



**Public Consultation**  
**on**  
**Ireland Rural Development National Strategy Plan**  
**(RDNSP) 2007-2013**

Submission from the  
**Western Development Commission**  
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## Introduction

The Western Development Commission (WDC) welcomes the opportunity to make a submission to the consultation on Ireland's Rural Development National Strategy Plan 2007-2013. Throughout the submission we will refer to this as the RDNSP.

The WDC is a statutory body whose remit is to promote, foster and encourage economic and social development in the Western Region<sup>1</sup>. Established in 1997, the Commission was put on a statutory basis in February 1999. The WDC operates under the aegis of DCRAGA<sup>2</sup>. One of the main functions of the WDC is regional policy development. The WDC has extensive experience in this area, both 'on the ground' and in relation to policy<sup>3</sup> and through this work seeks to ensure that government policy responds to the needs of the region as regards infrastructure investment, sustainable development of natural resources, enterprise and rural development. The WDC also tracks the implementation of policies and recommends adjustments as appropriate.

The WDC is actively involved in a number of strategic rural development projects and a proactive model of rural development has emerged from the WDC's work in these areas. The WDC has recently documented its model of rural development, as well as the role which the WDC plays in implementing this approach. Details of the general approach and the WDC's role are given in Appendix 1, while the experience of implementing the model in the organic agri-food and rural tourism sectors are presented in Appendix 2 and Appendix 3. We believe that the WDC's experience of implementing this model could be of considerable benefit in the development of the RDNSP and also the Rural Development Programme (RDP).

In addition, the WDC operates the WDC Investment Fund, a €34.4 million venture capital and loan fund available to businesses and social economy projects within the Western Region. The WDC Investment Fund is active in rural areas and 61% of the projects approved to the end of 2005 were located in rural areas<sup>4</sup>.

The WDC regards rural development as an important element of policy which can contribute to achieving more balanced regional development generally and to driving economic growth and social development in lagging rural regions such as the seven western counties.

In this submission we provide a brief description of the characteristics of the Western Region and make general comments about the changing nature of rural areas and the changing role of agriculture in these areas. We then answer the questions in the consultation document which are relevant to the work that we do, our experiences in working in a rural region and where we believe we can make a worthwhile contribution. The sustainable economic and social development of the rural economy of the West is our main area of interest and we make specific comments in relation to policies and structures for sectors in which we have some experience – organic agri-food, renewable energy, tourism, infrastructure, enterprise development and rural and regional policy generally.

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<sup>1</sup>Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

<sup>2</sup>Department of Community, Rural and Gaeltacht Affairs

<sup>3</sup>The WDC have produced five blueprints for development since 1999. These include:

1. Blueprint for Success: A Development Plan for the West 2000-2006 (WDC, 1999).
2. Blueprint for Investing in the West: Promoting Foreign Direct Investment in the West (WDC, 1999).
3. Blueprint for Tourism Development in the West: An Action Plan for Rural Areas (WDC, 2000).
4. Blueprint for Organic Agri-Food Production in the West (WDC, 2001).
5. To Catch the Wind: The Potential for Community Ownership of Wind Farms in Ireland (WDC, 2004).

Other key development documents include: State of the West (2001); Jobs for Towns (2003); Enterprise & Employment in the Western Region (2004). These reports and other information on the Western Region are available at [www.wdc.ie](http://www.wdc.ie)

<sup>4</sup>For more on the operation of the WDC Investment Fund see [www.wdc.ie](http://www.wdc.ie)

We wish to stress as well that issues which impact directly upon rural development are covered under a very wide range of policies and programmes implemented by different government departments and agencies e.g. in the case of renewable energy by the Department of Communications, Marine and Natural Resources and its agencies, and in the case of tourism policy by the Department of Arts, Sport and Tourism and Fáilte Ireland and other tourism agencies. There should be complementarity between measures within those departments in support of rural development and the RDNSP and RDP.

This is particularly relevant as the new National Development Plan 2007-2013 is being developed. The priorities identified for other sectors under the new NDP, which will be implemented by the various departments, should also address rural development and be aligned with the measures supported in the RDP.

## The Western Region

The purpose of this section is to provide a brief description of the Western Region in order to establish the context for the WDC's work and the context in which this submission is being made.

- Three-quarters of the population of the Western Region live in population centres of less than 5,000 persons. The population of the region has been increasing but the growth is concentrated in larger urban centres. Some rural areas in the region continue to experience population decline<sup>5</sup>.
- There was an increase in the proportion of the population in the economically active age groups during 1996-2002, but the Western Region still has a higher proportion in the older age groups than the state as a whole, and this is not evenly distributed spatially.
- Employment in agriculture, forestry and fishing is relatively more important to overall employment in the Western Region than nationally but the share in this sector has also declined more significantly in the Western Region than nationally. (see WDC Chart 1 and 2 under Chapter 2 below)
- Farmers in the Western Region tend to be older, have smaller landholdings, and are more likely to be involved in livestock activities<sup>6</sup>. These factors have contributed to farming becoming predominantly part-time, and increased the linkages between the farm and non-farm economies.
- Farming in the BMW region lags behind that in the S&E in economic terms with Family Farm Income in 2004 in the BMW (€10,346) less than half of that in the S&E (€21,618)<sup>7</sup>.
- The Western Region has 37% of all organic producers within the state<sup>8</sup>.
- The seven county Western Region accounts for 41% of total afforested land in the state, and the importance of farm forestry has increased significantly in recent years<sup>9</sup>.

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<sup>5</sup> CSO, Census of Population 2002

<sup>6</sup> Teagasc, National Farm Survey 2004

<sup>7</sup> Teagasc, National Farm Survey 2004

<sup>8</sup> Department of Agriculture and Food, Census of Irish Organic Production 2002

<sup>9</sup> Forest Service Statistics 2000

- Tourism in the Western Region is concentrated in the south of the region and along the coastline. Between 1999 and 2004 only Galway, Clare and Mayo experienced an increase in overseas visitor numbers with all other counties (Donegal, Sligo, Leitrim, Roscommon) showing a decline. Those counties that have experienced the greatest declines are those that tend to have a greater reliance on a rural-type tourism product.

## WDC Comments on Chapter 1: Baseline Analysis of the Economic, Social and Environmental Situation

In Chapter 1 of the consultation document a review of the situation in the primary sectors and the environment in rural areas is presented. However we believe that this chapter could be augmented as outlined below.

### Socio-Economic Situation

The consultation document states that rural areas are defined as all parts of Ireland outside the major urban areas of Dublin, Cork, Limerick, Galway and Waterford. Effectively, therefore, rural areas are being described as everywhere outside the five major cities. This definition means that some very large towns (like Dundalk and Drogheda) in the East with populations in excess of 30,000 are included, as are towns (like Sligo) in the West with a population of almost 20,000 people. Along with these large urban areas, there are also significant peri-urban areas surrounding the cities and larger towns. Clearly large towns have very different needs to areas that are peri-urban, remote rural areas, those with significant dependence on commercial agriculture, and areas which, while within commuting distance, are not in the vicinity of major towns and cities.

While the WDC does not have particular concerns with the definitions used, it would be important that the RDNSP includes a clear commitment that funding under the RDP will not be used to develop gateways and hubs<sup>10</sup>. It is also very important that the RDNSP recognises the variation in rural areas and that the RDP is sufficiently flexible to be able to respond effectively to the differing needs of various rural areas. Some of the most obvious differences are between peri-urban rural areas which are experiencing strong population growth driven by expanding commuting patterns, and remote rural areas characterised by aging and declining populations.

