



Western Development Commission

Annual Report 2002

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Foreword

At the end of 2002 the challenges facing the Western Region have not diminished. If anything they are growing, because all the indicators suggest that the gap between the West and the rest of the country will continue to widen.

Poor infrastructure remains the major barrier to development in the Western Region and the Western Development Commission (WDC) has continued to highlight the importance of tackling this deficit.

Clear targets need to be set and adhered to in delivering such vital infrastructure to the West. It is of major concern that delivery of the roads programme in the National Development Plan is falling behind schedule and that important routes in the West are being neglected.

In the Western Region there is a dependency on agriculture and given the difficulties currently facing the sector, there are increasing pressures on the rural economy. The designation of gateways and hubs as centres for investment in the National Spatial Strategy will present challenges for the development of the rural economy.

A review of the WDC was announced by the government on 23rd July 2002. This was welcomed by the members of the Commission, who see it as an opportunity to improve how the WDC operates in bringing about change in the West.

It is to be regretted that the budget of the Western Investment Fund (WIF) for 2003 was cut in the estimates published in November 2002. This is particularly unfortunate given the very high level of interest in the Fund during the year and the large number of projects seeking assistance. At a time when the economy is tightening, it is particularly important that capital be made available for projects which can create jobs and help develop the Western economy.



The mid-term review of the National Development Plan will take place in 2003. Given that spending targets for the BMW Region have not been achieved and that important projects in the region are not getting priority, the review must bring about significant change in the way the NDP is delivered if balanced regional development is to become a reality.

I would like to thank all those who worked with and who supported the work of the WDC in 2002, including Mr Éamon Ó Cuív, TD, Minister for Community, Rural and Gaeltacht Affairs, my fellow commission members, Chief Executive Lisa McAllister and the staff of the WDC.

Michael Farrell
Chairperson

Chief Executive's Report

In an increasingly globalised environment, the future of the Western Region rests on its ability to be competitive – to attract and retain investment, jobs and people.

As the only statutory body fostering and promoting the development of the western counties of Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare, the WDC is addressing such issues.

The WDC reviews regional policy and recommends national policy adjustments, in addition to fostering co-ordination between development agencies in the Western Region and nationally.

A major barrier to growth and competitiveness in the West is inadequate infrastructure. Addressing this deficit was a priority for the WDC in 2002. Much work was done in examining policy relating to key infrastructure – roads, rail, energy (electricity and gas) and telecommunications.

Advances in telecommunications offer particular opportunities for regions such as the West, provided that they have the necessary broadband infrastructure. The publication of the WDC's bulletin *Update on Telecommunication in the Western Region* highlighted this. But it is clear that much remains to be done to ensure the region can access competitive services in a deregulated market.

A key role of the WDC is in co-ordinating regional action, to ensure that all agencies concerned with economic and social development work together. The WDC's development work in 2002 focused on strategic initiatives in the rural tourism and organic agri-food sectors, and on increasing the job-creating potential in these areas. The possibility of local communities investing in renewable energy is also being investigated. These sectors have considerable potential in the Western Region.



The WDC continues to play an important role in the work of County Development Boards. As members of CDBs, WDC staff contributed to drawing up the various county development strategies and the work of the WDC is strongly reflected in them.

Much progress was made in establishing the WIF as a key venture capital fund. One aim over the next five years is to prove that while venture capitalists have not traditionally been active in the West, the region can be attractive for such investment.

A very successful promotion campaign succeeded in greatly raising awareness of the WIF and the number of projects approved for funding has increased. Following a review, it was also decided that loan terms should be adapted to meet the needs of target groups.

The WDC's full staffing complement of fifteen was reached midway through the year, a welcome development given the considerable challenges facing us in the West.

I would like to thank the Chairperson and members of the WDC for their support and encouragement in what was a challenging year for all of us. The hard work and commitment of the staff is also much appreciated. Finally, a word of thanks to all those organisations and individuals, in the West and nationally, who have supported the work of the WDC in various ways.

Lisa McAllister
Chief Executive

Introduction

Members of the WDC



Unique focus on the Western Region

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The WDC is a statutory agency with a unique focus on the Western Region. A key aim is to ensure that the interests of the West are always considered at the highest levels of government.

The WDC advises the Government on policies affecting the Region and all proposals are based on detailed economic and social research.

It also plays an important role in regional development, through strategic initiatives in various sectors such as agriculture and tourism.

It manages the WIF, established to fill a “funding gap” adversely affecting businesses and community groups in the region.

The WDC was put on a statutory basis in 1999 and its function is to promote economic and social development in the seven western counties of Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

Using a network of connections in key government departments, state agencies and in local development and community groups, the WDC ensures that it has close links with organisations on the ground while at the same time influencing policy at the highest level.

The WDC had an operational budget of €1.44m in 2002.

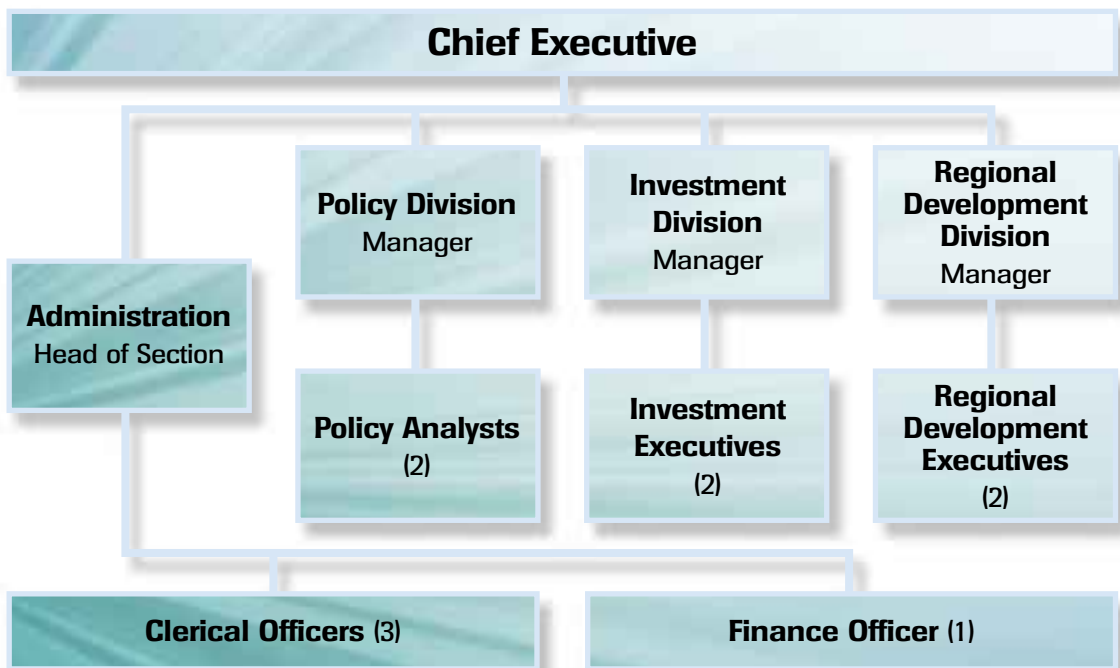
Organisation and Structure

The Chairperson and members of the WDC are appointed by the Minister for Community, Rural and Gaeltacht Affairs.

A new Commission was appointed on 1st February 2002.

The full staffing complement of 15 was in place by May 2002.

Fig 1. WDC Organisational Structure



L-R: Michael Farrell, Minister O'Cuiv and Lisa McAllister

Website visits continue to grow



The WDC website www.wdc.ie became operational in March and the number of people using the site grew steadily to the end of the year.

The website contains all the information anybody would need about the WDC. Every report published by the WDC is immediately posted, as are all press releases. Information about the Western Investment Fund (WIF) and the organisation's regional development work is also available.

An example of how important the website has become arose with the publication of the *Update on Telecommunications in the Western Region*. The website recorded its busiest day ever on the 17th December, the day after the launch of the report. Obviously people who heard about it through the media then went to the website to see the document for themselves.

Statistics detailing the use of the website show that the documents read most in 2002 included the submission to the government's Strategic Rail Review, the *Update on Telecommunications* bulletin and sections of *The State of the West* report which was published in 2001.

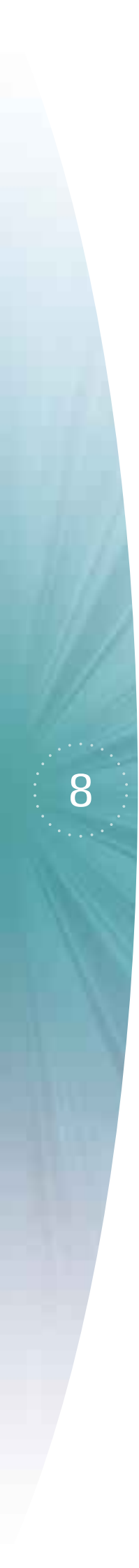
The number of visits to the site increased nearly six-fold from March to December. By the end of the year, the total number of visits to the website was approaching 250,000.



Staff of the WDC



Dillon House, Headquarters of the WDC



A Western Input into Policy and Development



A key aim of the WDC is to ensure that national policy takes into account the needs of the Western Region. The WDC has a Policy Division which makes proposals on policies that affect the West. It identifies and analyses crucial issues, proposes solutions, and then tracks progress. Detailed proposals are made to government ministers or state agencies as appropriate.

Since its establishment as a statutory body in 1999, the WDC has argued that if centres in the Region are to develop, infrastructure must be provided in advance in order to make them “investment ready”.

The WDC was pleased that this principle was accepted in the National Spatial Strategy (NSS) published in 2002, where it is acknowledged that it is appropriate to consider the advance provision of key infrastructure ahead of actual need in certain circumstances.

The WDC believes that rural areas must not be disadvantaged because they have lower population densities and relatively less industrial development. This was argued vigorously in its submission to the NSS, and the Commission will continue to monitor the Strategy as it is implemented.

In 2002, the key policy areas the WDC focused on were telecommunications, transport and energy infrastructure.

Telecommunications Infrastructure – *a basic need for modern society*

In today's information society, modern telecommunications infrastructure is a basic necessity. Without it, growth and competitiveness will be constrained.

In 2002, the WDC published *An Update on Telecommunications in the Western Region*, which contained sixteen recommendations. The report pointed out that an enormous opportunity to bring investment and jobs to the Western Region would be lost unless action was taken to ensure modern telecommunication services were made available at competitive prices.

As well as setting out the key issues, the report also included a number of case studies which highlighted the day-to-day problems experienced by businesses because of inadequate telecommunications services and the impact of higher prices in Western areas.

It highlighted insufficient competition among telecommunications companies, poor services and high prices. The WDC pointed out that the possibilities offered by modern telecommunications represented "one last chance for the West to catch up".

The WDC is playing a role in influencing national policy on telecommunications through Dr Patricia O'Hara's membership of the Information Society Commission.

This is an advisory body to the government and Dr O'Hara, who heads the WDC's Policy Division, is chair of the working group on Telecommunications Infrastructure. Her appointment is recognition of the capacity of the WDC to contribute to policy formation in a sector critical to the region's future.



*Update on
Telecommunications
in the Western Region
December 2002*



Lisa McAllister, Chief Executive;
Patricia O'Hara, Manager - Policy Division
and Deirdre Frost, Policy Analyst
at the Telecoms Bulletin Launch

WDC Recommendations on Telecoms	Government Response 2002
<p>High Level Working Group to oversee a strategic approach to providing telecommunications infrastructure in the Western Region</p>	<ul style="list-style-type: none"> ● No such working group established but Government Action Plan <i>New Connections</i> set objective of widespread, affordable access to broadband throughout Ireland within three years ● WDC representation on Information Society Commission, an advisory body to the Taoiseach ● WDC representation on e-Work Action Forum which advised government on e-work strategies
<p>Maximise broadband rollout to the Western Region with National Development Plan (NDP) funding through:</p> <ul style="list-style-type: none"> ● Accelerating competition ● Involving local authorities ● Exploring public-private partnerships (PPPs) ● Piloting schemes to enable small businesses in rural areas 	<ul style="list-style-type: none"> ● Funding to local authorities for Metropolitan Area Networks (MANs) to provide broadband infrastructure to eight towns in West ● Clár funding to extend MANs to two Gaeltacht towns ● MANs to be independently managed which should increase competition ● PPPs integral part of MAN programme ● Pilot trials of satellite and wireless technologies
<p>Streamline planning requirements and administration in local authorities to speed up provision of telecommunications infrastructure</p>	<p>Planning regulations and common guidelines being developed by Department of the Environment and Local Government</p>
<p>WDC Bulletin <i>Update on Telecommunications in the West</i> published December 2002. Contained sixteen recommendations for action</p>	<p>WDC to track progress on these in 2003 (full bulletin on www.wdc.ie)</p>

Transport

Access to Region is Crucial

Improving access to and within the Western Region is crucial to its development. For this reason, the WDC has continued to point out the urgent need to upgrade road and rail infrastructure. In submissions to government in 2002 it identified key priorities.

The WDC expressed grave concern at slippage on the road programme in the National Development Plan (NDP) and highlighted the serious implications this would have for the West. It called for the NDP funding gap to be addressed and stressed the need for cost management of road projects.

A submission to the Strategic Rail Study, being conducted for the Department of Transport, recommended replacement of rolling stock, additional services and better timetabling on inter-city services to the Western Region. It said that the Western Rail Corridor and commuter lines for Galway and Sligo merited serious investigation. It proposed that Ireland should consider following trends in other EU countries by giving subventions to rail freight to encourage its use.

Following the WDC submission on the Strategic Rail Study, the WDC was invited by the Department of Public Enterprise to make a submission on the EU White paper European Transport Policy for 2010 – Time to Decide. In its submission the WDC only referred to those policy areas relevant to the Western Region. The submission was made in May 2002.

WDC Recommendations on Transport

Government Response 2002

Road

- Need for strategy to improve key roads in the West, with clear completion targets
- NDP investment inadequate; additional funding needed for key routes to address imbalance between the West and other regions
- Investment in secondary roads also vital, particularly for tourism development

- NDP expenditure on national primary roads in the BMW region seriously behind forecast
- Major projects in the West delayed or postponed including schemes on the N4, N5, N6, N26
- National Roads Authority decide to carry out fewer improvements on national secondary routes

Rail

- Improve speeds by completing Continuous Welded Rail (CWR) on Western routes
- Replace rolling stock on three routes
- Additional services
- Better timetabling
- Address capacity constraints

Continuous Welded Rail

Dublin/Sligo - 100% (excluding station areas to be upgraded as part of resignalling work 2004/5)
 Dublin/Westport - 90% due for completion July 2003
 Ballina Branch - 60% to be completed by July 2003.
 Limerick/Ennis - 75% to be completed by October 2003.

- No new rolling stock
- One additional service on Saturdays on the Galway-Dublin route
- Minor change to Dublin/Sligo Timetable
- One capacity issue addressed i.e. additional platform capacity at Heuston
- Serious investigation of Western Rail Corridor and commuter routes in the West.
- Strategic Rail Study to examine long-term rail transport strategy in Ireland



Claremorris - showing a Dublin-bound InterCity train, with the former junction to Galway, visible towards the right



Re-signalling on the Ballinasloe-Galway line

Energy

Case made for gas connection and improved electricity

The discovery of the Corrib gas field is a major opportunity for the Western Region. The WDC has stressed that it is crucial that the benefit of this find be felt in the region. It is monitoring all developments closely.

Electricity infrastructure in the region is weak, with much of the transmission network failing to meet international standards. This affects reliability and quality of supply. The WDC is in ongoing contact with government, the ESB, and the transmission service operator (to be known as Eirgrid), to highlight the urgent need for improvements.

WDC Recommendations on Energy	Government Response 2002
<p>Gas</p> <p>Extend gas network from Corrib pipeline to Sligo and from Derry to Letterkenny</p> <p>Consider less direct routes to Sligo to allow spurs to smaller towns in counties Mayo and Sligo in the long term</p>	<ul style="list-style-type: none"> ● National Spatial Strategy (NSS) reaffirms government commitment “in principle” to support construction of pipeline to Sligo, subject to assessment of costings and grant aid. A similar commitment given for Derry/Letterkenny ● Decision to extend the pipeline to Sligo delayed pending Bord Pleanála ruling on planning permission for inshore terminal
<p>Electricity</p> <p>Improvements urgently needed, particularly a 220 kV line in Mayo, considering that demand will increase, and that the time lag from planning to construction is 5-7 years</p>	<ul style="list-style-type: none"> ● NSS states that improving reliability of electricity supply in northwest and border regions is a priority ● No specific mention of need for 200kV line in Mayo



Gas pipe storage

Renewable Energy

Wind Energy – a resource on our doorstep

The challenge to find new environmentally sustainable ways of producing energy is now facing all the nations of the world. Under the EU Renewable Energy Directive, Ireland is expected to increase the share of electricity consumption from renewable sources from 4% in 1997 to 13% by 2010. The use of renewable energy sources, which are both clean and sustainable, to generate electricity is being promoted as one of the ways Ireland can achieve its target.

Several wind farm companies are already drawing up plans for sites along the west coast, having been attracted by the suitability of the locations – given typical wind speeds, the Western Region contains some of the most promising sites in Europe.

The WDC believes that local communities throughout the Western Region could reap multiple benefits by taking ownership of the most obvious source of renewable energy on their doorstep – wind. It is this belief that underpins a unique project currently being developed by the WDC, in partnership with two communities from counties Mayo and Donegal. The project will deliver a model of “Community Ownership of Wind Farm Projects” and ensure a “bottom-up approach” to development of wind farm projects. The model will help local people to become investors in wind farm projects being developed in their area. International studies have found attractive rates of return where communities are able to invest in wind farm development.

Very little research has ever been carried out on the possibility of community ownership of wind farms in Ireland. The results of the WDC study will be published and made available to communities, national agencies, local authorities and developers. The project is supported by the local authorities in Mayo and Donegal, LEADER and Sustainable Energy Ireland.



Wind Farm, Donegal

Tourism

Spreading the benefit of tourism to rural areas

The WDC's *Blueprint for Tourism Development in the West*, published in 2000, set out what needed to be done to increase tourism numbers and ensure a more even distribution of tourism in the Western Region. It emphasised the need for a co-ordinated approach among tourism bodies and a clear direction underpinning the allocation of financial supports.

As a direct response to the recommendations in that report a multi-agency group charged with developing tourism in rural areas of the West – the Western Development Tourism Programme (WDTP) was set up. The WDTP Steering Group is chaired by Fáilte Ireland and participants include the Department of Community, Rural and Gaeltacht Affairs, Comhar LEADER na hÉireann, Údarás na Gaeltachta, the Irish Tourism Industry Confederation, Regional Tourism Authorities, Dúchas, Sligo Institute of Technology and the WDC.

This Steering Group is a driving force for tourism development in the Region, providing clear strategic direction and integrated support. A Regional Tourism co-ordinator has been appointed. Considerable progress has been made in implementing the recommendations in the *Blueprint* document, although a number of recommendations have yet to be delivered upon.

The WDC provides direct support to the Western Development Tourism Programme which is now the key implementation body for new initiatives in the Region. Its philosophy is based on low-impact sustainable tourism, which incorporates Green/Eco Tourism, Landscape, Water and Heritage.

In October 2002, a conference "Sustainable Tourism Development in the Western Region of Ireland" brought together key players to examine ways of growing tourism in underperforming areas. Some 200 delegates from around Ireland and the UK attended the conference, which was held in Kiltimagh, Co. Mayo.



Organic Centre, Rossinver

WDC Recommendations on Tourism

Responses and Achievements

To establish structures, and change approach to tourism development in rural areas

- Western Development Tourism Programme (WDTP) steering group extended to include members from IT Sector
- Funding for WDTP Regional Tourism Co-ordinator secured for 2002
- WDTP drew up a strategic plan to put into action policies advocated in the *Blueprint* report, entitled "New West" which involves
- WDTP piloting initiatives in rural areas
- Projects underway or completed include:
 1. "Walking through time - a network of walks: two now operational and more planned
 2. "Green Box" eco-tourism project (see page 18)
 3. Review of seven under-performing visitor attractions in the Region and guidelines for improvement
 4. Review of under-performing community-owned heritage attractions in Co Sligo

Create partnerships to provide a co-ordinated package of products

- WDTP developed a collaborative approach to product development with twelve LEADER companies and is now working on joint marketing programmes

To increase awareness and promote tourism in rural areas

- WDTP launched a website, www.trueireland.com promoting rural areas
- WDTP hosted a conference "Sustainable Tourism Development in the Western Region of Ireland" which brought together key players to examine ways of growing tourism in under-performing areas



Pictured at the WDTP Conference: Hans Wieland, Martin Reading, Alan Hill, John O'Neill, Assumpta Clancy



Pictured at the WDTP Conference: Pdraig O'Céidigh, Lisa McAllister, Donal Guilfoyle, Minister Ó Cuív, Miriam O'Callaghan

Ecotourism Plan for North West

A vision for developing tourism in a sustainable way with minimum impact on the environment and maximum benefit for local people rests at the heart of the WDC tourism policy.

Ireland's first integrated area-based Ecotourism Plan was completed in 2002 by Western Development Tourism Programme, the WDC and the Organic Centre, Rossinver, Co. Leitrim. Its purpose is to provide a framework for planning, developing, managing, operating and marketing Ireland's first Ecotourism destination.

The plan is being implemented in what is now called the "Green Box". This area includes Leitrim, West Cavan, Fermanagh, North Roscommon, North Sligo and South Donegal, an area surrounded by natural water boundaries and ideally suited for sustainable tourism.



The end result will be a tourism package to meet the needs of an environmentally-conscious visitor including, for example, a network of restaurants serving high-quality organic food, high standard eco-aware accommodation, visits to organic farms, and organised activities such as walking and cycling in an unspoilt scenic environment. The Ecotourism plan outlines the structures and services needed for the development of such packages and also includes actions for certification and marketing development.

A group of walkers in Co. Sligo

Organic Agri-Food Production

West taps into expanding organic market

Organic agri-food production is a sector with enormous potential and The WDC has been to the forefront in highlighting why the Western Region, with its green image, should tap into this potential market.

The WDC's *Blueprint for Organic Agri-Food Production in the West* (2001), set out 86 recommendations for the development of the organic industry at both a national and regional level. It recommended a partnership approach to the development of the industry in order to create critical mass and to make maximum use of scarce resources and available funding. Progress has been made on 74 of the 86 recommendations through WDC involvement with other public and private sector agencies.

Western Organic Strategic Initiative

Arising from recommendations in *Blueprint for Organic Agri-Food Production in the West* (2001), the Western Organic Strategic Initiative (WOSI) was established in 2002. It is a dynamic new partnership with a cross-border dimension and is facilitated and co-ordinated by the WDC.

There are seven groups involved in the partnerships from counties Donegal, Sligo, Leitrim, Roscommon, Derry, Tyrone and Fermanagh.



Members of the Western Organic Strategic Initiative

The Western Organic Strategic Initiative aims to increase production and improve the quality of organic produce to meet market demand. It also intends to help forge links with the market place to ensure dispersal of organic production, and to increase the level of information, training and advice available to organic producers and those considering conversion. It hopes to achieve these aims through four programmes:

- 1 Market Development
- 2 Training & Education
- 3 Supply Base Linkages
- 4 Information Dissemination

Work to date has included the development of "Organic Trader", a website to facilitate the buying and selling of organic produce. With support from LEADER, Roscommon Partnership, PEACE and the WDC a number of very exciting projects are planned for implementation in 2003.



Organic food from the Western Region

National Policy on Organic Agri-Food

The WDC has played a key role in influencing national policy on organic agri-food production. One key recommendation in *Blueprint for Organic Agri-Food Production in the West* was the preparation of a coherent national strategy for the development of the industry, and this was published by the

Department of Agriculture and Food in April 2001. Caríosa Lynch represented the WDC on the National Organic Committee which drew up the strategy. This ensured there was a regional focus and that the needs of the organics agri-food industry in the West would be recognised and form part of national policy.

WDC Recommendations on Organic Agri-Food	Progress to December 2002
Develop a national and regional framework to drive the organic agri-food sector and implement recommendations of <i>Blueprint</i> report	<ul style="list-style-type: none"> ● The National Organic Policy published in 2002 ● A Regional Co-ordinator for organic agri-food is not yet appointed
Promote organic agri-food production and increase, co-ordinate and manage supply of products	<ul style="list-style-type: none"> ● Western Organic Strategic Initiative (WOSI), a cross-border network of producers groups was set up ● "Organic Trader" established by Leitrim Organic Farmers Co-op to facilitate the buying and selling of livestock ● Department of Agriculture and Food to conduct a census to get baseline information on level of organic agri-food production
Provide advice, information, and training	<ul style="list-style-type: none"> ● An additional organic agri-food advisor appointed to Mellows College, Athenry ● Increase in information for producers, including the "Western Organic Producer" newsletter produced by Leitrim Organic Farmers Co-op. ● National Organic Certificate developed by Teagasc
A marketing strategy to respond more effectively to European market	<ul style="list-style-type: none"> ● Market Development Programme developed by the Western Organic Strategic Initiative
Expansion of added value processing and promotion of market opportunities	<ul style="list-style-type: none"> ● National organic agri-food conference to be held in 2003

A more detailed progress report on actions in *Blueprint for Organic Agri-Food Production in the West* will be available from the WDC in 2003.

Western Investment Fund

21

The Role of the WIF

People with viable business ideas often find it hard to get financial backing from large financial institutions. This is particularly true in the West where traditionally venture capitalists have not been active. Likewise community groups who undertake projects with important social benefits can have problems securing loans.

It was for reasons such as these that the Western Investment Fund (WIF) was established. The WIF aims to ensure that people with good business ideas get the financial backing they need, thus fostering economic development that otherwise may not happen in the West. Important social projects are also supported.

It is in filling this funding gap and in leveraging significant additional funds from private and public sources that the WIF can play a key role in the economic and social development of the West.

Projects supported in 2002 included a high-tech business in Roscommon that needed seed capital, the development of a world-class tourism facility in Connemara, and a scheme to bring families to live in depopulated areas of County Mayo by renovating derelict houses.

Many of these projects could not get the necessary finance because they did not have the required assets or a track record with banks. The WIF does not just provide funding – it also works with the projects supported on a long-term basis to help them achieve their growth targets.

The WIF in Brief..

The WIF is operated on a commercial basis and provides equity capital and loans. It seeks a financial return as well as a socio-economic dividend on investments. It aims to achieve a balanced spread of investments across

- geographical areas
- sectors
- the business life cycle

The WIF has three sub-funds:

- Business Investment Fund, designed mainly to help high-potential Small and Medium Enterprises (SMEs);
- Local Investment Fund, aimed at supporting community based projects;
- Special Projects Investment Fund, which targets flagship projects and initiatives that would have a major impact on the region.

WIF CASE STUDY

The Mountain Lodge and Spa at Delphi Adventure Centre *Luxury tourism facility opens up new markets*

Delphi Adventure Centre is an example of a business that wanted to expand and could only get the final piece of the funding required to complete the project from the WIF. The WIF helped fill a funding gap that conventional sources could not meet.

Delphi Adventure Centre, owned and operated by Frank and Deirdre Noone, opened 19 years ago and is now one of the leading providers of adventure holidays in Ireland with a capacity of 70,000 bednights. In order to grow the business further the company recently opened the Mountain Lodge and Spa, a 22-bedroom luxury development. It will allow the company to target new markets, in a sector identified as a growth area by Fáilte Ireland. The new facility has the potential to become a world-class destination.

The WDC took the outstanding track record of the promoters into account in making the investment in the form of a loan. This project meets the requirements of the WDC as it has the ability to repay the loan and to be profitable and viable.

There is also a considerable social dividend. The company provides a significant number of well-paid jobs; it is one of the main employers in a remote area of southwest Mayo with 42 permanent staff and up to 84 seasonal staff. It attracts tourists to the area which has spin-offs for other local businesses. It provides services that can be used by local people and schools in the area.

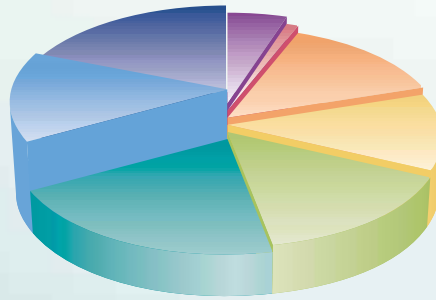
The loan from the WIF is described by the owners of Delphi as 'vital' to its ongoing success. While it had secured grant-aid from Fáilte Ireland and had also raised BES and bank funding it still had a shortfall that no other funder was prepared to consider.



2002 Investments Approved

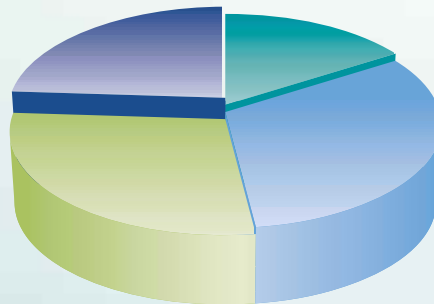
In 2002, the WIF approved a total of €2.14 million for eighteen different projects.¹ Nearly 60 per cent of this was in equity and the remainder in loans.

Approvals for the Year 2002 - County Breakdown



County	%	No. of Projects	Amount
Clare	5	1	€100,000
Donegal	1	1	€20,000
Galway County	14	1	€300,000
Galway City	12	3	€261,665
Leitrim	15	2	€313,487
Mayo	20	3	€427,487
Roscommon	14	5	€304,127
Sligo	19	2	€417,434
Total	100	18	€2,144,200

Approvals for the Year 2002 - Sector Breakdown



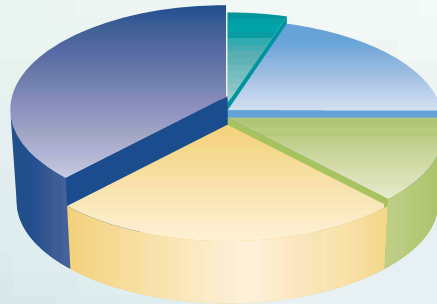
Sector	%	No. of Projects	Amount
Economic & Social Infrastructure	32	7	€693,727
Information Communications Technology	28	4	€592,039
Manufacturing & Services	24	5	€508,434
Tourism	16	2	€350,000
Total	100	18	€2,144,200

¹ The WDC also approved a 19th project for loan funding of €553,000. However this project required the approval of the Minister of Community Rural and Gaeltacht Affairs and the consent of the Minister for Finance, this consent was not granted.

2002 Investments Disbursed

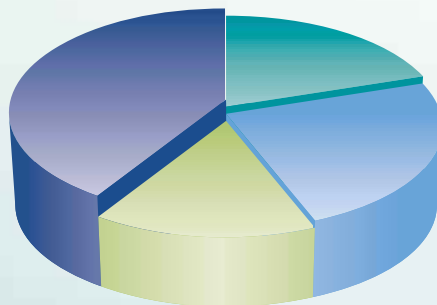
During the year the Fund disbursed €1.55 million to 14 projects. 75 per cent of which was under the Business Investment Fund and 25 per cent was to community groups, under the Local Investment Fund, by way of loan finance.

Disbursals for the Year 2002 - County Breakdown



County	%	No. of Projects	Amount
Donegal	5	2	€83,487
Galway County	20	2	€308,750
Galway City	13	3	€198,200
Leitrim	24	3	€376,974
Mayo	38	4	€583,840
Total	100	14	€1,551,251

Disbursals for the Year 2002 - Sector Breakdown



Sector	%	No. of Projects	Amount
Economic & Social Infrastructure	20	4	€312,005
Information Communications Technology	24	4	€378,574
Manufacturing & Services	15	3	€229,750
Tourism	41	3	€630,922
Total	100	14	€1,551,251

Fund starts to reach full potential

In total, projects approved or disbursed in 2002 have the potential to create or sustain more than 450 jobs and the WIF succeeded in leveraging some €13.2 million in additional funds for projects. Of that amount, 60 per cent came from the private sector and the remainder from the public sector.

When the full complement of staff for the WDC was appointed in 2002 a plan was also put into action to promote and develop the Fund. The experiences of those who had tried to access the Fund were investigated. This review led to some changes. In relation to local development projects, it was decided to tailor loans to meet the need of each project. As a result the terms are now more flexible.

To promote the Fund, a roadshow visited fifteen towns throughout the West, and this increased awareness considerably. In conjunction with the roadshow, there was an effective media campaign in all local newspapers and radio stations.

Efficiency was also improved and by the end of the year turnaround times from full application to disbursement reduced significantly.



Attendees at Ballaghaderreen WIF Information Evening



There has been a significant increase in enquiries and by the end of the year; there were a total of twenty-eight applications in the pipeline representing a total investment opportunity for the WIF of €11.6 million. In addition there was €1.1 million approved to be disbursed in seven projects.

The WDC believes that the WIF is only now beginning to reach its full potential. As was intended, money is starting to revolve into the WIF, thus ensuring more funding for more good ideas in the West.

WIF CASE STUDY

Cora Systems Ltd. – High-tech firm gets chance to grow

Cora Systems Ltd is an award-winning high-tech company based in Co. Roscommon. A web applications product developer, it was set up in 1999 and has built up a strong customer base with sales achieved in key sectors identified as future growth areas.

Cora Systems were finalists in the All-Ireland Hi-Tech awards 2001 and has also won the overall County Enterprise Board award for Roscommon in 2002.

The WIF provided seed capital funding to fund the company's rapid growth at this early stage, as private venture capital companies tend to invest only at a higher level of investment. It is hoped that as a result of the WDC's seed investment, the company will develop an export market and thereby secure second-round funding from public and private sources. The WDC filled a funding gap for a West of Ireland based company with growth potential.



Cora Systems Ltd., Co. Roscommon

Social Investment Partnership

This year saw a continued strengthening of the joint working relationship between the WIF and Clann Credo Ltd, a social investment fund. A total of five projects were funded through the joint working relationship with €360,000 levered from this private source for the Western Region as a result of the joint venture. In addition Clann Credo Ltd has a western office facilitated by the WDC under the joint working arrangement.

A process of social auditing the work of the joint arrangement started in 2002 and will be completed in 2003.

WIF CASE STUDY

Clár ICH (Irish Centre Housing) Ltd

Helping to keep rural areas alive

A project to bring families back to live in rural areas of Co Mayo, while at the same time helping to cut the local authority housing list and improve the countryside by restoring derelict buildings, was supported by the WIF.

Clár ICH (Irish Centre Housing) Ltd had secured grant aid from Mayo County Council via a Department of the Environment scheme to purchase four houses located in townlands around Claremorris. The population was falling in these areas and local services such as shops, schools and transport were at risk of being lost to the community.

The WIF supported the project because of its obvious social benefits. It made a term loan of €55,000 available to the group to help finish the refurbishment of the houses. In addition to providing accommodation for families on the housing waiting list and helping to maintain important services in rural areas, the countryside is improved through the restoration of old buildings. A mainstream financial institution would not have backed the project as there was no security available on the houses.

Clár ICH Ltd is a subsidiary of Clár IRD Ltd and was formed in 2000 to develop social housing projects in the Claremorris area to benefit both local people and Irish emigrants wishing to return home.

A Note of Thanks

The WDC would like to acknowledge the support and dedication of the members of the Fund Advisory Panel and Joint Evaluation Panel for their work in evaluating investments. The members of these panels, drawn from the private sector, state agencies, Clann Credo, and the WDC give their time on a voluntary basis.



Clár ICH – Before



Clár ICH – After

Supporting such projects helps to repopulate these areas so that important services can be maintained. Another advantage of the project is that it will allow the community group involved to generate its own income, thus enabling it to run other projects in the future.

The WDC believes that this project provides a model that could be replicated by community groups in rural areas elsewhere in the Western Region.

Appendices

Appendix 1:

Members of Western Development Commission (2002)

Chairperson

Mr. Michael Farrell, *Chief Executive, Connacht Gold Co-op, Co. Sligo*

Members

Mr. Des Mahon, *County Manager, Mayo County Council*

Cllr. Mary Bohan, *Member, Leitrim County Council*

Mr. John McNamara, *Economist, Co. Galway*

Ms. Alice Bonnar, *Member, Donegal County Council*

Ms. Martina Minogue, *Director, E-training International, Co. Clare*

Ms. Tish Gibbons, *Branch Secretary, SIPTU, Galway*

Cllr. Pat McGarry, *Member, Roscommon County Council*

Mr. Seán Hannick, *MD, Killala Precision Components, Co. Mayo*

Mr. Joe Healy, *Farmer, Co. Galway*

Mr. Pádraig Ó Caomhánaigh, *Businessman, Co. Galway*

Mr. Frank O'Donnell, *Principal Officer, Dept. of Community Rural and Gaeltacht Affairs*

Appendix 2:

Staff of Western Development Commission

Chief Executive

Lisa McAllister, *Chief Executive*

Policy Division

Dr. Patricia O'Hara, *Manager Policy Division*

Deirdre Frost, *Policy Analyst*

Dr. Helen McHenry, *Policy Analyst*

Regional Development Division

Dr. Dermot Hurst, *Manager Regional Development Division*

Cariosa Lynch, *Regional Development Executive*

Fiona Lynch, *Regional Development Executive*

Investment Division

Gillian Buckley, *Manager Investment Division*

John Allen, *Investment Executive*

Geraldine McLoughlin, *Investment Executive*

Administration

Theresa Higgins, *Head of Administration*

Breda Joyce, *Finance Officer*

Caroline Coffey, *Clerical Officer*

Fiona Regan, *Clerical Officer*

Mary Keavney, *Clerical Officer*

(Staff at December 31st 2002)

Appendix 3:

Fund Advisory Panel

Chairperson

Mr. Michael Farrell, *Chief Executive, Connacht Gold Co-op, Co. Sligo*

Members

Mr. Michael Corless, *Ernst & Young, Galway*
 Mr. John Dillon, *Shannon Development, Co. Clare*
 Mr. Barry Feely, *Feely & Sons Ltd., Co. Roscommon*
 Ms. Judy Greene, *Judy Greene Pottery, Galway*
 Mr. Sean Murray, *Co. Galway*
 Mr. Willie O'Brien, *Enterprise Ireland, Dublin*
 Ms. Martina Minogue, *E-Training International, Co. Clare*
 Mr. Seán Hannick, *Killala Precision Components, Co. Mayo*

Joint Evaluation Panel

Mr. Martin Coggins, *East & Company, Sligo*
 Mr. Jerry Butler, *Co. Dublin*
 Ms. Sue Targett, *Co. Clare*
 Mr. Paul O'Sullivan, *Chief Executive, Clann Credo Ltd., Dublin*
 Sr. Magdalen Fogarty, *Clann Credo Ltd., Dublin*

Appendix 4:

2002 Project Portfolio

Business Projects

Project	County	Investment Type/Amount	Status
GTI Learning	Mayo	Equity - €63,435	Disbursed
Purpose ▶	The WDC's investment will be used to commercialise the business which provides e-learning, materials and course in international trade practice.		
PPA Teo	Galway	Equity - €317,435	First tranche disbursed
Purpose ▶	The WDC's investment will be used for working capital purposes to market the company's new process of applying heat to moulds – MECH: Mould Efficient Cooling and Heating System and to provide a trade moulding service for new polymer based materials that are compatible with the MECH system.		
Mountain Lodge & Spa at Delphi Adventure Centre	Mayo	Loan - €317,435	Disbursed
Purpose ▶	The WDC provided loan funding to enable the promoters to complete this world class luxury spa development with 22 bedrooms at Delphi.		

continued >>

Appendix 4: (continued)

Business Projects (continued)			
Project	County	Investment Type/Amount	Status
Morpoint Ltd.	Galway City	Equity - €203,158	Second tranche disbursed
Purpose ▶	The WDC's funding was provided to complete the research & development of a Human Resources software product to provide employers with the essential means of attracting and retaining staff whilst managing considerable improvements in performance.		
Cora Systems Ltd.	Roscommon	Equity - €63,487	Disbursed
Purpose ▶	The company is a web applications product developer. The WDC provided the company with seed capital to establish itself in the UK market.		
CreVinn Teo.	Galway	Equity - €300,000	First tranche disbursed
Purpose ▶	The WDC provided investment capital to facilitate the MBO (Management Buy-out) of 3-Com's silicon design business.		
Albert Marina	Leitrim	Loan - €250,000	Approved
Purpose ▶	The WDC provided loan finance for the development of a 150 berth state of the art marina on the River Shannon near Drumsna.		
Innovative Science Ltd.	Sligo	Equity - €317,435	Approved
Purpose ▶	The WDC's investment will be used to commercialise a new range of hospital laboratory equipment developed by the company.		
Document & Media Management	Sligo	Equity - €100,000	Approved (This project was decommitted in 2003 as the promoters did not drawdown the funding)
Purpose ▶	The WDC approved funding to develop a document & media management and storage service in the Northwest.		

Appendix 4: (continued)

Community Projects			
Project	County	Investment Type/Amount	Status
Kiltimagh IRD	Mayo	Loan - €168,000	Disbursed
Purpose ▶	The project funded was the development of a children's indoor fun park which will be used by the local community but also as part of the tourist facilities in the Kiltimagh area. The WDC funding is a bridging loan.		
Drumshanbo Community Council	Leitrim	Loan - €63,487	Disbursed
Purpose ▶	WDC funding was used to part-finance the development of a Childcare and Business Centre in Drumshanbo.		
Clár ICH	Mayo	Loan - €34,918	Disbursed
Purpose ▶	The WDC provided loan funding to enable the group to refurbish four derelict farmhouses for modern family living.		
Independent Parenting Services Ltd.	Galway City	Loan - €51,000	Disbursed
Purpose ▶	The WDC provided the group with loan finance to fit-out a retail unit as a second-hand nursery equipment and clothes shop which will provide the group with an income to become self-sufficient.		
Ballybane Community Resource Centre	Galway City	Loan - €45,600	Disbursed
Purpose ▶	Loan funding from the WDC was used by the group to fit-out the newly developed Community Resource Centre in Ballybane		
Aran Mhor Co-op	Donegal	Loan - €20,000	Disbursed
Purpose ▶	The WDC provided the Co-op with a loan to purchase a mini oil-tanker which could service the homes on the Island.		
Roscommon Home Services	Roscommon	Loan - €20,000	Approved
Purpose ▶	The WDC approved the group for working capital finance to put their finances on a solid footing and enable them to expand their services to neighbouring counties.		

Appendix 4: (continued)

Community Projects (continued)			
Project	County	Investment Type/Amount	Status
Kilkee Waterworld	Clare	Loan - €100,000	Approved
Purpose ▶	The WDC approved working capital finance to ensure the sustainability of the Waterworld facility, an important piece of socio-economic infrastructure in Kilkee for both the local community and tourists.		
Roscommon Community Enterprise Centre	Roscommon	Loan - €76,200	Approved
Purpose ▶	The WDC's funding will be used to part-finance the construction of a Community Enterprise Centre in Ballaghaderreen.		
Ballaghaderreen Community Enterprise Centre	Roscommon	Loan - €100,000	Approved
Purpose ▶	The WDC's funding will be used to part-finance the construction of a Community Enterprise Centre in Ballaghaderreen.		
Greenhills Enterprise Centre	Mayo	Loan - €196,000	Approved
Purpose ▶	The WDC's funding will be used to part-finance the construction of a Community Enterprise Centre in Ballina.		
Enterprise Kiltullagh	Roscommon	Loan - €76,184	Approved (This project was decommitted in 2003 as the promoters did not drawdown the funding)
Purpose ▶	The WDC approved funding to build and fit-out a number of enterprise units in Ballinlough.		
Kilbride Community Centre	Roscommon	Loan - €31,743	Approved (This project was decommitted in 2003 as the promoters did not drawdown the funding)
Purpose ▶	The WDC approved loan finance to enable the group to purchase equipment for a community gym.		

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