

EUROPEAN COMMISSION  
Employment, Social Affairs and Equal Opportunities DG  
European Globalisation Adjustment Fund

EGF

## Application for a contribution from the European Globalisation Adjustment Fund (EGF)<sup>1</sup>

*Note: Applicants should refer to the Guidance for the Submission of Applications to the EGF*

Applications should be submitted formally in writing by the competent authority of the Member State to:

The Director General  
Directorate General for Employment, Social Affairs and Equal Opportunities  
European Commission  
B-1049 Brussels  
Belgium

In addition, and in the interests of efficient treatment of the application by the European Commission, applicants are invited to submit a copy of the application by e-mail to:

[EMPL-EGF-Applications@ec.europa.eu](mailto:EMPL-EGF-Applications@ec.europa.eu)

All sections of this application procedure should be completed, making explicit reference to the section numbering below.

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<sup>1</sup> Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund, Official Journal of the European Union L 406, 30/12/2006, p. 1.

**Section A – Applicant**

A.1 Name of Member State:	IRELAND
A.2 Details of the authority responsible for management and financial control of the proposed contribution from the EGF.	Name: Department of Education & Skills Address: Davitt House, Marlboro St, Dublin 1, Ireland Function of the authority: National responsibility for skills development policy and funding
A.3 Contact details of the official(s) of the authority specified in section A.2 with responsibility for the implementation of the proposed actions, including	Name: Pat Hayden, John McDermott Address: Employment and Training Strategy Unit, Department of Education & Skills, Marlboro St, Dublin 1, Ireland. Function: Principal Officer/Assistant Principal Officer Telephone: 353+1+8892087/8896707 Fax: 353+1+8896477 e-mail: Pat.Hayden@education.gov.ie john.mcdermott@education.gov.ie
A.4 Financial details of the authority submitting the application, submitted via a completed Financial Identification form to be annexed to the application. The form can be downloaded in all languages from: <a href="http://ec.europa.eu/budget/execution/ftiers_en.htm">http://ec.europa.eu/budget/execution/ftiers_en.htm</a>	<u>Annex:</u> completed Financial Identification form
A.5 If this application is linked to an application introduced, or planned to be introduced, by another Member State in respect of the same serious economic disruption, please indicate this fact by ticking the box below and insert the details of the joint application	
No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>
Name of Member State:	IRELAND

## **Section B – Analysis of the context of the redundancies**

**Note:** Section B.1.a should be completed if the application is based upon major structural changes in world trade patterns.

Section B.1.b should be completed if the application is based upon the global financial and economic crisis (for applications submitted before 31 December 2011 only)

**B.1a** Please provide a reasoned analysis of the link between the planned or actual redundancies and the major structural changes in world trade patterns. Relevant statistics and data, at the most appropriate geographical and sectoral level, should be provided to support the contention that the redundancies are connected to major structural changes in world trade patterns due to globalisation. In particular, clear evidence needs to be provided to demonstrate that the redundancies follow factors such as a substantial increase of imports into the EU, a rapid decline of the EU world market share in a given sector, or a delocalisation to third countries,

**B.1b** Please provide a reasoned analysis of the link between the planned or actual redundancies and the global financial and economic crisis. This analysis must establish a direct and demonstrable link between the redundancies and the financial and economic crisis.

### **Economic Context**

The international context for the deterioration in global economic conditions can be traced to a sector-specific collapse in the market for US sub-prime mortgage debt in mid-2007. There followed contagion to the wider financial markets, triggering a global credit shock, which intensified following the collapse of Lehman Brothers in September 2008. This ‘credit crunch’ affected the real economy growth prospects of Irish major export partners, with the world economy experiencing its first contraction in the post-war period.

As a small open, trade-orientated economy, our export performance was badly affected in this way. The global economic and financial crisis impacted upon the domestic residential and commercial property sectors through a severe weakening in the demand channel.

### **Construction Sector Shock**

On the domestic front, the output shock in the residential construction sector contracted 3 percentage points from GDP in 2008 and 2009. As a labour-intensive sector, employment in construction fell sharply and unemployment assumed an upward momentum. The share of those in employment accounted for by the construction sector declined from 12.25% in Q4 2007 to 6.25% by Q3 2010.

### **Increased Reliance on Housing Investment**

From 2000 onwards, domestic demand became the main driver of economic activity in the Irish economy. Financial sector liberalisation and a low interest rate environment in the Euro area drove both increased investment and consumption. This was reflected in rising asset (property) prices and a growing share of building and construction in economic activity, peaking at over 21 per cent of GDP in 2006. The ratio of housing investment-to-GDP peaked at 11% of GDP in 2006 compared with a long-run EU housing investment-to-GDP average of around 6% of GDP. This over-investment in construction led to over-heating in the domestic economy, an increase in the cost base and an erosion of Ireland’s competitiveness.

### **Recapitalisation of the banking system**

Due to its serious structural problems, it was necessary to recapitalize the national banking system

in early 2009 and create the National Assets Management Agency (NAMA) whose role is to buy the riskiest land and development loans from participating banks at a significant discount, manage these loans and make the banks more secure for depositors and investors. Despite these measures, however, the liquid assets of banks remained affected. Consequently, bank lending conditions remain significantly affected and access to credit for many viable SMEs with otherwise manageable levels of debt has been constrained.

