

ESF Operational Programme 2014-2020



Ex-Ante Evaluation

Report to
Department of
Education and
Skills

AECOMSM

 **Fitzpatrick Associates**
ECONOMIC CONSULTANTS

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List of Abbreviations

AIP	Activity Implementation Plan
BTEI	Back to Education Initiative
BTWEA	Back to Work Enterprise Allowance
CLLD	Community Led Local Development
CO ²	Carbon Dioxide
CPR	Common Provisions Regulation
CSF	Common Strategic Framework
CSO	Central Statistics Office
DES	Department of Education and Skills
DSP	Department of Social Protection
ECCP	European Code of Conduct on Partnership
ERDF	European Regional Development Fund
ESF	European Social Fund
ESI (Funds)	European Structural and Investment (Funds)
EU	European Union
ETB	Education and Training Board
FET	Further Education and Training
GDP	Gross Domestic Product
GNP	Gross National Product
GYDP	Garda Youth Diversion Project
ICT	Information and Communication Technology
IMF	International Monetary Fund
LMETF	Labour Market Education and Training Fund
MA	Managing Authority
MC	Monitoring Committee
NEET	Not in Employment, Education or Training
NESC	National Economic and Social Council
NRP	National Reform Programme
MS	Member State
Mtoe	Million Tonnes of Oil Equivalent
MTR	Mid Term Review
NAPSIInc	National Action Plan for Social Inclusion
NGO	Non-Governmental Organisation
OP	Operational Programme
PA	Partnership Agreement
R&D	Research and Development
SIAP	Social Inclusion and Activation Programme
SEA	Strategic Environmental Assessment
SOLAS	Further Education and Training Authority
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
VEC	Vocational Education Committee
YEI	Youth Employment Initiative
YPP	Young Persons' Probation

Executive Summary

Background

This report presents the Ex-Ante Evaluation of Ireland's draft European Social Fund Operational Programme (ESF OP) for the period 2014-2020. The evaluation was commissioned by the Department of Education and Skills (DES), which will operate as the Managing Authority for the Programme. Undertaking an Ex-Ante Evaluation is a regulatory requirement, and the Ex-Ante Evaluation must accompany OP preparation under the rules governing European Structural and Investment (ESI) Funds for the 2014-2020 programming period. The principal role of the Ex-Ante Evaluation is to improve the quality of the design of each Operational Programme, and it is a requirement that all Operational Programmes be subject to Ex-Ante Evaluations. The detailed requirements of Ex-Ante Evaluations are set out under Article 55 of the Common Provisions Regulation that governs all EU structural fund programming for the period 2014-2020.

Programme Strategy

The Regulations governing the ESF allow it to be used for a range of purposes within the overall objectives of the Fund. The authorities in Member States therefore have considerable latitude when designing an OP to ensure that their Programme is optimally responsive to the particular needs of that Member State. It must also be designed in a way that is consistent with, and serves, the broader strategy of the EU as a whole. The draft ESF Programme for Ireland has selected 5 investment priorities from three of the four (ESF) Thematic Objectives set out above, along with the Youth Employment Initiative, as the core components of the Programme.

The principal challenges and needs in policy areas of relevance to the ESF are identified in the draft OP, and these issues align well with the challenges identified for Europe as a whole in Europe 2020 and with the analysis of the issues facing Ireland and addressed in the National Reform Programme. This indicates that close links and dialogue between Ireland and its EU partners has led to a shared view of the challenges and issues facing Ireland and the EU as a whole, and that this shared view is driving policy and programme design in Ireland. In addition, the challenges and needs identified in the ESF OP are all directly responsive to one or more of the national targets for Ireland under Europe 2020. These challenges and needs also expressly address certain horizontal principles, namely equality between men and women and non-discrimination. It is also clearly evident that the Thematic Objectives, Investment Priorities and Specific Objectives of the ESF OP respond directly to the challenges and needs identified during OP preparation. The consistency of objectives is further confirmed by the observation that each investment priority selected in the draft Programme addresses at least one of these national challenges directly, and each individual challenge is addressed by at least one investment priority.

The formal needs assessment for the draft OP was carried out jointly with the assessment for the ERDF as part of the preparation of the National Partnership Agreement. The needs and challenges identified in the OP in respect of employment, education and social exclusion are objective and based on examination of the relevant indicators and trends, and appropriate account of is taken of current national policies, reforms and key relevant strategies of relevance. Three key priorities emerge for Ireland, based on the assessment of needs, strategies and objectives: increasing the employment rate and the reduction of unemployment (in particular long-term and youth unemployment; improving education and skill levels; and progressing towards social inclusion objectives. Our assessment is that these priorities flow logically from the needs analysis.

Each Investment Priority has a coherent specific objective which complement each other, and which prioritise actions taken towards the most relevant groups. In addition, considering the full set of objectives of all of the investment priorities comprising the OP, they form a coherent set, without any overlaps or conflicts.

The internal logic of each Priority Axis (and thematic objective) is also clearly evident:

- under Priority Axis I, all of the planned actions and Measures have the potential to achieve exactly the type of change sought. This impact will be concentrated where the current need is greatest, in assisting those who are currently unemployed to return to work;
- under Priority Axis II, all of the planned actions and Measures have the potential to achieve the change sought. They are targeted at groups at risk of social inclusion, and if they work as intended will bring participants into the world of work and the community;
- under Priority Axis III, investments in training are targeted at groups where they will have the greatest impact on the individual participants and the greatest impact on the number of people on the jobs market and their level of skills and training; and
- under Priority Axis IV, all of the planned actions have the potential to achieve exactly the type of change sought. The actions will move people at risk of marginalisation through unemployment, low skills or involvement with crime, to secure high value employment.

Indicators, Monitoring and Evaluation

A detailed framework of indicators and targets has been established for the draft Programme, which incorporates output indicators and associated 2023 targets for all Measures and Actions, a sub-set of these including milestones for 2018, that together comprise the proposed Performance Framework, and intermediate result indicators and associated 2023 targets for the majority of Measures and Actions.

The output indicators are clearly relevant, and together represent a reliable tool for monitoring the progress of the Programme, in terms of the basic execution of planned activity. The result indicators appropriately deal with the actual progression and qualification and/or graduation from programmes of learning or training, and therefore add further to the quality and depth of the indicator framework, and to its relevance. By establishing a further layer of information these indicators will usefully facilitate some measurement and monitoring of effectiveness and success, rather than just activity and throughput.

The indicators are also clear. Target groups are well-defined at Axis, Priority and Measure level, and outputs and results are clearly articulated in terms of categories such as participants, students enrolled or other units. There is little scope for confusion or vagueness in this respect.

At a general level the targets also appear to be realistic and meaningful, and reflective of past experience and intended levels of resourcing of Actions and Measures.

Milestones for 2018 are in all cases a proportion of the final 2023 output target, although in several cases they equate (appropriately) to the full 2023 target. Most milestones are within the range of 35% to 70% of the 2023

target, and reflect the expected speed of progress based on past experience, likely funding flow or the necessary lead-in time before participation peaks.

Effective programme management and administration is multi-dimensional and complex, and while the ESF Managing, Certifying and Auditing Authorities in Ireland are well-established and are not proposed to change for the new 2014-2020 Programme, it is important that they be adequately resourced and have sufficient skills and capacity to deal with what will be considerably more communication, reporting and data collection work. Many management tasks meanwhile continue to become more complicated and resource-intensive, and the set of required skills widens. Generally it needs to be noted that, below the level of the MA and IBs, there is a great deal of recent and ongoing organisational change among front line employment and social service providers, which implies a complex, multi-level and cross Department change process which is not yet complete. This change is generally for the better, but in the short term it means delivery of much of the new OP is reliant on structures which are themselves evolving. This will need to be monitored carefully by the MA and MC to ensure that no undue delay occurs in OP commencement.

Consistent with the Regulatory requirements, the draft Programme does not include any detailed plan for establishing monitoring systems nor for programme evaluation, although it does acknowledge the challenges and the need for resources to effectively fulfil these roles. Defining and articulating the specific processes and programmes of work needed to get to the point of having robust monitoring systems and evaluation plans and resources in place will need to be given a high priority post OP approval.

Financial Allocations

The financial allocations are reasonably balanced across the Priority Axes, giving a primacy to active employment and social inclusion activities with education/lifelong learning and youth employment more secondary roles, although this is arguably too simplistic as very many activities and Measures under any of the Axes simultaneously seek to address a combination of employment, skills, inclusion and youth needs and objectives.

Within the Axes themselves, the balance of activities across actions and Measures is more varied, although with a rationale for such distributions usually evident.

A strength of the 2007-2013 ESF Programme in Ireland was the degree to which it re-allocated resources in response to changing circumstances, needs and priorities, and the new Programme will benefit from the same flexibility and adaptability.

Contribution to Europe 2020

The Union's 2020 targets as a whole are transposed into targets at individual MS level, including Ireland's. The targets that relate to employment, early school leaving, tertiary education participation, and level of poverty and poverty risk, are all relevant to the ESF, and the achievement of each is likely to be supported by the Programme. The strength of support for each target likely to be provided under each Priority Axis, is considered in the main report.

Conclusions

The evaluation considers Ireland's experience of extreme economic recession and stagnation since 2007/8 as the most pressing and immediate context for ESI support for 2014-2020, and addressing its marked negative social and labour market impact is considered the priority for ESF focus. In this regard, unemployment, up-skilling and re-skilling, labour market activation, youth unemployment, accessing educational opportunities, matching labour market supply with demand, and addressing social exclusion priorities that include the needs of those for whom unemployment and long-term unemployment are at its core, are correctly the legitimate and warranted focuses of a new multi-annual programme.

The Programme will need to remain flexible to respond to new priorities that changing socio-economic conditions may warrant over the full 2014-20 period. Just as the 2007-13 OP had to adjust to the dramatically and negatively altered national economic and employment conditions that emerged mid-way through the Programme, so too it is likely that the pace of recovery and its implications may be dramatically different in the latter part of the current Programme period than they were at its outset.

The emerging Programme as presented to the evaluators exhibits strong internal coherence. There are considerable and important relationships between all four priority axes, which while having distinct objectives and foci (employment, social inclusion, education and youth employment respectively), include sharing common characteristics in supporting those most in need, in labour market progression as the key enabler of the social and economic integration and progression of individuals and groups, and in encouraging sustainable labour market progression, life-long learning, youth and adult further education and training, and labour market mobility.

The ex-ante evaluation finds high levels of consistency between the draft ESF Programme and the CPR, CSF, Partnership Agreement and the National Reform Programme, and the Programme has the capacity to make a strong and direct contribution to the Europe 2020 Strategy, and particularly in supporting Ireland's contribution to its specific aims and targets that relate to employment, education and tackling poverty and social exclusion.

Recommendations

- While the broad nature of the priorities allows for adjustment to socio-economic changes that may emerge in the economy in the life-time of the ESF Programme, needs and priorities should be reviewed as part of a mid-term evaluation. Consideration should be given to later inclusion within the OP of specific measures on apprenticeship, and on active inclusion and jobless households in the light of current national policy focus and reforms. Support for upgrading the skills of low-skilled employees within SMEs may also be of relevance at the mid-term review (MTR) stage if the economy continues to steadily improve;
- maintain flexibility in the scope of the Programme and its financial allocations and redirect the focus where needs change or observed progress and effectiveness (or lack of them) warrant it at a later stage, especially the MTR;
- the scope to differentiate ESF-funded activity from mainstream programmes, to introduce innovative approaches or delivery models, or to address new or unique needs, should continually be explored (including at mid-term review stage), to ensure the ESF adds policy value to national approaches as well as simply supports their resourcing;

- a thorough examination of the resources and processes required to meet the considerable management needs of the Programme should be undertaken, including within the MA and other central ESF authorities, as well as in the implementing and delivery bodies, and the necessary resources and processes put in place that effective management will require;
- the process by which data capture, management, sharing and reporting systems will need to be brought to the levels required is a very significant undertaking and needs to be planned, resourced and implemented at the earliest opportunity;
- where indicators and targets refer to individuals or places should be clarified, and where possible data for both should be set out;
- the MA should cross-check output targets and financial proposals (and implicit unit costs) within AIPs with those aggregated by the MA in the draft Programme and Performance Framework to ensure consistency;
- any changes to the OP document arising from its proofing from the perspectives of equality and social inclusion (by the Equality Authority and the Social Inclusion Unit of DSP) should be made;
- when approved a single, user-friendly, comprehensive version of the Programme Document should be prepared and published;
- increase emphasis within the OP and more widely on promoting measures as an integrated package of interlocking instruments to contribute to the overall of objectives and target groups and put less emphasis on promoting multiple, often similar but separately branded interventions in isolation;
- especially in the short-term, the MC and MA should closely monitor the impact of the extensive ongoing institutional change at front-line service level so as to minimise any resulting delay in OP commencement.

1. Background and Introduction

1.1 Introduction

This report presents the Ex-Ante Evaluation of Ireland's draft European Social Fund Operational Programme (ESF OP) for the period 2014-2020. The evaluation was commissioned by the Department of Education and Skills (DES), which will operate as the Managing Authority for the Programme, and as such has primary responsibility for its preparation. Undertaking an Ex-Ante Evaluation is a regulatory requirement, and the Ex-Ante Evaluation must accompany OP preparation under the rules governing European Structural and Investment (ESI) Funds for the 2014-2020 programming period. The report was prepared by Fitzpatrick Associates Economic Consultants, in conjunction with AECOM, and the consultants were appointed in December 2013.

1.2 Evaluation Role and Objectives

The principal role of the Ex-Ante Evaluation is to improve the quality of the design of each Operational Programme, and it is a requirement that all Operational Programmes be subject to Ex-Ante Evaluations. As specified under Article 55 of the Common Provisions Regulation (CPR), the Ex Ante Evaluation is required to appraise:

- a) "the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs and potential for development as well as lessons drawn from previous programming periods;
- b) the internal coherence of the proposed programme or activity and its relationship with other relevant instruments;
- c) the consistency of the allocation of budgetary resources with the objectives of the programme;
- d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the CSF, the Partnership Agreement and the relevant country specific recommendations adopted in accordance with Article 121(2) TFEU and where appropriate at national level, the National Reform Programme;
- e) the relevance and clarity of the proposed programme indicators;
- f) how the expected outputs will contribute to results;
- g) whether the quantified target values for indicators are realistic, having regard to the support envisaged from the ESI Funds;
- h) the rationale for the form of support proposed;
- i) the adequacy of human resources and administrative capacity for management of the programme;
- j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;
- k) the suitability of the milestones selected for the performance framework;
- l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent any discrimination, in particular as regards accessibility for persons with disabilities;

- m) the adequacy of planned measures to promote sustainable development;
- n) measures planned to reduce the administrative burden on beneficiaries”.

