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Employment & Human Resources Development Operational Programme (2000-2006)

IRELAND

Annual Implementation Report 2004



EUROPEAN SOCIAL FUND:
helping develop employment by
promoting employability, the business
spirit and equal opportunities and
investing in human resources



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Table 1 – EHRD OP Structure and Implementing Bodies

Measure No	Priority/Measure name	Implementing Body
4 EMPLOYABILITY		
01	Action Programme for the Unemployed	FAS
02 ESF	National Employment Service	FAS
03 ESF	Active Measures for LTU & Socially Excluded	FAS
04	Early Education	D/Education & Science
05 ESF	School Completion Initiative	D/Education & Science
06	Early Literacy	D/Education & Science
07	Traveller Education	D/Education & Science
08	School Guidance Service	D/Education & Science
09 ESF	Third Level Access	D/Education & Science
10	Schools Modern Languages	D/Education & Science
11A ESF	Early School Leaver –Progression	FAS
11A ESF	Early School Leaver – Progression (Community Training Workshop)	D/Education & Science
11B ESF	Early School Leaver - Youthreach & Travellers	D/Education & Science
12A	Sectoral Entry Training -Tourism School Leavers	D/Arts, Sports & Tourism
12B	Sectoral Entry Training -Tourism	D/Arts, Sports & Tourism
12C	Sectoral Entry Training –Tourism (Education)	D/Education & Science
12D	Sectoral Entry Training -Agriculture	D/ Agriculture & Food
13 ESF	Skills Training for Unemployed & Redundant Workers	FAS
14A ESF	Apprenticeship/Traineeship-FAS	FAS
14B	Apprenticeship-Education	D/Education & Science
15	Employment Support Services	D/ Social & Family Affairs
16	Voc. Training & Pathways Employment People with Disabilities	FAS
17	Refugee Language Support Unit	D/Education & Science
ENTREPRENEURSHIP		
18 ESF	In Company Training -FAS	FAS
	In Company Training -Enterprise Ireland	Enterprise Ireland
	In Company Training – D/E TE	D/Enterprise Trade and Employment
19A ESF	Social Economy -Programme	FAS
19B ESF	Social Economy -Local Social Capital	FAS

ADAPTABILITY		
20	Lifelong Learning -General Training	FAS
21 ESF	Lifelong Learning -Back to Education Initiative	D/Education & Science
22 ESF	Lifelong Learning- National Adult Literacy Strategy	D/Education & Science
23	Lifelong Learning- Further Education Support Services	D/Education & Science
24A1	Ongoing Sectoral Training -Gaeltacht	Údarás na Gaeltachta
24A2	Ongoing Sectoral Training - Film	D/Arts, Sports & Tourism
24B	Ongoing Sectoral Training -Seafood	D/ Communications, Marine & Nat. Resources
24C	Ongoing Sectoral Training -Forestry	D/ Communications, Marine & Nat. Resources
24D	Ongoing Sectoral Training -Equine Institute	D/ Agriculture & Food
24E	Ongoing Sectoral Training -Agriculture	D/ Agriculture & Food
24F	Ongoing Sectoral Training -Tourism	D/ Arts, Sports & Tourism
24G	Ongoing Sectoral Training -Tourism Education	D/Education & Science
25	Middle-Level Technician/Higher Technical Business Skills	D/Education & Science
26 ESF	Undergraduate Skills	D/Education & Science
27	Postgraduate Conversion Courses	D/Education & Science
28A	Training of Trainers- Primary, Post-Primary & Further Education	D/Education & Science
28B	Training of Trainers- FAS	FAS
29A	Quality Assurance-Training of Trainers	D/Education & Science
29B ESF	Quality Assurance-Certification & National Qualifications Framework	D/Education & Science
EQUALITY		
5 30 ES	Education Equality Initiative	D/Education & Science
31A ESF	6 Equal Opps Promotion & Monitoring - Education	7 D/Education & Science
31B ESF	Equal Opps Promotion & Monitoring - NDP	D/ Justice, Equality & Law Reform
31B1 ESF	<i>Equality for Women</i>	D/ Justice, Equality & Law Reform
TRAINING INFRASTRUCTURE		
32A	Education Infrastructure	D/Education & Science
32B	Training Infrastructure	FAS
TECHNICAL ASSISTANCE		
33A ESF	Technical Assistance (Equality Studies)	Equality Authority
33B ESF	OP Technical Assistance	D/Enterprise, Trade & Employment

1.3 Links with the European Employment Strategy and the National Employment Action Plan

The structure of the EHRD OP was designed to conform to the Pillars of the original European Employment Guidelines – Employability, Entrepreneurship, Adaptability and Equality. In 2003, the European Employment Guidelines were revised, and the four “Pillars” were replaced with a more flexible series of ten Guidelines to operate for the period 2003-2005.

Table 2 shows each of the measures/sub-measures in the OP in their original “Pillar” format, and their link to the new Guidelines, indicated by an “X” against the appropriate Guideline. Many measures address more than one Guideline. The provisional total expenditure and ESF expenditure (where relevant) in 2004 under each measure/sub-measure is also provided on the table.

The Updated (“Final”) Evaluation of the EHRD OP, which is to be submitted to the European Commission before the end of 2005, will *inter alia*, and as part of its Terms of Reference, further identify the extent to which the co-financed measures are linked to the European Employment Strategy and assess:

- how the measures contribute to the EES and to the National Action Plan on Employment;
- the extent to which the measures have played a role in addressing annual recommendations made to Ireland under the EES process;

Ireland’s National Employment Action Plan (NEAP) for 2004 set out the role of the EHRD OP in contributing to the achievement of the Employment Guidelines. The Plan complements the Social Partnership Agreement, *Sustaining Progress 2003-2005*, the overall goal of which is: “in a period of considerable uncertainty, to sustain economic growth, maintain high levels of employment, secure living standards while strengthening the economy’s competitiveness and thereby its capacity to resume trend growth in more favourable international conditions”.

Ireland’s continued competitiveness will be increasingly dependent on knowledge, innovation, skills, education and research, the quality of research, the quality of infrastructure and services in the economy and the maintenance of the low corporation tax regime.

Therefore, the areas outlined as priority areas for employment policy for the period 2003-05 are:

- (a) Greater emphasis on investment in research and development
- (b) A greater regional spread of investment
- (c) Greater investment in upskilling employees
- (d) The promotion of lifelong learning
- (e) Adoption of family-friendly work practices
- (f) Support for disadvantaged people to enter the workforce.

The EHRD OP and the ESF directly support objectives (c), (d) and (f), as evidenced on Table 2 overleaf.

Page 6: Table 2 – See Excel spreadsheet

Page 7: Table 2 – See Excel spreadsheet

Page 8: Table 2 – See Excel spreadsheet

Page 9: Table 2 – See Excel spreadsheet

As required under the EU Employment Strategy, the NEAP for 2004, which was prepared in consultation with other relevant Government Departments and the Social Partners, was submitted to the European Commission in October 2004. While this submission is normally followed by a set of specific Joint Employment Recommendations, the European Council, at its meeting in June 2004, had decided that the Employment Guidelines which were set in 2003 to cover the period 2003-2005 should remain unchanged and that the emphasis, therefore, should be on the implementation of existing policies. The Council agreed that the medium-term character of the Employment Guidelines together with the Broad Economic Policy Guidelines justify stability at least until the mid term assessment in 2006.

The Joint Employment Recommendations, which had been addressed to Ireland in 2003 as a result of Commission and Council's consideration of the NEAP remain relevant, therefore. These focus on two areas outlined below:

Attracting more people to the labour market and making work a real option for all

- Increase access to active labour market measures for a larger share of the unemployed and inactive population and ensure their effectiveness.
- Increase the supply and affordability of childcare facilities and take urgent action to tackle the causes of the gender pay gap.

8 *Investing more and more effectively in human capital and lifelong learning*

- Implement a coherent lifelong learning strategy to reduce early school leaving and increase participation in training, especially for the low-skilled and for older workers.

These were similar to recommendations made to Ireland under the NEAP process in the previous years, and also in the Report of the Employment Task Force (the "Kok Report"), published in November 2003.

Ireland continued to address these recommendations in a variety of ways in 2004, not least through many of the activities being supported under the Employment and Human Resources Development Operational Programme (EHRD OP), for example:

- Actively engaging with unemployed people at an early stage to prevent the drift into Long Term Unemployment is a fundamental objective of *Measure 2 - National Employment Service*. Under this process, the Department of Social and Family Affairs (DSFA) refers all persons reaching a threshold of 6 months unemployment for interview by FÁS (previously, the timing of referrals for people over 25 years of age had been longer). In 2004, the earlier 6-month referral process became operational in all eight FAS regions, having first been implemented to the Dublin region in May 2003. Of the 52,300 referrals that occurred in 2004, 58% had left the Live Register by January 2005. The rate of leaving was higher for young people and the short-term unemployed.
- Initiatives to tackle Early School Leaving are addressed in *Measure 5 – School Completion Initiative* and *Measure 11a Early School Leaver -Progression* and *11b Early School Leaver - Youthreach & Travellers*.

- Measures to promote Lifelong Learning and to up-skill those in employment – particularly in SMEs – are found in the Adaptability and Entrepreneurship Priorities of the OP respectively.

Progress achieved through these measures is discussed in Chapter 4 of this report.

1.4. Links with NAPS and the NAPS/incl. process

Social Inclusion/Poverty is one of the key policy contexts within which the EHRD OP was prepared in terms of the needs to be addressed and the strategies and policies put in place at EU and national level. As can be seen from Table 2, many of the measures in the OP address the Employment Guideline of combating discrimination against people at a disadvantage in the labour market.

The impact of employment policy was included in Ireland's report to the European Commission in 2003 on the 2003-2005 NAPS/incl. This was commented favourably upon by the Commission, which noted, in particular, the substantial progress made since the previous plan. In particular, they noted the current plan displayed a greater understanding of the complex causes of social exclusion.

An updated report was presented to the Commission in October 2004. No formal response has been received. The Office of Social Inclusion is currently conducting a review of the 2003-2005 NAPS/incl. for submission to the Commission in 2005.

The revised National Anti Poverty Strategy, (NAPS) which was agreed in 2002, notes that if consistent poverty is to be eliminated and the risk of poverty reduced, policies must address the patterns of risk and incidence that underlie poverty processes. Accordingly, one of the objectives is to provide maximum opportunity for the most vulnerable members of society to gain employment and to progress to better paid and more fulfilling employment. Three key targets have been set:

1. The elimination of long-term unemployment as soon as circumstances permit but, in any event, not later than 2007
2. The reduction in the level of unemployment experienced by vulnerable groups towards the national average by 2007
3. The achievement of the objectives set out in the National Employment Action Plan to increase employment rates

The approach towards achieving the key targets include:

- Having in place a proactive policy of engagement with people of working age on social welfare to ensure that, where possible, they have the opportunity to avail of employment, education and training options (*Measure 2 - National Employment Service*)

- Creating new opportunities for unemployed people and for marginalized groups to access employment and training (*Measure 1 - Action Programme for the Unemployed, Measure 3 - Active Measures for the LTU and Socially Excluded and Measure 13 – Skills Training for Unemployed and Redundant Workers*)
- Eliminating any remaining gaps or disincentives to employment/training in the application of the secondary benefit systems so that, at a minimum, nobody is materially worse off as a result of taking up employment, training, or education opportunities.
- Ensuring that those in low paid and low skilled jobs have access to higher incomes and the opportunity to progress to better paid and more highly skilled employment.

The National Anti Poverty Strategy also has a specific target to reduce the number of young people who leave the school system early so that the percentage of those who complete upper second level or equivalent will reach 90 % by 2006 from a baseline figure of 81.6 % in 1999. In the context of the EHRD OP, the *School Completion Initiative (Measure 5)*, combining the Early School Leaver Initiative and the School Retention Initiative, are among a number of measures aimed at meeting this objective.

2. The Economy and Labour Market in Ireland in 2004

2.1 The economic climate in 2004

Ireland's economic progress in the years since 2001 has followed a pattern of steady, moderate growth at low single digit rates. While this is significantly lower than the average rates of 10% achieved in the closing years of the last millennium, it represents a strong performance relative to performance of the EU economy as a whole.

In 2004, Ireland's economy demonstrated continued improvement, achieving growth at the rates of 4.2% (GNP) and 5.8% (GDP)¹. One of the other most significant features of the health of the Irish economy in 2004 was the continued growth in employment, with a rise of 3.6% achieved over the year. This was instrumental in reducing the rate of unemployment to 4.3% in the Fourth Quarter of the year, a reduction of 0.2% on the same period previous year.

A welcome development in 2004 was the continued fall in consumer price inflation with the rate reducing to 2.2%² by the end of the year. While this reduction can be attributed in part to the appreciation of the euro, it also reflects a significant reduction in services inflation.

Future economic prospects

The main economic commentators predict a return to more favourable global economic conditions following the slow-down in 2001-2003. The Central Bank of Ireland (CBI) bases this outlook on the continued growth in the US and the maintenance of low interest rates. For the Euro area in particular, it predicts ongoing moderate growth.

Given that Ireland has continued to experience economic growth despite the global economic downturn of the 2001-2003 period, it is well placed to react to any improvement in global circumstances. For 2005, the CBI predicts economic growth for 2005 at the rate of 5.25% (GNP) and 5.5% (GDP)³ with the trend extending into 2006. The independent research body, the Economic and Social Research Institute (ESRI) is similarly optimistic, predicting growth for 2005 at the rates of 5.0% (GNP) and 5.7% (GDP)⁴.

Consumer price inflation is expected to moderate still further, with rates of 2% predicted for 2005. However, this could be impacted by external factors such as the price of oil. The unemployment rate is expected to stabilise in 2005 and beyond, with the ESRI predicting an average rate of 4.3% for both 2005 and 2006.

¹ Source: *Key Economic Indicators – Ireland*, Central Statistics Office (www.cso.ie)

² Source: *First Bulletin, 2005*, Central Bank of Ireland

³ Source: *Second Bulletin, 2005*, Central Bank of Ireland

⁴ Source: *Quarterly Economic Summary, Spring 2005*, ESRI

2.2 The Irish labour market in 2004⁵

Labour Force Growth

The labour force increased by 64,900 in the year to reach 1,979,700 – an increase of almost 78,000 on the corresponding figure for 2003. This accounted for 61% of all persons aged 15 or over, slightly up on the previous year when the labour force participation rate was 60.2%.

Participation Rates by Age and Gender – Fourth Quarter comparisons.

Participation rates decreased in the 15-19 and 25-34 age groups and increased most significantly in age groups 20-24 and 45-54 in the year to the fourth quarter 2004. Participation rates for married females over the year showed an increase from 48.5% to 49.8% and reflected an increase of 11,500 in the number of married females in the labour force. *See tables below.*

All persons	15-19 %	20-24 %	25-34 %	35-44 %	45-54 %	55-59 %	60-64 %	65+ %	Total %
Q4 2003	27.4	73.2	84.5	78.9	73.1	59.0	39.4	7.7	60.2
Q4 2004	26.6	74.6	84.4	79.6	75.3	59.7	40.5	7.7	61.0
Change	-0.8	+1.4	-0.1	+0.7	+2.2	+0.7	+1.1	0.0	+0.8

Female	15-19 %	20-24 %	25-34 %	35-44 %	45-54 %	55-59 %	60-64 %	65+ %	Total %
Q4 2003	24.5	68.5	76.3	65.4	58.2	42.4	23.2	2.8	49.6
Q4 2004	24.0	71.5	76.3	65.7	61.4	44.4	23.8	3.1	50.8
Change	-0.5	+3.0	0.0	+0.3	+3.2	+2.0	+0.6	+0.3	+1.2

9 Unemployment

There were 85,600 persons unemployed in the fourth quarter of 2004, a decrease of 8,300 in the quarter and a decrease of 300 in the year. This figure comprised 52,800 males (a decrease of 500 on the corresponding period in 2003) and 32,800 females (an increase of 200). The largest annual decrease in the numbers of unemployed was concentrated in the 25-34 year age group where the numbers decreased by 1,400 to 22,400.

In the fourth quarter of 2004, the unemployment rate was 4.3%. This is a decrease on both the figure for the third quarter of 2004 (4.7%) and the figure for the fourth quarter of 2003 (4.5%). The unemployment rate for males decreased to 4.6% (-0.2%) while the rate for females decreased to 3.9% (-0.2%) in the year.

The Long-Term Unemployment rate in the fourth quarter of 2004 stood at 1.5%, (28,900), a slight increase on both the third quarter of 2004 (28,000 - 1.4%) and the fourth quarter of 2003 (26,200 - 1.4%). Long-term unemployment increased over the

⁵ All labour market data is sourced from the Quarterly National Household Survey for the Fourth Quarter of 2004, published by the Central Statistics Office of Ireland (www.cso.ie)

year by 2,700, with short-term unemployment decreasing by 2,900 over the same period. Those aged 15-24 (+1,700) showed the largest increase in long-term unemployment.

Employment

Employment grew by 65,200 or 3.6% in the year to the fourth quarter of 2004. This is the highest level of annual growth recorded since the first quarter 2001. Increases in the numbers in full-time employment accounted for over 80% of the annual change.

There were 1,894,100 persons in employment in the fourth quarter of 2004, an increase of 65,200 in the year and a seasonal increase of 23,300 on the third quarter of the year. The employment rate for the 15 to 64 age group was 66.7%, an increase on the previous year's rate of 65.7%.

Sectoral Employment

The sectors showing the largest employment growth were *Construction* (+26,800), *Financial and other business services* (+16,400) and *Other Services* (+11,000) with significant growth also recorded in *Wholesale and Retail Trade* (+8,900) and *Health* (+6,700). The number of persons employed in *Agriculture, forestry and fishing* and *Hotels and Restaurants*, showed a decrease of 10,900 and 2,800 respectively in the year to the fourth quarter of 2004.

Full-Time and Part-Time Employment

In the year to the fourth quarter of 2004, the numbers engaged in full-time employment increased by 53,400 (3.5%) to 1,577,500. This annual increase comprises 20,600 females and 32,800 males.

The numbers engaged in part-time employment increased by 11,700 (3.8%) in the year to 316,500. This comprised an increase of 13,300 females and a decrease of 1,600 in the number of males.

10 Regional Comparisons

The following table provides a comparison of labour market data in the BMW and SAE regions for the Fourth Quarter of 2004 compared to the same period the in 2003. The BMW region showed stronger relative gains in employment than the SAE region, while the Unemployment Rate in the BMW region continues to converge towards the rate for SAE region.