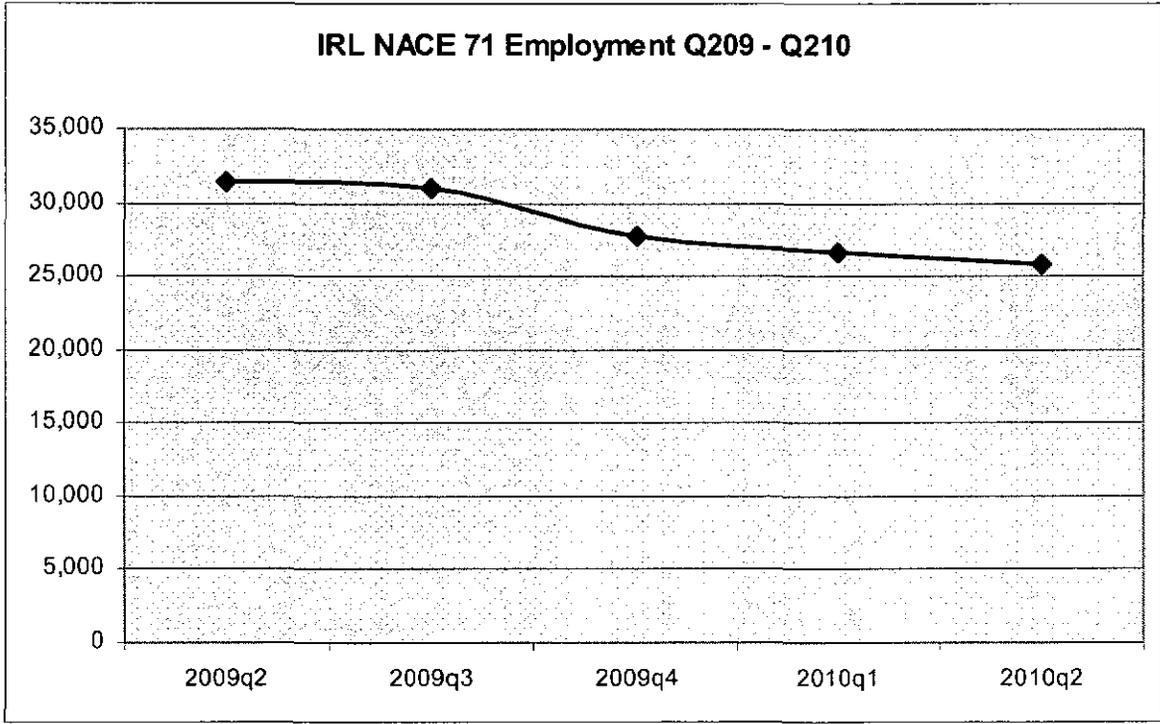
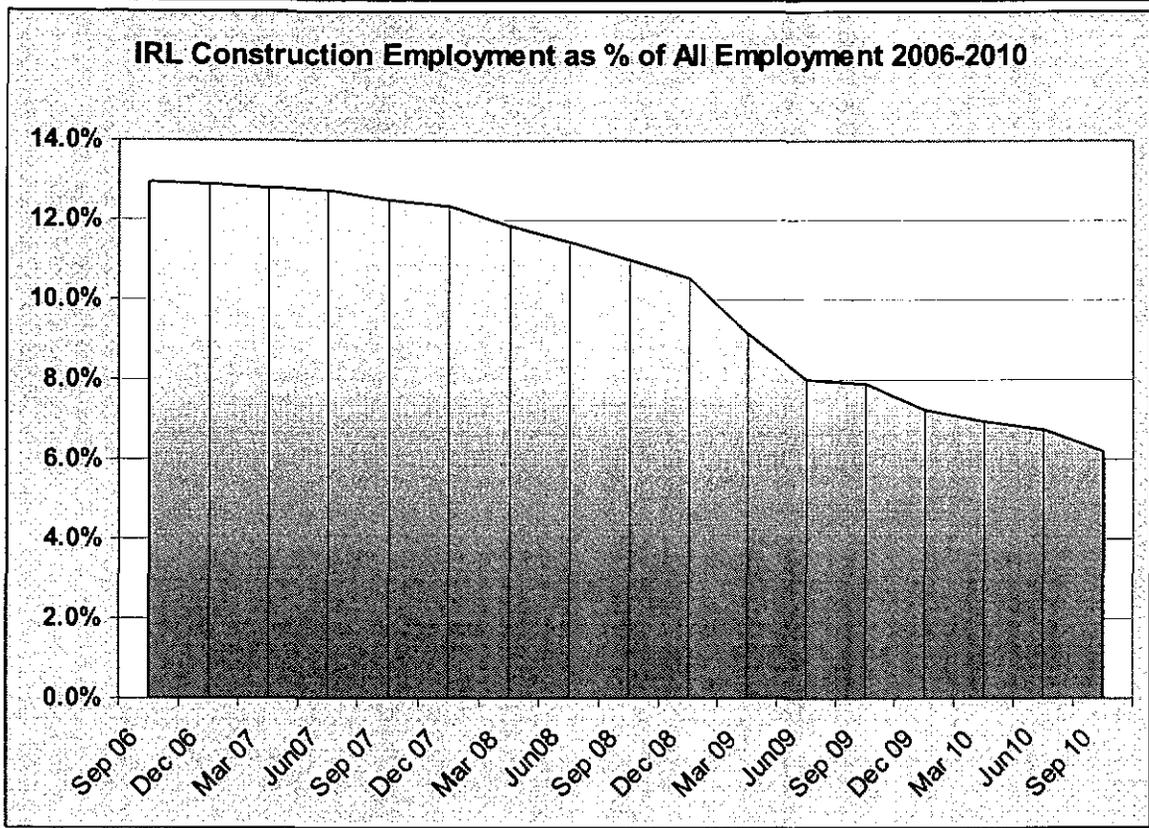
### **Impact on the public finances**

The decline in economic activity has impacted significantly on the public finances and tax revenues in particular. The strength of the Euro severely hit companies, particularly those exporting to the U.K. Significant consolidation measures – primarily expenditure reducing – have been introduced since mid-2008 to address the large public finance deficit. Capital expenditure has been reduced but is forecast to amount to some €4.7 billion (or over 3.25% of GNP) in 2011, a significant level of investment in the current environment. The reduction in the level of capital expenditure must be seen in the context of significant reductions in tender prices which mean it is now cheaper to deliver capital projects and the strong focus on infrastructural development over the past decade which succeeded in addressing many of the deficits in this area which had previously characterized the Irish economy. Corrective forces are now in action reducing property prices, though this has stymied the market (and its concomitant possibility for new construction activity and therefore employment) as prospective buyers seek to wait until the market bottoms out. The reduction in the stamp duty rate for the transfer of residential property should assist in stimulating activity in the residential property market again.

Overall, increasing consumer debt, particularly related to high mortgage burdens, higher levels of unemployment and lower levels of tax receipts, are all indicative of a lack of liquidity in the market which has resulted in lower demand for residential and commercial property which has had a direct link on redundancies in the construction sector.

### **Effect on Employment**

The construction sector in Ireland reached its peak employment level of 13.0% of the overall workforce (268,600 of 2,071,900) at end Q3 2006. As a combined result of the factors described above, it declined steadily until end Q4 2008 when the accumulating effects of the global economic and financial crisis contributed to the sharp decline in employment from 10.5% of all employment at Q4 2008 to just 9.2% at Q1 2009. The downward trajectory continued during the EGF reference period to 6.9% at the end of Q1 2010 and stood at 6.2% at Q3 2010. The effect on employment in the overall construction sector 2006-2010 and on employment in NACE sub-sector 71 Q2 2009-Q2 2010 is illustrated below:



Following a decade of low unemployment (4%-6%) the unemployment rate in construction increased over six fold between Q2 of 2007 and Q2 of 2009. In mid-2009 one in three construction workers were unemployed. This compares to the overall national unemployment rate at that time of 12.4%.

