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Abbreviations used in this report:

BMW..... Border, Midland and West
BMW OP Border, Midland and West Operational Programme
ISC..... Information Society Commission
IT..... Institute of Technology
MAN Metropolitan Area Network
MSE Managed Service Entity
NDP..... National Development Plan
NOW..... New Opportunities for Women
NSS National Spatial Strategy

OP..... Operational Programme
REP Renewable Energy Project
S&E..... Southern and Eastern
SRR Strategic Rail Review
WDC Western Development Commission
WDTP Western Development Tourism Programme
WIF Western Investment Fund
WOSI Western Organic Strategic Initiative
WRC Western Rail Corridor

Chairperson's Foreword

The Western Development Commission (WDC) has come a long way since its establishment in 1999 as a statutory body charged with the development of the Western Region.¹ The WDC approaches this task from a variety of different angles, including by influencing policy, by investing in commercial and community ventures and by co-ordinating development initiatives.

Many challenges remain. The region is changing significantly, as this year's publication of results from the 2002 Census of Population shows. For the first time since the Famine all seven western counties experienced population growth, and there has been significant immigration to the region. The WDC welcomes this sign that the region is increasingly vibrant and attractive.

Balanced regional development remains the WDC's focus. It continues to work to ensure that the Western Region can compete with other parts of Ireland in many ways, including in terms of infrastructure, development opportunities and funding availability. Disappointingly, the Mid-Term Evaluation of the National Development Plan (NDP), the Government's key policy for ensuring balanced regional development, showed that in 2003 spending in the Border, Midland and West (BMW) Region (which covers six of the seven western counties) has lagged behind that in the wealthier Southern and Eastern (S&E) Region. The WDC expressed concerns about this in submissions to the evaluation of the NDP and its Operational Programmes. The WDC is working to ensure that this situation is reversed throughout the rest of the NDP.



The Western Region is one of the most rural parts of Ireland. Recognising this, the WDC attaches particular importance to rural issues and rural development. Throughout 2003 the WDC worked to understand the changes which are occurring in the Western Region in relation to population patterns and to enterprise and employment. The agreement in 2003 of radical changes to the Common Agricultural Policy was a very significant event which will mean further considerable changes for the rural parts of the region. Conscious of this the WDC will continue to prioritise rural issues in the future.

The Western Region encompasses many contrasts in terms of economic growth, population change and scale of development. The WDC believes in the importance of spreading development benefits throughout the region, to both urban and rural areas. With this in mind, smaller towns were an important focus of work in 2003, culminating in the publication of the report *Jobs for Towns: Small and Medium-Sized Towns on Radial Routes in the Western Region* which highlighted the investment readiness of twenty of the smaller towns in the region and emphasised the important role of inward investment, both public and private, in the development of such towns.

¹ Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

Chairperson's Foreword

The WDC welcomed warmly the decision to decentralise government departments and agencies to all seven of the western counties. A total of 1,925 jobs are to be decentralised to the Western Region, while our parent department (the Department of Community, Rural and Gaeltacht Affairs) is to become a near neighbour at Knock International Airport.

The WDC regards decentralisation as a particularly important form of inward investment, one which can act as a catalyst for regional development and rural regeneration. In its submission to consultation process for the National Spatial Strategy (NSS) in 2001, the WDC highlighted the potentially stimulating effect of decentralisation. By providing long term, stable employment decentralisation can provide a major boost to local economies. In addition, the growth in population and economic activity which flow from such an influx of employment, people and purchasing power can provide a strong rationale for additional infrastructural investment and also increase the use of that which is already available.

The WDC is also pleased that the quality of life available in rural communities and small towns is increasingly being recognised and valued. The Western Region has significant strengths in this regard, providing a clean environment, more affordable childcare, less traffic congestion, good educational facilities, a low crime rate, a vibrant cultural heritage and a wealth of leisure opportunities. The WDC believes that these combine to make the region particularly attractive as a place to live and work, and should be promoted as such.

The Western Investment Fund (WIF) had an excellent year in 2003, experiencing a very significant increase in the level of applications, approvals and disbursements. Using the WIF, the WDC invested €3.7m in a wide variety of projects in 2003, more than double the previous year's investment. With the total investment approved for 2003 amounting to €5.7m, the WIF is now reaching its full potential. The WDC welcomes the confidence of the Government in the WIF as demonstrated by the increased allocation of €4m for investment in 2004.

The WDC is looking forward to the positive impact of decentralisation on smaller towns, and to significant investment in gateways and hubs following on from the NSS. However, it is essential to the development of the Western Region that infrastructure provision is speeded up, particularly in relation to regional access and telecommunications.

I would like to thank all those who worked with and supported the work of the WDC in 2003, in particular Éamon Ó Cuív, T.D., Minister for Community, Rural and Gaeltacht Affairs, my fellow Commission members and all those who participated in the WIF and the WDC's various advisory panels. I would also like to compliment Chief Executive Lisa McAllister and her staff on their commitment and achievements in 2003. The WDC looks forward to the continued development of its activities and to another productive year in 2004.

Michael Farrell
Chairperson

Chief Executive's Report

The WDC had a very active year in 2003, consolidating work in the key areas of policy, development and investment while also widening involvement in other issues important to the development of the West.

In 2003 the WDC published *Jobs for Towns : Small and Medium-Sized Towns on Radial Routes in the Western Region*, a report on inward investment, both public and private, in the smaller towns in the region. The report demonstrated the investment readiness and attractiveness of twenty smaller towns in the region as locations for inward investment.

The publication of this report coincided with the Government's announcement of decentralisation, which we welcomed warmly. The WDC's 2001 submission to the NSS and subsequent work had consistently highlighted the potentially beneficial effects of decentralisation on the towns and rural parts of the region.

The WDC has always been aware of the important role of infrastructure in regional development and the necessity of ensuring that the region can compete with the more developed and infrastructurally enabled parts of the country. To this end, infrastructural development is a core element of the WDC's work. Rail infrastructure was particularly topical in 2003 with the publication of the Strategic Rail Review. The WDC also continued to be heavily involved in ensuring that telecommunications policy and infrastructure meets the needs of the region. It did this through membership of the Information Society Commission and involvement in its work on broadband and regional development. In addition, the WDC maintained a focus in 2003 on road and air access infrastructure and on energy infrastructure issues.



The National Development Plan (NDP) was subject to mid-term evaluation in 2003. In recognition of the importance of the NDP to the development of the region, the WDC made a number of submissions in relation to this, in which it emphasised that spending in the less developed BMW Region (which covers all counties of the Western Region except Clare) should meet its targets. The WDC's submissions also expressed the concern that, in many budget areas, spending has been faster in the more developed Southern and Eastern Region.

The WDC's development work in 2003 focused on strategic initiatives in the natural resource sectors, including rural tourism, organic agri-food and renewable energy. As part of its work on the steering group of the Western Development Tourism Programme (WDTP) the WDC was very pleased to launch Ireland's first ecotourism initiative – the Green Box in 2003. The WDC also participated in the development of the first Western Inter-regional Tourism brochure, while the WDTP co-ordinated a new training initiative for tourism product providers in the North West.

The WDC, with Bord Bia and the Department of Agriculture and Food, hosted a successful National Organics Conference in October 2003, while the Western Organic Strategic Initiative (WOSI), facilitated by the WDC, began a two-year regional training and networking initiative under the Skillsnet Programme. These moves consolidated the WDC's role in the development of organic agri-food production in the Western Region.

Chief Executive's Report

In partnership with community groups from Donegal and Mayo, in 2003 the WDC commissioned a study on Community Ownership of Wind Farm Projects. The Western Region has a real competitive advantage in relation to its wind energy resource and this project explores how it can bring benefits to local communities.

The Western Investment Fund (WIF) is now well established and had a particularly good year in 2003. It has matured into a recognised source of seed and development capital for commercial projects in the Western Region and is also an important source of funding for social investments. In 2003, the WIF made a total investment of €3.7m disbursed in 23 projects, representing an increase of 140% on the 2002 disbursement level. The total approvals for 2003 came to €5.7m in 27 projects, up 170% from the previous year.

