achievement of the Plan's average annual growth rate of 5.4% (GDP) will therefore require productivity growth per person at work of the order of 3.4% annually. The National Development Plan points to the continued replacement of older, less-well educated cohorts by younger better-educated labour market entrants and ongoing educational investments as an important factor in this regard. This growth would not be out of line with the national long-run productivity performance<sup>9</sup>, nor with estimates of productivity growth in the shorter term<sup>10</sup>. It is, however, a substantially faster rate of productivity growth than is observed in more developed countries generally. As the impetus to economy-wide productivity growth from ongoing improvement in the

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9 3.7% annual, per Commission over 1961-1999 (EC economic data pocketbook 2/00, Table 13)

10 3.8% in Year 2000, 3.4% in Year 2001

average educational levels of the work force and the re-weighting of the economy away from lower productivity sectors, such as agriculture, slows in the years ahead, Irish rates are likely to converge on those of the more developed world generally.

Sustaining productivity growth around 3.4% annually, as these influences moderate, would appear, therefore, to require enhanced efforts to upgrade the skills and competencies of the Irish workforce. Both sustained shifts towards higher value-added activity in employment and increasing the productivity of existing employees in all sectors of the economy would be required. This will need a greater emphasis on in-company training and lifelong learning than in the recent past. Attaining high levels of labour productivity growth is all the more important, given the wage and salary increase commitments in the Programme for Prosperity and Fairness (PPF) because failure to achieve substantial growth in labour productivity would result in the erosion over time of Irish cost competitiveness within the Euro zone.

#### *2.5.5 Labour Market: Regional Aspects*

Most of the economic growth in Ireland during recent years has been concentrated in the S&E Region, notably in and around Dublin and Cork. These urban regions went from a GDP/head of 83% of the EU average in 1988 to 105% in 1996. The BMW Region has trailed this growth at some distance in moving from 60% of the EU average to 74% in the same period. The gap between the two NUTS II regions of Ireland has widened. Nevertheless, the BMW performance would be considered good growth elsewhere in the EU and still represents significant convergence on the EU average. The weaker performance of the BMW Region is largely due to lagging productivity. For unemployment there is, however, also some variation with 6.8% unemployed in 1998 in the BMW Region and 5.4% in the S&E Region (although if one excludes the large Dublin region, with just 4.5% unemployment, the rate in the rest of the S&E region rises to 6%).

## *2.6 Equal Opportunities between Men and Women*

The promotion of equal opportunities between women and men, in particular through a gender mainstreaming approach, is one of three horizontal objectives in this Operational Programme (see paragraphs 2.9.3 and 6.3).

Articles 2 and 3 of the Treaty of Amsterdam formalise the Community commitment to gender mainstreaming by establishing equality between women and men as a specific task of the Community as well as a horizontal objective affecting all Community tasks. Also, in the reform of the Structural Funds, equality of opportunity for women and men plays an integral role, through the dual strategies of mainstreaming and developing specific actions targeted at women. The policy is also fundamentally

enshrined in the European Employment Strategy, where the fourth pillar concentrates on strengthening equal opportunities between women and men, in particular recognising the significance of gender equality to the economy. This Operational Programme addresses these issues as further described below.

Ireland has continued to build on its already strong and comprehensive legal framework for addressing inequality, with a new Employment Equality Act in 1998 and the Equal Status Act 2000. While the new legislation is aimed at counteracting discrimination in employment and in the supply of goods and services on a wide range of grounds, it also gives new emphasis to tackling inequalities between men and women.

The National Development Plan provides for a number of specific actions designed to ensure that men and women share the benefits of national development, and in particular it contributes to the achievement of a more equal society for men and women by providing for the mainstreaming of equal opportunities across all sectors. It promotes equality and provides specific measures to help women, as well as mobilising all general policies by actively and openly taking into account at the planning stage their possible effects on the respective situation of women and men. The emphasis in the equality expenditure will, in particular, be on activities to monitor and document progress on gender mainstreaming, and on measures to support the development of an effective childcare strategy and provision.

Operationally, equality is being mainstreamed at programme level by including equal opportunities among the project selection criteria for all measures and equality will feature as a requirement in all evaluations to be undertaken under the National Development Plan. Equal opportunity issues will be closely monitored by a Monitoring Unit established under the Department of Justice, Equality and Law Reform, by the Operational Programme Monitoring Committees and by an Equal Opportunities and Social Inclusion Co-ordinating Committee at Community Support Framework level. Gender balance on monitoring committees will also be promoted.

This Operational Programme will provide particular support to equal opportunities both through its support for the Monitoring Unit established under the Department of Justice, Equality and Law Reform to promote gender mainstreaming across all operational programme's as well as through its own specific equality measures. All substantive measures (both EU co-funded and non co-funded) will, in principle, offer a specific gender dimension and suitable indicators will be available to measure progress in that respect. These elements will be developed by implementing bodies at the Programming Complement stage.

Extensive gender desegregation data series were generated under the 1994-1999 operational programmes; as in the previous programmes, all training and educational measure reports will be required to continue to provide male/female breakdowns of throughputs and completions etc.

In line with the December 1999 Helsinki Council's recommendation to Ireland to strengthen overall childcare provision, other equality-supporting initiatives such as the childcare measures under the regional operational programmes represent an important complement to this Operational Programme. This initiative is important both in providing women with the choice of working outside the home and in encouraging increased female participation in the labour force.

## ***2.7 Other Key Policy Contexts***

### *2.7.1 Education*

The educational profile of the work force and of the wider population, young and old, is a key determinant of national growth potential. Its recent evolution is summarised at Table 8 below. The lack of educational attainment remains a major variable in the risk and persistence of long-term unemployment. In 1997, the proportion of the national population (15 years+) with education to primary level only was 28%. Across the two regions the respective figures were 33% for BMW and 26% for S&E.

The overall national trend is towards an increasingly educated population reflecting, in particular, free second-level education since the 1960's, the young profile of the population and the substantial investment in human resources development in the two previous structural fund programming rounds. Between 1993 and 1997 there was a reduction nationally of 77,600 or 9% in the number of people with primary education only; the percentage reduction was in the order of 9% for both regions. The percentage increase of those with lower secondary-level education was 7% nationally – 9% BMW and 7% S&E. The percentage increase between 1993 and 1997 in those with upper secondary education was 8% nationally – 13.5% BMW and 6.6% S&E. For non-degree third level, the increase was 36% nationally, split as 30% BMW and 37% S&E. Those at third level with degrees revealed an increase of 25% nationally, split as 19% for BMW and 26% for the S&E region.

There are other differences between the regions in terms of educational attainment levels. The proportion of the population with third-level qualifications in 1997 at 20% in the S&E Region is ahead of the 14% for the BMW Region. Women account for 53% of those with third-level education in the BMW Region while in the S&E Region the figure is 50%.

The assessment of Ireland's National Employment Action Plan for 1999 highlighted the relatively poor national levels of adult literacy as a barrier to labour-force participation. The assessment also signalled the need for a greater emphasis on increasing the participation of the older long-term unemployed and the lower skilled in suitable mainstream education and training programmes and in strengthening

employment opportunities in new growth sectors through suitable initiatives in life-long learning and improvements in the overall 'enterprise environment'.

**Table 8. Educational Attainment by Region 1993 and 1997**

000's		BMW Region		S&E Region		National	
		1993	1997	1993	1997	1993	1997
<b>Population (Age 15+)</b>	Female	348.7	368.8	1,001.4	1,063.3	1,350.0	1,432.0
	Male	354.7	369.3	952.3	1,013.5	1,307.0	1,383.1
	Total	703.4	738.1	1,953.7	2,076.8	2,657.1	2,815.1
<b>Primary</b>	Female	125.7	114.5	297.5	270.5	423.2	385.0
	Male	144.0	129.5	287.5	262.5	431.5	392.0
	Total	269.7	244.1	585.0	533.0	854.7	777.1
<b>Lower Secondary</b>	Female	89.1	96.8	248.6	266.7	337.7	363.5
	Male	102.1	111.2	270.9	287.2	373.0	398.4
	Total	191.2	208.0	519.5	554.0	710.7	762.0
<b>Upper Secondary</b>	Female	91.8	102.4	301.4	313.4	393.2	415.8
	Male	68.3	79.3	232.0	255.3	300.3	334.6
	Total	160.1	181.7	533.4	568.7	693.5	750.4
<b>Non-Degree Third-level</b>	Female	26.6	34.2	82.2	116.5	108.8	150.7
	Male	20.8	27.6	70.8	93.7	91.6	121.3
	Total	47.4	61.8	153.0	210.2	200.4	272.0
<b>Degree Third-level</b>	Female	14.5	19.0	67.8	87.1	82.3	106.1
	Male	18.6	20.4	88	109.0	106.6	129.4
	Total	33.1	39.4	155.8	196.1	188.9	235.5
<b>Not Stated</b>	Female	1.0	1.9	3.9	9.1	4.9	11.0
	Male	0.9	1.3	3.1	5.8	4.0	7.1
	Total	1.9	3.2	7.0	15.0	8.9	18.1

Source: NDP 2000-2006 (CSO LFS 1993 and 1997)

Again, sustaining required productivity growth levels in the workforce of over 3% annually in the coming period calls for enhanced efforts to upgrade skills and competencies through greater emphasis on, and improved outcomes from, in-company training and lifelong learning.

### 2.7.2 Information Society

Key among educational and training challenges ahead is the rapidly developing field of information and communications technology (ICT). The March 2000 Lisbon Summit adopted important conclusions in relation to the need for the creation of a knowledge-based economy at Union level. Its decisions will have significant implications for education and training priorities, delivery methods and public support

levels both at national and EU level over coming years. Increased education and training is a precondition for the achievement of a knowledge-based economy. The Summit's first priority was to exploit the opportunities of the new economy, and in particular the Internet, through benchmarking of national initiatives. In response to an invitation from the heads of state and government, the Commission has drawn up a comprehensive 'Action Plan – eEurope 2002'.

The plan will involve the integration of different ongoing education policy components, the Employment guidelines of the Luxembourg process and other Community actions, such as research, to ensure a global coherence of eEurope actions.

Rather like the ongoing European Employment process, the core eEurope process will feature an open method of co-ordination based on the evaluation of the performance of national initiatives to provide overall consistency for the actions undertaken in these areas and to mobilise all concerned around specific objectives such as providing

- ◆ more computers
- ◆ more Internet connections
- ◆ trained teachers
- ◆ multimedia materials
- ◆ a dedicated school network
- ◆ greater investment in, and achievement of, mass digital literacy.

The Lisbon Summit conclusions required a time-bound framework such as 'Action Plan – eEurope 2002' for attaining these objectives. Benchmarking of education and training policy actions will therefore be needed, allowing progress and effectiveness to be gauged and to facilitate dissemination of best practice. The eLearning initiative is therefore likely to require a specific revision of the Employment Guidelines for 2001 to be set out in Autumn 2000.

Irish public policy already involves a wide range of actions addressing individual elements of the Lisbon conclusions.

Firstly, within this Operational Programme, and more specifically within the Employability and Adaptability priorities, many of the measures involve ICT-delivery modes and/or training outputs. The Further Training and Lifelong Learning Objectives in Adaptability involve both mass and specialised ICT training actions. The approach of the ESF in the case of the co-funded measures chosen for support in the Operational Programme is also of particular importance, in that ICT-based skills and elements are prioritised in several measures.

Secondly, in parallel with the Operational Programme, the current Irish NEAP points to increased ongoing investment to provide a phased roll-out of community-based access in the Information Society context. This relates particularly to the Partnership Areas and to the recommendations arising from the Information Society Commission's examination of IT Access for All. Resources will be dedicated to further develop the Schools IT 2000 Programme and related initiatives, with the objective of ensuring that all pupils have access to ICT facilities in keeping with their educational needs. The target is to reach a pupil to computer ratio of at least 8:1 at primary level, and 5:1 at second level, on a phased basis: Ireland's NEAP 2000 recently reported current ratios as being 18:1 and 8:1 respectively. The importance of the development of a top-class telecommunications infrastructure being accompanied by low-cost telecommunication charges driven by competition is well recognised. Government is actively pushing for low-cost Internet access for Irish businesses and consumers alike in order to dramatically increase Internet usage levels.

Thirdly, in the wider public policy context, there is an express commitment to establishing a legal regulatory and administrative framework to provide a favourable and competitive environment for the development of electronic commerce and digital industries. The Electronic Signatures Act 2000 gives legal effect to electronic signatures, writing and electronic contracts. It will give the same status to electronic signatures, electronic writing and electronic contracts as paper-based counterparts: it will also provide legal certainty for the conclusion of contracts electronically and the admissibility in court of electronic evidence. It will underpin and give security to the new ways in which business is transacted in civil cases over the Internet.

Government is equally committed to Ireland being developed as a 'telework friendly' location. Actions towards that end include endorsement by the social partners of the Teleworking National Advisory Council's Code of Practice, as well as a review of the relevant fiscal and environmental structures. Teleworking options are to be introduced into mainstream public service employment and, additionally, all publicly funded organisations will develop a teleworking policy for implementation by 2002.

### *2.7.3 Poverty*

The impact of education, training and labour market policy on poverty levels must be considered in the context of a 2000-2006 Operational Programme in the education and training field. The National Anti-Poverty Strategy states that 'unemployment, particularly long-term unemployment, has been shown to be a fundamental cause of poverty'. The direct link between low levels of educational attainment and unemployment, particularly long-term unemployment, is well established. Nearly three quarters of the long-term unemployed have no, or low, levels of educational attainment. Only 17.3% of those unemployed for more than one year have attained a Leaving Certificate<sup>11</sup>. Early school leaving is a problem and the youth unemployment

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11 Central Statistics Office, QNHS 1999-Q2

rate remains significant in comparison to the adult rate. Initial education is central to the poverty and social exclusion issues and it must be utilised as part of a stocks mobilisation strategy, to ensure a continued impact on unemployment levels and as a central element of a preventive strategy aimed at supporting labour market integration and social inclusion.

For those who have left the formal education system and are without work, market-led training programmes and/or bridging and progression options are key to their re-integration into the labour market. Again, in the rapidly changing world of work, helping to adapt people's skills to meet new demands and facilitating their continued access to education and training while at work, will ensure that they are in a stronger position to remain, and progress, in their jobs.

The measures, as well as the aims and objectives of this Operational Programme, need to be fully consistent with and supportive of the National Anti-Poverty Strategy. At the Programming Complement stage, each measure will require to be 'poverty-proofed' by its proposers. As Operational Programme Managing Authority, the Department of Enterprise, Trade and Employment will seek confirmation of a positive 'poverty proofing' of proposals at Programme Complement stage.

#### *2.7.4 Rural Development*

Chapter 11 of the National Development Plan indicated that 42% of the national population still lives in villages of 1,500 people or less or in rural areas. However, between 1971 and 1996, the rural population increased by 7% while the urban population grew by 36%. A wide-ranging strategy on rural development was set out in the 1999 White Paper on Rural Development. This emphasises, amongst other things, the importance of human resources development to the promotion of a sustainable rural population. All relevant elements of National Development Plan expenditure are expected to support public strategy in this field. Measures in this Operational Programme to provide supports for training in the Agriculture, Food, Forestry and Seafood sectors, as well as Gaeltacht industry, will make a particular contribution to rural development.

The detailed proposals for training in these sectors, which will be framed at the Programme Complement stage, will need to reflect fully the White Paper on Rural Development strategy for Agriculture and, for example, the need for diversification into new fields.

As in the case of poverty-proofing above, each measure will require to be 'rural-proofed' at the Programming Complement stage by its proposers. As Operational Programme Managing Authority, the Department of Enterprise, Trade and Employment will seek confirmation of positive results in that regard.

### *2.7.5 Regionalisation*

*To strive for balanced regional development by addressing the existing and potential education, training and skills deficits of the BMW and S&E Regions* is one of three horizontal objectives in this Operational Programme (see 4.2.5).

There is a strong horizontal commitment in the National Development Plan to realising an effective regional strategy such that by 2006 the main differences between BMW and S&E Regions are minimised, if not eliminated. This Operational Programme responds to the commitment in a number of ways.

The primary means of achieving this balance are through commitments to regional allocations at measure level, basing these on relative regional needs and, in due course, through effective monitoring of regional direct expenditure and outputs. The proposals envisage total expenditure under this Operational Programme in the BMW Region at €4,275.16m. (or some 30.1% of the total). All substantive Operational Programme measures will involve effective regional expenditures reflective of relative needs.

The implementing bodies have generally adequate on-the-ground capacity to deliver within each region. Quantitatively, the role of the sectoral measures in Tourism, Agriculture, Culture/Gaeltacht/Film, Forestry and Seafood will be particularly important in this context. Certain of these will, given their intrinsic nature, involve expenditure patterns which favour the BMW Region. There are also a number of smaller measures, e.g. in Equality and Technical Assistance, which, for reasons of administrative location, involve a partially- offsetting bias towards the S&E Region.

Qualitatively, and in conjunction with the efforts of other operational programmes and the development/roll-out of a spatial development strategy, this Programme will help to ensure, through its significant education and training investments, that the regional and sub-regional labour markets better match supply and demand.

### *2.7.6 Immigration*

The National Development Plan foresees reduced employment growth of 2% per annum. This reflects evolving demographic and labour market trends; domestic labour force growth will not in itself be sufficient to meet forecast employment growth and will continue to need immigration with parallel strategies of raising labour force participation rates.

Ireland's migration trends reversed in the second half of the 1990s; emigration of 55,800 per annum in the late '80s changed to immigration averaging 44,000 people per annum between 1996 and 1999. Over 50% of recent immigrants are Irish with a further 30% comprising EU citizens with full rights of residence in Ireland. The share of Irish nationals among immigrants has increased steadily from 45% in 1996

to 55% in 1999<sup>12</sup>. Only one in ten immigrants over the past five years are nationals of countries other than the EU or the US. Studies show that immigrants (including returning Irish people) are better qualified than non-migrants. The increase in immigration has been greatest in the economically active 25-44 age cohort where immigration is up 80% on the 1987-1991 levels to 20,000 per annum.

The forecast 2% annual employment growth represents an increase of 230,000 over the period of the Community Support Framework, estimated to flow from a natural increase of 115,000 in the labour force, an increase resulting from improved labour force participation of 55,000 and an absolute drop in unemployment of 15,000, leaving a balance of 45,000 to be met through net immigration.

A national approach to immigration is being developed which is centred on a more pro-active policy to meet selected skills needs; there is official recognition that immigration will become a more important source of labour supply. Government decided in March 2000 to introduce a working visa system in respect of persons in selected occupational categories. At present, non-EEA<sup>13</sup> nationals are required to have work permits issued to their employers in Ireland by the Department of Enterprise, Trade and Employment, before being admitted for employment. The new arrangements will apply in respect of selected occupational categories and are aimed at addressing skills and labour shortages in sectors in short supply.

## **2.8 Environment**

*To contribute to the protection and improvement of the environment* is one of three horizontal or cross-cutting objectives in this Operational Programme (see 4.1).

Integration of environmental considerations into other policy and programme areas is a key means by which development patterns can be made more sustainable. Operational programmes are one means by which greater integration can be promoted in the Member States. For the 2000-2006 period this process will involve operational programmes in the Irish Community Support Framework:

- ◆ including the protection and improvement of the environment in the objectives of operational programmes and the carrying out of a pilot eco-audit on these
- ◆ taking account of the input by Comhar, the National Sustainable Development Partnership, to operational programmes prior to their finalisation
- ◆ using environmental criteria in project selection, use of appropriate environmental indicators and the inclusion of the environmental dimension in operational programme evaluations

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12 Population and Migration Estimates, CSO-April 2000

13 Persons from countries other than EU countries, Iceland, Liechtenstein or Norway

- ◆ including environmental representation (Department of the Environment and Local Government and Comhar) on Monitoring Committees and establishment of a CSF-level Environment Co-ordinating Committee for the period 2000-2006
- ◆ implementing project level Environmental Impact Assessments (EIAs) where appropriate.

### *2.8.1 Ex-Ante Assessment*

There is a requirement to carry out an Operational Programme Ex-ante Environmental Assessment in accordance with Article 41 (2) of Council Regulation 1260/99/EEC which addresses the following issues:

- ◆ the existing environmental situation quantified as far as possible, in particular in relation to those environmental sectors likely to be affected by the assistance
- ◆ compliance with Community rules on the environment
- ◆ arrangements to integrate the environmental dimension into the assistance
- ◆ a description, quantified as far as possible, of the expected impact of the strategy and assistance on the environmental situation.

Baseline environmental indicators and environmental targets will also be included where available in assessing the Expected Impact of the Operational Programme.

The sections outlined from 2.8.2 hereunder address each of these points in turn.

### *2.8.2 General Situation in Sectors Impacted by Operational Programme*

Operational programmes consist largely of various education and training courses; the overriding objective of the funding provided in this Operational Programme is to assist people to play productive roles in society through employment. Its funds will be devoted to investing in human capital using existing physical facilities. The Employment and Human Resources Development Operational Programme provides for 51 measures or sub-measures focused across the spectrum of general and sectoral education and training. It impacts on a wide range of sectors and environmental variables, directly or indirectly.

As indicated in the Community Support Framework, Ireland's environment is of a relatively high standard in most respects but it faces challenges. These include the following.

◆ **Meeting commitments for greenhouse gases and other atmospheric emissions**

Increased energy use resulting in increased emissions of carbon dioxide, the main greenhouse gas, has implications for Ireland's international commitments. Agriculture is the major source in Ireland of the greenhouse gases, methane and nitrous oxide. These account for over 30% of Ireland's greenhouse gas emissions. Without changes, emissions could reach 35%, considerably above the 13% the 1990 level allowed at Kyoto. To meet the target limit, significant reductions in greenhouse gas emissions from all sectors must be achieved.

◆ **Halting the decline in the quality of rivers and lakes caused by excessive inputs of nutrients**

The main sources of phosphorus and nitrogen are agricultural activities and discharges of domestic and industrial wastes. Fertilisers and animal wastes contribute to eutrophication (enrichment) in surface waters and can adversely affect groundwater quality. Phosphorus fertiliser use, the key contributor to eutrophication of inland waters, declined by some 20% in the past five years. Nitrogen is the key contributor to eutrophication in relation to marine waters. In relation to groundwaters, excessively high nitrate levels have been identified in a number of counties. The length of river classified as unpolluted has dropped from 77.3% to 66.9% in a decade. Research has established that there is little change in the extent of water pollution in lakes since 1991-1994.

◆ **Reducing and managing waste**

There has been an increase of over 62% in the level of waste in the eleven years to 1995. Irish waste management practice has been heavily reliant on landfill. Local authorities are now adopting plans providing for dramatic reduction in reliance on landfill, and the development of a modern, integrated waste management infrastructure. Waste reduction and management form the cornerstone of planning. Recycling rates in Ireland for household and commercial packaging wastes show that between 1993 and 1995 overall recycling rose from 10.3% to 15.6%. Litter has for many years been a significant problem, particularly in towns and cities.

◆ **Protecting the urban environment from degradation due to transport and other pressures**

The doubling of industrial production from 1991 to 1998 implies greater demands and pressures on the environment. Activities with major polluting potential are regulated by the operation of IPC licensing, phased in since 1994. There has been significant growth in road traffic over the previous programming period (1994-1999), leading to congestion and an increase

in air pollution. The new Community Support Framework gives increased emphasis to improving the level of service of public transport coupled with demand-management measures as a means of reversing this trend.

◆ **Protecting the natural resources of the countryside, coastline and marine areas, and their flora and fauna**

The quality of bathing waters is high with 98.5% of the bathing areas complying in 1998 with EU minimum mandatory standards. As regards chemical contamination of the marine environment with tributyltin (TBT), there has been a general reduction in TBT contamination from aquaculture and small craft but an increase in port regions. Reproductive impairment in certain marine fauna from TBT contamination has resulted in their population declining in some areas.

Natural Heritage Areas (NHAs) are the proposed national framework to provide protection for areas of both wildlife and geological importance in Ireland. NHAs, which will cover approximately 850,000 hectares, will be given a legal basis by way of a forthcoming amendment of the Wildlife Act 1976. The EU Habitats Directive (92/43/EEC) requires Member States to designate and participate in the EU Natura 2000 Network of sites of EU importance. This network will consist of Special Areas of Conservation (SACs) established under the Habitats Directive, together with Special Protection Areas (SPAs) established under the Birds Directive (79/409/EEC).

◆ **Managing land use in a strategic manner**

The National Development Plan signals movement towards better integration of land use in such areas as transportation through the proposed National Spatial Strategy, with a view to reducing the need for transport by road and the development and implementation of transport demand management strategies.

Various measures in the present Operational Programme (ranging from sectoral training in areas such as agriculture, through broadly based education and training programmes with a projected collective throughput over 2000-2006 of an appreciable percentage of the economically-active population aged 15 to 64) should in principle be able to increase awareness of these various challenges, if not facilitate the necessary corrective behavioural responses.

### 2.8.3 *Environmental Awareness*

It is clearly important in this context to seek to discover the present level of environmental awareness amongst the general population. A recent study<sup>14</sup> provides a

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14 *Attitudes and Actions – A National Survey on the Environment – April 2000*, Drury Research, Department of the Environment and Local Government

general awareness baseline: it looked at actions that people could take ‘to affect positively their individual environment’. While it found clear evidence of improvement over the past decade (in various forms of recycling, reducing heating levels and reduced car use) it opined, overall, that ‘progress was disappointing’.

The main environmental protection problems seen by the public are rubbish 38%, air pollution 22%, farm and industry water pollution 19%, followed by traffic congestion, traffic pollution and ozone layer damage.

The study revealed that 68% agreed that environmental protection was an urgent and immediate problem (as against 69% of Europeans generally in a recent Eurobarometer poll). This sense of urgency is felt most in Ireland by those with a higher education and income: most poorer people felt that the environment was a matter for government. However, Irish people also want a balance between environmental protection and economic development – 78% said both are important; only 14% wanted environmental protection at the expense of economic development. Most people see environmental protection action as needing stricter laws and penalties or as needing tax incentives rather than public expenditure or information; only 20% were prepared to pay higher taxes, 18% higher prices and 12% to make cuts in their standard of living to pay for environmental protection action.

The results also confirm clear differences between the average Irish person’s ‘inward’ concerns and the more global concerns of the average European, concerns such as ozone layer and rain-forest depletion. Typical of the Irish attitude is energy-saving, in its various forms, where there has been improvement; here there is a clear personal financial gain from action. Again the approach to water charges is that this is a resource in excess supply which costs nothing; most people felt that the levels of rain in the country mean that paying for water is not an issue. A dichotomy between personal awareness and action in the environmental area was also identified in the study. Despite reasonable awareness levels of environmental labelling and symbols, most people never examine such labelling when purchasing products, or again 74% say glass recycling is available to them yet only 25% use it.

Overall the study concluded ‘there appears to be a need in the future to focus on some key areas of opportunity where environmentally sustainable behaviour can be encouraged’. There is a need to create the logical links between the urgency that individuals feel for the state of the environment and how their own behaviour can affect it.

While the disconnection between environmental awareness and change in behaviour may well raise questions on the nature of and returns from ‘diffuse’ awareness raising in the broader education and training measures intended under this Programme, this may also point to the need to reinforce such awareness-raising elements to improve the rate of change. Because many of the people to be supported by this Programme are amongst the poorer and less well educated in society, the study’s finding of even greater environmental challenges to be overcome in their case would seem to reinforce the latter conclusion.

In relation to more specific sectors, training and education measures in this Programme may well be able to assist in providing the missing 'logical linkages' between awareness and actions.

#### *2.8.4 Environmental Situation in Sectors Impacted by HRD-OP (1994-1999)*

This Operational Programme integrates the training and education components of six separate operational programmes implemented over the period 1994 to 1999. The largest of these programmes was the Human Resources Development Operational Programme; as indicated at Table 6 this had the unique impact of providing direct training or education support to over 1.5 million people over the period. While none of the programmes included specific environmental objectives insofar as their training and educational tasks were concerned, many of their individual measures have made important environmental contributions either directly or indirectly. An inventory of these actions is provided at Appendix II.

#### *2.8.5 Existing Compliance with Community Rules on the Environment*

The Operational Programme has, as one of its stated objectives, *to contribute to the protection and improvement of the environment*. It will do so by integrating environmental considerations in the interest of sustainable development, in particular by promoting awareness of environmental issues and by taking account of the various requirements in this field set out in the Community Support Framework.

Ensuring that development is sustainable and compliant with EU environmental and nature protection legislation is a requirement in the definition and implementation of all measures supported by the Structural Funds. Co-funded project promoters, in compliance with Dir.85/337/EEC as amended by Dir.97/11/EEC, must confirm that the measures do not have any significant negative environmental impact, or else they must describe such impact and outline any mitigating steps or factors.

The exception to the 'soft investment' proposals covered by the Operational Programme relates to its educational and training infrastructure sub-measures; in addition to equipping and re-equipping existing facilities, significant construction at new and existing schools and other education and training facilities will arise under these sub-measures.

The implementation of physical investment projects is covered separately by Environmental Impact Assessments (EIA) and planning legislation. Compliance with legal obligations in relation to projects is a matter for the relevant implementing body.

Relative to the scale of expenditure involved, however, and keeping the nature of the physical investment proposed in mind, any direct or indirect negative

environmental effects of this particular Operational Programme are not expected to be significant.