The National Spatial Strategy<sup>11</sup> (NSS) identified five broad rural area types: strong; changing; weak; remote; and culturally distinct, all of which face very different rural development challenges. The Agri-Vision 2015 report included a recommendation that Ireland's rural development plan should be integrated with the NSS<sup>12</sup>. **Policies and measures need to be flexible enough to address the specific concerns of these different area types. A 'one size fits all' approach will inevitably have significant limitations. The WDC believes that the RDNSP and the RDP should seek to bring about more regionally balanced development through targeting lagging rural regions and providing flexibility in implementation, and that it should not contribute to further widening disparities.**

The analysis of the socio-economic situation included in the document is not comprehensive. At the very least, this section should refer to the key characteristics of rural economies in Ireland, recent trends and development challenges. These include the spatial distribution of employment and enterprise, particularly changes in the sectoral mix associated with declines in the numbers in primary sectors and manufacturing, and increased employment in construction and services; employment projections and their sectoral mix; regional and rural-urban differences in output and income; the spatial pattern of enterprise development in rural regions; the trends in sectors based on natural resources such as tourism and renewable energy;

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<sup>10</sup> Gateways and hubs are urban centres identified in the National Spatial Strategy as centres for development.

<sup>11</sup> Department of Environment and Local Government, The National Spatial Strategy: 2002-2020

<sup>12</sup> Report of the Agri-Vision 2015 Committee (2005), p 62

infrastructure patterns – particularly transport, telecommunications, energy and water, social infrastructure and services; the spatial distribution of social exclusion and the association of particular forms of disadvantage with rural areas. These are all issues which underpin the measures which come under Axis 3 of the strategy and need to be highlighted at an early stage in the RDNSP.

## **Setting of Baseline Indicators**

The WDC believes that the development of appropriate indicators is an important element of the process of constructing the RDNSP and the RDP. Indicators will not only allow the measurement of progress and the success of the RDP, but the selection of indicators inevitably defines what is considered important in the policy and creates targets which will receive particular focus and effort. It is therefore important that particular care is given to choosing the indicators, ensuring that they are not only easy to collect, maintain and monitor, but also that they reflect the priorities of the Strategy and that they do not give rise to unintended influences on policy implementation. **The WDC has given some consideration to these issues and would be interested in being consulted again during the process of indicator selection and development.**

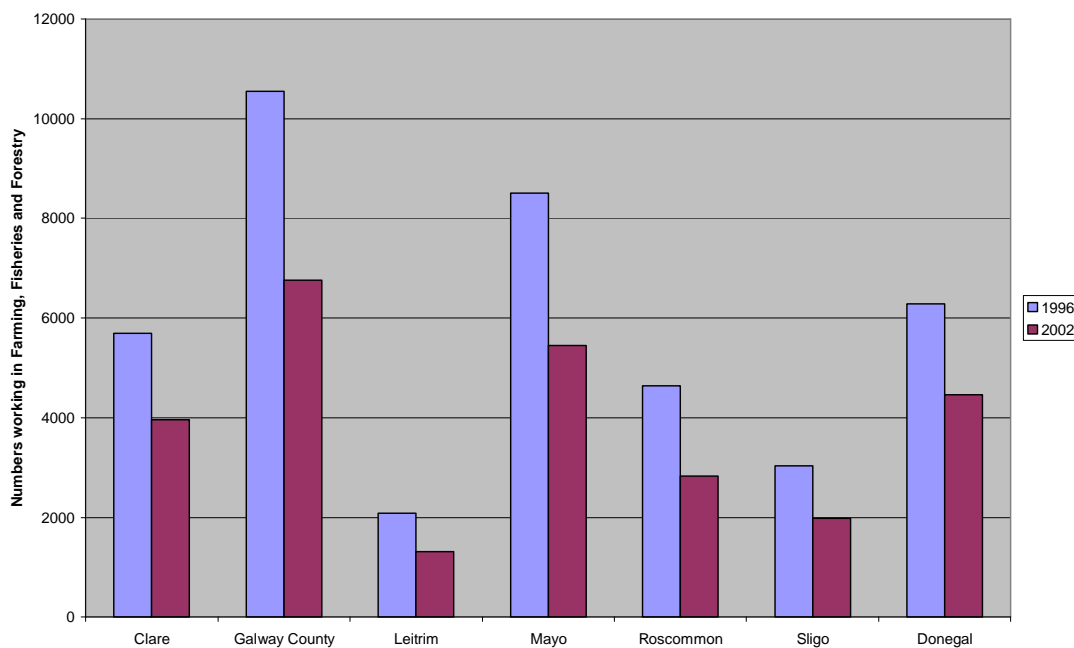
## WDC Comments on Chapter 2: Overall Strategy, Translation of Community Priorities and Setting of National Priorities

### Question: What do you consider should be the balance between Axes 1, 2, and 3?

It is the WDC's view that the balance between these three axes should reflect and respond to the changes in the rural economy in Ireland. These changes are particularly evident in employment patterns in rural areas and highlighted in the following charts which show the changes in employment in the seven Western Region counties (excluding Galway city) that are classified as rural areas under the NSS.

In the first chart the numbers working in Farming, Forestry and Fishing in 1996 and 2002 are shown. The **fall** in the numbers over the six year period is stark – ranging from a drop of 29% in Donegal to 39% in Roscommon. These figures reflect the changing nature of rural employment, and the decline in the numbers directly involved in the primary sector.

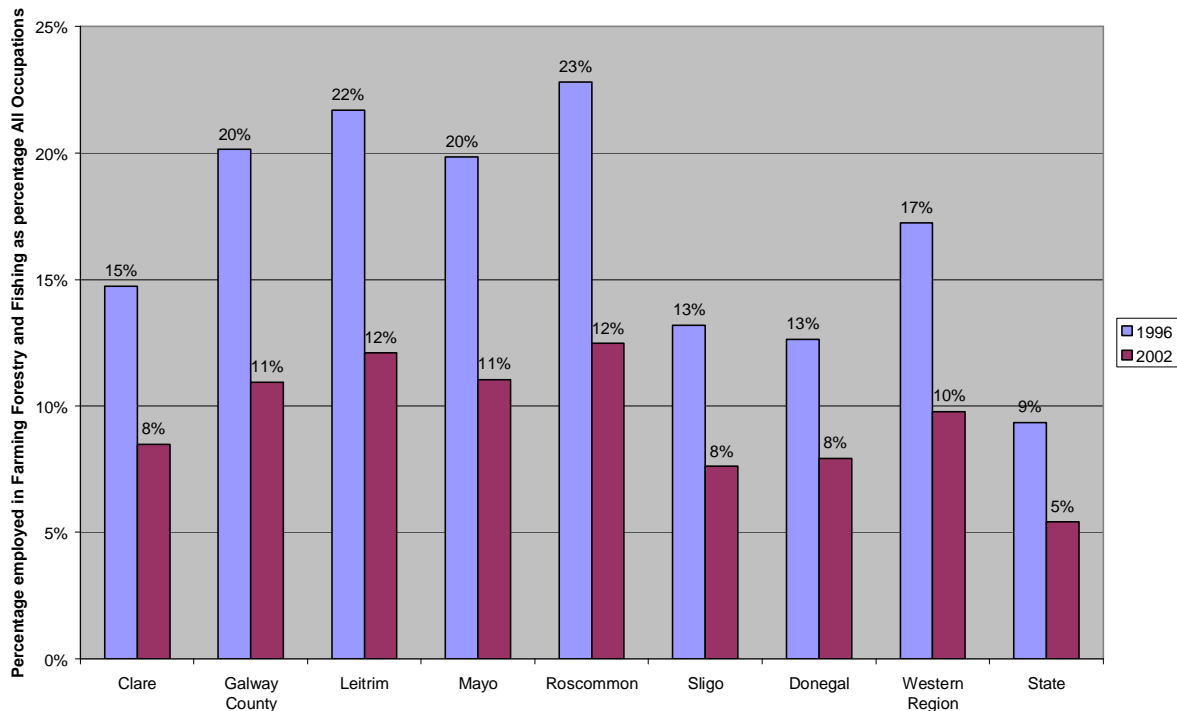
#### WDC Chart 1: Numbers employed in Farming, Fishing and Forestry in Western Region in 1996 and 2002



Source: Census of Population, 1996, 2002 Table 2A

Chart 2 shows the numbers working in Farming, Forestry and Fishing as a proportion of those working in all occupations in both 1996 and 2002. The change is again striking, and reflects both the **decline** in primary sector employment as illustrated in Chart 1, but also the **pattern of rural residents now working in a broader range of sectors**. The change is also associated with migration to the Western counties, with migrants (from other parts of Ireland and further afield) not taking up work in the primary sector in significant numbers.