In addition, the CPR requires that ex-ante evaluations should:

- be carried out under the responsibility of the authority responsible for the preparation of the programmes and be submitted to the Commission at the same time as the programme; and
- incorporate, where appropriate, the requirements for Strategic Environmental Assessment set out in implementation of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001.

1.3 Detailed Requirements

The Commission has published detailed guidance on the Ex-Ante Evaluation of ESF and ERDF Programmes for the 2014-2020 period.¹ These summarise five key components as follows:

- Programme Strategy
- Indicators, Monitoring and Evaluation;
- Consistency of Financial Allocations;
- Contribution to Europe 2020 Strategy; and
- Strategic Environmental Assessment.

Under each of these, the Guidelines set out a number of specific tasks for the evaluator, as set out below.

Programme Strategy

- *Appraisal of the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Agreement and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty;*
- *Consistency in the context of 2014-2020 programming, i.e., whether the identified national or regional challenges and needs are in line with the Europe 2020 objectives and targets, the Council recommendations and the National Reform Programmes; and, whether the investment priorities and their specific objectives consistently reflect these challenges and needs; and, whether the key territorial challenges for urban, rural, coastal and fisheries areas as well as for areas with particular territorial features have been analysed and taken into account in the strategy;*
- *Assessment of the programme objectives in relation to identified challenges and needs and appraisal of whether the identified challenges and needs are given an appropriate weight in the proposed investment priorities;*

¹ European Commission, *The Programming Period 2014-2020: Monitoring and Evaluation of European Cohesion Policy: ERDF, ESF, Cohesion Fund, Guidance on Ex Ante Evaluation*, Jan 2013.

- *Examination of the internal coherence of the proposed programme and links with other relevant instruments, i.e., whether the programme takes adequate account of related policies and programmes;*
- *Assessment of the link between supported actions, expected outputs and results, including the identification of the main target groups, specific territories targeted, forms of support and types of beneficiaries where appropriate and the planned use of financial instruments; and,*
- *Assessment of the adequacy of the planned measures to support equal opportunities between men and women, to prevent discrimination and to promote sustainable development,*
- *Assessment of the involvement of partners in the identification of the needs and challenges in line with Article 5 of the Common Provisions Regulation, and the European Code of Conduct on Partnership.*

Indicators, Monitoring and Evaluation

- *Appraisal of the relevance, robustness (statistical validation), responsiveness to policy, timeliness and clarity of normative interpretation of the proposed programme indicators and making of recommendations for alternative/additional indicators as appropriate;*
- *Assessment of baseline and target values (realism, quality, plausibility) and advising on the sources and methods for informing indicators;*
- *Assessment of the suitability of the milestones selected for the performance framework (relevance, plausibility, representativeness) and making of recommendations for alternative/additional milestones as appropriate;*
- *Appraisal of the adequacy of human resources and administrative capacity for management of the programmes and the suitability of the procedures for monitoring the programme and collection of the data necessary for monitoring and evaluation purposes;*
- *Assessment of the sources of monitoring data and verification of procedures to ensure data quality; and*
- *Advising on the main evaluations to be undertaken and on the methods to be applied for planned impact evaluations, as part of the evaluation plan.*

Consistency of financial allocations

- *Appraisal of the consistency of the budgetary allocation with selected programme objectives; and,*
- *Appraisal of whether or not the financial allocations concentrate on the most important objectives, in line with the identified challenges and needs.*

Contribution to Europe 2020 strategy

- *Appraisal of the contribution of the programme to the Europe 2020 strategy, having regard to the selected thematic objectives and priorities, taking into account national and regional needs; and,*
- *Assessment of the extent to which the programme is likely to contribute to Europe 2020's objectives and targets.*

Strategic Environmental Assessment

- *Assessment of the likely effects of the programme on the environment, in accordance with the SEA Directive.*

1.4 Methodology

The principal methods used in carrying out the evaluation have included:

- data assembly and analysis including background and baseline socio-economic, labour market, education and skills data, financial data, and operational data with regard to Measures, targets and indicators;
- targeted consultations both bilaterally with DES as Managing Authority, and with selected programme-level and Measure-level implementing bodies and stakeholders;
- detailed documentary and literature review into contextual, Programmatic and Measure-level policy and programming matters;
- ongoing review and iteration with the MA during OP drafting and preparation; and
- analysis, synthesis and reporting of findings.

1.5 Structure of Report

The Ex-Ante Evaluation Report is structured as follows:

- Section 2 summarises key aspects of the context within which the OP is being prepared, including those relating to EU ESI funding, EU policy and national policy;
- Section 3 presents the assessment of the Programme strategy, including of objectives, needs, coherence, linkages, targeting, horizontal themes and partnership principles;
- Section 4 addresses Programme indicators, management, monitoring and evaluation;
- Section 5 assesses the proposed financial allocations, and their consistency with objectives and needs;
- Section 6 considers the Programme's contribution to the Europe 2020 strategy, objectives and targets;
- Section 7 presents findings regarding Strategic Environmental Assessment requirements; and
- Section 8 presents evaluation conclusions and recommendations.

2. Regulatory and Policy Context

2.1 Introduction

This Section describes the regulatory and policy context for the Programme and its Ex Ante Evaluation. Section 2.2 summarises the key EU Regulations of relevance, while Section 2.3 presents an overview of the Common Strategic Framework established for all ESI funding across Member States for the 2014-2020 period. Section 2.4 introduces the Europe 2020 Strategy, with which ESI Programmes (and their evaluations) are required to ensure consistency and complementarity, while Section 2.5 describes the National Reform Programme (NRP) in Ireland. Section 2.6 describes Ireland's Partnership Agreement, while Section 2.7 summarises key aspects of the Commission Position Paper on Ireland that have relevance to ESF programming and priorities.

2.2 EU Regulations

2.2.1 Overview

The Regulations underpinning EU Cohesion Policy for 2014-2020 include the Common Provisions Regulation (CPR) and individual "fund-specific" Regulations including one applying to the European Social Fund (ESF), and others relevant to the European Regional Development Fund (ERDF), European Agricultural Fund for Rural Development (EARDF) and others. The Regulatory package was adopted in December 2013.

2.2.2 Common Provisions Regulation

The CPR² sets out regulatory provisions common to all funding under the 2014-2020 ESI package. Its provisions relate to, inter alia:

- general principles underlying EU support for the ESI funds;
- the strategic approach to underlie all supports, including
 - the thematic objectives that will apply;
 - Partnership Agreements;
 - thematic concentration;
 - the linking of measures to sound economic governance;
- programming procedures;
- financial instruments;
- monitoring and evaluation;
- technical assistance;
- financial support;
- management and control;
- financial management;
- general provisions applicable to the ESF, ERDF and Cohesion Fund (CF); and

² EU Regulation No 1303 of The European Parliament and Council, 13 Dec. 2013

- provisions regarding delegations of power, implementing and transitional arrangements.

Among the general principles underlying EU support are that:

- *“The ESI Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, as well as the Fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion”;*
- *“The Commission and the Member States shall ensure, taking account of the specific context of each Member State, that support from the ESI Funds is consistent with the relevant policies, horizontal principles...and priorities of the Union, and that it is complementary to other instruments of the Union”;*
- *“Support from the ESI Funds shall be implemented in close cooperation between the Commission and the Member States in accordance with the principle of subsidiarity”;*
- *“The part of the budget of the Union allocated to the ESI Funds shall be implemented within the framework of shared management between the Member States and the Commission”;*
- *“The Commission and the Member States shall respect the principle of sound financial management”;*
- *“The Commission and the Member States shall ensure the effectiveness of the ESI Funds during preparation and implementation, in relation to monitoring, reporting and evaluation”;* and
- *“The Commission and the Member States shall carry out their respective roles in relation to the ESI Funds with the aim of reducing the administrative burden on beneficiaries”.*

Article 5 of the CPR sets out the principles regarding partnership and multi-level governance, whereby for the Partnership Agreement and each Operational Programme (OP), Member States shall organise a partnership involving the competent regional and local authorities; the competent urban and other public authorities; the economic and social partners; and relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination. Such partnerships *“shall be involved by Member States in the preparation of Partnership Agreements and progress reports and throughout the preparation and implementation of programmes”*, with further elaboration of their roles and the operation of the partnership principles to be by way of a delegated act.

Article 7 of the CPR provides that the promotion of equality between men and women, and the prevention of discrimination (based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation) are taken fully into account in the preparation and implementation of all programmes, while Article 8 provides that the objectives of the ESI funds will be pursued in line with the principle of sustainable development and with the Union's promotion of the aim of preserving, protecting and improving the quality of the environment.

The CPR provides that ESI funds shall support eleven thematic objectives:

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, ICT;

- (3) enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF);
- (4) supporting the shift towards a low-carbon economy in all sectors;
- (5) promoting climate change adaptation, risk prevention and management;
- (6) preserving and protecting the environment and promoting resource efficiency;
- (7) promoting sustainable transport and removing bottlenecks in key network infrastructures;
- (8) promoting sustainable and quality employment and supporting labour mobility;
- (9) promoting social inclusion, combating poverty and any discrimination;
- (10) investing in education, training and vocational training for skills and lifelong learning; and
- (11) enhancing institutional capacity of public authorities and stakeholders and efficient public administration.

Article 27 of the CPR addresses the content of (operational) programmes. In summary, it provides that they

- a) set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth;
- b) include arrangements to ensure effective, efficient and coordinated implementation of the ESI Funds and actions to achieve a reduction of the administrative burden on beneficiaries;
- c) define priorities setting out specific objectives, financial appropriations of support from the ESI Funds and corresponding national co-financing, including amounts related to the performance reserve;
- d) for each priority, set out indicators and corresponding targets expressed in qualitative or quantitative terms, in accordance with the Fund-specific rules, with indicators to include financial indicators relating to expenditure allocated, output indicators relating to the operations supported, and result indicators relating to the priority concerned; and
- e) include a description, in accordance with the Fund-specific rules, of the actions to take into account the principles of equality between men and women, non-discrimination and sustainable development;

Among the provisions specific to the ERDF, ESF and CF, are that

- OPs consist of priority axes, that will correspond to a thematic objective, and comprise one or more of the investment priorities of that thematic objective in accordance with the Fund-specific rules;
- OPs set out
 - a justification for the choice of thematic objectives, corresponding investment priorities and financial allocations having regard to the Partnership Agreement, based on an identification of regional and, where appropriate, national needs;
 - for each priority axis³:
 - the investment priorities and corresponding specific objectives;

³ Other than technical assistance

- the expected results for the specific objectives, and the corresponding result indicators, with a baseline value and a target value;
 - a description of the type and examples of actions to be supported under each investment priority and their expected contribution to the specific objectives;
 - the output indicators, including the quantified target value, which are expected to contribute to the results;
 - implementation steps and financial and output indicators, and where appropriate, result indicators, to be used as milestones and targets for the performance framework;
- a financing plan;
 - the proposed integrated approach to territorial development, having regard to the Partnership Agreement;
 - the actions taken to involve the relevant partners in the preparation of the OP, and their proposed role in programme implementation, monitoring and evaluation;
 - an assessment of the fulfilment or otherwise of ex-ante conditionalities.

2.2.3 ESF Regulation

The ESF Regulation⁴ contains articles and provisions that address:

- general provisions, including the ESF Mission, the investment priorities under thematic objectives particular to the ESF, and its scope to support wider thematic objectives;
- a range of ESF-specific provisions for programming and implementation;
- specific provisions for financial management;
- the Youth Employment Initiative (YEI);
- final provisions including those addressing the delegations of power.

In its Annexes, the ESF Regulation sets out:

- (a) common output and result indicators for ESF investments; and
- (b) result indicators for the YEI.

Regarding the ESF Missions, the Regulation provides that:

“The ESF shall promote high levels of employment and job quality, improve access to the labour market, support the geographical and occupational mobility of workers and facilitate their adaptation to industrial change and to changes in production systems needed for sustainable developments, encourage a high level of education and training for all and support the transition between education and employment for young people, combat poverty, enhance social inclusion, and promote gender equality, non-discrimination and equal opportunities, thereby contributing to the priorities of the Union as regards strengthening economic, social and territorial cohesion”.

⁴ EU Regulation 1304/2013 of the European Parliament and Council, 17 Dec. 2013

“The ESF shall benefit people, including disadvantaged people such as the long-term unemployed, people with disabilities, migrants, ethnic minorities, marginalised communities and people of all ages facing poverty and social exclusion. The ESF shall also provide support to workers, enterprises, including actors in the social economy, and entrepreneurs, as well as to systems and structures with a view to facilitating their adaptation to new challenges including reducing skill mismatches and promoting good governance, social progress, and the implementation of reforms, in particular in the fields of employment, education, training and social policies.”

The investment priorities set out in the Regulation that relate to each relevant thematic objective are shown in Figure 2.1.

FIGURE 2.1 ESF INVESTMENT PRIORITIES AND THEMATIC OBJECTIVES			
<u>THEMATIC OBJECTIVE:</u> 'promoting sustainable and quality employment and supporting labour mobility'	<u>THEMATIC OBJECTIVE:</u> 'promoting social inclusion, combating poverty and any discrimination'	<u>THEMATIC OBJECTIVE:</u> 'investing in education, training and vocational training for skills and life-long learning'	<u>THEMATIC OBJECTIVE:</u> 'enhancing institutional capacity of public authorities and stakeholders and efficient public administration'
<u>INVESTMENT PRIORITIES:</u> (i) Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility; (ii) Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee;	<u>INVESTMENT PRIORITIES:</u> (i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability; (ii) Socio-economic integration of marginalised communities such as the Roma; (iii) Combating all forms of discrimination and promoting equal opportunities; (iv) Enhancing access to affordable, sustainable and high- quality services, including health care and social services of general interest;	<u>INVESTMENT PRIORITIES:</u> (i) Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training; (ii) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups;	<u>INVESTMENT PRIORITIES:</u> (i) Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance; This investment priority is applicable only in Member States eligible for support from the Cohesion Fund, or in Member States that have one or more NUTS level 2 regions referred to in Article 90(2)(a) of Regulation (EU) No 1303/2013.