#### *2.8.6 Arrangements to Integrate the Environmental Dimension*

Section 2.8.10 below outlines the substantive steps which can now be taken to increase awareness of environmental issues beyond the 1994-1999 inventory of such measures at Appendix II. As regards the specific arrangements indicated

- ◆ the results of the Pilot Eco-Audit are set out below
- ◆ input was obtained from Comhar, the National Sustainable Development Partnership, on the draft operational programmes on the basis of the draft Operational Programme as submitted to the Commission
- ◆ there is commitment to the use of environmental criteria in project selection, to the inclusion of the environmental dimension in OP evaluations and to the use of environmental indicators where appropriate (in the context of the Programme Complement)
- ◆ inclusion of two environmental representatives on the Operational Programme Monitoring Committees, and, as indicated above,
- ◆ implementation bodies are obliged, as necessary and appropriate, to pursue the implementation of project-level Environmental Impact Assessments.

#### *2.8.7 Pilot Eco-Audit*

The pilot eco-audit element of the programme process will involve implementing agencies reporting on

- ◆ the significant positive or negative environmental impacts, whether direct or indirect. In identifying these impacts, the eco-audit will, in particular, quantify as far as possible the environmental effects and their significance for the state of the environment
- ◆ the means by which the programmes shall contribute to the protection and improvement of the environment and a description of measures to eliminate/mitigate any harmful environmental impacts likely to arise
- ◆ identification of environmental policies, standards and licensing requirements with which the programme and/or projects will comply and provision for assessment of impact following implementation.

On the basis of these reports, Managing Authorities are required to furnish overall eco-audits. The analysis contained in these eco-audits is expected to be mainly

qualitative in nature given the broad strategic thrust of the exercise, with quantitative impacts being added where they lend themselves to such quantification.

#### *2.8.8 Impact Reports from Implementing Bodies*

The eco-audit on the implementation of 1994-1999 education and training at Appendix III indicates that the actions taken can be classified according to the following typology:

- 1 knowledge of the environment (such as second-level general education and FÁS training for the unemployed)
- 2 promotion of positive attitudes towards environment (such as second-level general education)
- 3 specific environmental methods and technologies training (such as third-level professional courses and FÁS/ETU training)
- 4 social employment environmental projects (such as FÁS-Community Employment Scheme)
- 5 environmental compliance advice (such as Enterprise Ireland for industry)
- 6 environmental compliance auditing (such as Enterprise Ireland for industry)
- 7 sector-specific environmental training (such as Fishery, Forestry and Agriculture).

#### *2.8.9 Significance of Effects on the Environment*

Collectively, insofar as education and training are concerned, these programme measures must have had an appreciable positive effect on awareness and appreciation of environmental concerns.

While the numbers who received benefit from each category of education are not available, the 'awareness' typology types 1 and 2 above would likely have been provided to the largest numbers of students and the unemployed. In terms of quality/depth of environmental education, type 3 (third-level professional courses) would be the most significant, being provided towards professional formation. All of the categories involve recipient training or education except type 4 where the environmental benefit is the work output and type 6 where the environmental benefit results from the extra environmental effort identified as necessary. Technically, all of the environmental benefits accrued would be indirect with the exceptions of type 4 and possibly also, depending on the particular case findings, type 6.

Finally, in terms of direct environmental effects, while type 1 would probably have been the most diffuse/indirect, types 3, 5, 6 and 7 should have resulted in improved protection effects from production emissions to air and water.

#### *2.8.10 OP Support for Environment 2000-2006*

This Operational Programme combines a range of relevant actions implemented under a variety of operational programme's over the previous period; collectively, the range of proposals is in that sense much the same. However, there are new areas of effort – notably, a group of lifelong learning measures where the precise scope for environmental activity remains to be established. In principle, lifelong learning should provide scope for a range of approaches across the typology at 2.8.8 above but the particular focus for the measures proposed on second chance education and on basic literacy and numeracy may well narrow actual scope to types 1 or 2. Explicit Social Economy measures are another new feature for the 2000-2006 period; Type 4 support (if not also types 3 and 5) for the environment should be attainable in this context.

Among other differences in the 2000-2006 period which will need to be borne in mind are, for example, that the relative numbers benefiting from particular measures will differ from those benefiting from similar measures in the last round; the unemployment levels at the outset of the 2000-2006 period compared with the last round are far lower and, again, the number of students moving through the education system is set to reduce.

The existing environment-supporting activities from the 1994-1999 period as detailed at Appendix II will be maintained. The following additional actions will be undertaken to assist the Operational Programme in improving its overall support level for the environment. Also, further concrete commitments of an environmental nature may be forthcoming in the context of the Programme Complement.

#### **Primary and Post-Primary Sectors**

Environmental issues lend themselves to a whole-school approach. On the recommendation of a Joint Committee of the Departments of Education and Science and of the Environment and Local Government, specific reference is made to the environment in the Department's guidelines on school development planning. Those guidelines also refer specifically to the need to plan for cross-curricular issues and themes. Following the pilot project on whole-school evaluation, the evaluation criteria used are being revised. One of the changes planned is the inclusion of criteria related to the environment. This will mean that, in future, the whole-school evaluation process will extend, as a matter of course, to environmental matters.

#### **Primary sector, environmental education**

Environmental education is an important element of both the geography and science programmes in the revised curriculum finalised under the aegis of the National Council for Curriculum and Assessment (NCCA), launched in 1999 (see Appendix II for more details).

### **Post-Primary sector, environmental education**

Environmental education is an important component in several subjects (i.e. science subjects; geography; civic, social and political education; business subjects and home economics). Under the Transition Year Programme, schools may offer modules on issues relating to the environment and to sustainable development. A number of schools also participate in international projects with an environmental theme (see Appendix II for more details).

### **Further Education and Third-Level sectors**

Many courses/programmes include an environmental module where appropriate. The Department of Enterprise, Trade and Employment is in consultation with the National Council for Educational Awards (NCEA) and the National Council for Vocational Awards (NCVA), in relation to the development of guidelines for course providers to address the CSF requirements in this regard. Third-level institutions will also be informed of the necessity of including environmental modules, where appropriate, in the development of new or revision of existing programmes.

### **RTDI measures in the education sector**

There is an allocation of £550m for Research and Technological Development and Innovation (RTDI) measures in the education sector in the Productive Sector Operational Programme which is composed of four sub-measures. Under the Programme for Research in Third-Level Institutions (PRTLTI) sub-measure research awards totalling £62 million were announced on 24 July 2000 for eight higher education institutions. Five of the proposals selected involved environmental themes (see Appendix II for further details).

### **Environmental Policy Statement**

FÁS will set out an environment policy statement at corporate level. This will establish FÁS's broad commitment to environmental awareness and the broad objectives for the organisation at corporate level. It will therefore provide a clear framework for action at operational level.

### **Regional Environmental Improvement Committees**

FÁS will establish an Environmental Improvement Committee in each of its ten regions. The task of the committees will be to examine the impact of FÁS in relation to environmental matters in the region and to develop proposals for improvement. The committees will be primarily focused on FÁS operations in such matters as waste disposal, recycling etc. They may also consider general promotion activities.

### **Environmental Protection Unit**

The unit will continue to promote its existing range of training courses to the private and public sectors. New courses will be established to meet unfilled training needs. In particular, courses will be established on Waste Facility Operation, Environmental Management Systems and Phosphorous Regulation. EU and national legislation will be monitored on an on-going basis and courses up-dated and modified as necessary.

### **Training Courses for the Unemployed**

The new induction programme, incorporating an eight-hour environmental awareness module, will become a standard feature of FÁS training courses. It is the intention that *all* FÁS training courses will include the induction module – thereby providing trainees with increased awareness of environmental issues. In addition, FÁS training courses relating to specific skills will be reviewed and revised as necessary to ensure that trainees learn about those environmental issues/practices relevant to their future occupation/skills.

### **Apprenticeship Training**

FÁS and the Department of Education and Science jointly deliver training for apprentices within a standards-based system developed in agreement with the social partners. The National Apprenticeship Advisory Committee (NAAC) provides the forum for consultation and agreement about the standards' curricula, assessment etc, relating to apprenticeships. All apprentice trades are subject to regular review. It is intended that the appropriate organisations (within the NAAC framework) review the existing standards and curricula for their trades in the light of environmental awareness/impact concerns. The aim will be to ensure that apprentices fully appreciate the importance of environmental matters in their future working life and can practice their trades in an environmentally suitable manner.

### **FÁS Capital Infrastructure Investment**

The FÁS capital investment programme during the period will include a number of actions to improve it's impact on the environment. FÁS Training Centres will ensure that they meet existing and new environmental legislation. Investment areas will include:

- ◆ energy management systems to make more efficient use of fuel
- ◆ upgrading of insulation levels to reduce heat wastage
- ◆ fume control installation
- ◆ ventilation installation.

### Department of Education and Science Educational Infrastructure

All capital projects funded by the Department of Education and Science comply in full with national building regulations. Applications for planning permission are made in respect of all capital projects to the relevant local authority and any conditions laid down by such authorities are adhered to during the construction phase. Environmental impact assessments would not normally be required for small projects: where such assessments are necessary as part of the planning process, they are undertaken and relevant conditions are complied with by the Department.

The Department is also developing designs for a number of educational facilities of varying sizes exploring aspects of sustainability in a cost-effective way. These designs will explore the application of building principles to the construction of healthy learning and working environments. The project aspires to reduce the energy requirements of these buildings and aims to improve the architectural considerations traditionally applied to educational buildings in Ireland.

Table 9 below indicates that 34 of the 51 measures or sub-measures in the Operational Programme should have the capacity to yield positive environmental dividends; the nature of the dividend in each case is indicated on the basis of the Pilot Eco-Audit typology (1994-1999).

	<b>Employability Measure</b>	<b>Eco-Action</b>	<b>Eco-Action Type<sup>15</sup></b>
1	Action Programme for the Unemployed	•	1, 2
2	National Employment Service		
3	Active Measures for LTU and Socially Excluded	•	1, 2, 4
4	Early Education	•	1, 2
5	School Completion Initiative	•	1, 2
6	Early Literacy	•	1, 2
7	Traveller Education	•	1, 2
8	School Guidance Service		
9	Third-Level Access		
10	Schools Modern Languages		
11A	Early School Leaver – Progression	•	1, 2
11B	Early School Leaver – Youthreach and Travellers	•	1, 2
12A	Sectoral Entry Training – Tourism School Leavers	•	7
12B	Sectoral Entry Training – Tourism	•	7
12C	Sectoral Entry Training – Tourism (Education)	•	7
12D	Sectoral Entry Training – Agriculture	•	7
13	Skills Training for Unemployed and Redundant Workers	•	1, 2
14A	Apprenticeship/Traineeship – FÁS	•	1, 2 new
14B	Apprenticeship – Education	•	1, 2, 7 new

<sup>15</sup> Eco-action types are based on the typology set out at 2.8.8

<b>Table 9. Operational Programme Eco-Actions</b> contd.			
	<b>Employability Measure</b>	<b>Eco-Action</b>	<b>Eco-Action Type<sup>15</sup></b>
15	Employment Support Services		
16	Voc. Training and Pathways Employment – People with Disabilities	•	1, 2
17	Refugee Language Support Unit		
<b>Entrepreneurship</b>			
18A	In Company Training – FÁS	•	5, 6
18B	In Company Training – Enterprise Ireland	•	5, 6
19A	Social Economy – Programme	•	3, 4 new
19B	Social Economy – Local Social Capital	•	3, 4, 5 new
<b>Adaptability</b>			
20	Lifelong Learning – General Training		
21	Lifelong Learning – Back to Education Initiative	•	1, 2
22	Lifelong Learning – National Adult Literacy Strategy	•	1, 2
23	Lifelong Learning – Further Education Support Services		
24A	Ongoing Sectoral Training – Culture, Gaeltacht and Film	•	5, 6
24B	Ongoing Sectoral Training – Seafood	•	7
24C	Ongoing Sectoral Training – Forestry	•	7
24D	Ongoing Sectoral Training – Equine Institute	•	7
24E	Ongoing Sectoral Training – Agriculture	•	7
24F	Ongoing Sectoral Training – Tourism	•	7
24G	Ongoing Sectoral Training – Tourism Education	•	7
25	Middle-Level Technician/Higher Technical Business Skills	•	3
26	Undergraduate Skills		
27	Postgraduate Conversion Courses		
28A	Training of Trainers – Primary, Post-Primary and Further Education.	•	1, 2
28B	Training of Trainers – FÁS	•	1, 2
29A	Quality (including Training of Trainers)		
29B	Quality (Certification and National Qualifications Framework)		
<b>Equality</b>			
30	Educational Equality Initiative		
31A	Equal Opportunities Promotion and Monitoring – Education		
31B	Equal Opportunities Promotion and Monitoring – NDP		
<b>Other Measures</b>			
32A	Education Infrastructure	•	Legal Requirements
32B	Training Infrastructure	•	Legal Requirements
33A	Technical Assistance (Equality Studies)		
33B	OP Technical Assistance		

### *2.8.11 Indicators and Targets*

The Managing Authority will seek to establish environmental indicators and targets with the implementing bodies. The Authority will also seek to use any desk research results which may be produced at CSF level in this context. These will be incorporated into the list of priority indicators shown in Table 23, which will be used in Annual Reports and in reporting to the Monitoring Committee.

### *2.8.12 Expected Environmental Impact of the Operational Programme*

This is considered at 8.7 in common with other aspects of the Operational Programme.

## *2.9 EU Regulatory and Policy Context*

Co-ordination of Member States employment and labour market policies at European level has been significantly strengthened in recent years. The new EU regulatory and policy process creates an important framework for this Operational Programme. In addition to the EU Employment Guidelines, National Employment Action Plans (NEAP's), and Employment Policy Recommendations to Member States, other key elements of this framework are outlined below.

### *2.9.1 Council Regulation 1260/99/EEC*

This Regulation of 21 June 1999, commonly referred to as the General Funds Regulation, lays down a wide range of general and horizontal legal provisions governing the funding, framing, adoption, implementation, management and financial control of structural funds programmes for 2000-2006. Its 56 articles set out provisions ranging from the geographical coverage and differing nature of the Community Objectives 1, 2 and 3 through, for example, specifying the minimum content requirements of each operational programme (at Article 18), the EU Programming and Financial Management Rules attached to funding (Titles II and III) as well as such other provisions as evaluation, reports and publicity.

### *2.9.2 Objective 3 - Policy Frame of Reference (PFR)*

Under Article 9(c) of Regulation 1260/1999/EEC, the Objective 3 Policy Frame of Reference (PFR) provides the framework within which Member States set out the context for EU structural fund assistance as it relates to employment and human resource development across the territory as a whole, including the relationship

with the priorities identified under the national employment action plans (NEAP's). Objective 3 of the Regulations provides both a programming and a financial instrument through which the Funds can provide support, in geographical areas outside Objective 1, to National Employment Action Plan activities. The Regulations require that the Policy Frame of Reference should set the context for assistance to employment and human resource development and establish the relationship between the Operational Programme programming priorities and those set out in the NEAPs. It also structures the policy linkage between the employment strategy and structural funds (especially ESF) support.

As required, the Irish Policy Frame of Reference was submitted to the Commission together with the National Development Plan. The priority activities indicated in the PFR for Fund support for the coming period were central to the choice of areas for ESF support under the Operational Programme.

### *2.9.3 Council Regulation 1262/99/EEC*

The 'particular task' of the ESF, according to the new Funds Regulation, is to contribute to the actions in support of the current Employment Guidelines and the National Employment Action Plan framed on that basis. The scope of the Regulation (Art. 2) is defined around five main policy fields and three cross-cutting or 'horizontal' fields.

The policy fields are:

- ◆ Active Labour Market Measures
- ◆ Social Inclusion
- ◆ Lifelong Learning
- ◆ Adaptability and Entrepreneurship
- ◆ Gender Equality.

The cross-cutting (or 'horizontal' fields) are:

- ◆ Local Initiatives
- ◆ Information Society
- ◆ Equal Opportunities Mainstreaming.

These are outlined in more detail in Chapter 6.

## 2.10 State Aids

Article 18.2b of Council Regulation 1260/99/EEC requires that operational programmes provide specific information to establish the state-aid status of the various measures and sub-measures intended for the purposes of Articles 87 and 88 of the EU Treaty. This Operational Programme consists of 33 measures of which 11 have two or more sub-measures. An outline description of all measures and sub-measures is provided at Appendix II for the state-aid purposes of the Regulation.

### 2.10.1 Training, Employment and Regional Aid and Specific Sectors

The Commission's Framework on Training Aid issued in November 1998, covers both specific and general training supports whether provided directly by firms or by public/private training centres. Exemptions are provided for aid given by way of educational and initial training (including apprenticeships and day-release schemes) and the training of unemployed people, including traineeships in enterprises.

**Table 10. Approved levels of Aid under EU Framework on Training Aid**

	Gross % Aid	
	Specific Training	General Training
Standard Rate (large firms outside assisted areas)	25%	50%
Supplements to Standard Rate for		
• SMES	+10%	+20%
• Art. 87.3(a) regions	+10%	+10%
• Art. 87.3 © regions	+5%	+5%
• Beneficiaries: disadvantaged workers	+10%	+10%

Insofar as a variety of other aid regimes are also controlled under the Treaty such as Employment Aid and Regional Aid, none of the measures set out under this Operational Programme are considered to be of a nature covered by either regime and are not therefore considered to require notification in either of those contexts.

However, given that separate sectoral aid regimes are also applicable across the Union in relation to the following sectors and that several of the measures set out relate specifically either to 7 (Agriculture) or 8 (Fisheries and Aquaculture), they require notification and clearance or approval prior to implementation not least in the Operational Programme context; the position on each of these measures is identified below.

**Table 11. EU Sectoral Aid Regimes**

1	Steel	2	Shipbuilding and repair
3	Motor vehicle Industry	4	Synthetic fibres
5	Transport	6	Coal
7	Agriculture	8	Fisheries and Aquaculture

### 2.10.2 Notifiable Measures

Of the 51 measures and sub-measures proposed, 43 are considered to be exempt in being outside the definitions of aid; these measures relate to the unemployed or students or involve the provision of public service goods in the form of basic or general education or training for students or the unemployed. (See Appendices V and VI outlining the Public Assistance Rationale Typology classifying all Operational Programme measures by expenditure type.)

The remaining 8 measures and sub-measures however all have either a focus on firms, on people working in firms for the purposes of the Code on Training Aids or otherwise relate to particular sectors where sectoral aid control regimes apply to public assistance.

Only 2 of these measures, 18A and 18B, will be co-funded by the ESF over the coming period; public support for the other measures will be provided by the Exchequer. All of the measures (except one, where de minimis control is intended) have been notified to the appropriate Commission authorities. The present position vis-a-vis Commission decisions on the measures is as follows.

**Table 12. Prima Facie Notifiable Measures Put Forward under this Operational Programme**

Sectoral Entry Training – Agriculture	Notified (Agriculture Aid)
In-Company Training – Enterprise Ireland	Approved (Training Aid)
In-Company Training – FÁS	Approved (Training Aid)
Ongoing Sectoral Training – Culture, Gaeltacht and Film	Approved (Training Aid)
Ongoing Sectoral Training – Seafood	Approved (Fisheries Aid)
Ongoing Sectoral Training – Equine Institute	Notified (Agriculture Aid)
Ongoing Sectoral Training – Agriculture	Notified (Agriculture Aid)
Sectoral Training – Tourism	de Minimis (Training Aid)

#### 2.10.2.1 Sectoral Entry Training – Agriculture 12D<sup>16</sup>

A specific aid regime is in place for the Agriculture sector. While education and training are in principle eligible aid areas, the new Community Guidelines for State

<sup>16</sup> These numbers are used at Appendix III to describe the essential nature of each measure in the OP

Aids in the Agriculture Sector (2000/C28/02) requires that all agriculture aids intended for the coming period should, nevertheless, be formally notified to the relevant Commission authorities. Through the Irish Permanent Representation to the EU, the Department of Agriculture, Food and Rural Development **notified** this measure formally to Directorate-General Agriculture on **5 July 2000** as the 'Training for Agricultural Development Scheme'. The scheme as notified covered both measures 12D and 24E (see 2.10.2.7) of the Operational Programme. The **aid number** attributed to both schemes is **N462/2000**. The present position is that the Commission's decision on the notification is awaited.

Insofar as the agriculture aid regime may require the submission of an annual report on the implementation of approved aid schemes, it will be for the parent Department of relevant implementing body or bodies – the Department of Agriculture, Food and Rural Development – to do so.

#### 2.10.2.2 In-Company Training – Enterprise Ireland 18A

This measure, to be co-funded by the ESF, involves a scheme of training supports to be delivered to the manufacturing and internationally traded services sector by Enterprise Ireland (and, in its region, Shannon Development Company Ltd). The proposed scheme was notified to Directorate-General Competition in February 2000 by the Department of Enterprise, Trade and Employment as the 'Training Grants Scheme' and was subsequently **approved**. The approval also covered the firm-related training to be delivered under this Operational Programme by Udaras na Gaeltachta.

#### 2.10.2.3 In-Company Training – FÁS 18B

Measure 18B involves a similar scheme of training support as at 18A, to be delivered, in this case by FÁS, to the domestic services sector. Again, this measure will be co-funded by the ESF. The proposed scheme was **notified** separately to Directorate-General Competition in **May 2000** by the Department of Enterprise, Trade and Employment as the 'Training Support Scheme' (as the measure is widely called in Ireland). The same notification also sought approval for a separate but related measure, the 'Training Networks Scheme' (or 'Skillnets') which is not included in the Operational Programme measures. The Scheme was **approved** by the Commission on 2 August 2000 for the duration 2000 to 31 December 2006.

#### 2.10.2.4 Ongoing Sectoral Training – Culture, Gaeltacht and Film 24A

This Operational Programme measure covers a composite range of activities. The in-company aid component for firms, which is provided in Gaeltacht areas by Údarás na Gaeltachta, was notified and **approved** as part of the proposal referred to

at 2.10.2.2 above. The film element of the measure relates to individuals rather than to enterprises and is not regarded as being aid within the meaning of the Treaty.

#### 2.10.2.5 Ongoing Sectoral Training – Seafood 24B

The measure has been **notified** and **adopted** by the European Commission under State Aid N400/2000 under letter Number 108005.

#### 2.10.2.6 Ongoing Sectoral Training – Equine Institute 24D

The same context as at 2.10.2.1 applies here. The Department of Agriculture, Food and Rural Development **notified** this measure formally to Directorate-General Agriculture on **5 July 2000** as the ‘Training in Equine Science Scheme’. It shares the same **aid number** attributed to 12D and 24E (**N 462/2000**). The Commission’s decision on the notification is awaited.

#### 2.10.2.7 Ongoing Sectoral Training – Agriculture 24E

Again, the same context as at 2.10.2.1 is applicable in this case. The Department of Agriculture, Food and Rural Development **notified** this measure formally to Directorate-General Agriculture on **5 July 2000** as the ‘Training for Agriculture and Rural Development Scheme’. The scheme, as notified, covered both measures 12D (see 2.9.2.1) and 24E of the Operational Programme. The **aid number** attributed to both schemes is **N462/2000**. The present position is that the Commission’s decision on the notification is awaited.

#### 2.10.2.8 Sectoral Training – Tourism 24F

The measure, which is aimed at assisting the Hotel and Tourism sector to develop its human resource capability and placing human resource professionals within businesses, is considered to have a training aid element. The Department of Tourism, Sport and Recreation has confirmed that the aid involved falls within the provisions of the **de minimis** rule. The rationale for the use of the de minimis mechanism in this case is based on the intention that the aid element will be minor and that, while some support would go to larger hotel/tourism enterprises, the majority would be to small enterprises. Directorate-General Competition has indicated in this context that if individual grants exceed de minimis levels, the Irish Authorities are required to notify it of the measures.

## 2.10.2.9 Summary of Measures' State-Aid Status

Table 13 summarises the current state-aid position/status of all Operational Programme measures and sub-measures in the format required.

<b>Table 13. Summary Position of all OP Measures/Sub-Measures in relation to Notifiable Aid</b>				
	<b>OP Measure. Title of the S.A. Scheme or ad hoc S.A.</b>	<b>State-Aid No.</b>	<b>Approval Ref.</b>	<b>Duration</b>
1	No State aid			
2	No State aid			
3	No State aid			
4	No State aid			
5	No State aid			
6	No State aid			
7	No State aid			
8	No State aid			
9	No State aid			
10	No State aid			
11A	No State aid			
11B	No State aid			
12A	No State aid			
12B	No State aid			
12C	No State aid			
12D	Training for Agri and Rural Dev. Scheme	N 462/2000		
13	No State aid			
14A	No State aid			
14B	No State aid			
15	No State aid			
16	No State aid			
17	No State aid			
18A	Training Grants Scheme	N 109/2000	SG(2000) D/103183	2000-31/12/06
18B	Training Support Scheme	N 279/2000	SG(2000) D/105766	2000-31/12/06
19A	No State aid			
19B	No State aid			
20	No State aid			
20	No State aid			
21	No State aid			
22	No State aid			
23	No State aid			
24A	Training Grants Scheme	N 109/2000	SG(2000) D/103183	2000-31/12/06
24B	Seafood Training Scheme	N 500/2000	SG(2000) D/108005	2000-31/12/06
24C	No State aid			

**Table 13. Summary Position of all OP Measures/Sub-Measures in relation to Notifiable Aid contd.**

	<b>OP Measure. Title of the S.A. Scheme or ad hoc S.A.</b>	<b>State-Aid No.</b>	<b>Approval Ref.</b>	<b>Duration</b>
24D	Training and Equine Science Scheme	N 462/2000		
24E	Training for Agri and Rural Dev. Scheme	N 462/2000		
24F	Sectoral Training – Tourism	De Minimis		
24G	No State aid			
25	No State aid			
26	No State aid			
27	No State aid			
28A	No State aid			
28B	No State aid			
29A	No State aid			
<b>29B</b>	No State aid			
<b>30</b>	No State aid			
<b>31A</b>	No State aid			
<b>31B</b>	No State aid			
32A	No State aid			
32B	No State aid			
33A	No State aid			
<b>33B</b>	No State aid			

Note: Measures in bold contain ESF co-funding

### *2.10.3 State-Aids Application of De Minimis Rule*

On foot of the requirement that Managing Authorities establish adequate machinery to facilitate control of cumulation of de minimis aid, CERT, the public agency responsible for hotel sector training and the body directly responsible for the implementation of the measures in question will report details of all individual de minimis payees and payments made under this measure to the Department of Tourism, Sport and Recreation.

Aid will be paid in accordance with EU rules and with the Commission Notice on the De Minimis Rule for State Aid (OJ C 68, 6.3.1996) and Reg. 994/98/EEC in particular. As a safeguard in this case, individual payees will be informed, before payment, that the support is of a de minimis nature; the implications of that will be outlined to them and they will be required to vouch to CERT that all aid received by them will remain within the de minimis threshold.

In this context, while the total amount of de minimis aid to the same recipient must not exceed €100,000 over a three-year period, it is noted that the application of more than one aid scheme to a given investment project must respect the rules set out in the Commission Communication on the cumulation of aids for different purposes (OJ C3, 5.1.1995). Directorate-General Competition has indicated, in relation to that Communication, that the controls on the cumulation of aid for different purposes applies in general and not merely to de minimis aids.

#### *2.10.4 State Aids – Block Exemptions*

In present EU legal circumstances and in the event of changes to existing measures or in the event of new measures being put forward within this Operational Programme, the Commission will be informed by the implementing body under existing procedures of any intention to use further such exemptions as de minimis. No other decisions have been taken at this point on the possible future approach to block exemption by the Commission in such areas as de minimis, SME's and Training Aid. The situation will be reviewed and changed if and as necessary during the tenure of this Operational Programme.

#### *2.10.5 State Aids – Modification of the Operational Programme*

In the event of changes to existing measures or of new measures being put forward within this Operational Programme, these will be notified by the implementing body to the Commission, where required under the notification rules in force. Pending clearance or approval by the relevant Commission authorities and following the approval of such changes in the Operational Programme by the Monitoring Committee, the revisions will be formally notified to Directorate-General Employment and Social Affairs for a modification decision; the introduction of a new Operational Programme measure with an aid effect or an ad hoc amendment to an existing measure of approved aid will, in any event, require modification of the assistance by a formal Commission decision. In the event that such modification involves a co-funded measure, eligibility of expenditure for ESF support will be from the date on which the modification request is sent to Directorate-General Employment and Social Affairs [as per Article 30, Regulation (EEC) 1260/99/EEC].

To the extent that Article 34(1)(g) of the same Regulation obliges the Managing Authority to keep the State Aid Table (i.e. Table 12 above) up-to-date and to inform the Commission of any modifications to it, the attention of implementing bodies is drawn to the obligation to notify such changes to the Managing Authority. This is without prejudice to the existing arrangements whereby Departments notify state aids in their areas of responsibility to the Commission.

## *Assessment of Strengths and Weaknesses*

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This assessment of current Irish strengths and weaknesses in the broad labour market context is designed to identify both the challenges and opportunities which are likely to manifest themselves over the programme duration. However, the specific elements included in any assessment of this nature are unavoidably subject to change; those included here are neither prioritised nor exhaustive. For presentation purposes, a standardised Strengths, Weaknesses, Opportunities and Threats (or SWOT analysis) format is used.

### *3.1 SWOT Table*

A summary assessment of the strengths, weaknesses, opportunities and threats for the broader Irish economy from a labour market perspective reflects many of the contextual issues already addressed in the Operational Programme.