In terms of construction sub-sectors, in Q4 of 2009 the greatest absolute unemployment levels were observed in the construction of buildings and specialised construction subsectors. In Q2 of 2009

unemployment rates in these subsectors was almost 40%.

Whilst details of the losses in revenue losses of the 234 enterprises making the 841 workers redundant during the reference period are not available, the severe effect of the global economic crisis is attested by the fact that many of the redundancies were due to the effective closure of the enterprise for reasons cited such as liquidation and insolvency.

**B.2 Describe and explain how these redundancies were unforeseen.**

What had started as an economic crisis in mortgage lending to the US sub-prime market circa 2007 became a full-blown global financial crisis in September 2008 with the collapse of US bank Lehmann Brothers. This event precipitated the credit crunch and sparked off the global financial crisis. The cataclysmic extent and impact of the global economic and financial crisis was unforeseen by Governments, financial institutions and commentators worldwide.

**B.3 Describe the expected impact of the redundancies as regards local, regional or national employment, including statistical and other information as necessary.**

Following a sharp contraction in construction activity in Ireland in 2008, employment in the construction sector continued to decline in 2009 and 2010. OECD Labour Force Statistics (MEI) statistics show that Ireland suffered a decrease in employment in the construction industry of 19% in the period from quarter 3 2009 to quarter 1 2010, the largest decrease in employment in that sector for any OECD country <sup>2</sup>.

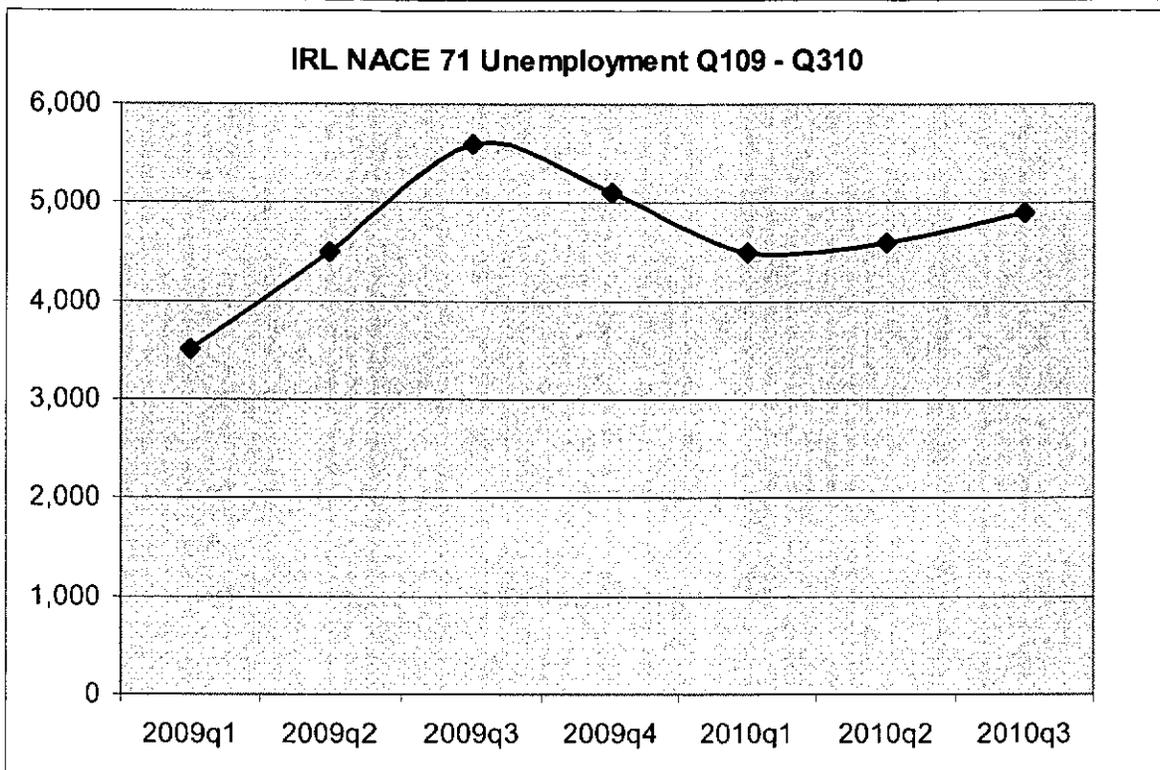
Overall employment in the construction industry (all NACE sectors) as a share of all national employment fell from 12.8% at end quarter 2 2007 to 6.9% at end quarter 1 2010<sup>3</sup>. NACE 2 sector 41 employment fell by 11,900 (16.6%) between end Q2 2009 and end Q1 2010.

At the end of Q1 of 2010, the unemployment rate for all workers in the NACE 41 sector was 39.9%, over three times the national unemployment rate of 12.9%.

Unemployment for NACE sector 71 rose to 5,600 at end Q3 and having reduced in early 2010, rose quickly again reaching 4,900 at end Q3 of 2010.

<sup>2</sup> OECD Labour Force Statistics (MEI), Q1, 2010

<sup>3</sup> CSO Quarterly National Household Survey Q1, 2010



81.25% of the former employers of the affected population were based in the NUTS II South and Eastern Region, in which the two largest cities of Dublin and Cork are located. While this may suggest that the other NUTS II region (Border Midlands West) are less impacted on, short commuting times and distances, preparedness of workers to travel, and greater preponderance of construction projects in urban centres would suggest that workers resident in the BMW region migrate or commute daily to employers based in the S&E region for work.

In recent years, the construction industry has generated in excess of 8% to GDP, well above the average of 4-6% for OECD countries. The reduction in demand for construction services and consequent redundancies have obvious negative impacts in terms of loss of direct wage income, loss in exchequer receipts through income and corporation taxes, increase in social welfare expenditure on the newly unemployed, reduction in demand for goods and services from suppliers to the industry including the important self-contractor cohort, less investment and/or hiring of new machinery and equipment. In addition, the loss of secondary consumption-related expenditure of former construction workers will have a wider impact on all sectors of the economy.

For the affected workers excluding apprentices included on EGF applications for NACE 2 sectors 41 43 and 71, it has been estimated that the direct loss in payroll wages is €210 million per annum. In December 2010 of the affected workers on the EGF application for NACE 2 sectors 41 and sectors 43 and 71, 70.18% were still in receipt of a social welfare payment.

Re-employment opportunities in the construction sector appear extremely unlikely due to the oversupply of housing and commercial property, and sharp reduction of state and private investment in capital projects. At the end of 2009 residential construction output was back to levels last seen in 1994. Data from the CSO shows that the volume of output in building and construction decreased by 32% in the period quarter 3 2009 to quarter 1 2010. Construction activities are not projected to recover to pre-recession levels in the medium term.