FIGURE 2.1 ESF INVESTMENT PRIORITIES AND THEMATIC OBJECTIVES (CONT)			
<u>THEMATIC OBJECTIVE:</u> 'promoting sustainable and quality employment and supporting labour mobility'	<u>THEMATIC OBJECTIVE:</u> 'promoting social inclusion, combating poverty and any discrimination'	<u>THEMATIC OBJECTIVE:</u> 'investing in education, training and vocational training for skills and life-long learning'	<u>THEMATIC OBJECTIVE:</u> 'enhancing institutional capacity of public authorities and stakeholders and efficient public administration'
<p>(iii) Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises;</p> <p>(iv) Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work;</p> <p>(v) Adaptation of workers, enterprises and entrepreneurs to change;</p> <p>(vi) Active and healthy ageing;</p> <p>(vii) Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders.</p>	<p>(v) Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment;</p> <p>(vi) Community-led local development strategies.</p>	<p>(iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;</p> <p>(iv) Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes.</p>	<p>(ii) Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels.</p>

Article 16 of the Regulation concerns the Youth Employment Initiative (YEI), which will support the fight against youth unemployment, and will “target all young persons under the age of 25 not in employment, education or training, residing in eligible regions, who are inactive or unemployed including the long- term unemployed, and whether or not registered as seeking work”. On a voluntary basis, Member States may also extend the target group to include young persons under the age of 30. Specific provisions concerning the YEI include the following:

- it may be programmes as a single OP, as a single dedicated priority axis within an OP, or a part of one or more priority axes;
- regions eligible for the YEI are to be determined with reference to youth unemployment rates in 2012;
- depending on developments during 2014 and 2015, resources devoted to the YEI may be increased for the period 2016-2020;
- a number of specific requirements concerning YEI monitoring and evaluation, technical assistance, financial support and financial management.

2.3 Common Strategic Framework

Article 10 of the CPR provides for the establishment of a Common Strategic Framework, for the purposes of promoting “the harmonious, balanced and sustainable development of the Union”. The CSF contains “strategic guiding principles to facilitate the programming process and the sectoral and territorial coordination of Union intervention under the ESI Funds and with other relevant Union policies and instruments, in line with the targets and objectives of the Union strategy for smart, sustainable and inclusive growth”.

To ensure policy commitments are reflected appropriately by ESI and wider EU investment the CSF incorporates principles and provisions regarding:

- the thematic objectives outlined for all ESI investment over the 2014-2020 period;
- adoption of integrated approaches to the utilisation of ESI funds;
- appropriate co-ordination and establishment of synergies between ESI funds and other Union policies and instruments, including the CAP, Horizon 2020, the Programme for the Environment and Climate Action (LIFE), Erasmus+, the Programme for Employment and Social Innovation (EaSI), and the Connecting Europe Facility;
- the upholding of horizontal principles including those relating to partnership and multi-level governance, sustainable development, the promotion of equality between men and women and non-discrimination, accessibility, addressing demographic change, and climate change mitigation and action;
- the addressing of key territorial challenges of each region and unlocking specific territorial development potentials; and
- the promotion of complementarity and cooperation.

2.4 Europe 2020 Strategy

Europe 2020 is the Union's 10 year strategy for growth and jobs.⁵ Launched in 2010, the strategy seeks to move Europe out of the economic crisis that began in 2007/2008, and into a period of "smart, sustainable and inclusive" growth, through a framework that incorporates EU-wide priorities, targets and flagship initiatives, all overseen by a shared system of economic governance.

The strategy has set out five headline targets to be achieved across the entire Union by 2020, as follows:

1. Employment:
 - 75% of the 20-64 year-olds to be employed;
2. R&D:
 - 3% of the EU's GDP to be invested in R&D;
3. Climate change and energy sustainability:
 - greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990;
 - 20% of energy from renewables;
 - 20% increase in energy efficiency;
4. Education:
 - reducing the rates of early school leaving below 10%;
 - at least 40% of 30-34-year-olds completing third level education;
5. Fighting poverty and social exclusion:
 - at least 20 million fewer people in or at risk of poverty and social exclusion.

The Union's targets are transposed into targets for individual Member States, of which Ireland's are as follows:

- employment Rate: 69-71%;
- R&D as % GDP: approx. 2% (2.5% GNP);
- CO² Emission Reduction Target: -20%;
- renewable Energy: 16%;
- energy efficiency – reduction of energy consumption in Mtoe: 2.75;
- early school leaving in %: 8%;
- tertiary education in %: 60%;
- reduction of population at risk of poverty or social exclusion in number of persons: 186,000 by 2016.

⁵ European Commission, *Communication from the Commission: Europe 2020: A Strategy for Smart, Sustainable and Inclusive Growth*, 03/03/2010

2.5 National Reform Programme

Actions and policies supporting the pursuit and achievement of these Europe 2020 targets are the subject of the National Reform Programme (NRP). The NRP is thus the central link between the EU 2020 goals and targets and the Programme. The Programme is designed both to address the objectives and operationalise the agreed actions in the NRP. The 2013 NRP update⁶ describes progress under the five headline areas of employment, R&D, climate change, education and poverty. Of these, the ESF has most relevance to employment, education and poverty, and the key developments which the NRP points to under these areas include the following:

Employment:

- the “Action Plan for Jobs” is a multi-annual initiative that seeks to increase the numbers employed by 100,000 by 2016 and total employment of more than 2 million by 2020 through the introduction of a range of employment support measures;
- the “Pathways to Work” initiative is the Government’s programme of change to improve the activation services it offers to unemployed people, and is aimed at ensuring as many as possible of the job vacancies that are created are filled by people from positions of unemployment or long-term unemployment.

Education

- a host of policies and programmes that are seeking to address early school leaving and educational disadvantage;
- reforms of educational welfare services;
- a national strategy to improve literacy and numeracy among children and young people;
- reforms within secondary education;
- a national strategy for third level education, and initiatives seeking to enhance third level accessibility.

Poverty

- progressing the National Action Plan for Social Inclusion (NAPSI), including steps to ensure
 - adequate minimum incomes;
 - labour market activation and inclusive access to labour markets; and
 - access to quality services.

⁶ Dept. of the Taoiseach, *National Reform Programme for Ireland Under the Europe 2020 Strategy, 2013 Update*, 2013

2.6 Partnership Agreement

Ireland's draft Partnership Agreement (PA)⁷ was formally submitted to the EU Commission in April 2014. As is its regulatory purpose, the PA sets out the policy context within which overall ESI funding will be applied in Ireland over the 2014-2020 period, and in relation to all ESF funding, its various sections address:

- arrangements to ensure alignment with the Union strategy of smart, sustainable and inclusive growth (the Europe 2020 Strategy);
- the approach to addressing horizontal principles and policy objectives;
- arrangements to ensure effective implementation of funding;
- approaches to integrated territorial development; and
- arrangements to ensure efficient implementation of the Agreement and (Operational) Programmes.

2.7 Commission Position Paper on Ireland

The Commission Position Paper⁸ on Ireland describes what are considered the main challenges for the country, as well as what are considered the Priorities for ESI funding. Three overriding challenges are identified:

- high levels of overall and youth unemployment, increasingly long-term in nature, and the increasing risk of social exclusion;
- insufficient commercialisation of basic research and low availability of finance for the private sector, particularly for SMEs; and
- the inefficient use of resources.

In response to these overriding challenges, the paper puts forward numerous proposals for how funding should seek to combat long-term unemployment, youth unemployment and social exclusion. In relation to long-term unemployment, as well as actions to address job-search requirements and employment incentives, the paper advocates developing measures to ensure the long-term unemployed maintain links to the labour market. In relation to youth unemployment, a priority should be provision of education, training and work-experience opportunities for those not in employment, education or training (NEET). Addressing social exclusion is seen as critically dependent in the first instance on ensuring the employment of those excluded, particularly for those furthest from the labour market such as single parents, the disabled and the economically inactive.

⁷ Dept. of Public Expenditure and Reform, *Partnership Agreement: Ireland 1 Jan 2014-31 Dec 2020*, Jan 2014

⁸ *Position Paper of the Commission Services on the Development of Partnership Agreements and Programmes in Ireland for the Period 2014-2020*, 09/11/2012

3. Programme Strategy

3.1 Introduction

This Section presents the assessment of the Programme strategy. It begins by considering the consistency of its objectives, before presenting evaluation findings regarding the Programme's needs assessment. Section 3.4 turns to the coherence of the Programme, while Section 3.5 considers its internal linkages and intervention logic. How the Programme embraces relevant horizontal themes is dealt with in Section 3.6, while finally Section 3.7 considers its adoption of partnership principles, both in its preparation and its implementation proposals.

3.2 Consistency of Objectives

The consistency of the Programme's objectives in the current context refers to "the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Contract and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty". It requires consideration of whether the challenges and needs identified in the draft Programme are consistent with the wider "Europe 2020" objectives and targets, the Council recommendations to the Member State in question, and the relevant National Reform Programme. It then must consider whether the investment priorities and specific objectives set out in the OP do in fact reflect and respond to these challenges and needs.

The Regulations governing the ESF allow it to be used for a range of purposes within the overall objectives of the Fund. The authorities in Member States therefore have considerable latitude when designing an OP to ensure that their Programme is optimally responsive to the particular needs of that Member State. It must also be designed in a way that is consistent with, and serves, the broader strategy of the EU as a whole.

The overall Mission of the ESF, the overall ESI Thematic Objectives which are relevant to the ESF Programmes, and the constituent individual investment priorities for each of these thematic objectives, were set out in Section 2.2.

To recap, the four thematic objectives are as follows:

8. Promoting sustainable and quality employment and supporting labour mobility;
9. Promoting social inclusion, combating poverty and any discrimination;
10. Investing in education, training and vocational training for skills and lifelong learning; and,
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration.

In addition, the European Social Fund Regulation sets out the legal basis for the Youth Employment Initiative. The Youth Employment Initiative forms an objective and investment priority in its own right.

The draft ESF Programme for Ireland has selected 5 investment priorities from three of the four (ESF) Thematic Objectives set out above, along with the Youth Employment Initiative, as the core components of the Programme. These are as follows:

FIGURE 3.1 THEMATIC OBJECTIVES AND INVESTMENT PRIORITIES

Thematic Objectives	Investment Priorities
8. Promoting sustainable and quality employment and supporting labour mobility.	(i) Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility.
9. Promoting social inclusion, combating poverty and any discrimination.	(i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability.
	(iii) Combating all forms of discrimination and promoting equal opportunities.
10. Investing in education, training and vocational training for skills and lifelong learning	(ii) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups.
	(iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.
Youth Employment Initiative	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.

The OP document summarises the context in which it has been devised. It sets out a concise overview of the relevant features of:

- employment and the labour force;

- Ireland's current experience of unemployment;
- the particular issue of youth unemployment and applicability of the EU "Youth Employment Initiative" to Ireland;
- current issues in the education and training system;
- the extent and severity of poverty and social exclusion; and
- current progress towards the goals of equality and equal opportunities.

The principal challenges and needs identified in the OP in their overview of the policy areas where the mission of the ESF is most relevant, are summarised as follows⁹:

- Ireland's relatively low rate of employment (despite recent improvements), reflecting unemployment and low rates of participation in the labour force among some sections of the community. The employment rate is 61.4%, significantly below the target of 69-71% set for 2020 in the current "National Recovery Plan";
- potential shortages of certain types of worker including biopharma and pharmachem scientists, precision engineers, software developers, ICT project managers and security specialists, business and finance professionals, some healthcare professionals and staff for online and contact centre sales and customer service have been identified;
- unemployment remains much too high at 12.1% of the labour force;
- women continue to be relatively detached from the labour market, with a participation rate of only 52.8%;
- long term unemployment represents over 60% of unemployment;
- youth unemployment is particularly severe. Persons under 25 have an unemployment rate of 26.7% compared to the overall rate of 12%. Particularly worryingly a full 40% of these young unemployed people have been out of work for more than a year;
- certain socio economic groups and communities are significantly underrepresented in higher education.
- the rate of consistent poverty remains at 6.9%, over three times the 2% target for 2020 set in the National Reform Programme. A key issue leading to this level of consistent poverty, and to unacceptable levels of social and economic disadvantage in general is the fact that a full 24% of the population live in jobless households; and
- equality and equal opportunities remain key priorities of public policy in Ireland.

These issues align well with the challenges identified for Europe as a whole in Europe 2020 and with the analysis of the issues facing Ireland and addressed in the National Reform Programme. This indicates that close links and dialogue between Ireland and its EU partners has led to a shared view of the challenges and issues facing Ireland and the EU as a whole, and that this shared view is driving policy and programme design in Ireland.

⁹ Statistics references may have been updated in later iterations.

Europe 2020 was launched in 2010 and comprises an integrated set of policies and targets covering employment, research and development, climate and energy, education, social inclusion and poverty reduction. The ultimate aim of Europe 2020 is to address the shortcomings in the ability of the EU economy to grow while preserving the benefits of the EU social model. This can be summarised as the pursuit of smart, sustainable and inclusive growth. The key relevant EU targets and national targets for Ireland were set out in Section 2.4. The specific challenges and needs identified in the ESF OP are all responsive to the high level aims of Europe 2020 for the EU as a whole.

In addition, the challenges and needs identified in the ESF OP are all directly responsive to one or more of the national targets for Ireland under Europe 2020. These challenges and needs also expressly address certain horizontal principles, namely equality between men and women and non-discrimination. The issue of sustainability is not expressly addressed in the OP as it stands. However sustainability issues are more directly relevant to other OPs.

It is also clearly evident that the Thematic Objectives, Investment Priorities and Specific Objectives of the ESF OP respond directly to the challenges and needs identified during OP preparation. These are to:

- increase employment and labour force participation;
- address identified future skill shortages;
- reduce unemployment;
- increase female participation in the workforce;
- tackle long term unemployment;
- tackle youth unemployment is particularly severe;
- increase the representation of underrepresented groups in third level education;
- reduce poverty; and
- secure equality between men and women and equal opportunities for all.

Finally, the consistency of objectives is further confirmed by the observation that each investment priority selected in the draft Programme addresses at least one of these national challenges directly, and each individual challenge is addressed by at least one investment priority. This is demonstrated in Table 3.1 below.