*Table 14. SWOT Analysis*

#### **Strengths**

Stable Macroeconomic Environment  
 Social Partnership Agreements on Key Socio-Economic Issues  
 Consistency of Key Policy and Strategic Directions  
 High Employment Growth/Low Unemployment  
 High Productivity Growth  
 Ability to Attract Foreign Direct Investment  
 Above average percentage of 25-64 age cohort with Third-Level qualification  
 Competitive Salary Levels

**Table 14. SWOT Analysis** contd.

<b>Weaknesses</b>
Openness to International Trade
Geographical Location/Limited Market Scale
Dependence on Overseas Firms
Dublin/East Growth Over Concentration
Uneven Inter-Regional Growth
Internal Road and Rail Infrastructure
Need to Move up Production Value Chain
Urban Rural Social Exclusion Pockets
Poor Education of Older Groups
<b>Opportunities</b>
e-Commerce, ICT Services
Increased Female LM Participation
LM/Social Inclusion of Disadvantaged
Irish 'Diaspora' and Availability of Qualified Immigrants
Late Demographic Ageing
Globalisation of Economy
<b>Threats</b>
Limited Labour and Skill Supplies
Under Investment in SME Training
€/£ Exchange-Rate Movements
Dangers of Inflation
Environmental Congestion
Failure to Adapt Skills at Market Speed

## **3.2 Analysis**

### **3.2.1 Strengths**

#### **Stable Macroeconomic Environment**

The maintenance of stability in key macroeconomic variables over the past decade has provided a good basis for growth. The most recent Government Medium-Term Projections and the Commission's 2000 Spring Forecast point to a continuation of positive progress and stability trends in such matters as income convergence, employment creation and improving public finances, assuming unchanged policies.

### **Social Partnership Agreements on Key Socio-Economic Issues**

A further widely recognised fundamental strength in the Irish case has been the series of broadly-based multi-annual income, economic and social policy agreements over the past decade involving government, employers, trade unions and farmers (and, more recently, the community and voluntary pillar). The most recent agreement, launched in November 1999 – Programme for Prosperity and Fairness (PPF) – covers three years.

### **Consistency of Key Policy and Strategic Directions**

Despite a number of government changes, a sufficient consensus on key elements of policy, such as the importance of promoting and deepening the commitment of overseas investors and the importance attached to continued and growing investment in education, has endured for several decades such that these have become well known internationally as key elements of the Irish approach.

### **High Employment Growth/Low Unemployment**

In the past, the economy has generated significant high growth without corresponding employment growth; in more recent years, however, economic growth and employment growth have both been strong. During the period of the last Community Support Framework 1994-1999, Ireland had an average real GDP growth rate of over 8% per year, with an annual average 4.5% increase in employment. Unemployment is now below 5%.

### **High Productivity Growth**

For some time, Ireland has had a high rate of productivity growth; 3.7%<sup>17</sup> annually over the 1961-1999 period, with 3.8% expected in 2000 and 3.4% in 2001.

### **Ability to Attract Foreign Direct Investment**

Reflecting a broad relative competitiveness, Ireland has continued to secure a significant ongoing inflow of foreign direct productive investment, particularly in high technology fields over a period of years.

### **Percentage of Age Cohort 25-64 with Third-Level Education**

Ireland was above the EU average in 1998 with 21% of the population in the 25-64 age group having a third-level qualification. This trend is set to increase further over coming years.

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17 EU Economic Data Pocketbook 2/00, Table 13

### **Competitive Salary levels**

The ability to maintain competitive Irish net salary levels with rival investment locations has, over an extended period, aided the securing of overseas productive investment projects.

#### *3.2.2 Weaknesses*

### **Openness to International Trade**

Given its combined imports and exports to GDP ratio, the Irish economy is more open to international trade effects than other EU Member States. For now the international environment is positive and is forecast to remain so but, in the event of a downturn or some major unforeseen events with negative consequences for the levels of international trade, Ireland would feel the effects before our European partners.

### **Geographical Location/Limited Market Scale**

For many business and trading purposes Ireland's geographical location is, and will remain, a major disadvantage, leaving it remote from the main European population and business area.

### **Dependence on Overseas Firms**

Ireland's relative success in attracting overseas firms and their scale and success relative to indigenously owned enterprise leaves the country particularly exposed in the event of a serious downturn in international trade or to major dislocation in the domestic economy.

### **Dublin/East Growth Over Concentration**

Since a disproportionate share of the growth in the economy over recent years has taken place in the greater Dublin area, which extends into the NUTS III East Region, the metropolitan infrastructure, most noticeably in terms of transport and housing, is now under serious and growing strain.

### **Uneven Inter-Regional Growth**

Again, given this same unevenness in growth over the past decade between Dublin, Cork and a few other city/urban regions in comparison with the rest of the national territory, the relative gaps between what is now the BMW Region and the S&E Region have grown larger. Chapter 1 above, for example, cites labour force growth of some 9% in the BMW Region as against 18% in the S&E Region and employment growth of 58,000 or 19% in the BMW Region as against 253,000 or 29% in the S&E Region over the 1994-99 period.

### **Internal Road and Rail Infrastructure**

The internal national road and rail systems need urgent upgrading to allow for de-concentration of activity and to support both planned and ongoing growth. The Community Support Framework for Ireland notes that high quality roads, in terms of the motorway network, are very poorly developed. By 1996, the Irish figure, at just 13% on an EU 15 index weighted for population and land area, was by far the lowest figure of any Member State. The next lowest, Greece, stood at 31%.

### **Need to Move up the Production Value Chain**

Much of indigenously-owned enterprise is failing to use sufficient state of the art technology in its products and processes, to add sufficient value to its production or to invest sufficient training in its employees to support the scale of movement up the production chain required to support continued high growth in competitiveness and productivity.

### **Urban and Rural Social Exclusion Pockets**

Despite strong growth in the economy and ongoing improvement in the range, resourcing and targeting of measures to address social exclusion over recent years, the main urban centres all contain pockets of social exclusion. Equally, in rural areas, there are many areas of particular poverty.

### **Poor Education of Older Groups**

The educational attainment of the Irish population has improved steadily over recent decades but a high proportion of the working-age population has a relatively low level of educational attainment. While the percentage of the 25-34 age cohort having attained at least proportional upper secondary education was 67% in 1998, the corresponding levels for the older 35-44, 45-54 and 55-64 age-groups were 56%, 41% and 31% respectively.

## *3.2.3 Opportunities*

### **e-Commerce, ICT Services**

Government and the industrial development agencies have targeted the e-commerce and ICT Services sectors, which are suited to Irish circumstances, as strategic high growth sectors for investment and development.

### **Increased Female Labour Market Participation**

There is significant potential in responding to present limited labour market stocks through actions to increase female labour market participation and particularly so amongst older age groups.

### **Labour Market/Social Inclusion of Disadvantaged**

There is significant potential in responding to present limited labour market stocks through increasing the labour market participation of various disadvantaged groups, such as people with disabilities and refugees, through social inclusion actions.

### **Irish 'Diaspora' and Availability of Qualified Immigrants**

Sizeable numbers of former Irish emigrants, who have skills in demand in the labour market, have been returning to the country in recent years. Current projections expect this trend to continue. Immigration of skilled people has assisted in sustaining a higher level of growth over a longer period than may otherwise have been possible. The share of Irish nationals amongst immigrants has increased steadily from 45% in 1996 to 55% in 1999<sup>18</sup>.

### **Late Demographic Ageing**

The younger age profile of the Irish population compared with that of many EU Member States provides both for competitive advantage and for learning from the experiences of others in framing labour market and other responses to population ageing.

### **Globalisation of Economy**

The globalisation of the economy, in conjunction with the rise of e-Commerce and ICT services, can offset most of the neo-classical economic disadvantages of peripheral geographic location.

#### *3.2.4 Threats*

### **Limited Labour and Skill Supplies**

There has been increasing and regular evidence of both limited labour and skill supplies impacting or threatening to impact on particular employers, projects or sectors.

### **Under-investment in SME Training**

At a time when all enterprises and their employees need to demonstrate a capacity to adapt in the face of competition, there has been clear evidence for some years now of under investment in training among SMEs employees in particular.

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18 Population and Migration Estimates, CSO-April 2000

### **€/£ Exchange Rate Movements**

As long as the UK, the primary export destination for Irish SMEs, including those new to export markets, remains outside the euro-zone, the uncertainties arising from movements in exchange rate markets makes it difficult for firms to plan ahead.

### **Dangers of Inflation**

Inflation has increased recently and is now above the EU average. This is a potential threat to stability which needs to be managed carefully in the context of the Programme for Prosperity and Fairness (PPF).

### **Failure to Adapt at Market Speed**

Given increasing rates of technological, globalisation and other forms of change, failure to invest in adaptation on the part of firms or their employees is increasingly likely to give rise to re-structuring or closures. The absence of large-scale lifelong-learning compounds this threat.

## ***3.3 Conclusions***

The analysis points to the importance of addressing a number of central themes including

- ◆ the need to maintain the key elements of the social consensus underpinning social and economic progress and, in particular, to continue to minimise unemployment
- ◆ the need to increase female participation, upgrade the skills of older people, and to increase social inclusion generally for reasons of mobilisation, increased productivity growth as well as of equity
- ◆ the imperative of retaining international competitiveness in relative salary and productivity terms
- ◆ the need to exploit the ability of ICT to offset geographic location disadvantages
- ◆ the need to rebalance growth away from the greater Dublin area to the regions
- ◆ the need to increase investment on physical infrastructure relative to other areas of public expenditure

- ◆ the need to find new ways of increasing skills, competitiveness and profitability in Irish SMEs – particularly given the scope for abrupt €/£ exchange-rate movements while the UK remains outside the Euro-zone.

These themes are echoed in the fundamental objectives and strategies set out in the Irish National Development Plan and by various of its constituent operational programmes including this one.

The programme and priority-level objectives and individual measures of this Operational Programme address many of these points directly including

- ◆ minimising unemployment
- ◆ increasing female participation rates
- ◆ increasing social inclusion
- ◆ upgrading older peoples' skills
- ◆ increased take-up and use of ICT
- ◆ re-balancing inter-regional growth
- ◆ increasing skills and competitiveness in Irish SMEs and their employees.

## *Programme Objectives*

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This Chapter sets out the range of programme and pillar/priority level objectives addressed by the Operational Programme and illustrates how they interrelate. Chapter 5 identifies the sub-priorities under each pillar and goes on to link the specific measures proposed under each. Taking both chapters in conjunction with one another, the overriding policy objective is to establish a rationale and level of transparency which demonstrates the internal consistency of the Operational Programme from its context and objectives through to the priorities/sub-priorities and individual measures chosen to best address them in the sphere of employment and human resources development.

### *4.1 Operational Programme Objectives*

Drawing on the objectives of the National Development Plan and National Employment Action Plans, the overall objectives of this Operational Programme in the Community Support Framework context can be summarised as follows.

#### **Operational Programme Objectives**

- A** To promote employment growth and improve access to, and opportunities for, employment.
- B** To mobilise all potential sources of labour supply and enhance its quality in order to address skills and labour shortages across the economy as a whole.
- C** To promote the development of a strategic lifelong learning framework.

- D** To promote equal opportunities between women and men, in particular through a gender mainstreaming approach.
- E** To promote social inclusion with particular reference to the re-integration of the socially excluded and the long-term unemployed into the labour force.
- F** To strive for balanced regional development by addressing the existing and potential education, training and skills deficits of the BMW and S&E regions.
- G** To contribute to the protection and improvement of the environment.

## **4.2 Priority (Pillar-Level) Objectives**

This Operational Programme is structured around four priorities of Employability, Entrepreneurship, Adaptability and Equality, corresponding to the four-pillar structure of the National Employment Action Plans. The objectives of each priority are as follows.

### **4.2.1 Employability**

#### **Objectives**

- 1** To mobilise all potential sources of labour supply.
- 2** To minimise unemployment and prevent the drift into long-term unemployment by strengthening the preventative approach.
- 3** To promote social inclusion with particular reference to the re-integration of the socially excluded and the long-term unemployed into the labour force.

### **4.2.2 Entrepreneurship**

#### **Objectives**

- 4** To support sustainable productivity and competitiveness improvements in existing businesses, and SMEs in particular, by improving education and training levels and to intensify policy efforts to that end.
- 5** To more fully exploit the employment or income-generating potential of the Social Economy initiatives in regard to disadvantaged individuals or groups at local level.

#### *4.2.3 Adaptability*

##### **Objectives**

- 6** To promote a skills trained and adaptable workforce by facilitating people in the wider economy and in specific sectors to adapt their skills to changing labour market requirements through further training, re-skilling and lifelong learning.
- 7** To enhance the quality of labour supply through continued investment in education and training and, in particular, through developing a strategic and flexible framework for lifelong learning.
- 8** To enhance the quality of labour supply and ease of adaptability by developing and deploying an improved framework of certification and qualifications.

#### *4.2.4 Equality*

##### **Objectives**

- 9** To promote equal opportunities between men and women.
- 10** To adopt a comprehensive gender-mainstreaming approach, including measure components to tackle gender employment gaps, and monitoring of progress through adequate data collection.

#### *4.2.5 Operational Programme/Priority-Level Primary Objective Linkages*

As the graphic below demonstrates in summary, the pillar-level objectives are fully consistent with the Operational Programme-level objectives set out above. The primary impacts of each level of objectives on the other are indicated. Three of the Operational Programme-level objectives are horizontal in nature; they are intended to relate to all aspects of all priority objectives in the following manner.

- D** To promote **equal opportunities** between women and men in particular through a **gender mainstreaming** approach.
- F** To strive for **balanced regional development** by addressing the existing and potential education, training and skills deficits of the BMW and S&E regions.
- G** To contribute to the **protection and improvement of the environment**.

Reflecting the need for an integrated approach across the Operational Programme to the three horizontal objectives, overviews of the approaches intended are set out at 2.6 (Equal Opportunities), 2.7.5 (Regionalisation) and 2.8 (Environment).

Priority → ↓ OP	1	2	3	4	5	6	7	8	9	10
	Employment			Entrep'ship		Adaptability		Equality		
A		◆		◆	◆					
B	◆						◆	◆		
C						◆	◆			
D	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
E			◆		◆					
F	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
G	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆

Each of the remaining Operational Programme-level objectives (A, B, C and E) relate directly to two or three of the priority or pillar-level objectives. Chapter 5, in completing the cascade from Operational Programme objectives through sub-priorities to individual measures (as described at Appendix III), illustrates the responses developed in those cases.

## *Operational Programme Priority Actions and Measures*

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As indicated in the introduction to Chapter 4, this chapter establishes the rationale for each priority and demonstrates the links between their constituent objectives and those of the specific measures to be undertaken within each. A detailed description of the individual measures included in the Operational Programme is provided under each pillar in Appendix III (these measures are also presented at sub-priority level in accordance with the strategy outlined in this chapter).

### *5.1 Priority Actions by Pillar*

#### *5.1.1 Employability*

Employability is the largest priority in this Operational Programme in terms of the number of measures or sub-measures (22) and of the level of resourcing – 54.1% of the Operational Programme total is allocated to the pillar. Employability is concerned with helping and actively encouraging people to be, or to become, employable.

**Table 15. Total Operational Programme Expenditures on Employability**

<b>€/M.2000-2006</b>	<b>BMW</b>	<b>S&amp;E</b>	<b>National</b>
Total Expenditure	2,251.22	5,426.63	7,677.84
Total Co-Financed	333.69	591.39	925.15
Total ESF Support	243.38	295.63	539.01

Reflecting the contents of the relevant EU Employment Guidelines, actions under Employability fall into three broad objective areas which are reflected in Priority Objectives 1, 2 and 3 at Chapter 4 above:

- ◆ Mobilisation of Labour Supply
- ◆ Preventive Approach to Unemployment
- ◆ Social Inclusion.

The particular measures outlined below will primarily, though not exclusively, underpin the strategy associated with these broad objective areas (or sub-priorities).

### **Mobilisation of Labour Supply**

#### **To mobilise all potential sources of labour supply**

**Schools Modern Languages** To increase the number of primary schools teaching modern languages and broaden the range of languages taught in post-primary schools

**Apprenticeship/Traineeship (FÁS)** To provide skilled crafts-people to meet the skills needs of the economy

**Apprenticeship (Education)** To provide skilled crafts-people to meet the skills needs of the economy

**Sectoral-Entry Training – Tourism (Education)** To provide a professional and skilled workforce for the tourism sector

**Sectoral Entry Training/Agriculture** To ensure that farming entrants acquire market-required skills

**Skills Training for the Unemployed and Redundant** To train unemployed and redundant persons to obtain employment

**Sectoral-Entry Training/Tourism** To provide opportunities to unemployed in Hospitality and Tourism

**Sectoral-Entry Training/Tourism School Leavers** To provide highly qualified personnel to the tourism and hospitality industry

*The Mobilisation of Labour Supply* is a policy priority designed to ensure that all potential sources of labour supply in the economy – including increased female participation, married ‘returners’, older workers, people with disabilities and immigrants – become available to the labour market.

Given the limited stocks of labour available, this mobilisation strategy, together with its constituent measures, has a high strategic priority within this pillar (as well as in the wider context of the Operational Programme and the National Development Plan). Support actions range from second-level education (to increase the number

of leavers with **modern languages** demanded by markets engaged in ever-increasing international trade), to **Apprenticeships and Traineeships** (where demand remains exceptionally high for skilled people) through to a range of entry-level skills training measures in sectors such as **Agriculture and Tourism** (both of which are aimed at both school leavers and/or the unemployed). The **Traineeship** model has made a significant contribution to fast-tracking systematic skills development for young labour market entrants. The **Skills Training for the Unemployed and Redundant** measure also has important social inclusion and equality elements, as well as a mobilisation dimension in assisting women and older workers contemplating a return to the workforce.

### **Preventive Approach to Unemployment**

#### **To minimise unemployment and prevent the drift into long-term unemployment by strengthening the preventive approach**

**Early Literacy** To prevent literacy difficulties at an early stage

**Early Education** To encourage long-term education participation with a particular focus on the target groups of the disadvantaged and those with special needs

**School Guidance Service** To ensure that difficulties encountered by students do not hinder their participation in the education system, and to provide guidance in regard to further education/training options

**School Completion Initiative** To seek to retain pupils to completion of senior-cycle post-primary education

**Early School Leaver Progression** To reduce early school leaving by developing foundation and progression places and services

**Early School Leavers – Youthreach and Travellers** To meet the needs of those who have left school early with little or no educational/vocational qualifications

**National Employment Service** To expand services to meet job-seekers' and job-changers' needs

**Employment Support Services** To assist unemployed people to return to the labour market through employment or self-employment

**Action Programme for the Unemployed** To prevent persons on the Live Register drifting into early school leaving

The *Preventive Approach to Unemployment* aims to ensure that all who are likely to be excluded or who are at risk of being excluded are given a range of tailored opportunities to join the labour market and to avoid social exclusion. The success of this objective will therefore contribute significantly to the prospects of achieving the mobilisation of labour supply.

This process begins in the schools with measures such as **Early Literacy, Early Education, School Guidance and the School Completion Initiative** to seek to retain

pupils with various difficulties as long as possible in the school system. That is followed by measures aimed at re-directing **Early School Leavers** directly into employment or through further training, and finally by such measures as the **National Employment Service** and **Employment Support Services** to reach out to the unemployed on a one-to-one basis. Employment brokering services are increasingly important as labour markets tighten. The NEAP's emphasis on preventing the drift into long-term unemployment, coupled with the need for a more effective job-brokering service in a labour-scarce economy, has placed additional responsibilities on the National Employment Service. The latter measures, and the **Action Programme for the Unemployed** aimed at preventing persons on the Live Register drifting into long-term unemployment, are also of importance to achieving mobilisation and in aiming to include these groups into labour market stocks.

### Social Inclusion

**To promote social inclusion with particular reference to the re-integration of the socially excluded and the long-term unemployed into the labour force.**

**Traveller Education** To increase retention of traveller pupils to completion of post-primary senior cycle and to provide them with further education/training options.

**Active Measure for the long-term unemployed and Socially Excluded** To assist the long-term unemployed and socially excluded to contribute to society and improve prospects of 'regular' employment

**Third-Level Access** To promote the access of students from disadvantaged backgrounds, mature second-chance students and students with disabilities to third-level education

**Vocational Training and Pathways to Employment for People with Disabilities** To assist persons with disabilities to get employment

**Refugee Language Support Unit** To facilitate the integration of refugees into the education system and labour market

Reflecting higher-level National Development Plan and Operational Programme objectives, the promotion of **Social Inclusion** is aimed at assisting a range of already disadvantaged or excluded groups to access the labour market. It provides for a group of measures aimed at integration or re-integration into the labour market. Insofar as the objective and its measures have the required effect they will therefore contribute equally to the mobilisation process: collectively, these groups can provide a major contribution to increasing labour stocks.

#### 5.1.2 Entrepreneurship

The Entrepreneurship pillar focuses on assisting companies, and particularly indigenous SMEs, to meet the challenge of adjusting to more competitive market conditions

and on encouraging more people, either individually or collectively, to look to self-employment and to establish enterprises. Total expenditure of some 4.3% of the Operational Programme resources is allocated to measures under this pillar.

<b>€/M.2000-2006</b>	<b>BMW</b>	<b>S&amp;E</b>	<b>National</b>
Total Expenditure	172.03	442.74	614.77
Total Co-Financed	98.86	212.34	311.20
Total ESF Support	74.25	106.50	180.74

Reflecting the relevant EU Employment Guidelines, the actions set out fall into two broad objective areas which are reflected in Priority Objectives 4 and 5 at Chapter 4 above:

- ◆ In-Company Training
- ◆ Social Economy

The particular measures outlined below will primarily, though not exclusively, underpin the strategy associated with these broad objective areas (or sub-priorities).

#### **In-Company Training**

**To support sustainable productivity and competitiveness improvements in existing businesses, and SMEs in particular, by improving education and training levels and to intensify policy efforts to that end**

**In-Company Training/FÁS** To enhance the productivity and competitiveness of indigenous Irish industry through training

**In-Company Training/Enterprise Ireland** To develop firms' internal capacity to build human resources development capability, emphasising standards and certification

*In-Company Training* is intended to support sustainable productivity and competitiveness improvements in SMEs by improving the quality and quantity of training and human resources development in those enterprises. Various Operational Programme perspectives point firmly to the need for action in this area, for example the need to expand employment growth and reposition Irish indigenous firms (see also the Helsinki Council recommendations to Ireland and the conclusions to the SWOT Analysis contained in Chapter 3).

Two sub-measures are involved:

- ◆ In-Company Training – FÁS: to ensure more and better enterprise training by client firms, with particular emphasis on quality standards

- ◆ In-Company Training – Enterprise Ireland: to develop enterprises' internal capacity to build human resources development capability, emphasising standards and certification.

Intensification of in-company training was one of the areas highlighted in the Council Recommendations to Ireland in the context of the 1999 Joint Employment Report. As noted in Ireland's National Employment Action Plan 2000, a key response to the Council's Recommendations is the establishment of a National Training Fund. In addition, a review of enterprise training strategy and structures is being undertaken by the Department of Enterprise, Trade and Employment and a working group of the Taskforce on Lifelong Learning has been established with a particular focus on Workplace Learning/Up-skilling.

The actions to be undertaken by the implementing bodies under the Operational Programme will focus on creating a self-sustaining human resources development capacity within enterprises. In the Enterprise Ireland context, support for human resources development will be integrated with the overall structured approach which aims to build a development partnership between Enterprise Ireland and client firms.

FÁS will focus particularly on increasing the penetration of the Excellence Through People Quality Standard. Achievement of this standard requires a consistent, structured approach to human resource development within applicant enterprises and has the potential to act as a significant point of leverage in achieving the aims of this measure. Resources will be applied to promoting the standard and to assessing compliance among candidate firms.

Overall, the measure will promote the upgrading of training quality and quantity in both manufacturing and services firms. Increasingly, direct grants to companies under the measure will be focused on encouraging the achievement of recognised standards and certification, establishing a formal training function in companies which do not possess such, or supporting significant upgrading of existing in-company training functions.

ESF resources will complement those of the National Training Fund in enhancing human resource development in enterprises. In that regard, the actions of FÁS and Enterprise Ireland will be supplemented by those in which the Social Partners take the lead, drawing on lessons learned from the Skillnets pilot training project and the ADAPT Community Initiative. Group-based approaches will play a significant part in achieving economies of scale in both the identification of training needs, the development of solutions and the purchasing of training in the marketplace. Within the overall policy context, the expansion of such approaches and enterprise-led approaches will be further explored and developed.

It is recognised that there is a close connection between these 'training in enterprise' measures and those set out under the Adaptability Pillar, although the policy

dimension of the latter is wider. Again, these measures complement other significant measures aimed at supporting SME and entrepreneurial development which are put forward in the Productive Investment Operational Programme (e.g. in-company strategy assessment and formulation) and both Regional Operational Programmes (e.g. mentoring services and promotion of micro-enterprises at local level).

### **Social Economy**

#### **To more fully exploit the employment or income-generating potential of Social Economy initiatives by disadvantaged individuals or groups at local level**

**Social Economy Programme** To support imaginative, locally-based initiatives in disadvantaged communities which have income-generating potential

**Social Economy – Local Social Capital** To provide support to locally-based micro projects involving pooling of resources by and within disadvantaged communities to promote employment

*Social Economy* actions aim at identifying and developing the employment or income-generating potential of social economy initiatives at local level by disadvantaged individuals or groups.

The measures aim to assist more people, either individually or collectively, to look to self-employment and to establish enterprises geared to meeting the re-generation needs of local economies within disadvantaged communities. In line with Art. 4.2 of the ESF Regulation 1262/99/EEC, funds may be provided to intermediary bodies to fund such Local Social Capital projects where those assisted do not need to provide co-funding. While the intermediary organisation must provide this funding, monitor the use of the funding and ensure collection of data for monitoring and evaluation purposes, its administrative costs will (subject to review) be generally included in the total project costs.

In the light of the continuing European Commission pilot of the Local Social Capital concept, funded through Article 6 (Innovative Actions) of the 1994/99 ESF Regulation, it is proposed to take account, as appropriate, of initial evaluations of this pilot before defining detailed modalities and initiating deployment of this measure in 2002.

#### *5.1.3 Adaptability*

The central objective of the Adaptability Pillar is to raise workplace-relevant skills and the competencies of individuals. While the essential Entrepreneurship Pillar focus is on company development, the approach under this pillar is related much more to the development of the individual. Total expenditure of €3,370m (or 23.7% of Operational Programme resources) is allocated to this pillar.

**Table 17. Total Operational Programme Expenditures on Adaptability**

€/M.2000-2006	BMW	S&E	National
Total Expenditure	1,218.21	2,151.53	3,369.74
Total Co-Financed	66.62	235.37	301.96
Total ESF Support	49.97	117.58	167.55

The significant resourcing of Adaptability and the growth in the number of constituent measures reflects the particular need, over the programme period, for up-skilling as a means of significant productivity growth as well as the need to support individual adaptability in a fast changing labour market environment.

Reflecting the relevant EU Employment Guidelines, the actions now set out fall into three broad objective areas reflected in Priority Objectives 6, 7 and 8 at Chapter 4 above:

- ◆ Skills Training
- ◆ Lifelong Learning
- ◆ Quality of Education and Training.

The particular measures outlined below will primarily, though not exclusively, underpin the strategy associated with these broad objective areas (or sub-priorities).

### Skills Training

**To promote a skills trained and adaptable workforce by facilitating people in the wider economy and in specific sectors to adapt their skills to changing labour market requirements through further training, re-skilling, and lifelong learning**

**Sectoral Training – Gaeltacht, Culture and Film** To enhance the competitiveness of companies (including in Gaeltacht areas where relevant)

**Sectoral Training – Seafood** To expand the skills base and increase the availability of trained workers

**Sectoral Training – Forestry** To improve sector skills, particularly of farmers, and supporting sector growth

**Ongoing Sectoral Training – Equine Institute** To accelerate equine industry development through training for those in and entering the industry

**Ongoing Sectoral Training – Tourism** To make the industry more self-sustaining through training trainers in Human Resource Management and Operational skills

**Ongoing Sectoral Training – Tourism Education** To improve the professional and skilled workforce levels to meet the skill needs of the tourism sector

**Ongoing Sectoral Training – Agriculture** To update farmers' and horticulturists' skills and meet the specific training needs of rural women and of people engaged in, or considering, establishment of rural enterprises

**Middle-Level Technician-Higher Technical Business Skills** To provide initial third-level education and training to address the middle/high level technical and business skills needs of the economy

**Undergraduate Skills** To support the additional third-level places being provided to meet changing labour market skill needs, particularly in the ICT Sector

**Postgraduate Conversion Courses** To respond to emerging skills shortages particularly in the context of the information society

*Skills Training* is aimed at improving the ability of the workforce to respond to changing market demands by helping people in particular fields to update or change their skills through further training.

The measures range from those providing retraining to existing employees (either in new fields or in their existing fields of expertise) to 're-training' for graduates and undergraduates. The aim in all cases is to improve the 'fit' between individuals' skills and those required by the ever-changing market-place; ensuring this process takes place is essential both to the ongoing needs of the economy and an important element of the need to boost national productivity growth.

Amongst the range of sectoral measures included under this objective are **Sectoral Training – Gaeltacht, Culture and Film**, support for continuing training within specific enterprise sectors ranging from **Seafood**, through to the **Tourism/Hospitality** sector and the **Equine** industry. In certain instances, such as Tourism, the training includes a focus on increasing enterprises' own internal training capability or 'training of trainers'.

