

SUMMARY

The Government's strategy for economic growth in Northern Ireland is aimed at creating a knowledge based, innovative and business friendly region with a highly skilled, flexible workforce generating a high quality of living, sustainable communities and lifetime opportunities for all throughout the entire region. The Northern Ireland ESF programme will support the regional strategy by extending employment opportunities and improving workforce skills and adaptability.

Northern Ireland has experienced a period of sustained growth in employment while unemployment is low and beneath the UK average. Northern Ireland's employment rate is currently above the Lisbon 2005 target of 65%, but below the 2010 employment rate target of 70%.

However, Northern Ireland has a much higher long-term unemployment rate compared to the UK as a whole. Northern Ireland has the lowest economically active rate of all the UK regions, while economic inactivity remains a persistent problem. There are also a number of employment gaps in the Northern Ireland labour market. The employment rates for people with disabilities and health conditions, lone parents, older workers, young people, women and those with low qualifications, fall well below the Northern Ireland average.

Within the UK, Northern Ireland compares reasonably well in terms of the proportion of working age adults with a high level of qualifications at levels 2 and 3. However, Northern Ireland has a disproportionately high level of working age persons with no qualifications. Evidence of skills shortages and mismatches has emerged which suggest that Northern Ireland faces some specific skills shortages. There is also a continuing proportion of the workforce who requires employability skills, as well as the essential skills of literacy and numeracy. Lower productivity rates in Northern Ireland are reflected in lower skills levels, demonstrated through lower levels of on-job training.

The main labour market challenges for the Government in Northern Ireland are therefore to increase the employment rate for all groups in the labour market, reduce the high numbers of economically inactive and improve the skill and qualifications levels of existing employees as well as those seeking to enter employment, whether young people or those who are unemployed.

Northern Ireland will operate a single ESF programme for the entire region under the Competitiveness and Employment Objective. The overall strategic aim of the programme is to reduce economic inactivity and increase workforce skills in support of relevant EU, UK national and Northern Ireland regional, employment and skills policy, including the Community Strategic Guidelines, the National Strategic Reference Framework and the National Reform Programme.

The ESF Programme will contribute to employment policies to make progress towards increasing the overall employment rate and reducing inactivity in Northern Ireland (subject to economic conditions) by extending employment opportunities in particular for those groups at a disadvantage in the labour market. It will also contribute to skills policies to increase productivity, enterprise and competitiveness by raising the skills levels and adaptability of workers and new entrants to the labour force through lifelong learning and ensure the right workforce skills for future employment opportunities.

The Programme's objectives will be realised by two inter-related Priorities: Priority 1: Helping people into employment; and Priority 2: Improving workforce skills and adaptability. The Programme's cross cutting themes are promoting Equality and Good Relations and promoting Sustainable Development and the creation of Sustainable Communities. Technical Assistance funds will be available to finance the specific responsibilities associated with the management and implementation of the Programme.

In Northern Ireland the Department of Finance of Personnel has overall responsibility for fulfilling the role of the Member State and will Chair the single Monitoring Committee to be established to ensure the quality of the implementation of the Northern Ireland ESF Programme. The Department for Employment and Learning is the designated Managing and Certifying Authorities for the Programme. The designated Audit Authority is the Internal Audit Service of the Department of Enterprise Trade and Investment.

The ESF Programme will operate throughout Northern Ireland. Projects will be selected through open competitions and activities may be delivered by any relevant public, private, voluntary or community sector provider.

Northern Ireland has available an allocation of €166 million of ESF to fund the Programme¹. A preliminary financial table, for consultation purposes, showing indicative budgetary allocations under each priority is included at Annex 1. Full financial tables and further details on the programme implementation arrangements will be provided in the final version of the draft ESF Programme.

¹ ESF allocation at 2006 prices and rounded to the nearest million.