TABLE 3.1 RELATIONSHIP BETWEEN THEMATIC OBJECTIVES, INVESTMENT PRIORITIES AND NATIONAL CHALLENGES										
Thematic Objective	Investment Priorities	Increase employment and labour force participation	Address identified future skill shortages	Reduce Unemployment	Increase female participation in the workforce	Tackle long term unemployment	Tackle severs youth unemployment	Increase the representation of underrepresented groups in third level education	Reduce poverty	Secure equality between men and women and equal opportunities for all
8. Promoting sustainable and quality employment and supporting labour mobility;	(i) Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;	X		X		X	X		X	
9. Promoting social inclusion, combating poverty and any discrimination;	(i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability; (iii) Combating all forms of discrimination and promoting equal opportunities;	X		X		X	X	X		X

TABLE 3.1 RELATIONSHIP BETWEEN THEMATIC OBJECTIVES, INVESTMENT PRIORITIES AND NATIONAL CHALLENGES									
Thematic Objectives	Investment Priorities	Increase employment and labour force participation	Address identified future skill shortages	Reduce Unemployment	Increase female participation in the workforce	Tackle long term unemployment	Tackle severs youth unemployment	Increase the representation of underrepresented groups in third level education	Secure equality between men and women and equal opportunities for all Reduce poverty
10. Investing in education, training and vocational training for skills and lifelong learning;	(ii) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups;		X					X	X
	(iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;		X					X	X

TABLE 3.1 RELATIONSHIP BETWEEN THEMATIC OBJECTIVES, INVESTMENT PRIORITIES AND NATIONAL CHALLENGES									
Thematic Objectives	Investment Priorities	Increase employment and labour force participation	Address identified future skill shortages	Reduce Unemployment	Increase female participation in the workforce	Tackle long term unemployment	Tackle severs youth unemployment	Increase the representation of underrepresented groups in third level education	Secure equality between men and women and equal opportunities for all Reduce poverty
Youth Employment Initiative	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.	X		X		X	X		

3.3 Needs Assessment

3.3.1 Needs Assessment Process

The formal needs assessment for the draft OP was carried out jointly with the assessment for the ERDF as part of the preparation of the National Partnership Agreement¹⁰. This included a SWOT analysis for the three ESF Thematic Priorities (8, 9 and 10) – Promoting employment and supporting labour mobility; Promoting social inclusion and combating poverty; and Investing in education, skills and lifelong-learning. Additionally, a range of national strategies, existing reports and secondary analysis were used by the MA in its assessment of needs. The analysis also takes account of needs identified through consultation by the MA with a range of stakeholders responsible for the policy and delivery of important relevant supports and programmes.

This needs assessment was completed by the work of the MA and the input of the IBs.

3.3.2 Focus and Scope

The analysis of needs presented in the draft Programme document is based on wide-ranging socio-economic analysis within the wider ERDF/ESF needs assessment report and in the National Reform Programme (2013 Update). It documents recent positive trends in the labour market including increased employment and falling rates of unemployment, while acknowledging major challenges in redressing the effects of the recent economic crisis and in achieving 2020 targets. Key continuing challenges identified are in getting people back to work, reducing unemployment levels, enhancing skills and education, and tackling both youth unemployment and social exclusion. The scope of the analysis includes the following:

- employment, including by gender, sector, age, region, and status (e.g. employed vs self-employed), as well as future employment projections and future skill needs for employment;
- unemployment, including by gender, duration, age (including youth unemployment), region, as well as future projections;
- education, including early school leaving, retention in second level, literacy and numeracy, third level attainment, and education reforms;
- poverty and social exclusion, including national and regional poverty rates, jobless households, and rural and urban differences; and
- equal opportunities, including women's labour force participation and employment rates, and the National Women's Strategy.

The needs and challenges identified in the OP in respect of employment, education and social exclusion are objective and based on examination of the relevant indicators and trends. Key socio-economic indicators identified within the OP (and the wider ERDF/ESF Needs Analysis Report) are shown in Figure 3.2.

¹⁰ *Needs Analysis for the ERDF and ESF Co-financed OPs 2014-2020*. September 2013

FIGURE 3.2 KEY SOCIO ECONOMIC INDICATORS WITHIN ESF OP (AND ERDF/ESF NEEDS ANALYSIS)

Demographics	Population - 4.6 million Dependency rate – 49.3%
Labour market	No. at work – 1.9 million Employment rate – 61.4% (men and women aged 20-64) Unemployment rate – 12.1% (seasonally adjusted .Jan 2014) Long-term unemployment - 61.4% Youth unemployment – 24.2% (Q4-2013) Youth as a % of all unemployed – 20% % of young unemployed more than 1 year – 40% NEETS – 22% (2012 Eurofound)
Education	Early school leavers – 9.7% (2012) Completing 2 nd level Leaving Cert. – 90.1% Third level attainment rate for 30-34 year olds – 51% (2012)
Poverty and social exclusion	Consistent poverty- 6.9% (2011) At risk of poverty- 16%(2011) Population in jobless household – 24% (2011) Deprivation rate -24.5%

The need analysis takes account of current national policies, reforms and key relevant strategies of direct relevance, including:

- National Reform Programme 2014;¹¹
- Action Plan for Jobs 2013;¹²
- Pathways to Work - Activation Strategy 2013;¹³
- Plan for implementation of the Youth Guarantee 2014;¹⁴
- National Action Plan for Social Inclusion 2011;¹⁵
- National Women's Strategy 2007-2016;¹⁶
- National Strategy for Higher Education to 2030;¹⁷
- National Further Education Strategy 2014-2019;¹⁸
- Literacy and Numeracy Strategy 2011;¹⁹

¹¹ Department of The Taoiseach, *National Reform Programme, Ireland*, April 2013

¹² Forfás/Dept. Jobs, Enterprise and Innovation, *Action Plan for Jobs 2014*, Feb. 2014

¹³ Dept. of Social Protection, *Pathways to Work: The Implementation of the EU Council Recommendation for a Youth Guarantee, Ireland*,

¹⁴ OECD Youth Action Plan, *Options for an Irish Youth Guarantee*, Jan. 2014

¹⁵ Office for Social Inclusion, *National Action Plan for Social Inclusion 2011*

¹⁶ Department of Justice, Equality and Law Reform under the direction of an Inter-Departmental Committee, *Women's Strategy 2007 – 2016*, Apr. 2007

¹⁷ Higher Education Authority, *National Strategy for Higher Education to 2030*, Jan. 2011

¹⁸ Dept. of Education and Skills/SOLAS *National Further Education and Training Strategy 2014-2019*, 2014

¹⁹ Dept. of Education and Skills, *The National Strategy to Improve Literacy and Numeracy among Children and Young people 2011-2020*, 2011.

- Review of DSP Employment Support Schemes.²⁰

Below we summarise the analysis included under the headings of labour market needs, education needs, and poverty and social exclusion.

Labour Market Needs

Labour market, employment and unemployment rates in Ireland are comprehensively analysed in the OP according to gender, sector, age, region, and future projections and skill needs. Additionally issues relating to youth unemployment are specifically addressed. Key labour market needs and challenges identified are to:

- increase the overall employment rate from 61.4% (2014) to the target rate of 69-71% by 2020; and to specifically address decreasing employment rates of those aged 25-34, and the lower employment and participation rates of women;
- address identified skill shortages in specific economic sectors and in growth sectors, through relevant education and training opportunities;
- contribute to the reduction of high rates of unemployment. An unemployment rate of 12.1%, which is above the EU average of 10.5%; a long-term unemployment rate of 61.4%, and increasing detachment of women from the labour market;
- specifically target high youth unemployment - an unemployment rate of 26.7% (2013) for the under 25 age group, with 40% of young unemployed out of work for more than one year; and
- provide more effective activation services and more targeted access to FET and higher education programmes to prevent increasing structural unemployment.

Education Needs

Educational needs in regard to early school leaving, retention in second level, literacy and numeracy, third-level attainment are documented in the draft OP. The analysis reflects current relevant national education reform strategies. Key identified needs and challenges include to:

- further reduce the rate of early school leaving in Ireland from 10% to 8%;
- improve literacy standards;
- provide a more responsive FET sector;
- provide a more effective apprenticeship system, through increased alignment of education and training with the needs of the labour market, and a more central role for work-based learning;
- ensure increased access for unemployed to higher level education; and
- improve retention and completion rates at second level, further and higher education levels, and improve transitions between levels.

²⁰ Dept. of Social Protection, *High Level Issues Paper Emanating from a Review of Department of Social Protection Employment Support Schemes*, Nov. 2012

The priority needs identified are consistent with a recent National Economic and Social Council (NESC) review on further education and training for the unemployed which highlighted the need to increase targeting towards the long-term unemployed, and to provide specialised interventions within FET provision for the sizable cohort of very low-skilled unemployed, and most distant from the labour market. The recently-launched National FET Strategy equally emphasises skills development as a driver of employment growth, of social inclusion and social mobility and as an insulator from unemployment.

The positive link between employment and education is an important part of the context and rationale for ESF investment in education and training. Evidence of this link in the Irish context is included in the wider ERDF/ESF needs analysis document.

Poverty and Social Exclusion

The analysis of poverty and social exclusion in the draft OP includes the national, regional, and urban/rural dimensions. It highlights the significant challenge for Ireland in meeting its NRP targets of reducing its consistent rate of poverty from 6.9% to 4% by 2016, and 2% or less by 2020; and identifies a high national rate of jobless households (24% in 2011) as a particular challenge. The analysis is placed in the context of Ireland's National Action Plan for Social Inclusion, which has a key policy focus on activation and inclusive labour markets. A need for provision of targeted places on education and training programmes including work experience, for the long-term unemployed and those in jobless households, as identified in the national Pathways to Work strategy and the Action Plan for jobs, is identified as imperative to address structural unemployment and welfare dependency. Key needs and challenges identified include to:

- support actions aimed at reducing poverty rates from 6.9% to 4% in 2016 and 2% by 2020, and address the higher poverty rates in rural areas compared with urban;
- specifically address the employment needs of those in jobless households in Ireland, and the attendant economic and social problems, through active labour market programmes. Ireland has almost two and a half times the rate of household joblessness compared to the EU average.

A need for a package of provisions to address the growing rate of jobless households has also been identified by NESC. It recommends that service provision should include adult literacy, education and training, activation and employment support measures, and the delivery of such supports and services are central strategic aims of draft ESF OP.

3.3.3 Prioritisation of Needs and Alignment with ESF Priorities

Three key priorities emerge for Ireland, based on the assessment of needs, strategies and objectives, as follows:

- increasing the employment rate and the reduction of unemployment (in particular long-term and youth unemployment);
- improving education and skill levels; and
- progressing towards social inclusion objectives.

Our assessment is that these priorities flow logically from the needs analysis. The OP identifies specific ESF Thematic Objectives and associated investment priorities that will tackle the needs identified, and that are consistent with the National Reform Programme and the Pathways to Work activation strategy.

Promoting Sustainable and Quality Employment and Supporting Labour Mobility

Planned education, training and upskilling Measures in the programme will specifically target unemployed people and other job seekers with a strong focus on the LTU and youth unemployment, and re-integration of groups facing exclusion from the labour market in order to promote sustainable and quality jobs. A key proposed Measure is the Training for the Unemployed, which will be delivered by regional Education and Training Boards. Training courses will be provided at different levels and in a wide range of subjects including both generic, foundation and specific technical skills. The range of specific skills courses will include training in computer applications and software development, financial services, caring, driving, machine operation, electronics and retail. These are areas where skill shortages have been identified. Likewise training opportunities for the long-term unemployed will be provided through the Momentum (LMETF) Measure based on collaboration between employers and enterprise with education and training providers. Through this measure long-term unemployed will be provided with training, work-experience and certification for occupations in growing sectors of the economy.

Promoting Social Inclusion, Combating Poverty and Discrimination

A strong focus on measures that promote social inclusion, in line with the Government's Pathway to Work Programme, is justified in the Irish context of severe levels of unemployment and detachment from the labour market. In the climate of high unemployment, supporting activation of those who are most distant from the labour market is particularly needed and planned measures targeted at improving the employability of disadvantaged youth, migrants, people with disabilities and rightly identified in the OP as central to this challenge.

Investing in Education, Training and Vocational Training and Life-long Learning

Planned activity that aims to prevent early school leaving and the promotion of equal access to education at all levels is needed. The economic crisis in Ireland impacted seriously on almost all sectors and occupations irrespective of education level, but most particularly on those with lowest levels of skills and education. Planned measures to increase participation and attainment levels in education for disadvantaged groups to tertiary and further education, such as the back to education initiative; a third level access programme; and adult literacy are particularly relevant.

3.4 Coherence

The draft OP sets out the Specific Objectives of each Investment Priority. Table 3.2 considers the internal coherence of the objectives of each Investment Priority.

TABLE 3.2 INTERNAL COHERENCE OF INVESTMENT PRIORITIES	
<i>Specific Objectives</i>	<i>Coherence of Specific Objectives</i>
Priority Axis I Investment Priority (i) <ul style="list-style-type: none"> Raise the level and market-relevance of job-seekers' skills, in particular for LTU and young, through further/higher education and training opportunities, and by facilitating their labour mobility. 	<p>This specific objective is clearly coherent. Its individual aims are mutually consistent and supportive, and each are both individually and mutually valid.</p>
Priority Axis II Investment Priority (i) <ul style="list-style-type: none"> To engage unemployed and/or inactive persons, including young people, from disadvantaged groups and in or at risk of poverty and social exclusion in a process of learning and development in order to ultimately increase their employability. 	<p>A coherent specific objective. The objective identifies key groups in need of action and sets out the mutually consistent aims of proposed action (i.e. to engage them in learning and development with a view to improving employability).</p>

TABLE 3.2 INTERNAL COHERENCE OF INVESTMENT PRIORITIES	
<i>Specific Objectives</i>	<i>Coherence of Specific Objectives</i>
Priority Axis II Investment Priority (ii) <ul style="list-style-type: none"> To engage with the most disadvantaged groups, including those distant from the labour market, with a view of raising their skills, ultimately increasing their future employment prospects. 	<p>Again, a coherent specific objective, with targets, aims and ultimate goals clearly articulated.</p>
Priority Axis III Investment Priority (i) <ul style="list-style-type: none"> To enable disadvantaged and disabled students to access and continue in higher education 	<p>Single clear objective focuses this Investment Priority on disadvantaged and disabled students.</p>
Priority Axis III Investment Priority (iii) <ul style="list-style-type: none"> To upgrade the skills and education levels of low skilled adults and/or early school leavers, by providing second chance education and training courses, including literacy, numeracy and language tuition. 	<p>Similarly coherent objective, with target groups, aims and skills and competencies to be developed clearly set out.</p>

TABLE 3.2 INTERNAL COHERENCE OF INVESTMENT PRIORITIES	
<i>Specific Objectives</i>	<i>Coherence of Specific Objectives</i>
Priority Axis IV Youth Employment Initiative <ul style="list-style-type: none"> Raise the skills and education levels of people eligible for support under YEI, by providing education, training, work experience and/or work opportunities, including support for self-employment. 	Integrated specific objective with clear targeting of young people and with mutually supportive goals of skills and education enhancement with ultimate employment or employability benefits.

