



Programme for Employability Inclusion and Learning (PEIL) 2014 - 2020

Financial Progress Report

Monitoring Committee Meeting 11th November 2016



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Introduction

The Programme for Employability, Inclusion and Learning (PEIL) 2014 - 2020 is co-financed by the European Social Fund (ESF), the Youth Employment Initiative (YEI) and the Irish Exchequer. The Commission's Decision approving the Operational Programme (OP) was issued on the 25th February 2015. This report addresses the overall financial allocation of the OP; the regional balance; the priority level distributions; the performance reserve and the N+3 Rule. The total OP allocation is €1,153 million of which the ESF's contribution is €542.437 million. The European Commission also contributes an additional amount of €68.145 million under the YEI, which is a key funding source for the Youth Guarantee and assists young people not in employment, education or training in regions experiencing youth unemployment rates above 25% in 2012. The Exchequer's share of the OP is €542.437 million to match the ESF allocation. Table No. 1 below shows the breakdown by year of the Funds (ESF and YEI) and matching funding from the Exchequer as agreed under the Programme.

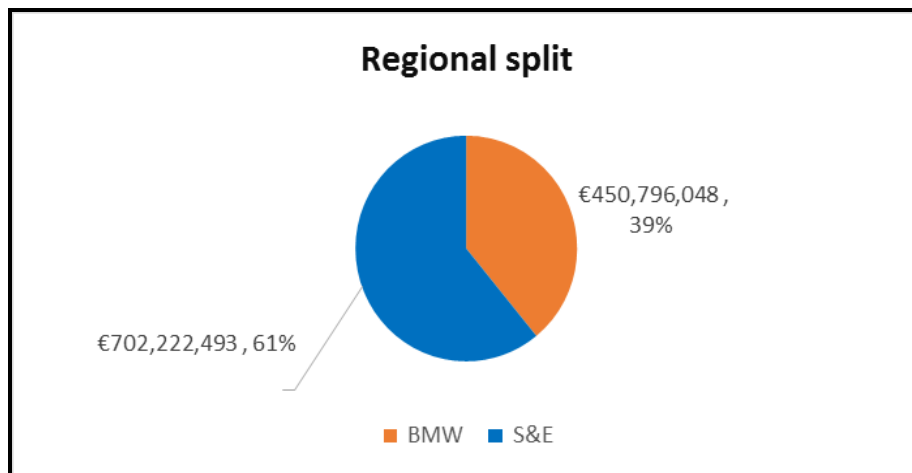
Table No. 1 – Allocation of the Funds by year from 2014 to 2020.

Year	ESF	YEI	Exchequer	Total
2014	€ 72,960,638	€ 38,283,943	€ 72,960,638	€ 184,205,219
2015	€ 74,421,358	€ 29,861,476	€ 74,421,358	€ 178,704,192
2016	€ 75,911,109		€ 75,911,109	€ 151,822,218
2017	€ 77,430,360		€ 77,430,360	€ 154,860,720
2018	€ 78,979,968		€ 78,979,968	€ 157,959,936
2019	€ 80,560,537		€ 80,560,537	€ 161,121,074
2020	€ 82,172,591		€ 82,172,591	€ 164,345,182
2014-2020	€ 542,436,561	€ 68,145,419	€ 542,436,561	€ 1,153,018,541

National Programme

Both Irish regions, the BMW and the S&E regions, are classified as being in the more developed regions category, with a single co-financing rate of 50% applicable. The PEIL is a single national OP and it is not necessary to report at NUTS II region level to the Commission. However, the OP allocations include an additional allocation of €100m for the BMW region which was secured as part of the negotiations in recognition of the BMW region having previously been a phasing in region. Furthermore the reporting of the distribution across the 2 NUTS II regions remains important at national level as the overall balance of Structural Funds between the regions is being maintained. The ESF, YEI and Exchequer matching funding is split between the BMW region and the S&E region as set out in Figure No 1:

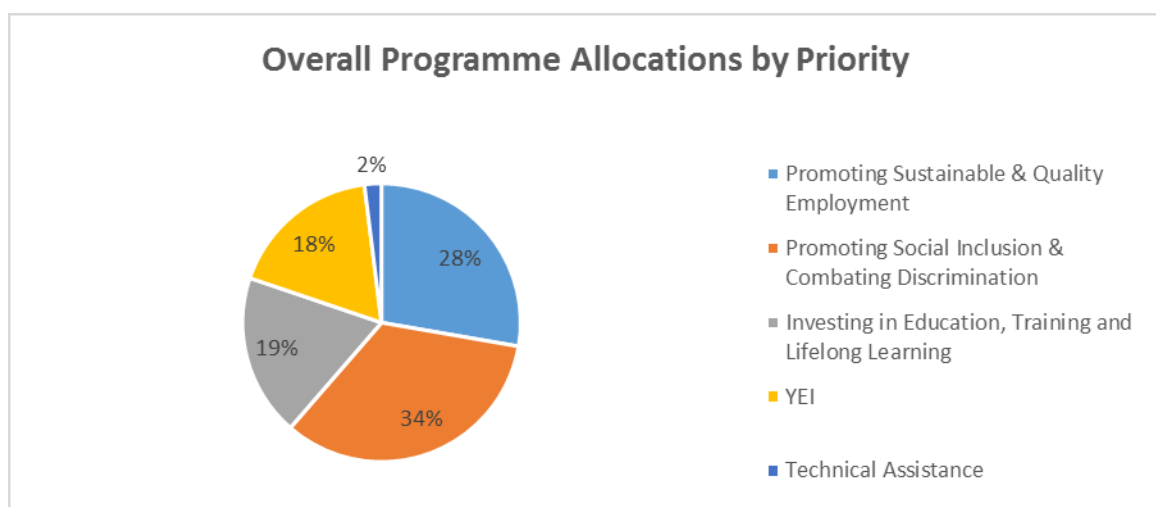
Figure No 1 – Overall OP Allocation by Regional Split



Funding Priority Axes

The OP allocations comply with the EU Regulatory Requirement (Art 4 - CPR EU Reg 1304/2013) that at least 80% of the ESF allocation is concentrated on up to 5 of the investment priorities set out in that Regulation. Article 4 (2) of Regulation 1304/2013 [the ESF Regulation] requires that at least 20% of the ESF allocation (excluding the YEI – Art 17) must be devoted to the thematic objective of promoting social inclusion, combating poverty and any discrimination. Within the PEIL, Priority 2, Promoting Social Inclusion and Combating Discrimination in the Labour Market, has an overall allocation of €387.616m. This equates to 36% of the ESF allocation and 34% of the total overall Programme allocation. The distribution of the overall OP allocations across the priorities is set out in Figure No 2 below.

Figure No 2 – Distribution of Overall Programme Allocation by Priority



The following table shows the breakdown of the funding for each of the Priorities and for the Activities within each Priority by ESF, Exchequer and YEI funding.