## WDC Chart 2: Farming, Fishing and Forestry as percentage of all occupations, 1996 and 2002



Source: Census of Population, 1996, 2002 Table 2A

The WDC highlights these changes because they underline the importance of Axis 3, (Quality of Life in Rural Areas and Diversification of the Rural Economy). Although the Strategic Guidelines provide that a minimum of 10% must be spent on Axis 3, the significant changes which have occurred in rural employment since 1996 are likely to continue. Therefore, the WDC suggests that there should be flexibility with regard to the spending under the three axes and that the Programme should be able to respond to changing trends in rural areas and the increasing importance of non-farm employment. **At a minimum, WDC believes that the amount spent on Axis 3 should increase annually from the base of 10% to reach 25% by 2013.**

### Question: How is the RDP Linked with the Lisbon Reform Agenda?

The overall objective of the renewed Lisbon Strategy is to promote growth, jobs and sustainability across the European Union. Given that 56% of the EU population live in predominantly and/or significantly rural regions<sup>13</sup>, successful rural development policies will be central to the achievement of the goals of the Lisbon Strategy.

Ireland's National Reform Programme for implementing the renewed Lisbon Strategy sets out policy priorities under three broad headings Macro-economic, Micro-economic (structural and market), and Employment.

The Government's overall objective in implementing the Lisbon Strategy is worth noting:

<sup>13</sup> Proposals for a Council Decision on Community Strategic Guidelines for Rural Development, 2005



*While the Government welcomes the renewed commitment to improved economic growth and greater job creation across Europe, it also stresses the importance of achieving social equity and ensuring environmentally sustainable development as inter-related goals. Ultimately, **the objective is to secure improved quality of life and improved living standards for all.***<sup>14</sup>

The main areas where the WDC considers that the RDNSP is linked with the Lisbon priorities are:

- **Macro-economic policy:** this incorporates **public investment in economic and social infrastructure** that will contribute towards national growth. The role of public investment in infrastructure in promoting rural development is discussed under Axis 3 below, including broadband and energy infrastructure in rural areas.
- **Micro-economic (structural and market) policy:** this is the area of most relevance to rural development. It includes the following priorities:
  - **Increase and improve investment in R&D and facilitate all forms of innovation:** a number of the measures under Axis 1 in relation to adding value to agricultural and forestry products and co-operation in development of new products and processes support the achievement of these Lisbon priorities. Our recommendations in relation to support for renewable energy and organic agri-food production are examples. Measures to support diversification of the rural economy under Axis 3, such as support for new forms of rural tourism and micro-enterprise, would also assist in achieving greater levels of innovation within the rural economy.
  - **Facilitate the spread and effective use of ICT and build a fully inclusive information society:** Under Axis 3 below we discuss the urgent need for public expenditure to facilitate the provision of broadband telecommunications and the take-up of ICT in rural areas of lower population density.
  - **Promote entrepreneurship and support SMEs:** Enhancing the diversification of the rural economy (Axis 3) and also the competitiveness of the agricultural and forestry sector (Axis 1) will depend upon strengthening entrepreneurial skills within rural areas. Support for new rural enterprises in the areas of rural tourism, renewable energy and niche food production are all examples of areas which would meet the priorities of both the Lisbon and the RDNSP.
  - **Encourage the sustainable use of resources:** All of the priorities under Axis 2 would clearly contribute to this goal. In addition, measures for renewable energy, organic production and eco-tourism under Axis 1 and 3 would also assist in achieving this Lisbon objective.
- **Employment policy:** this includes the priorities to **expand investment in human capital and to adapt education and training systems in response to new requirements.** Measures under the human resources priorities under Axis 1 and the training and information, and skills acquisition priorities under Axis 3 would support this Lisbon objective. Later in this document we provide specific examples under these priorities. Achievement of diversification within the rural economy depends significantly on the provision of new skills to those in rural areas.

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<sup>14</sup> Lisbon Agenda, National Reform Programme, Ireland, 2005, p.6, emphasis added.

## WDC Comments on Chapter 3: Strategy per Axis

### Axis 1 – Improving the Competitiveness of the Agricultural and Forestry Sector

#### **Question: What do you think should be the balance between the three broad headings under Axis 1 and why do you hold this view?**

Human resources, physical capital and quality are important in creating the conditions to facilitate increased agricultural and forestry competitiveness. The WDC is not in a position to suggest an overall balance because we believe that the appropriate balance between the headings should be determined by the priorities within particular sectors. For instance, agricultural restructuring has a strong spatial dimension – the regions where commercial farming is increasingly concentrated will benefit disproportionately from supports aimed at making conventional agriculture more competitive. In the marginal farming regions, such as the West, there needs to be a strong emphasis on diversification, that is on developing new farming and forestry products for markets that show the greatest growth potential. This is why the WDC believes that supports under the three broad headings should pay particular attention to sectors where lagging rural regions can develop competitive advantage such as **organic agri-food**, and non-food production such as **biomass and other renewable energy sources**.

#### **Question: Within each broad heading, what measure(s) should be the focus of support?**

##### **Background**

In answering this question we will make suggestions in regard to organic agri-food and biomass because these are areas in which we have expertise. The WDC's involvement in the organic agri-food sector is detailed in Appendix 2. Suggestions for these two areas will be given under each of the three broad headings of human resources, physical capital and quality. Before turning to appropriate supports however, we provide a short rationale for increasing investment in the organic agri-food and biomass sectors.

##### Organic Agri-Food Sector

Organic agri-food production possesses considerable economic potential and the WDC has been to the forefront in highlighting why the Western Region, with its green image could and should tap into this potential market.

Over the last decade, organic agricultural production has increased considerably in Europe, largely driven by government support for conversion, education, research, extension and marketing. Although, as noted in Chapter 1, the Irish organic agri-food sector remains proportionately very small, the market for organic produce has had strong growth over recent years and this is expected to continue in the medium term. Bord Bia has found that there was scope for expansion in both the home and the export markets.<sup>15</sup> These markets are growing,

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<sup>15</sup> Bord Bia (2004), Report on Prospects for Organic Food in Ireland

and the increased interest from consumers, producers, processors and retailers provides a solid basis for expansion. Ireland imports up to 70% of some organic commodities.

The Agri-Vision 2015 Committee considered that the limited response by Irish farmers to the economic opportunities in organic production was due to the substantial **cost of switching to organic production systems** and the relatively **underdeveloped marketing structures** for organic produce in Ireland.<sup>16</sup>

Support measures under **Axis 1** should be directed to

- Ensuring the highest production standards in order to maintain consumer confidence in the integrity of organic food.
- Co-operation and co-ordination of all parts of the organic food chain through the development of effective partnerships in order to improve performance and respond effectively to consumer demand.
- Providing quality market information to organic farmers, growers and processors.

**It is critical that support to organic agri-food production and products includes support aimed at expanding the sector and bringing in new entrants to take advantage of the opportunities that exist.**

#### Renewable Energy – Biomass Sector

Renewable energy projects, by their nature, are best suited to rural locations. Renewable energy production can create economically and environmentally sustainable rural enterprises and play an important role in the provision of employment opportunities in rural areas experiencing agricultural decline.

Ireland is committed to achieving a target of at least 13.2% of electricity generating capacity from renewable sources by 2010. It is likely that future targets for generation will be considerably higher. CO<sub>2</sub> emission reduction targets will also increase and provide further impetus for the biomass sector. In addition, fossil fuel prices are rising. Ireland must therefore substantially expand its renewable energy sector which currently contributes 2.2% of Ireland's primary energy consumption<sup>17</sup>.

Within the context of Axis 1 of the RDNSP it is bio-energy (that is energy produced from biomass)<sup>18</sup> which requires specific support measures. It must be noted however that the development of bio-energy is currently in the remit of four government departments, those with responsibility for energy, environment, agriculture and transport. The WDC considers that measures under the RDP should represent additional support to that already provided by the Department of Communications, Marine and Natural Resources, the Department of the Environment and the Department of Transport.