The projects approved and/or disbursed by the WIF in 2003 have the potential to create or sustain 850 jobs in the region, many in rural areas. Indeed, over 70% of the WIF investment in 2003 was in rural areas (as defined by the NSS). The WDC was particularly pleased with the development of the WIF in 2003 and looks forward to this continuing in the coming years, particularly as the Fund begins to receive a return on investment and can re-invest in other projects.

The WDC continues to network actively at local, regional and national level in order to understand key issues and changes and also to put forward its regional perspective on Western development. This is facilitated by the WDC's membership of the eight City and County Development Boards in the region, and by its role on a variety of regional and national committees and other fora.

I would like to take this opportunity to thank the Chairperson, Mr Michael Farrell, the members of the Commission and all those who participated in the WIF and the WDC's various advisory panels for their support and encouragement throughout 2003, and to thank the WDC staff for their commitment and contribution to the organisation's activities. Finally, I am grateful to all those organisations and individuals, in the Western Region and nationally, who contributed their time and energy to assisting the work of the WDC in 2003. We look forward to continuing our work and to making further contribution to the development of the West in the future.

Lisa McAllister

Chief Executive



Background to the work of the WDC



Introduction

Members of the WDC

The Western Development Commission (WDC) is a statutory agency promoting, fostering and encouraging economic and social development in the Western Region. The seven-county Western Region comprises the counties of Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare.

The WDC;

- is a statutory body with a unique focus on the Western Region. A key aim of the organisation is to ensure that the interests of the West are always considered at the highest levels of Government.
- works to ensure that economic and social policy is effective in meeting the development needs of the Western Region, particularly in relation to production and infrastructure. This task involves monitoring development issues in the Western Region, tracking policy implementation and recommending adjustments, as appropriate, and contributing to policy development in areas of key importance to the region.
- actively fosters and encourages strategic regional initiatives in a variety of sectors, in partnership with other agencies, local organisations and community groups. These initiatives impact positively on the economic and social environment of the Western Region.
- is responsible for the management and administration of the €32m Western Investment Fund (WIF), which provides risk capital by way of equity and loans on a commercial basis to projects and businesses. In this way, it fills a funding gap which historically has had an adverse effect on businesses and community groups in the region.

The WDC operates under the aegis of the Department of Community, Rural and Gaeltacht Affairs and had an operational budget of €1,385,000 in 2003.

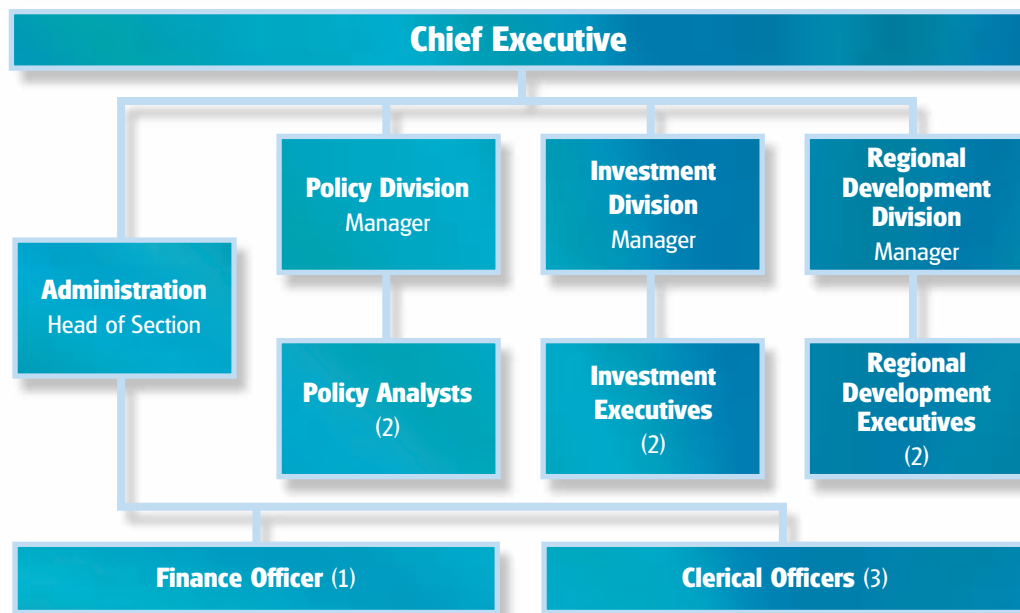
Organisation and Structure

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

The current Commission was appointed on 1st February 2002. In May 2003 Mr Frank O'Donnell, Principal Officer, Department of Community, Rural and Gaeltacht Affairs resigned his membership of the WDC. Mr Billy Grimes, Killybegs Tourism College, was appointed by the Minister to take his place in June 2003.

The full staffing complement of 15 was in place in 2003.

Fig 1. WDC Organisational Chart



A Changing Region

A total of 705,148 persons live in the Western Region, representing 18% of the State's population. In line with the national trend, the Western Region experienced substantial population growth (7.3%) between 1996 and 2002. There were significant intra-regional differences, however, with the largest county, Galway, experiencing the highest population growth over the period (10.7%) and the smallest county, Leitrim, the lowest growth (3.0%).

Population patterns are clearly influenced by the urban structure of the region. The region is predominantly rural in nature. Only 25% of the population live in towns of over 5,000 persons.² Much of the region is characterised by small, rural, market towns and low population densities. Many of these towns and their hinterlands have suffered long

term population declines or have failed to experience growth. By contrast, all of the larger towns, and Galway City in particular, experienced strong population growth between 1996 and 2002. There has also been significant growth in some of the smaller towns which serve as satellite and dormitory towns for larger centres.³

The age profile of the region is also changing. Between 1996 and 2002 the proportion of the population in the economically active age group (15-64 years) increased from 62% to 65.5%, although this is still lower than the average for the State. The proportion of the region's population aged 65 years and over is above the national average but is beginning to converge towards it.

² Galway City (66,163); Ennis (22,051); Sligo (19,735); Letterkenny (15,231); Castlebar (11,371); Ballina (9,647); Shannon (8,561); Ballinasloe (6,219); Tuam (5,947); Westport (5,634); Buncrana (5,271).

³ Western Development Commission (2003), *Jobs for Towns: Small and Medium-Sized Towns on Radial Routes in the Western Region*



Policy and Development Work of the WDC

A Focus on Smaller Western Towns

With a substantial population living in small towns and rural areas, the WDC has consistently emphasised the importance of bringing inward investment to smaller towns as a means of improving the economic status of the region as a whole. The report *Jobs for Towns : Small and Medium-Sized Towns on Radial Routes in the Western Region* was published in December 2003, profiling twenty small and medium-sized towns in the West of Ireland as locations for inward investment. The report examined each town's ability to host commercial and state bodies and highlighted the potential for inward investment and jobs in small towns throughout the entire seven-county region.

Following this analysis and in consultation with local and regional authorities in the seven western counties, the WDC compiled a set of data on towns in the region, detailing their suitability for new jobs and inward investment from both the private and the public sectors.

The report highlighted the development potential of Knock International Airport and its hinterland as a key regional hub facilitating global access. It also emphasised the role that inward investment in towns positioned along the Western Rail Corridor can play in enhancing the feasibility of re-opening strategic sections of the rail-line between Sligo and Ennis.

It is expected that the *Jobs for Towns* report will continue to be useful to businesses, government departments and statutory agencies which are considering relocating to the Western Region. It will also provide valuable information to organisations promoting investment in smaller towns in the region.

For a copy of the report visit the WDC's website www.wdc.ie.

Telecommunications Infrastructure

Following the publication of its *Update on Telecommunications in the Western Region* at the end of 2002, the WDC continued to focus in 2003 on the importance of broadband access in the Western Region and particularly on the need to address the key issues of availability, price and competition. In her role as Chairperson of the Broadband Working Group of the Information Society Commission (ISC)⁴, the WDC's Policy Manager was involved in extensive consultations with key interests in relation to broadband during the year, particularly with the Department of Communications, Marine and Natural Resources. The Working Group produced a strategy document, *Ireland's Broadband Future*, at the end of the year.