The Government is committed to responding to the recommendations of the Expert Group on Future Skills Needs and the National Competitiveness Council on the use of measures such as the **Undergraduate Skills** and **Postgraduate Conversion Courses** to increase the provision of third-level places, particularly in the disciplines of information and communications technologies, with the objective of meeting the skills needs of high-technology industry. Equally, support for **Middle Level Technician-Higher Technical Business Skills** will help to ensure an adequate supply of technicians to meet the current and emerging skill needs of the economy.

### Lifelong Learning

**To enhance the quality of labour supply through continued investment in education and training and, in particular through developing a strategic and flexible framework for lifelong learning**

**Lifelong Learning – General Training** To provide more open, flexible, opportunities for acquiring/upgrading skills

**Lifelong Learning – Back to Education Initiative** To address the needs of those with low/no educational qualifications, provide for a re-entry for skills upgrades through flexibly delivered and timed provision

**Lifelong Learning – National Adult Literacy Strategy** To provide increased literacy, numeracy and basic education for adults with inadequate skills

**Lifelong Learning – Further Education Support Services** To address difficulties encountered by trainees on back-to-education/adult education programmes and to provide guidance in regard to further options

*Lifelong Learning* is aimed at improving the ability of the population generally to relate more effectively and profitably to the ever-changing needs of the labour market and society at large through providing a flexible framework for learning in education and training.

The measures are aimed at promoting individual learning (both within and outside of enterprises) in the changing world of work which is driven by technological change and the emergence of the knowledge society. The **Lifelong Learning – Back to Education Initiative** provides a range of second-chance educational and training options for adults to re-enter the labour market or to upgrade their skills within it, with increased emphasis on flexibility of delivery and particular focus in the areas of information and communication technologies and technical training. The **Lifelong Learning–National Adult Literacy Strategy** will provide for flexible modes of delivery to facilitate increased access to literacy and numeracy programmes for adults whose skills are inadequate for participation in society.

In addition the Strategic Framework for Lifelong Learning, being developed by the Department of Enterprise, Trade and Employment, in conjunction with the Department of Education and Science and the Social Partners, will have a strong focus in the domain of continuing training so as to facilitate ongoing adaptation to labour market change: future developments under this pillar, particularly under the framework of lifelong learning, may call in due course for a review of Operational Programme allocations.

### Quality of Education and Training

**To enhance the quality of labour supply and ease of adaptability by developing and deploying an improved framework of certification and qualifications**

**Training of Trainers – Primary, Post-Primary and Further Education** To upgrade the knowledge and skills of teachers and tutors in the Primary, Post-Primary and Further Education sectors

**Adaptability – Training of Trainers (FÁS)** To improve the knowledge and skills of FÁS training staff

**Quality (including Training of Trainers)** To promote a quality culture in third-level institutions, improve pedagogical skills and the development of management skills

The *Quality of Education and Training* centres on the provision of education and training of the highest quality across the range of measures in this Operational Programme and the wider Community Support Framework context; in particular, education and training which will be delivered to a level to facilitate mobility including increasing employer confidence.

The first four measures above all focus on improving the quality of teaching at all levels of the education and training system. Ongoing changes in information and communications technology, education and training syllabi and in management techniques make in-service courses for teaching staff at all levels a valuable tool in increasing the quality of training and of education delivery.

The last sub-measure for support in this group will assume a strategic role over the programme duration – **Quality Assurance-Certification and National Qualifications Framework**. The National Qualifications Framework, contained in the 1999 Qualifications (Education and Training) Act, will support the continued development of the integrated national system of qualifications and certification central to the progression of all participants through the education and training systems as well as ensuring transparency and portability of qualifications on the labour market.

#### 5.1.4 Gender Equality

The Equality Pillar focuses on ensuring equality between men and women. While only a small percentage of the Operational Programme expenditure is allocated directly to it, Paragraphs 13.29 and following of the National Development Plan indicated that government is committed to ensuring the mainstreaming of equal opportunities across structural funds programming in the present round. The direct support provision for gender equality in this Operational Programme will therefore be supplemented by the commitment to introduce gender mainstreaming across all measures in all Community Support Framework Operational Programmes at the Programme Complement stage; the overall level of resourcing of gender equality across the National Development Plan will therefore be significantly higher than the direct Equality funding measures in the Operational Programme.

<i>Table 18. Total Operational Programme Expenditures on Adaptability</i>			
€/M.2000-2006	BMW	S&E	National
Total Expenditure	1.56	18.75	20.02 <sup>19</sup>
Total Co-Financed	1.49	16.52	18.01
Total ESF Support	1.14	8.36	9.50

<sup>19</sup> plus significant but unknown costs of mainstreaming across measures in Operational Programme

Reflecting the relevant EU Employment Guidelines, the measures set out in this Operational Programme fall into two broad objective areas reflected in Priority Objectives 9 and 10 at Chapter 4 above:

- ◆ Equal Opportunities
- ◆ Gender Mainstreaming

The particular measures outlined below will primarily, though not exclusively, underpin the strategy associated with these broad objective areas (or sub-priorities).

### Equal Opportunities

#### **To promote equal opportunities between men and women**

**Equal Opportunities Promotion and Monitoring – Education Sector** To address gender inequalities by ensuring the participation of both genders is promoted and facilitated in the education sector

**Educational Equality** To address gaps in provision for educationally disadvantaged women, men and specific marginalised groups

The stand-alone Equal Opportunities measures under this Operational Programme relates to the education sector. The **Equal Opportunities Promotion and Monitoring – Education Sector** will entail

- ◆ a dedicated Equality Unit within the Education Sector to co-ordinate and monitor gender mainstreaming in all areas of the education system
- ◆ a computerised management information system for further education programmes not now covered by the post-primary pupil data base
- ◆ Higher Education Networks for the development of strategies to encourage equality of access, benefit and outcome for participants at third level.

An **Educational Equality** Initiative will provide support for education groups to address gaps in provision for educationally disadvantaged women, men and specific marginalised groups.

### Gender Mainstreaming

**To adopt a comprehensive gender-mainstreaming approach including measure components to tackle gender employment gaps and monitoring of progress through adequate data collection**

**Equal Opportunities Promotion and Monitoring – National Development Plan** To assist implementing Departments and agencies to meet the gender mainstreaming requirement across all operational programmes.

The rationale for *Gender Mainstreaming* is to internalise an equal opportunities dimension into all actions under this and all other operational programmes under the National Development Plan in line with EU and government aims.

On foot of the overall gender mainstreaming strategy across all Community Support Framework operational programmes, all<sup>20</sup> measures in all operational programmes must take account of subsequent impacts on both men and women; to assist this, the **Equal Opportunities Promotion and Monitoring–National Development Plan** measure provides for the creation of an Equal Opportunities Promotion and Monitoring Unit in the Department of Justice, Equality and Law Reform to advise all measure proposers on the mainstreaming dimensions of their proposals and in identifying appropriate reporting indicators. There will be close ongoing co-operation between those charged with equality measures in the Department of Education and Science and the D/JELR Unit.

#### 5.1.5 Other Priority Actions

Two further measures will support the overall Operational Programme strategy. Neither falls readily within any of the four pillars in the Operational Programme. The first of these consists of two sub-measures concerned with the provision of the physical infrastructure (buildings and equipment) for the training and education sector. Significant expenditure, i.e. some 17.7% of total Operational Programme expenditure, has been allocated for this infrastructure work. Secondly there are two *Technical Assistance* sub-measures which will support respectively the costs of equality studies by the Equality Authority and certain of the Managing Authority's costs in implementing this Operational Programme. A total of €8.912m (or 0.06%) has been allocated to cover such costs.

**Table 19. Total Operational Programme Expenditures on Other Priority Actions**

€/M.2000-2006	BMW	S&E	National
Total Expenditure	632.13	1,884.61	2,516.74
Total Co-Financed	0.81	7.35	8.16
Total ESF Support	0.61	3.68	4.28

The Operational Programme Technical Assistance measures are further outlined at 9.6 below.

<sup>20</sup> with some specific exceptions agreed by government where the intrinsic nature of such measures was accepted as precluding any scope for meaningful mainstreaming

## *European Social Fund Role and Contribution*

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This chapter provides an integrated overview of the contribution of the European Social Funds (ESF) to this Operational Programme. The ESF will play an important strategic and value-added role in contributing towards its labour market and human resources development objectives. Of the total ESF assistance of €1,056.59m available under the Community Support Framework, €901.09m (or 85.3%) has been allocated to this Operational Programme, representing 6.4% of the total projected Operational Programme expenditure of €14,199.36m.

### *6.1 Objective 3 Policy Frame of Reference*

Under Article 9 (c) of Regulation 1260/1999/EEC, the Objective 3 Policy Frame of Reference (PFR) provides the framework within which Member States set out the context for EU structural fund assistance as it relates to employment and human resource development across the territory as a whole, including the relationship with the priorities identified under the National Employment Action Plans (NEAPs).

Ireland's Objective 3 Policy Frame of Reference was submitted to the Commission in conjunction with the National Development Plan in November 1999. It analyses the priorities for the use of structural fund's assistance over the 2000-2006 period (in particular ESF). The PFR strategy has been central in framing the ESF measure-level co-funding priorities outlined under 6.6 below.

## ***6.2 Role of the European Social Fund (ESF)***

Under the regulatory framework governing the operation of the ESF over the programme period, the Funds overall objective will be to support and complement this Operational Programme's labour market and human resources development objectives. While the Fund will operate within the five Policy Fields set out under Article 2 of the ESF Regulation 1262/1999/EEC (see 2.9.3 and Table 21 below), its overall task will be structured around the requirement to contribute to actions undertaken in pursuance of the European Employment Strategy, the Annual Guidelines on Employment and the implementation of Employment Recommendations which fall within the remit of this Operational Programme.

As required under Article 2 of the Regulation, the Fund will also take account, as appropriate, of support for local employment initiatives as well as the social/labour market dimensions of the information society and equal opportunities as part of an overall mainstreaming approach.

## ***6.3 ESF Policy Fields under Regulation 1262/1999***

The ESF Regulation sets out the five policy fields and three horizontal axes which the Fund shall support particularly in the context of the Member State's multi-annual NEAPs. These are as follows:

- (a) developing and promoting **active labour market policies** to combat and prevent unemployment, to prevent both women and men from moving into long-term unemployment, to facilitate the re-integration of the long-term unemployed into the labour market, and to support the occupational integration of young people and of persons returning to the labour market after a period of absence
- (b) promoting **equal opportunities for all** in accessing the labour market, with particular emphasis on those exposed to social exclusion
- (c) promoting and improving training, education and counselling, as part of **lifelong learning policy** to facilitate and improve access to, and integration into, the labour market, improve and maintain employability and promote job mobility
- (d) promoting a skilled, trained and adaptable workforce, innovation and **Adaptability** in work organisation, developing Entrepreneurship and conditions facilitating job creation, and enhancing skills and boosting human potential in research, science and technology
- (e) specific measures to improve **women's access** to and participation in the **labour market**, including their career development, their access to new

job opportunities and to starting up of businesses, and to reduce vertical and horizontal segregation on the basis of sex in the labour market.

Within (a) to (e) above, the Fund will also take account of:

- (a) support for **local initiatives** concerning employment, in particular initiatives to support local employment and territorial employment pacts
- (b) the social and labour market dimensions of the **information society**, notably by developing policy and programmes designed to harness the employment potential of the information society and by ensuring equal access to its facilities and benefits
- (c) **equal opportunities** for women and men as part of the **mainstreaming** approach.

#### *6.4 NEAP Framework and Policy Context for ESF interventions*

The programme contains a wide range of measures, co-financed and non-co-financed, set out under Chapter 5 of the National Development Plan grouped under each pillar in accordance with the NEAP-related structure. The individual measures (or sub-measures) in respect of which ESF co-funding assistance has been allocated are set out by pillar under 6.6 below. These focus, in particular, on supporting and complementing the programme's overall objectives outlined in Chapter 4.

Within the framework of the ESF policy fields set out above, the Fund's interventions under the Operational Programme have been structured in a manner which strengthens its role in underpinning the European Employment Strategy and in addressing, in particular, the 'gaps and weaknesses' identified through the Joint Council/Commission assessments under the multi-annual Joint Employment Report (JER)/NEAP process.

In this context, the December 1999 Helsinki Summit made a number of recommendations which were specifically directed to Ireland. These are also of strategic importance in informing the measure-level priorities identified under the programme for ESF co-financing across the Community Support Framework and, in particular, the need to

- ◆ adopt a comprehensive strategy to increase the participation of women in the labour market while putting in place measures to facilitate the reconciliation of work and family life

- ◆ shift policy focus towards a more sustained effort to raise the standard of care for children and other dependents (in this context, the ESF response is included in the regional operational programmes)
- ◆ further exploit the potential for job growth in the service sector and intensify policy efforts to expand and improve in-company training.

## *6.5 Rationale for ESF Interventions under the Operational Programme*

### *6.5.1 Strategic Priorities*

Under this Operational Programme, interventions co-financed by the ESF are directed principally towards resolving identified labour market problems as well as promoting equal opportunities within the context of the four pillar NEAP structure.

The extent to which the Irish labour market has tightened since 1993 is analysed in Chapters 1 and 2 of this Operational Programme. A rapid jobs growth (allied to a sustained decline in the ILO unemployment rate to under 5%) is now giving rise to specific skills shortages and to concerns of labour scarcity. Economic growth forecasts indicate that, in the absence of supply-side expansion in the labour market, wage inflation may intensify, posing a particular competitive threat to many small and medium-sized indigenous enterprises in the medium-term.

In these circumstances and in the overall context of the Operational Programme, the policy responses of the ESF are centred around the following strategic priorities:

- ◆ to mobilise labour supply in order to minimise the disruptive effects of generalised labour scarcity, while recognising the continuing importance of unemployment prevention
- ◆ to encourage enterprises, and particularly SMEs, to improve their productivity and value-added in order to underpin future competitiveness
- ◆ to enhance the skills and competencies of individuals, through lifelong learning, thereby enabling their participation and progression in the labour market.

The Operational Programme measures co-funded (or part-co funded) by the ESF are accordingly directed towards the achievement of these objectives.

### *6.5.2 ESF Priority-Level Objectives*

Labour market policies will require ongoing adjustment and fine-tuning in order to respond most effectively to future changing economic circumstances. The adoption

of the NEAP four-pillars structure as the ‘building blocks’ for this Operational Programme will facilitate the role of the ESF in underpinning the NEAP process.

Within the current NEAP process, the use of ‘rolling’ one-year planning horizons provides an annual framework within which the objectives set for the ESF under the Operational Programme can be continuously reviewed and, where necessary, re-shaped in the light of changing circumstances. In the framework of this four-pillar structure, the key objectives underpinning the ESF co-funded measures under this Operational Programme are summarised hereunder.

### **Employability**

The overriding objective of ESF co-funded measures under the Employability Pillar is to encourage labour force mobilisation, thereby relieving excess demand pressures in the labour market. A secondary objective is the continuance of preventive policies through measures such as the Action Programme for the Long-Term Unemployed which also has important mobilisation and social inclusion dimensions. Individual mobilisation measures, co-funded by the ESF, include Skills Training for Unemployed and Redundant Workers, and interventions assisting women returning to the workforce as well as older workers contemplating a return to employment. The efficiency of job-brokering services assumes increasing importance as labour markets tighten. To foster a more effective matching of labour supply and demand, the ESF will provide co-financing for innovative developments in the National Employment Service operated by FÁS, including new ICT-based delivery systems.

In the context of unemployment prevention, ESF co-funding will continue to be available for systematic engagement with those at risk of long-term unemployment, for assisting Early School Leavers (ESLs) and for improving access to third-level education for disadvantaged students.

### **Entrepreneurship**

The principal objective of ESF co-funded interventions under the Entrepreneurship Pillar is to assist companies, and particularly indigenous SMEs, to meet the challenge of adjusting to more competitive market conditions. Improving the incidence and quality of in-house company training represents a major route to underpinning enterprise competitiveness.

The National Training Fund, when established, will be the major national instrument used to leverage and enhance in-company training performance in the future. The new Fund has been structured in such a way as to provide an effective role for the ESF in co-funding the future provision of in-company training, particularly in the development of enterprise training networks, measures to upgrade the skills of the poorly-trained and the establishment of quality enterprise training standards, particularly in SMEs.

### **Adaptability**

The central objective of ESF co-funding under the Adaptability Pillar is to raise workplace-relevant skills and the competencies of individuals.

While ESF co-funded measures under the Entrepreneurship Pillar focus on company development, co-funded measures under this pillar will span the skills spectrum, ranging from increasing participation rates in flexible adult literacy and numeracy programmes to co-financing an Undergraduate Skills measure targeted on raising the available supply of skilled workers for high-technology industries.

### **Equality**

Ensuring equality between men and women is a binding horizontal EU requirement across all policy areas and measures. In meeting this requirement in a labour market context, ESF co-funded interventions within this Operational Programme are principally geared in support of strengthening the existing institutional base from which gender mainstreaming policies can be continuously and effectively monitored.

## **6.6 ESF Measure-Level Co-Funding Priorities**

### *6.6.1 Employability*

In the context of promoting preventive and active labour market policies, increased operational effectiveness of the **National Employment Service** will form the centre-piece of the response mechanisms put in place to meet the needs of employers, job-seekers and job-changers over the Operational Programme period. In recognition of its strategic importance, the ESF will provide a co-financing input in respect of innovative developments within the services sector, including group guidance and the utilisation of new ICT-based delivery mechanisms.

In line with the strong focus attached to developing preventive strategies under the Social Inclusion measures within the Education Sector, the ESF will develop a co-financing role under the **School Completion Initiative** designed to ensure that appropriate arrangements are put in place to facilitate increased retention rates in education including, in particular, to Leaving Certificate standard or its equivalent.

In support of the Operational Programme's concern to increase second-level retention rates, the focus on reducing the extent of **Early School Leaving** will also be strengthened. New bridging and Early School Leaver Progression Strategies will be developed with the objective of increasing access to higher skills training as well as more flexible and work-based options. Over the period of the Programme, the ESF will play an important role in this process, which will focus in particular on the

development of the **Youthreach Framework** including **Structured Progression Options for Early School Leavers**.

In line with the programme objectives, access to further education – especially third-level – will be further promoted over the period of the programme. Whilst improving their long-term employability through enhanced educational qualifications, the measure on **Third Level Access** will seek to facilitate and improve access to the labour market for students with disabilities, those affected by disadvantage as well as mature ‘second-chance’ students. Reflecting its continued support for this measure, the ESF will contribute towards the cost of support services for such students (including counselling and mentoring services for ‘non-traditional’ students) as well as outreach initiatives specifically directed towards socially and economically disadvantaged students.

As part of the re-orientation in support for the long-term unemployed, labour market interventions will focus more on effective re-integration strategies. Through the **Action Programme for the LTU** and the **Skills Training for Unemployed and Redundant Workers’ measures**, the objective will be one of integrating the long-term unemployed into mainstream training provision as part of the programme’s overall strategies of enhancing labour supply quality and reinforcement of the preventive approach. As part of its supporting role under the strategy of re-activating and mobilising labour supply, the ESF will focus its co-financing interventions in particular on women returners, lone parents (many of whom are women), older workers, as well as persons in low-paid/low-skilled employment requiring short-term flexible training responses or those threatened with or made redundant.

The Government’s 1997 White Paper on Human Resources Development highlighted the importance of developing more flexible training responses to changing labour market entry requirements. Of particular relevance in this context has been the ongoing development of the **Traineeship** model and its constituent components of on and off-the-job training. Much of the model’s success to-date can be attributed to its central remit of matching employer needs for suitably skilled and qualified recruits with the systematic skills development of young persons. Further efforts will be undertaken to expand the number of people participating in Traineeships including, where appropriate, extending the model to people in employment. Traineeships are essentially for new trainees at pre-employment stage. However, the certification and qualifications developed by FÁS, in agreement with the industry concerned, are increasingly used in respect of existing employees. Such employees use a mixture of APL and short courses to reach the qualification standards established under Traineeships.

As part of its approach to in-company training, ESF co-financing for the development of Traineeship will require policy and funding co-ordination with the operation of the proposed National Training Fund.

### 6.6.2 Entrepreneurship

Reflecting the Helsinki Council recommendations to Ireland, there is a recognition of the need to develop a more strategic approach to the quality and delivery of **In-company Training**. The Department of Enterprise, Trade and Employment is currently in the process of developing an Enterprise Training Strategy setting out the underlying rationale for such an approach, including the key policy issues to be addressed. The Department's approach is consistent with the EU-level emphases on the need to address the changing demographic profile as well as the up-skilling of the workforce to cope with significant structural change arising from the development of the knowledge-based and information society.

As a part of the strategy in this area, the Department will take due account of the significant growth which has taken place in the services sector allied to the substantial sub-sectoral change in the composition of manufacturing industry. In addition it will take account of the key role of the Social Partners in fostering the establishment of an agreed overall framework for developing in-company training in Ireland.

While the proposed **National Training Fund**, to be levied directly from employers, will provide a 'ring-fenced' source of funding for in-company training, the measure will be structured in a manner which facilitates the development of an effective role for the ESF. The Managing Authority will co-operate with the Commission to ensure consistent approaches between the actions of the National Training Fund (which will also address Employability and Adaptability measures) and those supported by the ESF.

Within the context of the ESF's role in contributing towards the development of **In-Company Training**, a number of priorities have been identified as being particularly relevant for co-funding support including

- ◆ development of quality standards in enterprises (especially SMEs) including thematic approaches, e.g. ICT-related skills
- ◆ initiatives to re-skill/up-skill existing employees (including the lowly qualified) in order to address changes in both the sectoral and business environment; development of sectoral initiatives and networks.

In relation to the **Social Economy**, the Operational Programme will seek to maximise the development of a range of enterprises specifically geared to meeting the regeneration needs of local economies within disadvantaged communities. Enterprises may be community-business led or may be focused on deficient demand considerations or oriented towards a public sector need. In relation to the ESF in particular, the Fund will contribute to the 'non-wage costs' associated with the development of innovative, locally-based enterprises which will be established on an entrepreneurial basis and will function on an income-generating basis within the marketplace.

In response to the need to mobilise indigenous potential to seek 'local responses to local needs', the ESF will contribute approximately 1% of its total programme allocation to the development of intermediary body delivery capacities supported through the availability of **Social Risk Capital**. In particular, assistance will be directed towards the development of project management capacity building as well as on quality technical and logistical advice. Initial deployment of this measure (including framing detailed implementation modalities) is not likely to take place until 2002.

### 6.6.3 Adaptability

Under the **Back to Education Initiative** (BTEI), a process of consolidating existing provision under VTOS and PLCs will be pursued as part of an overall strategy of developing new forms of more flexible provision. In line with strengthening re-entry routes for those wishing to upgrade their skills in response to the changing requirements of the labour market, opportunities for part-time and more flexible options will be developed, with particular emphasis on increasing access to information and communication technologies, technical training as well as other industry and services-related disciplines.

Notwithstanding the substantive nature and composition of this broadly-based consolidated measure, the co-funding contribution of the ESF will be accorded a strategic focus and will be directed, in particular, at developing **adaptable and flexible approaches to the delivery** of the measure.

Given Ireland's relatively poor performance in international comparisons of literacy attainment, the Operational Programme will focus in particular on addressing **Adult Literacy** levels over the period to 2006. As a pre-requisite to responding to the growing requirements of a knowledge-based economy, the *National Adult Literacy Strategy* will systematically promote increased access to literacy, numeracy and basic functional skills (including ICT literacy skills) for adults whose skills are deemed inadequate in this regard. The measure will provide an integrated service to support access to employment as well as participation in a framework of lifelong learning. In line with the Employment Guidelines' focus on developing literacy and numeracy skills in increasing access to the labour market, the ESF will co-finance the **Flexible Delivery (including Part-time Options)** component of the measure.

The issue of raising the overall quality of the skills profile within higher technology sectors has been identified as a key priority both within the partnership agreements and under the annual NEAP process. In response to the recommendations of the *National Competitiveness Council and the Expert Group on Future Skills*, policy direction under the programme will continue to focus on measures which contribute to increasing the overall adaptability of the workforce to meet the skills needs of the economy. To this end, the ESF will co-fund the **Undergraduate Skills measure** under the Adaptability Pillar with the objective of assisting in the provision of third-

level places to meet the identified skills needs of the high technology sectors, with particular emphasis on Information and Communications technologies.

As one of the key horizontal objectives of the programme, the establishment of the *National Qualifications Framework under the Qualifications (Education and Training) Act 1999* will be critical to the delivery of high quality and efficient market-led provision in education and training for industry, business and the wider community. As an integral part of the strategy being developed, a more effective partnership will be promoted as well as greater cohesion between the education and training sectors. At the same time, increased co-operation between both sectors will be developed with industry, business and the wider community. While the Act establishes both the Higher and Further Education and Training Councils, the co-funding contribution of the ESF will be directed in support of measures carried out by the **National Qualification Authority of Ireland (NQAI)** to strengthen the overall operation of the newly-established framework.

#### *6.6.4 Equality*

In the case of the **Educational Equality** Initiative, the objective will be to build on the *Women's Education Initiative* established in 1998 and specifically designed to address identified gaps in provision for educationally-disadvantaged women and men. The new measure will continue to provide an expansion of such activity over the period of the programme. As part of a strategy of mainstreaming learning and disseminating good practice, the project selection process will also address education and training gaps for specific marginalised groups. The measure will be co-funded by the ESF.

In line with the commitment to the promotion of equal opportunities, a dedicated **Equality Unit within the Education sector** will be established to co-ordinate and monitor the process of mainstreaming a gender perspective into all areas of the education system (the Unit will liaise, as appropriate, with the wider horizontal Unit operating within the Department of Justice, Equality and Law Reform – see hereunder). The activities of the Unit will be complemented by the development of computerised information systems in the Further Education Sector as well as Higher Education Networks for the development and promotion of strategies to encourage equality of access, benefit and outcome for third-level participants. Co-financing from the ESF will be provided in respect of the Equality Unit as well as for the development of appropriate information systems in the Further Education sector.

Across the operational programmes within the CSF, the attainment of equal opportunities between men and women is an objective. In support of this objective a gender mainstreaming strategy will be put in place which is not restricted to specific measures to help women but rather requires the support of all general measures in taking active account of possible effects on the situations of men and women at the planning stage.

To assist with the implementation of this objective, an **Equal Opportunities Promotion and Monitoring Unit** will be set up within the Department of Justice, Equality and Law Reform. This Unit will provide advice and assistance to implementation bodies, Departmental and agencies alike, to meet the requirement to gender mainstream across all Operational Programmes. The Unit, which will be co-funded by the ESF, will carry out a wide range of functions including

- ◆ advice on gender indicators and gender impact assessment of all measures (including provision of gender-disaggregated data)
- ◆ organisation of training workshops
- ◆ research
- ◆ provision of expert inputs to the CSF Equal Opportunities and Social Inclusion Co-ordination Committee and to the Monitoring Committees.

### 6.7 ESF Priority-Level Allocations

The allocations of ESF co-financed assistance by priority and region are set out in Table 20 below. Table 21 lists the various measures for ESF support in the framework of the ESF policy field structure outlined under 6.3 above. The measures chosen for support are also categorised in the same table in terms of the Employment Guideline(s) most directly addressed. The allocation of the €901.087m. ESF available across 20 measures/sub-measures under all four priorities plus Technical Assistance provides an overall average support rate of 57.6 % in the co-funded cases. €531.75m. (59%) of the total is allocated for use in the S&E Region with €369.34m. (41%) for the BMW Region at respective overall intervention rates of 50% and 73.7%.

<i>Table 20. ESF Support by Operational Programme Priority (2000-2006)</i>			
<b>€/M.2000-2006</b>	<b>National</b>	<b>BMW</b>	<b>S&amp;E</b>
Employability	539.013	243.380	295.633
Entrepreneurship	180.743	74.247	106.496
Adaptability	167.552	49.968	117.584
Gender Equality*	9.500	1.142	8.358
Other Measures	4.279	0.605	3.674
Totals	901.087	369.342	531.745

\* The substantive proportion of ESF assistance allocated under this priority (NEAP Pillar) is contained under the 'Social Inclusion and Childcare' sub-programme of the Regional Development operational programmes (total assistance of €115.4m.). Under this Operational Programme, there are also positive actions in favour of women, incorporated under various measures which are also part financed by the ESF (in addition to a horizontal commitment to mainstreaming).

**Table 21. ESF Co-funded Measures by Policy Field and Guideline**

<b>Active Labour Market Measures €428.81m.</b>		<b>Employment Guideline (NEAP 2000)</b>
2	National Employment Service	1, 2 and 3
5	School Completion Initiative	7 and 8
11A	Early School Leaver – Progression	7 and 8
11B	Early School Leaver – Youthreach and Travellers	7, 8 and 9
14A	Traineeship	17
<b>Social Inclusion €111.80m.</b>		
3	Active Measures for LTU and Socially Excluded	3 and 9
9	Third-Level Access	17
33A	Technical Assistance (Equality Studies)	18
<b>Lifelong Learning €99.45m.</b>		
21	LL Learning – Back to Education Initiative	5, 6, 21 22
22	LL Learning – National Adult Literacy Strategy	5, 6, 21
<b>Adaptability and Entrepreneurship €251.50m.</b>		
13	Skills Training Unemployed and Redundant Workers	21
18A/B	In-Company Training	17
19A	Social Economy – Programme	12
19B	Social Economy – Local Social Capital	12
26	Undergraduate Skills (ICTs)	17
29B	Quality (National Qualifications Framework)	5 and 6
<b>Gender Equality €9.53m.</b>		
30	Educational Disadvantage	19
31A	Equal Opp. Prom. and Monitoring – Education	19
31B	Equal Opp. Prom. and Monitoring – NDP (DJELR)	18, 19, 21
<b>Total €901.09m. (including pro-rata allocation of Technical Assistance)</b>		

**ESF-Supported Cross-Cutting /Horizontal Field Impacts**

<b>Local Initiatives</b>		
19B	Social Economy – Local Social Capital	I2
<b>Information Society</b>		
21	Life-long Learning – Back to Education Initiative	6 and 8, 15
22	Life-long Learning – National Adult Literacy Strategy	6 and 8, 15
<b>Equal Opportunities Mainstreaming</b>		
13	Skills Training for Unemployed and Redundant Workers	18 and 21
31B	Equal Opportunities Promotion and Monitoring – NDP	18

## *North/South Co-operation*

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North-South Co-operation is a strategic priority for the constituent operational programmes in both the Community Support Frameworks for Ireland and for Northern Ireland. The focus for the period 2000 to 2006 is that the Common chapter contained in the previous Community Support Framework for Ireland and the SPD for Northern Ireland will become more operational in this round including significant levels of funding provision.