Following a preliminary review of the biomass sector in the Western Region, the WDC has established that there is significant potential and a reasonable level of activity already underway. However a number of significant barriers to development do exist such as a shortage of information on forestry resources, a lack of advisory support for potential growers and limited public awareness. There is also a lack of co-ordination between the existing

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<sup>16</sup> The Agri-Vision 2015 Report, December 2004.

<sup>17</sup> Sustainable Energy Ireland (2005), Energy in Ireland 1990-2004: Trends, Issues, Forecasts and Indicators

<sup>18</sup> Examples of biomass are wood, short rotation forestry, forest residues, agricultural resources, pig and cattle slurry, poultry litter, organic components, crops to produce biofuel, organic sludges, waste tallow.

projects. Energy crops represent a new income opportunity and the development of a market for first thinnings is an immediate need within the forestry sector.

There is also a need to create local markets for small diameter timber in areas where such markets currently do not exist. Development of the wood fuel sector represents a market opportunity for this forestry product. Supports should also be provided for energy generation based on farm waste, such as the development of anaerobic digestion plants.

The bio-energy sector will only develop into a commercially mature and sustainable economic activity if the supply chain components develop simultaneously. In regard to energy crops, for example short rotation coppice, there are particular issues in relation to the supply chain. If energy crops are to input to the energy market there is a need for a comprehensive support programme to link the crop production with the final end use. This should include a focus on

- human resource development to build capacity and skills acquisition,
- physical capital to allow establishment of energy supply co-operatives, on-farm demonstration projects, and
- quality controls in all its aspects i.e. fuel, technology, installation.

Programmes such as the Challenge Fund for Short Rotation Coppice Energy Crops<sup>19</sup> offered in Northern Ireland to increase the amount of willow grown for an energy end use, may be of relevance.

## 1. Human Resources

### Organic Agri-Food Sector

A comprehensive set of proactive, dedicated programmes needs to be put in place including mentoring, training, networking, education and advice. Measures should also include support for proactive development of the sector including assistance for co-operative development, collective production, marketing and selling, and value-added food production. The approach which the WDC has taken to facilitating such proactive development of the organic agri-food sector in the Western Region is detailed in Appendix 2.

The **diffusion of knowledge**, as envisaged in Article 20 (a)(i) of the EC Regulation<sup>20</sup>, is required at a range of levels, from production and management to business development and marketing. The current programme of demonstration farms needs to be greatly strengthened and additional resources allocated.

There is a need for **co-ordination at regional** and local level to support producers groups, organisations and co-operatives. Regional co-ordination would serve to create economies of scale in new product development, supply chain management, marketing and other areas, as well as providing a link to national policy and programmes. Such co-ordination should be facilitated through dedicated co-ordinators (see UK example below). Other aspects of co-ordination would include facilitation of networking and training.

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<sup>19</sup> Further information on this Programme can be found at [http://www.forestserviceni.gov.uk/Priv\\_woodlands/priv\\_woodlands.html](http://www.forestserviceni.gov.uk/Priv_woodlands/priv_woodlands.html)

<sup>20</sup> All references to the EC Regulation made in this submission refer to EC Regulation No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

**UK Example:** The Soil Association employs regionally based Business Development Officers. Their role is to focus on facilitation and business support for both established, and newly formed regional clusters of organic businesses with the aim of helping them make a step change in their performance and output. This is part of a support programme for marketing organic produce by establishing collaborative group business development programmes involving producers, processors, retailers and other interests. These are identified through a regional planning process for the organic sector. The purpose of these programmes is to ultimately support new market development and may cover some or all of the following areas: business support, technical improvements, collaboration, market development and marketing support.

### Renewable Energy – Biomass Sector

There is a need for an independent support structure to provide information and advice to help farmers **develop** and/or participate in renewable energy projects. Such support should involve a proactive developmental approach, such as that described in the WDC’s model of rural development,<sup>21</sup> in order to stimulate and facilitate individuals and communities to become involved. Therefore, seed funding should be provided to enable the establishment of an independent Renewable Energy Development Group (REDG)<sup>22</sup>.

## **2. Physical Capital**

### Organic Agri-Food Sector

In the consultation document measures to support adding value to agricultural and forestry products (Article 20 (b)(iii) of the EC Regulation) as well as for co-operation to develop new products (Article 20 (b)(iv) of the EC Regulation) are included under the heading physical capital. Under these measures there is a need to provide **seed funding for development of commercial organic co-operatives, organisations and producer groups**. This would need animation at ground level in order to achieve effective co-operation, as the required ‘skills set’ is not readily available within the sector. This would also contribute to promoting entrepreneurship in rural areas and achieving the objectives of the Lisbon Agenda.

There is also a clear need to strengthen collaboration and co-operation among growers, representatives and certification bodies and processors.

**Effective marketing** of organic produce should also be covered under measures to add value to agricultural products and requires a dedicated organic market development programme with associated budget. This should involve an additional allocation of funding to Bord Bia.

### Renewable Energy – Biomass Sector

Physical capital supports are necessary to stimulate supply in the biomass sector. This should include the provision of **capital grants** for harvesting/processing and transport equipment, and strategically located wood fuel depots.

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<sup>21</sup> See Appendix 1 where the WDC model of rural development is described.

<sup>22</sup> The proposed Renewable Energy Development Groups (REDG) is described in detail on page 25 of To Catch the Wind: The Potential for Community Ownership of Wind Farms in Ireland, available from [www.wdc.ie](http://www.wdc.ie)

Such capital programmes will only be effective if promoted through locally based development agencies and the Department could explore funding for this under Article 20 (b)(iv) of the EC Regulation. In Austria and Denmark, the biomass sector has flourished through adoption of the **co-operative model** for the establishment of Energy Supply Companies. This model is readily applicable to the Irish situation and is explored in detail in the WDC publication *To Catch the Wind*.

### 3. Quality

#### Organic Agri-Food Sector

Increased **information and awareness** of the high quality of Irish organic produce should be supported under Article 20 (c)(iii) of the EC Regulation. There is an immediate need to enhance projects such as Organic Week and have a continued roll-out of the pilot Regional Food Forums.

#### Renewable Energy – Biomass Sector

In regard to most biomass, in particular bio-fuels and wood heating, standards and quality controls are vital, particularly to achieve the required high level of market confidence and credibility. The RDP should incorporate measures to support the development of standards applicable in Ireland, the monitoring of such standards and the promotion of awareness of standards among producers.

## **Axis 2 – Improving the Environment and the Countryside**

### **Question: What do you see as the national priorities under Axis 2?**

The WDC regards the priorities under Axis 2 as crucial to the sustainable development of the Western Region and the preservation of its distinctive environment, natural heritage and ecosystems. This is fundamental to preserving the quality of life in rural areas and their attractiveness as places to live and as tourism destinations.

As noted in the consultation document, the Rural Environment Protection Scheme (REPS) is subject to a separate consultation process. The WDC believes that the organic agri-food sector should be given appropriate priority within this Scheme in line with the sector's potential.

The WDC's general comments on support for the organic agri-food and renewable energy/biomass sector as outlined in the previous section are of relevance to Axis 2. Therefore we will not make any specific comments on the measures under Axis 2.

## **Axis 3 – The Quality of Life in Rural Areas and Diversification of the Rural Economy**

### **Question: What do you think should be the balance between the headings under Axis 3 and why do you hold this view?**

As we commented in relation to Chapters 1 and 2, there are many challenges facing rural areas. These are all intimately interconnected, for example the capacity to diversify the economy of rural areas is crucially related to training and skills acquisition. Therefore it is difficult for us to give a definitive response to this question.

One of the most fundamental challenges is the impact of restructuring in agriculture and the associated need for diversification and growth in the non-farm rural economy. In Ireland, the recent buoyancy in the economy has generally enabled rural economies to absorb the decline in the primary sectors of agriculture and fisheries, and also in industrial employment in some regions. Indeed, because of the attractiveness of rural lifestyles, and as employment opportunities have grown, most rural areas have gained population. However, the sustainability of employment in rural areas, as much of it is dependent on construction and services, is open to question.