Table No 2 – OP Allocations by Priority/Activity under PEIL 2014-2020

	PEIL 2014-2020	AIP No.	ESF	YEI	Exchequer	TOTAL
Priority			2014-2020	2014-2015	2014-2020	
			€m	€m	€m	€m
1	ETB Training for the Unemployed	ESF 1.1	122.851		122.851	245.702
1	Springboard	ESF 1.2	20.797		20.797	41.594
1	ICT Skills Conversion Course	ESF 1.3	4.203		4.203	8.407
1	Momentum	ESF 1.4	13.333		13.333	26.667
1	Intra EU mobility	ESF 1.5	1.35		1.35	2.7
1	Transnational	ESF 1.6	0.25		0.25	0.5
	PRIORITY TOTAL:		162.785		162.785	325.570
2	Social Inclusion and Community Activation Progr	ESF 2.1	15		15	30
2	Youthreach	ESF 2.2	119.316		119.316	238.632
2	Garda Youth Diversion Projects (GYDPs)	ESF 2.3	37.564		37.564	75.127
2	Young Persons Probation (YPP) projects	ESF 2.4	5.82		5.82	11.64
2	Social inclusion of Prisoners/Ex-offenders	ESF 2.5	-		-	-
2	Disability Project	ESF 2.6	5		5	10
2	Transnational	ESF 2.11	0.25		0.25	0.5
2	Integration and employment of Migrants	ESF 2.7	1.663		1.663	3.325
2	Tus Nua project	ESF 2.8	1.196		1.196	2.393
2	Gender Equality	ESF 2.9	5.5		5.5	11
2	Equality mainstreaming	ESF 2.10	2.5		2.5	5
	PRIORITY TOTAL:		193.808		193.808	387.616
3	Third Level Access	ESF 3.1	11.2		11.2	22.4
3	BTEI	ESF 3.2	50.47		50.47	100.94
3	Adult Literacy	ESF 3.3	45.779		45.779	91.558
3	Transnational	ESF 3.4	0.25		0.25	0.5
	PRIORITY TOTAL:		107.699		107.699	215.398
4	Back to Work Enterprise Allowance (BTWEA) Scheme	ESF 4.1	1.549	1.549	1.549	4.648
4	JobsPlus Incentive Scheme	ESF 4.2	2.664	2.664	2.664	7.992
4	Tus	ESF 4.3	11.782	11.782	11.782	35.347
4	JobBridge, the National Internship Scheme	ESF 4.4	19.08	19.08	19.08	57.24
4	Youthreach	ESF 4.5	26.625	26.625	26.625	79.876
4	Momentum	ESF 4.6	4.444	4.444	4.444	13.333
4	Social Inclusion and Community Activation Progr	ESF 4.7	2	2	2	6
	PRIORITY TOTAL:		68.145	68.145	68.145	204.436
5	Technical Assistance for the OP	ESF 5.1	10		10	20
	PRIORITY TOTAL:		10		10	20
	Total OP:		542.437	68.145	542.437	1153.018

Performance Reserve

Article 21 of the CPR (EU Reg 1303/2013) provides that the Commission, in co-operation with Member States (MS), will undertake a review of the OPs in 2019 with reference to the performance framework set out in each OP. This review will examine the achievement of the milestones of the Programme at the level of priorities based on the 2019 Annual Implementation Report. Article 22 provides that the Performance Reserve at OP level is set at 6%. At Priority level the performance reserve can be between 5-7% and in the Irish OP is set at 6.12%; 6.17% and 6.08% for Priority 1, Priority 2 and Priority 3 respectively. There is no performance reserve for the YEI or technical assistance priorities.

Where the milestones are not achieved the MS will propose a re-allocation of the corresponding amount of the reserve to the priorities that have achieved their milestones and the Commission will approve such amendments provided the requirements in Article 50 have been complied with in relation to the 2019 Annual Implementation Report. Where the failure to achieve the milestones relates to a clearly defined implementation weakness, which the Commission had raised with the MS and which the MS has failed to address, the Commission can suspend all or part of an interim payment of a priority of an OP until the necessary corrective action is taken.

At the end of the OP, where the Commission establishes a serious failure to achieve the performance framework milestones due to clearly identified implementation weaknesses which have been raised with the MS and not addressed by the MS, the Commission can apply financial corrections. However such corrections will not be applied where the failure to achieve targets is due to the impact of socio-economic or environmental factors, or changes in conditions or due to force majeure reasons. The Commission must also take account of the principle of proportionality, the absorption level and any external factors relating to the failures to achieve targets when applying financial corrections. Ireland's performance targets in 2023 and the milestones for 2018 are set out in the following table.