While opportunities in emerging sectors such as green technologies and repair and maintenance activities may appear, this will be insufficient to absorb the workers affected by this application and indeed the overall huge numbers of other unemployed construction workers. With the real risk of long term structural unemployment, there is an increased need for construction workers to retrain or upskill in order to avoid a further distancing from the labour market.

**Section C – the event triggering the application**

C.1 Please indicate which of the three intervention criteria specified in Article 2 of Regulation 1927/2006 this application is based upon:	Criterion (a) <input type="checkbox"/>
	Criterion (b) <input checked="" type="checkbox"/>
	Criterion (c) <input type="checkbox"/>
<b>Only the section below which corresponds to the selected intervention criterion should be completed.</b>	

**Note:** For each dismissing enterprise listed in sections C.2, C.3 or C.4 below the Member State shall specify how the redundancies are being counted. Either;

**Method 1:** the redundancy shall be counted from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker, or

**Method 2:** the redundancy shall be counted from the date of the de facto termination of a contract of employment before its expiry, or

**Method 3:** the redundancy shall be counted from the date on which the employer, in conformity with the provisions of Article 3, paragraph (1) of Council Directive 98/59/EC, notifies the competent public authority in writing of the projected collective redundancies; in this case, the applicant Member State(s) shall provide the Commission with additional information on the actual number of redundancies effected according to points (a), (b) or (c), and the estimated costs of the coordinated package of personalised services, prior to the completion of the assessment provided for in Article 10 of this Regulation.

<b>C.2 If this application is made pursuant to Intervention Criterion (a), please indicate;</b>		
C.2.1 The date(s) from which the redundancy shall be counted.		
Four month period of reference		
Cumulative number of redundancies during the four month period of reference		
C.2.2 The name of the enterprises affected:	C.2.3 The number of redundancies occurring	C.2.4 Method of counting the redundancies <i>(see note above)</i>
Primary enterprise		
[name]		
Firms in the Member State that supply, or are supplied by, the primary enterprise. (Please start a new row for each firm)		
[name]		
Total redundancies		

Or;

<b>C.3 If this application is made pursuant to Intervention Criterion (b), please indicate;</b>				
C.3.1 The date(s) from which the redundancy shall be counted.				
Nine month period of reference			1/7/2009-31/3/2010	
Cumulative number of redundancies during the nine month period of reference			841	
NACE 2 Division			71	
C.3.2 The names of the Enterprises affected: (Please start a new row for each firm)	C.3.3 NUTS II region	C.3.4 The number of redundancies occurring	C.3.5 Method of counting the redundancies (see note above)	
See Annex 1 list of 42 Enterprises	IE01	85	Method 1	
See Annex 2 list of 192 Enterprises	IE02	758	Method 1	
Total redundancies		841		

Or;

<b>C.4 If this application is made pursuant to Intervention Criterion (c), please indicate;</b>				
C.4.1 The date(s) from which the redundancy shall be counted.				
Date of first individual notification concerned by this application				
Cumulative number of formal notifications to individual workers at the date of application				
Indicative timetable of redundancies				
C.4.2 The names of the Enterprises affected: (Please start a new row for each firm)	C.4.3 NACE 2 Division	C.4.4 NUTS II region	C.4.5 The number of redundancies occurring	C.4.5 Method of counting the redundancies (see note above)
[name]				
Total redundancies				

C.4.6 Please specify which of the principal criteria (Article 2(a) or (b)) this application approximates to, but does not entirely meet:	Criterion (a) <input type="checkbox"/>
	Criterion (b) <input type="checkbox"/>
C.4.7 If the application is being made in respect of exceptional circumstances, please describe these circumstances. In particular, describe the impact on employment and the local economy in the affected regions. Applicants must substantiate an application under this criterion by supplying sufficient detailed information to allow the Commission to assess whether the exceptional circumstances are of a nature that justifies a contribution from the EGF.	
C.4.8 If the application is being made in respect of a 'small labour market', please provide justification of the definition of a small labour market. Applicants must substantiate an application under this criterion by supplying sufficient detailed information to allow the Commission to assess whether the particularities of the labour market concerned are sufficient to justify a contribution from the EGF.	

**Section D – the categories of workers affected by the redundancies, and targeted by the proposed actions**

<p>D.1 Describe the categories of workers <u>affected by the redundancies</u>, including, where relevant:</p> <ul style="list-style-type: none"> <li>– those in upstream and downstream enterprises, and,</li> <li>– those made redundant before or after the period provided for in Article 2(a) or in Article 2(c), in cases where an application under the latter derogates from the criteria set out in Article 2 (a), provided that the redundancies occurred after the general announcement of the projected redundancies and a clear functional link can be established with the event which triggered the redundancies during the reference period.</li> </ul> <p>If possible, this description should use the International Standard Classification of Occupations (ISCO-88), 'major group' headings.</p> <p>Characteristics as regards gender, nationality, age or any other relevant personal attributes should also be mentioned.</p>		<p>D.2 Describe the categories of workers <u>targeted for assistance</u> under this application, including, where relevant, those in upstream and downstream enterprises.</p>	
<b>Description</b>		<b>No.</b>	<b>No.</b>
Categories (add a new row for each separate category)	To be provided shortly as agreed with the Commission on 11 February 2011		
Gender	Men	583	384
	Women	258	170
Nationality	EU Citizen	841	554
	Non-EU citizen	0	0
Age *	15 - 24	8	5
	25 - 54	773	509
	55 - 64	50	33
	65 +	10	7
Workers with a longstanding health problem or disability		0	0

\* Age based on age on date of submission of EGF application ie 9 June 2010

D.4 The applicant hereby declares that it will take all necessary steps to ensure that the principles of equality of treatment and non-discrimination are respected in the implementation of, and access to, assistance from the EGF

## **E – Description of the territory concerned**

### **E.1 Define the territory principally concerned by the redundancies.**

Ireland covers a land area of 68,895 km<sup>2</sup> and is located on the western margins of Europe. It had a population of 4.1 million in 2006 and has a relatively centralised administration. The country comprises 26 counties organised within 2 NUTS II administrative regions, the Southern and Eastern region (S & E) and the Border, Midlands and Western Region (BMW) regions. These NUTS II regions comprise in turn the 8 NUTS III regions Dublin, the Mid-East, the South-East, the West, the Midlands, the Mid-West, and the South-West.

Dublin is the capital city of Ireland and is broken down into 4 administrative regions, Dublin City, South Dublin, Dun Laoghaire/Rathdown and Fingal county councils. The total regional population is 1.18 million, representing 28% of the State's total population. It has a workforce of approximately 555,000, representing 29% of national employment and its regional GDP at 2002 was €42,505m.