Ireland's Broadband Future highlighted regional issues in broadband provision by considering its role in regional development and including case studies from firms in the Western Region. These showed the existence of very real imbalances in access to broadband services and the huge cost differentials which affect the region's international competitiveness and act as a brake on economic development. Analysis of the economic benefits of broadband showed that investment in regional broadband infrastructure is cost-effective and has the potential to overcome many of the problems associated with unbalanced regional growth.



Minister Dermot Ahern T.D. and Dr. Pat O'Hara at the launch of "Ireland's Broadband Future"

The report showed clearly that government intervention is necessary to close the 'broadband gap' and to ensure that the potential regional development gains of widespread connectivity can be realised. Ten key recommendations to Government were contained in the report and, at the launch in mid-December, several actions were announced. The table below summarises the key issues highlighted by the WDC and the Government's responses in 2003.

Key Telecommunications Issues Highlighted by the WDC	Government Responses 2003
Strategic approach and Action Plan needed.	New Broadband Action Plan announced multi-annual funding of €35m per annum to 2007.
Accelerate competition and pricing.	Direction to ComReg on competitive pricing promised for early 2004.
Complete and extend Metropolitan Area Networks (MANs).	Phase I of MANs in progress, due for completion 2004. Further phase involving provision of community broadband exchanges and strategic fibre to 80 towns announced at the end of 2003.
Establish Managed Service Entity (MSE) and mandate it to manage access to state owned backbone fibre.	MSE not yet established. ESB fibre network to offer connection to regional towns at competitive price.
Need for 'last mile' solution using various platforms, such as wireless, satellite, power-line technologies etc for smaller centres and rural areas.	Group broadband scheme for rural communities announced end 2003; also Clár funding for broadband projects and pilot project in power line technologies, etc.
Need to address demand issues.	Decentralisation programme will help drive demand. Website for consumers announced end 2003.

⁴ The Information Society Commission is an advisory body to the Taoiseach. See www.ISC.ie.

Transport

Transport within the Western Region, to other parts of Ireland and beyond, has always been a significant focus of the WDC. Access to good quality, competitive transport options is important to those running businesses and providing services, to people living in the region and to those who wish to visit. In 2003 the WDC continued to emphasise the importance of road infrastructure to the Western Region, and there was a particular focus on rail infrastructure with the publication of the Strategic Rail Review (2003).

Roads



Road strengthening works on the N15

The WDC continued to monitor expenditure on roads in 2003 and was particularly concerned about regional spending imbalances on national roads. NDP expenditure on such roads in the BMW Region to the end of 2002 was only 69% of budget, compared to 138% of budget in the S&E Region. In its submission to the Mid-Term Evaluation of the Economic and Social Infrastructure Operational Programme of the NDP, the WDC argued that this imbalance should be halted, advocating that priority to projects outside the



Séan Hannick, WDC Board Member; Lisa McAllister, CEO (WDC); Minister Séamus Brennan, Minister for Transport; Michael Farrell, Chairman (WDC); Dr. Pat O'Hara, Policy Manager (WDC)

BMW Region, cost overruns or any adjustments in national finances should not have the effect of further widening the regional imbalance in expenditure. The WDC recommended that clear, time-bound targets should be set out in relation to all national roads.

The Chairperson and members of the WDC conveyed their concerns about regional imbalances in NDP expenditure on roads and also about the 2003 Programme at a meeting with Séamus Brennan, T.D., Minister for Transport, in March 2003.

Rail

The WDC had a particular focus on rail transport issues in 2003 which, with the publication of the Strategic Rail Review (SRR), was an important year for the development of rail policy in Ireland.

The WDC's concerns about rail in the Western Region, first highlighted in a submission to the SRR in 2002, are noted in the box below.

- Transport infrastructure is vital to the development of the Western Region.
- Rail is an important element of access infrastructure. Investment will be required to achieve the safe, reliable, efficient, quality rail services which the Western Region needs.
- Improved rolling stock, better timetabling and additional services are all needed.
- Serious consideration should be given to the development of the Western Rail Corridor (WRC) which provides the opportunity to improve access within and between the regions, as advocated in the NSS.

The WDC welcomed the publication of the SRR, which is designed to provide a basis for establishing a strategic policy framework for the development of the rail passenger and rail freight sectors in Ireland over the next twenty years. In April 2003 the WDC, with the eight City and County Development Boards, hosted a successful seminar in Claremorris in order to inform people in the Western Region about the recommendations of the SRR and to hear views on it from a variety of speakers, including representatives of the Department of Transport, Iarnród Éireann and the European Commission as well as transport, tourism and regional interests. The seminar also allowed the WDC to identify and discuss the key issues arising from the SRR.

Following the seminar, the WDC met with the Department of Transport to highlight particular concerns about the SRR. The WDC also met several times with the consultants who prepared the SRR.

The key issues highlighted by the WDC in these meetings are noted in the box below.



The Western Rail Corridor

- Expenditure designated for service enhancement within the Western Region was extremely disappointing. Of the total *Going for Growth* programme (one of the choices set out in the SRR) only 4.5% is earmarked for the West, indicating a lack of priority accorded to routes serving the region.
- Much of the expenditure on Western routes under the *Going for Growth* programme is designated *long term*, and is not due to take place until the period 2015-2022.
- The WDC is concerned about the use of cost-benefit analysis to determine the rail investment strategy, without sufficient weight being given to the value of balanced regional development. This results in lower priority being given to investment in the less developed regions.
- A comprehensive and detailed feasibility study of the entire Western Rail Corridor is needed, to include a study of potential commuter routes (e.g. Tuam to Galway, Tuam to Claremorris, Charlestown to Claremorris, Tubercurry to Sligo).
- The commitment to rail freight and the initiatives recommended in the SRR were welcomed, but the WDC was concerned that the lack of a long term policy for rail freight will inhibit its development potential and consequently may hasten its decline.
- Much can be achieved in terms of improved and additional services, involving little or no significant additional investment. Such service improvements on routes serving the Western Region appear to have a low priority, particularly when compared to the service improvements on other intercity routes.

In raising these issues at the highest level, the WDC has played an important role in highlighting the issues for rail transport in the Western Region. It will continue to do so in the future.

Submissions on rail policy and presentations from the rail seminar are available at www.wdc.ie.

Energy

As part of its objective of ensuring that the Western Region is competitive in sustaining and attracting industry and employment, the WDC continued its work on energy infrastructure in 2003. The focus was on electricity transmission, the extension of the natural gas grid in the region and the development of opportunities for community wind energy projects.

Electricity

The WDC believes that there is a clear need for significant investment in electricity transmission infrastructure in the region in order to improve power supplies for current and future industry.

The North West relies heavily on inputs of power from other parts of the country, while the growth in demand for electricity in this region has been greater than the national average. While welcoming recent improvements and reinforcements, in 2003 the WDC emphasised its concerns about the situation in Mayo in particular.

The WDC is committed to ensuring that appropriate energy infrastructure is put in place to allow the Western Region to attract new investment and sustain those industries already operating in the region. The WDC also believes that the availability of sufficient infrastructural capacity, ahead of demand, is essential to the development of the region's industry and service base.

In order to highlight these issues the WDC met Dermot Ahern, T.D., Minister for Communications, Marine and Natural Resources, in May 2003. The meeting was also attended by Éamon Ó Cuív, T.D., Minister for Community, Rural and Gaeltacht Affairs. The WDC drew the Ministers' attention to problems faced by industry in the region (in Mayo in particular) and stressed that improved electricity transmission in the West was one of the infrastructure priorities of the National Spatial Strategy.

In October 2003, the WDC, along with IBEC and the Chief Executives of a number of significant Mayo industries, met with Tom Reeves, the Commissioner for Energy Regulation, in order to highlight, once again concerns about transmission infrastructure in Mayo, and its capacity to meet future demand. The potential contributions of the users and the WDC to the electricity transmission planning process were discussed at the meeting and it was agreed that there should be more consultation in the future.



Lisa McAllister, CEO; Dr. Helen McHenry, Policy Analyst; Michael Farrell, Chairman; Minister Dermot Ahern, Minister for Communications, Marine and Natural Resources; Dr. Pat O'Hara, Policy Manager

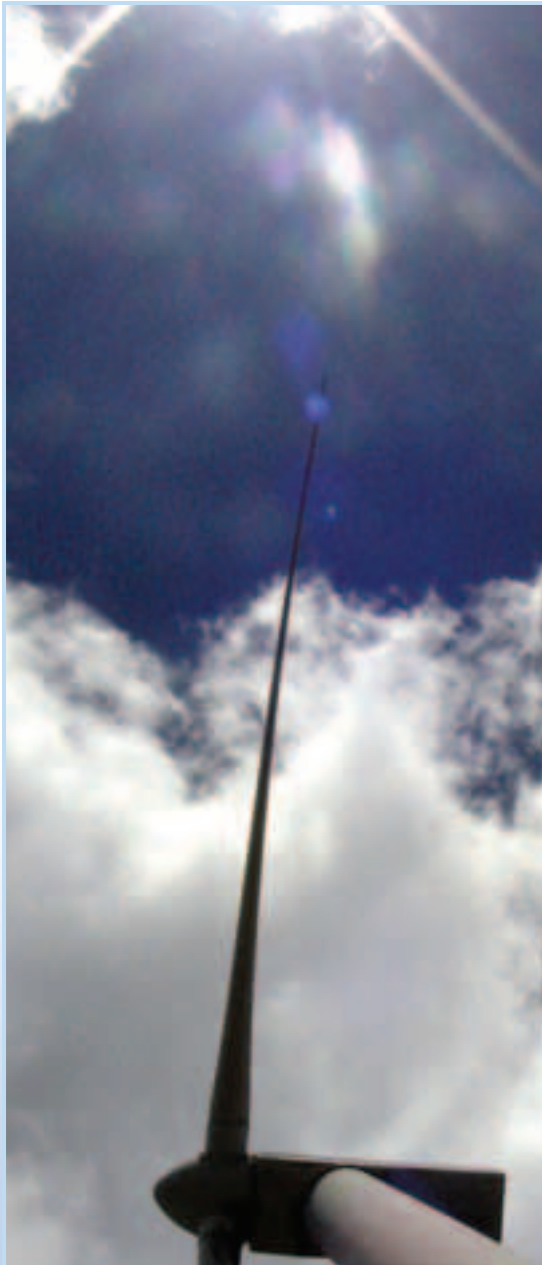
Gas

The Corrib Gas Field is a significant natural resource which has the potential to bring enormous benefits to the Western Region. Natural gas can provide a clean energy source for industry, while the process of developing the gas infrastructure associated with this field would provide much needed jobs in a remote part of the West.

The WDC is aware that the location at which Corrib gas might be brought ashore is now uncertain but has, nonetheless, continued to work to ensure that the West would gain the maximum benefit, spread throughout the region, from the exploitation of the natural gas resource.

In 2003, the focus of the WDC's work in this area was in relation to the route of a proposed link from a Corrib (Mayo-Galway) pipeline to Sligo which the Government, in 2001, decided (in principle and subject to further evaluation) should be built. The WDC felt that this offered an opportunity to consider which route would bring the greatest public benefits to the region, and would give greatest value for government investment in the long term. The WDC believes that any such transmission pipeline should take a route which would allow, in the long term, the development of spurs to the smaller towns in Connacht.

The WDC discussed the possible route at its meeting with Dermot Ahern, T.D., Minister for Communications, Marine and Natural Resources and Éamon Ó Cuív, T.D., Minister for Community, Rural and Gaeltacht Affairs, in May 2003, highlighting the need for the benefits of Corrib gas to be experienced in the Western Region when it is brought ashore. The Minister for Communications, Marine and Natural Resources agreed to consult with the WDC before any further decisions about the route of a pipeline to Sligo are taken.



Renewable Energy

Ireland has the second largest wind energy resource in the EU, exceeded only by Scotland. Ireland's highest wind speeds are on the Western Seaboard. Producing electricity from wind is one of the few sectors in which Ireland in general, and the West in particular, have a real international competitive advantage.

The WDC believes that the Western Region should benefit from this. In 2003, it became involved in a major strategic initiative to investigate the potential for local communities to invest in wind farm projects being developed in their areas. The Renewable Energy Partnership⁵ (REP) is a strategic initiative to investigate community ownership of wind farm projects. In March 2003, consultants were contracted by the REP to research and develop a model that would allow community groups to invest in wind farm projects. The €73,000 funding for the study was secured from LEADER and Sustainable Energy Ireland as well as the WDC.

The study involved a review of community ownership models used to develop the wind sector throughout Europe, a review of Irish renewable energy policy and the preparation of a working model which includes the wind farm development process, choice of company structure for wind investment, investment options and mechanisms, investment incentives and financial models which predict likely returns for community investors. Initial findings suggest that communities should consider the possibility of participating in commercial projects once such projects have cleared all the hurdles involved in planning, grid connection and electricity sale. A manual to be published by the REP in 2004 will assist and advise communities on how to do this.

⁵ Partners are the WDC, Brí Nua Community Wind Energy Group (Inishowen) and Mayo Community Wind Energy (South West Mayo).

Mid-Term Evaluation of the NDP

The WDC monitors changes in the policy environment which occur at EU, national, regional and local (rural development) levels, considers their implications for the region and makes submissions and recommendations as appropriate. It also examines the changes occurring in the region itself in response to other influencing factors.

In 2003, the National Development Plan (NDP) reached the mid-point of the planning cycle. Both the NDP and its constituent Operational Programmes were subject to mid-term evaluations. The WDC made a number of submissions to the different evaluations, highlighting issues of particular concern in the Western Region.

The most detailed submission was made to the Border, Midland and West (BMW) Regional Assembly. In this, the WDC expressed concern at the under-spend in the BMW Regional Operational Programme (BMW OP) of the NDP, which provides funding for local infrastructure, local enterprise, agriculture and rural development, social inclusion and childcare. Spending in the first three years of operation, to the end of 2002, was only 59% of budget. While some measures reached their target spending, a significant number were well below budget, resulting in the overall under-spend. Key points made by the WDC in its submission are highlighted in the box below.



NATIONAL DEVELOPMENT PLAN

The WDC also made a submission to the evaluation of the NDP as a whole, as well as to those of other individual Operational Programmes, concentrating on issues essential to the development of the Western Region.

The submissions are available at www.wdc.ie.

- Although €1,570m was budgeted to the end of 2002, only €926m (59%) was actually spent. This means that the BMW Region has not benefited as much as expected in the first three years of the NDP.
- The allocated budget for the programme should be spent exclusively in the BMW Region.
- Expenditure on some local infrastructure measures in the OP, such as Non-National Roads and Regional Airports, could be increased above their initial allocation, using funds that might not be drawn down under other measures.
- Expenditure should increase rapidly in the second half of the programme.
- Higher grant levels (where permissible) should be used to allow the BMW Region to gain the full benefit of this programme and of its Objective 1 status.

Tourism

Since its establishment, the Western Development Commission has given priority to supporting the competitiveness and expansion of the indigenous sectors in the region. In particular, the WDC has recognised the importance of tourism in developing the economic and social fabric of rural areas in the Western Region.

The WDC's *Blueprint for Tourism Development in the West* was published in 2000. It is a detailed strategy for accelerating the spread of tourism growth to rural areas in the seven western counties. As a result of its publication, the Western Development Tourism Programme⁶ (WDTP), a key inter-agency regional partnership, was set up, hosted by Sligo Institute of Technology and funded by the Department of Community, Rural and Gaeltacht Affairs. Its remit to develop a strategic approach to tourism initiatives in under-developed areas within the Western Region.

The WDTP's pilot projects demonstrate the potential of the region to develop sustainable tourism products in a co-ordinated manner, avoiding duplication of actions and funding. The theme of sustainability of communities and the environment underpins all WDTP projects. The progress made by the WDTP in



deploying the strategic approach to tourism development advocated by the WDC is outlined in the boxes below.

MARKETING AND PRODUCT PACKAGING

WDC Recommendation

Dispersal of tourists away from the small number of 'honey pots' to quality products in rural areas in order to achieve economic, social and environmental sustainability through actions such as the integration and promotion of 'green ways' and the provision of excellence in special interest products.

Outcomes

- The long term aim of the WDTP initiative is to develop ten high-quality landscape interpretation projects. In 2003 two Walking through Time initiatives were launched, one in the Bluestack Mountains in Co Donegal and one in Strokestown, Co Roscommon. Eight other initiatives are at feasibility stage. Projects are delivered as a joint venture between the WDTP, LEADER and the CSA Group, in conjunction with local communities.
- In 2003 the WDTP, in partnership with LEADER, initiated a project to assist product providers located on established walks in the region to commercialise their activities. The model will be completed in 2004.
- The Green Box plan defines actions to build sustainable ecotourism holiday activities, encompassing food, accommodation, activities, transport and infrastructure. The Green Box area covers Leitrim and parts of Fermanagh, Cavan, Roscommon, Sligo and Donegal.

⁶ The WDTP is chaired by Fáilte Ireland and supported by a broad-based steering group comprising the Department of Community, Rural and Gaeltacht Affairs, the Department of the Environment, Heritage and Local Government, LEADER, Shannon Development, the Regional Tourism Authorities, Údarás na Gaeltachta, the Irish Tourism Industry Confederation, Sligo Institute of Technology and the Western Development Commission.

DESTINATION MANAGEMENT AND PRODUCT DEVELOPMENT

WDC Recommendation

Establish combined three region initiative (West, North West and Shannon) to address specifically and exclusively the challenge of marketing the West of Ireland as a rural tourism destination.

Outcomes

The WDTP initiated a joint marketing initiative between LEADER, Shannon Development, the Regional Tourism Authorities and the WDTP to develop regional promotional and marketing actions.

- In 2003, the Steering Group facilitated the delivery of the first western inter-regional tourism brochure.
- 25,000 visits were generated to the WDTP website www.trueireland.com.⁷
- In conjunction with Fáilte Ireland, the WDTP organised and funded a familiarisation trip to trade and consumer fairs in Milan and Munich, giving LEADER managers from the region the chance to meet specialist tour operators.

QUALITY AND CUSTOMER CARE

WDC Recommendation

The concept of total quality management is the key to customer satisfaction and repeat business. The need for a comprehensive training and development programme was identified in the *Blueprint*.

Outcomes

The WDTP, with Sligo Institute of Technology, initiated the Western Development Tourism Training Initiative.

- The 80-hour training programme provides tourism product providers with an accredited course, resulting in the award of the National Certificate in Tourism Management and Marketing.
- Participants are funded by their local LEADER companies to attend the course.
- The first 22 participants (Sligo/Leitrim) received their certificates in November 2003 at Sligo IT.



Alan Hill, Western Development Tourism Programme; Dermot Hurst, WDC; Fiona Candon, WDC, Minister Éamon Ó Cuív, T.D.; Lisa McAllister, WDC; Donal Guilfoyle, Bord Fáilte



John O'Neill, Organic Centre; Minister Éamon Ó Cuív, T.D.; Donal Guilfoyle, Bord Fáilte

⁷ The site, launched in 2002, is featured prominently on Fáilte Ireland and Regional Tourism Authority websites. Fifty rural tourism operators from the Region were recruited and trained to provide and update copy for the website.

National Tourism Policy

In addition to participating in the Western Development Tourism Programme, the WDC has continued to highlight the importance of the development of a national rural tourism policy. *Ensuring the Future – A Strategy for Rural Development in Ireland*, a White Paper published in 1999, stated that ‘rural tourism must be integrated

effectively into national tourism policy, particularly the national marketing effort, and into a regional approach to economic development’. In recognition of this, the WDC made a submission to the Tourism Policy Review Group in 2003.⁸ The key points made in the submission are highlighted in the box below.

- Maximise the opportunity presented by the Mid-Term Evaluation of the National Development Plan to ring-fence funds – much of which appears to be unspent – for rural areas where tourism remains largely under-developed.
- Maximise the NDP Tourism Measures to fast-track the development of appropriately scaled and environmentally sustainable tourism projects in underdeveloped rural areas.
- Encourage the development of eco-tourism and sustainable tourism ventures which maintain the natural environment, setting goals for the development of ventures in cycling, walking and other types of eco-tourism.
- Ensure expansion of the concept of rural tourism, moving it from being seen as an additional farm income opportunity into being recognised as a dedicated rurally-based tourism sector, which seeks to enhance underdeveloped areas.
- Ensure that Bord Fáilte expands its tourism approvals and certification system to include a separate rural tourism certification scheme which recognises the uniqueness of the rural product compared with more traditional urban accommodation.
- Ensure a balanced promotion of rural tourism when promoting Ireland.

The WDC and the WDTP participate on the national Rural/Agri Tourism Committee established by Éamon Ó Cuív, T.D., Minister for Community, Rural and Gaeltacht Affairs, in 2003.

⁸ The Tourism Policy Review Group was established by the Minister for Arts, Sport and Tourism in December 2002 in order to review tourism performance and prospects and to develop a strategy for the future sustainable development of the sector. Its report, *New Horizons for Irish Tourism – An Agenda for Action*, was published in September 2003. Considered the most important and authoritative document on tourism policy and performance in over a decade, it presented a comprehensive plan for the growth and development of the tourism industry over the next ten years.



Horse riding across the Ox Mountain

Organic Agri-food Production



Organically grown food



Organic Centre at Rossinver, Co Leitrim

The WDC has been to the forefront in highlighting the organic agri-food sector as showing potential for growth, particularly in rural areas in the Western Region.

In 2000, the Western Development Commission published the *Blueprint for Organic Agri-Food Production in the West*. This was the first organic agri-food policy and action plan to be developed in Ireland. Since then, the WDC has worked in partnership with the public and private sector to assist the development of the industry.

The WDC's work has contributed to some positive national developments, most notably the publication of a National Organic Policy document and the establishment of the National Organic Steering Group. The WDC continues to ensure that the needs of the organic agri-food industry in the West are recognised at national level through its presence on this and other groups.



Cathal Cowan, *National Food Centre*; Annie Coyne, *IOFGA*; Cariosa Lynch, *WDC*; Stephen Joyce, *Organic Producer* at a WDC Organic Workshop in Strokestown Park House.

National Organics Conference

A partnership approach and an organic agri-food conference were two of the *Blueprint's* key recommendations. In 2003 the WDC, Bord Bia and the Department of Agriculture and Food held a National Organics Conference, *Present Challenges – Future Opportunities*, in Portumna, Co Galway in order to highlight the issues facing the Irish organic agri-food sector.

Over 240 organic producers, processors, retailers and representatives of organic agri-food bodies and state agencies attended the conference. Policy, consumer research, marketing and branding challenges and opportunities for organic farmers were raised and discussed. The organic agri-food retail market was examined from both the Irish and EU perspectives.



Organics Conference 9th October – Portumna, Co Galway

Fiona Candon, *Regional Development Executive WDC*;
John Brennan, *Leitrim Organic Farmers Co-op*;
John O'Neill, *Organic Centre Rossinver*;
Noel Treacy, *Minister of State at the Department of Agriculture and Food*;
Stan McWilliams, *North West Organics Co-op*;
David Hawthorne, *North West Organics Co-op*;
Michael Duffy, *Chief Executive Bord Bia*;
Lisa McAllister, *Chief Executive WDC*.

A number of case studies presented at the conference explored traditional routes to market, such as partnerships between suppliers and processors, and farmers markets, which have become an important outlet for organic producers. Two of Ireland's organic companies, Glenisk and Kinvara Smoked Salmon, gave an overview of their businesses and examples of successful branding and marketing initiatives. Industry workshops highlighted the challenges faced by organic farmers.

Papers on the findings of these workshops have been presented to the National Organic Steering Group to assist in progressing future actions. All conference presentations are available at www.wdc.ie.



Organically grown tomatoes

The Western Organic Strategic Initiative (WOSI)

WOSI is a strategic partnership spearheading growth in the organic sector in the Western Region. Established in December 2001, WOSI is led by the private sector and facilitated by the WDC. It is managed by representatives from Northwest Organic Co-operative, Leitrim Organic Co-operative, the Organic Centre, Rossinver, and the Western Organic Network representing 234 organic producers in counties Roscommon, Donegal, Leitrim, Fermanagh and Derry.

In 2003, with support from the WDC, LEADER and the EU Programme for Peace and Reconciliation, WOSI developed a strategic business plan.

A Regional Training Programme in Organic Agri-food Production was also developed and began in September 2003 under the Skillsnet Programme. A training and education co-ordinator was employed to deliver training and develop networks of producers throughout the North West. The total value of the programme is €270,000.



Western Investment Fund

The Role of the Western Investment Fund

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 which undertake projects with important social benefits can have problems securing loans.

It is for reasons such as these that the Western Investment Fund (WIF) is operated by the WDC. The WIF aims to ensure that organisations with viable 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 sectors, that the WIF can play a key role in the economic and social development of the West.

The WIF in Brief...

The WIF provides equity capital and loans on a commercial basis. It seeks a financial return as well as a socio-economic dividend on investments and aims to achieve a balanced spread of investments across geographical areas, sectors and the business life cycle.

The WIF has three sub-funds:

- **Business Investment Fund**, designed mainly to help high-potential small and medium-sized enterprises (SMEs).
- **Local Investment Fund**, aimed at supporting community-based projects.
- **Special Projects Investment Fund**, which targets flagship projects and initiatives with the potential to have a major impact on the region.

The WIF is supported by a voluntary Fund Advisory Panel and Joint Evaluation Panel with a membership drawn from the private sector, state agencies, Clann Credo, and the WDC.

A successful year for the WIF

The WIF had an excellent year in 2003. There was a very significant increase in the level of applications, approvals and disbursements. A total investment of €3.7m was disbursed in 23 projects, up from €1.55m in 14 projects in 2002. The total approvals for 2003 came to €5.7m in 27 projects, up 170% on the 2002 approval level. A total of €2.8m of investment commitments is being carried over to 2004.

A wide range of projects was supported in 2003, including seed capital to a bio-medical device company developing next generation soft tissue implants; development capital to a company which designs and manufactures a range of greeting cards, social stationery, garden and gift products; and loan finance for the construction of a daycare centre for older people.

Many of these projects would have been unable to get the necessary finance without the help of the WIF because they did not have the required assets or a track record with banks. As well as providing funding, the WIF works with applicant companies over the long term in order to help them to achieve their growth targets.

The WDC has been allocated €4m for WIF investment in 2004 and believes that the WIF is now beginning to reach its full potential. As was intended, money is starting to revolve into the WIF, thus ensuring more funding for more development potential in the West.

Proxy Biomedical Ltd

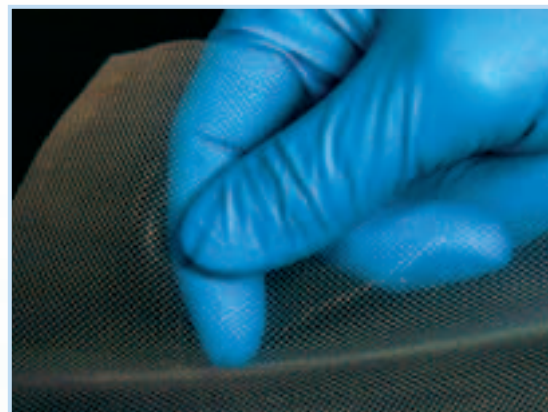
WIF CASE STUDY

An ageing worldwide population has created a demand for medical devices that treat acquired and debilitating defects caused by tissue breakdown.



Meeting this growing market demand is Proxy Biomedical, a company that designs, develops and manufactures implantable medical devices. The company proposes to use state-of-the-art materials and processes to develop high-quality next-generation soft tissue implants to meet demand for less invasive devices that speed recovery and restore health. There is high growth potential for these products throughout the world.

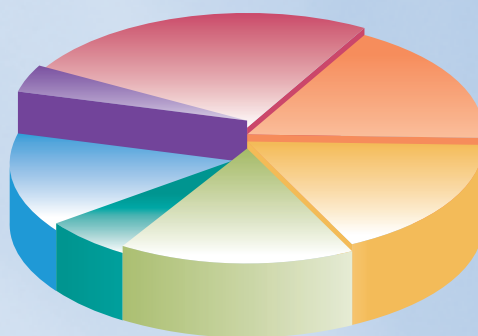
Together with a number of strategic investors, the WDC has taken an equity stake in Proxy Biomedical to enable the company to develop working prototypes of its products. From its base in Galway City, the company forecasts that it will employ up to 50 people directly and indirectly within five years.



Investments Disbursed in 2003

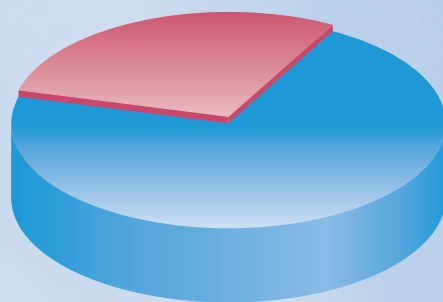
During the year, the WIF disbursed €3.7m in 23 projects. Of this total, 80% was allocated using the Business Investment Fund, while the remainder was given as loan finance to community groups through the Local Investment Fund. Over 70% of the total was disbursed to projects located in rural areas, as defined in the National Spatial Strategy.

Disbursals in 2003 by County



County	% of Funding	No. of Projects	Amount
Clare	4	2	€150,000
Donegal	25	4	€934,000
Galway County	17	4	€629,359
Galway City	17	4	€641,903
Mayo	16	3	€592,000
Roscommon	7	3	€245,000
Sligo	14	3	€509,434
Total	100	23	€3,701,696

Disbursals in 2003 by Setting



	% of funding	No. of Projects	Amount
Gateways and Hubs	29	7	€1,066,903
Rural	71	16	€2,634,793
Total	100	23	€3,701,696

Disbursals in 2003 by Sector

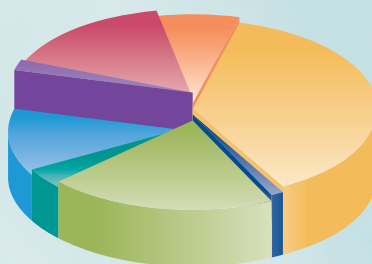


Sector	% of Funding	No. of Projects	Amount
Bio/Medical Devices	8	2	€283,403
Economic & Social Infrastructure	18	5	€667,000
e-Learning	8	1	€317,000
Food	7	1	€250,000
Information Communications Technology	18	5	€658,500
Manufacturing & Services	32	6	€1,183,793
Tourism	9	3	€342,000
Total	100	23	€3,701,696

Investments Approved in 2003

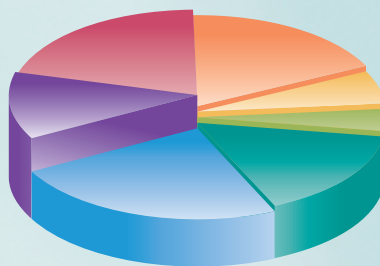
In 2003, the WDC approved a total of €5.7m from the WIF for 27 different projects. Of this total, 80% was in equity and the remainder in loans.

Approvals in 2003 by County



County	% of Funding	No. of Projects	Amount
Clare	2	2	€125,000
Donegal	16	4	€934,000
Galway County	7	2	€400,000
Galway City	38	8	€2,185,000
Leitrim	1	1	€35,000
Mayo	20	4	€1,138,000
Roscommon	4	2	€225,000
Sligo	12	4	€689,000
Total	100	27	€5,731,000

Approvals in 2003 by Sector



Sector	% of Funding	No. of Projects	Amount
Bio/Medical Devices	21	4	€1,201,000
Economic & Social Infrastructure	18	7	€1,056,000
e-Learning	6	1	€317,000
Food	4	1	€250,000
Information Communications Technology	16	4	€909,000
Manufacturing & Services	22	5	€1,284,000
Tourism	13	5	€714,000
Total	100	27	€5,731,000

Potential jobs created/sustained and funds leveraged

In total, projects approved or disbursed in 2003 have the potential to create or sustain more than 850 jobs. A total of €19m of additional investment could be leveraged into the region as a result of the investments approved or disbursed in 2003. Of this amount, 61% was sourced from the private sector and the remainder from the public sector.

CreVinn Teo

WIF CASE STUDY

CreVinn Teo is a silicon and software design company providing a design service to the international market, whilst at the same time developing its own proprietary silicon-based products in the data networking field.

The company already employs nine people and hopes to increase this to at least 27 in the coming years. The promoters have international reputations in the design field and have already won significant contracts from major players in the market. The WDC investment will enable the company to grow an international business from its Connemara base.



Tearmann Eanna Teo

WIF CASE STUDY

Tearmann Eanna Teo is located in Tully, a rural area west of Spiddal, Co Galway.

The organisation provides purpose-built housing and other essential services for older people in the area. Tearmann Eanna aims to enable older residents of this rural, Gaeltacht area to continue to live in their own environment, using the Irish language, traditions and local ways.

The WDC provided loan finance for the part-development of a social and health centre for the residents of the social housing development and other older people living in the Tully area. It is expected that up to 60 people will become regular users of the facility.



Social Investment Partnership

There was a continued strengthening of the joint working relationship between the WIF and Clann Credo Ltd, a social investment fund, in 2003. Clann Credo also operates a western office facilitated by the WDC under the joint working arrangement.

A social audit of the work of the joint arrangement was undertaken during the year.

Knock International Airport

WIF CASE STUDY

Knock International Airport has proven to be a positive initiative with particular economic and social significance for the Western Region.

With a 2,300 metre airstrip capable of landing jumbo jets, the airport has already brought millions of passengers to Connacht. It currently employs 95 full-time and part-time staff.

There is now a significant opportunity to establish Knock International Airport as a commercially viable enterprise operating in the global marketplace. The aim is to provide the Western Seaboard with a focal point for international travel and associated commercial operations. Airport services and passenger numbers for scheduled flights and charter business increased substantially in 2003.

The WDC sees the development of Knock International Airport as providing key strategic infrastructure for the West of Ireland. It can improve access into and out of the region, create and maintain jobs by attracting foreign direct investment, assist indigenous and foreign businesses to be more competitive and can underpin the growth of the tourism industry. In essence, Knock International Airport, when developed fully, will have the potential to turn the



Back Row: Lisa McAllister, CEO WDC; Liam Scollon, CEO Knock Airport; Desmond O'Flynn, Marketing & Sales Manager, Knock Airport; Frank Browne, Operations Manager, Knock Airport; Front Row: Gillian Buckley, Investment Manager, WDC; Caroline McHale, Financial Controller, Knock Airport.

West of Ireland into a central strategic location between Europe and the US. In recognition of this potential, the WDC provided investment funding to enable the team at Knock International Airport to devise and implement its five-year strategic development plan.

Parcom Media Ltd

WIF CASE STUDY

Parcom Media Ltd, based in Convoys, Co Donegal since 1996, is a digital media company specialising in the development of e-learning products for sports coaching and sports tourism promotional products.

The product range consists mainly of CD-based coaching titles for golf, snooker and Gaelic games, along with tourism titles. The company's first product, Play Better Golf, became the best selling sports reference CD in the UK within six months of its release. It has been sold in over a dozen markets spanning five continents.

The emergence of DVD technology has presented a significant market opportunity for Parcom Media. The WDC investment will enable the company to capitalise on this development.



Sligo Folk Park

WIF CASE STUDY

In 1992, a group of people from Riverstown, Co Sligo formed a community-based enterprise company, Riverstown Enterprise Development (Sligo) Ltd, with the aim of addressing a number of problems, including rural depopulation, economic decline and high unemployment.

The company acquired a property in the village, Millview House, in order to develop an agricultural museum and operate employment schemes from the site.

In summer 2001, the project, now known as Sligo Folk Park, was completed. It comprises Millview House, numerous workshops, a museum building with coffee shop and craft shop, a traditional Irish cottage and a large exhibition hall. In addition to this, other exhibitions of artefacts restored on site are on public display. The Park welcomed 30,000 visitors in 2003.

The WDC's term loan to the project was used to put the venture on a solid financial footing. This enabled the promoters to address the company's long term goals and to provide it with a sustainable strategy for the future.



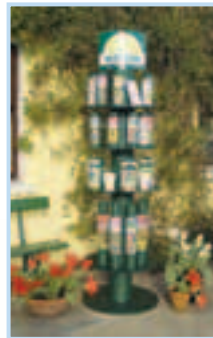
Hugh Kelly, *Sligo Folk Park*;
Tracey Hannon, *WDC*;
Gillian Buckley, *WDC*;
Michael Touhy, *Sligo Folk Park*.

Willow Design and Publishing Ltd

WIF CASE STUDY

Willow Design and Publishing Ltd designs, produces and markets a range of greeting cards, social stationery, garden and gift products.

Many of the products contain conservation-grade wildflower seeds to enable customers to grow the flowers depicted on the cards or gift items, thus helping to safeguard the future of wildflower habitats. Founded in 1988, the company has experienced major growth opportunities in the past year. The WDC equity investment will assist in exploiting this potential.



Willow Design and Publishing
Products on display

Roscommon Home Services Ltd

WIF CASE STUDY

Roscommon Home Services is a voluntary, community-based organisation established in 1996 under the EU's New Opportunities for Women (NOW) scheme.

The group provides a range of services to single parents and older people living alone, including social care, childcare, house management, painting and gardening. Roscommon Home Services is unique in the Western Region and demand is such that the company is expanding to counties Galway and Mayo. It is also expanding its client base to include the health board and local authorities. The WDC has provided funding to enable the organisation to expand and to put its finances on an appropriate footing.



Back Row: Mary Rafferty, Noreen O'Connor
Front Row: Pauline O'Boyle,
Veronica Barrett, *Manager of Roscommon Home Services Ltd.*

Administrative Developments

In 2003, there were a number of administrative developments in relation to requirements under the Code of Practice for the Governance of State Bodies and also under Sustaining Progress. The implementation of these developments is recorded below.

Audit Committee: The Audit Committee's Terms of Reference were adopted in 2003. They include review of internal control, review of internal and external audit and review of annual financial statements, as well as approving changes in accounting policies. The Audit Committee reported regularly to the Commission in 2003.

Internal Audit: During 2003, the Audit Committee decided that, due to the small size of the WDC, the internal audit function would be carried out externally. The tender process for the internal audit function was completed during the year.

Financial Management Systems: Implementation of a WDC financial management system was started in late 2003 and is on target to be fully operational by the end of 2004. The system will facilitate the process of carrying out internal expenditure reviews across the WDC's range of functions, and for the Western Investment Fund. The internal audit function will use the financial management systems to monitor the effectiveness of the internal financial control system and ensure that value-for-money auditing is given attention.

Disposal of Assets: There was no disposal of assets above the agreed threshold.

The Code of Practice for the Governance of State Bodies: The Code of Practice has been adopted (where appropriate and relevant) by the WDC and was complied with in 2003.

Code of Conduct for Directors and Employees: Written Codes of Business Conduct for Directors and Employees of the WDC were developed according to best practice and were put in place in 2003. Copies of the Code of Conduct were signed by all members and staff of the WDC and are being complied with. Copies of the WDC Code of Conduct are available on the WDC website www.wdc.ie.

Customer Service Action Plan and Charter: The WDC developed a Customer Service Action Plan for the period 2002-2004. A Quality Customer Charter is on target to be developed by mid-2004 in keeping with the Government-approved principles of Quality Customer Service.

Statement of Internal Financial Control



The Chairperson of the Western Development Commission has overall responsibility for the system of internal controls and for monitoring its effectiveness. These systems are designed to provide reasonable but not absolute assurance against material misstatement or loss.

In order to discharge this responsibility in a manner which ensures compliance with legislation and regulations, the board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Western Development Commission has in place a strong control framework, which covers all areas of control. The system of internal control includes the following:

- Clearly defined organisational structure, with defined authority limits and reporting mechanisms to higher levels of management and to the Chairperson, which support the maintenance of a strong control environment.
- Comprehensive budgeting systems with an Annual Budget approved by the Board.
- Comprehensive system of reporting which covers operational and financial performance, occurs on a timely and regular basis and aims to ensure that budgetary variances are examined and addressed promptly.
- Comprehensive set of policies and procedures relating to operational and functional controls.

While a formal review of the system of internal financial controls was not carried out in 2003 it is intended to do such a review in respect of 2004.

The Western Development Commission initiated an internal audit function in 2003.

Chairperson: _____

Appendices

Appendix 1:

Members of Western Development Commission

Chairperson

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

Members

Des Mahon, *County Manager, Mayo County Council*
 Mary Bohan, *Member, Leitrim County Council*
 John MacNamara, *Economist, Co Galway*
 Alice Bonnar, *Member, Donegal County Council*
 Martina Minogue, *Director, E-Training International, Co Clare*
 Tish Gibbons, *SIPTU, Galway*
 Pat McGarry, *Member, Roscommon County Council*
 Seán Hannick, *MD, Killala Precision Components, Co Mayo*
 Joe Healy, *Farmer, Co Galway*
 Pádraig Ó Caomhánaigh, *Businessman, Co Galway*
 Frank O'Donnell, *Principal Officer, Department of Community Rural and Gaeltacht Affairs**
 Billy Grimes, *Killybegs Tourism College, Co Donegal^*

* Resigned May 2003 ^ Appointed June 2003

Appendix 2:

Staff of Western Development Commission

Chief Executive

Lisa McAllister, *Chief Executive*

Policy

Pat O'Hara, *Policy Manager*
 Deirdre Frost, *Policy Analyst*
 Helen McHenry, *Policy Analyst (p/t)*
 Pauline White,⁹ *Policy Analyst (on contract)*

Regional Development

Dermot Hurst, *Regional Development Manager*
 Caíosa Lynch, *Regional Development Executive*
 Fiona Candon, *Regional Development Executive*

Western Investment Fund

Gillian Buckley, *Investment Manager*
 John Allen, *Investment Executive*
 Geraldine McLoughlin, *Investment Executive*
 Tracey Hannon, *Social Investment Executive, WDC/Clann Credo Ltd. joint venture arrangement*

Administration

Theresa Higgins, *Head of Administration*
 Breda Joyce, *Finance Officer*
 Caroline Coffey, *Clerical Officer*
 Fiona Regan, *Clerical Officer*
 Mary Keaveney, *Clerical Officer*

⁹ from August 2003

Appendix 3:

Fund Advisory Panel

Chairperson

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

Members

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

* Retired 2003 ^ Joined 2003

Joint Evaluation Panel

Revolving Chairpersons

Gillian Buckley, *Investment Manager, Western Development Commission*
 Paul O'Sullivan, *Chief Executive, Clann Credo Ltd., Dublin*

Members

Jerry Butler, *Clann Credo Ltd, Dublin*
 Martin Coggins, *East & Company, Sligo*
 Sr. Magdalen Fogarty, *Clann Credo Ltd, Dublin*
 Sue Targett, *Eiri Corca Baiscinn Ltd, Co Clare*
 Pat Cummins, *Connacht Gold Laboratory, Co Roscommon^*

^ Joined 2003

Appendix 4:

Investments Approved &/or Disbursed in 2003

Business Projects			
Company Name	County	Investment Type/Amount	Status
Plastic Processing Alternatives (PPA) Teoranta	Galway	Equity - €317,435	Second tranche disbursed
Description	Manufacturing moulded plastics technology		
Willow Design and Publishing Ltd	Roscommon	Equity - €150,000	Fully disbursed
Description	Greeting cards, social stationery, gift and garden products		
Innovative Science Ltd	Sligo	Equity - €317,434	Fully disbursed
Description	Medical equipment for hospital labs		
Parcom Media Ltd	Donegal	Equity - €317,000	Fully disbursed
Description	e-Tourism/Learning		
Shoebox Technologies Ltd	Galway	Equity - €317,000	First tranche disbursed
Description	Software product for financial services intermediaries		
Shoreline Food Enterprises Ltd	Donegal	Equity - €250,000	Fully disbursed
Description	Value added seafood		
Proxy Biomedical Ltd	Galway	Equity - €317,000	First tranche disbursed
Description	Bio-medical devices for tissue repair		
Sidhean Teo	Galway	Equity - €300,000	Fully disbursed
Description	Fire engine manufacturer		
Cora Systems Ltd	Roscommon	Equity - €75,000	Fully disbursed
Description	Project management software		
Connaught Airport Development Company Ltd	Mayo	Equity - €317,000	Fully disbursed
Description	Airport		

Appendix 4: (continued)

Investments Approved &/or Disbursed in 2003

Business Projects (continued)			
Company Name	County	Investment Type/Amount	Status
Hookablemedia Ltd	Sligo	Equity - €317,000	First tranche disbursed
Description	Broadcast media monitoring software		
Crevinn Teo	Galway	Equity - €317,000	Second tranche disbursed
Description	Silicon design		
Eirnet Technologies Ltd	Galway	Equity - €200,000	First tranche disbursed
Description	Parliamentary monitoring software		
MASSN Medical Ltd	Mayo	Equity - €250,000	First tranche disbursed
Description	Surgical sutures		
Cora Tine Teo	Donegal	Equity - €317,000	Fully disbursed
Description	Embedded internet solutions business applications		
FMC Tech Ltd	Galway	Equity - €317,000	Approved
Description	Control/Monitoring system for medium voltage electricity networks		
JMD Holdings Ltd	Mayo	Equity - €317,000	Approved
Description	Luxury spa resort		
Zerusa Ltd	Galway	Equity - €317,000	Approved
Description	Medical devices		
Brivant Ltd	Galway	Equity - €317,000	Approved
Description	Medical devices		
Smirsh Ltd	Sligo	Loan - €80,000	Decommitted (This project was decommitted in 2003 as the promoters did not drawdown the funding)
Description	Eco-tourism project		
Anecto Ltd	Galway	Equity - €200,000	Decommitted (This project was decommitted in 2004 as the promoters did not drawdown the funding)
Description	Electronics sub-contractor and testing services		

Appendix 4: (continued)

Investments Approved &/or Disbursed in 2003

Community Projects			
Company Name	County	Investment Type/Amount	Status
Roscommon Home Services Ltd	Roscommon	Loan - €20,000	Disbursed
Description	Homecare services		
Tearmann Eanna Teo	Galway	Loan - €100,000	Disbursed
Description	Daycare centre for the elderly		
Kilkee Waterworld Ltd	Clare	Loan - €100,000	Disbursed
Description	Waterworld facility		
IRD North Mayo-West Sligo Ltd T/A Moy Valley Resources	Mayo	Loan - €254,000*	First tranche disbursed
Description	Community Enterprise Centre		
County Sligo Agricultural Museum & Rural Heritage Park Ltd	Sligo	Loan - €42,000	Disbursed
Description	Tourist attraction		
Glenties Industrial Development Co Ltd	Donegal	Loan - €50,000	Disbursed
Description	Community Enterprise Centre		
Kilmaley Voluntary Housing Association	Clare	Loan - €50,000	Disbursed
Description	Communal facility		
Children's Discovery Museum Ltd	Galway	Loan - €200,000	Disbursed
Description	Purpose-built children's museum		
Kilkee Road Train	Clare	Loan - €75,000	Approved
Description	Tourist train		
Arrow Community Enterprises (ACE) Ltd	Sligo	Loan - €250,000	Approved
Description	National field study centre		
North Leitrim Glens Development Company	Leitrim	Loan - €35,000	Decommitted (This project was decommitted in 2003 as the promoters did not drawdown the funding)
Description	Community Arts Centre		

* An additional €196,000 was approved in 2002