Table No 3 Ireland's Performance Reserve Targets and Milestones

Priority Axis	2023 Targets		2018 Milestones	
	Expenditure	Participants	Expenditure	Participants
Priority 1	€322,369,58	132,890	€97,033,740	98,354
Priority 2	€364,072,600	72,590	€14,368,000	43,494
Priority 3	€214,897,149	711,896	€48,368,580	490,954

N+3 Rule

Article 136 of the CPR (EU Reg 1303/2013) provides that the Commission will decommit any part of the amount in an OP that hasn't been used for payment of initial and annual pre-financing and interim payments by 31 December of the 3rd year following the year of budget commitment under the OP or for which a payment application has not been submitted. As Ireland's OP was approved in 2015, the budget commitments for 2014 fall to 2015. Having regard to the commitments made for 2014 and 2015, Ireland must submit payment applications in respect of **€362,909,411** by end 2018 to avoid any decommitment. Of this amount, **€204,436,257** must relate to YEI activities under Priority 4.

YEI Pre-Financing

In order to mobilise faster YEI actions on the ground, the initial pre-financing of the YEI EU support was exceptionally increased to 30% in 2015. Accordingly Ireland has received €23.5m YEI pre-financing to date.

The Regulations providing for the exceptional increase specified that where a Member State did not submit an interim payment application by 23 May 2016 for at least 50% of the additional pre-financing amount, that the Member State must reimburse the Commission the total YEI pre-financing contribution. The ESF regulations provide that annual pre-financing for any year in which an interim payment application is not made in that year must also be reimbursed. As work on the designation of the relevant ESF authorities, including the provision of a national computerised accounting and information system for EU funds to meet the 2014-2020 functionality requirements is continuing, Ireland did not comply with the requirement to submit an interim YEI payment application by the due date. In accordance with the relevant Regulations, the €19.8m additional pre-financing received has been reimbursed to the Commission. However, it should be noted that the reimbursement of these amounts will not result in any loss of EU support, as the full YEI allocation of €68m to Ireland will still be available for drawdown before year-end 2018 and it is expected that this funding will be fully drawn down. Furthermore, as the activities concerned are fully funded up-front by the Exchequer there is no resulting reduction or delay in the funding available to those activities.

Progress under the PEIL

As can be seen from the following table, most activities have commenced under the PEIL.

Table No 3 Activity Status

Priority 1	ETB Training for the Unemployed	Commenced 2014
	Springboard	Commenced 2015
	ICT Skills Conversion Course	Commenced 2015
	Momentum	Commenced 2014
	EU Intra mobility	Commenced 2015
	Transnational	Not commenced yet
Priority 2	Social Inclusion and Activation Programme (SICAP)	Will commence after YEI
	Youthreach	Will commence after YEI
	Garda Youth Diversion Projects (GYDPs)	Commenced 2015
	Young Persons Probation (YPP) projects	Commenced 2015
	Social inclusion of Prisoners/Ex-offenders	To be Withdrawn
	Disability Project	Not commenced yet
	Transnational	Not commenced yet
	Integration and employment of Migrants	Call for Proposals Issued
	Tus Nua project	Commenced 2015
	Gender Equality	Call for Proposals Issued
	Equality mainstreaming	Not commenced yet
Priority 3	Third Level Access	Commenced 2014
	BTEI	Commenced 2014
	Adult Literacy	Commenced 2014
	Transnational	Not commenced yet
Priority 4	Back to Work Enterprise Allowance (BTWEA) Scheme	Commenced 2015
	JobsPlus Incentive Scheme	Commenced 2015
	Tus	Commenced 2015
	JobBridge, the National Internship Scheme	Commenced 2015
	Youthreach	Commenced 2014
	Social Inclusion and Activation Programme (SICAP)	Commenced 2015
	Momentum	Commenced 2014
Priority 5	Technical Assistance	Commenced 2014

Overall Financial Progress

This Summary Report outlines the expenditure under PEIL 2014 – 2020 for the first 3 years of the OP, 2014-2016. Table No 4 overleaf shows the combined allocations for each of the Priorities for the first three years of the Programme together with the forecasted expenditure to end 2016.