The Mid-East Region consists of the counties Meath, Kildare and Wicklow. The region has experienced a continuous population increase over the last few decades with a population of approximately 413,000 representing 10.5% approx of the State's total population. It has a workforce of just over 205,000 and a GDP figure of €9,742m

The South-East Region consists of the counties of Waterford, Wexford, Kilkenny, South Tipperary and Carlow. The current population is 461,000, approximately 11% of the national population. It has a workforce of 220,000 approx and a regional GDP of €11,695m.

The Mid-West region includes the counties of Limerick, Clare and Tipperary North. It has a population of approximately 340,000 accounting for about 10% of the national population. It has a workforce of 160,000 approx and its regional GDP is €8,234m.

The counties of Cork and Kerry constitute the South West region with a population of over 620,000, representing almost 15% of the national population Its workforce is in excess of 255,000 and its regional GDP is €22,377m.

The West region comprises the counties Galway, Mayo and Roscommon. The current population is 380,000 which is about 10 % of the national population. It has a workforce of about 189,000 and a regional GDP of €7,878m.

The Midlands with a population of 252,000 approx includes the counties of Laois, Offaly, Westmeath and Longford. Approximately 6% of the total population is resident in the Midlands and it has a regional GDP of €4,184m.

The Border region comprises the counties of Donegal, Monaghan, Cavan, Leitrim and Louth and has a population of 432,000, approximately 11.5% of the national population, and regional GDP of €9,019m.

The Southern and Eastern region (S & E) comprises five of the NUTS III regions, including Dublin, Mid-East, South East, Mid West and South West. It has a population of over 3.1 m accounting for 73.5 % of the national population, a workforce of over 1.56 m and a regional GDP of €34.793m. The economic structure of the (S& E) region is similar to the State as a whole and is primarily influenced by the strong economic performance of the Dublin region.

The Border Midlands and Western region (BMW) has a population of 1.038m, about 26.5% of the national population. It has a workforce of over 515,000 and a regional GDP of €21.081m. The BMW region is one of the newest NUTS II regions in Europe.

As stated in section B3, 82% of the former employers of the affected population were based in the NUTS II South and Eastern Region, in which the two largest cities of Dublin and Cork are located. While this may suggest that the other NUTS II region (Border Midlands West) are less impacted on, short commuting times and distances, preparedness of workers to travel, and greater preponderance of construction projects in urban centres would suggest that workers resident in the BMW region migrate or commute daily to employers based in the S&E region for work.

Ireland had one of the world's most globalised and dynamic economies with extremely strong external trade and investment links until around 2008. However, from the last quarter of 2008 and the first quarter of 2009, the economic growth rate decelerated considerably, a process which continues today. With a decline of 3 % GDP in 2008, Ireland has arguably suffered the worst decline of all developed economies. The Irish labour force is undergoing structural change primarily as a result of the collapse of the construction and banking sectors.

From 2007, there has been a direct loss of employment in the construction sector of approximately 130,000 jobs. Employment in other sectors such as manufacturing, agriculture, wholesale and retail which might also have provided alternative employment for redundant construction workers has also declined notably in 2009.

Employment did, however, increase in 2009 in the ICT sector, with modest increases also recorded in the transport, food and health sectors. In addition, as a result of the deregulation and the growth of the renewable energy sector, employment increased in the energy sector (gas and electricity).

While in general labour supply exceeds demand, some areas of skill shortage exist in a small number of posts but are generally confined to specialists (e.g. electrical engineers with expertise in high voltage grids, senior personnel such as ICT project manager, niche areas (e.g. telesales with fluency in foreign languages) and specific skills mixes (e.g. ICT professionals with business development skills).

Overall the highest incidence of unemployment in the period Q4 of 2008 to Q4 of 2009 in absolute terms occurred in Dublin with the loss of 43,000 jobs. The greatest declines in relative terms occurred in the Border and South East regions, each contracting by 12% over this period.

The overall unemployment rate at Q4 of 2009 is lowest in Dublin at 10.8% and highest in the South East region at 15.7%.

In Q4 of 2009, more than 40% of employment in high-value activities such as ICT, professional services and finance was located in Dublin. The rate of employment in the construction sector was greatest in the Midlands region. Manufacturing in particular and other activities are evenly distributed across the regions.

All counties in the country have been affected by the redundancies of the affected population in the construction sector. However, almost 81% of the redundancies of the affected population were at enterprises based in the NUTS II South and East region, in which the country's largest cities of

Dublin and Cork are located. This is mainly a result of the rapid and unequal distribution of building activity and development towards larger urban centres during the economic boom years. While this may suggest that redundancies in the sector had a negligible impact on workers located in the other NUTS II region (Border Midlands West) short commuting times and distances, preparedness of workers to travel, and greater preponderance of construction projects in larger urban centres would suggest that workers resident in the BMW region already migrated or commuted daily to employers based in the South and East region for work and in many cases such workers are already included in the overall South & East figures.

E.2 Provide information on the responsible authorities and other stakeholders in the territory concerned.

Responsible authorities

Each local government administrative unit in Ireland is administered by a city or county council e.g. Cork City Council, Carlow County Council. The affected population is resident in all counties of the state. Overall responsibility for city and county councils resides with the Department of the Environment, Heritage and Local Government ([www.environ.ie](http://www.environ.ie)).

Responsibility for national employment and training policy formulation and national funding now resides with the *Department of Education and Skills* ([www.education.gov.ie](http://www.education.gov.ie)) These functions transferred from the Department of Enterprise, Trade and Innovation to the Department of Education and Skills with effect from 1 May 2010.

Responsibility at operational level resides in Foras Aiseanna Saothair (*FÁS*) ([www.fas.ie](http://www.fas.ie)). FÁS is the National Training and Employment Authority. Through a network of 66 offices and 20 training centres, FÁS operates training and employment programmes including Apprenticeship, provides a recruitment service to jobseekers and employers and an advisory service for industry and supports community-based enterprises. The national network of FAS Employment Services Offices deals with all training and employment programmes ie no specific branch is responsible for a given programme.

The 35 *City and County Enterprise Boards (CEBs)* ([cebunit@enterpriseireland.com](mailto:cebunit@enterpriseireland.com)) which come under the remit of the *Department of Enterprise, Trade & Innovation* were established in 1993 to provide support for micro enterprises with 10 employees or less at local level. CEBs provide direct grant-support to new and existing enterprises and promote entrepreneurship, capacity building and women-in-business at local level to micro enterprises in the commercial sphere.