### *7.1 Background for Further Development*

North-South co-operation has been placed on a new basis under the provisions of the Multi-party Agreement reached in Belfast on 10 April 1998. The North-South provisions of the Agreement provided for the setting up of a North-South Ministerial Council (NSMC) and outlined a new institutional framework and context within which co-operation between the two parts of the island could be taken forward. This provides a strategic focus for North-South co-operation. The role of the NSMC will be to use best endeavours to reach agreement on the adoption of Common Policies in areas where there is mutual cross-border and all-island benefit and which are within the competence of both administrations North and South making determined efforts to overcome any disagreements.

Provision was therefore made for an indicative allocation for North-South co-operation in the respective CSFs for Ireland and Northern Ireland to cover areas identified in the operational programmes for future co-operation in an Ireland/Northern Ireland context.

The European Commission and the Authorities of Ireland and Northern Ireland have agreed and emphasised that all parties are committed to keeping this co-operation under specific and continual review in the development and implementation of the operational programmes, North and South.

## *7.2 Scope for Labour Market Co-operation*

In the labour market and training fields there has been a series of joint operations between FÁS and the former<sup>21</sup> Northern Ireland Training and Employment Agency (T&EA) over recent years. The boards of the two agencies have met together formally on a number of occasions. There is, similarly, significant ongoing co-operation between the respective Departments of Education, third-level and other educational institutions and bodies, on a range of educational matters. Both the education and training fields have been the subject of ministerial bilaterals. A range of co-operative ventures and contacts between the various other sectoral interests involved in this Operational Programme and their Northern opposite numbers have taken place over the last funding period.

In the context of the Common Chapter becoming more operational over the 2000-2006 period and extending co-operative commitments to their respective constituent operational programmes, there is a wide existing base on which to build cross-border co-operation in the human resources development field. The range of similar or functionally equivalent matters covered in this Operational Programme, in the PEACE Operational Programme for Northern Ireland and the Border Counties 2000-2004, and in the Northern Transitional Objective 1 Operational Programme, offers many possibilities for co-operation.

## *7.3 Particular Fields with Potential for Increased Co-operation*

While each measure-promoting body at Programme Complement stage (see 9.3.1) has been asked to identify the specific scope within their various fields for increased North/ South co-operation, there is a range of generic spheres of activity within the general context of the Operational Programme where such co-operation could be envisaged including

- ◆ joint education or training projects/programmes
- ◆ more effective marketing of job vacancies
- ◆ closer co-operation between the employment services

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21 now part of the Department of Further & Higher Education and Training and Employment

- ◆ joint investment in new facilities, e.g. in Border areas
- ◆ sharing or exchanging particular education and/or training experience (or, for example, OP management, audit, gender mainstreaming, local social/risk capital etc.)
- ◆ joint development of new services and materials, e.g. in lifelong learning, in the development and use of ICT to deliver training.

#### *7.4 Initial Commitment of Support*

The Managing Authority and implementing bodies will endeavour to maximise the scope for North/South co-operation in projects and measures to be implemented under this Operational Programme. Bearing in mind that at the first meeting of the North South/Ministerial Council Special EU Programmes Sector in June 2000, the Ministers agreed in relation to the CSFs for 2000-2006 that

*The European Commission and the Authorities of Ireland and Northern Ireland emphasise that the provision of €400 million for North/South Co-operation is a minimum and all parties are committed to optimising the level of, and accompanying investment in, North/South co-operation. This objective will be kept under specific and continual review both in the development and implementation of the Operational Programmes North and South and by the EU Programmes Body in the ongoing discharge of its responsibility in this area.*

While recognising the significant levels of ongoing co-operation in such related contexts as the PEACE Programme, INTERREG and the International Fund for Ireland (IFI), and as an initial commitment in support of joint North/South co-operation in the employment and human resources development field, an indicative budget of €10m (for co-financed and/or non-co-financed contexts) is being provided within the overall financial provision for this Operational Programme to support Irish involvement in North/South co-operation.

#### *7.5 Related Operational Programme Arrangements*

The same North South/Ministerial Council Special EU Programmes Sector meeting agreed that Operational Programme Managing Authorities would issue invitations to the Special EU Programmes Body to nominate a representative for membership of the Operational Programme Monitoring Committee in order that it can fulfil its mandate in relation to monitoring North-South co-operation.

Equally, the Annual Implementation Report to be prepared for monitoring purposes will include a separate section dealing with the development of North-South co-operation in the Operational Programme.

## *Expected Operational Programme Outputs*

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The aim of the Operational Programme is to meet the objectives set for it and, in doing so, to achieve certain targets. While detailed judgements on its success or otherwise must await both its implementation and the scheduled Mid-term and Ex-post evaluations, it is still possible at this stage to characterise in broad terms the expected outputs of the Operational Programme based primarily on the initial targets associated with the various measures. With particular reference to the Objectives set out in Chapter 4, this assessment looks at those which are specific to this Programme as well as its expected contribution to the three Horizontal Objectives relating to Regionalisation, Environment and Gender Mainstreaming.

### *8.1 Employability*

It is expected that, over the 2000-2006 period, the measures under this priority will successfully address the objectives set out for mobilising the supply of labour, developing the preventive approach to unemployment and promoting social inclusion objectives, by

- ◆ providing general training to over 28,000 persons per annum
- ◆ producing 6,000 craftspeople a year
- ◆ training 3,500 a year for and in the Tourism sector
- ◆ training 1,500 a year for and in Agriculture
- ◆ providing special education to 750 Traveller children a year
- ◆ educating an increasingly larger number of primary and secondary students earlier in the cycle in a range of European languages
- ◆ providing 560 school guidance teachers
- ◆ seeking to retain or direct an estimated 10,000 early school leavers (or would-be early school leavers) a year to remain at school or to train for the labour market

- ◆ engaging with over 50,000 unemployed people a year, identifying their training needs and providing a range of supports to help bring them back to the labour market
- ◆ helping 1,500 disadvantaged students a year to attend university,
- ◆ helping third-country refugees to fit into Irish life

## *8.2 Entrepreneurship*

It is expected that over the Operational Programme's implementation period the measures in this priority will have improved the levels of in-house training and so competitiveness, investment and job creation in existing firms above all, in SMEs and new social-economy based micro enterprises by

- ◆ providing advice and training to some 300 small and medium-sized firms a year
- ◆ supporting an average of 100 locally-based micro projects a year in disadvantaged communities to promote employment from 2002
- ◆ employing 2,500 a year on imaginative, locally-based initiatives in disadvantaged communities,
- ◆ adding any new measures considered necessary.

## *8.3 Adaptability*

Over the Operational Programme's implementation period, it is expected that the range of measures in this priority will help to meet the growing needs of the economy for re-training or up-skilling and for an increasingly knowledge-based society by addressing the Further Training, Lifelong Learning and Quality of Education objectives, through for example

- ◆ providing further training for up to 6,000 persons a year in the Tourism sector
- ◆ training 1,500 a year in the Film industry and Culture
- ◆ providing 400 Tourism industry trainers a year
- ◆ providing 140,000 trainee days a year retraining post-primary teachers and retraining 4,000 third-level staff
- ◆ 'converting' some 1,500 postgraduates a year in fields in particular demand, e.g. ICT

- ◆ helping significant numbers of undergraduates to switch to fields in particular demand, e.g. ICT
- ◆ using lifelong learning to train 30,000 people a year in new skills
- ◆ using lifelong learning to help 15,000 a year with literacy and numeracy difficulties
- ◆ helping to develop new national qualifications.

## 8.4 Equality

It is expected that the actions and measures under the Operational Programme's specific equality and mainstreaming objectives will ensure the attainment of priority objectives by

- ◆ increasing female training cohorts and participation rates in those areas where they are currently (2000) under-represented (in the 1994-99 period women were under-represented in a range of training and educational measures<sup>22</sup> while making due allowance for various factors particular to certain of these<sup>23 24</sup>)
- ◆ identifying 'problem areas' such as gaps in provision across the range of OP measures and advising on, or framing, actions to address them
- ◆ developing strategies to encourage equality of access, benefit and outcome for participants at third level and in education generally.

## 8.5 Horizontal or Cross-Cutting Objectives

As indicated at 4.2.5, the Operational Programme has three Horizontal or Cross-Cutting Objectives relating to Regionalisation, the Environment and Gender Mainstreaming.

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22 Jobstart, Job Initiative, Youthreach, Workplace; Back to Work Allowance Scheme, Back to Education Allowance Scheme (third level); Community Training Workshops, Community Youth Training schemes; Specific Skills Training, Skills Foundation, MLT/HTBS, Traineeships, Apprenticeships; Rural Enterprise courses, Management Development Grants, agriculture, horticulture and forestry, fisheries and food industry training courses

23 Early school leaving is, in the first instance, a male issue; 1997 ESRI School Leavers Study indicated that in 1997 13.8% of females but some 23.7% of males surveyed left school without a Leaving Certificate

24 In 1997/98 academic year 51.82% of entrants to universities and institutes of technology on certificate, diploma and degree programmes were female in gender

## ***8.6 Regionalisation***

At programme closure stage in 2006, it is expected that

- ◆ the existing relative deficits of the BMW region in the education, training and employment areas will be fully offset by interim growth patterns favouring that region and that
- ◆ this Operational Programme will have played an important role within the wider objectives of the CSF whereby the main differences between the BMW and S&E Regions are minimised if not eliminated.

## ***8.7 Environment***

The environmental measures supported under this Operational Programme (as summarised at 2.8.10 and detailed at Appendix II ) will contribute to

- ◆ increased public awareness amongst those at school, the unemployed and those at work of the importance of the environment and of the consequences of their actions in relation to it
- ◆ the provision of a range of environmental expertise required at various levels across the economy
- ◆ the restoration or preservation of buildings (or other heritage related locations) through the development of community-level projects
- ◆ the provision of environmental advice and audit services to small and medium-sized enterprises
- ◆ the provision of sector-specific environmental advice in training for such areas as farming, fisheries, aquaculture, forestry and tourism
- ◆ collectively, lending support to government action aimed at meeting its various EU and international obligations, e.g. Kyoto commitments, sector-specific measures as well as at cross-sectoral level, and measures relating to Industry, Agriculture, Forestry, Services (including State services) and Residential sectors.

## ***8.8 Gender Mainstreaming***

At Programme closure stage in 2006, it is expected that

- ◆ all possible measures and their related mainstreaming efforts will have effectively addressed or established prior gender bias such that

- ◆ the application of the mainstreaming approach over the period 2000-2006 will have made a significant contribution to the realisation of the equality of opportunity targets for men and women (as envisaged at 8.4 above).

## *Operational Programme Management, Implementation and Evaluation*

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In accordance with the provisions of Regulation 1260/99/EEC<sup>25</sup>, this chapter sets out the implementing provisions of the Operational Programme. The Managing Authorities and Paying Authorities, together with the principles governing their relationships with each other and the Member State, are set out in the National Development Plan and the Community Support Framework for Ireland 2000-2006.<sup>26</sup>

### *9.1 Operational Programme Management Structures*

Management of the Operational Programme will be the responsibility of the Managing Authority, under the control of the Operational Programme Monitoring Committee. The Managing Authority shall be responsible for the efficiency and correctness of management and implementation of the programme. The Operational Programme will be supervised by a Monitoring Committee. The Monitoring Committee will monitor all expenditure (both EU co-financed and non-co-financed expenditure) under the Operational Programme.

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<sup>25</sup> referred to as 'the Regulation' in this chapter unless otherwise stated

<sup>26</sup> The monitoring, financial management and evaluation provisions set out in this chapter legally apply only to the Community co-financed elements of the Operational Programme

### 9.1.1 Managing Authority

The Managing Authority for the Operational Programme will be the *Department of Enterprise, Trade and Employment*.

#### **Co-financed expenditure**

The responsibilities of the Managing Authority with regard to the management and monitoring of the EU co-funded element of the Operational Programme are defined under the relevant Articles of Council Regulation (EC) No 1260/1999. These include

- a chairing and providing the secretariat for the Monitoring Committee (Article 35.2)
- b assembling statistical and financial information required for monitoring the Operational Programme. The relevant information will be supplied to the Monitoring Committee and, in a computerised format to be determined by the Department of Finance in agreement with the European Commission, to the NDP/CSF Managing Authority (Department of Finance) and to the European Commission (Article 34.1)
- c drawing up the Annual Implementation Report for approval by the Monitoring Committee and submission to the Commission (Article 34.1)
- d after submission to the European Commission of the Annual Report, reviewing with the Commission and the Department of Finance the main outcomes of the previous year and preparing with the agreement of the Department of Finance the Member State's response to any recommendation from the Commission (Article 34.2)
- e organising in co-operation with the Commission, the Department of Finance and the CSF Evaluation Unit, the Mid-term Evaluation of the Programme (Article 42)
- f submitting payment claims to the Paying Authorities for the Structural Funds in compliance with any instructions which these authorities may issue
- g ensuring the correctness of operations financed under the assistance. This involves ensuring that the implementing bodies and final beneficiaries properly account for and manage EU-funded expenditure and that these bodies maintain a separate accounting system or an adequate accounting code for such expenditure
- h ensuring compliance with EU policies, particularly regarding competition policy, public procurement, publicity, the environment and equality (Article 34.1)

- i ensuring the preparation and implementation of an OP Communications Action Plan for Information and Publicity (Articles 34.1 and 46)
- j preparing the Programming Complement for approval by the Monitoring Committee and any subsequent adjustments to the complement (Article 34(3)).

### **Non-co-financed expenditure**

The Department of Enterprise, Trade and Employment will also carry out the responsibilities and functions above for non-co-financed expenditure under the OP, except for those at d, f and g which will apply exclusively to EU co-financed expenditure. For monitoring purposes, the Managing Authority will be required to produce information on expenditure which will include EU co-financed and non co-financed expenditure in a standard format as determined by the Department of Finance.

#### *9.1.2 Role of the Operational Programme Monitoring Committee*

### **Co-financed expenditure**

Under Article 35 of Council Regulation No 1260/99, the Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of EU co-financed expenditure. This will include, as appropriate

- ◆ approval of the Programming Complement, including the physical and financial indicators and project selection criteria, and any adjustments to it
- ◆ periodically reviewing progress towards achieving the specific objectives of the Structural Funds assistance
- ◆ examining the results of implementation, particularly achievement of the targets set for the different measures and the Mid-term Evaluation
- ◆ approval of the Annual Report and Final Implementation Report before their submission to the Commission
- ◆ considering and approving any proposal to amend the content of the Commission decision on the contribution of the Funds
- ◆ proposing to the Managing Authority any adjustments or review of the Structural Funds Assistance or improvements in the management of the Assistance;
- ◆ approval of amendments arising from a proposal to the Managing Authority on its own initiative.

The OP Monitoring Committee will decide the re-allocation of co-funded expenditure between measures within its OP while the NDP/CSF Monitoring Committee will make such decisions across OPs. Where the Monitoring Committee makes a decision to re-allocate Structural Funds from one measure to another, the corresponding matching national expenditure will, in principle, also be re-allocated. Any amendment to the contribution of the Funds and transfers among priorities within the OP will be decided by the European Commission, in agreement with the Member State (i.e. the Department of Finance) within four months of the Monitoring Committee's approval (Article 34.3).

### **Non-co-financed expenditure**

The Operational Programme contains a substantial element of non co-financed (mainly Exchequer) expenditure and measures. Reports on all such expenditure and measures will be integrated into the annual reports submitted to the Monitoring Committee and the NDP/CSF Monitoring Committee. It will be open to the Monitoring Committee to consider the progress and impact of such expenditure and to make recommendations in this regard to the Managing Authority, the relevant Implementing Department and the Department of Finance.

### **Rules and procedures of Monitoring Committee**

Subject to compliance with the principles set out in the foregoing paragraph, the Monitoring Committee will be responsible for drawing up its own rules of procedure and agreeing them with the Managing Authority.

#### *9.1.3 Establishment and Composition – Monitoring Committee*

The Monitoring Committee will be established by the Managing Authority no later than three months after the Commission decisions on the contribution of the Funds (Article 35.1). Membership of the Operational Programme Monitoring Committee will comprise representatives from

- ◆ the Managing Authority
- ◆ the Department of Finance
- ◆ Government Departments involved in implementation of Operational Programme measures
- ◆ the Special EU Programmes Body
- ◆ the new Regional Assemblies
- ◆ Regional Authorities
- ◆ Each of the four Social Partners Pillars

- ◆ appropriate statutory body (bodies) to represent each interest: equal opportunity, environment, poverty and rural development
- ◆ the Commission's representation (headed by a representative of the lead Directorate General for the assistance concerned), the Central Evaluation Unit, Equality Unit and the National Development Plan and Structural Funds Information Officer will serve on the Monitoring Committee in an advisory capacity.

In general, membership will be confined to representatives for each of the above interests. Where feasible and appropriate, membership of the OP Monitoring Committee will additionally contain representatives of implementing agencies and sectoral interests. Gender balance will be promoted on the Monitoring Committee. The Managing Authority will provide the chairperson for the Monitoring Committee.

#### *9.1.4 Horizontal Co-ordination of Employment Policy*

The National Development Plan provided for an Employment and Human Resources Co-ordinating Committee.

The primary role of the ESF for 2000-2006 is to support the achievement of Member States' labour market policy priorities as set out in their annual National Employment Action Plans. While this Operational Programme will contain over 80% of all ESF expenditure available within the Community Support Framework, the same Regulatory onus to relate the Funds to NEAPs objectives applies equally to other funded operational programmes, i.e. the Regional and PEACE Operational Programmes. Outside the Community Support Framework, the EQUAL Initiative is also expressly intended to provide further relevant support to NEAPs objectives.

#### *9.1.5 Role and Establishment of Employment Co-ordination Committee*

The role of the Co-ordinating Committee will be to bring together ESF co-funded and related employment/labour market interests to consider key policy issues or development in that field with a view to ensuring shared and consistent approaches and actions in such fields. It will not have a specific decision-making role.

The Co-ordination Committee will be a sub-committee of the Community Support Framework Monitoring Committee and will both report to the CSF Monitoring Committee and have its direct costs met through CSF Technical Assistance.

The Committee will be established on the basis of proposals to be put before the National Development Plan/Community Support Framework Monitoring Committee.

### *9.1.6 Co-operation with Regional, County and other Local Bodies*

The EU Operational Committees of the NUTS III Regional Authorities will review the implementation in their areas of this Operational Programme. Membership of the EU Operational Committee will include the Managing Authority. The EU Operational Committees of the Regional Authorities will consider progress and financial reports on this Operational Programme. It will be the responsibility of the Managing Authority to provide progress and financial reports on this Operational Programme to the NUTS III Regional Authorities having regard to the relevant conclusions and recommendations in the Report on the Working Group on the Role of Regional Authorities of January 1998.

It will be increasingly important (as the County Development Board process, designed to improve co-ordination at county level between various public service providers, evolves over the programme period) that Operational Programme implementation bodies co-operate effectively throughout this process. To this end, the Managing Authority will consult from time to time with the Director being appointed by the Minister for the Environment and Local Government and inform implementing bodies and the Monitoring Committee as required.

The Managing Authority will also consult, as appropriate and necessary, with regional or local bodies (e.g. Territorial Employment Pacts, Social Economy projects etc.) active in the employment or training fields and advise the Monitoring or Co-ordination Committee, as appropriate, of the outcome of such contacts.

### *9.1.7 Organisation Chart*

The organisation chart at Appendix VII summarises graphically the various relationships detailed in this chapter

## ***9.2 Operational Programme Financial Management, Control and Audit***

### *9.2.1 Independent Audit Arrangements*

The system-based audits of EU co-financed expenditure required under Article 3.1 (a) of Commission Regulation 2064/97 will be performed by an Internal Audit Unit at each level in the cascade of bodies – Implementing Departments/Agencies, Managing Authority and Paying Authority – which will be independent of the Sections/Units within those bodies responsible for the management and payment of the Structural Funds Assistance.

Financial Control Units will be established for each Structural Fund. The Control Unit will be responsible for random audit checks of Fund-related expenditure. These Control Units may also examine financial management, control and system procedures within Departments, Implementing Agencies and final beneficiaries.

The flowchart at Appendix VII outlines the certification and verification procedures to be put in place and, together with the organisation chart, specifies where responsibility lies.

When the Structural Funds Assistance is wound up the Head of the appropriate Internal Audit Unit of the relevant Paying Authority will be responsible for presenting to the Commission a declaration summarising the conclusions of the checks carried out during previous years and shall assess the validity of the application for payment of the final balance and the legality and regularity of the transactions covered by the final certificate of expenditure [Article 38.1 (f) of the General Funds Regulation].

### *9.2.2 Financial Management and Control arrangements*

Without prejudice to the Commission's responsibility for implementing the general budget of the European Communities, Ireland shall take responsibility in the first instance for the financial control of assistance. Financial management and control will involve a series of interlocking certification and verification operations across different tiers of management. The specific roles and responsibilities of these different tiers are outlined in this chapter. Management and financial provisions may require adjustment in order to comply with any future rules enacted under Art 53 (2) of Regulation 1260/99.

Where the designated Managing Authority and Paying Authority is the same body, complete separation of the two functions will be ensured.

### *9.2.3 Paying Authority*

The Paying Authority for this OP is the Department of Enterprise, Trade and Employment. The functions and responsibilities of the Paying Authority relate only to Structural Funds co-financed expenditure. The Paying Authority will be responsible for

- ◆ submitting not later than 30 April of each year expenditure forecasts to the Commission for the current and following year (Article 32.7)
- ◆ managing the payment on account of Funds
- ◆ drawing up and submitting certified payment applications to the Commission on the basis of expenditure actually incurred by the final beneficiaries

- ◆ making sure that the final beneficiary receives the EU contribution as quickly as possible (Article 32.3) and final (Article 32.4)
- ◆ recovering sums due to the Funds and for applying financial corrections where they arise as a result of the discovery of administrative errors, or from events arising from the management of the programmes or from the establishment of irregularities under Article 39.

The Paying Authority will, on behalf of the Member State, be responsible for ensuring that the Managing Authority exercises its responsibilities in relation to the Implementing Bodies for ensuring that payments are legal and regular, and for preventing and detecting irregularities. It will certify that expenditure declarations are accurate and resulting from accounting systems based on verifiable supporting documentation (Article 38.1 a, c, d and e, Council Regulation 1260/99). The Paying Authority will require the Managing Authority to provide adequate assurance that Community rules are being complied with before claims are certified and submitted to the Commission.

#### *9.2.4 Role of Managing Authority*

The Managing Authority will have primary responsibility for the correctness of management and implementation of those operations under the Operational Programme financed by Structural Funds (Article 34.1, Council Regulation 1260/99). It is responsible for gathering reliable information, ensuring proper accounts are kept, that the operations are correct and that Community rules are complied with.

The Managing Authority will establish internal controls to ensure sound financial management of EU co-financed expenditure. The tasks of financial management and general management of the Operational Programme will be carried out by separate sections/units within the Managing Authority. It will ensure that the implementing bodies and final beneficiaries are fully informed of their responsibilities in relation to financial management of EU co-financed expenditure under Council Regulation 1260/99, as amended. It will ensure compliance with Community rules in relation to public procurement. The Managing Authority will, subject to any guidance which may issue from the Paying Authority, undertake appropriate spot checks of source documentation supporting payment claims before authorising each expenditure claim and forwarding it to the Paying Authority.

#### *9.2.5 Implementing Bodies*

The Implementing Bodies for each measure will be specified in the Programme Complement. The Managing Authority may delegate part of its functions in relation

to management of EU co-financed expenditure to Implementing Bodies providing it is assured that sound financial management systems are in place. In that event, the delegated function and normal functions of the Implementing Body will be carried out by separate Sections/Units within the Implementing Body. The Implementing Bodies will be responsible for submitting eligible expenditure in the format (both electronic and hard copy) required by the Paying Authority to the Managing Authority in order for payment claims to be prepared for submission to the Paying Authority. In respect of ESF funds the Implementing Departments/Agencies will, for the purpose of drawing down EU funds, report expenditure through the Managing Authority .

The Implementing Departments/Agencies will be responsible for ensuring that all payment claims for Structural Fund expenditure submitted by the final beneficiary are supported with receipted invoices, audit documents and that a clear audit trail exists. They will also be responsible to ensure that only eligible expenditure actually incurred, in respect of co-financed measures/projects, is submitted to the Managing Authority. The Implementing Body is responsible for certification of all expenditure incurred by final beneficiaries. It will be the responsibility of the Managing Authority or Implementing Body which may be delegated this function on its behalf to ensure that control checks are carried out on at least 5% of expenditure transactions (Article 3.1(b) and 3.2 of Commission Regulation 2064/97). These controls will be carried out by units that are independent of the management function.

#### *9.2.6 Final Beneficiaries*

The final beneficiaries will be responsible for ensuring that only actual eligible expenditure incurred, and expenditure which comes under the terms of the project as approved by the Implementing Body, is submitted. They will be required to ensure that a clear audit trail exists in relation to EU funds and that all claims are supported by receipted invoices or, where this cannot be done, by accounting documents of equivalent probative value.

#### *9.2.7 Use of euro*

The euro must be used for all grant letters of offer, project approvals, and payment claims in respect of EU co-financed expenditure (Article 33, Council Regulation 1260/99). All financial reports in respect of both EU co-financed and non-co-financed expenditure must be in euro. Paying Authorities may issue Structural Funds payments received in IR£ during the period to 1 January 2002. Equally, payments issued by the Managing Authority and Implementation bodies up to that date may also be in IR£.

### *9.2.8 Irregularity Reporting*

The Department of Finance will be responsible for reporting irregularities, notified to them by the Managing Authorities, to the Commission [Article 38.1(e) of Council Regulation 1260/99].

## *9.3 Operational Programme Implementation*

The implementation of measures and sub-measures in the Operational Programme will be carried out by Implementing Bodies set out in the Programme Complement.

### *9.3.1 Programme Complement Stage*

The Programme Complement (Article 18.3 of the General Funds Regulation) will set out for each measure

- ◆ details of the measures under the Operational Programme Priorities
- ◆ main objectives of the measure
- ◆ ex-ante evaluation of the measures in accordance with Article 41.3, quantified where they lend themselves to quantification and indicators
- ◆ designation, as appropriate, of Implementing Body, Managing Authority and Paying Authority
- ◆ nature of the aid available, e.g. grant, loan, training course etc., stating maximum aid rates or amounts as appropriate
- ◆ operation of scheme, e.g. does it operate in tranches, cycles of particular duration, annual allocations etc.
- ◆ project selection criteria (Article 35.3)
- ◆ composition of Project Selection Boards (where they exist)
- ◆ the types of final beneficiary
- ◆ an indicative financial plan which will include EU co-financed and non-co-financed expenditure in a standard format as determined by the Department of Finance
- ◆ details of the budgetary provision and arrangements for expenditure whether co-financed or non-co-financed including a description of the financial flows
- ◆ the information and publicity arrangements

- ◆ arrangements between the Commission and the Member State for the computerised exchange of data
- ◆ an indication of the scope for North-South Co-operation.

The Implementing Bodies will be required to ensure effective implementation of their measures and their full compliance with the Structural Funds Regulation, particularly those concerning financial management control, publicity and public procurement.

### *9.3.2 Integrated Data Management System*

Article 18 of Council Regulation No 1260/99 requires that Operational Programmes contain a description of the arrangements agreed between the Commission and the Member State for the computerised exchange, where possible, of data required to fulfil the management, monitoring and evaluation requirements in respect of Structural Funds assistance. A computerised system is being developed in the Department of Finance for this purpose. The system will be used to monitor all National Development Plan expenditure and associated indicators. Information will be collected and codified at project level for ERDF, the Cohesion Fund, and Community Initiatives and other non EU co-funded capital projects and at measure level for other Structural Funds. With respect to codification, the Managing Authorities will furnish with the Programming Complement the link between each measure and the corresponding category(ies) in the Commission's list of fields of interventions. The system will facilitate the collection of financial information on a monthly basis and physical monitoring on a quarterly basis. Data will be input by the implementing bodies and mechanisms are being developed to support data transmission from implementing bodies.

The NDP/Structural Funds computer system is designed to support programming, financial and physical monitoring and the making and monitoring of payments. It is based on a client/server application giving Government Departments and the Regional Assemblies access to a central database. All required financial and physical progress information, appropriately codified, including annual reports to enable the European Commission to fulfil its responsibilities under the Structural Funds Regulations, will be relayed electronically to the Commission by the Managing and Paying Authorities, as appropriate. The frequency of electronic transmission will conform to the management requirements as agreed between the Commission, the Managing Authority and the Department of Finance.