Table No 4 Financial Progress at Priority Level 2014-2016

PEIL 2014-2020	Allocations 2014-2016	Forecast Expenditure to end 2016
Priority 1 Promoting Sustainable and Quality Employment	€137,565,934	€324,119,644
Priority 2 Promoting Social Inclusion and Combating Discrimination	€81,970,386	€28,309,804
Priority 3 Investing in Education, Training & Lifelong Learning	€82,007,626	€155,446,413
Priority 4 YEI	€204,436,257	€205,053,982
Priority 5 Technical Assistance	€8,751,426	€1,962,510
Overall OP	€514,731,629	€714,892,353

At OP level, the total forecasted expenditure reported for the Programme to end 2016 is some €715million compared with an allocation of €515 million. These figures must be taken as indicative at this stage, as the estimated expenditure may not all be converted into ESF claims and the basis may differ with the use of SCOs etc. As can be seen from this table and the more detailed table 5 overleaf, the expenditure progress varies across the priorities. On Priority 4, the YEI, it will be necessary to fully utilise 2016 expenditure to realise the allocations approved. This has knock-on effects on the expenditure on Priority 2 which is running below allocation. There is a large excess on Priority 1, largely attributable to the ETB Training for the Unemployed activity, which may not be fully utilised as expenditure under the OP.