Table 3 – Comparative labour market data at Regional (NUTS II) level

	BMW Region	SAE Region
Change in Employment	+ 24,900 (+5.3%)	+ 40,300 (+3%)
Change in Unemployment	- 400 (-1.7%)	+ 100 (+0.2%)
Unemployment Rate	4.6%	4.2%

At NUTS III level, the Unemployment Rate was highest in the South-East Region at 5.6%, with the Mid-East region recording the lowest rate of unemployment, at 2.9%.

11 Main Conclusions

There was a decrease in unemployment in the fourth quarter of 2004 compared with the third quarter of 2004, with the unemployment rate decreasing to 4.3%. This is a relatively low rate particularly when compared to the EU25 average of c.9%.

The long-term unemployment rate was 1.5%, a slight increase on the previous year's figure but still well below the EU25 average of c.4%.

The female participation rate has increased by 1.2% to 50.8% on the previous year. The number of females in employment in the fourth quarter of 2004 was 33,900 higher than in the previous year, which compares to an increase of 31,300 male workers over the same period.

Employment growth in this quarter, compared to the previous year, has occurred in all sectors apart from *agriculture, forestry and fishing plus Hotels and restaurants*.

12

Implications for the EHRD OP

- 13 The economic and labour market conditions in 2004 do not pose any significant implications for the EHRD OP. The Programme continues to support the current needs of the labour market, by providing education, training, job placement and other supports to help people enter employment. It also supports the up-skilling of people already in employment through the In-Company Training measure (Measure18).

14 3. Management of the Employment and Human Resources Development Operational Programme

3.1 Managing Authority Developments

2004 was a year of relative stability for the EHRD OP Managing Authority in comparison with the changes that occurred previous years. That said, the Head of the Managing Authority left the position in April 2004 and the vacancy remained unfilled until the following July due to the priority afforded to Ireland's Presidency of the EU in the first half of the year. This impacted on the timely completion of certain tasks in 2004, notable the Annual Implementation Report. However, in 2005, the Managing Authority has been able to achieve all its main targets and has introduced some new measures to improve the quality of progress reports and financial control. These measures are referred to below and in Chapter 7 of this report.

During the year, the Managing Authority completed the process of standardising the detailed financial tables used for reporting on all measures. This standardisation now allows the Managing Authority to compile Priority-level and OP-level financial data more rapidly than previously, while also making the financial information more manageable for Monitoring Committee members to follow.

In the context of preparing proposals for the reprofiling of expenditure at the Mid-Term Review stage of the OP, the Managing Authority carried out considerable work to ensure that the original and revised forecast for each Measure/Sub-Measure was accurate. The rounding of figures since the start of the OP had resulted in some anomalies in the figures, which were duly corrected.

Following the Annual Review Meeting with the European Commission in November 2004, the Managing Authority reviewed the template being used by Implementing Bodies to report progress at Measure level to the Monitoring Committee. In 2005, the Managing Authority revised the template, where appropriate, and encouraged Implementing Bodies to provide more relevant and concise information on developments during the period being reported on. This has facilitated a more succinct description of progress on each Measure in Part II of the current Annual Report.

3.2 Monitoring Committee meetings and Decisions

The OP Monitoring Committee held its regular twice-yearly meetings in April and November 2004 to review the six-month and yearly Progress Reports on the OP compiled by the Managing Authority. The April meeting was held in County Sligo, within the BMW region, while the November meeting was held in County Limerick within the SAE region. The Progress Reports were approved at both meetings and summary reports were also submitted to the NDP/CSF Monitoring Committee.

Monitoring Committee Decisions

In March 2004, the Monitoring Committee held a special meeting at which it adopted proposals for the reprofiling of ESF funds. The reprofiling proposals took account of:

- (a) the Mid Term Evaluation of the OP,
- (b) a detailed review and assessment of progress on each measure/sub-measure by the Managing Authority in consultation with the Implementing Bodies, and
- (c) and the wider Mid Term Review of the CSF/NDP.

The reprofiling provided for the movement of some €47 million within the OP, while also providing for the transfer of €9 million from the *Local Social Capital* and *Social Economy* measures to the Childcare measures in Ireland's two Regional OPs. This transfer of ESF aid supports the recommendations made to Ireland under the European Employment Strategy process that Ireland should increase the supply and affordability of childcare.

In addition to approving the financial transfers in the OP, the Monitoring Committee approved textual changes to the OP, some of which were consequent on the reprofiling and some of which were designed to cater for changes/developments at measure level since the OP was originally drafted.

The decisions of the Monitoring Committee arising from the Mid Term Review process were given formal expression through a European Commission Decision in December 2004.

Other decisions adopted by the Monitoring Committee in 2004 included:

- Approval of the revised arrangements for reporting on the NDP/CSF Horizontal Principles (see also Chapter 6) (April 2004).
- Approval of revised Programme Complements for most measures to take account of the revised Horizontal Principles reporting and changes in the financing and/or content of measures/sub-measures arising from the Mid Term Review (written procedure, December 2004)
- Approval of a proposal to split sub-measure 24A (Ongoing Sectoral Training - Culture, Gaeltacht and Film) into two separate sub-measures: 24A1 (Culture, Gaeltacht) and 24A2 (Film). This separation was designed to facilitate reporting on progress, as the two components of the sub-measure are operated by different Implementing Bodies. The Monitoring Committee approved revised Programme Complements for the separate components at the March 2004 Monitoring Committee meeting.

3.3 Completion of the Mid-Term Review process

As reported in Section 3.2 above, following the Mid-Term Evaluation of the Programme in 2003, a thorough assessment of the performance and progress of measures was conducted by the Managing Authority in the first quarter of 2004. This resulted in the re-allocation of funding between some measures and the transfer of €9 million in ESF aid from the Operational Programme to increase support for the

Childcare measures in the BMW Regional OP (€4 million) and the SAE Regional OP (€5 million). A European Commission Decision, formally agreeing the transfers of funding, and incorporating some textual amendments to the OP, was taken in December 2004. This formally completed the Mid Term Review of the OP. However, some further issues still required to be followed through.

The EHRD OP Mid-Term Evaluation referred to shortcomings in indicator data within the OP. This was followed by a wider evaluation by the NDP/CSF Evaluation Unit of indicators across all OPs, including the EHRD OP, with a view to ensuring that the indicators set for each measure are relevant. All Implementing Bodies in the EHRD OP co-operated in this exercise. As a separate exercise, the Evaluation Unit also reviewed reporting arrangements on NDP Horizontal Principles across all OPs and proposed a rationalisation of reporting arrangements.

As a consequence of these two exercises by the Evaluation Unit, revisions to the Programme Complements were made which should significantly help to re-establish relevant indicators for all measures/sub-measures and set base-line figures and targets on which to be reported.

The Mid Term Evaluation also contained recommendations concerning other non-financial aspects of the OP. These recommendations dealt with OP management and monitoring; costs, cost effectiveness and value for money; and project selection. The recommendations were first addressed at the Spring 2004 Monitoring Committee meeting, for which the Managing Authority circulated a paper containing details of all the non-financial recommendations made in the Evaluation, their current status and the action required by the various agencies to achieve their implementation. Progress in implementing these recommendations was discussed again at the Autumn 2004 Monitoring Committee meeting and the Spring 2005 Monitoring Committee meeting. The Spring 2005 meeting noted that considerable progress had been achieved in addressing the recommendations and very few remained to be addressed. These will be returned to at future meetings of the Committee.

3.4 Indicators

The Measure-level Progress Reports in **Part II** of this report provide information on the position at the end of 2004 in relation to financial and physical progress.

Priority level indicators are provided over the following pages.

In addition to commenting on measure-level indicators in the OP, referred to above, the Mid Term Evaluation also recommended that Priority level and OP level indicators be redefined. An amendment to the text of the OP was approved in the Commission Decision of December 2004 to allow for such action to be taken with the approval of the Monitoring Committee (i.e. no further Commission Decision will be necessary).

EHRD OP INDICATORS - EMPLOYABILITY PRIORITY

	Baseline (Q.4 1999 unless otherwise indicated)	Position at Q. 4 2004
Employment		
People benefiting directly - All measures	Not available	Not available
People benefiting directly - Co-financed measures	Not available	Not available
Mobilisation		
Potential Labour Supply		
Male	8.7%	Not available
Female	12.3%	Not available
Overall	9.3%	7.6%
BMW Region	11.3%	Not available
SAE Region	9.9%	Not available
Labour Force Participation Rate		
Male	71.1%	71.5%
Female	47.1%	50.8%
Overall	58.9%	61.0%
BMW Region	56.0%	59.7%
SAE Region	60.0%	61.5%
Social inclusion		
Unemployment Rate		
Male	5.1%	4.6%
Female	5.1%	3.9%
Overall	5.1%	4.3%
BMW Region	6.4%	4.6%
SAE Region	4.7%	4.2%
Long Term Unemployment Rate		
	2.1%	1.5%
LTU numbers		
Male	26,000	21,350
Female	10,000	7,550
Overall	36,000	28,900

Note: Baseline figures for 1999 have been corrected from the data published in the EHRD OP

Source: CSO: QNHS Q.4 1999 and QNHS Q.4 2004

EHRD OP INDICATORS - ADAPTABILITY PRIORITY**Educational Attainment Rate**

	March-May 1999	March-May 2003
% with Upper Second Level education or higher		
Males aged 25 to 64	56.03%	59.99%
Females aged 25 to 64	60.54%	65.13%
Overall	58.28%	62.55%
Overall by age category		
25-34	73.77%	79.16%
35-44	63.38%	67.87%
45-64	43.63%	46.70%

Source: QNHS Special Module on LLL, Q2 2003
This information remains the most recently available

Participation in Education & Training

Age Group	Formal	Non-Formal	Total	Population	%
	(000)	(000)	(000)	(000)	
25-34	57.9	108.1	166	636.2	26.09%
35-44	29.1	98.4	127.5	541.7	23.54%
45-64	24.1	108.8	132.9	844.9	15.73%
Total	111.1	315.3	426.4	2,022.8	21.08%

	Formal	Non-Formal	Total	Population	%
	(000)	(000)	(000)	(000)	
Male*	252.1	195.3	447.4	1537.3	29.10%
Female*	271.4	224.6	496	1586.5	31.26%
All*	523.5	419.9	943.4	3123.8	30.20%

* Includes 15-24 age group

Basis of calculation: Persons aged 25-64, classified by whether they received formal or non-formal education/training in the 12 months, March-May 2003

Formal education refers to the regular education system (formal education, including schools, colleges and universities) which the respondent had attended sometime during the previous 12 months.

Non-formal education refers to all organised learning activities outside regular education. Normally you have to register for each activity.

EHRD OP Indicators - Entrepreneurship Priority

In-Company Training		
	2000	2000-2004
<i>Companies supported</i>		
FÁS	N/A	5128
Enterprise Ireland	N/A	118
Total		5246
<i>Employees Trained</i>		
FÁS	N/A	28584
Enterprise Ireland	N/A	11485
Total		40069

Social Economy		
Number of projects operating		306
No of Participants (people employed in projects)	N/A	2765

Source: Progress reports from FAS and Enterprise Ireland

EHRD OP Indicators - Equality Priority

Gender Employment Gap		1999	2003
Employment Rate	Male	71.1%	71.5%
	Female	47.1%	50.8%
	Gap	24.0%	20.7%
Gender Unemployment Gap			
Unemployment Rate	Male	5.1%	4.6%
	Female	5.1%	3.9%
	Gap	0.0%	0.7%

Source: QNHS 1999 (Q4) and 2004 (Q4)

3.5 Compliance with Community policies

All activities under the OP are required to operate in full compliance with EU and (where appropriate) national policies and rules on State Aid, competition, the award of public contracts, environmental protection and improvement, the elimination of inequalities and the promotion of equal opportunities between men and women. Implementing Bodies have been asked to respect these policies in their operational procedures. Article 4 checks carried out by the Managing Authority pay particular attention to the action taken by the Implementing Bodies to ensure that these policies are respected, where relevant to the measure/sub-measure in question.

The measure-level progress reports in Part II provide assurance of the actions taken to ensure compliance with the relevant policies. Chapter 5 also sets out, in summary form, details of activities undertaken in the Operational Programme in 2004 which address the policies areas of gender equality, environmental protection and rural development.

3.6 Information, Communications & Publicity

Under the 2000-2006 National Development Plan, a central NDP/CSF Information and Communications Unit was established to co-ordinate the dissemination of information and communications material across all NDP/CSF activity and for all Structural Funds activity. The EHRD OP Managing Authority continued to engage with the NDP/CSF Information and Communications Unit in relation to publicity for the OP and the European Social Fund during 2004.

The NDP/CSF Newsletter included various articles on the ESF and EQUAL as well as ESF funded initiatives. ESF was further promoted as part of the Local Advertising Campaign on the NDP/CSF in Ireland.

The ESF Website (www.esf.ie) continued to be used to inform the Monitoring Committee of various issues relating to the OP and to circulate documents for Monitoring Committee meetings. Both the Paying Authority and the Managing Authorities use the website as an effective means for circulating information on Financial Management and Control issues. The website is also used to provide general information on ESF, as well as more specific information on the EHRD OP. The Managing Authority has initiated a project towards the improvement of both the design and functionality of the website, with work scheduled for completion by mid-2005.

The acknowledgement of the implementing agencies of the role of the ESF continues to be expressed and is given particular prominence through the display of the EU logo on publicity material related to their measures. This material includes application forms, general reports, leaflets, websites and advertisements. ESF Information and Publicity was highlighted as a specific agenda item at the Spring 2005 meeting of the Monitoring Committee.

Specific examples demonstrating the continued publicity of the OP included the circulation by the Department of Education and Science of information leaflets and posters relating to the YOUTHREACH and Senior Traveller training centre programmes. These items contain an acknowledgement of ESF funding and also

display the EU and NDP logos. The National Co-ordinator's office has worked in partnership with the NDP Information Unit's Local Media Campaign, highlighting and explaining the implementation of the NDP at a county/local level. To date, features have been published on centres in counties Meath, Louth, Limerick and Kerry. Counties Kildare and Offaly were covered by advertorial features in the local regional newspapers.

All FÁS training centres, employment offices and FÁS-funded community projects continue to exhibit signage acknowledging National Development Plan (NDP) or NDP/EU funding as appropriate. In addition, FÁS assisted the NDP/CSF Information Unit to identify suitable projects and programmes for inclusion in their advertising campaign and also approved all proposed articles prior to their inclusion on local radio/newspapers. The aim of this campaign was to highlight the benefits of NDP investments to people and communities at county and regional level.

The NDP Gender Equality Unit's logo, the NDP logo and the EU logo feature on all the Unit's publications and publicity material (e.g. training materials, fact sheets, postcards, letterheads, job advertisements, website etc). Calls for tender also referred to the funding of the Unit by the NDP/EU and contained a reference to the Unit website which gives details of all funding sources for the Unit.

The projects funded under the *Equality for Women* measure were promoted by a wide range of organisations including local community groups, educational institutions, local development agencies and statutory agencies, which resulted in widespread publication of the use of NDP and ESF funding for this Measure at local, regional and national level

3.7 Use of Technical Assistance

In 2003, just over €60,000 of funds allocated to OP Technical Assistance was spent. The major expenses during this period were:

- Mid-Term Evaluation Costs
- Administrative Costs, i.e. Monitoring Committee Meetings, etc
- Salaries of the staff of the ESF Financial Control Unit
- Travel & Subsistence costs
- ESF Conference costs (Nov. 2003).

3.8 Amendments to Programme Complements

Details of amendments which were made to Programme Complements in 2004 are outlined in Section 3.2 above.

3.9 Problems and corrective measures

The more significant problems which were encountered in the management of the Operational Programme in 2004 were:

- (i) staff changes and loss of expertise in the Managing Authority (see Section 3.1)
- (ii) the lack of quality indicators (see Section 3.3)
- (iii) under-absorption in the Entrepreneurship Priority (see Section 4.3)

The actions taken to address these problems are outlined, where appropriate, in the relevant Sections of the report.

4. Overview of the EHRD OP in 2004

4.1 Introduction

The objectives of the EHRD OP are to:

- promote employment growth and improve access to employment
- mobilise all potential sources of labour supply
- promote the development of a strategic Lifelong Learning framework
- promote equal opportunities between men and women
- promote social inclusion
- strive for balanced regional development
- contribute to the protection and improvement of the environment.

These objectives translate into specific Priority-level objectives. In 2004, the OP continued to make progress towards the objectives of the Programme. The main developments in each Priority are outlined below.

15 4.2 Employability Priority

The following objectives have been set out in the Operational Programme for this Priority-

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

An extensive range of activities is covered under this priority, as indicated in Table 2 (Chapter 1). Some of the more significant developments in 2004 are set out below. More comprehensive information on all of the measures in the Priority is available in Part II of this Report.

ESF Funded Measures

In 2004, trends in activity related to the *National Employment Service* measure were heavily influenced by two major policy developments – the ending of work-permit requirements for workers from the new EU member states, and a more active intervention by FAS with the long-term unemployed. The continuing strength of the labour market was also a factor. This was reflected in the reduced numbers of new clients registering with FAS - 89,300 in 2004 compared with the previous year's figure of 98,100.

The process by which the Department of Social and Family Affairs refers unemployed people to FÁS became operational for all long-term unemployed people in all FÁS regions in 2004. Of the 52,300 referrals that occurred in 2004 (short-term and long-term unemployed), 58% had left the Live Register by January 2005. The rate of leaving was higher for young people and the short-term unemployed.

The Employment Service helped employers seeking workers from within the enlarged EU by promoting some 20,600 vacancies through the European Employment Service (EURES) web site, and through the organisation of 27 recruitment fairs. Recruitment fairs in 2004 were particularly focused on hospitality, IT, medical, and construction jobs.

In March 2004, FÁS and the Department of Social and Family Affairs agreed a new Memorandum of Understanding and Framework for Co-operation, detailing improved and updated arrangements for the achievement of common business objectives. A working group was also established in May 2004, under the auspices of the FÁS/LES Ad Hoc Committee, to promote integration and practical co-operation between the two strands of the National Employment Service (FÁS Employment Services and the Local Employment Service).

To ensure more effective interaction between employers and FÁS Employment Services, an Employer Strategy document was developed. Implementation of this strategy began in the second half of 2004.

During the first half of 2004 work also began on the re-development of the current FÁS caseload management system in consultation with management, staff and unions. It is expected that a prototype of the new system will be ready in 2005.

A Q-Mark Quality System has been developed for all Employment Service Offices and progress to implement the system in all regions was made in 2004.