The *Department of Social Protection* ([www.welfare.ie](http://www.welfare.ie)) formulates appropriate social protection policies and administers and manages the delivery of statutory and non-statutory schemes and services. The Department is responsible for the delivery of a range of social insurance and social assistance schemes including provision for unemployment, illness, maternity, caring, widowhood, retirement and old age. It has also a job search and employment support function, including enterprise/start your own business support. The Department has policy responsibility since 2011 for the FAS employment services arm.

The Department of Education and Skills is also responsible for policy formulation and funding of the public further and higher education system in Ireland.

	<p>Operational responsibility for further education resides (at lower educational qualifications level) with the <i>Vocational Education Committees (VECs)</i> in terms of the provision of adult learning. The publicly funded higher education system includes 7 universities and 13 institutes of technology. The <i>Higher Education Authority (HEA)</i> which falls under the remit of the Department is the funding body for these institutions. The institutes of technology work closely with FAS in the delivery of apprenticeship training. . The Department retains policy responsibility for FAS apprenticeship and training services.</p> <p>There are also a number of private higher education providers who may be in a position to provide educational opportunities for those formerly employed in the construction sector which may be funded by FAS through relevant grant systems.</p>
Other stakeholders	<p>Higher Education Institutions are located in most counties in the country and will provide educational opportunities to those in the construction sector.</p> <p>Trade unions, sectoral bodies, local political representatives, local and regional development bodies, local area Partnerships and local Enterprise Boards are among the many other stakeholders.</p>

## **F – Proposed actions**

F.1 Provide a summary of the proposed coordinated package of personalised services to be funded by the EGF. This summary should be sufficiently detailed to allow the Commission to assess the coherence of the approach adopted, as well as its complementarity with assistance provided by other Community instruments, in particular the European Social Fund.

This application for EGF assistance is targeted at an affected population of 841 redundant workers from the architecture and architectural services NACE sub-sector. It should be stressed that the indicative number will be further refined during the course of the EGF implementation period by reference to the outcome of contacts with individual redundant workers.

The main actions can be summarised as the following

- Occupational Guidance,
- Training Programmes and associated training allowances,
- Redundant Apprentices On- and Off-the-Job training and supports,
- Vocational / Second level education and training programmes and income supports,
- Enterprise/Self-employment supports
- Third level educational programmes and income supports.

### **Occupational Guidance**

Workers leaving the construction industry through redundancy have been, and will be continue to be, provided with occupational guidance as appropriate by the relevant bodies concerned.

FAS, the national training agency, provides a range of customised job search supports and advice through the conducting of one-to-one vocational guidance interviews and individual action plans are developed setting out an agreed range of steps to be taken towards a return to employment. This may

include referral to one or more of the following:

- A suitable training option
- A group guidance and support programme
- The local employment service network for more intensive vocational guidance and mediation
- A job club for support and advice in relation to CV preparation, job-seeking skills, interview techniques
- An education programme

Through its national network of offices, FAS is providing its full range of occupational guidance and training programmes both on a generic and tailored basis as appropriate.

Other bodies and organisations, including the VECs, also provide individualised profiling, needs identification, learning assessment, CV preparation, career guidance, job search assistance and other related supports and advice to redundant workers.

### **Training Programmes and associated training allowances**

FAS courses in both generic and specific skills cover a wide range of relevant subjects including computers ICT, renewable energy, start-your-own business etc.

Since early 2009 FAS has focused on developing training initiatives in areas of the economy, which although related to the built economy, are expanding in terms of market activity and employment. These include energy conservation, green and sustainable energy technologies and structures and the management of the environment. A strategy designed to augment the skills and qualifications of unemployed construction workers to enable them to obtain employment in these expanding areas is being pursued.

Grant aid for assistance in attending privately provided training or educational courses not delivered by or through the national training agency will also be provided as appropriate.

Persons undertaking full time FAS courses qualify for a training allowance in lieu of social welfare payment.

The design of specific internship, work placements and community-oriented training programmes will be a feature of training interventions as appropriate.

### **Vocational and Second Level Education and Training and income supports**

There is a growing recognition that upskilling is key to secure employment in the years ahead. Consequently, unemployed construction workers who, only a few short years ago, may not have contemplated returning to education or training, are increasingly coming to realise that they must upskill to improve their chances of employment.

Though technical or job-specific skills are an essential element of any upskilling programme, generic skills, as stated in the 2010 'National Skills Strategy Implementation Statement' have become significant as improvements in automation and technology decrease demand for routine work and increase demand for broader skills sets. All options in the VEC education and training framework include a significant amount of generic skills training.

It has been established that redundant construction workers, many of whom are highly technically skilled, are realistic about their situation and are open to considering alternative careers outside the construction sector. In doing so, they are aware of gaps in their education and training and welcome guidance about how these gaps might be eliminated. In this context, VEC programmes will be of assistance.

The VEC EGF education and training programmes aim to provide redundant construction workers with a framework of nine different major Further Education Training Awards Council (FETAC) award programmes, at National Framework of Qualifications (NFQ) levels 3, 4 and 5, from which they may select those options that best match their aptitudes and aspirations. All learning undertaken under these programmes counts towards the award of nationally and internationally recognised certification.

While it is envisaged that the VEC EGF Education and Training Programmes will generally meet the education and training needs of redundant construction workers, it is also recognised that each worker will have particular education and training needs and these will not become clear until each participant undergoes an induction programme at the conclusion of which the worker can make an informed decision about what specific learning programme to opt for.

The VEC EGF education and training programmes include:

- VEC Induction Programme
- Retail and security
- Business Studies
- Information Technology
- Sports & Fitness
- Tourism & Ecotourism
- Creative Media Technology
- General Maintenance Skills
- Third Level Access (Maths, IT, applied communications skills, personal and professional development)

Programmes within the framework are offered at the times and places that most suit the learners circumstances. It is recognized that redundant construction workers may have family and other commitments, so many programmes are also being offered on a part time basis. Each individual programme/course in the framework is designed to involve a total of 400 tutor-learner contact hours. Class groups will accommodate an average of 10 participants.

Those workers whose education and training needs cannot be met within the framework, may be provided with access to the programmes set out below that VECs currently offer from levels 1 to 6 on the National Framework of Qualifications. Where possible, the use of additional dynamic tailored courses and programmes will also be considered as appropriate.

- Post Leaving Certificate Courses (PLCs)

The PLC programme offers full-time courses, of one year or two years duration, that provide integrated general education, vocational training and work experience with the opportunity to acquire FETAC level 5 or 6 awards in a wide range of fields. Many of these lead directly to employment while others provide access to third-level colleges through the Higher Education Links Scheme. Adults with no formal educational qualifications can apply for enrolment in these courses and 50% of PLC participants are adults returning to education. PLC courses cover a large range of options e.g.