Table No. 5: PEIL allocations and expenditure 2014-2016

PEIL 2014-2020	IB	AIP No.	Allocations for 2014 and 2015	Total Actual Expenditure for 2014 & 2015	Allocation 2016	Total Actual Expenditure Jan-June 2016	Forecast Dec 2016	July	Total approx expenditure for 2016	Total Allocations 2014-2016	Forecast expenditure to end 2016	Allocation 2017	Forecast 2017
PRIORITY 1													
ETB Training - Unemployed	SOLAS	ESF 1.1	€ 23,665,386	€ 133,402,332	€ 36,000,016	€ 46,946,042	€ 48,242,333	€ 95,188,375	€ 59,665,402	€ 228,590,707	€ 41,841,454	€ 95,188,375	
Springboard	HEA	ESF 1.2	€ 27,729,228	€ 45,224,008	€ 13,864,614	€ 10,812,044	€ 9,625,956	€ 20,438,000	€ 41,593,842	€ 65,662,008	€ -	€ -	
ICT Skills Conversion Course	HEA	ESF 1.3	€ 5,604,460	€ 9,793,378	€ 2,802,230	€ 2,346,264	€ 4,691,736	€ 7,038,000	€ 8,406,690	€ 16,831,378	€ -	€ -	
Momentum	SOLAS	ESF 1.4	€ 26,666,668	€ 8,684,000	€ -	€ 2,157,151	€ 1,400,000	€ 3,557,151	€ 26,666,668	€ 12,241,151	€ -	€ 1,000,000	
Intra EU mobility	DSP	ESF 1.5	€ 450,000	€ 344,400	€ 450,000	€ 188,627	€ 261,373	€ 450,000	€ 900,000	€ 794,400	€ 450,000	€ 450,000	
Transnational	DES	ESF 1.6	€ 166,666	€ -	€ 166,666	€ -	€ -	€ -	€ 333,332	€ -	€ 166,666	€ -	
Priority 1 Total			€ 84,282,408	€ 197,448,118	€ 53,283,526	€ 62,450,128	€ 64,221,398	€ 126,671,526	€ 137,565,934	€ 324,119,644	€ 42,458,120	€ 96,638,375	
PRIORITY 2													
SICAP	DECLG	ESF 2.1	€ -	€ -	€ 6,000,000	€ -	€ -	€ -	€ 6,000,000	€ -	€ 6,000,000	€ -	
Youthreach	SOLAS	ESF 2.2	€ -	€ -	€ 37,031,186	€ -	€ -	€ -	€ 37,031,186	€ -	€ 50,398,348	€ -	
Garda Youth Diversion Projects (GYDPs)	DJE	ESF 2.3	€ 11,905,096	€ 11,289,726	€ 11,815,432	€ 6,167,195	€ 6,551,711	€ 12,718,906	€ 23,720,528	€ 24,008,632	€ 12,400,426	€ 13,604,471	
Young Persons Probation (YPP) projects	DJE	ESF 2.4	€ 1,888,000	€ 1,805,456	€ 1,888,000	€ 902,728	€ 869,728	€ 1,772,456	€ 3,776,000	€ 3,577,912	€ 1,968,000	€ 1,888,000	
Disability Project	DSP	ESF 2.6	€ 2,857,140	€ -	€ 1,428,572	€ -	€ -	€ -	€ 4,285,712	€ -	€ 1,428,572	€ 2,000,000	
Transnational	DES	ESF 2.11	€ 166,666	€ -	€ 166,666	€ -	€ -	€ -	€ 333,332	€ -	€ 166,668	€ -	
Sub Priority total:			€ 16,816,902	€ 13,095,182	€ 58,329,856	€ 7,069,923	€ 7,421,439	€ 14,491,362	€ 75,146,758	€ 27,586,544	€ 72,362,014	€ 17,492,471	
Integration / employ Migrants	DJE	ESF 2.7	€ 900,000	€ -	€ 475,000	€ -	€ -	€ -	€ 1,375,000	€ -	€ 475,000	€ 825,000	
Tus Nua project	DJE	ESF 2.8	€ 390,982	€ 395,260	€ 390,982	€ 164,000	€ 164,000	€ 328,000	€ 781,964	€ 723,260	€ 402,730	€ 390,982	
Gender Equality	DJE	ESF 2.9	€ 1,000,000	€ -	€ 2,000,000	€ -	€ -	€ -	€ 3,000,000	€ -	€ 2,000,000	€ 1,833,333	
Equality mainstreaming	IHREC	ESF 2.10	€ 833,332	€ -	€ 833,332	€ -	€ -	€ -	€ 1,666,664	€ -	€ 833,332	€ -	
Sub Priority total:			€ 3,124,314	€ 395,260	€ 3,699,314	€ 164,000	€ 164,000	€ 328,000	€ 6,823,628	€ 723,260	€ 3,711,062	€ 3,049,315	
Priority Totals			€ 19,941,216	€ 13,490,442	€ 62,029,170	€ 7,233,923	€ 7,585,439	€ 14,819,362	€ 81,970,386	€ 28,309,804	€ 76,073,076	€ 20,541,786	
PRIORITY 3													
Third Level Access	HEA	ESF 3.1	€ 6,400,000	€ 22,329,368	€ 3,200,000	€ 7,005,810	€ 7,428,484	€ 14,434,294	€ 9,600,000	€ 36,763,662	€ 3,200,000	€ -	
Sub Priority total:			€ 6,400,000	€ 22,329,368	€ 3,200,000	€ 7,005,810	€ 7,428,484	€ 14,434,294	€ 9,600,000	€ 36,763,662	€ 3,200,000	€ -	
BTEI	SOLAS	ESF 3.2	€ 21,840,000	€ 33,487,609	€ 15,820,000	€ 11,887,545	€ 12,505,355	€ 24,392,900	€ 37,660,000	€ 57,880,509	€ 15,820,000	€ 24,392,900	
Adult Literacy	SOLAS	ESF 3.3	€ 20,128,580	€ 35,852,844	€ 14,285,714	€ 12,300,897	€ 12,648,501	€ 24,949,398	€ 34,414,294	€ 60,802,242	€ 14,285,714	€ 24,949,398	
Transnational	DES	ESF 3.4	€ 166,666	€ -	€ 166,666	€ -	€ -	€ -	€ 333,332	€ -	€ 166,668	€ -	
Sub Priority total:			€ 42,135,246	€ 69,340,453	€ 30,272,380	€ 24,188,442	€ 25,153,856	€ 49,342,298	€ 72,407,626	€ 118,682,751	€ 30,272,382	€ 49,342,298	
Priority Totals			€ 48,535,246	€ 91,669,821	€ 33,472,380	€ 31,194,252	€ 32,582,340	€ 63,776,592	€ 82,007,626	€ 155,446,413	€ 33,472,382	€ 49,342,298	
Priority 4													
(BTWEA) Scheme	DSP	ESF 4.1	€ 4,647,870	€ 248,000	€ -	€ 472,317	€ 472,317	€ 944,634	€ 4,647,870	€ 1,192,634	€ -	€ 900,000	
JobsPlus Incentive Scheme	DSP	ESF 4.2	€ 7,992,000	€ 750,000	€ -	€ 810,000	€ 800,000	€ 1,610,000	€ 7,992,000	€ 2,360,000	€ -	€ 1,700,000	
Tus	DSP	ESF 4.3	€ 35,346,480	€ 3,935,000	€ -	€ 5,926,752	€ 5,926,752	€ 11,853,504	€ 35,346,480	€ 15,788,504	€ -	€ 11,853,504	
JobBridge	DSP	ESF 4.4	€ 57,240,309	€ 5,720,000	€ -	€ 3,506,648	€ 3,506,648	€ 7,013,296	€ 57,240,309	€ 12,733,296	€ -	€ 3,000,000	
Youthreach	SOLAS	ESF 4.5	€ 79,876,341	€ 96,815,935	€ -	€ 33,110,138	€ 33,441,878	€ 66,552,016	€ 79,876,341	€ 163,367,951	€ -	€ 66,552,015	
Momentum	SOLAS	ESF 4.6	€ 13,333,257	€ 3,675,800	€ -	€ 961,437	€ 700,000	€ 1,661,437	€ 13,333,257	€ 5,337,237	€ -	€ -	
SICAP	DECLG	ESF 4.7	€ 6,000,000	€ 2,801,019	€ -	€ 1,769,320	€ 2,079,859	€ 3,849,179	€ 6,000,000	€ 6,650,198	€ -	€ -	
Priority Totals			€ 204,436,257	€ 113,945,754	€ -	€ 46,556,612	€ 46,927,454	€ 93,484,066	€ 204,436,257	€ 207,429,820	€ -	€ 84,005,519	
Priority 5													
Technical assistance for OP	DES	ESF 5.1	€ 5,714,284	€ 1,110,403	€ 3,037,142	€ 326,107	€ 526,000	€ 852,107	€ 8,751,426	€ 1,962,510	€ 2,857,142	€ 1,600,000	
Priority Totals			€ 5,714,284	€ 1,110,403	€ 3,037,142	€ 326,107	€ 526,000	€ 852,107	€ 8,751,426	€ 1,962,510	€ 2,857,142	€ 1,600,000	
Total OP:			€ 362,909,411	€ 417,664,538	€ 151,822,218	€ 147,761,022	€ 151,842,631	€ 299,603,653	€ 514,731,629	€ 717,268,191	€ 154,860,720	€ 252,127,978	

Regional Split

The split between the forecasted expenditure of €717 million to end 2016 across the BMW and S&E regions is 14%: 86%, compared to a target 39%:61%.

The reason for the greater spend in the S&E region is due to some expenditure on activities during 2014 and 2015 being con-financed under the 2007-2013 HCIOP and the 39%:61% balance will be achieved over the lifetime of the OP.

Summary

Most activities have commenced and those outstanding will be progressed at the earliest opportunity. The PMC agreement to the re-allocation of the amounts proposed for the Social Inclusion of Prisoners/Ex-Offenders (€1.163m ESF) is being sought as this activity is being withdrawn from the OP.

While the expenditure returns indicate excess expenditure at OP level, these returns are indicative at best at this stage.

The EGFMA is actively pursuing the designation of the authorities for the OP and expects to be in a position to make an initial claim under PEIL during 2017. We will be in a better position to assess the extent of eligible expenditure once a claim has been made.

The appropriate balance between the BMW and S&E regions can be achieved over the lifetime of the OP.