Under the ***Active Measures for the Long-Term Unemployed and Socially Excluded***, measure, activity on Job Initiative was down by 12% on 2003, in line with the policy of supporting clients to progress from the scheme when their duration on the scheme had exceeded three years. This policy was aimed at refocusing the scheme as a labour market programme with a finite duration for participants. The Minister for Enterprise, Trade and Employment's announcement in November 2004 provided for existing participants to remain indefinitely on the scheme. There will be no further recruitment onto the scheme and, where vacancies arise, they will be filled through Community Employment.

The focus continued on enhancing the training and development of the individual CE client. A comprehensive Individual Learner Plan (ILP) was developed in 2004 and piloted in the North-East. An integral part of this ILP is an "exit strategy" for participants finishing their time on CE, including referral to FÁS Employment Services on exit. The overall emphasis of the ILP's was on the planned progression of the individual.

Drugs and literacy awareness training programmes for CE Supervisors continued in 2004. The Supervisor Development Programme (SDP) was also extensively revised

and refocused, with an initial pilot programme in mid-2004 with the National College of Ireland.

The successful *Gateway for Women* initiative was expanded to the North East and North West of the country. The initiative aims to provide a gateway for women returning to the labour force by focussing on the needs of the individual and tailoring interventions and supports on this basis. It was first introduced in Dublin in 2002 and expanded to the West of Ireland in 2003.

Overall, a total of 25,115 unemployed persons completed programmes under Active Measures for the Unemployed, of which 10,001 were male and 15,114 were female.

The ***School Completion Initiative*** is a key component of the Department of Education and Science's strategy to discriminate positively in favour of children and young people who are at risk of early school leaving. The initiative covers 82 project sites, comprising 112 post primary schools and 300 primary schools. From September 2003 to August 2004, the initiative targeted a total of 19,476 pupils. Evaluations in respect of all projects were carried out in early 2004 and reports distributed to local Co-ordinators and Chairpersons.

The initiative was supported by the appointment of a Research & Development Officer in February 2004. As part of the National Co-ordination Team, this officer will provide research and administrative support for the development, delivery and evaluation of the School Completion Initiative.

A progress report compiled by the Research & Development Officer of the School Completion Programme (SCP), based on data supplied in the required biannual returns for October 2003 to March 2004, has highlighted the following:

- More students are targeted at primary level (62%) than post-primary level
- More male students are targeted (58%) by SCP than female students
- 10.5% of young people targeted for supports are from the Travelling Community or non-nationals
- Projects are offering an extensive range of supports to their target groups.

The National Co-ordination Service initiated a report in 2004 on 'Best Practice' within the School Completion Programme where projects will submit details of initiatives that have been shown to work best in the project. 'Guidelines towards Best Practice' was due to be published in early 2005, documenting interventions offered in SCP that support young people at risk of early school leaving.

The National Office for Equity of Access to Higher Education, which was established in August 2003 under the ***Third Level Access*** initiative, became fully operational from February 2004. The National Office facilitates educational access and opportunity for groups who are under-represented in higher education - those who are disadvantaged socially, economically and/or culturally, those with a disability, and mature learners.

As part of the overall review of funding programmes which is being carried out as part of the National Plan for Achieving Equity of Access to Higher Education, the National Office commissioned a review the Millennium Fund. A report has been prepared and is currently being examined by the National Office in the context of its overall review of funding programmes.

Provision for the *Student Assistance Fund* for 2003/04 was €8.1m, compared with €8.94m the previous year. Provisional statistics show that some 2,800 students received assistance from the 2003/04 fund. The *Millennium Partnership Fund for Disadvantage* provided funding for 59 partnerships/community groups in respect of the 2003/04 academic year, an increase of nine on the previous year.

Following a review, significant improvements in the special rates of maintenance grant for students from disadvantaged backgrounds were implemented in 2003. Increases in the rates of grant were agreed for 2004/2005, bringing the higher non-adjacent rate of 'top-up' grant for students residing more than 15 miles from college to €4,855. The adjacent rate, for students resident within 15 miles of college, was increased to €1,945. Early indications of the numbers of students in receipt of a 'top-up' grant show that there are in excess of 12,500 'top-up' grantholders in 2004/2005.

Total allocations for the *Special funds for Students with Disabilities* increased significantly from €3.737m in 2002/03 to approximately €5.5m in 2003/04. A total of 1,222 individual students and 11 groups have benefited from the fund to date.

It has always been envisaged that as the maintenance grant embedded itself, the demands under the student assistance fund would decrease. In line with the growth in the 'top-up' grants, the gross allocation for the Student Assistance Fund was decreased in 2004. A gross allocation in of €5.6m has been approved for the fund for 2004/2005.

As part of the *Early School Leavers Progression* measure, further significant work took place on the development of a Quality Assurance Framework for Community Training Centres (CTCs) that will meet FETAC requirements. The work focussed on the drawing up of nationally-agreed Key Performance Indicators and on reviewing the CTC Operating Manual to bring it in line with current best practice.

In 2004, CTCs drafted three-year strategic plans, which will be followed by the development of business plans. This process is intended to provide a more structured environment for the delivery of services to early school leavers in a manner that maximises the utilisation of resources.

A report by Goodbody Economic Consultants in 2004 on FÁS Provision for Early School Leavers highlighted the need for further co-ordination and cohesion in relation to current FÁS interventions for early school leavers, reflecting the changing environment and the role of service providers. In particular the need for services to complement each other to a greater extent both at national and local level was highlighted. The need for stronger efforts to promote progression was also emphasised.

The development of a quality framework initiative was also a feature of the *Early School Leaver – Youthreach and Travellers* measure. The pilot phase of the initiative began in October 2003 and concluded in June 2004. The recommendations made

during the consultation phase of the initiative shaped the development of Quality Standards and Guidelines for *Internal Centre Evaluation (ICE)* and *Centre Development Planning (CDP)*.

During 2004, 7,513 people completed programmes under the *Skills Training* measure - 4,824 females and 2,689 males. To ensure the quality of training courses delivered in its training centres, FÁS undertook a number of actions including the production of a draft QA policy document '*FÁS National Quality Assurance Policy – Framework for Learning*' in conjunction with the Internal Quality Assurance Working Group. This policy document contains 11 policy statements that meet the quality assurance requirements of FÁS and both awards councils, the Higher Education and Training Awards Council (HETAC) and the Further Education and Training Awards Council (FETAC).

In 2004, FÁS initiated a comprehensive evaluation, review and development exercise on all current Specific Skills Training (SST) courses and Bridging Courses. This included an analysis of course waiting-lists. As part of this process, FÁS began the revision and modernisation of the content of the core Career Planning and Job Seeking Skills modules, which are common to all SST courses. Feedback from a survey of FÁS trainees, staff and employers was incorporated in the revisions.

In relation to the *Apprenticeship/Traineeship* measure, employers registered 8,236 apprentices with FÁS in 2004, an increase of 11% on 2003. Throughout 2004, FÁS also continued discussions with the social partners regarding expansion of the apprenticeship portfolio with curricula being developed in a number of specific areas.

Some 1,677 persons also completed Traineeship training in 2004. Only this element of the measure is co-funded by the ESF. The 2004 throughput represented a decrease on the 2003 figure of 1,824. A large proportion of persons on Traineeships were female (1,008) compared to male (669). A Follow-Up Survey conducted in 2004, showed that 69% of those who completed this programme were in employment 12-18 months later.

FÁS is currently studying a review of the Traineeship programme, also conducted by Goodbody Economic Consultants, with a view to deciding how best to progress the traineeship model in the future.

FÁS participated, with the FETAC Legacy Working Group, in the determination of appropriate award types and levels for FÁS Traineeship programmes. Awards in the range of levels four to six were made in respect of some 24 Traineeship programmes.

Non-ESF financed Measures

As part of the *Action Programme for the Unemployed*, the *High Supports Process (HSP)*, piloted in 2003, was extended to operate nationwide. The process, which is open to both long-term participants on the Job Initiative programme and to jobseekers referred under the National Employment Action Plan (NEAP) engagement process, provides for a more tailored response to job seeking by allowing participants to work closely with FÁS Employment Service Office and Local Employment Service mediators who provide support as required and, where appropriate, with the involvement of other agencies such as the Department of Social and Family Affairs

and the Department of Health and Children. An external evaluation of the HSP commenced in June 2004.

The *Pathways* programme operated in parallel with the HSP, striving to identify the most appropriate development pathway for each NEAP participant in order to assist them in obtaining and maintaining employment. In early 2004, the FÁS Employment Services Support unit conducted a preliminary evaluation which has informed further development and improvement of the programme materials. It is intended to conduct a full evaluation of the programme to assess its effectiveness in achieving its objectives.

In 2004, some 12,200 clients completed FAS programmes under this measure, compared with 11,300 in 2003. This comprised 6,300 males and 5,900 females. The Annual Follow-Up Survey found that 60% of persons who completed programmes were no longer on the Live Register at the time of interview (about 12-18 months later). Most participants reported satisfaction with their FAS programme (82% said that they were either very satisfied or satisfied).

As part of the *Early Education* measure, an audit of provision, “On-Target”, for disadvantaged children and children with special needs was launched in May 2004. It is anticipated that this will serve as a resource to policy makers, professionals and researchers working in the field of early education. Work has also been completed on a draft conceptual framework of early childhood learning and development. The completed work is being finalised with the quality framework expected in 2005.

Progress relating to the *Early Literacy* measure included a review of the *Babies Love Books* initiative through which a pack of books has been made available for babies on the occasion of their nine-monthly health check. The review examined the effectiveness of the scheme in general terms and contained recommendations on how the scheme might be applied to disadvantaged families in particular. The report on the review is currently being considered.

Progress on the *Traveller Education* measure included the commencement of the development of a traveller education strategy. An external expert, under the broad direction of the Educational Disadvantage Committee, will lead the process.

The guidance enhancement initiative of the *School Guidance Service*, which supports the provision of activities that assist pupils in making choices and transitions in the personal/social, educational and career areas, was expanded in the year 2003/04. A further 30 posts were allocated to post-primary schools. During this time, the number of primary schools participating in the *Modern Languages* measure has also increased – from 378 to 394. An example of the measure’s impact is the increasing number of schools offering Japanese as a choice subject. From a base of zero, there are now 57 schools countrywide offering the language to approximately 1000 students.

Progress on the *Tourism* related measures included the establishment of a *Tourism Career Promotions Group* with a remit to develop a national recruitment plan which will intensify and strengthen linkages with schools, communities and career guidance services. The plan will also set out how promotion of careers in tourism will work in the future. Membership of the group includes representatives from industry, schools, colleges, community groups and Fáilte Ireland. The final report from the group is due

to be launched in April 2005. During 2004, Fáilte Ireland also spent considerable time mapping its various programmes onto the National Framework for Qualifications. These programmes now range from Level 3 (Elementary Programmes to Level 7 (Ordinary Bachelor Degree).

The ***Sectoral Entry Training – Agriculture*** sub-measure administered by Teagasc saw a reduction of 7% in the participation levels in vocational training for all branches of agriculture. This has been attributed to various factors including falling farm numbers and the increasing availability of other career options.

The ***Vocational Training and Pathways to Employment for People with Disability*** measure featured the commencement of the *Workway 2* initiative which followed the successful conclusion of the *Workway* initiative. The aim of the scheme, funded by the Department of Enterprise, Trade and Employment and promoted jointly by the Irish Business and Employer Conference (IBEC) and the Irish Congress of Trade Unions (ICTU), is to promote the employment of people with disabilities in the private sector. This objective has been supported by, amongst other initiatives, the production of the TV series *Three 60* which seeks to explore and challenge stereotypical attitudes about disability. The eight episodes in the series ran from June to August 2004.

The ***Employment Support*** measure funded 95 special projects aimed at assisting the unemployed, people with disabilities and lone parents to return to work, education and training.

4.3 Entrepreneurship Priority

The objectives of this Priority as set out in the Operational Programme are

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

All measures/sub-measures in this Priority are co-funded by the ESF and include the In-Company Training measure which is delivered in three strands, by FAS, Enterprise Ireland and the Department of Enterprise, Trade and Employment respectively.

The main focus of FAS's strand of the ***In-Company Training*** measure has been the requirement to increase the rate of activity and expenditure. A FÁS Board Sub-Committee examined possible mechanism to promote training of the employed as a means of identifying the kinds of actions that FÁS and other organisations could take. In addition, in Budget 2005, the Government announced a large increase in funding to FÁS to support training in this area. FÁS set up an internal working group in December 2004 to develop specific new and additional activities. This group commenced a consultation process with external organisations to help it identify needs and opportunities for collaborative actions.

In relation to actual progress, a study of the training needs of the Software Industry in Ireland was completed and published. Efforts by FÁS and Enterprise Ireland to jointly implement the recommendations have now commenced.

The *Safe Pass* training initiative also continued in 2004, resulting in the issue of over 95,000 Safe Pass cards. The *Excellence Through People Standard* also progressed satisfactorily.

Enterprise Ireland also continued its support for businesses with a focus on achieving growth in profitable sales, exports and jobs and, by the end of June 2004, had carried out strategic interventions in 1,081 client companies (corresponding information in relation to the last six months of the year was not provided). It has also introduced a variety on sector level initiatives both nationally and regionally while also operating 20 *Knowledge Events* (workshops and seminars) throughout the country on various topics.

Arising from the Department of Enterprise, Trade and Employment's Call for Proposals, which was launched in November 2002, a total of 39 applications were received and 21 of these are now proceeding. The administration of these projects was handed over to Enterprise Ireland and all but a few have yet to commence. Enterprise Ireland is administering these projects on behalf of the Department. The projects themselves involve a broad spectrum of training initiatives designed to enhance company competitiveness through an improvement in the knowledge and skills of the workforce.

There was no increase in activity on the *Social Economy* programme in 2004, reflecting the policy decision not to commence any new projects. An announcement by the Minister for Enterprise, Trade and Employment in November 2004 guaranteed the retention of funding for all existing Social Economy projects. A total of 2,765 persons were supported on Social Economy enterprises at the end of 2004.

As part of the Mid Term Review process, a decision was taken to transfer funding for the 20004-2006 period from the *Local Social Capital* sub-measure to the Childcare measures in the Regional OPs. No activity had taken place on the Local Social Capital measure since the start of the OP and, based on a report by the National Economic and Social Forum (NESF), no direct labour market connection which would be eligible for ESF support was foreseen.

4.4 Adaptability Priority

The objectives of this Priority as set out in the Operational Programme are-

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

An extensive range of activities is covered under this priority, as indicated in Table 2. Some of the more significant developments in 2004 are set out below. More comprehensive information on all of the measures in the Priority is available in Part II of this Report.

ESF Co-financed measures

As part of the *Lifelong Learning – Back to Education Initiative* measure, a review of the Post Leaving Certificate programme of courses was commissioned by the Department of Education and Science to examine the sector and make recommendations as necessary regarding the organisational, support, development, technical and administrative structures and resources required in schools and colleges with large scale Post Leaving Certificate (PLC) provision.

A number of review groups have been established in order to focus on short-term, medium-term and long-term aspects of the report in the wider context of the structures required to support the development of further and adult education into the future. The Department (Further Education Section) is currently engaged in intensive discussions with the Irish Vocational Education Association (IVEA) through the various working groups in order to achieve agreement on the priority recommendations.

The first six months of the year saw the broadcast of the fourth series of the successful *Read Write Now* series, which is an element of the *National Adult Literacy* measure. The series achieved an audience share of 9% and plans are also progressing for the production of a fifth series.

As part of the *Quality Assurance – Certification & National Qualifications Framework* measure, the National Qualifications Authority of Ireland (NQAI), following its initial launch in October 2003 of the new framework of qualifications, implemented its communication strategy in 2004. The framework covers *all* learning whether for social, personal, citizenship or economic/vocational reasons. The aim is that this will be the single national and internationally accepted entity for Ireland,

through which all learning achievements can be measured and related to each other in a coherent way and which defines the relationship between all education and training awards. The objective is to provide for access, transfer and progression to higher levels of learning across the education and training sectors.

The awards councils will decide on the placing of existing awards (Legacy Awards) only following completion of an examination of the learning outcomes and quality standards of those awards vis a vis the standards and learning outcomes in the new framework. This process has been completed by HETAC for the placement of awards at Levels 6, 7 and 8 of the framework. In June 2004, the placement of Legacy Awards and the new awards which will apply from 2005 were announced.

In July 2004, a range of existing and former awards at higher education level were placed in the framework. Provision was also made for implementation of new processes to apply to these awards from 2005 onwards.

Relevant to the *Undergraduate Skills* measure in this period was the fourth report of the *Expert Group of Future Skills Needs (EGFSN)* which warned that there is likely to be, in the near future, a shortage of skilled personnel in the ICT and biotechnology industries. There has been a significant drop-off in the numbers of students enrolling on existing undergraduate ICT courses in recent years. The Higher Education Authority (HEA) is continuing to examine all means of securing a recovery in enrolments on the Skills 1 and 2 ICT Programmes.

The Department of Education and Science's review of the ICT element of the Undergraduate Skills measure is nearing completion. During the initial work on this review, it became apparent that the lists of courses in the Technological sector covered under this measure were not in line with the recommendations of the EGFSN and the joint education/industry task force. As a consequence, the Department proposes to revisit all previously supplied baseline and target figures.

The HEA, particularly through the Skills IT Investment Fund, is working with the ICT industry and the universities. The Skills Group has an awareness programme, also working with IBEC and the ICT IRE group, to increase opportunities in ICT.

Institutions were once again advised in June 2004 that the supply of graduates in the areas identified in the Reports of the EGFSN remains a critical national priority. The need to maintain capacity in these areas, to improve the marketing of skills courses and the recruitment of students to these courses so as to reach the originally targeted level of output should continue to be prioritised. Funding and supporting material have already been made available from the Information Technology Investment Fund to assist universities in this regard.

Universities undertook their annual "first destination of award recipients survey" in March/April 2004. This survey captured the first destination of the graduates from 2003 (including graduates from the skills programmes) – six to nine months following completion of their studies. The data will be available in 2005.

Non-ESF financed measures

In relation to the *Lifelong Learning- General Training* measure, FÁS Net College was re-branded as e-College in mid-2004 and continued to develop the provision of on-line flexible learning opportunities. Among the steps taken to improve access to e-College were the introduction of a system of online payments and registration and the approval of 30 additional access points nationwide. Throughout 2004, a total of 11,135 people registered for e-learning course with FAS.

As part of the *Cultural, Gaeltacht and Film* measure, FÁS Screen Training Ireland ran a total of 50 training programmes in 2004 and continued its support of Moonstone International Screen Labs and North by Northwest Media Plus Training Programmes. In the Gaeltacht areas, the total number of people undertaking training/upskilling in 2004 was 3,320, a substantial increase on the previous year's figure of 2,563.