Business and Secretarial Skills, Computer Studies, Art Craft and Design, Multi-Media, Child-care and Community Care, Sport and Leisure, Tourism and Catering, Equestrian Studies

- **Vocational Training Opportunities Scheme (VTOS)**

This education/training programme provides full-time courses of up to two years duration to adults who have been unemployed for at least six months. Trainees can pursue subjects in the Junior or Leaving Certificate programmes, awards certified by FETAC at Levels 1 to 5 or other qualifications in line with their particular needs and interests

- **Intensive Tuition in Adult Basic Education (ITABE)**

All VEC adult literacy services offer the ITABE programme. Its aim is to provide participant groups of up to 8 students with six hours of tuition per week over a 14 weeks period. Participants must be experiencing a severe degree of literacy or numeracy difficulties and have a literacy standard below FETAC Level 3. Participants may opt for FETAC accreditation.

- **Back to Education Initiative (BTEI)**

The Back to Education Initiative (BTEI) provides part-time education for over 16s who have left full-time education and need to combine learning with family commitments, work, etc. Targeted at those with less than upper second-level education, particularly those with low literacy, it aims to address the problem of engaging with hard-to-reach groups by using a flexible approach to location and timing of provision, entry and admission criteria, class size and methods of delivery and assessment. The programme is student centred/individualised, and includes literacy, guidance, study, counselling, employment, welfare and childcare supports. Courses are offered on a part-time basis and cover such areas as English and Maths at Junior and Leaving Certificate level, communications, personal development, business, computing, childcare, art and crafts, tourism, catering, etc. All courses are certified by FETAC.

Certain second level education income supports are payable by bodies such as the VECs e.g. VTOS and the Department of Social Protection e.g. BTEA Second Level Option. to facilitate the attendance of redundant workers in full time and certain part time courses as appropriate to their individual circumstances.

### **Enterprise/Self-Employment Supports**

Enterprise support bodies such as the city and county enterprise boards (CEBs) will promote the array of supports available to redundant workers who are contemplating starting their own businesses through, for example the holding of information workshops, fairs and roadshows and other promotion related activities.

Grant assistance will be offered in certain cases where business proposals conform with relevant national eligibility criteria. Such assistance includes priming and employment grants payable by CEBs to provide newly self-employed persons or small start-up companies with assistance for start-up costs and to recruit employees. The beneficiaries are generally sole traders or micro enterprises with a focus on manufacturing or on internationally traded services.

The Department of Social Protection operates a number of schemes designed to provide income support for social welfare recipients to engage in self-employment. These include the Back to Work Enterprise Allowance and Short Term Enterprise Allowance whereby an unemployed person can set up as self-employed in a business that has been approved by a Department job facilitator or a local integrated development company. There is no restriction on the nature of the self-employed business

but it must be considered viable and sustainable by the job facilitator.

**Third Level Educational Programmes and income supports**

Supports being provided under the EGF programme at third level will include:

- learning assessment
- full time programme NFQ levels 6-9
- part time programmes levels 6-8
- income supports

Thousands of modules and programmes are available within the higher education sector which are relevant to former employees of the construction sector, depending on their educational background and skills levels. Some of these programmes are in the green technology area which may be particularly relevant for people with a construction background.

Considerable emphasis will be placed initially on assessing those considering higher education pathways, their skills sets and suitability to enter particular courses or whether preparatory courses or alternative options in other support areas are more appropriate.

The higher education sector is in a position to provide transition programmes, short and medium duration full time programmes and part time programmes at NFQ Levels 6 and above. All third level colleges provide opportunities for direct entry and advanced entry to programmes based on an individual's prior skills and work experience. In the context of increased flexibility of delivery modes, it is also possible for students to take modules or minor awards of a shorter duration, for instance 30 credits at level 6, 7 or 8 with the option over time to build towards a major NQF award. There are also opportunities for holders of craft certificates to gain advanced entry to a number of specific degree level programmes in the Institutes of Technology sector. However, the finite duration of the EGF implementation period does not generally facilitate the support of a full degree course in its entirety.

Various income supports are available to facilitate redundant construction workers to access and participate in third level programmes.

F.2 Provide a breakdown of the estimated cost of the proposed coordinated package of personalised services.

<p style="margin: 0;"><b>Actions</b></p> <p style="margin: 10px 0 0 20px;">Under Part A please use a separate line for each separate action</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="3" style="text-align: left; padding: 2px;">Cost of actions</th> </tr> <tr> <th style="text-align: left; padding: 2px;">Numbers of workers targeted</th> <th style="text-align: left; padding: 2px;">Cost per worker targeted</th> <th style="text-align: left; padding: 2px;">Total cost (EGF and national co-financing)</th> </tr> <tr> <td style="padding: 2px;">(estimated number)</td> <td style="padding: 2px;">(estimate in Euro)</td> <td style="padding: 2px;">Euro</td> </tr> <tr> <td style="padding: 2px;">a</td> <td style="padding: 2px;">b</td> <td style="padding: 2px;">c=a*b</td> </tr> </table>	Cost of actions			Numbers of workers targeted	Cost per worker targeted	Total cost (EGF and national co-financing)	(estimated number)	(estimate in Euro)	Euro	a	b	c=a*b
Cost of actions													
Numbers of workers targeted	Cost per worker targeted	Total cost (EGF and national co-financing)											
(estimated number)	(estimate in Euro)	Euro											
a	b	c=a*b											
<b>A. Actions (list individual actions planned) (Art.</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; height: 20px;"></td> <td style="width: 33%;"></td> <td style="width: 33%;"></td> </tr> </table>												

<b>3.1)</b>			
Guidance	453	122	55,300
Training programmes	159	1,017	161,771
Training Allowances	53	5,193	275,229
Second level educational & vocational programmes	130	2,920	379,600
Second level educational & vocational programme supports	17	9,385	159,544
Enterprise supports	134	1,532	205,314
Third level educational programmes	35	13,737	480,800
Third level educational programme income supports/allowances	15	7,372	110,583
<b>Sub-total Actions</b>	<b>996</b>		<b>1,828,142</b>
<b>B. Technical Assistance for implementing EGF (Art. 3.3)</b>			
preparatory			11,632
management			66,890
information and publicity			23,265
control activities			26,183
<b>Sub-total Technical Assistance</b>			<b>127,970</b>
<b>TOTAL COST</b>			<b>1,956,112</b>

F.3 The date at which personalised services to the affected workers were started or are planned to be started.

July 2009

F.4 The procedures followed for consulting the social partners on the proposed coordinated package of personalised services.