Each Investment Priority has a coherent specific objective which complement each other, and which prioritise actions taken towards the most relevant groups. In addition, considering the full set of objectives of all of the investment priorities comprising the OP, they form a coherent set, without any overlaps or conflicts.

3.5 Internal Linkages and Intervention Logic

For each Priority Axis the draft OP identifies:

- the change that the axis is intended to achieve, which is equivalent to Thematic Objective selected to form the basis of the Priority Axis in Question;
- the operations that will be carried out under that Priority Axis. Each Axis has one or two investment priorities associated with it. These investment priorities are made up of individual Actions which will be implemented by beneficiaries; and
- the outputs that will be measured and reported by the beneficiaries.

The assessment of the internal linkages and intervention logic requires consideration of the impacts and results that should follow from the outputs of each Priority Axis. Table 3.3 illustrates this internal logic across all four Priority Axes selected in the draft Programme.

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
Promoting sustainable and quality employment and supporting labour mobility	(i) Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;			
		ETB Training for the Unemployed	The number of participants	Unemployed people acquiring skills needed to enter employment
		Springboard	The number of students enrolled	Unemployed people acquiring skills needed to enter employment
		ICT Skills Conversion Course	The number of students enrolled	As above, plus filling an identified skill gap in the labour market
		LMETF – Momentum	The number of participants	Unemployed people acquiring skills needed to enter employment
		EURES	The number of participants	Actions to give migrants and returning emigrants skills and knowledge to enter employment in Ireland

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
Promoting social inclusion, combating poverty and any discrimination	(i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability			
		Social Inclusion and Community Activation	The number of participants	
		Youthreach	The number of participants	Addressing the education and training needs of early school leavers
		Garda Youth Diversion Projects	The number of participants	Reintegrating young people at risk of becoming criminals
		Disability Project	The number of participants	Facilitating people with disabilities to enter to world of work
		Young Persons Probation (YPP) projects	The number of participants	Reintegrating young offenders into community and world of work
		Social inclusion of Prisoners/Ex-offenders through employability guidance and placement	The number of participants	Reintegrating ex-prisoners into the world of work

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
	(iii) Combating all forms of discrimination and promoting equal opportunities;			
		Equality mainstreaming	The number of projects targeting public administration or public services	Mainstreaming the principles of gender equality and non-discrimination
		Integration and employment of Migrants	The number of participants	Facilitating the entry of migrants into the labour market
		Tus Nua project	The number of participants	
		Gender Equality	The number of participants	
Investing in education, training and vocational training for skills and lifelong learning	(ii) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups			
		Third Level Access	The number of students assisted	Students who might otherwise not complete third level education, will complete courses. This will contribute to social mobility and inclusion and increase the supply of qualified graduates

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
	(iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences			
		BTEI	The number of participants	Will promote paths to work for unemployed participants. Participants in employment will be assisted to get more secure higher value employment. At the same time the measure will increase the supply of skilled labour.
		Adult Literacy	The number of participants	Will promote paths to work for unemployed participants. Participants in employment will be assisted to get more secure higher value employment. At the same time the measure will increase the supply of skilled labour.

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee.	As left			
		Back to Work Enterprise Allowance (BTWEA) Scheme	The number of participants	Successful participation in these scheme will lead to some individuals moving from unemployment to self employment
		JobsPlus Incentive Scheme	The number of participants	
		Tus	The number of participants	
		JobBridge, the National Internship Scheme	The number of participants	Successful participation will lead to individuals who were unemployed gaining the skills and experience they need to secure full time employment.

TABLE 3.3 ASSESSMENT OF INTERNAL PROGRAMME LINKAGES				
Change Desired	Operations		Output	Potential Impact
Thematic Objective	Investment Priorities	Actions (Measures)		
		Social Inclusion and Activation Programme	The number of participants	
		Youthreach	The number of participants	Successful participation will lead to individuals who were unemployed, and/or low skilled gaining the skills needed to secure high value employment,
		Garda Youth Diversion Projects (GYDPs)	The number of participants	
		Young Persons Probation (YPP) projects	The number of participants	
		LMETF Momentum	The number of participants	

The internal logic of each Priority Axis (and thematic objective) is clearly evident:

- under Priority Axis I, all of the planned actions and Measures have the potential to achieve exactly the type of change sought. This impact will be concentrated where the current need is greatest, in assisting those who are currently unemployed to return to work;
- under Priority Axis II, all of the planned actions and Measures have the potential to achieve the change sought. They are targeted at groups at risk of social inclusion, and if they work as intended will bring participants into the world of work and the community;
- under Priority Axis III, investments in training are targeted at groups where they will have the greatest impact on the individual participants and the greatest impact on the number of people on the jobs market and their level of skills and training; and
- under Priority Axis IV, all of the planned actions have the potential to achieve exactly the type of change sought. The actions will move people at risk of marginalisation through unemployment, low skills or involvement with crime, to secure high value employment.

3.6 Horizontal Themes

A comprehensive outline of the actions that will be taken by the MA and Intermediary bodies for the ESF programme 2014-2020 is provided in the draft OP. The OP lists a range of objectives for promotion of equal opportunities at all stages of the Programme life-cycle, as follows:

- bodies in charge of gender equality will be involved, including provision of advice on gender equality in funding-related activities;
- the objective of equality between men and women will be pursued, and its mainstreaming ensured through the integration of a gender perspective;
- specific actions to promote gender equality will be included;
- training of relevant staff in the fields of gender equality law will be ensured;
- gender balance will be promoted on the monitoring committee.

There is evidence that these objectives are being pursued by the MA for the OP in Ireland; this follows from practice in the previous ESF OPs. Specific references is made to the needs of those who face barriers to participation or discrimination in their attempts to enter the workforce, and the requirement to meet equality objectives on the basis of the nine grounds in Irish legislation. The draft OP also identifies further needs in the area of promotion of equal opportunities requirements for employers and for social partners.

All Measure-implementing bodies in the OP have been requested to indicate in their AIPs how equal opportunities and prevention of discrimination will be ensured in their measure. The national Equality Authority has participated in the early consultation stages and in development of specific activities to be included in the OP. Ensuring the promotion of equal opportunities in ESF funded programmes should be enhanced by the current merger of the Equality Authority and the Human Rights Commission in Ireland (now

renamed as the Irish Human Rights and Equality Commission). The new Authority will have a strengthened mandate in ensuring human rights and equality duties for public bodies in regard to staff and the persons they serve. The Commission will be represented on the Monitoring Committee.

Effective promotion and implementation of equal opportunities should also be facilitated through the inclusion of a specific measure in the planned OP. This measure supports implementation of regulations that require promotion of equal opportunities for all, without discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation through mainstreaming the principle of non-discrimination. The proposed Measure will support equality mainstreaming actions in the further education and training sector including labour market programmes, entrepreneurship support and employment services. The activity within this Measure should ensure that all other Measures within the OP are designed and delivered in a manner that combats discrimination and promotes equality, to ensure that the diversity of unemployed people can access provision. Recent policy and organisational restructuring to streamline further education and training provision (through ETBs and SOLAS) and integration of welfare and employment services (in Intreo) should also facilitate more effective promotion of equal opportunities in the OP.

The MA has also ensured that specific measures relating to fostering increased education attainment, skills and employability of those with a disability, vulnerable legally resident migrants, and disadvantaged women are included in the draft OP. Support for people with a disability to access further and third-level education will be provided through a specific Fund for Students with Disabilities. The aim of the Measure is to support attainment of tertiary education and post-secondary non-tertiary education by students with disabilities through the funded provision of tailored accommodations and services. The scope of the measure includes full-time courses leading to further education, undergraduate and postgraduate qualifications. The scope of services includes those addressing the transition between education and sustainable employment. A proposed further Measure (for vulnerable migrants) will aim to improve levels of employability through a range of training, work experience, and personal, social and language skills development opportunities.

The draft OP takes account of the CSF 2014-2020 requirement for Member States to pursue the objective of equality between men and women and ensure its mainstreaming in the preparation, implementation, monitoring and evaluation of all funded actions. The OP notes that this objective can be pursued through specific measures to promote equality as well as taking account of how projects affect women and men.

The gender perspective was also taken into account in the socio-economic analysis. The OP highlights the current relatively low employment rate for women (56.4%) and notes it as a challenge to meeting the EU 2020 employment targets for Ireland (69%). Equally the participation rate for women at 52.8% is seen as a continuation of a detachment of women from the labour market which is evident particularly amongst younger women. Unemployment (and long-term unemployment) rates are also analysed according to gender in the OP. While there has been a notable rise in participation levels in higher education in Ireland since the recession, the rate of growth in new entrants has been lower for women than men.

Analysis of equality and equal opportunities in the OP is set within the context of Ireland's National Women's Strategy 2007-2016, which has a key objective of 'equalising economic opportunity for men and women'. The need to assist women to return to the labour market is identified as a central strategy for the next ESF programming period. All bodies to implement ESF-supported Measures have been requested to indicate in their AIPs how they will contribute to the Horizontal Principle of promotion of equality between men and women.

Additionally a specific Gender Equality Measure is included in the OP, which will focus specifically on addressing the employability needs of disadvantaged women returning to the workforce. The objective of the Measure is to provide locally-delivered part-time developmental training in employment-related skills to women who are currently detached from the labour market (neither employed, unemployed or in receipt of a social welfare payment) and interested in entering or re-entering the labour force. The purpose is to increase women's overall participation in the labour market while offering women increased economic independence, and decrease the risk of poverty in older years associated with detachment from the labour market.

3.7 Partnership Principles

There have been numerous features of the process of OP preparation supportive of partnership principles and the principles set out in Article 5 of the CPR, Article 6 of the ESF Regulation, and the European Code of Conduct on Partnership (ECCP).

A wide range of public and non-governmental organisations (NGOs) were given (and took up) opportunities to input into the needs identification process for the Partnership Agreement, and the joint ESF/ERDF Needs Analysis for 2014-2020. Submissions were received from a variety of Regional Bodies, County Local Authorities, Chambers of Commerce, and Institutes of Technology. These submissions included reference to labour market, education and social inclusion needs related to the ESF-relevant CSF Thematic Objectives. Additionally, submissions received from umbrella organisations and national networks for local and enterprise development included proposals to foster labour mobility and social inclusion. Common needs identified were: to support entrepreneurship through mentoring and training, particularly for youth and females; the need for ESF support to be specifically focused on employment needs and social exclusion in rural areas, as well as urban centres; and to provide support for further education and life-long learning opportunities.

The OP summarises partnership input into the preparation of the OP. It notes that the DES as the MA for the ESF in Ireland launched a formal consultation process for the 2014-2020 OP and invited submissions from interested parties on both the proposed content and structure of the programme, along with proposed implementation arrangements. The DES also held a consultation forum in October 2013 which was attended by a large number of potential ESF recipient bodies. Further consultations were focused on the membership of the Programme Monitoring Committee for the current (2007-2013) Monitoring Committee. All submissions received during the process were reviewed by the MA and further bi-lateral meetings were held

with interested bodies. Following this process a number of partners were selected to receive ESF assistance for their proposed activities, taking into account the focus of the ESF and relevant national priorities in Ireland.

A list of those partners involved in the needs assessment and preparation of the programme is included the draft OP. Seven Government Departments and four other bodies were involved. While the range of NGO/civil society partners is not extensive it does comprise the key relevant umbrella organisations for the unemployed in Ireland. Additionally some specialist NGOs (e.g. youth organisations) submitted generic proposals to the MA following a call for Proposals, and the issues raised were taken into account where possible.

The draft OP also indicates that partnership principles will be upheld in the implementation and monitoring of the Programme throughout its life-cycle. Partner representation of the Monitoring Committee will be similar to that for the 2007-2013 OP. This included representation from four Government Departments: Education and Skills; Justice and Equality; Social Protection; and Public Expenditure and Reform; two Regional Assemblies; and representation from umbrella organisations for Employers (IBEC) and the Unemployed (INOU). Higher education institutions, and education and training providers will be significant active partners in each of the four Priority Axes of the OP and in delivery of a range of Measures. Individual AIPs also indicate that NGOs and other representative organisations will be involved in the delivery of some of the Programme activity, based on public tendering processes. This will include community-based and voluntary organisations that represent vulnerable and marginalised communities at most risk of discrimination or social exclusion (e.g. young and women ex-offenders, persons with disabilities, and vulnerable migrants).

4. Indicators, Monitoring and Evaluation

4.1 Introduction

This Section addresses Programme indicators, monitoring and evaluation. Selected programme indicators are firstly described, while Section 4.3 considers relevant baselines and target values. Section 4.4 assesses the suitability of milestones proposed within the Performance Framework, while Section 4.5 addresses Programme management, monitoring and evaluation.

4.2 Selected Programme Indicators

A detailed framework of indicators and targets has been established for the draft Programme, which incorporates:

- output indicators and associated 2023 targets for all Measures and Actions that make up the Priority Axes and Investment Priorities of the Programme;
- a sub-set of these²¹, including milestones for 2018, that together comprise the proposed Performance Framework; and
- intermediate result indicators and associated 2023 targets for the majority of Measures and Actions.

Table 4.1 presents an overview of this framework.

²¹ Targets and milestones for Actions and Measures with an intended total expenditure less than €10m are not required to be included in the Performance Framework.

TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

			Output Indicators			Result Indicator	
Priority	Investment Priority	Action/Measure	Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
Priority 1: Promoting sustainable and quality employment and supporting labour mobility							
	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;						
		ETB Training for the Unemployed	The number of participants on training or up skilling programmes for the Unemployed and Job seekers (ie Cumulative Throughputs)	74,145	108,681	The number of participants gaining certification	86,945
		Springboard	The number of unemployed people enrolled on Springboard courses.	16,209	16,209	The number of participants graduating from Springboard courses.	10,370
		ICT Skills Conversion Course	The number of students enrolled on ICT Skills Conversion Programmes	n/a	1,950	The number of graduates from ICT Skills Conversion Programmes	1,305
		LMETF (Momentum)	Number of LTU persons on Training and Education Programmes	8,000	8,000	Participants that have gain a certification after completion of programme	6,800
		EURES	Number attending Jobs & Advice Fairs and Dialog Project (EURES projects)	n/a	49,400		
			Number attending Improving access to EURES	n/a	16,200		
			Number of Page visitors to EURES IE Website	n/a	250,000		
			Participant secure training/internship/employment through Intra EU Mobility project(s). (NOT EURES related)	n/a	250		
Priority Total			The number of participants on training and upskilling programmes for the unemployed or jobseekers	98,354	184,490	Number of participants completing an education/training programme	105,420
Performance Framework Total			The number of participants on training and upskilling programmes for the unemployed or jobseekers	98,354	132,890		
Note: Highlighted Cells Comprise Performance Framework							

TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

			Output Indicators			Result Indicator	
Priority	Investment Priority	Action/Measure	Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
Priority 2: Promoting social inclusion and combating poverty and any discrimination							
	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;						
		Social Inclusion and Activation Programme (SIAP)	Number of registered participants 1) on social inclusion employability programmes, 2) with active employment plans, 3) engaged in mentoring, 4) registered in Preparing for Work Supports, and/or, 5) engaged in Work Ready Supports	10,479	17,465	1. Participants in 1) accredited training and support or 2) work placement, work experience and traineeships	9,514
		Youthreach	The number of participants	10,800	18,000	1. The number of Youthreach participants successfully completing programme or achieving certification	6,900
		Garda Youth Diversion Projects (GYDPs)	Number of participants engaged by GYD projects (2016-2020)	13,500	22,500	Participants who have completed an intervention	15,750
		Disability Project	Number of people with disabilities engaged with project and in receipt of financial supports	n/a	2,900	Participant with disabilities in job search, education, training or employment on completion of intervention	1,740
		Young Persons Probation (YPP) projects	Number of participants engaged by YPP projects (2016-2020)	n/a	830	Participants who have completed an intervention	581
		Social inclusion of Prisoners/Ex-offenders through employability guidance and placement	Disadvantaged participants engaged in job searching, education/training, gaining a qualification, in employment, including self employment, upon leaving	n/a	2,450	1) 75% of referrals to engage post release and 2) 60% to be placed in employment, training or education but not possible to but timeline on same as dependent on release date	
		Sub-Total		34,779	64,145		34,485
	Combating all forms of discrimination and promoting equal opportunities;						
		Equality mainstreaming	number of projects targeting public administrations or public services at national, regional or local level	n/a	30		
Note: Highlighted Cells Comprise Performance Framework							

TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

Priority	Investment Priority	Action/Measure	Output Indicators			Result Indicator	
			Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
		Integration and employment of Migrants	The number of individuals participating in Preparation for Employment Migrants Programme	n/a	1,624	The number of (a) participants in employment, including self employment upon leaving, and (b) participants in education/training upon leaving	666
		Tus Nua project	Number of women offenders who engage in Tus Nua programme/project	n/a	126	Number of women offenders who completed an intervention	63
		Gender Equality	Number of women detached from labour market who completed a training course	5,400	9,600		
		Sub-Total	The number of participants from disadvantaged groups on social inclusion employability programmes, including personal development towards employability programmes	5,400	11,350		729
Priority Total			The number of participants from disadvantaged groups on social inclusion employability programmes, including personal development towards employability programmes	40,179	75,495	Number of participants from disadvantaged groups that have completed a social inclusion employability programme and/or are in training/education/job search/work related environments upon leaving	35,214
Performance Framework Total			The number of participants from disadvantaged groups on social inclusion employability programmes, including personal development towards employability programmes	40,179	67,565	Number of participants from disadvantaged groups that have completed a social inclusion employability programme and/or are in training/education/job search/work related environments upon leaving	
Note: Highlighted Cells Comprise Performance Framework							

TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

Priority	Investment Priority	Action/Measure	Output Indicators			Result Indicator	
			Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
Priority 3: Investing in education, training and vocational training for skills and lifelong learning							
	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups;						
		Third Level Access	Number of disadvantaged or/and disabled students assisted in accessing third level education (Student Assistance Fund and Fund for Students with Disabilities)	132,354	193,004	Number of disadvantaged and/or disabled students assisted that gained a third level qualification upon leaving	63,692
	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;						
		BTEI	Number of part-time BTEI participants	140,600	208,600	1) The number of part-time participants gaining certification	91,000
		Adult Literacy	The number of participants in AL	218,000	318,000	1) The number of participants successfully completing the programme or achieving certification	57,500
		Sub-Total		358,600	526,600		
Priority Total			The number of participants in lifelong learning and third level programmes	490,954	719,604	Number of disadvantaged and/or disabled students assisted that gained a third level qualification upon leaving/The number of participants with low education levels gaining a qualification or successfully completing the programme	212,192
Performance Framework Total			The number of participants in lifelong learning and third level programmes	490,954	719,604		
Note: Highlighted Cells Comprise Performance Framework							

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TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

Priority	Investment Priority	Action/Measure	Output Indicators			Result Indicator	
			Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
Priority 4: Youth Employment Initiative							
	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee;						
		Back to Work Enterprise Allowance (BTWEA) Scheme	Number of participants aged under 25 on BTWEA	n/a	606	1) Participants leaving BTWEA after the two years are still in self employment (60%)	363
		JobsPlus Incentive Scheme	Number of participants aged under 25 on JobsPlus	n/a	375	1) The participants completes the two year period (70%) in employment	262
		Tus	Number of participants aged under 25 on Tús	2000	2,000	1) Number of participants engaged in job searching upon leaving	1,800
		JobBridge, the National Internship Scheme	Number of participants aged under 25 on JobsBridge	7500	7,500	1) Number of participants in employment/education/training on completion of internship	3,000
						2) Number of Participants actively seeking work on completion	1,200
		Social Inclusion and Activation Programme	Number of registered participants 1) on social inclusion employability programmes, 2) with active employment plans, 3) engaged in mentoring, 4) registered in Preparing for Work Supports, and/or, 5) engaged in Work Ready Supports	n/a	3,493	1. Participants in 1) accredited training and support or 2) work placement, work experience and traineeships	1,900
		Youthreach	The number of participants in YR	5000	5,000	1. The number of Youthreach participants successfully completing programme or achieving certification	1,800
		Garda Youth Diversion Projects (GYDPs)	Number of participants under the age of 25 who engage in GYD projects (2015 only)	4500	4,500	Participants that have completed an intervention	3,150
		Young Persons Probation (YPP) projects	Number of participants under the age of 25 who engaged in YPP projects (2015 only)	n/a	166	Participants that have completed an intervention	116
		LMETF Momentum	Provision of Training and Education Programmes to the long-term unemployed (Under 25s)	4000	4,000	Participants (under 25yrs) that gain a certification after completion of programme	3,400

Note: Highlighted Cells Comprise Performance Framework

TABLE 4.1 PROGRAMME INDICATORS AND TARGETS

Priority	Investment Priority	Action/Measure	Output Indicators			Result Indicator	
			Indicator	2018 Milestone	2023 Target	Indicator	2023 Target
Priority Total			The number of YEI eligible participants completing an training/upskilling/personal development towards employability and work environment (including supports for self-employed) programmes/projects	23,000	27,640	The number of YEI eligible participants completing an training/upskilling/personal development towards employability and work environment (including supports for self-employed) programmes/projects	13,991
Performance Framework Total			The number of YEI eligible participants on training/upskilling/personal development toward employability and work environment (including supports for self-employed) programmes/projects	23,000	23,000		
Note: Highlighted Cells Comprise Performance Framework							

The output indicators are clearly relevant, in that they relate directly to the quantified number of people within the Programme target groups, availing of and participating in the actions and Measures delivered with ESF support under the various Priority Axes. As such they together represent a reliable tool for monitoring the progress of the Programme, in terms of the basic execution of planned activity. The result indicators appropriately deal with the actual progression and qualification and/or graduation from programmes of learning or training, and therefore add further to the quality and depth of the indicator framework, and to its relevance. By establishing a further layer of information these indicators will usefully facilitate some measurement and monitoring of effectiveness and success, rather than just activity and throughput.

The indicators are also clear. Target groups are well-defined at Axis, Priority and Measure level, and outputs and results are clearly articulated in terms of categories such as participants, students enrolled or other units. There is little scope for confusion or vagueness in this respect.

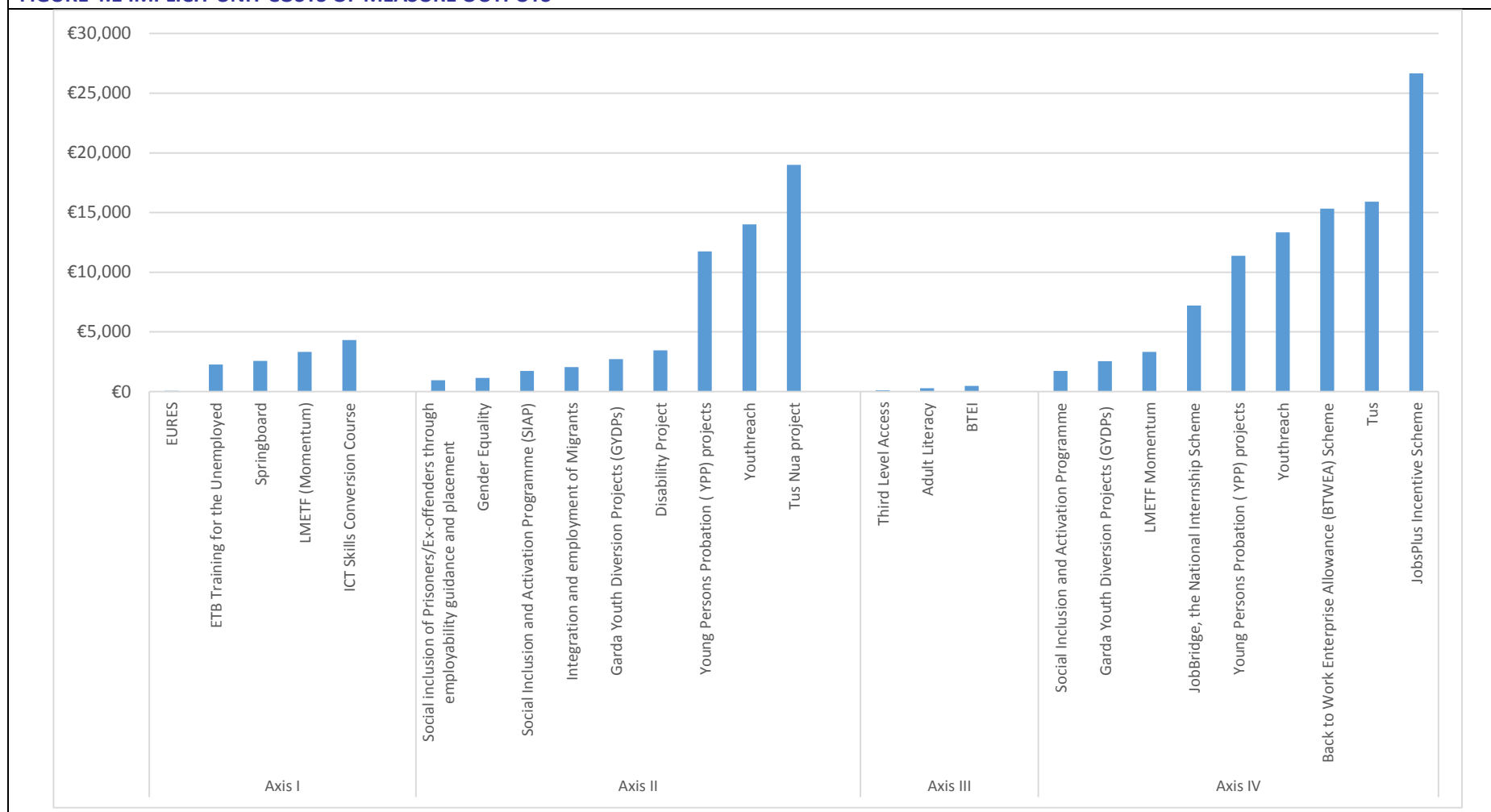
4.3 Baselines and Targets

Baselines are established for a number of the indicators, while targets are established for all (whether output or result). 2018 milestones are only established for the indicators that form part of the Performance Framework. Care will need to be taken in reporting on progress to clarify where baselines need to be considered in gauging progress, and when they merely establish an annual precedent but to not affect the numerical interpretation of later outcomes.

In relation to targets, the following observations are made:

- at a general level the targets appear to be realistic and meaningful, and reflective of past experience and intended levels of resourcing of Actions and Measures;
- there will need to be care in reporting and interpreting outcomes relative to targets, particularly in relation to issues such as individual beneficiaries versus annual places provided, and, as mentioned, outcomes relative to baselines;
- the unit costs of outputs that the financial allocations and output targets imply, vary quite substantially across the Measures (these are charted in Figure 4.1), and the targets as set imply an acceptance of such unit costs.

FIGURE 4.1 IMPLICIT UNIT COSTS OF MEASURE OUTPUTS



4.4 Suitability of Milestones

Milestones for 2018 are in all cases a proportion of the final 2023 output target, although in several cases they equate to the full 2023 target. These cases include Springboard, LMETF Momentum, and Measures proposed under the Youth Employment Initiative Axis. As the latter is due to operate over 2014/15, it is to be expected that milestones equate with ultimate targets. In the other cases, the Measures are also only due to operate in the early years of the Programme (after which they may cease, may continue, or may be amended, but with that decision to be taken at a suitable future stage).

Among the remaining Measures, 2018 Milestones vary as a proportion of 2023 Targets. Most however are in the range of 35% to 70% of the 2023 target, and reflect the expected speed of progress based on past experience, likely funding flow or the necessary lead-in time before participation peaks.

4.5 OP Management, Monitoring and Evaluation

4.5.1 Programme Management and Administration

Effective programme management and administration is multi-dimensional and complex. Among the responsibilities are:

- financial management and control including audit, eligibility assurance, record keeping, ESF claims, audit trail maintenance;
- ensuring verification and compliance with ESF rules and regulations
- progress reporting;
- monitoring and evaluation;
- providing secretariat to Monitoring Committee;
- programme communication and promotion;
- networking;
- representation of Ireland in EU and international fora of relevance.

The ESF Managing, Certifying and Auditing Authorities in Ireland are well-established and are not proposed to change for the new 2014-2020 Programme. Indeed, their effectiveness was commented on favourably in the Commission Position Paper. However the draft Programme foresees, with the support of Technical Assistance funding, an increase in staff resources, the provision of training, the outsourcing of specific technical tasks to professional experts and the development of administrative reducing IT systems, all to increase the delivery capacity for more efficient verifications, audit, monitoring, reporting and evaluation.

It is important that such resourcing and capacity building is put in place, and at the earliest possible stage. The draft Programme has a multiple of the number of actions and Measures that existed under the 2007-2013 ESF Programme which in itself gives rise to considerably more communication, reporting and data collection work. Many management tasks meanwhile continue to become more complicated and resource-intensive, and the

set of required skills widens. Other responsibilities are to take a more central role and significance under the 2014-2020 round, including data collection, monitoring and evaluation. An added challenge is the degree of organisational and institutional reform underway in the education and training sectors in Ireland and the issues it gives rise to by way of changing organisational roles and responsibilities, and changing personnel.

The data collection and evaluation challenges themselves are very significant. Establishing comprehensive, robust, and integrated systems of collecting underlying data and reporting on financial and activity-based progress, on results and outcomes, and on ultimate impacts capable of facilitating effective evaluation, will require a substantive programme of work, time and resources, on the parts of both the central ESF authorities and the implementing and beneficiary bodies, and will require significant resourcing and effort to both establish and embed. The Department of Social Protection (DSP), which is new to the OP, is creating a dedicated ESF Unit to ensure full compliance with all reporting and other requirements.

More generally it needs to be noted that, below the level of the MA and IBs, there is a great deal of recent and ongoing organisational change among front line employment and social service providers. This includes the new INTREO social protection and employment offices, creation of the new ETBs to replace previous local FAS (now SOLAS) and VEC offices, and increased geographical and organisational “alignment” between local government and local development organisations. This therefore implies a complex, multi-level and cross Department change process which is not yet complete. This change is generally for the better, but in the short term it means delivery of much of the new OP is reliant on structures which are themselves evolving. This will need to be monitored carefully by the MA and MC to ensure that no undue delay occurs in OP commencement.

4.5.2 Reduction in Administrative Burden

The use of simplified cost options, easing audit burdens where possible, and the establishment and utilisation of electronic data systems are all processes being explored and implemented where possible in order to reduce administrative burdens on beneficiaries. We support these efforts, but at the same time would emphasise the need to ensure data for monitoring and evaluation is captured, of sufficient quantity and quality, to facilitate robust review and periodic examination of effectiveness and impacts. The principle of proportionality in the administrative requirements is very appropriate and important to adopt, given the great variance in the scope and scale, and administrative resources available to, different actions that will have ESF support.

4.5.3 Monitoring and Evaluation

The draft OP proposes to support some 27 specific actions or Measures organised under four Priority Axes. For each there will be requirements for the collection and reporting of output and result indicators. This represents an enormous challenge for the purposes of effective programme monitoring, and a substantial uplift from the demands of the 2007-2013 Programme. At the same time there will be a greater focus on evaluation and a need for Measure-specific and thematic evaluations, as well as point-in-time evaluations most importantly the Mid-Term Evaluation.

Consistent with the Regulatory requirements, the draft Programme does not include any detailed plan for establishing monitoring systems nor for programme evaluation, although it does acknowledge the challenges and the need for resources to effectively fulfil these roles.

Defining and articulating the specific processes and programmes of work needed to get to the point of having robust monitoring systems and evaluation plans and resources in place will need to be given a high priority post OP approval.

5. Financial Allocations

5.1 Programme Allocations

The proposed financial allocations, broken down according to Priority Axis, Investment Priority and Measure, are shown in Table 5.1

TABLE 5.1 PROPOSED FINANCIAL ALLOCATIONS 2014-2020			
		€ M	% of OP total
Priority I			
Thematic Objective	Promoting the attainment of sustainable and quality employment through relevant upskilling measures and supporting labour mobility.		
Investment Priority	Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;		
Measures			
	ETB Training for the Unemployed	247.19	21.4%
	Springboard	41.59	3.6%
	ICT Skills Conversion Course	8.41	0.7%
	LMETF (Momentum)	26.67	2.3%
	EURES	2.70	0.2%
Priority Total		326.56	28.3%
Priority II			
Thematic Objective	Promoting Social Inclusion and combating discrimination in the labour market		
Investment Priority	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;		
Measures			
	Social Inclusion and Activation Programme (SIAP)	30.00	2.6%
	Youthreach	252.00	21.9%
	Garda Youth Diversion Projects (GYDPs)	61.32	5.3%
	Young Persons Probation (YPP) projects	9.75	0.8%
	Social inclusion of Prisoners/Ex-offenders through employability guidance and placement	2.33	0.2%
	Disability Project	10.00	0.9%
	Sub-Total	365.40	31.7%
Investment Priority	Combating all forms of discrimination and promoting equal opportunities;		
Measures			
	Integration and employment of Migrants	3.33	0.3%
	Tus Nua	2.39	0.2%
	Gender Equality	11.00	1.0%
	Equality mainstreaming	5.00	0.4%
	Sub-Total	21.72	1.9%
Priority Total		387.12	33.6%

TABLE 5.1 PROPOSED FINANCIAL ALLOCATIONS 2014-2020 (CONT)

		€ M	% of OP total
Priority III			
Thematic Objective	Investing in Education, Training and Life Long Learning with a view to upskilling and re-skilling the labour force		
Investment Priority	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups;		
Measures			
	Third Level Access	22.40	1.9%
	Sub-Total	22.40	1.9%
Investment Priority	Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;		
Measures			
	BTEI	100.94	8.8%
	Adult Literacy	91.56	7.9%
	Sub-Total	192.50	16.7%
Priority Total		214.90	18.6%
Priority IV			
Investment Priority	Youth Employment Initiative		
	Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee;		
Measures			
	Back to Work Enterprise Allowance (BTWEA) Scheme	9.28	0.8%
	JobsPlus Incentive Scheme	10.00	0.9%
	Tus	31.80	2.8%
	JobBridge, the National Internship Scheme	54.00	4.7%
	Youthreach	66.65	5.8%
	Garda Youth Diversion Projects (GYDPs)	11.48	1.0%
	Young Persons Probation (YPP) projects	1.89	0.2%
	Social Inclusion and Activation Programme	6.00	0.5%
	LMETF Momentum	13.33	1.2%
Priority Total		204.44	17.7%
Priority V			
Investment Priority	Technical Assistance		
Priority Total		20.00	1.7%
OP Total		1,153.01	100.0%

5.2 Consistency with Objectives, Challenges and Needs

The overall balance must respond to a number of considerations, including the finite overall envelope, needs and priorities, minimum allocations that are obliged for social inclusion and youth employment objectives, the

need to ensure costs under different activities are eligible for ESF, the capacity of agencies to deliver on commitments and comply with ESF procedures and protocols, and others.

The financial allocations are reasonably balanced across Priority Axis, with Axis I, II, III and IV allocated 28.3%, 33.6%, 18.6% and 17.7% respectively. This gives a primacy to active employment and social inclusion activities with education/lifelong learning and youth employment more secondary roles, although this is too simplistic as so many activities and Measures under any of the Axes simultaneously seek to address a combination of employment, skills, inclusion and youth needs and objectives.

Within the Axes themselves, the balance of activities across actions and Measures is more varied. Priority Axis I is financially-dominated by ETB training for the unemployed, however with sizeable allocations also given to other Measures (EURES being an exception). This is an appropriate share out, given past experiences of the Measures and the overriding priority of labour market activation and access to employment. Under Axis II, allocations to Youthreach and Garda Youth Diversion Projects are the most significant but also warranted given the status of their target groups and their track record (generally and in relation to ESF). Similarly Axis III is dominated by the Back to Education Initiative and Adult Literacy Measures, both of which are proven to be strategically-aligned, eligible, and appropriate for ESF and with track records under the current Programme. They also address clear needs in terms of educational disadvantage and upskilling necessary for labour market participation and progression. Under the YEI, the balance across (and number of) Measures is greater, with several components of other Schemes and activities.

A strength of the 2007-2013 ESF Programme in Ireland was the degree to which it re-allocated resources in response to changing circumstances, needs and priorities, and the new Programme will benefit from the same flexibility and adaptability. While the present financial allocation is appropriate given the economic cycle and scale of adjustment that has taken place, with its stark labour market and wider social effects, there are nevertheless signs of improving conditions, falling (although remaining unacceptably high) unemployment rates, and employment growth. The extent of further necessary exchequer budgetary tightening is also uncertain and may be such that additional national funding becomes available for labour market, education and social inclusion programmes. Any prolonged continuation in these trends may call for re-balancing resources, and there may be a significant role for the Mid Term Review in this regard.

6. Contribution to Europe 2020 Strategy and Objectives

6.1 Introduction

As referred to in Section 1.2, one of the common regulatory requirements of Ex Ante Evaluations for the 2014-20 EU funding period including ESF funds, is to consider “the contribution to the Union strategy for smart sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account natural and regional needs and potential for development as well as lessons drawn from previous programming period.”

The subsequent joint Guidance Document on Ex Ante Evaluation for ERDF, ESF and Cohesion Fund states in this regard that the Ex Ante Evaluation should verify the consistency of the Programme with the Europe 2020 strategy, the intervention logic and the intended results, and the evaluators should assess the extent to which the programme is likely to contribute to the strategy’s objectives and targets as set out in the National Reform Programme in relation to EU 2020 headline targets.

Regarding contribution, the Guidelines acknowledge that it may be difficult to capture this contribution due to the tiny share of EU funded programmes compared to the relevant “national effort”.

This Section of the report addresses this issue in the case of the draft 2014-2020 ESF OP for Ireland. Section 6.2 examines consistency with EU 2020 strategy and goals, while Section 6.3 examines the likely contribution of the OP to achievement of EU 2020 targets.

6.2 Contribution to Europe 2020 Strategy

6.2.1 EU 2020 Strategy

Published in 2010, “Europe 2020 is the European Union’s ten-year growth and jobs strategy. It is about overcoming the crisis from which our economies are now gradually recovering and also addressing the shortcomings of our growth model and creating the conditions for “smart, sustainable and inclusive growth”.

The Europe 2020 Strategy sets out a vision of Europe for the 21st Century based on the three mutually reinforcing priorities of:

- Smart growth – developing an economy based on knowledge and innovation;
- Sustainable growth – promoting a more resource efficient, greener and more competitive economy;
- Inclusive growth – fostering a high-employment economy delivering social and territorial cohesion.

Five headline targets have been set for the EU to achieve by the end of 2020. These cover employment; research and development; climate/energy; education; social inclusion and poverty reduction. The latter are the most directly relevant to ESF Programmes.

The headline targets under the Strategy for the Union as a whole were set out Section 2.4. To recap, these are:

1. Employment:
 - 75% of the 20-64 year-olds to be employed;
2. R&D:
 - 3% of the EU's GDP to be invested in R&D;
3. Climate change and energy sustainability:
 - greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990;
 - 20% of energy from renewables;
 - 20% increase in energy efficiency;
4. Education:
 - reducing the rates of early school leaving below 10%;
 - at least 40% of 30-34-year-olds completing third level education;
5. Fighting poverty and social exclusion:
 - at least 20 million fewer people in or at risk of poverty and social exclusion.

These EU level objectives are also transposed into Member State (MS) specific targets including for Ireland (see Section 2.4).

6.2.2 EU Flagship Initiatives

The objectives of the Strategy are also supported by seven 'flagship initiatives' providing a framework through which the EU and national authorities mutually reinforce their efforts in areas supporting the Europe 2020 priorities including innovation, the digital economy, employment, youth, industrial policy, poverty, and resource efficiency.

The key ESF-relevant flagship initiatives at EU level are –

- Youth on the Move;
- An Agenda for New Skills and Jobs;
- European Platform against Poverty and Social Exclusion.

The ESF Regulation also suggest in its recitals that it should support relevant activities in the initiatives on the Digital Agenda and Innovation Europe.

6.2.3 Consistency of the OP with EU 2020 Strategy

The core consistency between the OP and the EU 2020 Strategy is ensured via Ireland's National Reform Programme (NRP).

The actions necessary to meet the requirement of the EU 2020 targets and reform agenda are encapsulated in the NRP and this programme is reviewed regularly as part of the Commission's Semester process. The NRP and initiatives within it are the basis of the OP strategy and content.

The NRP's initiatives are grouped under a series of five categories:

- economic;
- fiscal policy and taxation;
- financial sector;
- labour markets, education and skills;
- structural measures promoting growth and competitiveness.

The OP supports measures in the fourth of these categories. The NRP has three target areas in this regard:

- (1) employment;
- (2) education;
- (3) poverty.

The OP is designed to support all three and by doing so be inherently consistent with and proactively supportive of EU 2020 objectives.

6.3 Contribution to Europe 2020 Objectives and Targets

6.3.1 EU 2020 Targets for Ireland

The Union's 2020 targets as a whole are transposed into targets at individual MS level, including Ireland's. Ireland's eight MS-specific targets are as follows:

- **Employment rate: 69-71%;**
- R&D as % GDP: approx. 2% (2.5% GNP);
- CO2 Emission Reduction Target: -20%;
- Renewable Energy: 16%;
- Energy efficiency – reduction of energy consumption in Mtoe: 2.75;
- **Early school leaving in %: 8%;**
- **Tertiary education in %: 60%;**
- **Reduction of population at risk of poverty or social exclusion in number of persons: 186,000 by 2016.**

The first and final three of these (highlighted) relate specifically to ESF.

6.3.2 Progress to Date on EU 2020 Targets

The Commission's 2013 assessment of the NRP compared progress on Ireland's 2020 targets since the baseline year. The results are shown in Table 6.1 for the three ESF-related targets.