Trends in population growth and the WDC's experience with the WDC Investment Fund and the Look West initiative<sup>23</sup> indicate that individuals and businesses are willing to relocate to rural areas and contribute to the rural economy. The extent to which this can and will happen is related to job opportunities, business prospects and quality of life.

The WDC believes that strategies for diversification of rural economies should be based on the sustainable development of natural, cultural and human capital. Thus, sectors based on natural and cultural resources, such as tourism, agri-food, and renewable energy need to be the focus of creative and innovative strategies to develop their undoubted and well-documented potential. As mentioned above in comments on Axes 1 and 2, the WDC is actively involved in projects in each of these sectors. Rural economies' human capital is depleted by rural-urban migration so strategies to encourage entrepreneurship and the establishment of micro-enterprises, particularly those that are part of the knowledge economy, as well as facilitating skills development, are fundamental to rural development.

There is a need to maximise the attractiveness of rural areas as locations for inward investment and to encourage the establishment and growth of indigenous firms. This is why the WDC in its policy work stresses the importance of the provision of quality transport access, reliable energy supply and broadband coverage in rural areas.

As Ireland positions itself as a knowledge-based economy and society, it is important that rural residents are not disadvantaged because of location or social category. After all, one of the hallmarks of availability of information and communications technology is its capacity to make distance irrelevant and achieve greater social inclusion. The WDC welcomes the focus in the EC Strategic Guidelines on ICT generally and especially the emphasis on training,

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<sup>23</sup> The WDC's Look West initiative aims to promote the Western Region as an attractive location to live, work and do business, see [www.lookwest.ie](http://www.lookwest.ie)

information and skills acquisition in Axis 3. Young people from the western counties have a remarkable record of educational participation at all levels but much of this human capital is lost to rural regions because of migration to larger centres. As well as maximising the opportunities for migrants to return, it is important to provide those currently resident in rural areas with opportunities to access high quality education and training, by direct participation, or through distance learning using ICT.

The WDC believes that the set of measures under Axis 3 are complementary and therefore a definitive answer to the question of the appropriate balance is not possible. We believe that measures should be deployed in an integrated way to achieve a broad set of strategic objectives which strengthen the sustainable development of rural economies, along the lines set out above.

## **Question: Within each broad heading, what measure(s) should be the focus of support?**

### **Background**

In answering this question we will make suggestions under the broad headings of diversification of the rural economy, quality of life in rural areas, and training and information. Before turning to appropriate supports however, we provide a short rationale for increasing investment in the rural tourism sector.

#### Rural Tourism Sector

Through its rural development work and using the WDC model of rural development (see Appendix 1) the WDC proactively facilitates the development of sustainable rural tourism strategic initiatives in the Western Region. This is operationalised through the Western Development Tourism Programme (WDTP) which is discussed in the following section and is also outlined in Appendix 3.

Ireland has experienced a trend of increasing concentration of tourist numbers in the past few years. Apart from Dublin, all regions have experienced a decline in overseas tourist numbers since 2000. In the Western Region **it is striking that those counties that have experienced the greatest declines are those that tend to have a greater reliance on a rural-type tourism product.**

One of the main elements of rural tourism is activity holidays. This includes walking, angling, golf, cycling, riding and watersports among others. Activity holidays to Ireland have seen a substantial decline in numbers in recent years.

Some of the key issues impacting upon tourism development in rural regions are:

- Rural areas face increasing competition requiring greater focus on their unique offering and also on niche markets.
- Consumers are taking a greater number of shorter holidays and this means that visitors do not venture far from their point of entry, resulting in more urban based holidays. There is a need for an expansion of direct international air access into the regions linked with greatly improved public transport services at the international access points.
- Consumers are booking their holidays later and are increasingly using the internet to take advantage of special offers. Product providers need to acquire the flexibility necessary to



cater to such demands, particularly by using ICT for reservations, promotions and marketing.

Rural tourism providers need to adapt to these changing consumer trends as do the marketing strategies of the tourism agencies.

## **1. Diversification of the Rural Economy**

### **Diversification into non-agricultural activities**

Diversification into non-agricultural activities covers a very wide range of possibilities, some of which are also covered under specific headings. For example farm based rural tourism is one obvious opportunity and this is discussed under the 'Encouragement of tourism activities' section below. Other forms of farm based enterprise would be addressed under 'Support for business creation and development'.

The WDC considers that another sector with potential in this area is wind energy<sup>24</sup>. This is a non-agricultural land use with significant potential, particularly in the western areas of Ireland. **Measures to support the development of small-scale wind energy projects on farms** would contribute to the diversification into non-agricultural activities as envisaged in Article 52 (a)(i) and Article 53 of the EC Regulation.

### **Support for business creation and development**

County Enterprise Boards and Enterprise Ireland play a central role in support for enterprise in rural areas and any supports under the RDP should complement the activities of these and other agencies.

Private sector employment in many rural areas is characterised by relatively small firms and a higher dependence upon more traditional manufacturing industries such as food processing and engineering e.g. in county Roscommon in 2002 over half of all industrial jobs were in the food and drink sector<sup>25</sup>. The future prospects for such industries are uncertain given the restructuring occurring in agriculture and Ireland's rising cost base.

It is becoming apparent that many rural residents are running, or employed in, micro-enterprises, partnerships, or are sole traders, particularly in the services sector. It is important that the significance for rural economies of this small scale activity is recognised and promoted as outlined in Article 52 (a)(ii) of the EC Regulation. This is also important in achieving Ireland's Lisbon Reform Agenda. **Measures should include supports for establishment, skills training, mentoring and networking.**

Some geographic areas that have a particular reliance on declining industries, and which also face falling agricultural activity, should be targeted with supports to address their vulnerability and stimulate alternative employment opportunities. Examples of such areas include coastal areas faced with declining fishing production where there is little other employment, areas in transition from dependence on employment in large multinationals e.g. parts of Inishowen and south Donegal. Keeping within the criteria of EU State Aid rules, it is proposed that the RDP develop a special theme or focus to target such areas to provide for economic revitalisation.

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<sup>24</sup> Western Development Commission (2004), To Catch the Wind: The Potential for Community Ownership of Wind Farms in Ireland

<sup>25</sup> CSO, Census of Industrial Production 2002

**Specifically this could involve ring-fencing a portion of budgets and developing a specific programme of activities for identified areas based on social and economic need.** Such a measure would attempt to address particular difficulties faced by such areas through specific targeted interventions.

### Support for ICT initiatives

There is ample evidence of ‘market failure’ in broadband rollout in Ireland whereby the customer base or spending power of customers in rural locations is insufficient to attract private investment. Lack of competition in the marketplace results in charges which are distance-dependent and puts more remote areas at a cost disadvantage. Difficulties in accessing broadband, and higher costs, seriously affect the competitiveness of many firms in rural locations.

Without intervention, broadband services may never reach many rural areas or certain social groups. Support is necessary both to subsidise provision and to drive demand. Support for provision is outlined under the heading Quality of Life below. Demand stimulation will help bridge what is referred to as the ‘digital divide’ by driving private sector investment in broadband technologies and services.

Demand for broadband is related to knowledge of and interest in applications of ICT so demonstrations of applications are important in stimulating interest. **Locally based ICT initiatives** which combine demonstrations, training and use of IT equipment at community level will encourage adoption of ICT and demand for broadband by local firms and rural businesses and enable them to benefit from productivity gains from e-business and e-commerce.

To maximise their versatility and penetration into rural areas, such initiatives could be based on a well-equipped ‘mobile facility’ which could efficiently deliver demonstrations and skill training and then move to another location<sup>26</sup>. Since all primary schools in Ireland are scheduled to have broadband technology by 2006, synergies with this programme should be possible until adoption rates in businesses and homes mean that this is no longer required. Complementarity with other programmes supported by the EU Structural Funds and i2010 should also be possible here. In addition to rural businesses, older people, women and young people should be particular targets for these initiatives in line with the EU Regulation.

### Encouragement of tourism activities

The WDC considers that measures under the RDP should represent **additional support** to that provided by the tourism development agencies and that the **rural development measures should not be the sole means of support for rural tourism. The WDC believes that promotion of and support for tourism in rural areas** should be central to the remit of the tourism development agencies. The impetus for this should come from the Department of Arts, Sport and Tourism.

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<sup>26</sup> One example of this would be the Computer Club House project sponsored by the Intel Corporation. Another example is the BT Broadband Studio see [www.btireland.ie/broadband](http://www.btireland.ie/broadband)

We set out below a number of measures which the WDC considers should be incorporated into the RDNSP and RDP to encourage tourism activities in rural areas.

### Support for strategic rural tourism initiatives

**The WDC considers that rural development measures should support strategic partnerships of tourism interests to work together to develop innovative product in rural areas.**

*... rural tourism sector lacks a cohesive strategy and is inefficient in that it takes the form of many unrelated, small scale initiatives at local level. The achievement of critical mass at the local level is essential to the establishment of a viable sector in the future.*<sup>27</sup>

The Western Development Tourism Programme (WDTP) represents an example of this approach in action. The approach that has been employed by the WDTP has facilitated inter-agency partnership for all agencies involved in tourism in the Western Region. WDTP stakeholders believe that this approach has been complementary to and added value to the work of other tourism agencies. A number of projects facilitated by the WDTP and which illustrate the success of the strategic partnership approach are outlined below. A more detailed description of the WDTP and its activities can be found in Appendix 3.

The WDTP is a model of strategic rural tourism development. Whether building a partnership between a local tourism group, a local authority and a Leader company, or securing a major regional marketing programme, all projects and programmes initiated by the WDTP are delivered on the basis of economic, social and environmental sustainability.

The WDTP are responsible for implementing the proposals for rural tourism development put forward in the blueprint.<sup>28</sup> The WDTP has identified, facilitated and developed 15 rural tourism development projects. These are:

1. New West Tourism Plan 2002 – 2004
2. Green Box
3. Ireland's Western Regions Brochure
4. Walking Through Time
5. Walking in the West
6. WDTP Training
7. [www.trueireland.com](http://www.trueireland.com)
8. Islands Festival Network
9. Killary Adventure and Leisure Capital
10. Leitrim Presents
11. Irish Centre for Sustainable Tourism at IT Sligo
12. Western Food Trail
13. "Tourism Matters" Radio Broadcasts
14. Heritage Attraction Review
15. Conference – Sustainable Tourism Development in the West

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<sup>27</sup> White Paper on Rural Development, 1999, p 45

<sup>28</sup> WDC (2000), Blueprint for Tourism Development in the West: An Action Plan for Rural Areas

In turn, WDTP work stimulates private sector development by signalling confidence in the tourism sector and encouraging private sector enterprise initiatives. The following are examples of strategic tourism projects initiated by the WDTP.

## 1. The Green Box

Initiated in 2002 as Ireland's only integrated eco tourism project, the Green Box is now becoming one of Ireland's major niche tourism initiatives. The Green Box region encompasses all of Leitrim and Fermanagh and parts of Donegal, Sligo and Cavan. The WDTP has played a key facilitation role between the public, private and community sectors in the development of the Green Box plan, the co-ordination of applications for funding and the establishment of the Green Box Board.

Green or eco tourism is a new concept in Ireland. It is low impact tourism that uses the natural resources of an area as its product. The Green Box project aims to deliver an eco tourism destination, a conceptual and spatial 'Green Box', a defined region containing environmentally sustainable products, accommodation and attractions within a context of clean natural resources. The type of tourism and activity generated will have minimal impact on the ecology of the area, be of maximum benefit to the community and match the needs of the environmentally-conscious visitor. The key aims of the project include:

- The creation of new market ready products by enterprises in less visited rural areas.
- The creation of the first eco tourism certification programme in Ireland and the adoption of the EU approved EU Flower award by accommodation providers in the area. This is essential in ensuring that proper standards are developed and maintained for all Green Box products.
- The development of a range of eco tourism packages to appeal to regional, national and international tourists.
- The delivery of real economic benefits at ground level for product providers and communities.

To support and deliver on the above, €3.1 million was secured for the project and its product providers in 2004. The Green Box offices are based in Manorhamilton, Co. Leitrim. Funders include INTERREG and PEACE II and support for the project is in place until early 2008.<sup>29</sup> The Green Box has three main programming areas.

- **Capital Development Programme** – administering grant aid to the private and community sector to support them in developing market ready products. This programme will also support two flagship projects one in Fermanagh and one in Leitrim.
- **Product Providers Network** – networking 100 product providers and community groups throughout the region while developing Ireland's' first eco tourism standard.
- **Marketing Programme** – promoting and selling the Green Box and its product providers at local, regional, national and international levels.

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<sup>29</sup> Funding from INTERREG and PEACE II has enabled seven full time jobs to be created to drive the project and its programmes.

## 2. Walking in the West (WITW)

WITW is an example of how the WDTP played a key role in the co-ordination of rural tourism development projects. WITW involved the WDTP, WDC, 12 Leader companies, Ireland West Tourism, the Irish Sports Council and the community sector. *Walking in the West: A Step-by-Step Guide*<sup>30</sup>, published in 2005, proposes a new integrated development process, that when implemented, will deliver a world class walking product, support the commercialisation of the walking product in the Western Region and increase visitor numbers.

*Walking in the West* aims to assist community groups and private product service providers to develop, promote and sell walking packages based on models of international best practice. The key success factors required to ensure the walking product is attractive to international walking tourists are set out in the Guide and are based on case studies of successful ventures abroad. Recommendations for initiatives to stimulate the commercialisation of the walking product in Ireland are based on these key success factors.

### Walking in the West – Recommendations

- Local Walking Partnerships (LWP) for each walk within the region should be developed to include a mix of public, private and community interests. The primary responsibilities of each LWP will include the creation and implementation of a local action plan and development strategy, route maintenance plans and a marketing and sales strategy.
- Walk Managers should be employed by each LWP and the function of this role will be to facilitate networking among the community, public and private interests to ensure that the walking product is effectively managed to deliver full benefits to stakeholders along the route. The Walk Manager will facilitate access issues with local landowners, the creation of commercial services along the route, maintenance of standards, interaction with the tourism marketing agencies, handling of sales queries and creation and maintenance of an e-commerce enabled website. **It is envisaged that the Walk Manager report to the Local Action Group manager/managers.**
- At national and regional policy level, *Walking in the West* recommends that a National Framework for walking be developed to address issues such as route development, quality standards, route maintenance, marketing and sales. The National Framework is being developed under the guidance of the Department of Community, Rural and Gaeltacht Affairs and will be grounded in impending Fáilte Ireland and National Waymarked Ways Advisory Committee (NWWAC) studies and the Countryside Recreational Policy which is currently being devised by Comhairle na Tuaithe. To implement the National Policy Framework, WITW recommends that a Regional Walking Strategy be developed by Regional Walking Partnerships i.e. public, private and community partners in each of the regional tourism authority areas (North West Tourism, Ireland West Tourism and Shannon Development).

**The focus of the Walking in the West model is the application of the step by step guide to National Waymarked Ways i.e. long distance walks as opposed to smaller looped walks. This is important as the WDC and WDTP believe that for rural areas to really benefit from the walking product, walkers must be encouraged to avail of packages that include overnight stays in rural areas.**

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<sup>30</sup> WDTP (2005), *Walking in the West: A Step-by-Step Guide* is available at [www.trueireland.com](http://www.trueireland.com) and [www.wdc.ie](http://www.wdc.ie)

The WDTP are currently beginning the process of applying the WITW model to three pilot walks in the Region.

- The East Clare Way
- The Tochar Valley Way
- The Bluestacks Way

The process to bring the LWPs together is being undertaken for each of the three walks and training and mentoring programmes will begin in March 2006. This will ensure that capacity amongst all members of the LWP is built and the necessary components for commercialisation identified. Once this process is complete (September 2006), the LWP for each of the three pilot areas will begin the process of sourcing support for the employment of Walk Managers.