Because it is intended to use the same integrated data management system for all Operational Programmes (as well as for management, monitoring and evaluation data purposes), the Department of Enterprise, Trade and Employment, as ESF Paying Authority and as Managing Authority for the OP, will develop the system in conjunction with the Department of Finance both in relation to its development

and deployment. This process is designed to ensure that the system addresses ESF in accordance with its required needs as well as providing an integrated functional basis for National and OP-level management of ESF assistance.

### *9.3.3 Measure Delivery and Market-Driven Approach*

The basic delivery model for all substantive measures and sub-measures under this programme is multi-annual delivery of the individual measures/sub-measures of the Operational Programme by specified public implementing body/bodies. These bodies will be specified in the Programme Complement.

The Operational Programme Monitoring Committee may subsequently approve implementation by other bodies or agencies put forward by the implementing body/bodies provided the arrangements maintain the overall responsibility of the implementation body in question and ensure that financial and management information and control obligations will continue to be met as required.

Changes in delivery arrangements for given co-financed measures or sub-measures may also be decided by the Operational Programme or the Community Support Framework Monitoring Committees particularly in the context of decisions which may be made on the recommendations made on the *Study on the Scope for Increased Use of a Market Driven Approach in Delivery of Human Resources in the Education and Training Fields* completed for the Department of Enterprise, Trade and Employment ESF Evaluation Unit in June 2000 by Fitzpatrick Associates Ltd. The Study arose from decisions taken by the 1994-1999 CSF Monitoring Committee in the context of the Mid-Term review of the Human Resources Development Operational Programme. The commissioning of the study reflected a concern to establish more fully whether and to what extent there was scope for increased use of competitive or market-based delivery processes within the education and training sectors for more effective implementation of programme measures. In line with the terms of reference (see Appendix VI), the completed study addresses this issue in terms of practice in several other countries including a number of EU Member States.

Given the cross-Departmental scope and nature of the report, it is intended that the report and its recommendations should firstly be considered by government and published. The Managing Authority will also put the report before the Operational Programme's Monitoring Committee and provide it to the CSF Managing Authority for consideration by the NDP/CSF Monitoring Committee in accordance with the procedures set out in 9.5.4.

### *9.3.4 Eligibility of Co-Funded Measure Expenditure*

In accordance with Art. 30 of the General Funds Regulation, expenditure in co-financed measures is eligible for Community support only where these operations

or measures form part of the approved programme. The starting date for the eligibility of expenditure for the Operational Programme is 1 January 2000. Expenditure incurred before that date is not eligible for support from the structural funds under this Operational Programme.

The Community assistance concerns expenditure on operations under this programme which are the subject of legally-binding commitments and for which the requisite finance has been specifically allocated no later than 31 December 2006. The final date for taking account of expenditure on foot of these commitments is 31 December 2007.

Common rules on the eligibility of specific forms of expenditure are to be set out in a forthcoming Commission Regulation laying down detailed rules for the implementation of the Regulation as regards eligibility of expenditure of operations co-financed by the Structural Funds (pursuant to Art. 53.2 of the General Funds Regulation).

#### *9.3.5 Annual Report*

In accordance with Art. 37 of the General Funds Regulation, the Managing Authority will submit to the Commission within six months of the end of each full calendar year of implementation an Annual Implementation Report. The Report must be examined and approved by the Monitoring Committee before it is sent to the Commission. Once the Commission has received the Report, it shall indicate within a period of two months if the Report is considered unsatisfactory, giving its reasons; otherwise, the Report shall be deemed to be accepted.

The Annual Report shall include the following information

- ◆ Any change in general conditions which is of relevance to the implementation of the programme, in particular the main socio-economic trends, changes in national, regional or sectoral policies or in the frame of reference (i.e. the document which sets the context for assistance concerning employment and human resource development throughout Ireland, and which identifies the relationship with the priorities set out in the National Action Plan for Employment), and, where applicable, their implications for the mutual consistency of assistance from the different Funds and consistency between Fund assistance and that from other financial instruments.
- ◆ The progress in implementation of priorities and measures for each of the Funds in relation to their specific targets, with a quantification, wherever and whenever they lend themselves to quantification, of the physical indicators and indicators of results and of impact referred to in Article 36 at the appropriate level (priority or measure).

- ◆ The financial implementation of the programme summarising for each measure the total expenditure actually paid out by the paying authority and a record of the total payments received from the Commission and quantifying the financial indicators referred to in Article 36.2.c.
- ◆ Financial implementation of the EAGGF Guidance Section for the measures referred to in Art. 33 of Council Regulation (EC) No 1257/1999 will be presented at the level of the total amount of the financial implementation (Applies to Regional OPs only).
- ◆ The steps taken by the Managing Authority and the Monitoring Committee to ensure the quality and effectiveness of implementation, in particular:
  - monitoring, financial control and evaluation measures, including data collection arrangements;
  - a summary of any significant problems encountered in managing the programme and any measures taken, including action on recommendations for adjustments made following the review between the Commission and the Member State or requests for corrective measures;
  - the use made of Technical Assistance;
  - the measures taken to ensure publicity for the programme.
- ◆ The steps taken to ensure compatibility with Community policies and to ensure co-ordination of all the Community Structural Assistance, having regard to the frame of reference and rural development and fishery structures
- ◆ A separate section, where appropriate, on the progress and financing of major projects and global grants.

#### *Non-co-financed expenditure*

In accordance with the integrated approach to monitoring and evaluation as provided for in Section 5.3 of the CSF, similar information in regard to financial and physical progress will be included in the Annual Report in respect of non-co-financed expenditure.

##### 9.3.5.1 Format of Annual Report

The Annual Report submitted to the Commission will distinguish clearly between co-financed and non-co-financed expenditure.

##### 9.3.6 Annual Review

In accordance with Art. 34.2 of the General Funds Regulation, every year, when the Annual Implementation Report is submitted, the Commission shall review the main outcomes of the previous year with the Managing Authority and the Department of Finance.

After this review, the Commission may make comments to the managing authority and the Department of Finance. The Managing Authority, with the agreement of the Department of Finance, shall inform the Commission of the action taken on these comments. Where in duly substantiated cases the Commission considers that the measures taken are inadequate, it may make recommendations to the Managing Authority for adjustments aimed at improving the effectiveness of the monitoring or management arrangements for the programme, together with the reasons for any such recommendations. If it receives any such recommendations, the Managing Authority, with the agreement of the Department of Finance, shall subsequently demonstrate the steps taken to improve the monitoring or management arrangements or it shall explain why such steps have not been taken.

In accordance with Art. 32.3, the degree to which the National Authorities have acted upon the Commission recommendations within the specified time period (or have communicated the reasons why no measures have been taken), where those recommendations are intended to remedy serious shortcomings in the monitoring or management system which undermine proper financial management of the programme, is one of the conditions subject to which interim payments shall be made by the Commission.

## ***9.4 Operational Monitoring Indicators***

### *9.4.1 Indicators*

The identification and reporting of suitable indicators is an essential management element in the Community Support Framework and its operational programmes. Such indicators are required in principle at CSF, priority if not OP and at measure/sub-measure levels at regular intervals over the implementation period. Indicators are reported to appropriate monitoring committees and are included in annual reports.

### *9.4.2 Community Support Framework Indicators*

A widely-drawn set of 37 groups of indicators were agreed in the Community Support Framework context to characterise progress across and within the various Operational Programmes for the Community Support Framework Monitoring Committee. Table 22 sets out the eight indicators relating specifically to this Operational Programme which are to be reported by the Management Authority. Other more macroeconomic indicators to be reported by the Central Evaluation Unit will be used to interpret progress on several Operational Programmes.

Table 22. Operational Programme Level Indicators for CSF Reporting

Indicator Ref. No	Proposed Indicator	Level	Gender	Year	Source	Baseline Position	2006 Forecast/Target
22	Potential Labour Supply Indicator (S3) <sup>27</sup>	National	Total	3-5/99	QNHS	10.3%	Monitor only: no target/ fcast
22(a)		National	Male	3-5/99	QNHS	8.7%	
22(b)		National	Female	3-5/99	QNHS	12.3%	
22(c)		BMW	Total	3-5/99	QNHS	11.3%	
22(d)		S&E	Total	3-5/99	QNHS	9.9%	
23	Labour Force Participation Rate	National	Total	3-5/99	QNHS	66.3%	Monitor only
23(a)		National	Male	3-5/99	QNHS	78.3%	
23(b)		National	Female	3-5/99	QNHS	54.3%	
23(c)		BMW	Total	3-5/99	QNHS	63.9%	
23(d)		S&E	Total	3-5/99	QNHS	67.2%	
24	Vacancy rate <sup>28</sup>	National	N/A	1998	ESRI Survey - FÁS & FORFÁS	6%	Monitor only: no target/ fcast
25	Rate of inflow into Long-Term Unemployment	National	Total	10/99	CSO-Live Reg Duration Anal.	21%	Monitor only: no target/ fcast
25(a)		National	Male	10/99		23%	
25(b)		National	Female	10/99		19%	
25(c)		BMW	Total	10/99		20%	
25(d)		S&E	Total	10/99		22%	
26	% of School Leavers with a Leaving Cert or equivalent	National	Total	1997	ESRI Annual School Leavers Survey	81%	90%
26(a)		National	Male	1997		76.3%	
26(b)		National	Female	1997		86.2%	
26(c)		BMW	Total	1997		84%	
26(d)		S&E	Total	1997		80%	
27	School Leavers with Leaving Cert or equivalent Transfer Rate to Post 2nd Level Education or Training	National	Total		ESRI Annual School Leavers Survey		B'line N/A; only progression to 3rd level

27 Unemployed plus marginally attached plus others not in education who want to work plus underemployed part-time workers as a % of the labour force plus marginally attached plus others not in education who want to work

28 Number of vacancies in the private non-agricultural sector of the economy as a percentage of the total labour requirements of that sector of the economy

Table 22. Operational Programme Level Indicators for CSF Reporting contd.

Indicator Ref. No	Proposed Indicator	Level	Gender	Year	Source	Baseline Position	2006 Forecast/ Target
27(a)		National	Male				
27(b)		National	Female				
27(c)		BMW	Total				
27(d)		S&E	Total				
28	Educational Attainment level of working age population				CSO/QNHS		
	ISCED 0-2	National	Total	3-5/99		44%	35%
		National	Male	3-5/99		46%	
		National	Female	3-5/99		41%	
		BMW	Total	3-5/99		52%	
		S&E	Total	3-5/99		41%	
	ISCED 3-5	National	Total	3-5/99		44%	51%
		National	Male	3-5/99		41%	
		National	Female	3-5/99		47%	
		BMW	Total	3-5/99		40%	
		S&E	Total	3-5/99		45%	
	ISCED 6-7	National	Total	3-5/99		11%	14%
		National	Male	3-5/99		11%	
		National	Female	3-5/99		10%	
		BMW	Total	3-5/99		7%	
		S&E	Total	3-5/99		2%	
29	Female Workers Conc. Ratio in Five Male-Dominated <sup>29</sup> Sectors	National	N/A	3-5/99	QNHS/CSO	22%	Monitor only: no target/ fcast set
		BMW	N/A	3-5/99	QNHS/CSO	21%	
		S&E	N/A	3-5/99	QNHS/CSO	22%	

#### 9.4.3 Priority Indicators

The Priority indicators at Table 23 will be used in Annual Reports and in reporting to the Monitoring Committee (see also section 2.8.11). Given the commitment to use extensive CSF and measure-level indicators, a broader approach has been taken at this level – the indicators selected are designed to give an overview of progress at priority level as well as combining contextual indicators (agreed for monitoring both the EU Employment Guidelines and the NEAPs) with the Core Minimum Monitoring Indicators reflecting measure/sub-measure progress (see 9.4.4).

<sup>29</sup> Sectors are Construction; Agriculture, Forestry and Fishing; Transport, Storage and Communication; Other Production Industries and Public Administration, Defence and Social Security

**Table 23. Priority Level Indicators for Operational Programme Reporting**

Indicator	Baseline 1999	Target/ForeCast 06	Source and Frequency
<b>Employability</b>			
<i>Employment</i> People Benefiting Directly – All Measures	Year 2000		Implem. Body returns – quarterly
Benefiting Directly - Co-Financed Measures	Year 2000		Implem. Body returns – quarterly
<b>Mobilisation Potential</b>			
Labour Supply	Male	8.7% (3-5/99)	Monitor only: no target/f'cast set
	Female	12.3% (3-5/99)	Monitor only
	BMW	11.3% (3-5/99)	Monitor only
	S&E	9.9% (3-5/99)	Monitor only
Labour Force Participation Rate <sup>30</sup>	Male	78.3% (3-5/99)	Monitor only
	Female	54.3% (3-5/99)	Monitor only
	BMW	63.9% (3-5/99)	Monitor only
	S&E	67.2% (3-5/99)	Monitor only
<b>Preventive and Social Inclusion</b>			
Rate of LTU Inflow	Male	23% (10/99)	Monitor only
Duration Analysis	Female	19% (10/99)	Monitor only
Duration Analysis	BMW	20% (10/99)	Monitor only
Duration Analysis	S&E	22% (10/99)	Monitor only
<b>Entrepreneurship</b>			
Entrepreneurship In-Company Training	Year 2000		Implem. body returns – quarterly
No. Firms Supported	Year 2000		Projections to be agreed with implem. bodies
Projected Annual Man Days of Training under OP for those in employment in SMEs			
Social Economy			
No. Projects Supported	Year 2000		Implem. body returns – quarterly
No. employed in Projects Supported	Year 2000		Implem. body returns – quarterly
<b>Adaptability</b>			
Literacy Indicator*			See * below
Educational attainment rate <sup>31</sup>	Year 2000		Labour Force Survey-annual
Participation Rate in Education and Training <sup>32</sup>	Year 2000		Labour Force Survey-annual

30 including age-group breakdowns (15-24, 25-54 and 55-64) for total, male and female

31 % of population having achieved upper secondary level by gender and age group (25/34, 35/44, 45/64)

32 % of population participating in education and training by gender, age (as above), and work status (employed, unemployed and inactive)

**Table 23. Priority Level Indicators for Operational Programme Reporting contd.**

Indicator	Baseline 1999 Employability	Target/Forecast 06	Source and Frequency
<b>Equality</b>			
Absolute Gender Employment Gap <sup>33</sup>	22.2		LFS-annual
Absolute Gender Unemployment Gap <sup>34</sup>	(QNHS-Q4/99)		LFS-annual

\*An appropriate literacy indicator (e.g. number of adults advancing beyond OECD Level 1 Literacy) as well as targets for 2003 and 2005 is to be agreed between the Managing Authority and the Department of Education and Science.

#### 9.4.4 Core Minimum Monitoring Indicators

The Human Resources Development Operational Programme 1994 to 1999 required *all* measure and sub-measure implementing bodies to report progress using a short standard set of indicators. This allowed for aggregation across measures and yielded meaningful higher level indicators at priority level and higher. The resulting overview facilitated effective ongoing monitoring and evaluation of the Operational Programme in the interests of all involved.

The framework of Monitoring indicator types consists of

- ◆ Resource/Input (financial)
- ◆ Output (physical ‘volume’ of what is produced)
- ◆ Result (direct and immediate effects resulting)
- ◆ Impact/Outcome (medium or long-term ).

To maintain the advantages of the previous arrangement, the ‘core minimum’ indicators at Tables 24 through 27 will, in principle, need to be provided by all possible measures/sub-measures under each pillar priority of this Operational Programme.

33 difference in Employment rates between men and women (%points)

34 difference in unemployment rates between men and women (%points)

**Table 24. Measure/Sub-Measure Core Minimum Monitoring Indicators - Employability**

Indicator Type	Quality Measured	ESF Co-financed	Non-Co-financed	Frequency <sup>35</sup>
<b>Assistance to People</b>				
Resource	Funding			Monthly
Output	Analysis of Participants <sup>36</sup>			Quarterly
Results	No. of Completions With Certification			Quarterly
	% Going Directly To Employment			Quarterly
Impact	Follow-up Status <sup>37</sup>			Annual (ex '02)
<b>Assistance To Systems and Structures</b>				
Resource	Funding			Monthly
Output	No. of Young People Assisted < 6 Months Unemployed <sup>38</sup>			Quarterly
	No. of Adults Assisted < 12 Months Unemployed <sup>39</sup>			Quarterly
Results	% of Young People Directly Placed <sup>40</sup>			Quarterly
	% of Adults Directly Placed <sup>41</sup>			Quarterly
Impact	Follow-up Status <sup>42</sup>			Annual (ex '02)

**Table 25. Measure/Sub-Measure Core Minimum Monitoring Indicators - Entrepreneurship**

Indicator Type	Quality Measured	ESF Co-financed	Non-Co-financed	Frequency <sup>35</sup>
<b>Assistance to People</b>				
Resource	Funding			Monthly
Output	No. of Firms Supported <sup>43</sup>			Quarterly
	No. of Employees Trained In Above <sup>44</sup>			Quarterly
Results	% Firms Appointing In-House Trainer			Quarterly
	% Employees Receiving/Pursuing Certification <sup>45</sup>			Quarterly
Impact	Follow-up Status <sup>46</sup>			Annual (FÁS and EI)

35 frequency provided through requirements of integrated data management system

36 by throughput, gender, age, prior labour market status and prior educational attainment

37 follow-up status variables and timing to depend on outcome of proposals at 9.4.6

38 by gender

39 by gender

40 on each of training courses, education and employment

41 as at 38

42 as at footnote 35

43 by no of employees (Standard SME Employment bands up to 250)

44 by gender

45 by gender

46 indicate if in-house trainer in place and number by which total employment has increased

**Table 25. Measure/Sub-Measure Core Minimum Monitoring Indicators - Entrepreneurship** contd.

Indicator Type	Quality Measured	ESF Co-financed	Non-Co-financed	Frequency <sup>35</sup>
<b>Assistance to Projects (Social Econ.)</b>				
Resource	Funding			Monthly
Output	Number of Projects			Quarterly
	Analysis of Direct Participants <sup>47</sup>			Quarterly
Results	% of People Employed <sup>48</sup>			Quarterly
Impact	No. of Viable Projects <sup>49</sup>			Annual

**Table 26. Measure/Sub-Measure Core Minimum Monitoring Indicators - Adaptability**

Indicator Type	Quality Measured	ESF Co-financed	Non-Co-financed	Frequency <sup>35</sup>
<b>Assistance to People</b>				
Resource	Funding			Monthly
Output	Analysis of Participants <sup>50</sup>			Quarterly
Results	No. of Completions with Certification			Quarterly
	% Going Directly To Employment <sup>51</sup>			Quarterly
Impact	Follow-up Status <sup>52</sup>			Annual (ex '02)

**Table 27. Measure/Sub-Measure Core Minimum Monitoring Indicators - Gender Equality**

Indicator Type	Quality Measured	ESF Co-financed	Non-Co-financed	Frequency <sup>35</sup>
<b>Assistance to People, Systems and Projects</b>				
Resource	Funding			Monthly
Output	No. of Cases Identified for Attention			Quarterly
Results	No. of Cases with Positive Results <sup>53</sup>			Quarterly
Impact	Net % Increase in Female LF Participation			Annual

#### 9.4.5 Measure Indicators

In addition to the core minimum monitoring indicators above, the Programme Complement will include further, more measure-specific performance indicators

<sup>47</sup> by throughput, gender, age, prior labour market status and prior educational attainment

<sup>48</sup> by gender

<sup>49</sup> number of projects in existence one year after last OP support

<sup>50</sup> by throughput, gender, age, prior labour market status and prior educational attainment

<sup>51</sup> by gender

<sup>52</sup> as at footnotes 35 and 40

<sup>53</sup> where attention/action improved the net equal opportunity situation for those directly concerned

where it is considered that the core minimum would not adequately capture the progress of individual measures or sub-measures. In general, no more than two indicators in each of the three performance indicator categories (output, result and impact) will be included. In the case of each measure or sub-measure, one indicator (probably a result indicator) will be designated a key management indicator. These key management indicators will be used to inform decisions in relation to the performance reserve (see 9.5.6) and to provide an overview of OP progress to meetings of the Monitoring Committee. The indicators will be formulated in terms of a quantified baseline position (for 2000), a mid-term target (2003) and a final target (2006).

The new integrated data management system is likely to provide a variety of standard data which has not previously been accessible for evaluation purposes, e.g. the county (sub-NUTs III) level of training or education for each beneficiary: analyses of data on such new variables are likely to provide new perspectives on the utility and impact of programmes.

#### *9.4.6 Leavers Surveys*

The undertaking of Leavers Surveys, primarily for impact indicator purposes, was a required procedure under the 1994-1999 Community Support Framework. Under reporting arrangements put in place for the Operational Programmes containing ESF assistance, delivery agencies collected follow-up data on all programmes once a year and reported it to the relevant Monitoring Committees. However, without prejudice to the need to maintain a continuation of all such relevant surveys, a wide range of different approaches has been adopted by different Departments and Agencies; in certain cases, no Leavers Surveys at all were undertaken or were carried out only intermittently.

Building on the inventory of surveys undertaken by the PEU in 1999, it is intended that the follow-up of former participants on measures supported under the Operational Programme should be undertaken annually using a standard methodological framework and timeframe for all Implementing Bodies charged with implementing co-funded measures. This approach would be put in place with a view to survey results being available for inclusion in the Annual Implementation Reports required under the Structural Funds Regulations (but in any event no later than 2002). The development of the standardised methodology to be used will be overseen by the Central Evaluation Unit (see 9.5.2 below) through the Technical Assistance Programme. To minimise delay in setting up a homogenous system the Managing Authority will seek to ensure that the Central Evaluation Unit prioritises the undertaking of the methodological study.

The conduct of Annual Leaver Surveys will continue to be shared between the Departments concerned and their implementing bodies. The Central Evaluation Unit will have an important role in interpreting annual survey results.

The need for impact data on the status of beneficiaries also arises within each pillar under the 'core minimum' Monitoring Indicators set for the Programme (see 9.4).

## ***9.5 OP Evaluation***

### *9.5.1 Evaluation*

In order to gauge its effectiveness, Community structural assistance shall be the subject of evaluation, designed to appraise its impact with respect to the objectives set out in Article 1 of Regulation 1260/99 and to analyse its effects on specific structural problems. Arrangement for ongoing, mid-term and ex-post evaluation are set out in detail in the Community Support framework. The National Development Plan and the CSF will be subject to the same evaluation arrangements. Arrangements for ongoing, mid-term and ex-ante evaluation are set out in detail in the Community Support Framework.

### *9.5.2 Ongoing Evaluation*

All ongoing evaluations will be carried out or commissioned by a Central Evaluation Unit under the general control of the Technical Assistance Monitoring Committee. The Central Evaluation Unit will also be available to offer technical advice and will provide an ongoing evaluation input to the work of the Managing Authorities and Monitoring Committees in relation to the development of performance indicators and evaluation generally (including interpretation of data and of follow-up surveys undertaken in the monitoring process at OP level).

The Equality Unit in the Department of Justice, Equality and Law Reform will advise on the development of equality indicators at Operational Programme and measure level and will offer advice in relation to the promotion of gender mainstreaming. The Department of Environment and Local Government will advise on the development of measure indicators in relation to environmental integration.

Having regard to the significant level of ESF funding and to linkages between the National Development Plan, Community Support Framework and the National Action Employment Plan a discrete ESF Evaluation function will be included in the Central Evaluation Unit. While reporting to the head of the new Unit, part of the Unit will be dedicated to ESF Evaluation work under the aegis of the Department of Enterprise, Trade and Employment.

### *9.5.3 Co-ordination of Evaluations*

While the Technical Assistance Monitoring Committee will decide the content of the work programme, small Steering Committees will be established to set the terms of reference for individual evaluations provided for in the work programme and to exercise quality control in relation to them. The Steering Committees will comprise the Department of Finance, the relevant Managing Authorities and implementing bodies and a technical expert, as appropriate. The Department of Enterprise, Trade and Employment will chair the Steering Committee for evaluations in relation to Employment and Human Resources.

### *9.5.4 Response and Follow-up to Recommendations*

The Managing Authority will consult with the relevant implementing bodies covered by the evaluation recommendations relevant to the Operational Programme as to how they propose to address the recommendations. The Managing Authority will then submit a response paper to the Monitoring Committee for approval, addressing all the recommendations. The Monitoring Committee will exercise its discretion whether to implement the response as proposed or to vary the response. Where evaluations of horizontal themes have been commissioned and the recommendations address horizontal issues, the Managing Authority for each operational programme will follow the above procedure in respect of those recommendations of relevance to their programme.

The Managing Authority will report to each Monitoring Committee meeting the progress achieved in implementing decisions of the Monitoring Committee on evaluation recommendations where the Monitoring Committee has determined that a specific course of action is necessary. This report will be regularly updated for each evaluation report recommendation until such time as the Committee's decision is fully implemented or unless the Monitoring Committee otherwise decides.

### *9.5.5 Mid-Term Evaluation*

The Mid-term Evaluation of the Operational Programme will be carried out in partnership between the Commission, the Member State and the Managing Authorities as required under Article 42 of the General Structural Funds Regulation. External evaluators will be commissioned by the Managing Authority to carry out the evaluation. The arrangements for the Mid-term Evaluation of the Operational Programme will be co-ordinated through the Technical Assistance Monitoring Committee comprising the Managing Authorities and representatives of the European Commission. The evaluation will be organised by the Managing Authority. The Managing Authority will set up a small Steering Committee comprising the Managing Authority, the Commission, the Department of Finance, the Central Evaluation Unit and the Implementing Departments and a technical

expert, as appropriate, to oversee the evaluation. In particular it will ensure close co-ordination with the work undertaken in the framework of the ongoing evaluation. The results of Mid-term Evaluation should be made available by 31 December 2003 in order to inform decisions on any adjustment to be made to the NDP/CSF and the OPs. These results will be updated by 31 December 2005.

#### *9.5.6 Performance Reserve*

Under Articles 7(5) and 44 of the General Structural Funds Regulation, 4% of commitment appropriations must be retained for allocation to operational programmes and priorities which are considered successful following the Mid-term Review. The performance reserve for Ireland's Objective 1 Region and Objective 1 Region in Transition is €55 million and €79 million in current prices respectively. The indicative financial plan in the Community Support Framework for Ireland does not include a provisional allocation of the performance reserve appropriations.

These commitment appropriations will be allocated by the Commission not later than 31 March 2004 on the basis of agreed criteria and in close consultation with the Irish authorities. In this regard, the Irish authorities will establish a set of performance indicators to provide the basis for the allocation of the performance reserve. These will be drawn up at Operational Programme and Programme Complement level, as appropriate, and will reflect the Commission's indicative list of performance indicators. The Irish authorities will provide the Commission with its proposals for performance indicators by the end of 2000 at the latest.

In considering the question of the allocation of the performance reserve operational programmes will be assessed for (i) their effectiveness, (ii) operational efficiency and (iii) their rate of absorption of Structural Funds. The annual monitoring process leading into the Mid-term Review at the end of 2003 will also monitor progress in this regard. The assessment of operational programmes for effectiveness will address value for money and programme achievements having regard to inputs, objectives and targets. Operational efficiency will address whether the implementation system is operating well against predetermined benchmarks while the third criterion will address drawdown of Funds against programme commitments.

#### *9.5.7 Ex-Post Evaluation*

Ex-post evaluation will be the responsibility of the European Commission in partnership with the Member State and Managing Authorities. The ex-post valuation will be organised under the general arrangements for co-ordination of evaluations.

## *9.6 Operational Programme Information and Publicity*

The contribution of Structural Funds and the NDP to EU co-financed and non-co-financed expenditure will be acknowledged as appropriate. It will be the responsibility of each Managing Authority to ensure that the information and publicity requirements of Commission Regulation (EC) No 1159/2000 are met. The Programme Complement for each of the operational programmes will comprise a set of Measure Sheets. Each Measure Sheet will make specific provision for publicising the EU's contribution to EU co-financed measures. The EU's and National Development Plan's logos will be displayed along with the implementing body's logo in all publicity material, application forms, letters of offer or grant approval as well as on signs for projects as required under the Commission Regulation on Information and Publicity. The Managing Authority will be assisted by the National Development Plan and Structural Funds Information Officer in developing and implementing their information and publicity strategy for the Structural Funds and the NDP.

Given the need to highlight the ESF's strategic role in the implementation of the European Employment Strategy, particular attention will be paid in determining the annual work programme for the Information Unit to publicising the ESF appropriately. To this end, information and publicity for ESF-funded activity will continue to operate from the Department of Enterprise, Trade and Employment, under the auspices of the National Development Plan /Community Support Framework Information Office.

## *9.7 Operational Programme Technical Assistance*

The Technical Assistance measure will cover costs in relation to activities such as Management, Monitoring (including the integrated data management system), Control, OP-level Information and Publicity and the Mid-Term Evaluation of the Operational Programme. Information and publicity at individual measure level will be funded from the individual measure provision. The Technical Assistance measure will be administered by the Managing Authority under the general control of the Operational Programme Monitoring Committee.

A separate Technical Assistance provision will be made available to the Equality Authority in support of identifying inequalities insofar as they relate to labour market access, with particular emphasis on those exposed to social exclusion and discrimination. Structures will be put in place at Operational Programme level which reflect appropriate monitoring arrangements across the programme as a whole.

## ***9.8 Operational Programme and Other EU Rules***

### *9.8.1 Award of Contracts*

The Managing Authority will ensure that operations financed by the Funds shall be in conformity with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions in the field of competition.

In accordance with normal procedures, implementing Departments (including their related Agencies) are responsible in the first instance vis-a-vis the European Commission for ensuring compliance of measure implementation with other Community policies and, in particular, the directives for the award of contracts.