As appropriate, FÁS upon receipt of notification from the Department of Enterprise, Trade and Innovation of impending collective redundancies, makes contact with the company management concerned to discuss the services available and the potential needs of employees. Trade Unions are consulted as appropriate.

F.5 Details of any preparatory, management, information and publicity, and control activities required for implementing the EGF assistance that the Member State wishes to finance through the EGF assistance. This information must include an estimate of their cost in the financial plan attached.

A variety of state agencies and partner organisations have been involved in the preparation of the application and the range of measures contained therein. These bodies amongst others will also be involved, as appropriate, in the implementation of the measures under the EGF programme. The largest element of technical assistance is considered to be the management and oversight element particularly given that this is a sectoral application with nationwide reach rather than being company-specific. As such, there will also be significant information and publicity and control (monitoring and audit) elements attendant on the successful realisation of the EGF programme.

## Section G – Complementarity

G.1 Have the national and European Union requirements in respect of collective redundancies been complied with?	
Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>
G.2 If the applicant answered No to question G.1, please provide details of the actions taken in favour of the redundant workers.	
G.3 Provide information on obligatory actions in favour of the redundant workers that must be undertaken by virtue of national law and collective agreements. This information must include a summary description of the actions taken and planned by the national and regional authority and enterprises concerned. Please include an estimate of their cost.	
There are no mandatory legal requirements obligated upon the State to train and upskill redundant workers.	
G.4 Provide a description of the mechanisms by which the managing authority for the EGF assistance will ensure that the assistance complements actions of the Member State at national, regional and local level, including those co-financed by the EU Structural Funds.	
<p>The managing authority shall ensure, in conjunction with intermediate bodies and public beneficiary bodies, that only expenditure under the EGF and actually incurred is declared. It shall also ensure that a clear audit trail exists in relation to activities funded under the EGF so that no other EU funding is sought in relation to such activities. In this way EGF funded activities shall be ensured to complement any actions taken at other levels in support of the affected cohort.</p> <p>The Irish authorities have established a Monitoring Committee for the Coordination of EU Funds under the National Strategic Reference Framework in accordance with Article 27(5)(b) of Regulation 1083/2006 encompassing ESF, EFF and EAFRD. The Department of Finance chairs the Committee which discusses any issues of relevance including the demarcation of funds in operational programmes and any implementation issues that may arise and any plans for new programmes to ensure that Funds are not overlapping. In addition, as part of the implementation process for the ESF and ERDF a group was established and is chaired and co-ordinated again by the Department of Finance, to deal with any issues relating to the implementation of the structural funds for the 2007-2013 period. Since 2010 the EGF has also been included in this process.</p>	
G.5 Provide a description of the mechanisms by which the managing authority for the EGF assistance will ensure that the specific actions receiving a contribution under the EGF shall not also receive assistance from other Community financial instruments	
The intermediate bodies and public beneficiary bodies assisting the managing authority are familiar with ESF funding requirements and mechanisms and in certain cases are designated independent authorities under the European Social Fund. It will thus be possible to ensure that no duplicate funding is provided and that measures are complementary irrespective of the funding source.	

Documentation will be required on all expenditure proposed and sanctioned including checks and balances to ensure no duplication of funding and only eligible expenditure occurs. The same control mechanisms as are used for managing ESF funds will also be used, subject to any necessary modifications, for the management and control of financing received under the EGF

### **Section H – Information and publicity**

H.1 A description of the specific activities that the Member State intends to carry out in order to provide information on and publicise the funded actions, including the mechanisms envisaged to highlight the role of the Community and ensure that the contribution from the EGF is visible.

All measures provided under EGF assistance shall be clearly highlighted at national, regional and local levels to ensure that the EGF is properly attributed with such assistance. This will include publicity materials, logos, letterheads, posters, brochures and media advertisements etc. The Government, primarily through the Department of Education and Skills, and all relevant State agencies and educational institutions, will continue to highlight the assistance of the Community at all appropriate occasions - press briefings, parliamentary questions, debates, media events etc.

**Section I – Management and financial control of the assistance**

<p>I.1 Provide a description of the organisation of the managing and paying authorities and intermediate bodies, of the management and control systems in place in these authorities and bodies. The description shall contain the following information in respect of each managing and paying authority and intermediate body:</p>	
<p>(a) The functions vested in them;</p>	<p>The same authorities and bodies charged with the delivery and oversight of European Social Fund (ESF) funding in Ireland will operate and manage EGF assistance. In short, the managing authority will be the Department of Education and Skills with separate certifying authority and auditing authority delegated within the Department as appropriate.</p>
<p>(b) The allocation of functions between or within their departments, including between the managing and paying authority where they are the same body;</p>	<p>Intermediate bodies assisting the managing authority will include the Department of Enterprise, Trade and Innovation, the Department of Social Protection and Enterprise Ireland.</p>
<p>(c) The procedures by which claims for reimbursement of expenditure are received, verified, and validated, and by which payments to beneficiaries are authorised, executed and accounted for; and</p>	<p>The same procedures will be utilised under the EGF as are currently in place in relation to the ESF subject to any minor modifications necessary. This will ensure that there is transparency and that no duplication of funding occurs. The familiarity of management, certifying, auditing and independent authorities with ESF procedures will greatly benefit the similar practices and procedures required under the EGF.</p>
<p>(d) The provisions and timetable for the verification of management and control systems.</p>	<p>As per ESF requirements over the 24 months period permissible under Regulation (EC) No. 1927/2006 for expenditure of EGF co-financing.</p>
<p>(e) The name of the person or service responsible for drawing up the statement justifying the expenditure as referred to in Article 15(1).</p>	<p>Principal Officer of the Employment and Training Strategy Unit of the Department of Education &amp; Skills.</p>
<p>I.2 A description of the arrangements for preventing, detecting and correcting irregularities as defined in Article 70 of Regulation (EC) No 1083/2006 and recovering as well as reimbursing amounts unduly paid together with interest on late payments in accordance with the same Article.</p>	
<p>Arrangements as defined in Article 70 of Regulation (EC) No. 1083/2006 are in line with those set out in relation to the management of the ESF and as outlined in Department of Finance Circular 12/2008 Financial Management and Control Procedures for the EU Structural Funds Programmes 2007 - 2013.</p>	
<p>I.3 If the financial contribution is not managed and controlled by the body already designated in respect of the ESF, and with reference to the responsibility in the first instance referred to in Article 18(1), the applicant should provide sufficient guarantees that the management and control systems implemented meet at least the requirements applicable to the system under the ESF.</p>	
<p>Not applicable</p>	

**Section J – Signature of applicant**

Signature:

*John McDermott*

Name of signatory (please print legibly): John McDermott

Date:

22<sup>nd</sup> February 2011

Official stamp:

