



Border, Midland & Western
Regional Assembly
Shaping the Region



Submission to meeting with:

An Taoiseach, Mr. Bertie Ahern T.D.,

**Mr. John Gormley T.D., Minister for the
Environment, Heritage and Local Government, and**

**Mr. Éamon Ó Cuív T.D., Minister for Community,
Rural and Gaeltacht Affairs.**

**'More Effective Implementation
of Regional Policy'**

14th November 2007

BMW Regional Assembly
The Square
Ballaghaderreen
Co. Roscommon
094-9862970
www.bmwassembly.ie

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1. Introduction

The Border, Midland and Western (BMW) Regional Assembly very much welcomes this opportunity to make a submission to and meet with An Taoiseach and senior cabinet colleagues. Our previous meetings and submissions have been well received and we hope again that the Government will give careful consideration to the proposals contained in this submission.

We would first of all like to acknowledge the many positive developments that have taken place over the past number of years and the fact that many regional indicators suggest positive trends in terms of population distribution and the generally consistent employment rates across the regions. A measure of our success is that the BMW Region is no longer an objective 1 Region for EU structural funds purposes, but is a phasing-in region into objective 2 (Regional Competitiveness and Employment).

We are also conscious that Government cannot do everything and that we are now operating in a context of increased globalisation and trade liberalisation that are likely to widen the gaps between globally competitive and non-competitive regions. We believe that Ireland should have two NUTS II regions in the premier global league and not just one. It is our goal therefore to increase the presence in the BMW Region of the key drivers of sustainable economic growth, particularly productive infrastructure, as we believe that this is most sustainable in the long-term, more cost-effective for Government than a re-distribution (welfare-based) regional policy and would make the greatest contribution to overall national as well as regional prosperity. To this end we broadly welcome the new National Development Plan 2007-2013 and acknowledge that it has taken on board most of the investments prioritised in our detailed submission which we presented to you here at our last meeting.

2. Economic Context¹

2.1 Challenges Facing the BMW Region

We propose to focus in this submission on those areas where we consider that more needs to be done and new approaches adopted in order to address what we consider to be the outstanding challenges facing the region. These challenges include:

1. The persistent wide gap in productivity (Gross Valued Added) across the regions due to the higher levels of high value-added activities and foreign investment in parts of the Southern & Eastern (S&E) Region.
2. Related to this is the continued brain drain of graduates out of the region to avail of higher paid professions that are not prevalent in the region.
3. The low levels of research investment and the poor comparative performance of the BMW Region in terms of innovation and entrepreneurship.
4. The significant difference in the infrastructural endowment and consequent low accessibility of many parts of the BMW Region.
5. Improving the environmental status of the region, particularly in relation to water quality, waste recycling and raising the levels of renewable energy production and consumption.
6. Addressing the challenges posed for rural areas due to the combined decline of agricultural employment and the potential loss of essential services.

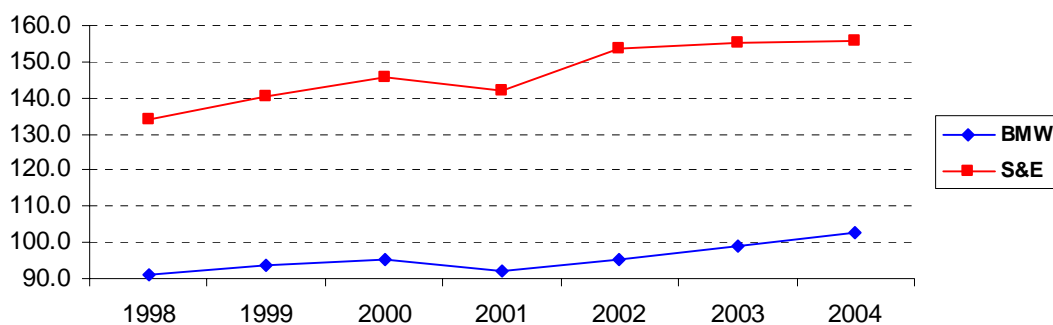
¹ Refer to Table A1 in appendices for further relevant regional socio-economic data.

We will also review and make recommendations to improve the existing policy framework for implementing regional policy in Ireland. Firstly however it is important to set the economic context for the prevailing situation in the BMW Region.

2.2 Productivity

Despite the commitment in the previous NDP to narrow the gap between the BMW Region and the S&E Region large disparities remain in the most important economic indicator. This is particularly evident in figure 1 which illustrates that the BMW Region is not catching up with the S&E Region in terms of its share of national output. This can be accounted for by the fact that a higher proportion of the employment in the BMW Region is in low value-added industries. Further evidence of the gap between the regions can be ascertained by examining their respective levels of output in the context of the EU 25. In doing so the BMW Region comes in 63rd position in terms of GDP per capita, this compares to a very strong 9th placing for the S&E Region².

Figure 1: GVA per person at Basic Prices 1998-2004 (EU 27=100)



Source: CSO (2004) *County Incomes and Regional GDP*

2.3 Employment

In terms of employment there has been a convergence in the levels of unemployment between the regions and in the last year employment grew 4.8% in the BMW Region, as opposed to 3.6% in the S&E Region³. The BMW Regional Assembly however is concerned that much of the employment currently is in construction and primary processing industries which will not be sustained⁴.

2.4 Brain Drain

The BMW Region (56.1%) has the highest admission rate of students to higher education surpassing both the S&E Region (53.1%) and those from Dublin (45.4%)⁵. However, when these figures are compared to the levels of educational attainment for those in employment a clear picture emerges of the 'brain drain' from the BMW Region. Recent figures show that 42.8% of those employed in Dublin have a third level qualification compared to just 28.8% in the BMW Region, the equivalent figure for the S&E Region was 36%⁶. This loss of highly qualified human capital

² Forfás, Annual Competitiveness Report 2006, Volume 1: Benchmarking Ireland's Performance, p.19.

³ CSO. Quarterly National Household Survey, 2007 Quarter 2.

⁴ Refer to figure A1.

⁵ Figures compiled from data supplied in the Higher Education Authority Report: A Review of Higher Education Participation in 2003 compiled by Fitzpatrick Associates and Philip O'Connell, ESRI p.33

⁶ CSO. Quarterly National Household Survey, 2007 Quarter 2

experienced by the region is likely to persist without significant deepening and widening of the labour market.

2.5 Other Regional Indicators

Data on disposable income reveal similar patterns of divergence, with the BMW Region having an average disposable income of 93.2% of the state average in 2004 while it was 102.5% in the S&E Region.

Regional disparities have also widened in terms of capacity to attract inward investment, the regional share of ownership of higher value-added economic activities and the abilities of indigenous industries to grow.

The existence of wide disparities between regions which arises from the region's poor infrastructure endowment is not conducive to attaining national or regional competitiveness. This is particularly the case in terms of road and rail provision, these and other sectoral policies issue that are relevant to the development of the BMW Region are discussed in the next section of this paper.

3. Sectoral Policy Issues

3.1 Transport Policy

To be competitive in regional locations, enterprises must have access to infrastructural facilities that are at least on a par with competitors. It is recognised that an inadequate transport infrastructure has been one of the major barriers restricting the development of the BMW Region. Quality access to and within the BMW Region via radial corridors, linking corridors and international access points that attracts and promotes inward investment to the region will be a major factor enabling it's future development. These deficits that currently exist create obstacles for inward investment, enterprise development and overall quality of life for people in the region.

3.1.1 Roads

There has been significant progress in addressing infrastructure deficits in the BMW Region under the NDP 2000-2006 and in particular under the Non-National Roads measure. Under this measure the BMW Region has received investment of €1.33bn representing 124% of the forecast expenditure of for this period and resulting in the improvement or restoration of more than 26,000 kilometres of non-national roads in the region.

However, while there have been improvements there are still vital gaps in the provision of road infrastructure in the BMW Region. These disparities have been further reinforced by the pattern of investment under the NDPs 2000-2006 National Roads Priority. Total expenditure under this priority has been 106.6% of forecast, however when this is broken down regionally, expenditure in the BMW Region was just 82.7% of forecasted expenditure, the equivalent figure for the S&E Region was 119.9%⁷.

This pattern of under-investment in the BMW Region is obviously also reflected in the corresponding physical process, with much fewer road completions and progress

⁷ Refer to Figure A2.

in the BMW Region in comparison with the S&E Region. This wide discrepancy is of serious concern to the BMW Regional Assembly and raises questions about the commitment of Government Departments to develop infrastructure in the BMW Region consistent with the full implementation of the National Spatial Strategy (NSS) 2002-2020, the principle objective of which is to develop regional centres capable of acting as a counterbalance to the Greater Dublin area.

We are particularly concerned that key national secondary roads that link gateways and hubs have not been prioritised to date. This failure to apply the underlying framework of the NSS will continue to reinforce and widen existing disparities which ultimately inhibits regional competitiveness and hinders the establishment and competitive operations of both indigenous and foreign enterprises.

We welcome the development of links between the North West and Northern Ireland however the east-west road link (Dundalk to Sligo) and the North West-Border Region link both require further enhancement.

Recommendations:

1. Transport 21: It is crucial that investment projects under Transport 21 for the BMW Region are prioritised and that a clear timeframe is established.
2. NSS & Transport 21: All road programmes under Transport 21 should relate to the NSS as the strategic instrument for guiding future investment in order to enhance regions potential to counterbalance the economic dominance of the Greater Dublin area. The development of roads should be seen as an essential feature of the NSS, and of North-South connectivity.

3.1.2 Public Transport

Public transport in the BMW Region is relatively underdeveloped. Investment in public transport will play an important role in facilitating sustainable intra and inter regional access. The NSS reiterates national policy of giving increased focus to public transport within cities and town and more rural areas. We welcome the commitment to mainstream and increase the funding for the Rural Transport Initiatives (RTI). In rural areas, where there is not sufficient critical mass to sustain a regular bus service the RTI has made an important impact in terms of increasing the levels of independence and reducing isolation for the mostly excluded residents who use its services⁸. However, it is disappointing therefore to note that under the NDP's Public Transport Priority⁹ the BMW Region continues to lag behind forecast expenditure in comparison with the S&E Region. The BMW Region had received €340.61 million this represents just 71.4% of the forecast expenditure. While in the S&E Region, €3.08 billion was invested in public transport, this was 119.8% of forecast expenditure¹⁰.

Recommendations:

1. Rail: There are few obstacles to working on existing disused lines compared to a new line and therefore work on the Western Rail Corridor should be proceeding

⁸ External Evaluation of the Rural Transport Initiative. Area Development Management Limited. July 2004.

⁹ Economic and Social Infrastructure Operational Programme. Annual Implementation Report 2006.

¹⁰ Refer to Figure A3.

sooner. Developments of other links (e.g. Athlone-Mullingar) and the double-tracking of the Galway-Athenry line should be progressed.

2. Western 'Atlantic' Corridor: The development of the Western 'Atlantic' Corridor needs to be prioritised to act as a counterbalance to the Dublin-Belfast economic corridor.
3. Quality Bus Corridors: The timeframe for the implementation of a Quality Bus Corridors for Galway City should be prioritised and delivery of QBCs to other gateway towns should be examined.

3.1.3 Aviation Policy

The figures in table 1 illustrate the growth in passenger numbers utilising airports in the BMW Region. These airports have the potential to play a significant strategic role as a gateway for business and tourism development for the region. The role of Shannon airport is critically important to the West of Ireland and its development will continue to have positive spill-over effects for the BMW Region as a whole. The continued development of Belfast airport is also positive for the region, and for the Border Region in particular as it provides a means of extending the connectivity of the region and transport links from the region should reflect its economic potential.

Table 1: Passenger Numbers 2002-2006

	2002	2006	% Change
Airport	(000s)	(000s)	2002-06
KNOCK	199	633	218.1%
GALWAY	110	249	126.1%
DONEGAL	24	57	135.8%
SLIGO	26	34	30.4%

Sources: CSO and Department of Transport

In order for aviation to advance regional development in the BMW Region it needs to ensure world-wide connectivity on a sustained all year round basis. The region also needs to be strategically positioned to offset the impact of the 'Open Skies' Agreement¹¹ on the West of Ireland.

Recommendations:

1. The Government should develop an overarching regional air connectivity policy going beyond the existing PSO arrangement which relates to internal connectivity only. Increased international connectivity can be optimised by supporting the development of Knock and Galway airports in particular. Knock International Airport, the only major international airport in the BMW Region, presents an excellent opportunity in this capacity, particularly since the region suffers from a lack of direct international access.
2. Provision should be made to improve the transport links serving existing airports in terms of bus, road and rail, including the Western Rail Corridor: this can effectively extend their respective catchment areas and provide greater choice for passengers which in turn will enable an increase in services. This will bring benefits for inward investment, indigenous enterprise and tourism.

¹¹ EU-US Air Service Agreement March 2007.

3.2 RTDI in the BMW Region

Investment in the RTDI base of the BMW Region's economy is critical for the future development of the Region to enable its transition from a low-skilled economy to one with high-value added employment. In this context the BMW Regional Assembly welcomes the investment of €299.8m to the BMW Region under the RTDI priority of the NDP 2000-2006. Under the RTDI Priority €2.011bn¹² has been invested nationally by the Government during the period of the NDP 2000-2006, the investment in the BMW Region therefore represents just 15% of the total national expenditure¹³.

While acknowledging the success of NUI Galway in obtaining RTDI funding, the remaining third level institutions in the region have fared extremely poorly. This has been explained by the fact that "the limited available R&D capacity militates against the BMW Region drawing down significant amounts of research funding"¹⁴. This implies that the Institutes of Technology in the BMW Region have insufficient capacity to compete for institutional research funding. This is further borne out by the latest announcement of funding awarded under the fourth cycle of PRTL as NUI Galway represented the only third level institution in the BMW Region to be awarded funding in the latest cycle of this programme which is valued at almost €30m. This pattern of investment will continue unless there is a change in the way research funding is allocated.

Recommendations:

We recommend that the Chief Science Adviser and the Office of Science, Technology and Innovation in the Department of Enterprise, Trade and Employment should be tasked with bringing forward proposals to achieve a better spatial distribution of public investment in Science and RTDI. This can be achieved by:

1. The creation of a ring-fenced research fund for institutions in the BMW Region.
2. The improvement of synergies between national R&D policy and regional innovation policy.
3. The creation of incentives for partnering and collaboration with weaker institutions.
4. The implementation a territorial impact analysis of the Government's SSTI policy.

3.3 Sustainable Energy

The exploitation of renewable energy has the potential to be a real enabler and catalyst for significant regional development, both as a means of encouraging economic activity and creating employment in the BMW Region. The employment potential of renewable energies is particularly pertinent to rural areas experiencing agricultural decline. The potential to further develop underutilised alternative energy sources is significant for the region. We therefore welcome the recently announced proposed introduction of planning exemptions to micro-renewable technologies for industrial, commercial and public buildings and agriculture structures.

¹² Department of Enterprise, Trade and Employment. Annual Implementation Report 2006 for the Productive Sector Operational Programme 2000-2006.

¹³ Refer to Figure A4 for breakdown by sector.

¹⁴ Department of Enterprise, Trade and Employment. Annual Implementation Report 2006 for the Productive Sector Operational Programme 2000-2006. p.19

Investment in renewable energy is being promoted by EU Regional Policy and has been included as a priority area of investment under the new BMW Regional Operational Programme 2007-13. The proposed measures include support for fuel efficient transport vehicles, demonstration projects for energy efficiency in industry, sustainable design of public buildings, introduction of smart metering technology, deployment of biomass heating systems in public and commercial buildings and the roll-out of sustainable development zones, the first of which is currently being piloted in Dundalk.

Recommendations:

There are currently several obstacles to be overcome in terms of the financing and administration of renewable energies such as financial incentives, planning issues and awareness-raising. To facilitate the development of a sustainable energy industry in BMW Region we recommend that the government addresses these obstacles and puts in place further incentives to make sustainable energy an attractive industry option.

3.4 Broadband Access

The universal availability of high-speed always-on internet access is crucial for the economic development of the BMW Region, from innovation, competitiveness, knowledge/learning and quality of life perspectives. Ireland's broadband penetration is low, as reflected in a report on Ireland's broadband performance by Forfás¹⁵. Inability to access broadband seriously affects the competitiveness of firms in regional locations. We recognise the need for commercial companies to secure a return on investment and believe policy may involve a regulatory as well as a capital investment solution.

A major failure in the roll-out of broadband has been the high incidence of line failure in homes and businesses that despite being within a broadband enabled area are unable to engage the service due to the age/incompatibility of existing lines.

Recommendations:

1. A faster delivery of universal broadband access throughout the BMW Region.
2. The introduction of regulation as a means to accelerate local loop unbundling by Eircom and provide a return on investment for other telecommunication companies.
3. Address the high number of line failures within broadband enabled area.

3.5 Foreign Direct Investment Policy

Over many years, there has been a concentration of foreign direct investment (FDI) in the S&E Region. The IDA was one of the few agencies that had set regional targets, but their target of securing 50% of new greenfield jobs for the BMW region has not been achieved in any year since the target was set in 1999 and there has been no explicit commitment to retain this target, post 2006. Attracting FDI to regional locations is means of fast-tracking the attainment of higher valued-added employment.

¹⁵ Forfás (2005). Benchmarking Ireland's Broadband Performance.

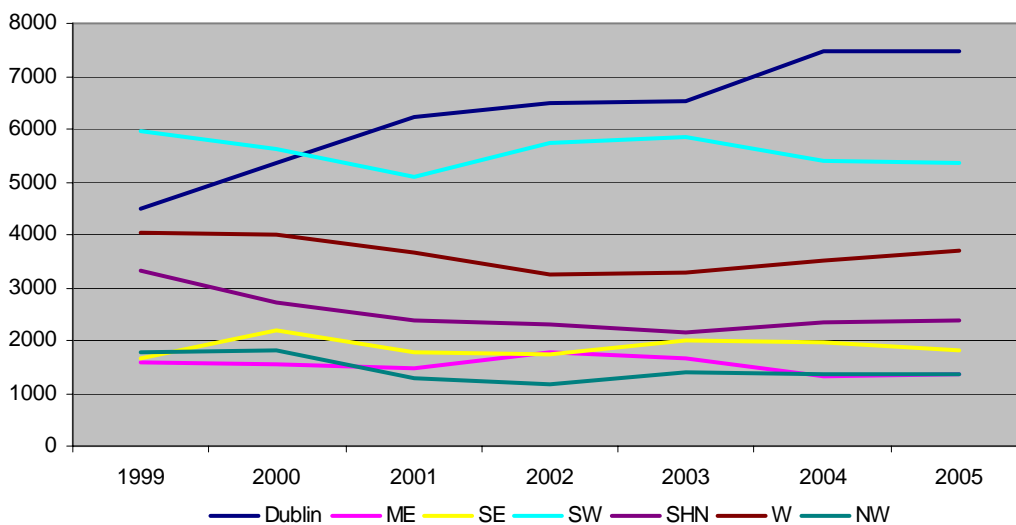
Recommendation:

IDA Ireland should be asked to re-affirm its commitment to targeting at least 50% of green-field investments to the BMW region.

3.6 Tourism Policy

Despite a continued growth in tourism nationally, the regional share of visitor numbers has declined. This decline has been attributed to the growing popularity of short-break urban holidays, and the significant expansion of low cost air access to Dublin¹⁶. The reality of this decline is illustrated in figure 2. It is therefore essential that investment in major tourist attractions and clusters of attractions takes place as this has the capacity to significantly increase the number of visitors to the region.

Figure 2: Regional Distribution of Overseas Holidays Bednights (000s) 1999 - 2005¹⁷



Recommendations:

1. Develop flagship tourism projects in a number of areas in the BMW Region.
2. Deliver world class outdoor activity products e.g., walking, cycling, golf, equestrian and water sports and cultural products.
3. Develop strategic clusters to enhance the marketability of individual attractions.
4. Invest in an enhanced regional marketing campaign.

3.7 Water Pricing Policy

The Water Pricing Policy (WPP) was introduced in 2002 and it requires full cost recovery (operational and capital) for water services provided to the non-domestic sector. The non-domestic sector includes ‘existing non-domestic’, ‘future non-domestic’ and ‘future domestic’. There are two possible mechanisms by which costs may be recovered, development levies and water charges. As there is no usage charge for domestic consumers the only way ‘future domestic’ capital costs can be recovered is through development levies.

Prior to the introduction of WPP all major water services capital schemes were 100% funded by the DEHLG. It is now the responsibility of local authorities to fund the non-domestic element of any new scheme from their own resources. Initially it was

¹⁶ Irish Tourist Industry Confederation (2005). How Tourism in Ireland is Changing: Regional Distribution.

¹⁷ Irish Tourist Industry Confederation (2006). Regional Distribution of Holiday Bednights-Update.

expected that this would be about 10% of the full capital cost but as the policy has developed this figure has risen dramatically and for rural counties is now averaging in excess of 30%.

