

PMC Meeting 29 September 2020

Agenda Item 7: Programming for 2021-27

Update on Negotiations

On 21 July 2020, the European Council reached agreement on the EU's long-term budget, the Multiannual Financial Framework (MFF) for 2021-2027. The total agreed budget for ESF+ at EU level is €88b (in 2018 prices). Ireland's updated ESF+ allocation, based on the parameters of the European Council conclusions, is €451m in 2018 prices. This is a reduction of 12% from Ireland's initial indicative allocation of €514m under the original Commission proposal.

The Common Provisions Regulation (CPR) and the ESF+ Regulation will provide the legislative framework for ESF+ in the next round. Negotiations on the regulations are ongoing since September 2018, with the European Council and European Parliament adopting their mandates on various aspects of the proposals.

On 18 December 2019, the Council and Parliament reached a Provisional Common Understanding on 3 key blocks of the CPR:

- a) Programming
- b) Enabling Conditions and performance
- c) Management and Control

On 14 January 2020, as part of the European Green Deal the European Commission adopted a proposal for a regulation to create the Just Transition Fund (JTF), which will focus on supporting EU regions most affected by the transition to a low carbon economy. The Fund is embedded within the Cohesion Policy framework and requires amendments to the CPR. The proposals, still under negotiation, envisage that Member State JTF allocations may be complemented by transfers from ERDF and ESF+ as well as national co-financing. The scope of support includes upskilling and reskilling of workers and job search assistance to jobseekers.

On 28 May 2020, the European Commission proposed further revisions to the Cohesion package regulations as part of its Coronavirus recovery plan. Additional funding for existing programmes through the REACT EU initiative will seek to address the short to medium-term recovery, while 2021-2027 programmes will focus on the longer-term needs. The proposed amendments to the regulations also allow for increased flexibility for transfers between Funds and for crisis response measures.

Discussions are currently ongoing on how to transpose relevant elements of the European Council conclusions from July 2020 to the regulations. Negotiations between the European

Council and Parliament are also continuing with a view to finalising agreement on the remaining aspects of the Cohesion package regulations in the coming months.

Planning for Next Round

A number of key steps have taken place thus far in preparation for programming of ESF+:

Partnership Process Steering Group

A Partnership Process Steering Group (PPSG) has been established to assist and advise the programming authorities throughout the development process for the Partnership Agreement and programmes for the period 2021 – 2027.

The PPSG is chaired jointly by the Department of Public Expenditure and Reform, Member State Authority for Ireland with overall responsibility for EU Cohesion Policy, and the ESF Managing Authority. The PPSG includes representatives from the economic and social partners; relevant bodies representing civil society; environmental partners; non-governmental organisations; bodies promoting social inclusion; gender equality and non-discrimination and accountable departments. The PPSG has met four times since January 2020.

Needs Analysis

A Needs Analysis was conducted to provide the evidence base which will underpin the development of the Partnership Agreement and ESF+ and ERDF programmes. Indecon Economic Consultants were selected to complete the Needs Analysis following a competitive tendering process. Their work included a review of the EU and national policy context, research on the baseline situation in relevant policy areas and a targeted stakeholder consultation process, with Indecon receiving 36 submissions from a variety of relevant organisations.

Indecon produced their final report in July 2020 which identifies ten key needs, five of which are particularly relevant to ESF+:

1. Investments to address the scale of regional disparities.
2. Measures to support an increase in R&D expenditure.
3. Supports to increase collaboration between industry and HE sector.
4. Measures to promote Smart Regions/Innovation Districts.
5. Initiatives to ensure significant progress on Climate Action.
6. **Labour market and sectoral initiatives to respond to the impact of COVID-19.**
7. **Initiatives to address access to employment for underrepresented groups.**
8. **Programmes to improve skill enhancement and lifelong learning.**
9. **Supports to improve the quality, supply and affordability of childcare.**
10. **Supports to assist individuals at risk of poverty, including children.**

Consultation Process

A consultation process is also ongoing to ensure that programming is informed by a wide range of viewpoints and in line with the partnership principle. A consultation working group has been established within the PPSG to oversee this process for the Partnership Agreement and ESF+ and ERDF Programmes. The ESF MA is represented on this group along with the Department of Public Expenditure and Reform and the three Regional Assemblies.

On 27 July, the Minister for Public Expenditure and Reform Michael McGrath TD and Minister for Further and Higher Education, Research, Innovation and Science Simon Harris TD launched an online consultation workshop with 114 registered attendees. Following presentations on the EU proposals and Needs Analysis in the morning, breakout sessions provided an opportunity for interested stakeholders and members of the public to share their views on priorities for the next round.

In addition, an online questionnaire, prepared by the consultation working group, was launched to the public on 15 July. The closing date for submission was Friday, 4 July. The survey sought views on the most pressing needs for the Funds to address and on how to improve delivery. Over 100 submissions were received which will be published on the consultation website (www.esif.ie) and summarised in a consultation report.

There will be a further opportunity for interested parties to comment on the draft Partnership Agreement and programmes once mature drafts of these documents are available.