### 3. WDTP Training Initiative

The WDTP Training initiative is a partnership between the WDTP, Institute of Technology Sligo, six Leader companies and the private sector. The initiative is a tailor made 80 hour training programme providing tourism product providers with an accredited course – *National Certificate in Tourism Management & Marketing*. By the end of 2005 there were 100 graduates. Participants are mostly those involved in micro-tourism enterprises. A new course *National Certificate in Eco Tourism* has just been developed and will be run in the Green Box area initially, and then throughout the region.

### 4. Joint Marketing

In 2004 the first inter-regional brochure – *Ireland's Western Regions*, a completely new concept for tourism marketing in Ireland, which involved a partnership approach between Shannon Development, Regional Tourism Authorities, Fáilte Ireland and 12 Leader companies was delivered. This project has led to other regional joint marketing work.

#### Innovative Product Development

The WDC considers that priority attention should be given to innovative product development in rural regions as recommended in the 10-year national tourism strategy<sup>31</sup>. Innovative product development should be the primary responsibility of the regional tourism bodies with the RDP providing some supplementary support to providers in rural areas. The approach should ensure that strategic partnerships are supported to work together to develop innovative product in rural areas. High quality tourism products will act as a catalyst for attracting tourists from the urban areas into rural areas and will also support a greater innovation culture as proposed by the Lisbon Agenda. The Green Box initiative and the tri-partite structures being established under the WDTP's Walking in the West initiative (see above) are examples of an approach to developing innovative, niche products. **Supports should encourage this strategic thinking and the coming together of all the main interests to ensure that this type of development is progressed in the rural regions of Ireland.**

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<sup>31</sup> Tourism Policy Review Group (2003), *New Horizons for Irish Tourism: An Agenda for Action*

## Walking Tourism

Walking tourism can play an important role in bringing longer stay tourists to the regions and rural areas in particular. The WITW project, detailed earlier, provides an example of an approach to development of the sector. The WDC believes that the development of walking should be supported under the RDP. **Particular support should be given to Local Action Groups to employ Walk Managers as proposed by WITW.**

### Encouragement of tourism activities – Summary of proposals

The RDP should support the type of project development initiated under the WDTP and encourage mainstream tourism agencies to commit to implementing similar models through their own organisations. In particular this should include support for:

- Ensuring multi agency co-ordinated delivery of niche products that can bring both commercial and environmental benefits to rural areas within a region e.g. the Green Box project. One means of contributing to this would be to include a measure under the RDP that supports facilitators to play a similar role to that of the WDC within the WDTP (see Appendix 1 and Appendix 3). Such a measure should only be available if a number of partners agree to participate in a co-ordinated approach.
- The provision of Walk Managers on long distance walks that have the potential to deliver real commercial benefits to rural tourism providers as recommended in WITW.

The success of the above measures can only be achieved if rural development and tourism agencies are encouraged to work together on **developing** strategic tourism initiatives with a regional impact. This approach would need to be incorporated within the strategic remit and operational plans of all relevant tourism and rural development bodies.

## **2. Quality of Life in Rural Areas**

### Basic Services

The provision of basic services, particularly telecommunications, transport and energy, in rural areas is particularly important in attracting new and growing existing enterprises. This is particularly the case for firms and individuals that are involved in the knowledge economy such as software developers. The quality of infrastructure provision may in fact be more important for business development in rural areas than direct enterprise supports. Service availability in rural areas is also an essential element contributing to the quality of life of those living and working in rural areas. The WDC believes there are a number of basic services which could be supported under the RDP which would make a significant difference to rural areas as well as contribute to the priorities of the Lisbon Agenda.

### Broadband Telecommunications Services

As stated above in the discussion on ICT initiatives, support is necessary to enable broadband technology to reach rural areas, particularly where scattered population makes private investment in provision unlikely. Support to enable broadband provision to such areas would

greatly enhance their attractiveness as locations for ICT based knowledge-intensive businesses, particularly those based on teleworking<sup>32</sup>. Broadband provision would also be essential for other rural based businesses, including in the farming and forestry sectors. Support could take the form of pilot trials for new technologies particularly suitable for rural areas, or direct support for provision in more marginalised rural areas where market failure is clearly evident.

### Energy Infrastructure and Supply

The WDC regards the provision of quality energy infrastructure and supply as an important element of the infrastructure required to underpin rural economic development and improve quality of life. The WDC therefore makes a number of suggestions in this regard.

- **Electricity:** Access to quality power supply, which is able to meet the requirements of rural businesses, is essential to allow the development of rural enterprise, competitiveness and employment. A CLÁR scheme currently funds the cost of the customer contribution to the ESB for conversion from single phase to three-phase electricity for small businesses/enterprises in CLÁR areas. **The WDC believes that the extension of this three phase electricity scheme to areas outside CLÁR should be explored for the RDP.** The CLÁR scheme has been very successful and has shown how support for the provision of a basic service can help rural business to expand and to operate more efficiently.
- **Gas connections:** In the last 35 years natural gas has become, like electricity, an energy infrastructure essential in Europe. As the gas network in Ireland expands and more consumers (both industrial and domestic) gain access to the network, the availability of gas supply will be taken for granted in many regions. In this context the lack of gas infrastructure in other regions may become a further disincentive to investment, reducing a region's competitiveness and thus increasing existing disparities. Those industries in areas without natural gas face higher energy costs, lack choice of energy supply and will face higher costs arising from the use of more polluting energy sources.

Under policy for the extension of the natural gas network to new towns<sup>33</sup> and areas, an economic appraisal is carried out and the Net Present Value (NPV) of the costs and benefits is calculated. Where the NPV is negative then a connection cannot be allowed without a supplemental contribution. **The WDC believes that the provision of natural gas in a town can provide a development stimulus, and so we believe that the possibility of funding one-off 'supplemental contributions', in certain instances, to allow the extension of the gas network to towns and villages connection, should be explored.**

## **3. Training and Information**

Business creation and development in rural areas will depend upon the existence of adequate **entrepreneurial, management, strategic planning and marketing skills. Skills training in**

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<sup>32</sup> E-Training International based in Scariff Co. Clare is a good example of such businesses.

<sup>33</sup> Both the existing policy CER/03/190 'Commission Decision on Gas Distribution Connection Policy' 7<sup>th</sup> Aug 2003 and the proposed new policy CER/05/266 'Bord Gáis Networks Connections Policy Consultation Document' which is currently in a consultation phase, allow for this supplemental contribution which would cover the amount of the negative NPV from the economic appraisal. For further information please contact the WDC or CER.



**these areas should be targeted to rural areas**, and should be sufficiently flexible to accommodate business persons in rural areas e.g. flexible hours, distance learning options. Investing in human capital in rural areas also promotes the achievement of the employment priorities of the Lisbon Agenda.

To successfully develop innovative tourism products in rural areas there is a need for improved training. The WDC considers that the RDP should **support training and applied research on rural tourism**. A good example is that rural tourism entrepreneurs located in the Green Box area were supported by Leader companies to participate in the national certificate courses developed by Sligo IT as part of the WDTP training initiative (see details given earlier).

## **Axis 4 – Leader/ Local Action Groups**

**Question: We would welcome your views as to the balance that should exist between the objectives of developing the capacity of local communities to implement local plans and the need to improve social and economic living conditions.**

Local Action Groups (the Leader approach) have been largely successful in Ireland and have mobilised many communities and key actors in the development process. However the capacity of many local communities to implement local plans remains limited. The WDC believes that support under Axis 4 should be provided to **encourage a more pro-active development approach in rural areas**. The approach we have in mind here is similar to that which the WDC has used to mobilise rural development activity in the Western Region and which is outlined in detail in Appendix 1. We believe that this approach is necessary if the overarching priority of Axis 3, the creation of employment opportunities and conditions for growth in rural areas, is to be achieved.