As part of the *Seafood industry* measure, the first six months of 2004 saw 1,664 attendances recorded on the BIM Trainee Tracking Database, relating to 1,213 individual students who completed one or more units. This represents an increase of 8.75% on the 1,530 attendances that had been projected for the year.

In addition, a new state-of-the-art Annex to the Regional Fisheries Centre, Castletownbere, Co. Cork was officially opened by Minister for Communications, Marine and Natural Resources in January 2004. This centre will facilitate expanded provision of aquaculture training and the delivery of a small boat engineering course for fishermen.

The *Forestry* measure reported a limitation on training activity in 2004 as a result of the reduction in its funding allocation for this measure. Activity was confined to a very limited spend in the second half of the year.

Progress under the *Equine Institute* measure saw the evaluation of the *Administration and Delivery of the Distance Learning* programme. A report has been produced by the University of Limerick who conducted the evaluation.

Under the *Agriculture* measure, Teagasc provided in excess of 15 training programmes aimed at facilitating people in the sector to adapt their skills to changing labour market requirements. A total of 10,420 adults were enrolled in these courses in 2004.

Significant growth in the *tourism* and hospitality industry in Ireland in recent years has created an increase in the demand for qualified graduates. The Department of Education and Science continues to work with the technological sector and Fáilte Ireland to cater for this growth, particularly in the areas of catering, tourism and hospitality. Three new HETAC accredited programmes were approved by the Department of Education to run in a number of institutions in the Technological sector in the 2004/2005 academic year.

Figures produced by Fáilte Ireland show that, in 2004, a total of 4,302 tourism personnel completed advanced, supervisory and management level hospitality and tourism programmes. Of these, 15% received certification from HETAC and FETAC. Demand for training has been buoyant with an increased demand for operational

standards training, particularly in the areas of Food and Beverage Service, Accommodation Skills and the Responsible Serving of Alcohol, with over 500 participants on these programmes. A further 268 people attended hygiene-related programmes, whilst over 200 attended management and supervisory development programmes.

Interest in the *Responsible Service of Alcohol (RSA)* programme has spread to Europe with the European Drinks Industry body, The Amsterdam Group, considering it as a model for an EU-wide programme.

As part of the *Middle-Level Technician/Higher Technical Business Skills* measure, the Department of Education and Science continues to fund a number of special initiatives to address skills needs at a national level and to encourage increased participation by non-traditional students in the higher education system. A number of Institutes of Technology have also initiated a variety of schemes at a local level to encourage students to pursue Third Level science related courses. These initiatives include local advertising campaigns, career talks at second-level schools, induction science days, taster summer school for 5th year students, tutorial support in specific science subject areas (maths, physics, etc), advisory services including counselling, academic supports and career guidance.

The Postgraduate Skills Conversion Courses measure continued to operate in the university sector for the academic year 2003/04. The most recent report of the Expert Group on Future Skills Needs confirmed that there would still be a serious shortage of skilled people for the ICT and biotechnology industries in the near future.

In March 2004, institutions were invited to confirm final numbers on the programme for 2003/04 academic year and estimates of numbers for 2004/05. There was a final intake of 1,376 on to postgraduate conversion courses in the ICT area (comprising both the university and technological sectors) for 2003/04, of which 158 were in the BMW region. In March/April 2004, institutions also undertook their annual first destination survey of 2003 graduates from these programmes. The results of this survey are currently being compiled.

As part of the *Training for Trainers* measure, a FÁS and NUI Maynooth working group recommended that the existing Certificate in Training (Special Needs) be replaced with two separate certificate-level courses, namely the existing NUI Certificate in Training and Continuing Education and the new NUI Certificate in Equality Studies in Training and Development. These two certificates will meet the needs of trainers who work with disabled people, while at the same time attending to the wider equality agenda. The NUI Certificate in Equality Studies in Training and Development, as a stand-alone certificate, will also serve to enhance the competencies of other trainers and adult educators who work with socially-marginalised.

Other developments included a four-day disability awareness workshop conducted for 50 FÁS trainers and the development of a "Violence in the Workplace" workshop which has been designed with a view to helping those who work in frontline positions serving the public. A total of 195 FÁS trainers received training under this Measure in 2004.

4.5 Equal Opportunities Priority

The objectives of this Priority as set out in the Operational Programme are-

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

The **Education Equality Initiative** (EEI) supports education for groups (women only groups, men only groups, and mixed groups) experiencing educational disadvantage. The aim of the initiative is to address gaps in the provision of education and training for specific marginalised groups, to mainstream learning, to facilitate progression of marginalised groups and individuals and to disseminate learning and good practice.

Phase one of the EEI expired in December 2003 and was followed by an evaluation report conducted by Drury Research.

The Department of Education and Science received 97 applications for Phase 2 of the EEI in response to press advertisements. A selection committee, which was a sub-committee of the expert working-group that monitors the overall EEI, assessed the applications in accordance with published criteria, scored all the projects and submitted a recommendation to the Minister. Ten projects have been selected for EEI Phase 2.

A separate tender competition was held for the establishment of a new Support and Evaluation Service for Phase 2, for which two tenders were received. 'Léargas-The Exchange Bureau' was duly selected. Contracts were agreed with the support service and issued to the selected projects.

As part of the **Equal Opportunities Promotion and Monitoring** measures, the Equality Unit of the Department of Education and Science funded eighteen research grants and two bursaries on gender issue in education in 2004. It also oversaw the training of twenty participants on "Women into Educational Management" courses which were held in Galway in July 2004. Approval was also achieved for the setting up of the two committees, *Women in Science, Engineering and Technology* and *Males in Primary Teaching in 2003*. Both committees have commenced work and will prepare interim reports in 2004.

The Unit will also benefit from the Department's development, as part of its e-government strategy, of the Further Education Management Information System (FEMIS) project. The FEMIS project will ensure that participation patterns can be monitored in the particular programmes and that timely and regular data can be supplied on overall provision and outcomes. Participant information by reference to gender, age, economic status, subject/module choice, levels of certification, prior education attainment and literacy levels, and progression will be made available by the project. In addition, details on access to supporting services such as child-care, guidance and counselling will be gathered and processed. It is hoped that the systems development work on FEMIS will commence in 2005. However it should be noted that final decisions are awaited regarding the relative future development priorities of a number of IT Initiatives in the Department, including FEMIS.

In 2004, the Gender Equality Unit of the Department of Justice, Equality and Law Reform contributed to the NDP/CSF Monitoring Committee review of the reporting of the OP's Horizontal Principles. The Unit conducted a series of meetings with measures managers in which the new reporting requirements, insofar as they relate to gender quality, were discussed in some detail.

Progress under the *Equality for Women* measure saw the continued implementation of projects that were selected for funding in 2002. One completed project conducted research with women in County Clare who were working full time in the home as a means of determining their interest in returning to paid employment and identifying the main barriers to doing so. A total of 921 women were surveyed, 75% of whom expressed a desire to return to paid employment (this rate declined with increasing age). Among the barriers that were articulated by those surveyed were child caring responsibilities; the cost of childcare; lack of suitable employment; low skills or lack of training; age and lack of transport. The research report, 'The Forgotten Women', was launched in March by Sally-Ann Kinahan, Director of Advocacy and General Services, ICTU.

4.6 Infrastructure Priority

The Infrastructure Priority comprises two measures – Education Infrastructure, delivered by the Department of Education and Science, and Training Infrastructure, delivered by FÁS. Neither is supported by the ESF.

The *Education Infrastructure* measure provides investment in primary and post-primary schools, the further education sector, third level institutions and education centres. It is the means by which the Department of Education and Science addresses the physical infrastructural aspects of its educational programmes. The measure comprises three capital expenditure elements to deal with each of the Primary, Post-Primary and Third Level sectors.

The 2004 School Building Programme was published in December 2003 and included schools at Primary and Post-Primary levels. An innovative feature of the 2004 Programme was the introduction of a devolved Summer Works Scheme. This scheme caters for necessary small-scale works that can be planned and delivered during the annual summer holidays. Sanction to proceed was granted in respect 299 primary and 158 post-primary schools. In addition, the Small Schools Initiative first introduced in 2003 was extended to a further 53 schools in 2004 while the Permanent Accommodation Initiative was also continued in 2004, with 41 schools benefiting.

A review by the Higher Education Authority of all Third-Level capital projects was completed and a report submitted to the Department of Education and Science.

Progress under FÁS's *Training Infrastructure* measure included commencement of the process of commissioning consultants to implement various works in FÁS training centres. The works had been identified in the context of a review carried out in 2003.

In the period January-June 2004, FÁS completed fitting-out work on extensions in Letterkenny and Gweedore in County Donegal while also completing its refurbishment of client facilities at its training centre in Jervis Street in Dublin city centre.

4.7 Technical Assistance Priority

The Technical Assistance Priority comprises two measures – the Equality Studies Unit and OP Technical Assistance. Both measures are ESF co-funded.

Progress under the *Technical Assistance (Equality Studies)* measure included the publication of reports on *Disability and Labour Market Participation* and *Aging and Labour Market Participation*. Reports were also produced in respect of initial studies for each of the EHRD OP measures *Sectoral Entry Training Tourism* (12B); *Skills Training for the Unemployed and Redundant Workers* (13) and *Lifelong Learning Back to Education Initiative* (21).

Publications in various stages of preparation or published are: *Labour market experience of Older People*; *Labour market experience of Refugees/Minority Ethnic Groups*; *Guidelines on equality data and monitoring*; *Data Brief on Traveller Participation in the Labour Market*; *Data Brief on Disabled Peoples Participation in the Labour Market* and *ESU Factfile on Wider Equal Opportunities Principle*.

Expenditure under the *EHRD OP Technical Assistance* measure in 2004 related to the Monitoring Committee meetings which took place in the period and to the continued operating costs of the ESF Financial Control Unit. An additional two auditors were recruited to the FCU towards the end of 2004.

4.8 Major projects and Global Grants

There were no major projects or global grant mechanisms under the Operational Programme in 2004.

5. Meeting Horizontal Objectives

In addition to addressing the Priority-level objectives in 2004, as outlined in the previous Chapter, activity in the OP addressed:

1. Operational Programme Horizontal objectives
2. ESF Horizontal objectives
3. CSF Horizontal objectives

5.1 Meeting the OP Horizontal Objectives

The three OP horizontal objectives set out in the Programme are:

- *To strive for balanced regional development by addressing the existing and potential education, training and skills deficits of the BMW and SAE Regions*
- *To contribute to the protection and improvement of the environment.*
- *To promote equal opportunities between women and men.*

5.1.1 Supporting Balanced Regional Development

During 2004, employment grew by 24,900 (+ 5.3%) in the Border, Midland and Western (BMW) region and by 40,300 (+ 3%) in the Southern and Eastern (SAE) Region.

The decrease in unemployment (400) for 2004 was concentrated solely in the BMW Region.

In 2004, total expenditure on the Operational Programme was as follows:

BMW Region:	97.40% of 2004 forecast
SAE Region:	106.81% of 2004 forecast.

Total cumulative expenditure from January 2000 to the end of 2004 as a percentage of the original forecast was as follows:

BMW Region	93.13% of 2000-2004 forecast
SAE Region	94.91% of 2000-2004 forecast.

Cumulative ESF expenditure since the start of the OP as a percentage of the original forecast was:

BMW Region	85.03% of 2000-2004 forecast
SAE Region	83.87% of 2000-2004 forecast.

These figures indicate that the performance of measures under the Operational Programme is progressing reasonably evenly across the two NUTS II regions in the OP. Further detail on expenditure by Priority is provided in Chapter 6.

Examples of progress under the EHRD OP in 2004, which have contributed to the aim of achieving balanced regional development are:

The **Tourism Training** measures (Measures 12A, 12B, 12C, 24F and 24G)

Tourism is an important regional industry, with major tourist attractions located in both NUTS II regions covered by the OP. Training was provided to both new entrants to the sector (including the unemployed) and to those already in the sector. Under entry-level training, a total of 2,227 participated on hospitality and tourism-related programmes during 2004. 38% of this training activity took place in the BMW region and 62% in the SAE region. 1,300 new entrants were recruited to the industry. Under Measure 12B, a total of 1,900 persons completed training on hospitality and tourism-related programmes during 2004. A total of 127 courses were held in 46 centres throughout the country with 71% of activity taking place in the SAE region, 26% in the BMW region and 3% overseas. In 2004, a total of 4,302 tourism industry personnel completed advanced, supervisory and management level hospitality and tourism programmes. These programmes were delivered directly by Fáilte Ireland nationally and through the Institutes of Technology. 76% of training took place in the SAE region, 23% in the BMW region and 1% overseas.

The **Lifelong Learning/National Adult Literacy Strategy** (Measure 22) continued to reach out into the regions through audio and visual media. Literacy programmes were broadcast on television and they have proved to be a continuing success. The fifth series of *Read Write Now* commenced in September 2004 and it was supplemented by a national free phone helpline provided by the National Adult Literacy Agency (NALA), and by the availability of learner workbooks and resource packs. The average viewership was 49,000 per week. Approximately 5,000 people contacted the support line with 6,000 learner packs sent to individual learners. 10,000 packs were sent to the Adult Literacy Service. The tutors took many calls from learners requiring learning support and encouragement. As part of the *Read Write Now* advertising, NALA held road shows around the country, in Dublin, Limerick, Letterkenny, Galway and Cork. Feedback was very positive and a number of workbooks were distributed.

FAS's new Competency Development Programme, under Measure 18A, **In-Company Training**, provides financial support to up-skill employees through training programmes identified on the basis of local need and they contribute to local and regional development.

The **Social Economy Programme** (Measure 19A) supports community-based enterprises at a local and regional level. In 2004, a greater proportion of activity took place in the BMW region (38% of persons and 44% of projects). All projects under the measure will continue to receive support, but no new projects will be commenced (due to a Ministerial decision).

Under the **Ongoing Sectoral Training: Gaeltacht** measure (24A1), operated by Udaras na Gaeltachta, there was a net increase in jobs in the area for the first time since 2000. This resulted in a higher level of expenditure and a significant increase in numbers undergoing training/upskilling over the previous year, 3,320 in 2004 compared to 2,563 in 2003, (in-company training programmes: 369 people, skillsets enhancement courses: 1,476 and a further 1,475 young people were involved in a

service provided to schools in second level education). Expenditure was split between the BMW region and the S&E region 86% to 14%.

The ***Ongoing Sectoral Training: Seafood*** measure (24B), operated by BIM has seen an increased demand for training in the seafood industry since 2000, with the introduction of 69 new fishing vessels. A thriving inshore fishing sector has resulted in the introduction of a new scheme for licensing traditional pot fishing vessels and a follow-on demand for training for new workers particularly in GMDSS Radio Communications and Basic Safety training. New entrant intakes remained relatively low, but the number of mature personnel in the seafood industry undertaking training continued to increase, with 59% of attendances being 25 years and upwards and 31% aged 40 years and upwards. Demand for Certificates of Competency was steady as younger personnel acquire formal qualifications required to operate fishing vessels joining the inshore fleet.

BIM introduced an eLearning Navigation and Stability course hosted on Letterkenny Institute of Technology (LYIT) WebCT e-Learning server. Further e-Learning courses are planned by BIM to improve access to training and to develop a competitive, knowledge based, Irish seafood industry. One of BIM's two coastal Training Units (CTU) exhibited its training facilities and services at the European Fisheries Conference in Co. Donegal and attracted considerable interest from over 200 delegates attending. The CTUs continue to expand their training capabilities and visited thirty locations around the coast in 2004, reflecting the strong level of interest in locally delivered coastal training. Attendances at all BIM training centres in 2004 amounted to 1,664, equating to 1,213 participants availing of one or more BIM training courses. Total expenditure for 2004 was €1.6m, which represented an increase of 8.75% on the projected level of 1,530 attendances for the year.

5.1.2 Contributing to the protection of the environment

Following the re-assessment of the horizontal principles by the NDP/CSF Evaluation Unit, only two of the EHRD OP measures were designated to report under the Environmental Principle, namely the Education Infrastructure measure implemented by the Department of Education and Science and the Training Infrastructure measure implemented by FAS.

The ***Education Infrastructure*** measure (32A) has a number of environmental protection features. Over 68% of all primary and post-primary schools have been tested under the Asbestos Remediation programme and where remediation works have been found to be necessary, these are either completed or underway. The Radon Remediation programme commenced in 1998, and of the 4,072 schools invited to participate, 97% of them have responded. Where schools were found to be above the acceptable levels (329 schools), they were advised to secure the services of suitably qualified personnel to carry out all remedial works specified by a consultant architect. Another 655 schools were issued grants for the installation of suitable vents.

Energy conservation was monitored in two pilot schools where construction provided a quality educational facility appropriate to its user requirements, encompassed low energy design and provided feedback to the Planning & Building Unit Technical Staff on the operation of the school and its systems. An advanced building management system was installed to gather information on the building performance and to assist

the occupants in adjusting the controls to ensure minimum energy wastage. The innovation used in these schools could influence the architectural planning of all new schools with many of the technologies and design innovations capable of being incorporated, having been tested in a school environment.

Dust Extraction Systems were installed in all newly constructed schools. Remediation work commenced and 70 schools received grants in 2004 to install appropriate Dust Extraction Systems. The importance of the role of the environment was reflected in designing new school buildings where improvements continue to reduce energy use and heat loss and improve passive solar design, natural ventilation and daylight. Green Schools, an international environmental education programme designed to promote and acknowledge whole school action for the environment, offered a well-defined, controllable way to take environmental issues from the curriculum and apply them to the day to day running of the school. The Green Flag award was given to schools that successfully complete the seven steps of the programme. Of the 1,670 schools participating in the programme, 433 have attained Green Flag status.

The *Training Infrastructure* measure (32B), operated by FAS, was responsible for capital investment in FAS Training Centres and Employment Services. A report on environmental issues in respect of FAS premises` was completed in October 2003. The report endeavoured to determine the requirements imposed on FAS to comply with national and EU environmental legislation, directive and policies and to map-out suitable policies and best practice for the organisation. The short-term recommendations of the report have been substantially implemented in all Training Centres and active waste management committees have been established and are working. Waste recycling practices are in place throughout FÁS training centres. FAS also detailed in its annual report measures being taken to reduce energy usage in respect of new buildings or major refurbishments of existing buildings.

In addition, FAS provided a range of environmental training programmes in the following areas:

- Waste Management
- Waste Facility Operative
- Water Protection & Nutrient Management Planning
- Construction & Demolition Waste Management
- Site Suitability Assessment for Waste Water Treatment Systems
- Radon Gas Remediation & Prevention
- Building Regulations & Control
- Confined Space Training

These programmes provided the appropriate training to ensure compliance with current legislation relating to the environment. FÁS training programmes continued to include an “environment module” as part of the standard course induction process and relevant environment-related issues are included in all FÁS training courses.

5.1.3 Promoting equal opportunities between women and men

The OP directly promotes equality of opportunity between men and women through the Equality Priority of the OP. However, gender equality is also promoted through many of the other measures in the OP. Following the review of the Horizontal Principles during 2004, all the education and training measures/sub-measures in the Priority continue to focus on gender equality as a central objective and will report on an annual basis (at the Spring Monitoring Committee meetings). The definition as set out in the review read:

The *Active Measures for LTU & Socially Excluded* measure (03) provides important supports to both men and women. The nature of the Community Employment component makes it particularly attractive to women seeking to work part-time. FAS have a range of actions to ensure that Gender Equality was maintained in 2004. These included procedures to ensure equality of treatment. In relation to training programmes, FAS paid a childcare support payment to encourage parents, in practice mainly women, to avail of FAS training programmes. Considerably more women than men participated in this Measure in 2004. In total 15,100 women and 10,000 men participated. Many of the women were Lone Parents who find that the conditions of the Community Employment Programme were particularly attractive to their circumstances. In relation to CE participants, 60% of females were in employment or a further education/training scheme at the time of the follow-up survey compared to 42% of males. In relation to training programmes, the differences were marginal.

Under the *Apprenticeship/Traineeship* measure (14A), the issue of female participation in apprenticeship has been of long-standing concern. Female participation had remained in the very low percentages for many years and, in fact, is now less than 20 years ago when a proportion of apprentices were sponsored by FAS. Over the years there have been a range of reviews and initiatives to attempt to increase female participation, but these have borne little fruit. Studies have shown that the problem is not due to the apprenticeship system per se, but rather due to the occupations that it covers in Ireland – which are traditionally male-dominated occupations. Comparisons with countries such as Germany show a similar male-dominance in their apprenticeships in such occupations. FAS continue to provide a financial incentive (a Bursary) to employers who recruited female apprentices but this seems to have made little difference. In 2003 FAS and ICTU set up a committee to examine other possible actions. Mr Peter Rigney, of ICTU, made a presentation to the Monitoring Committee of the OP EHRD on one such initiative in 2004.

While apprenticeships continued to be dominated by males, Traineeships have a balance towards females. This reflected the mix of occupations covered in Traineeships – which included a significant number of childcare occupations, as well as several occupations for which there was little gender stereotyping. Of the 1,700 people who attended traineeships in 2004, 1,000 were female. Both males and females had very similar placement and impact results – which were relatively high. 70% of females were in employment at the time of the follow-up survey.

The *Social Economy Programme* (Measure 19A) provides support for the development of community-based enterprises, for long-term unemployed and other disadvantaged persons. There were 2,765 persons supported on Social Economy enterprises at the end of 2004 and the majority (1,697, 61%) were females. Thirty-eight percent of persons and 44% of projects were in the BMW region.

Under the *Undergraduate Skills* measure (26), while the percentage of females enrolling on ICT courses was high by international standards, (internationally, approximately 10% of participants in ICT courses in the higher education sector were women), the Higher Education Authority (HEA) was aware of the decline in female participation in recent years. The HEA has been working with ICT Ireland and third level institutions to try and correct this. In particular, both were running marketing campaigns targeting female only schools. In these marketing campaigns, female employees and female students were explaining the attractions of employment in the ICT industry to secondary students. The impact of these measures will be measurable by 05/06 student enrolments. HEA enrolments of student numbers show a growth in the number of females enrolling on medical and teaching courses. The HEA (through its ICT Project Team) has recommended to Third Level institutions that they consider introducing bundled courses with ICT, which would be more attractive to females.

Overall a number of actions have been and continue to be taken to encourage higher participation by females in science and technology. Women In Science and Technology (WITS), an organisation founded to, among other things, promote the participation of young women in science and technology, circulated a CD-Rom in 2003 to every post-primary school in the country. Other initiatives included access courses arranged by universities to improve women's access to Third Level programmes in science. The HEA also circulated a CD-Rom 'IT4U' in January 2004, which was updated and re-sent in November 2004 to all Third Level institutions. This was to assist institutions in marketing ICT courses within the institutions themselves and assist universities in marketing such courses to second-level schools. The CD Rom included emphasis on the attractiveness of an ICT career to females.

Arising from 2004's Interim Report on the Review of Gender Mainstreaming in the Department of Education and Science and to ensure that a mainstreaming of access and participation on Undergraduate Skills training occurred, the following measures were discussed and suggested:

- a) Third level institutions develop a positive action programme to attract females on undergraduate programmes
- b) Career guidance counsellors in schools develop a positive action strategy to attract more female participants. These positive actions should be piloted in urban and rural schools and across a selection of female only and co-educational schools

Finally, the gender breakdown for all students enrolled on the undergraduate skills programme courses for the 2003/2004 academic year was 63.3% male and 36.7% female.

Under the *Ongoing Sectoral Training: Gaeltacht* measure (24A1) the gender analysis showed that 1,543 males and 1,777 females (1,499 females in the BMW region) took part in the various programmes. An increasing number of jobs in the services sector and greater participation by females in the non-in-company courses has resulted in a greater number of females participating in training programmes every year since 2000.

Under the *Ongoing Sectoral Training: Seafood Industry Training* measure (24B) the female participation rate currently stands at 14.84% against an 8% target by the end of

the programme. This positive performance has continued through 2004 and BIM are working closely with Mná na Mara to ensure that participation on training courses by women in fisheries is encouraged and facilitated through the development of women's networks in coastal communities.

The ***Educational Equality*** measure (30) supports education for disadvantaged women and other groups experiencing educational disadvantage. Disadvantaged men are a specific target of the initiative, given their under-representation in adult education and adult literacy programmes. The aim of the initiative is to address gaps in the provision of education and training for specific marginalized groups, to mainstream learning, to facilitate progression of marginalized groups and individuals and to disseminate learning and good practice. The participation levels in the men's groups were increasing due to their success in outreach to isolated men. Two men-only groups were successfully operating and six mixed groups and two women's groups were also operating.

For example, the Mevagh Resource Group, Co. Donegal, a men-only group, had 61 Participants. A Health day, which focussed on men's health issues, was evaluated and received a good response and this helped inform a Men's Health Strategy being developed through co-operation with the local Health Board. Another men-only group was called Nexus Europe Limited, which had a total of 32 participants in two rural locations in the West of Ireland. A total of 70 men were visited as part of the project's outreach action. Some activities included the delivery of a basic computer course and the loaning out of a laptop on a weekly basis to enable the men learn at home. Other learning activities such as local history and cookery were being explored. The main barriers were defined as low expectations, dispersal, and a lack of transport. Links were being established with other local agencies and other men's projects. A number of women's projects were under way also with a total of 35 participants in the Ballyfermot Partnership and the Ennis CDP Projects. In the Ballyfermot Partnership, (female only participants), the focus was on overcoming fears of education and on building trust. The Programme also planned to cover positive parenting, child development and capacity building.

The Educational Equality Initiative expert group produced a booklet entitled 'Education Equality Initiative, Phase 1, Policy and Practice lessons' recommending a co-ordinated, integrated approach based on an understanding of educational disadvantage as a multi-dimensional concept and reality incorporating economic, social, cultural, psychological and educational elements. The booklet will be distributed to policy makers, practitioners and representative groups and interested parties and placed on the Departments website.

Under the ***Equal Opportunities Promotion & Monitoring – Education*** measure (31A) the Equality Unit (within the Dept of Education & Science) employed POLARIS Consultants to carry out a gender review of all NDP funded programme in the Department of Education and Science. The review was due for completion in the first half of 2005.

The Equal Opportunities Promotion & Monitoring – NDP measure (31B) the NDP Gender Equality Unit raised the profile of gender mainstreaming through an Ireland/UK conference hosted in April 2004, which was attended by 300 delegates. The Unit held a launch and screening of a series of videos entitled 'Women

Promoting Gender Equality, which was attended by approximately 80 participants. The Unit also produced Gender Relevance Sheets setting out the relevance of gender for the various measures within the OP (with the exception of the Dept of Education and Science measures) in consultation with the relevant measure managers.

Under the *Equality for Women* measure (31B1), the publication of the National Plan for Women provided a mainstreaming context for the Equality for Women Measure. Many of the areas of action identified in the Plan, coincided with the good practice developed within the Measure and could potentially benefit from the transfer of learning to the policy context. The implementation of the National Employment Action Plan and the NAPs/incl also provide opportunities to absorb the learning from the Equality for Women Measure. The number of people participating in the Measure has already exceeded targets. To the end of December 2004, a total of 1,321 people have participated in structured training and other interventions provided by projects funded under the Measure. In addition, 5,159 people used the services of project promoters during 2004.

5.2 Meeting the ESF Horizontal Objectives

The ESF contributes to the actions of the Employment Guidelines and the National Employment Action Plan. Three horizontal objectives are set out for the ESF in Article 2 of the ESF Regulation:

1. Support for Local Initiatives/Local Development;
2. Employment Potential of the Information Society;
3. Equal Opportunities for Women and Men.

The EHRD OP addressed these objectives in 2004 in a number of ways.

16 5.2.1 Support for Local Initiatives/Local Development

The *Social Economy Programme* (Measure 19A) provided support for the development of community-based enterprises for long-term unemployed and other disadvantaged persons, and contributed towards the regeneration of their local area. There was no increase in activity in the Programme during 2004, reflecting the policy decision not to commence any new projects; however, the current projects were guaranteed the retention of funding. There were 2,765 persons supported on Social Economy enterprises at the end of 2004. Of these, the majority (1,697, 61%) were females. Compared to other programmes and services run by FAS, a greater proportion of activity took place in the BMW region.

As reported in Section 5.1.1., the *Ongoing Sectoral Training: Gaeltacht* measure (24A1), operated by Udaras na Gaeltachta, there was a net increase in jobs in the area for the first time since 2000. This resulted in a higher level of expenditure and a significant increase in numbers undergoing training/upskilling over the previous year. The measure is targeted at the development of the economies in very localised Irish-speaking areas of the country.

The ***Sectoral Training*** measures in the Adaptability Priority, involving training for the Seafood Industry, Agriculture, Forestry and the Equine Industry contribute to local development as these industries also tend to be focused in very specific areas of the country (especially the Seafood Industry – see also under Regional development above). Full details of developments in these measures in 2004 are contained in Part II of the report.

Under the ***Early School Leaver Progression*** measure (Measure 11A), FAS implemented a range of training and support programmes through a network of Community Training Centres (CTCs). These programmes, which are designed to meet the needs of early school leavers, include foundation-level training; bridging training (to provide access to higher skills training); advisory supports (to assist progression) and work-based training options. In 2004, Community Training Centres produced three-year strategic plans, which will be followed by the development of business plans. Another programme operated under this measure was the *Pathways Programme*, a complementary youth work based service for young people between the ages of 15 and 20 years; its main focus is on tracking, monitoring and facilitation. The Pathways Programme was currently being run as a Pilot Initiative in the following three areas in 2004:

- Kildare, a rural site spread over 4 locations with a dispersed population and dispersed resources
- Waterford City – a mixed urban area
- Tralee – a large town with pockets of severe disadvantage.

The role of Pathways within each area was to both compliment existing service provision and also to fill the vacuum that existed for early school leavers not availing of any existing service.

The ***National Employment Service*** Measure (Measure 2) incorporates FÁS's Employment Service and the Local Employment Services (LES), the latter of which operates mainly through local Area Based Partnership Companies. FÁS's Employment Service operates through a network of 60 offices throughout the country. The LES operates throughout a network of offices and outreach centres located in 26 locations with supplementary contact points.

105,500 job-vacancies were notified to the National Contact Centre in 2004, (compared with 107,500 in 2003). Of the 2004 total, 82,500 were open-market vacancies, 12,000 were notified by employers making a work-permit application, and 11,000 were vacancies on projects supported by FÁS employment schemes, primarily CE. Reflecting the underlying strength of the labour market, normal vacancies were up by more than 30% on 2003. The Employment Service helped employers seeking workers from within the enlarged EU by promoting some 20,600 vacancies through the European Employment Service (EURES) web site, and through the organisation of 27 recruitment fairs (29 in 2003). Recruitment fairs in 2004 were particularly focused on hospitality, IT, medical, and construction jobs. A joint FÁS/LES/PLANET Group was established to provide greater complementarities between the two strands of the National Employment Service.

Under the ***Middle Level Technician/Higher Technical Business Studies*** Measure (Measure 25), the Dept of Education & Science funded a number of special initiatives

to address skills needs at a national level and to encourage increased participation by non-traditional students in the higher education system. A number of Institutes of Technology have also initiated a variety of schemes at a local level to encourage students to pursue Third Level science related courses. These initiatives include local advertising campaigns, career talks at second-level schools, induction science days, taster summer school for 5th year students, tutorial support in specific science subject areas (maths, physics, etc), advisory services including counselling, academic supports and career guidance. The on-going development of the MLT/HTBS programmes is seen as essential to maintaining and enhancing Ireland's ability to attract and retain highly mobile international investment in an increasing knowledge-based global economy. New courses are added annually to address appropriate skills needs.

The School Completion Programme (Measure 5) is designed to deal with issues of both concentrated and regionally dispersed disadvantage and is a key component of the Department of Education and Science's strategy to discriminate positively in favour of children and young people who are at risk of early school leaving (i.e. between the ages of 4 and 18 years).

The Stay In School Retention strand of SCP continued to support 53 second-level schools up to 31 August 2005, but at 50% of the 2002/2003 allocation, for the 2004/2005 school year. 82 project sites involving 112 post primary schools and 300 primary schools participated in the School Completion Programme in 2004. Approx. 3,700 people were employed on either full-time, part-time, or a sessional basis in 82 projects in 2004, including 82 full-time local co-ordinators. From September 2003 to August 2004, a total of 19,476 pupils were targeted under SCP made up of 3,508 pupils under the Stay in School Retention Strand and 15,968 under the Project Strand (14,983 pupils most-at-risk of early school leaving and 985 young people who have already left school early).

5.2.2 Employment Potential of the Information Society

There are several examples of the EHRD OP's contribution to exploiting the employment potential of the information society.

Under the *Lifelong Learning General Training* Measure (Measure 20), FAS's on-line Net college was re-branded in 2004 as e-College a number of measures were taken to improve access to e-College, e.g. introduction of online payments and registration together with approval of 30 additional access points nation-wide. Other initiatives included the development of online modules in maths and science for apprentices, and of 10 common modules in e-learning format for use in apprenticeship and traineeship training delivery. In total, 11,135 persons registered for e-learning courses in FAS.

The FÁS computerised career guidance tool 'Career Directions' is in widespread use and has been distributed to over 1,250 locations nationwide, including FÁS Employment Offices and Training Centres, Guidance Counsellors, Youth Information Centres, Second Level Schools and careers services in Third-Level institutions. It is regularly updated and now hosts an extensive database on over 720 careers. The programme was developed into a web-enabled package and also contains links to all current vacancies and training courses on the FÁS jobs web site. Career Directions is

also available on multimedia CD, online at www.careerdirections.ie and also through the FÁS website. An improved Job and Training Courses website called 'FAS Jobs Ireland' was launched in January 2004 to provide improved access to FÁS day and evening courses and employment opportunities nationally.

Under the *Skills Training for Unemployed & Redundant Workers* measure (Measure 13), FÁS delivered a wide range of IT skills training courses through its network of training centres and through contracted training providers. During 2004 a number of new Specific Skills Training courses commenced, which included an IC3 (Internet and Computer Core Certification) course and a COBOL programming course.

The *Ongoing Sectoral Training: Seafood Industry Training* Measure (24B), operated by BIM, piloted its first ever e-Learning, FETAC accredited, Navigation and Stability course developed by BIM and the Marine Institute of Memorial University, Newfoundland. This initiative was supported by the Ireland Newfoundland Partnership (INP) and is hosted on Letterkenny Institute of Technology (LYIT) WebCT e-Learning server. This new course is designed to introduce inshore vessel operators to the basic principles of navigation and highlight the risks that structural modifications may have on vessel stability. Further e-Learning courses are planned by BIM to improve access to training and develop a competitive, knowledge based, Irish seafood industry.

Under the *Ongoing Sectoral Training – Tourism* measure (24F), an E-Commerce Workshop programme of one-day workshops for bed and breakfast, caravan and camping, hostel and self-catering sectors was developed and run during 2004, which included a workshop on Maximising Your Business On The Web (Bed and Breakfast Sector).

Under the *Undergraduate Skills* measure (Measure 26) the Higher Education Authority (HEA) is at present examining all means of securing a recovery in enrolments on the Skills 1&2 Programmes. The HEA, through the Skills IT Investment Fund, is working with the ICT industry, the universities as well as IBEC, ICT RE in this regard. Funding and supporting material have already been made available from the Information Technology Investment Fund to assist the universities. The Department of Education and Science Expenditure Review on the ICT element of the Undergraduate Skills measure is nearing completion. During the course of the Review, it became apparent that that the lists of courses in the Technological sector covered under this measure were not in line with the recommendations of the Expert Group on Future Skills Needs and the joint education/industry task force and will have to be revisited.

The *Equal Opportunities Promotion and Monitoring – Education* measure (31A) is currently in the process of developing a website for the curriculum intervention *Discovering Women in Irish History*.

Under the *Equality for Women* measure (31B1), the EWM website (www.ewm.ie), hosts a directory of projects under the first phase of the Measure, documenting their key impacts as well as the publications and other materials produced by projects funded under the Measure. The website therefore acts as a repository of the learning from projects funded under the first phase of the Equality for Women Measure.

17 5.2.3 Equal Opportunities for Women and Men

Progress in relation to this objective is outlined under the OP Horizontal objectives above.

5.3 Meeting the CSF/NDP Objectives

The CSF/NDP Horizontal objectives aim to address:

1. Social Inclusion/Poverty
2. Environmental Protection
3. Rural Development
4. Equal Opportunities/Gender Mainstreaming.

In addressing these objectives, the Implementing Agencies are supported by various Horizontal Units who offer advice and guidance, as appropriate. Progress with regard to these objectives is reported at each OP Monitoring Committee Meeting and also to the NDP/CSF Monitoring Committee.

18 5.3.1 Social Inclusion/Poverty

Some examples of specific activity to address social Inclusion/Poverty under the OP are set out below:

The *National Employment Service* measure (Measure 2), in its entirety supported attempts to improve social inclusion by providing information, advice and referral services to a very wide range of clients including the long-term unemployed, travellers, lone parents, early school leavers and other disadvantaged groups. The Local Employment Service component played a particularly important role in assisting the long-term unemployed with local communities. The High Support Process and the Pathways programmes (see chapter 4) were two examples of initiatives by FÁS employment services that have had a positive impact on many of those engaging with FÁS actions funded under this measure.

In 2004, FÁS implemented a new tracking system to support and monitor the progress of NEAP referral participants- from initial contact through to placement in employment or other positive outcome. Using the caseload approach, FÁS Employment Services Officers (ESOs) can now track and record the progress, or otherwise, of each of their clients as they move through the NEAP process. The ESO is able to discuss and identify the specific needs of each client and agree a tailored approach to bring about a positive outcome for each client, whether this is by training/other development, or whether clients require help with interview techniques or indeed if they are job-ready.

The NEAP process of pro-active engagement with persons on the Live Register, extended to long-term unemployed persons was extended to all regions in 2004. The net effect is that all long-term unemployed persons on the Live Register were now

part of the referral process from the Dept of Social and Family Affairs to FAS. Consequently, the numbers of long-term unemployed being dealt with intensively by FAS Employment Services rose significantly in 2004. In 2004, 16,000 long-term unemployed Live Registrants were referred to FAS and FAS interviewed 11,300 of them (71%). In total, 44% of those referred had left the Live Register by January 2005.

The *Active Measures for Long Term Unemployed and Socially Excluded Workers* measure (Measure 3) continued to support a wide range of disadvantaged groups and hence contributes to social inclusion and the reduction in poverty. The Measure had a strong concentration on both disadvantaged areas and clients. Such clients include travellers, persons with disabilities, ex-prisoners, persons abusing drugs and lone parents. Many Community Employment projects, supported under this Measure, were provided within special areas of high disadvantage. In September 2004, there were about 280 Community Employment projects within RAPID areas, which employed 4,800 persons. Equally, there were 77 Community Employment projects in CLAR areas. These had 1,100 participants. The Government announced in Autumn 2004 that the conditions governing Community Employment would be changed and the new rules allowed older persons aged 55 and over to spend up to 6 years on the Scheme. This new rule was in recognition of the difficult situation faced by older persons in attempting to obtain un-subsidised employment. At the same time, FAS is continuing to increase the benefits of Community Employment to the skills and personal development of participants. A number of actions were put in place to achieve this, including an Individual Learner Plan.

The National Anti-Poverty Strategy identifies education as central to addressing poverty. The inter-relationship between educational attainment and subsequent life changes has been well documented. The Department of Education and Science has responsibility for a number of measures that seek to improve the skills of adults, thereby enhancing their prospects of attaining sustainable employment and enhancing support for their children's participation in schooling, e.g., *Back to Education Initiative* (Measure 21), *National Adult Literacy Strategy* (Measure 22), *School Completion Initiative* (Measure 5).

Under the *School Completion Initiative* measure, young people at risk of early school leaving are supported from an early age in recognition that home, school, environmental, social and economic factors influenced the patterns of early school leaving. The School Completion Programme (SCP) worked in partnership with family, community, youth, and sporting organisations and with relevant national statutory and voluntary bodies. Attendance tracking and monitoring is widely offered and often lead to the identification of other difficulties in the class or at home. Breakfast clubs were a feature of many SCP projects. A direct benefit of the Breakfast Club, whilst meeting nutritional needs, was an improvement in the children's attendance levels, concentration and enthusiasm for school. Homework clubs provided by many SCP projects offered considerable benefits to young people, particularly those living in disadvantaged urban areas. Out-of-school supports for young people who have left the school system before the statutory age, engaged home, school, youth and community services in the young person's education and development. There was also ongoing monitoring of participation rates of targeted young people by age, gender and minority group, Travellers, non-nationals, etc. During 2004, monitoring had commenced of (i) data on early school leavers including

stage of education where drop-out occurred, (ii) the percentage of pupils in SCP transferring from Primary to Post-Primary and (iii) the percentage of targeted group in receipt of certification during the Programme.

The *Third Level Access* measure supported the objectives of promoting and facilitating social inclusion through its support for students with disabilities and students from disadvantaged backgrounds as well as mature students in further and higher education. The National Office for Equity of Access to Higher Education (National Office), in December 2004, published a National Action Plan to achieve equity of access. The key objectives of this plan were the establishment of a national framework of policies and initiatives to widen access and to ensure that widening access was central to the mission and agenda of the higher education institutions. One of the key action points in the plan is to establish arrangements so that all disadvantaged regions, schools and communities are linked to access activities and initiatives in at least one higher education institution in their region, with particular attention paid to the specific target groups.

The *Student Assistance Fund* was available to students experiencing particular or unexpected hardship during their course of study. A total of €8.1m was allocated in the academic year 2003-04. Provisional data shows that at least 10,033 students received assistance in the academic year. This compares to 9,795 students in 2002/03. The *Special Rate of Maintenance* grant, usually referred to as “top-up” grants, payable to disadvantaged grant holders, was introduced with effect from the 2000/01 academic year and significant improvements in the special rates of maintenance grant for students from disadvantaged backgrounds were implemented in 2002. For the 2004/2005 academic year the “top-up” grant has been increased by 18.6% to €4,855 for students residing more than 15 miles from college and €1,945 for students resident within 15 miles of college. The annual income threshold for the special rates of grant has been increased by 6.8% to €14,693. From the latest data available, the numbers who benefited from the special rates of maintenance grant in the academic year 2003/2004 is estimated to be in the region of 11,500. Indications were that the number of ‘top-up’ grant holders was increasing and that over 12,500 were in receipt of this special rate of maintenance.

The *Lifelong Learning – National Adult Literacy* measure (22) targeted provisions at certain client groups (men only, women only, family learning, workplace, travellers) and expanded the range of provisions and development of linkages with other agencies dealing with social disadvantage. A new indicator was introduced, using the number of tuition hours to replace the old indicator of the number of centres, as a more precise measure of literacy provision which reached the client. An Assessment Framework will be rolled out in 2005 to better identify levels of progress.

The expansion of provision across the range including family literacy, themed literacy, literacy for homeless families (CDVEC), provision for people with special needs, continued in 2004. The payment of a small grant to all VECs for purchase of materials and equipment, small refurbishment and for provision of assistive technology was planned.

5.3.2 Environment

Progress in relation to this objective is outlined under the OP Horizontal objectives above.

5.3.3 Rural Proofing

Following the review of the Horizontal Principles by the NDP/CSF Evaluation Unit, the number of measures reporting on the Rural Development Horizontal Principle was confined to seven measures/sub-measures only, namely Sectoral Entry Training – Agriculture; Ongoing Sectoral Training – Culture, Gaeltacht; Ongoing Sectoral Training – Film; Ongoing Sectoral Training – Seafood; Ongoing Sectoral Training – Forestry; and Education Infrastructure. The review defined Rural Proofing as follows:

Improving the physical, economic and social conditions of people living in the open countryside, in coastal areas, towns and villages and in smaller urban centres outside of the five major urban centres (White Paper on Rural Development, 1999).

Under the *Sectoral Entry Training – Agriculture* measure (12D), training and education is provided for young people entering farming and the agri-industry/rural economy, comprising a wide range of comprehensive modern courses in the business and life skills necessary for the establishment of viable and efficient businesses, leading to viable rural communities. Ongoing surveys show a high take up of farming, rural jobs and/or further training among courses participants. Graduates make a significant contribution to rural development through individual achievement in farming/jobs and by involvement in general community actions. Many graduates of the programmes obtain employment in conjunction with the family farms and, as part-time farmers, contribute in this way to supporting the economic viability of farm families and contribute to rural businesses and economic well-being in general.

The off-farm activity can range from standard employment in jobs to providing services to other farmers and rural dwellers. The latter activity creates new employment. The output of farms – fulltime and part-time - contributes to sustaining employment in rural areas. Students also combine the basic agricultural training with some other professional training (e.g. FAS apprenticeships, third level courses) to obtain fulltime employment before returning to take over the family farm business – on a part-time basis - in conjunction with their jobs in the local community.

Under the *Ongoing Sectoral Training – Culture, Gaeltacht* measure (24A1), the elimination of poverty and the improvement in the rural condition was consistent with the work and objectives of Údarás Na Gaeltachta. Indigenous industry is widely distributed throughout the Gaeltacht. Initiatives to build the capability and competitiveness of indigenous industry and improve the skillsets of the rural population contributed to rural development, by helping to sustain and grow firms located in towns and rural areas and improve the employability of the labour force outside the main urban areas. Inward investment in appropriate areas also made a significant contribution to those areas. Employment creation and upskilling of the labour force contributed to the wellbeing and quality of life of the people of the Gaeltacht, which is entirely rural in character.

The *Ongoing Sectoral Training – Film* measure (24A2) ensured that courses were located in key centres of production to facilitate industry access. Of the Irish Film Board's allocation for training, 75% of this was spent in the BMW region.

Under the **Ongoing Sectoral Training – Seafood** measure (24B), employment in all sectors of the seafood industry was predominantly rural, with only a small number of enterprises being urban based. Consequently BIM's training programmes will continue to have a very significant impact on the provision of high quality, externally certified, seafood industry vocational training in rural areas. BIM's mobile Coastal Training Units will continue to provide training to men and women in rural communities where seafood industry training facilities are non-existent. In 2004, thirty fishing and aquaculture related locations were visited and many of these were in the most remote rural areas. The firm commitment by BIM to target the specific training needs of island communities and the willingness to engage in further cross border training initiatives with agencies delivering training to rural fishing communities in Northern Ireland, emphasises BIM's commitment to the training of rural seafood industry-dependant communities. BIM has developed strategic training alliances with agencies operating in remote rural areas and completed a programme on Inis Oirr Island, Co. Galway in 2004, which catered for over one hundred and twenty male and female participants from the island.

The introduction of a pot licence scheme (catering for almost seven hundred vessels) for small boat operators has meant that those threatened with unemployment have sought to re-establish under this scheme, having availed of appropriate GMDSS Radio and Safety training. The introduction of a FETAC approved Seaweed Module at the Regional Fisheries Centre in Castletownbere, Co. Cork has offered alternative employment possibilities in rural coastal areas where limited alternatives exist.

Under the **Ongoing Sectoral Training – Forestry** measure (24C), Forestry has contributed to the diversification of farming activities, creating alternative income sources for farmers and employment in rural areas. Private landowners, primarily farmers, have carried out almost all afforestation in Ireland since 2000. The annual turnover of the forestry sector was €500m and numbers employed (including direct and indirect) total approximately 16,000. The overall objective, as set out in the 1996 Strategic Plan for Forestry, is to increase the proportion of land under forestry from the present level of 10% to 17% by 2030; the European average is over 30%. Afforestation was grant aided through an initial planting grant and through loss-of-income premium payments over a period of 15-20 years. The bulk of the planting (approximately 90%) is now done by or on behalf of farmers, with the balance by private companies. Training in forestry skills was ongoing in 2004 within the available budget. A pilot project between FAS, Irish Forestry Contractors Association and the Department to set up a Forestry Operative Traineeship, began during the year and 18 trainees were currently in this 38-week programme. The trainees were rural based and their work progression will also be in rural areas.

Under the **Education Infrastructure** measure (32A), the Department of Education and Science was mindful of the significant number of two, three and four classroom schools that existed within the education infrastructure and of their predominance in rural areas. The measure ensures that these schools, where necessary, are given the opportunity to undertake building works and to modernise on a devolved basis within the constraints of the annual budgetary position. The pilot initiative that allowed schools to undertake building and modernisation works on a devolved basis in 2003 was further extended in 2004 to cover a further fifty schools. In 2004, the Department of Education and Science and the Department of Community, Rural & Gaeltacht Affairs co-funded the CLÁR Primary School Outdoor Play Facilities Enhancement Scheme which was aimed at improving outdoor play facilities in small rural primary

schools in CLÁR areas. 147 schools were approved for funding under the scheme and a further 152 schools will be involved in 2005.

19 5.3.4 Equal Opportunities/Gender Mainstreaming

Progress in relation to this objective is outlined under the OP Horizontal objectives above.

6. Financial Overview of Activity

Explanatory Note

This section of the Annual report summarises financial progress for the OP as a whole and for each Priority in turn. Details of financial progress are provided for both the BMW and SAE region at each level of the report. Table 3 at the end of the Chapter provides a summary of expenditure for 2004 and for the period 2000-2004 for each co-funded measure/sub-measure in the OP. It should be noted that Table 3 measures cumulative ESF expenditure as a percentage of the total ESF allocation from 2000 to 2006, whereas the tables at OP and Priority level throughout the Chapter compare cumulative ESF expenditure to the allocation up to the end of 2004 only.

6.1 OP Summary of Expenditure

Total expenditure in the EHRD OP in 2004 amounted to €2.066 billion, which was 103% of the forecasted spend for the year. ESF expenditure for the year amounted to €19.836 million, representing 152% of the forecast.

However, the variation in ESF allocations from year to year under the so-called “Berlin profile” can significantly distort the meaningfulness of the figures presented in these tables⁶. It is more useful, therefore, to look at the cumulative financial performance on the OP from 2000.

As the following tables show, cumulative expenditure since the start of the OP in 2000 stood at €10.018 billion at the end of 2004, or 94% of forecast. Cumulative ESF expenditure to the end of 2004 amounted to €80.144 million, or 84.31% of the total allocation.

Regional expenditure

At regional level, NDP expenditure reached 93.13% of cumulative forecast to the end of 2004 in the BMW region, while it reached 94.91% of forecast in the SAE region.

Cumulative ESF expenditure in the BMW region was €221.927 million, or 85.03% of forecast, while in the SAE region it reached €358.22 million, or 83.87% of forecast. Expenditure in the BMW region is therefore performing just about as strongly as in the SAE region.

While there are certain measures in the OP where financial progress is performing poorly, the signs are that spending on this OP is set to progress strongly over the remainder of the programming period. Underperforming measures are referred to in the financial analysis of each Priority.

⁶ By way of illustration, ESF expenditure on the programme in 2000 was almost the same as in 2004 (€19 million). In 2000, this figure represented 61.36% of the annual allocation, whereas in 2004 the same level of expenditure represented 152% of the annual allocation.

Summary of expenditure – OP Level

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	655.604	97.127	71.504	584.100	2.485
2000 Expenditure	499.009	53.492	39.792	450.832	8.385
% of OP Forecast	76.11%	55.07%	55.65%	77.18%	337.42%
2001 Forecast	657.976	80.523	59.277	598.699	2.016
2001 Expenditure	597.169	66.422	49.612	542.824	4.733
% of OP Forecast	90.76%	82.49%	83.69%	90.67%	234.77%
2002 Forecast	648.856	72.189	53.145	595.711	1.769
2002 Expenditure	613.170	49.038	36.328	572.561	4.281
% of OP Forecast	94.50%	67.93%	68.36%	96.11%	242.00%
2003 Forecast	558.106	60.364	44.427	513.679	1.552
2003 Expenditure	611.689	69.698	51.886	557.435	2.367
% of OP Forecast	109.60%	115.46%	116.79%	108.52%	152.52%
2004 Forecast (revised)	615.728	44.432	32.645	582.181	0.902
2004 Expenditure	599.708	64.905	44.309	554.472	0.927
% of OP Forecast	97.40%	146.08%	135.73%	95.24%	102.77%
Cum. Forecast 2000-2004	3136.270	354.635	260.998	2874.370	8.724
Cum. Exp. 2000-2004	2920.745	303.554	221.927	2678.124	20.693
% of OP Forecast	93.13%	85.60%	85.03%	93.17%	237.20%

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1615.250	247.192	123.596	1491.654	8.162
2000 Expenditure	1333.559	159.830	79.915	1240.701	12.943
% of OP Forecast	82.56%	64.66%	64.66%	83.18%	158.58%
2001 Forecast	1588.599	200.738	100.369	1488.230	5.157
2001 Expenditure	1516.034	156.391	78.195	1426.616	11.223
% of OP Forecast	95.43%	77.91%	77.91%	95.86%	217.63%
2002 Forecast	1571.504	173.344	86.672	1484.832	3.327
2002 Expenditure	1370.650	113.458	56.730	1305.530	8.391
% of OP Forecast	87.22%	65.45%	65.45%	87.92%	252.21%
2003 Forecast	1330.300	140.826	70.413	1259.887	4.912
2003 Expenditure	1411.167	152.873	67.850	1337.614	5.703
% of OP Forecast	106.08%	108.55%	96.36%	106.17%	116.11%
2004 Forecast (revised)	1373.078	94.569	46.056	1324.565	2.457
2004 Expenditure	1466.607	176.732	75.527	1388.263	2.817
% of OP Forecast	106.81%	186.88%	163.99%	104.81%	114.65%
Cum. Forecast 2000-2004	7478.73	856.67	427.11	7049.17	24.02
Cum. Exp. 2000-2004	7097.88	759.15	358.22	6698.59	41.08
% of OP Forecast	94.91%	88.62%	83.87%	95.03%	171.05%

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	2270.854	344.319	195.100	2075.754	10.647
2000 Expenditure	1832.568	213.322	119.707	1691.533	21.328
% of OP Forecast	80.70%	61.95%	61.36%	81.49%	200.32%
2001 Forecast	2246.575	281.261	159.646	2086.929	7.173
2001 Expenditure	2113.203	222.813	127.807	1969.440	15.956
% of OP Forecast	94.06%	79.22%	80.06%	94.37%	222.45%
2002 Forecast	2220.360	245.533	139.817	2080.543	5.096
2002 Expenditure	1983.820	162.497	93.058	1878.090	12.672
% of OP Forecast	89.35%	66.18%	66.56%	90.27%	248.67%
2003 Forecast	1888.406	201.190	114.840	1773.566	6.464
2003 Expenditure	2022.855	222.571	119.736	1895.049	8.070
% of OP Forecast	107.12%	110.63%	104.26%	106.85%	124.85%
2004 Forecast (revised)	1988.806	139.001	78.701	1906.746	3.359
2004 Expenditure	2066.315	241.637	119.836	1942.735	3.744
% of OP Forecast	103.90%	173.84%	152.27%	101.89%	111.46%
Cum. Forecast 2000-2004	10615.001	1211.304	688.104	9923.538	32.739
Cum. Exp. 2000-2004	10018.624	1062.702	580.144	9376.710	61.770
% of OP Forecast	94.38%	87.73%	84.31%	94.49%	188.67%

6.2 N+2 Rule

The EHRD OP has satisfied the requirements of the N+2 rule for each year of the programme so far. Up to the end of 2004, claims for ESF aid amounting to €444.228 million had been lodged with the European Commission.

6.3 Employability Priority

On a cumulative basis since the start of the OP, ESF expenditure in the Employability Priority had reached 98% of forecast to the end of 2004. NDP-level expenditure had reached 94% of cumulative forecast to the same period.

At regional level, expenditure has been slightly stronger throughout the lifetime of the OP in the SAE region. Cumulative ESF expenditure in the SAE region to the end of 2004 was 104.53% of forecast, compared to 90.03% of forecast in the BMW region. However, the rate of cumulative NDP expenditure in the BMW region, at almost 95.4% of forecast, exceeded that of the SAE region, which had a rate of 92.82% of forecast. Overall, financial progress on this Priority is very strong, and there is no reason to believe that there will be any difficulty in fully utilising the ESF allocation in each region. Two measures – *Third Level Access* and *Early School Leavers Progression* had spent less than 75% of their ESF allocation by the end of 2004, at 49% and 61% respectively. However, these measures are compensated for by very strong expenditure on the *Early School Leavers Youthreach and Travellers* measure (138%) and *Skills Training for the Unemployed* (126%).

Summary of expenditure - Employability Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	333.528	64.635	47.137	286.391	0.000
2000 Expenditure	298.750	40.085	30.063	268.687	0.000
% of OP Forecast	89.57%	62.02%	63.78%	93.82%	
2001 Forecast	334.259	53.588	39.078	295.181	0.000
2001 Expenditure	335.421	49.680	37.260	298.161	0.000
% of OP Forecast	100.35%	92.71%	95.35%	101.01%	
2002 Forecast	326.102	48.028	35.028	291.074	0.000
2002 Expenditure	299.141	31.423	23.567	275.574	0.000
% of OP Forecast	91.73%	65.43%	67.28%	94.67%	
2003 Forecast	293.686	40.171	29.287	264.399	0.000
2003 Expenditure	314.569	46.424	34.818	279.752	0.000
% of OP Forecast	107.11%	115.56%	118.88%	105.81%	
2004 Forecast (revised)	354.479	34.634	25.975	328.504	0.000
2004 Expenditure	318.563	44.271	33.204	285.359	0.000
% of OP Forecast	89.87%	127.83%	127.83%	86.87%	
Cum. Forecast 2000-2004	1642.054	241.056	176.505	1465.549	0.000
Cum. Exp. 2000-2004	1566.444	211.882	158.912	1407.533	0.000
% of OP Forecast	95.40%	87.90%	90.03%	96.04%	

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	853.079	137.414	68.707	784.372	0.000
2000 Expenditure	739.339	121.998	60.999	678.340	0.000
% of OP Forecast	86.67%	88.78%	88.78%	86.48%	
2001 Forecast	829.825	111.652	55.826	773.999	0.000
2001 Expenditure	818.917	108.386	54.193	764.724	0.000
% of OP Forecast	98.69%	97.07%	97.08%	98.80%	
2002 Forecast	802.042	96.562	48.281	753.761	0.000
2002 Expenditure	691.985	70.718	35.359	656.626	0.000
% of OP Forecast	86.28%	73.24%	73.24%	87.11%	
2003 Forecast	763.175	78.346	39.173	724.002	0.000
2003 Expenditure	765.574	99.522	49.761	715.813	0.000
% of OP Forecast	100.31%	127.03%	127.03%	98.87%	
2004 Forecast (revised)	826.288	67.662	33.831	792.457	0.000
2004 Expenditure	765.861	113.301	56.650	709.211	0.000
% of OP Forecast	92.69%	167.45%	167.45%	89.50%	
Cum. Forecast 2000-2004	4074.409	491.636	245.818	3828.591	0.000
Cum. Exp. 2000-2004	3781.677	513.925	256.963	3524.714	0.000
% of OP Forecast	92.82%	104.53%	104.53%	92.06%	

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1186.607	202.049	115.844	1070.763	0.000
2000 Expenditure	1038.090	162.084	91.062	947.027	0.000
% of OP Forecast	87.48%	80.22%	78.61%	88.44%	
2001 Forecast	1164.084	165.240	94.904	1069.180	0.000
2001 Expenditure	1154.338	158.066	91.453	1062.885	0.000
% of OP Forecast	99.16%	95.66%	96.36%	99.41%	
2002 Forecast	1128.144	144.590	83.309	1044.835	0.000
2002 Expenditure	991.126	102.141	58.926	932.200	0.000
% of OP Forecast	87.85%	70.64%	70.73%	89.22%	
2003 Forecast	1056.861	118.517	68.460	988.401	0.000
2003 Expenditure	1080.143	145.946	84.579	995.565	0.000
% of OP Forecast	102.20%	123.14%	123.54%	100.72%	
2004 Forecast (revised)	1,180.767	102.296	59.806	1,120.961	0.000
2004 Expenditure	1,084.424	157.572	89.854	994.570	0.000
% of OP Forecast	91.84%	154.04%	150.24%	88.72%	
Cum. Forecast 2000-2004	5716.463	732.692	422.323	5294.140	0.000
Cum. Exp. 2000-2004	5348.121	725.808	415.874	4932.247	0.000
% of OP Forecast	93.56%	99.06%	98.47%	93.16%	

6.4 Entrepreneurship Priority

Expenditure on this Priority has been slow throughout the lifetime of the OP, reflecting the difficulties in take-up on the *In-Company Training* measure. The summary financial tables that total NDP expenditure was only at 52% of forecast up to the end of 2004, while ESF absorption was 45% of forecast. This is, nonetheless, an improvement on the situation at the end of 2003, when cumulative ESF spend was less than 40% of forecast.

At regional level, expenditure under this Priority has been stronger, in relative terms in the BMW region than the SAE region, with the achievement of over 74% of forecasted total expenditure compared to 43% in the SAE region.

The Department of Enterprise, Trade and Employment has been working closely with FAS to find the best strategies to promote the increased take-up of ESF support available for In-Company Training. In this context, a two-pronged approach is proposed, involving a public tendering process by FAS's for national organisations interested in managing training projects and a separate Public Call for Proposals from the Department for projects which might cover areas not captured by FAS. The Department is appointing a Technical Support Structure to assist it in the delivery of the scheme. With measures identified by FAS and the Department of Enterprise, Trade and Employment to improve the take-up of In-Company Training, it is anticipated that there will be a significant improvement in expenditure on this Priority in 2005.

The Entrepreneurship Priority also includes the Social Economy Programme sub-measure and the Local Social Capital sub-measure. ESF expenditure on the *Social Economy Programme* stood at 45% of allocation to the end of 2004. A particular difficulty with this measure is that, as projects become successful and generate revenue, this income has to be off-set against the amount of funding allocated from the ESF. Projects also receive income from sources other than FAS which need to be netted off the overall costs. The *Local Social Capital* measure was not intended to commence activity before 2002. Following the Mid-Term Review of the OP, it was decided not to proceed with the sub-measure and €5.4 million in ESF support was transferred to other areas of the Programme.

Summary of expenditure - Entrepreneurship Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	34.438	19.169	14.376	20.062	2.485
2000 Expenditure	16.723	7.246	5.108	3.344	8.271
% of OP Forecast	48.56%	37.80%	35.53%	16.67%	332.84%
2001 Forecast	29.265	15.891	11.917	17.348	2.016
2001 Expenditure	13.511	6.961	5.016	3.885	4.610
% of OP Forecast	46.17%	43.81%	42.09%	22.40%	228.67%
2002 Forecast	25.834	14.252	10.686	15.148	1.769
2002 Expenditure	23.365	10.767	7.625	11.627	4.113
% of OP Forecast	90.44%	75.55%	71.36%	76.76%	232.50%
2003 Forecast	22.378	11.910	8.929	13.449	1.552
2003 Expenditure	24.149	6.018	4.511	17.477	2.161
% of OP Forecast	107.91%	50.53%	50.52%	129.95%	139.25%
2004 Forecast (revised)	22.769	6.735	4.374	17.493	0.902
2004 Expenditure	22.095	6.669	4.970	16.396	0.729
% of OP Forecast	97.04%	99.02%	113.63%	93.73%	80.82%
Cum. Forecast 2000-2004	134.684	67.957	50.282	83.500	8.724
Cum. Exp. 2000-2004	99.843	37.661	27.231	52.729	19.884
% of OP Forecast	74.13%	55.42%	54.16%	63.15%	227.92%

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	97.567	49.470	24.735	72.832	8.162
2000 Expenditure	24.953	10.986	5.493	7.533	11.927
% of OP Forecast	25.58%	22.21%	22.21%	10.34%	146.13%
2001 Forecast	79.831	40.200	20.100	59.731	5.157
2001 Expenditure	24.206	12.852	6.426	7.514	10.266
% of OP Forecast	30.32%	31.97%	31.97%	12.58%	199.07%
2002 Forecast	70.939	34.758	17.379	53.560	3.327
2002 Expenditure	35.593	19.005	9.503	18.566	7.524
% of OP Forecast	50.17%	54.68%	54.68%	34.66%	226.15%
2003 Forecast	57.649	28.214	14.107	43.542	4.912
2003 Expenditure	37.247	12.090	6.045	26.576	4.626
% of OP Forecast	64.61%	42.85%	42.85%	61.04%	94.18%
2004 Forecast (revised)	55.685	15.795	6.669	46.559	2.457
2004 Expenditure	35.111	11.720	5.832	27.758	1.521
% of OP Forecast	63.05%	74.20%	87.45%	59.62%	61.90%
Cum. Forecast 2000-2004	361.671	168.437	82.990	276.224	24.015
Cum. Exp. 2000-2004	157.110	66.653	33.299	87.947	35.864
% of OP Forecast	43.44%	39.57%	40.12%	31.84%	149.34%

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	132.005	68.639	39.111	92.894	10.647
2000 Expenditure	41.676	18.232	10.601	10.877	20.198
% of OP Forecast	31.57%	26.56%	27.10%	11.71%	189.71%
2001 Forecast	109.096	56.091	32.017	77.079	7.173
2001 Expenditure	37.718	19.813	11.442	11.399	14.876
% of OP Forecast	34.57%	35.32%	35.74%	14.79%	207.39%
2002 Forecast	96.773	49.010	28.065	68.708	5.096
2002 Expenditure	58.958	29.772	17.128	30.193	11.637
% of OP Forecast	60.92%	60.75%	61.03%	43.94%	228.36%
2003 Forecast	80.027	40.124	23.036	56.991	6.464
2003 Expenditure	61.397	18.109	10.557	44.053	6.787
% of OP Forecast	76.72%	45.13%	45.83%	77.30%	105.00%
2004 Forecast (revised)	78.454	22.530	11.043	64.052	3.359
2004 Expenditure	57.206	18.389	10.802	44.154	2.250
% of OP Forecast	72.92%	81.62%	97.82%	68.93%	66.98%
Cum. Forecast 2000-2004	496.355	236.394	133.272	359.724	32.739
Cum. Exp. 2000-2004	256.954	104.315	60.530	140.676	55.748
% of OP Forecast	51.77%	44.13%	45.42%	39.11%	170.28%

6.5 Adaptability Priority

The financial tables for the Adaptability Priority reflect the steady increase in overall expenditure since the start of the programme. ESF expenditure claimed under the Priority was relatively low in the early years of the programme, particularly on the Undergraduate Skills measure, pending agreement with the European Commission on an apportionment methodology to apply. However, with agreement on this matter reached, expenditure levels recorded against this measure have increased.

Cumulative NDP expenditure up to the end of 2004 was almost 93% of forecast while cumulative ESF expenditure, at €97.254 million, was almost 80% of forecast.

At regional level, ESF expenditure is progressing relatively better in the BMW region (105.58% of forecast) than in the SAE region (69.82% of forecast). However, these are provisional figures and may require some adjustment. Overall, with the increased level of ESF expenditure recorded under this Priority, it seems unlikely that there will be any shortfall in the draw-down of ESF under Adaptability. One measure – *Back to Education Initiative* – had spent only 23% of its ESF allocation by the end of 2004. However, changes to the text of the OP and the Programme Complement in the context of the Mid-Term Review of the OP will allow for a wider range of eligible actions under this measure.

Summary of expenditure - Adaptability Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	172.251	12.897	9.672	162.579	0.000
2000 Expenditure	124.181	6.161	4.621	119.446	0.114
% of OP Forecast	72.09%	47.77%	47.78%	73.47%	---
2001 Forecast	172.943	10.690	8.017	164.926	0.000
2001 Expenditure	123.299	9.716	7.287	115.889	0.123
% of OP Forecast	71.29%	90.89%	90.89%	70.27%	---
2002 Forecast	171.441	9.593	7.194	164.247	0.000
2002 Expenditure	129.780	6.708	5.031	124.581	0.168
% of OP Forecast	75.70%	69.93%	69.93%	75.85%	---
2003 Forecast	173.259	8.020	6.014	167.245	0.000
2003 Expenditure	174.609	16.867	12.265	162.138	0.206
% of OP Forecast	100.78%	210.31%	203.94%	96.95%	---
2004 Forecast (revised)	168.818	2.987	2.240	166.578	0.000
2004 Expenditure	157.741	13.495	5.784	151.759	0.198
% of OP Forecast	93.44%	451.80%	258.19%	91.10%	---
Cum. Forecast 2000-2004	858.712	44.187	33.137	825.575	0.000
Cum. Exp. 2000-2004	709.610	52.947	34.988	673.814	0.809
% of OP Forecast	82.64%	119.82%	105.58%	81.62%	---

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	315.941	54.620	27.310	288.631	0.000
2000 Expenditure	286.216	26.804	13.402	271.798	1.016
% of OP Forecast	90.59%	49.07%	49.07%	94.17%	---
2001 Forecast	313.044	44.376	22.188	290.856	0.000
2001 Expenditure	287.315	34.086	17.043	269.315	0.957
% of OP Forecast	91.78%	76.81%	76.81%	92.59%	---
2002 Forecast	311.747	38.386	19.193	292.554	0.000
2002 Expenditure	297.849	21.344	10.672	286.310	0.867
% of OP Forecast	95.54%	55.60%	55.60%	97.87%	---
2003 Forecast	303.023	31.144	15.572	287.451	0.000
2003 Expenditure	296.307	37.298	10.062	285.168	1.077
% of OP Forecast	97.78%	119.76%	64.62%	99.21%	---
2004 Forecast (revised)	286.114	9.826	4.913	281.201	0.000
2004 Expenditure	342.782	47.022	11.088	330.398	1.296
% of OP Forecast	119.81%	478.54%	225.68%	117.50%	---
Cum. Forecast 2000-2004	1529.869	178.352	89.176	1440.693	0.000
Cum. Exp. 2000-2004	1510.468	166.554	62.267	1442.989	5.213
% of OP Forecast	98.73%	93.38%	69.82%	100.16%	---

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	488.192	67.517	36.982	451.210	0.000
2000 Expenditure	410.397	32.965	18.023	391.244	1.130
% of OP Forecast	84.06%	48.82%	48.73%	86.71%	---
2001 Forecast	485.987	55.066	30.205	455.782	0.000
2001 Expenditure	410.613	43.802	24.330	385.203	1.080
% of OP Forecast	84.49%	79.54%	80.55%	84.51%	---
2002 Forecast	483.188	47.979	26.387	456.801	0.000
2002 Expenditure	427.629	28.052	15.703	410.891	1.035
% of OP Forecast	88.50%	58.47%	59.51%	89.95%	---
2003 Forecast	476.282	39.164	21.586	454.696	0.000
2003 Expenditure	470.916	54.165	22.327	447.306	1.283
% of OP Forecast	98.87%	138.30%	103.43%	98.37%	---
2004 Forecast (revised)	454.932	12.813	7.153	447.779	0.000
2004 Expenditure	500.523	60.517	16.871	482.158	1.494
% of OP Forecast	110.02%	472.31%	235.86%	107.68%	---
Cum. Forecast 2000-2004	2388.581	222.539	122.313	2266.268	0.000
Cum. Exp. 2000-2004	2220.079	219.501	97.254	2116.802	6.022
% of OP Forecast	92.95%	98.63%	79.51%	93.40%	---

6.6 Equality Priority

As is the case with other Priorities, a comparison of expenditure for 2004 against the expenditure forecast for the year is not very informative. However, it can be seen from the accompanying tables that the amount of expenditure incurred on this Priority has increased very considerably since the early years of the programme.

On a cumulative basis since the start of the OP, total expenditure on the Equality Priority reached almost 79% of forecast by the end of 2004, while ESF expenditure represented 71% of forecast.

At a regional level, the BMW region appears to have performed much better than the S&E region, reaching 118% of forecast by the end of 2004. However, the amount of money allocated to the BMW region is much lower than in the SAE region (€0.672 million in the BMW region to the end of 2004 compared to €6.455 million in the SAE region).

The *Equal Opportunities Promotion and Monitoring* (NDP Gender Equality Unit) measure had spent 67% of its ESF allocation to the end of 2004. However, it will be noted that the Unit was carrying a vacancy throughout 2004. The *Equality for Women* measure had spent 63% of its allocation; however, this measure received an additional €1.779 million in ESF aid following the Mid-Term Review, underscoring the confidence that the measure will continue to perform well.

Summary of expenditure - Equality Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	0.290	0.270	0.202	0.088	0.000
2000 Expenditure	0.045	0.000	0.000	0.045	0.000
% of OP Forecast	15.52%	0.00%	0.00%	51.14%	---
2001 Forecast	0.253	0.223	0.167	0.086	0.000
2001 Expenditure	0.150	0.065	0.049	0.101	0.000
% of OP Forecast	59.28%	29.14%	29.18%	117.73%	---
2002 Forecast	0.400	0.200	0.150	0.250	0.000
2002 Expenditure	0.266	0.141	0.105	0.161	0.000
% of OP Forecast	66.42%	70.33%	70.00%	64.27%	---
2003 Forecast	0.187	0.167	0.125	0.062	0.000
2003 Expenditure	0.423	0.389	0.292	0.131	0.000
% of OP Forecast	226.20%	232.93%	233.60%	211.29%	---
2004 Forecast (revised)	0.058	0.038	0.028	0.030	0.000
2004 Expenditure	0.524	0.469	0.352	0.172	0.000
% of OP Forecast	903.45%	1234.21%	1257.14%	573.33%	---
Cum. Forecast 2000-2004	1.188	0.898	0.672	0.516	---
Cum. Exp. 2000-2004	1.408	1.064	0.798	0.610	0.000
% of OP Forecast	118.49%	118.45%	118.71%	118.20%	---

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	4.083	3.788	1.894	2.189	0.000
2000 Expenditure	0.083	0.010	0.005	0.078	0.000
% of OP Forecast	2.03%	0.26%	0.26%	3.56%	---
2001 Forecast	3.335	3.076	1.538	1.797	0.000
2001 Expenditure	1.099	0.487	0.243	0.855	0.000
% of OP Forecast	32.94%	15.82%	15.82%	47.60%	---
2002 Forecast	2.968	2.660	1.330	1.638	0.000
2002 Expenditure	1.898	1.531	0.766	1.133	0.000
% of OP Forecast	63.96%	57.57%	57.57%	69.16%	---
2003 Forecast	2.413	2.182	1.091	1.322	0.000
2003 Expenditure	3.389	3.111	1.556	1.834	0.000
% of OP Forecast	140.45%	142.58%	142.58%	138.69%	---
2004 Forecast (revised)	1.354	1.204	0.602	0.752	0.000
2004 Expenditure	4.193	4.193	1.708	2.485	0.000
% of OP Forecast	309.67%	348.25%	283.72%	330.45%	---
Cum. Forecast 2000-2004	14.153	12.910	6.455	7.698	0.000
Cum. Exp. 2000-2004	10.662	9.332	4.277	6.384	0.000
% of OP Forecast	75.33%	72.28%	66.26%	82.94%	---

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	4.373	4.058	2.096	2.277	0.000
2000 Expenditure	0.128	0.010	0.005	0.123	0.000
% of OP Forecast	2.92%	0.24%	0.23%	5.40%	---
2001 Forecast	3.588	3.299	1.705	1.883	0.000
2001 Expenditure	1.249	0.552	0.292	0.957	0.000
% of OP Forecast	34.80%	16.72%	17.13%	50.80%	---
2002 Forecast	3.368	2.860	1.480	1.888	0.000
2002 Expenditure	2.164	1.672	0.871	1.293	0.000
% of OP Forecast	64.26%	58.47%	58.83%	68.51%	---
2003 Forecast	2.600	2.349	1.216	1.384	0.000
2003 Expenditure	3.812	3.500	1.848	1.965	0.000
% of OP Forecast	146.62%	149.00%	151.93%	141.94%	---
2004 Forecast (revised)	1.412	1.242	0.630	0.782	0.000
2004 Expenditure	4.717	4.662	2.060	2.657	0.000
% of OP Forecast	334.07%	375.36%	326.98%	339.77%	---
Cum. Forecast 2000-2004	15.341	13.808	7.127	8.214	0.000
Cum. Exp. 2000-2004	12.069	10.395	5.075	6.994	0.000
% of OP Forecast	78.67%	75.29%	71.21%	85.15%	---

6.7 Infrastructure Priority

20 Summary of expenditure - Infrastructure Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	114.940	0.000	0.000	114.940	0.000
2000 Expenditure	59.310	0.000	0.000	59.310	0.000
% of OP Forecast	51.60%			51.60%	---
2001 Forecast	121.120	0.000	0.000	121.120	0.000
2001 Expenditure	124.788	0.000	0.000	124.788	0.000
% of OP Forecast	103.03%			103.03%	---
2002 Forecast	124.958	0.000	0.000	124.958	0.000
2002 Expenditure	160.618	0.000	0.000	160.618	0.000
% of OP Forecast	128.54%			128.54%	---
2003 Forecast	68.490	0.000	0.000	68.490	0.000
2003 Expenditure	97.938	0.000	0.000	97.938	0.000
% of OP Forecast	143.00%			143.00%	---
2004 Forecast	69.562	0.000	0.000	69.562	0.000
2004 Expenditure	100.785	0.000	0.000	100.785	0.000
% of OP Forecast	144.89%			144.89%	---
Cum. Forecast 2000-2004	499.070	0.000	0.000	499.070	0.000
Cum. Exp. 2000-2004	543.439	0.000	0.000	543.439	0.000
% of OP Forecast	108.89%			108.89%	---

SAE €m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	342.680	0.000	0.000	342.680	0.00
2000 Expenditure	282.936	0.000	0.000	282.936	0.00
% of OP Forecast	82.57%			82.57%	---
2001 Forecast	361.090	0.000	0.000	361.090	0.000
2001 Expenditure	383.918	0.000	0.000	383.918	0.000
% of OP Forecast	106.32%			106.32%	---
2002 Forecast	382.760	0.000	0.000	382.760	0.000
2002 Expenditure	342.465	0.000	0.000	342.465	0.000
% of OP Forecast	89.47%			89.47%	---
2003 Forecast	203.000	0.000	0.000	203.000	0.000
2003 Expenditure	307.797	0.000	0.000	307.797	0.000
% of OP Forecast	151.62%			151.62%	---
2004 Forecast	203.465	0.000	0.000	203.465	0.000
2004 Expenditure	318.163	0.000	0.000	318.163	0.000
% of OP Forecast	156.37%			156.37%	---
Cum. Forecast 2000-2004	1492.995	0.000	0.000	1492.995	0.000
Cum. Exp. 2000-2004	1635.279	0.000	0.000	1635.279	0.000
% of OP Forecast	109.53%			109.53%	---

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	457.620	0.000	0.000	457.620	0.000
2000 Expenditure	342.246	0.000	0.000	342.246	0.000
% of OP Forecast	74.79%			74.79%	---
2001 Forecast	482.210	0.000	0.000	482.210	0.000
2001 Expenditure	508.706	0.000	0.000	508.706	0.000
% of OP Forecast	105.49%			105.49%	---
2002 Forecast	507.718	0.000	0.000	507.718	0.000
2002 Expenditure	503.083	0.000	0.000	503.083	0.000
% of OP Forecast	99.09%			99.09%	---
2003 Forecast	271.490	0.000	0.000	271.490	0.000
2003 Expenditure	405.735	0.000	0.000	405.735	0.000
% of OP Forecast	149.45%			149.45%	---
2004 Forecast	273.027	0.000	0.000	273.027	0.000
2004 Expenditure	418.948	0.000	0.000	418.948	0.000
% of OP Forecast	153.45%			153.45%	---
Cum. Forecast 2000-2004	1992.065	0.000	0.000	1992.065	0.000
Cum. Exp. 2000-2004	2178.718	0.000	0.000	2178.718	0.000
% of OP Forecast	109.37%			109.37%	---

There is no ESF allocation for the Infrastructure Priority. Therefore, the tables above reflect only Non Co-Financed expenditure. Expenditure on this Priority continued to perform strongly, borne out by the fact that cumulative expenditure to the end of 2004 was above target, at 109% in both regions.

6.8 Technical Assistance Priority

Cumulative NDP expenditure on the Priority since the start of the OP stood at 43% of forecast and the cumulative ESF reached 46% of forecast. Both measures are under-performing (*Equality Studies Unit* at 55% of ESF forecast and *OP Technical Assistance* at 42% of forecast). A technical matter related to the apportionment of expenditure to the BMW region for the Equality Studies Unit measure has been resolved, and recorded expenditure on this measure should therefore increase in 2005.

While expenditure is much lower than would be expected at this stage on the OP Technical Assistance measure, this is partly attributable to vacancies in the ESF Financial Control Unit during 2004.

Arising from the Mid-Term Review, the text of the Operational Programme and Programme Complement for the OP Technical Assistance sub-measure were revised to widen the scope of the sub-measure, in particular to allow for the funding of a Technical Support Structure to assist in the delivery of the In-Company Training measure under the Adaptability Priority (see separate section of this Progress Report).

In 2005, the Priority will also see an increase in the level of funding being absorbed through:

- The salary costs of staff in the Financial Control Unit following the filling of two vacancies
- The Updated Evaluation of the OP.
- The upgrading of the ESF website, www.esf.ie.

Summary of expenditure - Technical Assistance Priority

BMW

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	0.157	0.156	0.117	0.040	0.000
2000 Expenditure	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	
2001 Forecast	0.136	0.131	0.098	0.038	0.000
2001 Expenditure	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	
2002 Forecast	0.121	0.116	0.087	0.034	0.000
2002 Expenditure	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	
2003 Forecast	0.106	0.096	0.072	0.034	0.000
2003 Expenditure	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	
2004 Forecast	0.042	0.037	0.028	0.014	0.000
2004 Expenditure	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	
Cum. Forecast 2000-2004	0.562	0.536	0.402	0.160	0.000
Cum. Exp. 2000-2004	0.000	0.000	0.000	0.000	0.000
% of OP Forecast	0.00%	0.00%	0.00%	0.00%	

SAE

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	1.900	1.900	0.950	0.950	0.000
2000 Expenditure	0.032	0.032	0.016	0.016	0.000
% of OP Forecast	1.68%	1.68%	1.68%	1.68%	
2001 Forecast	1.474	1.434	0.717	0.757	0.000
2001 Expenditure	0.580	0.580	0.290	0.290	0.000
% of OP Forecast	39.35%	40.45%	40.45%	38.31%	
2002 Forecast	1.048	0.978	0.489	0.559	0.000
2002 Expenditure	0.860	0.860	0.430	0.430	0.000
% of OP Forecast	82.06%	87.93%	87.93%	76.92%	
2003 Forecast	1.040	0.940	0.470	0.570	0.000
2003 Expenditure	0.852	0.852	0.426	0.426	0.000
% of OP Forecast	81.92%	90.64%	90.64%	74.74%	
2004 Forecast	0.172	0.082	0.041	0.131	0.000
2004 Expenditure	0.497	0.497	0.248	0.248	0.000
% of OP Forecast	288.81%	605.80%	605.80%	189.60%	
Cum. Forecast 2000-2004	5.634	5.334	2.667	2.967	0.000
Cum. Exp. 2000-2004	2.684	2.684	1.410	1.273	0.000
% of OP Forecast	47.63%	50.31%	52.88%	42.92%	

NATIONAL

€m	Total NDP	Total CSF	ESF	National Public	Private
2000 Forecast	2.057	2.056	1.067	0.990	0.000
2000 Expenditure	0.032	0.032	0.016	0.016	0.000
% of OP Forecast	1.56%	1.56%	1.50%	1.62%	
2001 Forecast	1.610	1.565	0.815	0.795	0.000
2001 Expenditure	0.580	0.580	0.290	0.290	0.000
% of OP Forecast	36.02%	37.06%	35.58%	36.48%	
2002 Forecast	1.169	1.094	0.576	0.593	0.000
2002 Expenditure	0.860	0.860	0.430	0.430	0.000
% of OP Forecast	73.57%	78.61%	74.65%	72.51%	
2003 Forecast	1.146	1.036	0.542	0.604	0.000
2003 Expenditure	0.852	0.852	0.426	0.426	0.000
% of OP Forecast	74.35%	82.24%	78.60%	70.53%	
2004 Forecast	0.214	0.119	0.069	0.145	0.000
2004 Expenditure	0.497	0.497	0.248	0.248	0.000
% of OP Forecast	231.60%	415.73%	359.97%	170.72%	
Cum. Forecast 2000-2004	6.196	5.870	3.069	3.127	0.000
Cum. Exp. 2000-2004	2.684	2.684	1.410	1.273	0.000
% of OP Forecast	43.31%	45.72%	45.96%	40.72%	

Table 3 - ESF MEASURE EXPENDITURE AS AT THE END OF 2004

21 All figures in €m

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Priority	Measure Title	Meas. No.	Implement-ing Body	ESF Allocation 2000-2006	Total Eligible Expenditure 2004*	Total ESF Expenditure 2004	Cumulative Total Expenditure 2000-2004*	
Employability	National Employment Service	2	FAS	11.5	60.882	1.683	271.4	
	Active Measures for LTU & Socially Excluded	3	FAS	48.6	256.571	7.693	1745.9	
	School Completion Initiative	5	D/ES	57.713	23.149	12.566	70.9	
	Third Level Access	9	D/ES	45.375	34.811	5.765	102.9	
	Early School Leaver - Progression FAS	11A	FAS	88	30.106	11.8	131.7	
	Early School Leaver - Progression (CTW)	11A	D/ES	5.971	0.875	0.492	7.6	
	Early School Leaver - Youthreach & Travellers	11B	D/ES	154.463	63.773	37.445	256.4	
	Skills Training for Unemployed & Redundant Workers	13	FAS	86.581	69.289	0	412.1	
	Apprenticeship/Traineeship	14A	FAS	78.65	146.314	12.41	656.3	
Priority Total				576.853	685.77	89.854	3655.6	
Entrepreneurship	In Company Training -FAS	18A	FAS	66.545	12.483	7.187	73.1	
	In Company Training - Enterprise Ireland	18B	Ent. IRL	12.22	2.168	0.339	71.5	
	In Company Training	18C	D/ETE	67.278	1.849	1.176	1.9	
	Social Economy -Programme	19A	FAS	17.519	40.706	2.1	110.4	
	Social Economy -Local Social Capital	19 B	FAS	3.6	0	0		
Priority Total				167.162	57.206	10.802	256.9	

* Includes national co-financed and non co-financed expenditure

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Priority	Measure Title	Meas. No.	Implementing Body	ESF Allocation 2000-2006	Total Eligible Expenditure 2004*	Total ESF Expenditure 2004	Cumulative Total Expenditure 2000-2004*
Adaptability	Lifelong Learning -Back to Education Initiative	21	D/ES	41.378	93.678	5.376	435.3
	Lifelong Learning- National Adult Literacy Strategy	22	D/ES	35.4	18.849	10.605	82.4
	Undergraduate Skills	26	D/ES	51.015	30.63	0	137.0
	Quality Assurance-Certification &National Qualifications Framework	29B	D/ES	7.759	10.129	0.89	35.7
Priority Total				135.552	153.286	16.871	690.4
Equality	Educational Disadvantage	30	D/ES	0.28	0.831	0	2.7
	Equal Opps Promotion & Monitoring - Education	31A	D/ES	1.535	0.986	0.493	2.6
	Equal Opps Promotion & Monitoring - NDP	31B	D/JELR	2.498	0.773	0.386	2.3
	Equality for Women 31B1ESF	31B1	D/JELR	5.007	2.127	1.181	4.3
Priority Total				9.32	4.717	2.060	12.0
Technical Assistance	Technical Assistance (Equality Studies)	33A	Eq. Auth	1.1	0.228	0.114	1.0
	OP Technical Assistance	33B	D/E TE	2.1	0.269	0.134	1.6
Priority Total				3.2	0.497	0.248	2.6
OVERALL TOTAL				892.087	901.476	119.836	4617.946

* Includes national co-financed and non co-financed expenditure

7. Financial Control

7.1 Article 4 Checks

22 ESF Paying Authority

The ESF Paying Authority continued to implement, diligently, the Structural Funds/ESF financial management and control regime in 2004. In that regard, the Paying Authority undertook claim-related Article 4 checks on the EHRD-OP Managing Authority and a number of minor issues which had arisen as a result of the checks, as well as the desk-based checking, were satisfactorily resolved such that the Paying Authority was able to certify to the Commission all claims submitted by the OP Managing Authority.

Three claims totalling €256 million in eligible expenditure were certified to the Commission in 2004. The ESF element of that total was over €145 million and payment was effected before the end of the year in respect of the first two of these claims amounting to almost €108 million. The December claim, which allowed the Managing Authority meet its N+2 requirement, did not fall to be paid until 2005.

23 EHRD OP Managing Authority

During 2004, the EHRD OP Managing Authority produced a reporting template for use in “Article 4” visits. The template is in the form of a checklist, which helps to ensure that all the relevant issues are formally examined during Article 4 visits and that any issues identified for follow-up action are duly noted. The new template allows for the timelier recording of the visit while still ensuring that all necessary issues are dealt with comprehensively.

In 2004, the Managing Authority increased the rate at which Article 4 visits were conducted and by so doing, ensured that the Implementing Bodies (IBs) or Delegated Managing Authorities (DMAs) that submitted ESF claims in 2004 were visited. These comprised:

- The Department of Education and Science (twice)
- FAS Liaison (Dept of Enterprise, Trade and Employment)
- Employment Training and Strategy Unit (Dept of Enterprise, Trade and Employment)
- The Gender Equality Unit (Department of Justice, Equality and Law Reform)
- Enterprise Support Unit (Dept of Enterprise, Trade and Employment).

On the whole, the Managing Authority found a very high level of compliance with the regulatory requirements associated with the ESF. Issues that could be strengthened related to the proper use of ESF logo and ensuring that procedures manuals were being kept up to date. While all such issues were subsequently clarified/resolved to the Managing Authority’s satisfaction, they will continue to be assessed in the context of future Article 4 checks. Most importantly, no particular financial control weaknesses or irregularities were uncovered during the course of the series of Article 4 visits.

7.2 Procedures Manual

A detailed Procedures Manual was prepared by the OP Managing Authority in 2002 outlining responsibilities, tasks and procedures in place for the implementation of EU co-financed activity. This manual was updated, as necessary, throughout 2004. When completing Article 4 Checks, the EHRD OP Managing Authority continuously examines the implementing agencies' procedures manual to ensure they are kept up to date and to ensure full compliance with the Structural Funds Regulations.

7.3 Changes in Ireland's Financial Management and Control Structures

There were some staff changes in the ESF Units in 2004, most notably Mr Eamonn Balmer replacing Mr. Vincent Landers as Head of EHRD-OP Managing Authority

7.4 Audits by the European Commission

No audits undertaken by the European Commission on the EHRD OP in 2004. However, the ESF Financial Control Unit continued its work throughout 2004 in conducting checks in accordance with Article 10 (1) (b) of Commission Regulation 438/2001.

7.5 Audits by the Court of Auditors

There were also no audits on the EHRD OP by the Court of Auditors during 2004. Follow-up queries from the Court's report on the 2003 audit of the *School Completion Initiative* measure (Measure 5) were address by the OP Managing Authority and the Department of Education and Science.

7.6 Other audits

The Internal Audit Unit of the Department of Enterprise, Trade and Employment undertook an Article 10.1(a) systems audit of the ESF Paying Authority and the EHRD OP Managing Authority during 2003/4. In concluding its Audit Report, the IAU noted that it was "broadly satisfied with the management and control systems in operation in the ESF Paying Authority and EHRD-OP Managing Authority". IAU went on to state, however, that there was scope for clarifying and redefining some responsibilities in light of experience gained in progressing claims to date. They also raised other specific issues which required clarification/attention by either the Paying Authority or the OP Managing Authority. Implementation of the various recommendations in the Audit Report, which issued in October 2004, are matters which have been taken on board in the Business Plans of the Paying and OP Managing Authorities for 2005.

7.7 Drawdown of ESF

24 25 OP/CI	Eligible Expenditure Declared in 2004 €	ESF Claimed in 2004 €	ESF Received in 2004 €
EHRD-OP	255,779,570.26	145,502,263.63	131,667,579.42*

* Claim made in December 2004 did not fall due for payment until 2005