TABLE 6.1: EUROPE ESF-RELATED 2020 TARGETS, IRELAND (NATIONAL TARGET AND PROGRESS)

Target	Progress
<i>Employment rate target: between 69% and 71%</i>	The employment rate (Eurostat definition, age group (20-64) picked up moderately throughout 2012, from 63.2% in Q1 to 64.1% in Q4. It nevertheless remains down from 73.8% in 2007. Concurrently, the unemployment rate (Eurostat definition, age group 20-64) has started to decline, falling to 13.6 in Q4 2012 after remaining above 14% for 2 full years. It is still about triple the pre-crisis level of about 4.6% (2007).
<i>Early school leaving target: 8%</i>	The early school leaving rate dropped to 9.7% in 2012 to 10.8% a year earlier. Ireland performs better than the EU average for the early school leaving rate (9.7% vs 12.8% in 2012).
<i>Tertiary education attainment target: 60%</i>	The tertiary attainment rate increased to 51.1% in 2012 from 49.7% a year earlier. Ireland currently has the highest tertiary attainment rate in the whole of the EU
<i>To reduce the number experiencing consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020, from the 2010 baseline rate of 6.2% which will lift at least 200,000 people out of the risk of poverty and exclusion between 2012 and 2020 (revised target).</i>	The number of people in consistent poverty increased from 186,000 to 277,000 in the period 2008-2010 (latest available data).
SOURCE: EUROPEAN COMMISSION, STAFF WORKING PAPER SWD (2013) 357 FINAL. 29/05/2013	

The ESF OP will now boost this performance.

6.3.3 NRP and EU 2020 and the OP

Target 1 – Employment

Ireland's Headline Target: To raise to 69-71% the employment rate for women and men aged 20-64, including through the greater participation of young people, older workers and low-skilled workers, and the better integration of legal migrants, and to review the target level of ambition in 2014, in the context of a proposed mid-term review of the Europe 2020 Strategy.

The 2011 NRP highlighted five bottlenecks in the Irish labour market. These are:

- Weak labour market demand, particularly in domestic services;
- Long-term and structural elements of unemployment;
- Access to opportunities for upskilling and reskilling, especially sectors that have been most affected by the impact of the recession;
- The challenge of targeting cost-effective activation programmes to those most at risk of losing contact with the labour market and drifting into long-term unemployment, and of increasing labour market participation of those cohorts with lower than average participation rates, including lone parents and people on illness/disability payments, and to reintegrate into the labour market the group of women who have interrupted their careers for child-rearing;
- Developing a more effective and streamlined response to the needs of unemployed and removing disincentives to participation in training, education and employment opportunities.

OP-supported initiatives that focus on work experience such as JobBridge, TUS and JobsPlus will provide additional labour market relevant job opportunities for the unemployed. In addition, more targeted access to further education and training programmes and more labour market activation offerings in FET and higher education will also serve to enhance the prospects for the unemployed, especially those on the Live Register, in terms of upskilling, re-skilling and getting back to work. The continued improvement of the FET sector structure and provision should contribute further to transitions to work for the unemployed in coming years. In terms of targets for reducing youth unemployment, the Pathways to Work initiative has specific targets for increasing the number of people who are long-term unemployed moving into employment and reducing the average length of time spent on the Live Register.

NRP Target 4 – Education

Ireland's Headline Target: To reduce the percentage of 18-24 year olds with at most lower secondary education and not in further education and training to 8%; to increase the share of 30-34 year olds who have completed tertiary or equivalent education to at least 60%.

As noted in the draft OP, the percentage of early school leavers in Ireland fell from 11.4% in 2010 to 9.7% in 2012. This represents positive progress towards achievement of our 8% target. Eurostat data shows that Ireland's tertiary attainment rate for 30-34 year olds was 51.1% in 2012, up from 49.7% in 2011.

The improvement of education levels and retention levels in all cycles of education are central aims of the NRP for Ireland. The support to be provided through the ESF OP for many of the initiatives in this area and, in particular, for those measures of the Youth Guarantee and the Youth Employment Initiative will be crucial to continuing our move towards our delivery on the targets set.

Target 5 – Poverty

Ireland's Revised Headline Target: To reduce consistent poverty to 4% by 2016 (interim target) and to 2% or less by 2020, from the 2010 baseline rate of 6.3%.

The Irish contribution to the Europe 2020 poverty target is to reduce by a minimum of 200,000 the population in combined poverty (either consistent poverty, at-risk-of-poverty or basic deprivation).

The National Reform Programme for Ireland sets as a target the reduction of consistent poverty levels to 4% by 2016 and to 2% or less by 2020. It also sets out an aim to reduce those in consistent poverty or at risk of poverty or basic deprivation by 200,000 by 2020 as part of our contribution to the EU objectives in this area. Ireland's active inclusion strategy is set out in the National Action Plan for Social Inclusion, which has a key policy component for activation and inclusive labour markets.

Active labour market policies are key to addressing the employment needs and capacities of jobless households in an inclusive labour market. A Programme for Government priority for 2013 was to make sure that economic recovery does not bypass critical groups such as jobless households. The delivery of activation measures to the most disadvantaged through the ESF is an essential element of the national recovery strategies.

6.3.4 Priority Axis Contribution to Ireland – Specific EU 2020 Targets

Table 6.2 cross-tabulates the four OP Priority Axes with the four Ireland-specific EU 2020 targets:

- employment;
- reduces early school leave to 8%;
- raise tertiary education attainment to 60%;
- reduce consistent poverty to below 2%.

As shown, all Priority Axes contribute to at least one of the targets, and in some cases to more than one.

TABLE 6.2 PRIORITY AXIS AND EU 2020 TARGETS

Priority Axis		Europe 2020 Ireland-Specific Targets		
	<i>Employment Rate 69-71%</i>	<i>Early School Leaving to Reduce to 8%</i>	<i>Tertiary Education Attainment raise to 60%</i>	<i>Consistent Poverty Reduction to below 2%</i>
1. Promoting attainment of Sustainable and Quality Employment via Relevant Up-skilling	XX			XX
2. Promoting Social Inclusion, Combatting Discrimination in the Labour Market				XX
3. Investing in Education, Training and Life Long Learning to up-skill and re-skill the labour force	X	XX	XX	X
4. Youth Employability				XX
Main Effect XX			Other Effect X	

7. Strategic Environmental Assessment

The draft Programme has been subjected to a screening process to determine the need for a full Strategic Environmental Assessment (SEA). A Screening Statement has been issued as a separate report.

The requirements for SEA in Ireland are set out in the national Regulations, S.I. No. 435 of 2004 (European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004 and S.I. No. 436 of 2004 (Planning and Development (Strategic Environmental Assessment) Regulations 2004 as amended by S.I. No. 200 of 2011 (European Communities (Environmental Assessment of Certain Plans and Programmes) (Amendment) Regulations 2011) and S.I. No. 201 of 2011 (Planning and Development (Strategic Environmental Assessment) (Amendment) Regulations 2011) respectively. The legislation is cited as the European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004 to 2011.

Based on established criteria for assessing the requirement or otherwise for a Strategic Environmental Assessment, the Screening Statement has concluded that the draft Programme does not require an SEA and will not result in any significant environmental effects.

8. Conclusions and Recommendations

8.1 Overall Conclusions

The evaluation considers Ireland's experience of extreme economic recession and stagnation since 2007/8 as the most pressing and immediate context for ESI support for 2014-2020, and addressing its marked negative social and labour market impact is considered the priority for ESF focus. In this regard, unemployment, up-skilling and re-skilling, labour market activation, youth unemployment, accessing educational opportunities, matching labour market supply with demand, and addressing social exclusion priorities that include the needs of those for whom unemployment and long-term unemployment are at its core, are correctly the legitimate and warranted focuses of a new multi-annual programme.

Additional priorities relate to long-standing challenges that are less responsive to the particular phase of the economic cycle but equally important, including the promotion of equal opportunities, the empowerment of the long-term disadvantaged, heightening education levels both generally and in specific disciplines, meeting the long-term skill needs of the economy, and effectively tackling poverty.

The evaluation considers that the draft proposals for the 2014-2020 ESF OP respond appropriately to these priorities. However, important determinants of its impact and long-term legacy are considered likely to include its flexibility to changing circumstances and priorities, its focus on verifiable, objective and real impacts at every level, its ability to provide genuine additionality and added value to mainstream policy including through the adoption of innovative approaches, and its scope to learn from and respond effectively to implementation challenges and lessons at all stages. Consequently a level of flexibility will be desirable throughout its implementation to respond to likely changing needs of economic recovery over the 2014-20 period as a whole, and mechanisms to achieve this should be built into the programming including a very significant Mid-Term Review.

The new Programme will involve a relatively large role for ESF co-financing within the Irish Partnership Agreement. The evaluation is broadly supportive of the emerging proposals regarding the balance of financial allocations at Priority Axis level in the draft ESF Programme, and finds that they are consistent with both the needs as evident for an economy and labour market only beginning to show tentative signs of emergence from severe recession, and with the wider EU and national policy context and focus. The Programme will need to remain flexible to respond to new priorities that changing socio-economic conditions may warrant over the full 2014-20 period. Just as the 2007-13 OP had to adjust to the dramatically and negatively altered national economic and employment conditions that emerged mid-way through the Programme, so too it is likely that the pace of recovery and its implications may be dramatically different in the latter part of the current Programme period than they were at its outset.

The emerging Programme as presented to the evaluators exhibits strong internal coherence. There are considerable and important relationships between all four priority axes, which while having distinct objectives and foci (employment, social inclusion, education and youth employment respectively), include sharing

common characteristics in supporting those most in need, in labour market progression as the key enabler of the social and economic integration and progression of individuals and groups, and in encouraging sustainable labour market progression, life-long learning, youth and adult further education and training, and labour market mobility.

Internal coherence at implementation stage will benefit from co-ordinated targeting, for example through aligning the uptake of unemployed persons with skills and activation supports under Priority Axis 1, with socially-excluded individuals and those at risk of poverty by virtue of their unemployed status that are to be targeted under Priority Axis 2.

Coherence of the draft OP with wider EU and national instruments has also been a strong consideration in its preparation, and is an evident feature of the emerging Programme. The actions to be supported complement and address not only headline Europe 2020 objectives and targets in this areas of employment, education and social inclusion, but support wider Europe 2020 Flagship Initiatives and related EU goals and strategies in these areas (e.g. the Youth Guarantee, the EU Programme for Employment and Social Innovation). Broad coherence with national instruments is also evident, for example with the national Action Plan for Jobs, with the Strategy for Further Education and Training, with the wider national strategy of reforms in the areas of welfare to work (Pathways to Work Programme), and in the National Action Plan for Social Inclusion. This latter fact means that the OP will finance selected sub-sets of interventions under such national strategies, and hence involve an element of in-built coherence with them.

The ex-ante evaluation finds high levels of consistency between the draft ESF Programme and the CPR, CSF, Partnership Agreement and the National Reform Programme. The core ambitions of the draft Programme are clearly and evidently in keeping with relevant thematic objectives as set out in the CPR, and nothing proposed in regard to specific objectives, actions, financing, implementation modalities, or management proposals departs, in the evaluators' view, from the principles laid out for these in the CPR.

As well as an appropriate strategic focus at its core, consistency with the CSF is evidenced in respect of principles of partnership, the promotion of equality and non-discrimination, accessibility for people with a disability, addressing demographic change, and with complementarity with wider EU policies and instruments of relevance. The key priorities and actions that underpin Ireland's National Reform Programme in the areas of employment, education and social inclusion, are also likely to be supported through, and in strategic and operational alignment with, the range of interventions, actions and measures supported through the ESF OP.

The ESF OP has the capacity to make a strong and direct contribution to the Europe 2020 Strategy, and particularly in supporting Ireland's contribution to its specific aims and targets that relate to employment, education and tackling poverty and social exclusion. It has a strong focus on access to employment, on the labour-market activation of those inactive, on up-skilling the unemployed and in supporting labour mobility. All of these are appropriate in the face of the labour market challenges Ireland needs to address following the economic crisis, and are also directly aligned with the Europe 2020 targets for increasing employment. The portfolio of interventions likely to be supported under the OP, and the financial emphasis it will place on actions addressing unemployment and barriers to employment growth, ensure a strong strategic alignment

with both national needs and EU priorities in this regard. Specific proposals under the Youth Employment Initiative are equally strategically-appropriate, in the face of the high impact of the recession on the youth labour market in Ireland, and the increasing rate of long-term unemployment amongst young people.

Thematic Objectives in the OP also align strongly to the other Europe 2020 objectives and targets most relevant to ESF support. The third Thematic Objective brings a focus on education and life-long learning, with a mix of actions which will ensure age-appropriate interventions and a focus on educational achievements likely to enhance employment prospects. The second Thematic Objective ensures a significant focus is also put on social inclusion and tackling poverty, the other key Europe 2020 aim. Here, the draft OP intends to support a wide range of actions that specifically seek to meet the social and economic needs of specifically-disadvantaged groups, particularly through enhancing education levels and employment prospects, dovetailing appropriately with the key needs and strategic priorities the overall OP is seeking to address.

8.2 Recommendations

- While the broad nature of the priorities allows for adjustment to socio-economic changes that may emerge in the economy in the life-time of the ESF Programme, needs and priorities should be reviewed as part of a mid-term evaluation. Consideration should be given to later inclusion within the OP of specific measures on apprenticeship, and on active inclusion and jobless households in the light of current national policy focus and reforms. Support for upgrading the skills of low-skilled employees within SMEs may also be of relevance at the mid-term review (MTR) stage if the economy continues to steadily improve;
- maintain flexibility in the scope of the Programme and its financial allocations and redirect the focus where needs change or observed progress and effectiveness (or lack of them) warrant it at a later stage, especially the MTR;
- the scope to differentiate ESF-funded activity from mainstream programmes, to introduce innovative approaches or delivery models, or to address new or unique needs, should continually be explored (including at mid-term review stage), to ensure the ESF adds policy value to national approaches as well as simply supports their resourcing;
- a thorough examination of the resources and processes required to meet the considerable management needs of the Programme should be undertaken, including within the MA and other central ESF authorities, as well as in the implementing and delivery bodies, and the necessary resources and processes put in place that effective management will require;
- the process by which data capture, management, sharing and reporting systems will need to be brought to the levels required is a very significant undertaking and needs to be planned, resourced and implemented at the earliest opportunity;

- where indicators and targets refer to individuals or places should be clarified, and where possible data for both should be set out;
- the MA should cross-check output targets and financial proposals (and implicit unit costs) within AIPs with those aggregated by the MA in the draft Programme and Performance Framework to ensure consistency;
- any changes to the OP document arising from its proofing from the perspectives of equality and social inclusion (by the Equality Authority and the Social Inclusion Unit of DSP) should be made;
- when approved a single, user-friendly, comprehensive version of the Programme Document should be prepared and published;
- increase emphasis within the OP and more widely on promoting measures as an integrated package of interlocking instruments to contribute to the overall of objectives and target groups and put less emphasis on promoting multiple, often similar but separately branded interventions in isolation;
- especially in the short-term, the MC and MA should closely monitor the impact of the extensive ongoing institutional change at front-line service level so as to minimise any resulting delay in OP commencement.