The effective implementation of **integrated local development strategies**, as outlined in Article 62 (1)(a) of the EC Regulation, will depend upon the **Local Action Groups (Leader approach) being supported to employ development executives. Their main role would be to work with local partners/stakeholders to facilitate them to actively plan and implement the local development strategies.**

The development executives would: work proactively to build the capacity of stakeholders; organise local strategy development and support its implementation; and would also devise an ‘exit strategy’ so that they can, over time, disengage and hand over functions to the local community/ private sector. Development executives should be senior staff and should work closely with the Local Area Group manager to ensure co-ordination and efficiency between funding, planning and development of counties and rural areas within them.

Another important feature of local development strategies should be the **flexibility to work at inter-county level** so that substantial impacts can accrue relative to resources expended on administration. Promotion of inter-county initiatives should be a function of the development executives.

The WDC also suggest the following under Axis 4:

- Local development strategies should contain time bound targets and identifiable/achievable outputs. The development executives should assist in meeting these targets.

- More emphasis should be placed on initiatives at regional level, including cross-border and also inter-county projects as provided for under Articles 63 and 65 of the EC Regulation. The WDC has worked very effectively with Local Action Groups under the inter-territorial measure in the organic agri-food, renewable energy and rural tourism sectors. Inter-territorial work is a very effective way of delivering strategic projects, creating regional impact and achieving economies of scale. Measures under Axis 4 should encourage Local Action Groups to undertake initiatives with other agencies both at county and regional level.

The WDC believes that if rural areas are to develop, and retain and attract people and enterprise, then the **integrated local development strategies** need to address the issues of town and village enhancement, infrastructure, enterprise and tourism development, as well as conservation of the local heritage.

## WDC Comments on Chapter 4: Rural Development Programme

### Question: We would appreciate your views on the proposed approach to implementation of the Rural Development Programme

The WDC considers that a single national programme for rural development, implemented through sub regional area-based local development strategies (i.e. county level) is the appropriate structure. In this particular instance a regional approach based on the two NUTS II regions<sup>34</sup> would not appear to be appropriate.

However the WDC believes that the success of this approach depends on the following conditions.

1. The measures under the national rural development programme should provide the Local Action Groups (the Leader approach) which we discussed in the previous section on Axis 4, with **adequate flexibility to adapt the measures to the particular circumstances within their area**. A single national programme with narrow criteria that do not allow for the considerable variation across rural areas would not be the best approach to achieving rural development. This is one of the limitations of the current Leader approach. Indeed, the proposed Community Strategic Guidelines for Rural Development acknowledge that in addition to national rural development priorities

*Rural areas may have to deal with other specific issues such as peri-urban pressure, unemployment, remoteness or low population density.*<sup>35</sup>

The diversity of rural areas was discussed under Chapter 1 above and measures under the RDP must provide sufficient flexibility to take account of such diversity. The RDNSP must clearly commit Ireland to ensuring such flexibility.

2. Incentives must also be included within the national rural development programme to encourage **co-operation between Local Action Groups**. Article 63(b) and Article 65(1) of the EC Regulation state that measures supported under Axis 4 shall include support for implementing co-operation projects, including inter-territorial co-operation within the member state.

The advantages of strategic initiatives across a wider area are discussed under Axis 3 above and also under Chapter 6. Economies of scale in administration and delivery of programmes are created by the larger area and in some cases supports can be provided on a more efficient and sustainable basis.

Some examples of effective inter-territorial co-operation on strategic initiatives would include the **Green Box** initiative outlined in our comments under Axis 3 above (see Appendix 3) and the four Local Action Groups in the North West that funded the initial business plan for **Atlantic Organics** (see Appendix 2).

If the RDNSP and RDP do not incorporate the above two conditions, then the WDC considers that a regional approach for the Border, Midlands, West (BMW) and Southern and Eastern

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<sup>34</sup> Border, Midlands, West (BMW), and Southern and Eastern (S&E)

<sup>35</sup> Proposals for a Council Decision on Community Strategic Guidelines for Rural Development, 2005, p 10

(S&E) regions is preferable to a single national programme as this would facilitate some limited form of a response to spatial variation across the country.

## **WDC Comments on Chapter 5: Internal and External Consistency of the National Strategy Plan, Complementarities with other Community Funding Instruments**

### **Question: Ensuring Consistency in Programming, please give your views**

In making our proposals on Axes 1, 2, 3 and 4 above, the WDC took other relevant EU level strategies into account, specifically in the following areas.

#### Renewable Energy – Biomass Sector

Bio-energy has been highlighted in the EU Commission's White Paper on Renewable Sources of Energy as playing a major part in doubling the use of renewable energy in the EU from the present European average of 6% to 12% by the year 2010. Achieving this increase in renewable energy would also allow the EU to meet its overall target for reduction of greenhouse gas emissions as set out in the Kyoto agreement. Examples of relevant European policy or support documents include:

- White Paper on Renewable Energy Sources (1996)
- Green Paper on Security of Supply (2001)
- Animal By-Products Directive (2002)
- Renewable Energy Electricity Directive (2000)
- EU Biomass Action Plan (2005)

Further development of Ireland's biomass resources is very important if Ireland is to achieve the target of 10.2% of electricity generating capacity from renewable sources by 2010. At a national level the current Irish policies which have an impact on the development of bioenergy include:

- Green Paper on Sustainable Energy (1999)
- National Climate Change Strategy (2000)

#### Organic Agri-food Sector

Organic farming contributes significantly to a number of EU policies:

- A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development (Göteborg European Council 2001)
- Sixth Community Environment Action Programme (2002)
- Mid-Term Review of the Common Agricultural Policy (2002)

These policies aim to achieve a higher level of environmental protection. The main benefits of organic farming in this respect relate to: pesticides, plant nutrients, soil protection, biodiversity and nature protection, and animal welfare<sup>36</sup>.

The European Organic Action Plan (2004) is based on the Commission's objective to promote organic food and farming. Key action areas relate to:

- Improving information to consumers
- Improving the links between the producers and the market
- Improving the funding for research in organic farming
- Further harmonising inspection and standards for organic farming throughout the EU.

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<sup>36</sup> European Action Plan for Organic Food and Farming (2004)

## WDC Comments on Chapter 6: Amount and Set Up for the National Rural Network

### Question: We would appreciate any views on the National Rural Network

Under the National Rural Network, the WDC believes that special support should be provided to put in place adequately resourced sector co-ordinators to support specific sectors being dealt with by Local Action Groups (Leader approach). These co-ordinators could be deployed to a region as needs arose. Currently there is a national co-ordinator supporting Local Action Groups and the development of the food sector. Similar co-ordinators should be appointed for renewable energy, rural tourism and organic agri-food (and others as needs arise). This would be consistent with the objectives of the National Rural Network as set out in Article 68 (2)(b) of the EC Regulation.

### Role of Sector Co-ordinators

Working under a steering committee of the National Rural Network, sector co-ordinators could adopt a similar role to that of the existing co-ordinator for the food sector referred to above. The WDC believes that the existence of such support would greatly enhance the role of Local Action Groups at regional and national level in the following ways:

- As Local Action Groups enter into a new programme at local level e.g. renewable energy, officers would immediately be able to **source relevant information, similar projects, expertise and advice from the sector co-ordinator**. This saves officers' time and resources in terms of collecting baseline information.
- Sector co-ordinators could work with a number of Local Action Groups to **create themed networks in various sectors through inter-county/inter-regional initiatives**. Examples of this approach would be projects such as the value added food project developed under Atlantic Organics and the Green Box (described in Appendix 2 and Appendix 3 respectively). Having co-ordinators at national level to initiate, facilitate and progress strategic projects of this type throughout Ireland will greatly enhance Local Action Groups' capacity to operate effectively at a strategic level.
- Sector co-ordinators should take responsibility for the **networking of Local Action Groups** by running seminars, conventions and workshops based on their needs. This could include sector-based events relevant to regional areas and the needs of Local Action Groups within that area e.g. organic agri-food seminars in the North West.

## Conclusion

The WDC is happy to provide further information or examples in relation to this submission, should they be required. We look forward to participating further in this consultation process and in the development of the RDNSP and RDP.

**Western Development Commission  
February 2005**

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