Implementing Departments and Agencies must be aware that the implementation of measures supported by the structural Funds must comply with other Community policies and with the directives for the award of contracts in particular. To this end, notices sent for publication in the Official Journal of the European Communities pursuant to those directives must specify the projects in respect of which Community assistance has been applied for or granted. In the case of projects in operational programmes whose total value is above the thresholds, the written report on each contract awarded, when provided for in the public contracts directives, shall be made available to the Monitoring Committee and sent to the Commission if it so requests.

Contracts for services, goods and works will be awarded in compliance with national and Community rules on public procurement and will be based on competitive tendering. In the case of open tendering, in order to ensure the widest possible competition, contracts will be advertised in the national media and in the Official Journal of the European Communities where the relevant thresholds under Community Directives are applicable.

### *9.8.2 State Aid Rules*

In accordance with Articles 9(m), and 18.2(b) of Regulation 1260/99/EEC, the Operational Programme contains, at 2.10 and Appendix III, a summary description of the measures planned to implement the priorities, including the information needed to check compliance with state aid pursuant to Article 87 of the Treaty.

The Managing Authority will ensure that operations financed by the Structural Funds or receiving assistance from the EIB or from another financial instrument shall be in conformity with the provisions of the Treaty, with instruments adopted under it and with Community policies and actions in the field of competition.

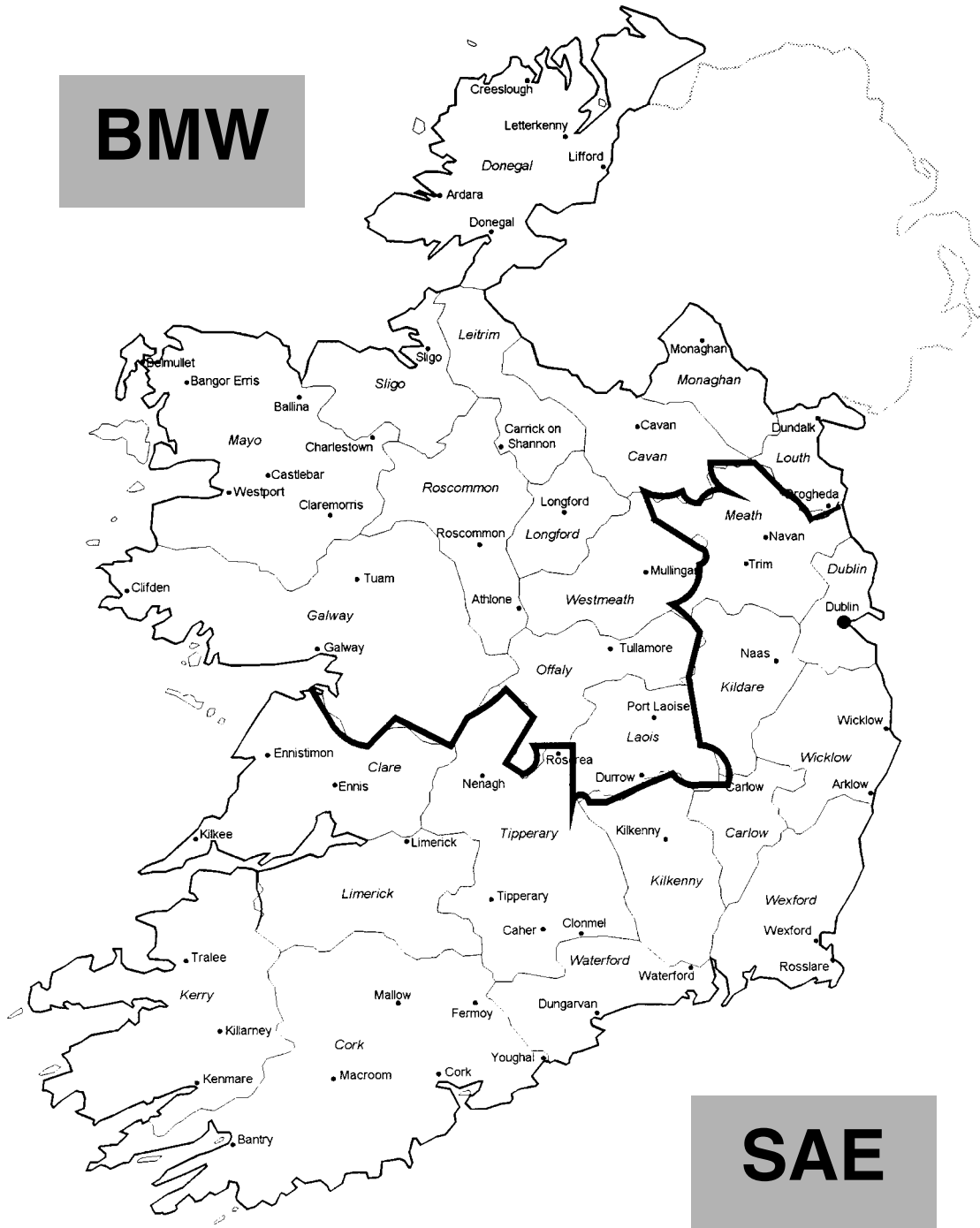
Without prejudice to the responsibility of Departments to notify state aids in their areas of responsibility to the European Commission, Implementation Bodies

(whether Departments or Agencies) are equally obliged to notify any proposed changes in the area of state aids to the Managing Authority insofar as Operational Programme measures are concerned.

*Appendix I*

*The BMW and SAE Regions*

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## *Appendix II*

# *Eco-Audit of OP Education and Training 1994-1999*

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### *HUMAN RESOURCES DEVELOPMENT OPERATIONAL PROGRAMME*

#### *Primary and second level education*

Environmental issues lend themselves to a Whole-School Approach. It is for this reason, that, on the recommendation of a Joint Committee, which brings together staff of the Departments of Education and Science and of the Environment and Local Government, specific reference is made to the environment in the Department's guidelines on school development planning. Those guidelines also refer specifically to the need to plan for cross-curricular issues and themes. Following the pilot project on Whole School Evaluation, the evaluation criteria used are being revised. One of the changes planned is the inclusion of criteria related to the school environment. This will mean that, in future, the Whole School Evaluation process will extend, as a matter of course, to environmental matters.

#### *Primary level education*

At Primary Level Environmental Education is an important element of both the Geography and Science programmes in the revised curriculum that was finalised under the aegis of the National Council for Curriculum and Assessment and launched in 1999 by the Minister for Education and Science.

#### *Geography*

Among the Aims listed for Geography is:

To encourage the development of caring attitudes and responsible behaviour towards the environment and involvement in the identification, discussion, resolution and avoidance of environmental problems.

The related Broad Objectives include:

learn that the sharing, responsible use and conservation of the Earth's natural and human resources are necessary for the continued existence of life

develop aesthetic sensitivity to the natural and human elements of the environment and to the repercussions of human actions.

### *Science*

The Science programme contains the following two cognate Aims:

to cultivate an appreciation and respect for the diversity of living and non-living things, their interdependence and interactions

to encourage the child to behave responsibly to protect, improve and cherish the environment and to become involved in the identification, discussion, resolution and avoidance of environmental problems and so promote sustainable development

These are developed into the following related Broad Objectives:

explore the environmental repercussions of human actions on physical, natural and human environments

understand the interdependence of a wide variety of living things and their environments, recognise the importance of conserving habitats and environments, and begin to understand that all life now and in the future depends on the sustainable development of the planet

become actively involved in the discussion, exploration and resolution of environmental issues.

There is a strong emphasis on Integration between the Science and Geography Programmes, particularly in-so-far as Environmental Education is concerned. In the programmes for Classes 3 to 6, 'Environmental awareness' and 'Caring for the environment' are common Strand Units in the Science and Geography curricula. In addition, the Science programme contains the Strand Unit 'Science and the environment'. In both subjects, first-hand experience, exploration and experimentation are advocated as the most effective approach to developing in children an awareness of and responsible attitudes towards environmental issues. This is probably best exemplified by the following objective which is common to both subjects for 5th and 6th Classes: 'identify and discuss a local, national or global environmental issue'. Among the examples suggested are the effects on the environment of new buildings and roads, farming practices, traffic, incidents of pollution, ozone depletion and deforestation. By way of activities, it is suggested that pupils might

investigate causes, assess and measure, suggest possible actions, and participate in solutions. It is emphasised that human activity, including scientific and technological activity, can have both positive and negative effects on the environment.

## *Second Level Education*

### *Civic Social and Political Education*

Civic, Social and Political Education (CSPE), a compulsory subject in the Junior Cycle aims to prepare students for active, participatory citizenship. The CSPE syllabus is based on seven concepts including *Rights and Responsibilities, Interdependence, Development, Law and Stewardship*. The syllabus allows students to address themes and issues relating to the environment and to sustainable development in general terms and as they touch upon their own lives. Students deal with such topics in the context of Action Projects. One of the specific intentions of this model is to develop in students the skills and competencies necessary in order for them to play an active part in shaping the society and the world in which they live.

### *Home Economics*

Current environmental issues are dealt with under the Resource Management section of the Junior Certificate syllabus. The emphasis is on issues related to the home, e.g. organic and inorganic waste disposal, evaluation and use of chemicals, economic use of household resources including water, electricity, recycling, pollution etc. The efficient use of resources is further emphasised and applied through practical food preparation. At Leaving Certificate level, topics dealt with in this programme include Methods of food production and preservation including the study of the latest methods and their implications for environment egg use of chemicals, irradiation, consumer responsibility.

### *Business Subjects*

These include Business Studies at Junior Certificate Level and Accounting, Business, Economics and Agricultural Economics at Leaving Certificate Level. Environmental Legislation, Consumer Law and European Union Legislation arise in the study of Business subjects.

### *Geography*

Issues relating to sustainable development and the environment are prominent in the Geography syllabi. History and Geography is a compulsory subject for recognised pupils in the junior cycle of secondary schools. One of the stated aims of the Geography syllabus (Junior Cycle) is the promotion of a sensitive awareness of the

environment. The Junior syllabus states that it is hoped that the study of the subject will develop positive attitudes to such issues as the natural environment, exploitation and conservation. Ecological and economic aspects are also dealt with. The Leaving Certificate Syllabus builds on the knowledge and skills acquired through the Junior programme

### *Science subjects*

Science subjects provide opportunities for students and teachers to deal with environmental issues and issues of sustainable development. Science in the Junior Certificate places strong emphasis on the theme of Science and Technology in society and covers, inter alia, issues pertaining to the environment and sustainable development. Biology, Agricultural Science and Chemistry all deal specifically with aspects of environmental education.

### *Other subjects*

Other subjects such as French, Irish and English provide opportunities for reading, writing and discussion regarding the environment

### *Transition Year Programme*

Schools are free to offer modules on issues pertaining to the environment and to sustainable development. The Transition Year Programme is non-compulsory and is taken between the end of Junior Cycle and the beginning of the two-year Leaving Certificate Programme. Each school designs its own programme in accordance with the guidelines set by the Department of Education and Science.

### *International Projects*

A number of schools take part in international projects with an environmental theme, e.g. GLOBE (Global learning and observations to benefit the environment), YRE (Young Reporters for the Environment) under the aegis of Fondation Européenne pour l'Éducation à l'Environnement (FEEEE) for which An Taisce is the national agency in Ireland and Science across Europe – managed by Northern Ireland Science and Technology Regional Organisation and the Irish Energy Centre, Dublin

## ***Third-Level Sectors***

### *Further Education and Third-Level Sectors*

Many courses/programmes include an environmental module where appropriate, including certificate, diploma, degree and post-graduate programmes. In addition,

the Department is in consultation with the National Council for Educational Awards (NCEA) and the National Council for Vocational Awards (NCVA) in relation to the development of guidelines, as appropriate, for course providers to address the CSF requirements, in this regard. Third-level institutions will also be informed of the necessity of including environmental modules, where appropriate, in the development of new or revision of existing programmes.

#### *RTDI in the Education Sector*

There is an allocation of £550m. in the Productive Sector Operational Programme for an RTDI measure in the education sector, which is composed of four sub-measures, including a Programme for Research in Third-Level Institutions (PRTLTI) sub-measure. Many of the projects selected will have a positive environmental impact. Again the research/teaching linkage will serve to raising the level of awareness of environmental issues through enhanced course content and greater numbers of options.

### ***Training Courses - Services Sector (FÁS)***

#### *Community Development Projects*

Three FÁS programmes, Community Employment, Community Training and the Community Enterprise Programme, involve FÁS supporting local, community, organisations through the provision of training and/or employment supports. The principal purpose of these programmes is to assist individuals, especially unemployed or otherwise socially-excluded persons. However, they all achieve their objective through the production of goods or services of value to the community. A significant number of these projects have either direct or indirect environmental impacts. The range of projects is very broad but includes waste disposal/recycling, restoration of old buildings, landscaping, organic food development and conservation. Examples of projects that took place during the last OP are presented below.

The Setanta Initiative in Dundalk was grant-aided to employ a Chemical Engineering Graduate. The task is to research and develop a slurry treatment plant which will take in farm waste and deliver fertiliser, gas and water.

Philipstown Trust, Ravensdale, Dundalk - established in 1992 with the objective of developing ecological and peace initiatives, was grant-aided under the Community Enterprise Programme by way of an Enterprise Worker. One of the initiatives was the Deerpark Organic Farm which is the only farm in the Louth/Armagh area using organic techniques.

Sonairte, Laytown, Co. Meath - The National Ecology Centre was established in 1989 to educate school children and the general public on how we can live more

in harmony with the earth and avoid damaging the environment. It provides a variety of courses and designs educational programmes sold to schools. It is the only project of its kind in Ireland. The Centre was renovated by FÁS under the Community Youth Training Programme and was assisted on an on-going basis under Community Employment.

The refurbishment of many important old buildings and built heritage, e.g. Tinahely - derelict Courthouse, Marley Park House, Cherry Orchard Hospital, landscaping and maintenance, the Royal Canal and Grand Canal.

The funding of a number of railway restoration projects, the provision of a Wildlife Sanctuary, improving access to fishing and creation of bog gardens

#### *Environmental Training Unit*

The tri-partite Construction Industry Training Committee has taken the lead in establishing training programmes in the area of environmental protection in conjunction with FÁS. An Environmental Training Unit has been established to provide a range of environmental training programmes. Course participants are employees of private companies and local authorities. The aims of the Unit are as follows.

- To ensure Environmental Training in line with legislative requirements.
- To provide the expertise required for managing the Environment.
- To improve Environmental quality standards.
- To raise standards of Health, Safety and Welfare.
- To maintain a register of qualified persons.

Training courses run to date include (no. of persons trained in brackets) Waste Management (120), Water and Wastewater Treatment Plant Operation (1450), Radon Gas Remediation (30), Site Suitability Assessments (25), Laboratory Procedures (70), Building Control/Building Regulations (250), Diploma in Environmental Protection (180). Overall, about 2,800 persons have been trained to date.

#### *Training for the Unemployed*

FÁS runs a wide range of training courses for the unemployed. During the period of the OP 1994-99 FÁS developed a 1-week induction module for these courses. This induction module includes a specific 8-hour module on environmental awareness. The objectives of the module are that at completion trainees should be able to: state what the environment is, identify the position of the training location/workplace in the environment and discuss some key points of Irish and EU environmental legislation.

#### *FÁS Operations*

As a large organisation, FÁS has a direct impact on the environment. During the last years FÁS has assessed its activities to ensure that they comply with relevant

health, safety and environmental legislation. Alterations have been made and new equipment has been installed as necessary. A number of Employee Participation Fora also examined such issues during the period.

## ***OTHER OPERATIONAL PROGRAMMES***

### ***Training Courses - Industries Sector ( Enterprise Ireland )***

#### *Sectoral Environmental Auditing*

Where a sectoral plan is being formulated for a particular sector, the Environment Unit of Enterprise Ireland audit the plan in the context of its potential environmental implications. The conditions necessary to protect the environment are identified, leading to modifications in the plan. Where possible negative implications are identified, an appropriate control strategy is formulated including guidance on Site selection, Cleaner Production, Control technologies, Training and Environmental management. Examples of recent auditing of sectoral plans include the beef strategy and fish processing.

#### *Project level Environmental Auditing*

Within the Skills appraisal analysis carried out with a company, specific questions in relation to environmental issues will be raised with the company. These include whether the firm is familiar with relevant environmental standards, the ability to carry out and manage an environmental audit and whether it has the ability to address the issues which arise as a result of the audit. If, arising from this analysis, the company identifies weaknesses in its environmental standards, abilities or awareness, responses can be proposed as part of the human resource strategy within the business development strategy for the company.

When a cohesive strategy for the company is developed, involving a number of elements of the Business Development Model, proposals for support are screened for possible environmental implications under each heading of the eco-audit checklist. Where a project is flagged to be of 'significance' or 'of some significance' to the environment, it is passed to the Environment Unit of Enterprise Ireland for environmental assessment. The assessment normally involves a site inspection (for an existing facility or a greenfield site). It involves an assessment of the company's emissions and legislative compliance such as compliance with the EIA and IPPC directives (planning permission, emission licences etc.). The Environment Unit draws up environmental conditions which the company must sign before grant release. Conditions identified may include site suitability, adequate emission controls, adequate infrastructure and suitable receiving environment. Companies

may be re-visited for inspection, compliance and verification purposes. If a company is not compliant with the conditions set out and agreed, some or all of the grant will be withheld until a definite programme of improvement is put in place.

*Positive action in improving the environmental performance of clients*

Dedicated initiatives to improve the environmental performance and raise the environmental awareness of client companies will complement the auditing procedures described above. Initiatives include Environmental Management System (EMS) grant scheme aimed at promoting the installation of EMS in SMEs, Environmental Audit and Waste Minimisation Grant Scheme aimed at promoting cleaner production and best environmental practice in SMEs and Environmentally Superior Products – Demonstration Grant Scheme aimed at winning business through developing environmentally friendly products.

*Agriculture Training*

The following learning outcomes which were introduced to Teagasc Agricultural and Horticultural training programmes in the 1994-1999 programming period will be continued in the 2000-2006 programme:

- ◆ identify the effects of farming activities on the environment
- ◆ review environmental regulations
- ◆ review the REPS scheme
- ◆ perform routine skills necessary to protect the environment
- ◆ describe ways to improve soil and its management
- ◆ outline procedures to follow before, during and after application of pesticides
- ◆ describe plant growth and its relationship with the environment
- ◆ describe the impact of weather on the environment
- ◆ identify features of hedgerows which are beneficial to the environment
- ◆ evaluate pollutant potential of farm wastes
- ◆ maximise the nutrient value of farm wastes
- ◆ state safety precautions when spreading farm wastes
- ◆ review farm waste disposal systems.

As well as dealing with these specific learning outcomes environmental issues are dealt with in all animal and crop production modules in line with good teaching practice. Farms which are used for work placement for students are first inspected and assessed for environmentally friendly practices so that students can practice skills which comply with environmental regulations

*Forestry Training*

Training in the sector includes the same issues as for Agriculture set out above. In addition Forestry students are required to

- ◆ review environmental recommendations in respect of fisheries, archaeology, landscape and national heritage areas
- ◆ outline the role of forestry on wildlife

*Fisheries Training*

In the Fisheries sector training of deckhands already includes several modules which are environmental in nature, including net sizing, waste from trawlers, oil spillage and engine maintenance.

**SUMMARY ECO-AUDIT**

Summarising the data contained in this appendix, the following summary eco-audit has been prepared by the OP Managing Authority. The essential conclusion reflected in the table is of an OP capable of, and likely to, provide a positive contribution ‘of some significance’ across the spectrum of eco-contexts principally through its broadly based awareness-raising capability

<i>Audit Checklist</i>				
<b>Eco-context</b>	<b>Significant</b>	<b>Of some Significance</b>	<b>Insignificant</b>	<b>None</b>
Water Quality and Quantity		+		
Air Quality		+		
Bio diversity		+		
Land Use		+		
Resource Conservation		+		
Waste		+		
Architectural and Archaeological Heritage		+		
Health and Welfare of Population				
Noise Levels, Security and Safety of Public		+		
Dangerous Substances		+		

Key Positive Impact = +, Negative Impact = -, Neutral Impact = 0

## Appendix III

# Description of OP Measures and Sub-Measures by Priority

Description of Measure *	
<b>Employability</b>	
<b>1</b>	<p>Action Programme for the Unemployed</p> <p>Pro-active contact with persons on the Live Register reaching a pre-defined threshold. Provision of counselling, career guidance and vocational information. Referral to suitable education or labour market opportunities. Participation on FÁS programmes</p>
<b>2</b>	<p><b>National Employment Service</b></p> <p>Active Employment measure to develop a National Employment Service through a network of 70 + Employment Services Offices supplemented by part-time offices and electronic media. The National Employment Service will incorporate the specialist Local Employment Service for long-term unemployed. IT including the Web will be used to assist employers to notify and fill vacancies. The Service will also develop its role in identifying the needs of job-seekers for training and advising training providers of such.</p>
<b>3</b>	<p><b>Active Measures for Long-Term Unemployed and Socially Excluded</b></p> <p>Early Education</p> <p>The provision by FÁS, in co-operation with other statutory and non-statutory bodies, of Community Employment and the Job Initiative. In addition, the provision by FÁS of other programmes including training Job Clubs and Jobstart.</p>
<b>4</b>	<p>Early interventions to encourage long-term education participation, identify and address literacy and numeracy difficulties at an early stage and to prevent subsequent problems giving rise to long-term unemployment, social problems etc. Funding will be directed at key target groups and provided on a devolved basis and integrated within area-based interventions in the case of areas with significant concentrations of educational disadvantage.</p>
<b>5</b>	<p><b>School Completion Initiative</b></p> <p>The School Completion Initiative will be designed to deal with issues of both concentrated and regionally dispersed disadvantage. Schools involved in the initiative will be required to operate on a multi-agency basis establishing, where appropriate, cross community links. Key elements of each school's retention plan will be the establishment of a retention target, links with feeder primary schools and co-ordination with local agencies. This initiative will have four strands <i>Research and evaluation</i> to evaluate models of</p>

\* Measures in bold are to be part-funded by ESF

<i>Description of Measure</i>	
<b>Measure</b>	
<b>Employability contd.</b>	
	<p>best practice and research on the early identification of potential school leavers, <i>Tracking</i> the development of an integrated database for primary and post-primary pupils to identify pupils at risk of leaving school early, <i>Whole school support</i> to target schools with retention rates, 10% below the national average which will be required to agree a programme of action, tailored to their particular needs and <i>Student support</i> strand, to target pupils at risk of school leaving early, who do not attend schools that are significantly below the national average.</p>
<b>6</b>	<p><b>Early Literacy</b></p> <p>The Early Literacy measure will involve the implementation of a pro-active approach to preventing literacy difficulties and will include a public awareness campaign, an improvement of the effectiveness of the school remedial service, better home/school co-operation on literacy, the development of support materials and the systematic monitoring of progress.</p>
<b>7</b>	<p><b>Traveller Education</b></p> <p>The Traveller Education Measure will seek to encourage each traveller child of school-going age to participate in and benefit from the education system and to enable each traveller pupil to develop to his/her full potential.</p>
<b>8</b>	<p><b>School Guidance Service</b></p> <p>The School Guidance Service will support the School Completion Initiative and Traveller Education measure. The Service will seek to prevent difficulties encountered by students, hindering their participation in or benefit from the education system and to provide guidance regarding further education and third-level options. This service will also be complemented by provision for guidance under the Lifelong Learning Measure for young people and adults who have either failed within or been failed by the formal system.</p>
<b>9</b>	<p><b>Third-Level Access</b></p> <p>The further development of Third-Level Access is necessary to promote the participation of students with disabilities, students from disadvantaged backgrounds and mature 'second chance' students. This measure will seek to facilitate and improve access to the labour market for the beneficiaries whilst improving their long-term employability, through enhancing their educational qualifications. This fund will be used to:</p> <ul style="list-style-type: none"> <li>• meet the specific needs of students with disabilities, in terms of equipment and additional support services</li> <li>• provide financial support to disadvantaged students by way of additional support to the existing maintenance grants scheme</li> </ul>

<i>Measure</i>	<i>Description of Measure</i>
<b>Employability</b> contd.	<ul style="list-style-type: none"> <li>• develop outreach initiatives currently undertaken by a number of colleges which involve links with post-primary schools, in disadvantaged areas</li> <li>• Expand the provision of particular services such as counselling and mentoring services, to meet the needs of non-traditional students.</li> </ul>
<b>10 Schools Modern Languages</b>	<p>In an increasingly globalised society, proficiency in modern languages is vital, for maintaining national competitiveness and economic growth and improving the long-term mobility prospects of those who may seek to work/study abroad. Under the Community Support Framework 1994-1999, a pilot programme on the teaching of European languages in primary schools was introduced. Currently involving 270 schools, it is intended to significantly increase the number of participating schools. During 1999, the Department of Education and Science initiated work to design a fuller policy on the teaching of languages which have low participation in second-level schools or are not available as part of current syllabi. Arising from this work, it is proposed to promote wider teaching of Italian, Spanish and other languages in post-primary schools.</p>
<b>11A Early School Leavers - Progression</b>	<p>The Department of Education and Science and FÁS have developed a series of measures to meet the needs of early school leavers. These were developed in 1998 and 1999 to include increased foundation-training places, new bridging training programmes for access to higher skills training, advisory supports to assist progression and more flexible part-time and work-based options. A major investment programme in Community Training Workshops is underway, and improved literacy/numeracy provision is being developed. The intention is to continue to develop provision, at foundation and progression phase, along the present lines.</p>
<b>11B Early School Leavers - Youthreach and Travellers</b>	<p>Similar to 11A</p>
<b>12A Sectoral Entry Training - Tourism School Leavers</b>	<p>To facilitate the transition from second-level education to job placement within the tourism industry. Training to include full-time craft courses in tourism and hospitality disciplines, day release craft courses and full time management programmes within the Institutes of Technology: also vocational preparation training within second level education. Full-time craft courses expected to lead to job placement rates of over 90% for trainees successfully completing the programme. Full-time craft courses for all the main craft</p>

<i>Measure</i>	<i>Description of Measure</i>
<b>Employability</b> contd.	
<b>12B</b> Sectoral Entry Training - Tourism	<p>disciplines for periods of 1 and 2 years. All programmes to include modules in a European language, in tourism awareness and in the life-skills necessary for effective interface with the tourism customer.</p> <p>Training and Employment interventions at national, regional and local levels for the unemployed, women returning to paid employment, early school leavers and the socially excluded. A comprehensive range of flexible and accessible initiatives will be provided at local level, leading to recognised qualifications and sustainable employment. A work-based training and employment scheme will also be provided for the unemployed who go directly into employment.</p>
<b>12C</b> Sectoral Entry Training – Tourism (Education)	<p>This programme provides initial education and training, through full-time craft and day-release programmes for the tourism industry</p>
<b>12D</b> Sectoral Entry Training - Agriculture	<p>The training programme for new entrants is targeted at young people embarking on careers in agriculture, horticulture and other farming and rural businesses. Course design is based on delivering a compilation of theoretical and practical instruction. Certificate and Diploma courses will be provided. Teagasc is currently reviewing its entire training programme with a view to mainstreaming its courses, having them certified by the NCEA and the NCVA and having most of the courses delivered jointly with other mainline training organisations which will allow for progression to other courses.</p>
<b>13</b> Skills Training for Unemployed and Redundant Workers	<p>Training courses in FÁS Training Centres and contracted facilities oriented to areas of recruitment demand. Special assistance in cases of major factory closure. Training courses for women considering returning to the workforce.</p>
<b>14A</b> Apprenticeship/Traineeship - FÁS	<p>The apprenticeship system will provide the training required to qualify over 5,000 young persons per annum in the key craft qualifications in Ireland. The Traineeship system will be developed by FÁS in co-operation with employers to provide, by the end of the Plan period, 5,000 qualified persons p.a.</p>
<b>14B</b> Apprenticeship - Education	<p>Educational component of 14A</p>
<b>15</b> Employment Support Services	<p>The measure consists of the Back to Work Allowance Scheme (BTWAS) and the Back to Education Allowance Scheme (BTEAS) together with the advice and support services provided to unemployed people by D/SCFA. These will be adapted in the light of the changing labour market and as improved information on the characteristics of persons on the Live Register becomes available.</p>

<i>Measure</i>	<i>Description of Measure</i>
<b>Employability</b> contd.	
<b>16</b> Vocational Training and Pathways to Employment for People with Disabilities	Training programmes, employment supports and programmes, employment services (advice and referral) will be provided to those with disabilities.
<b>17</b> Refugee Language Support	The significant increase in the number of non-EU nationals acquiring rights to reside in Ireland points to the need to address the language difficulties experienced by refugees to ease their integration into the country. A dedicated Refugee Language Support Unit has been established under the auspices of Trinity College Dublin. The measure will fund the unit to assess each refugee's language needs using a set of benchmarks to be developed for the purpose and then identify a suitable English language training programme. Each person's progress will be monitored through the system.
<b>Entrepreneurship</b>	
<b>18A In-Company Training - Enterprise Ireland</b>	Development of firms internal capability to build HR Development skills as an integral part of business development across all sectors including food and fish processing. Emphases will include quality assurance measures in terms of training undertaken, best practice workshops and the development of standards and certification such as Excellence Through People. It will also support the development of management and staff skills, improve business competitiveness, quality and productivity.
<b>18B In-Company Training - FÁS</b>	FÁS will provide advice and assistance to companies in developing and meeting their HRD needs. It will analyse sectoral training needs and take steps to meet them. It will provide a Training Support Scheme and operate the Excellence through People scheme
<b>19A Social Economy - Initiative</b>	<p>The Initiative seeks to maximise the role of social economy enterprises in the regeneration of local economies within local disadvantaged areas, and within communities of interest experiencing disadvantage. It will have the objectives of:</p> <ul style="list-style-type: none"> <li>• promoting the emergence and consolidation of the social economy</li> <li>• maximising the potential of the social economy to generate sustainable high quality employment subject to labour market constraints</li> </ul>

<i>Measure</i>		<i>Description of Measure</i>	
<b>Entrepreneurship</b> contd.			
		<ul style="list-style-type: none"> <li>• regenerating both urban and rural communities by providing urgently needed local services, employment opportunities and experience for people who have been distanced from the labour market</li> <li>• promoting equal opportunities between men and women.</li> </ul> <p>This ESF Regulation based mechanism is seen as complementary to the Social Economy Programme in providing back-up support and financial assistance through (an) intermediary organisation(s) to suitable local micro projects involving pooling of resources in disadvantaged communities to promote employment and social cohesion. Financial support would be limited to €10,000 per project. The concept is at present being piloted by the Commission; it is intended to learn from this and initiate the implementation of the present proposal from 2002</p>	
<b>19B</b>	<b>Social Economy - Local Social Capital</b>		
<b>Adaptability</b>			
<b>20</b>	<b>Lifelong Learning - General Training</b>	Short-duration day, evening and weekend courses for employees and the general public. Accreditation of prior learning and internet-based learning options.	
<b>21</b>	<b>Lifelong Learning - Back to Education Initiative</b>	The Initiative involves the merger and continuation of existing provision under the Senior Traveller Training Centres, the Vocational Training Opportunity Scheme and Post-Leaving Certificate courses, with new forms of provision. It will play a key role both in addressing the needs of those with minimal or no educational qualifications, and providing a re-entry route for those who wish to upgrade their skills in line with emerging needs. Access to ICT training, electronic technician training, language skills, enterprise development, business, tourism, art and craft, child-care, and a broad range of disciplines within the industry and services sector will form part of the approach as will access to the Junior and Leaving Certificate examinations and other access programmes. Community education opportunities will also be expanded and supported as part of the initiative. Opportunities for participation will be increased by a significant expansion of part-time options so that by the end of 2006 it is estimated that some 50,000 early school leavers and adults will be participating annually.	
<b>22</b>	<b>Lifelong Learning- National Adult Literacy Strategy</b>	The National Adult Literacy Strategy will promote system development to ensure increased access to literacy, numeracy and basic education for adults whose skills are inadequate for participation in society. The measure	

<i>Measure</i>	<i>Description of Measure</i>
<b>Adaptability</b> contd.	will provide an integrated service to support access to employment, a return to lifelong learning or empower participants with the basic skills needed to participate in the social and economic life of their communities. It is proposed to have intensive programmes targeted at those most in need, allied with family learning programmes and a small number of demonstration open learning centres and distance learning.
<b>23</b> Lifelong Learning - Further Education Support Services	The Further Education Support Measure will support access to the Back to Education Initiatives and Adult Literacy opportunities through the provision of an adult guidance and counselling service aimed at supporting participants enrolled on programmes. It will also support improved quality through staff and programme development initiatives. In relation to guidance, linkages with other agencies will form a vital part of the initiative, particularly at the initial referral and progression stages.
<b>24A</b> Ongoing Sectoral Training - Culture, Gaeltacht and Film	Composite measure. The Gaeltacht (population 86,039) is a rural minority language region. Gaeltacht training focuses encouraging the creation of new jobs and up-skilling those at all levels in employment to enable them to compete in the changing market place. An additional action focuses on the unemployed by providing a period of work experience. Further initiatives are planned in the areas of life-long learning and recruitment, again aimed at individuals, encouraging them to return to the area and/or upgrade their skills. In-company specific and general training programmes will also be undertaken. Cultural training will provide a combination of off and on-the-job training to enhance human resource capabilities and practices in the industry. Film training will be geared both at keeping pace with advances, developing certain skills and scope seen for growth in the numbers employed.
<b>24B</b> Ongoing Sectoral Training -Seafood	The training will aim to support career progression in sea fishing, aquaculture and processing. As well as increased training for new entrants, the measure will address the low level of training of those within the sector. The skills deficit will be addressed by fostering a lifelong approach to learning, improving access to training and providing flexible modular courses structured to work based training. Training for the industry will assist in underpinning growth in sustainable jobs and a more balanced geographic distribution of activity.
<b>24C</b> Ongoing Sectoral Training -Forestry	Forest establishment, harvesting and marketing will be targeted for training purposes.

<i>Description of Measure</i>	
<b>Measure</b>	
<b>Adaptability contd.</b>	
<b>24D</b> Ongoing Sectoral Training - Equine Institute	<p>This measure provides for the establishment, administrative, teaching and associated costs incurred by the International Equine Institute in developing and delivering third level non-degree courses in Equine Science including taught-on-campus and distance learning courses to Certificate/Diploma level as well as other information courses, seminars and conferences necessary to provide a comprehensive training and education service to meet the needs of the horse industry.</p> <p>Training will be provided for adult farmers, including part-time farmers, rural dwellers and rural women. Areas covered will include advanced management courses in agriculture, food safety, animal welfare, information technology and rural enterprise. Certificate and Diploma courses will be provided. Teagasc is currently reviewing its entire training programme with a view to mainstreaming its courses, having them certified by the NCEA and the NCVA and having most of the courses delivered jointly with other mainline training organisations which will allow for progression to other courses.</p>
<b>24E</b> Ongoing Sectoral Training - Agriculture	<p>Activities will facilitate raising and maintaining the highest operational standards in tourism and provide training or development intervention for persons already working in industry. Primary focus will be on human resource management and operational best practice. Interventions will include full time off-the-job certified training, distance learning modules, seminars, workshops, conferences, study tours, and financial support to assist the structured development of HR capability and the placement of HR professionals within businesses. Increased tendering for market-based training delivery, satisfactory gender balance in training and on facilitating recruitment of women and men to non-traditional areas of work and training will feature.</p>
<b>24F</b> Sectoral Training - Tourism	<p>To be run jointly with CERT and consisting of formal off-the-job training for industry employees on Advanced Craft, Supervisory and Management level programmes.</p>
<b>24G</b> Sectoral Training - Tourism Education	<p>Initial third level education and training to meet the technical and higher level manpower needs of the economy in such areas as engineering, biotechnology, telecommunications, information technology, construction studies, marketing, business studies, accounting/financial services, chemical/pharmaceutical and food technology. Under the above measure, joint industry/education task forces have developed specific programmes (including industry placements), in response to particular skills shortages, and jointly recruited trainees (including non-standard entrants). This will be an increasing feature of this measure in the future.</p>
<b>25</b> Middle-Level Technician/Higher Technical Business Skills	

<i>Measure</i>	<i>Description of Measure</i>
<b>Adaptability contd.</b>	
<b>26 Undergraduate Skills</b>	<p>The measure will support the cost of providing certain additional third level places to meet skill needs demanded in the labour market. The availability of quality graduates in quantity in relevant disciplines is central to continued growth. Ongoing investment is required to ensure available quantity and quality of skills matches the likely market demands established by the Expert Group on Future Skills Needs and the National Competitiveness Council. Under this measure, joint industry/education task forces have developed specific programmes (including industry placements), in response to particular skills shortages, and jointly recruited trainees (including non-standard entrants). This will be an increasing feature of this measure in the future.</p>
<b>27 Postgraduate Conversion Courses</b>	<p>A core part of the education system's response to the rapidly changing skill needs of the economy. In response to the present demand for skills in the area of information and communications technology, this programme is currently providing postgraduate places, to provide skilled personnel for this sector and recruitment opportunities for graduates through a number of initiatives to be co-ordinated on behalf of industry by the Irish Business and Employers Confederation.</p>
<b>28A Training of Trainers- Primary, Post – Primary and Further Education</b>	<p>The In-career Development (Training of Trainers) of teachers and tutors is critical to ensuring their capacity to respond to the constant challenges posed by curricular change and by Information and Communication Technologies (ICTs) and to facilitate and manage the constant change in the learning process. The Measure will be delivered to a large extent through the national network of Education Centres and in conjunction with the Education Partners. It will include long and short cycle courses, some of which will lead to formal certification or the accumulation of credits towards an award. Needs are identified on the basis of systems needs analysis studies undertaken at both levels of the system, and consultation with educational interests. Priorities identified include revised and restructured curricula with particular emphasis on ICTs, pedagogical skills, social inclusion issues, special and remedial education, counselling, parent involvement, school management needs, gender equity and life-long learning.</p>
<b>28B Training of Trainers - FÁS</b>	<p>Re-training of trainers to meet changing technology, training in pedagogic skills to achieve recognised qualifications and to meet new needs including disability awareness.</p>

<i>Description of Measure</i>	
<b>Measure</b>	
<b>Adaptability contd.</b>	
<b>29A Quality (including Training of Trainers)</b>	Universities are legally obliged to establish procedures for Quality Assurance (QA) aimed at improving the quality of education and related services. Central elements will include self-evaluation, peer review, reporting and external monitoring. The Institutes of Technology will also be centrally involved in the development of QA procedures under this measure. Allied to the above is the need for ongoing professional development and updating of teaching methodologies. The Training of Trainers measure has facilitated the provision of a range of short courses for Institute and University staff. The measure will provide additional opportunities to address the issue of skills updating while also focusing on pedagogical training, teaching evaluation and appraisal and the development of management skills.
<b>29B Quality (Certification and National Qualifications Framework)</b>	The establishment of a National Qualifications Framework is critical to the delivery of a high quality and efficient market led range of programmes, in the context of promoting and facilitating lifelong learning. Funding is being made available for the implementation of the Qualifications (Education and Training) Act 1999. Provision is also made for the funding in the interim of the certification functions of the NCVA.
<b>Equality</b>	
<b>30 Educational Equality Initiative</b>	Support for Education Groups to address gaps in the provision of education and training for specific marginalised groups, to mainstream learning, to facilitate progression of women, men and specific marginalised groups and individuals and to disseminate learning and share good practice.
<b>31A Equal Opportunities Promotion and Monitoring – Education</b>	<p>Equal Opportunities Promotion and Monitoring which will entail:</p> <ul style="list-style-type: none"> <li>• A dedicated Equality Unit to co-ordinate and monitor the process of mainstreaming a gender perspective into all areas of the educational system.</li> <li>• A computerised management information system for further education programmes not embraced at present by the post-primary pupil data base and</li> <li>• Higher Education Networks for the development of strategies to encourage equality of access, benefit and outcome for participants at third level.</li> </ul>

<i>Measure</i>	<i>Description of Measure</i>
<b>Equality</b> contd.	
<b>31B Equal Opportunities Promotion and Monitoring NDP</b>	<p>The achievement of equal opportunities between men and women is a horizontal principle of the NDP. The primary strategy adopted to achieve this objective is gender mainstreaming defined as 'mobilising all general policies and measures for the purpose of achieving equality by actively and openly taking into account at the planning stage their possible effects on the respective situations of men and women'.</p>
<b>Other Measures</b>	
<b>32A Education Infrastructure</b>	<p>Investment in primary and post-primary schools, the further education sector, third-level institutions and education centres, to ensure that programmes meet the changing skill needs of individuals, society and industry. The investment will cover buildings, new machinery and equipment and the use of information technology. The investment in new technology will facilitate continuing education and retraining programmes, the development of new open learning and distance education packages, outreach programmes, access for disadvantaged and non-traditional student and rural and community development.</p>
<b>32B Training Infrastructure</b>	<p>Investment in Training Centres, Employment Services Offices and FÁS Administrative Units. This investment will include both buildings and equipment.</p>
<b>33A OP Technical Assistance</b>	<p>Implementation of the OP and of the wider ESF will give rise to significant intrinsic administration costs over the 2000/06 period - notably, in respect of a Financial Control Unit, computer-based integrated data management system, Information and publicity, evaluations, document printing, meetings and other costs.</p>
<b>33B Technical Assistance (Equality)</b>	<p>Funding to enable the Equality Authority to identify and develop ways of addressing exclusion and discrimination and increasing labour market access through the Employment and Human Resources Development Operational Programme.</p>

## *Appendix IV*

# *Public Assistance Rationale Typology*

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[Based on P. Honohan, editor, *EU Structural Funds in Ireland: A Mid-Term Evaluation of the Community Support Framework 1994-99, Policies Research Series No.31, ESRI, Dublin July 1997, Para 2.1.1 et seq.*]

[2.1.2] ESRI argue that all Operational Programme measures 1994-99 can be classified into one of four types in terms of how public expenditure on them can be rationalised *primarily*; the authors accept that it is not always absolutely clear which scheme belongs in which category, ergo ‘the primarily’ qualification.

- I. **Public Good** spending to provide services which are *primarily* thought to have a ‘public good’ characteristic that would inhibit their optimal provision in the private sector,
- II. **Corrective Strategy** schemes *primarily* designed to alter relative prices facing private firms and individuals in order to correct for some externality; in other words, what is known as a ‘corrective strategy’. Characteristically, these are large passive grant schemes where the administration of the scheme is confined to ensuring that it is reaching the target group and delivering the intended change in relative prices – with perhaps an eye also to minimising deadweight\* (budget is also typically open-ended; if demand is below expectations then funds not spent).
- III. **Targeted Schemes** designed *primarily* to alter behaviour where private agents are thought to be inadequately informed, or where a specific externality exists; these involve a much more active administration, greater selectivity and considerable value-added in the form of training or advice (normally the budget or time period is fixed – ‘a particular quantum of intervention’ as ESRI puts it). A further sub-division of this group is made into
  - a. **Enterprise management development** – (manager-focused) skills for managers ‘they do not even know they need’
  - b. **Strategic Positioning of Enterprise** – enterprise-focused
  - c. **Other market skills** – enhance skill-level of general work force

- d. Labour market skills for the disadvantaged** – to lift people out of skills, experience or motivation traps
- e. Enterprise or applicable R and D**
- f. Other**

**IV. Subsidies** whose *primary* effect is corrective strategy in character. Also referred to by ESRI as ‘a re-distributional’ measure.

\* *Deadweight* is the spending of public funds, i.e. requiring taxation, above the level needed to ease a distortion in the market or achieve the desired change in behaviour; otherwise it arises when a desired change in relative prices affects average as well as marginal relative prices. A related concept, *displacement*, occurs when not only are public funds used for no real gain but private agents, decisions and costs are impacted negatively by the deadweight.

## *Appendix V*

# *Measures – by ESRI Public Assistance Rationale Type*

<b>Employability</b>		<b>Type</b>
1	Action Programme for the Unemployed	III d
2	National Employment Service	I
3	Active Measures for Long-Term Unemployed and Socially Excluded	IV
4	Early Education	I
5	School Completion Initiative	I
6	Early Literacy	I
7	Traveller Education	I
8	School Guidance Service	I
9	Third-Level Disadvantaged	III d
10	Schools Modern Languages	I
11	Early School Leaver Progression	III d
12	Sectoral Entry for Early School Leavers and Long-Term Unemployed	III c and III d 47
13	Skills Training for Unemployed and Redundant Workers	III d
14	Apprenticeship/Traineeship	I
15	Employment Support Services	II d
16	Vocational Training and Pathways to Employment for People with Disabilities	III d
17	Refugee Language Support III d	
<b>Entrepreneurship</b>		
19	Training for Business	III a
20	Social Economy	III d
<b>Adaptability</b>		
21	Lifelong Learning-General Training	III c
22	Lifelong Learning Back to Education Initiative	III d
23	Lifelong Learning-National Adult Literacy Strategy	III d
24	Lifelong Learning-Further Education Support Services	I
25	Ongoing Sectoral Training	III c
26	Middle-Level Technician/Higher Technical Business Skills	I
27	Undergraduate Skills	I
28	Postgraduate Conversion Courses	III c
29	Training of Trainers	I
30	Quality Assurance (including Training of Trainers)	I

<b>Employability</b>		<b>Type</b>
<b>Equality</b>		
31	Educational Equality Initiative I	
32	Equal Opportunities Promotion and Monitoring I	
<b>Other Measures</b>		
	Education and Training Infrastructure	I
33	Technical Assistance	I

## *Appendix VI*

# *Terms of Reference – Market Based Delivery Study*

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*To identify the potential for increased use of a market driven approach in the delivery of human resource measures currently supported under the Community Support Framework, 1994 to 1999.*

This aim can be broken down into the following objectives.

To examine the extent to which a market driven approach characterises the delivery of human resource development measures in Ireland supported under the Community Support Framework. This analysis should take specific account of different target groups and types of provision.

To present examples of market driven systems of delivery of human resource development measures in other countries (UK, Germany, the Netherlands and New Zealand are suggested as appropriate examples). This should include the following.

- ◆ A description of the vocational education and training system in the country concerned, including a presentation of the key labour market statistics and issues of current concern, as well as details on the target groups and types of provision involved in the market driven system.
- ◆ A description of the development of the market driven approach in the country concerned, especially its initiation and implementation where a significant change in policy was involved in moving to a market driven approach in the last fifteen years.
- ◆ An examination of the quality assurance systems used to underpin the market driven system. This should include information on the certification system.
- ◆ A discussion of the implementation issues in managing a market driven system. This should encompass the roles and responsibilities in managing the system and funding implications, i.e. who decides on the amount and levels of provision, what resources are devoted to this task, how is competitive tendering organised and who undertakes it, is the system implemented at a national or regional level, what performance indicators are

used so that the performance of the organisations delivering provision can be monitored?

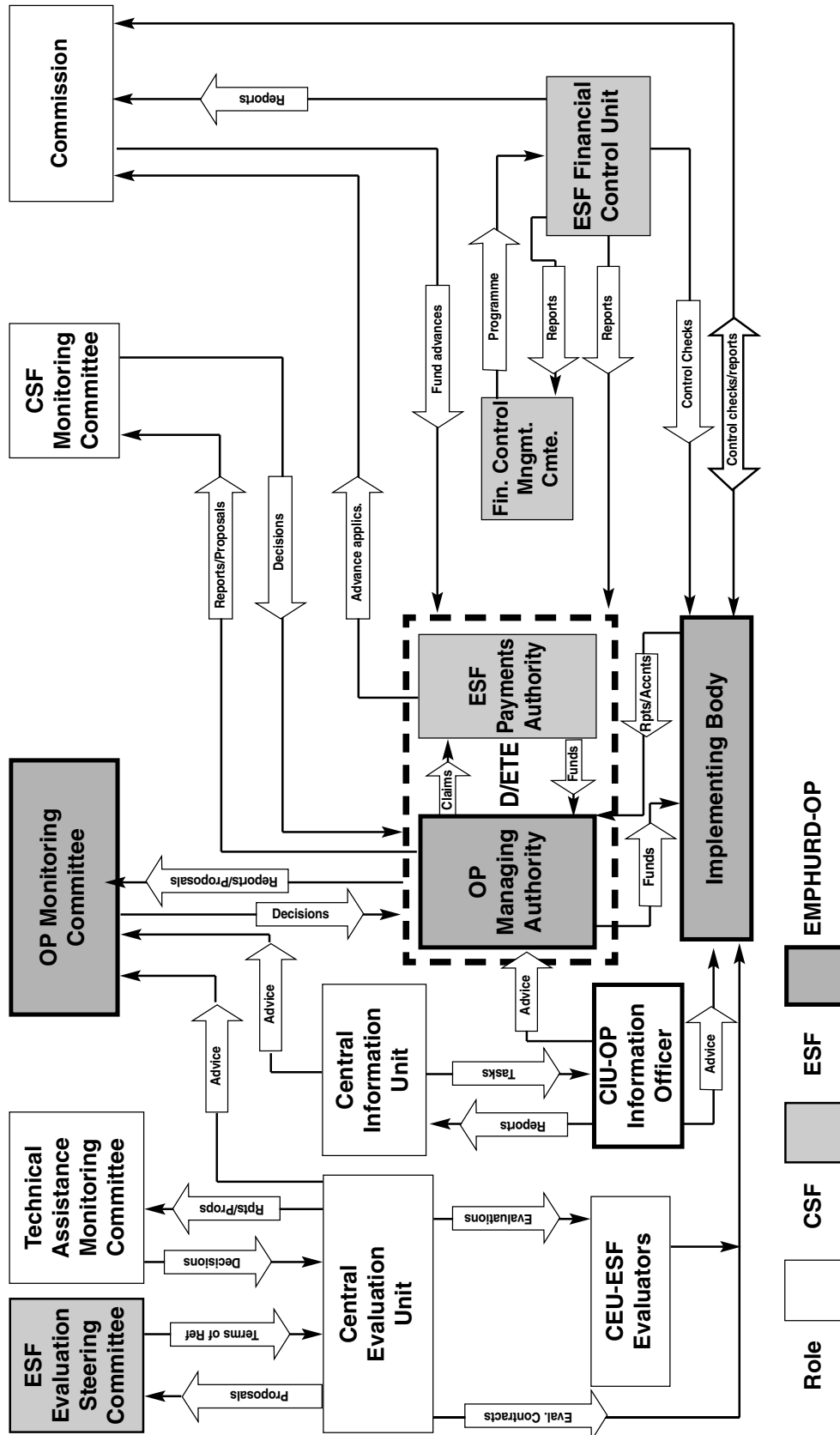
- ◆ Perceived effectiveness of the delivery systems described in delivering high quality, accessible measures which meet the needs of the identified target groups and of the economy generally, based on research undertaken in those member States.
- ◆ A review of evaluations on the cost effectiveness of a more competitive delivery system.

To identify the characteristics involved in the implementation of an effective market driven approach to the delivery of human resource development measures.

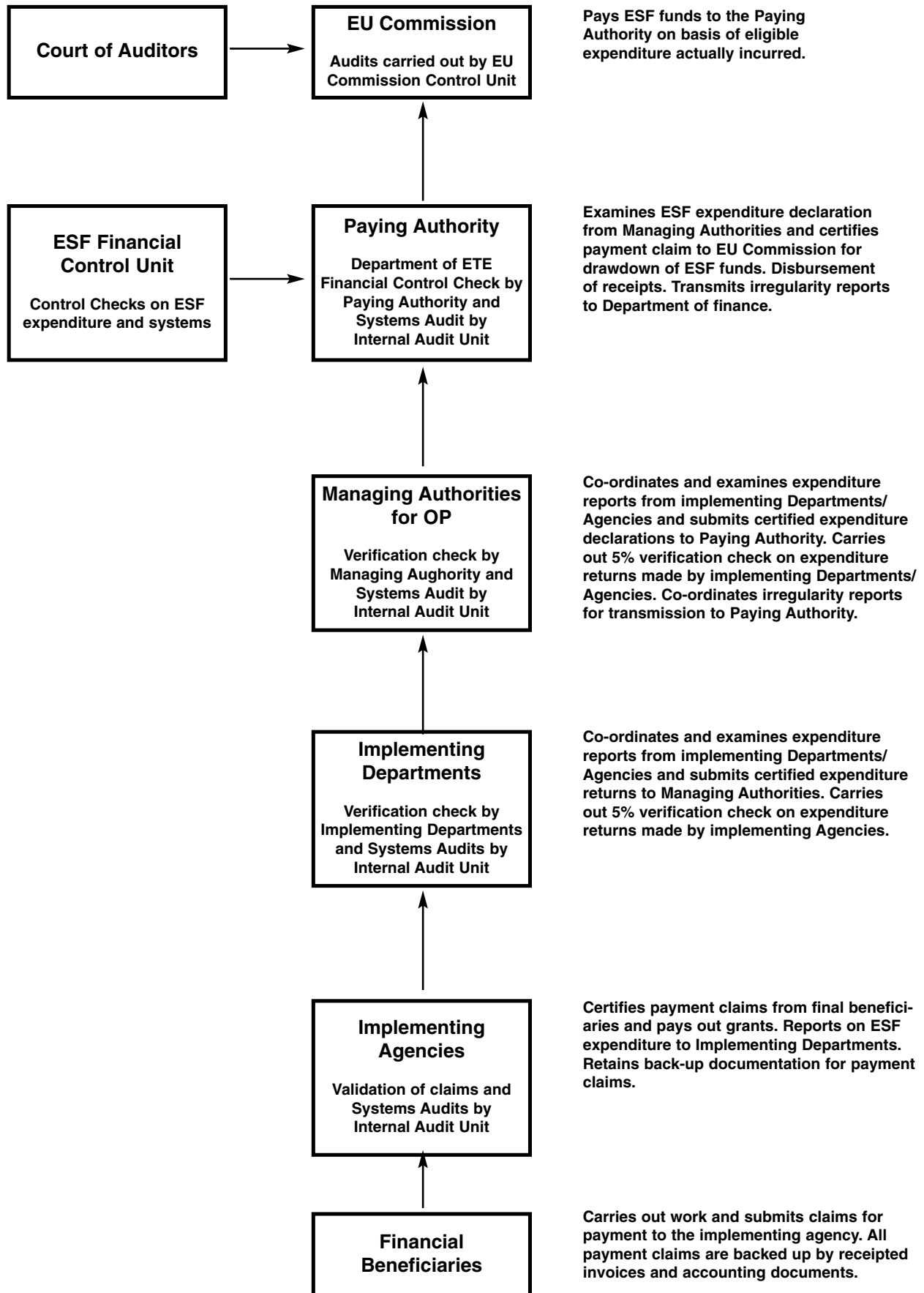
To analyse how the key features identified above could be implemented in Ireland. This analysis should include consideration of the following:

- ◆ the types of provision and target groups where implementation would be appropriate and where it would be inappropriate.
- ◆ the implications of implementing such a system for existing delivery mechanisms.
- ◆ the potential benefits as well as the costs, financial and organisational.

# Functional Roles of Organisations in OP



*Flowchart on Financial Management and Control Arrangement for Drawdown of ESF Funds*



# *Operational Programme Financial Tables*

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## *Abbreviations*

<b>BIM</b>	<b>Bórd Iascaigh Mhara (Sea Fisheries Board)</b>
<b>BMW</b>	<b>Border, Midlands, West (NUTS II) Region</b>
<b>BTEAS</b>	<b>Back to Work Allowance Scheme</b>
<b>BTEI</b>	<b>Back to Education Initiative</b>
<b>BTWAS</b>	<b>Back to Education Allowance Scheme</b>
<b>CE</b>	<b>Community Employment</b>
<b>CERT</b>	<b>Council for Education, Recruitment and Training (Tourism)</b>
<b>CSF</b>	<b>Community Support Framework</b>
<b>CSO</b>	<b>Central Statistics Office</b>
<b>D/ACGI</b>	<b>Department of Arts, Culture, Gaeltacht and the Islands</b>
<b>D/E&amp;S</b>	<b>Department of Education and Science</b>
<b>D/ETE</b>	<b>Department of Enterprise, Trade and Employment</b>
<b>D/JELR</b>	<b>Department of Justice, Equality and Law Reform</b>
<b>D/MNR</b>	<b>Department of Marine and Natural Resources</b>
<b>D/SCFA</b>	<b>Department of Social Community and Family Affairs</b>
<b>ECU</b>	<b>European Currency Unit (= euro)</b>
<b>EI</b>	<b>Educational Equality Initiative</b>
<b>EES</b>	<b>European Employment Strategy</b>
<b>ESF</b>	<b>European Social Funds</b>
<b>ESL</b>	<b>Early School Leaver</b>
<b>ESRI</b>	<b>Economic &amp; Social Economic and Social Research Institute</b>
<b>FÁS</b>	<b>Foras Áiseanna Saothair (Labour Training Agency )</b>
<b>GNP</b>	<b>Gross National Product</b>
<b>HRD</b>	<b>Human Resources Development</b>
<b>IBEC</b>	<b>Irish Business Employers Confederation</b>
<b>JER</b>	<b>Joint Employment Report</b>
<b>ICT</b>	<b>Information and Communication Technology</b>
<b>ICTU</b>	<b>Irish Congress of Trade Unions</b>
<b>IFA</b>	<b>Irish Farmers Association</b>
<b>LFS</b>	<b>Labour Force Survey</b>
<b>LTU</b>	<b>Long Term Unemployed</b>
<b>NAAC</b>	<b>National Apprenticeship Advisory Committee</b>
<b>NALS</b>	<b>National Adult Literacy Strategy</b>
<b>NAPS</b>	<b>National Anti-Poverty Strategy</b>
<b>NCC</b>	<b>National Competitiveness Council</b>
<b>NDP</b>	<b>National Development Plan</b>
<b>NEAP(s)</b>	<b>National Employment Action Plan (s)</b>
<b>NGO</b>	<b>Non-Governmental Organisation</b>
<b>NTF</b>	<b>National Training Fund</b>
<b>NQAI</b>	<b>National Qualifications Authority of Ireland</b>
<b>NSMC</b>	<b>North-South Ministerial Council</b>
<b>NUTS</b>	<b>Nomenclature des Unites Territoriales pour Statistiques</b>
<b>OP</b>	<b>Operational Programme</b>
<b>PFR</b>	<b>Policy Frame of Reference</b>
<b>QNHS</b>	<b>Quarterly National Household Survey</b>
<b>RTDI</b>	<b>Research and Technological Development and Innovation</b>
<b>S&amp;E</b>	<b>South and East (NUTS II) Region</b>
<b>SME</b>	<b>Small or Medium-sized Enterprise-sized Enterprise</b>
<b>UL</b>	<b>University of Limerick</b>
<b>VAT</b>	<b>Value Added Tax</b>
<b>VEC(s)</b>	<b>Vocational Education Committee(s)</b>