The timing of the implementation of WPP together with the DEHLG prioritisation of large urban centre schemes under the Water Services Investment Programme 2007-2009 has meant that many of these large schemes have benefited from the more favourable funding arrangements that previously prevailed. On the other hand, local authorities with smaller schemes, which are only now advancing to construction because of their low placing in the priority queue, are facing very substantial funding gaps which must be met from increased development levies. This in turn acts as a disincentive to development and strengthens the competitive advantage of the larger urban centres. The inherent disadvantage this places on development in rural areas runs contrary to the stated objective of the NSS of more balanced regional development.

Recommendation:

In order to offset the negative implications of this policy on rural development all 'Future domestic' activities should be treated as being part of the domestic sector, whereby the DEHLG will continue to provide funding to meet the costs of water services to this sector or at a minimum we recommend a reduction of this burden on local authorities.

3.8 Childcare

The lack of adequate childcare facilities has been identified as a significant contributor to exclusion from available education, training and employment opportunities. This impacts most severely on women, in particular, disadvantaged women and single-parent families. We are concerned that the proposal to limit childcare staffing subsidies to welfare-recipients parents will only have a detrimental effect in rural areas which have large numbers of low income families.

3.9 Gateway Innovation Fund

The BMW Regional Assembly welcomes the establishment of the Gateway Innovation Fund as an innovative mechanism to bring about better co-ordination in Gateway development, supporting distinctive and innovative projects in Gateway areas. Funding will total €300m over the next 3 years. We support the proposals currently being finalised by the five Gateway Authorities in the BMW Region and we urge the government to support these in order to give effect to the NSS goal of enhancing the Gateway towns as a counter-balance to the development of the Greater Dublin Area.

4. Implementation of Regional Policy

4.1 Regional Policy Framework

No single Government Department or unit of Government has overall responsibility for regional policy and this we believe contributes to a lack of policy coherence and effectiveness across Government Departments. The coordination of regional and national investment planning requires strengthening. Project-level analysis procedures as adopted by Government over-ride broader policy objectives and criteria. The use of narrowly-based cost-benefit analysis ensures that only direct monetised benefits of

investment are taken into account. Such an approach leads to a preference for infrastructure investment in developed regions rather than in under-developed regions.

Irish regional policy has been largely driven up to now by concerns for compliance with EU regional policy requirements. However, the EU's influence on Irish regional policy is now on the decline and **there is a need to evolve a coherent Irish regional policy with clear measurable aims, specific resource allocations and appropriate governance mechanisms at national and regional level.**

Recommendations:

1. The Department of Finance should have a stronger regard for regional and spatial issues in their economic appraisal guidelines. These procedures/guidelines should be reviewed by the Department of Finance in consultation with broader regional interests in order to incorporate wider socio-economic and multi-criteria analysis.
2. Regional bodies should have a more explicit role in national investment planning as partners and not just consultees.
3. The remit of the Spatial Planning Unit within the Department of the Environment should be considerably broadened and strengthened to include responsibility for the co-ordination of regional development policy across Government and not just the NSS dimension of regional policy.

4.2 General Mechanisms for Implementation of Regional Policy

Sectoral policy in Ireland is generally planned centrally based on national strategies. Although the impacts of sectoral policy occur regionally and locally and can vary greatly in different areas, the differential regional impacts of national policies and strategies are rarely, if ever determined at the policy planning stage. This goes beyond general statements that a particular strategy will have broad positive impacts but **requires a more detailed assessment of where the impact will occur** and whether this impact will contribute towards regional convergence or divergence. Related to this is the need for greater policy differentiation and a shift away from a 'one-size-fits all' approach. Most national strategies do not have regional targets and there is no mechanism by which the delivery of the strategy can be gauged against what was intended at regional level.

Recommendations:

1. The designation of a specific unit with a specific remit to advise Government Departments and Agencies, to monitor the regional impacts of national policies, to work more closely with Regional Assemblies and Authorities to advance regional policy in Ireland.
2. There should be a greater direct regional input into policy development, rather than treating regional bodies as just another 'consultee'.

4.3 Reducing Regional Disparities No Longer an Objective

The NDP 2007-2013 sets out a new framework for the promotion of regional development with a particular focus on investment in the NSS Gateway centres. This represents a shift in policy from the previous NDP which focused on the creation of 'more balanced regional development in order to reduce the disparities between and

within the two Regions'¹⁸. The stated goal for regional policy in the new NDP is not particularly clear or measurable and the commitment to reduce regional disparities as a central objective is not in the new NDP.

4.4 Setting Regional Policy Targets: Measuring the Regional Impact of the NDP

In order for there to be real impact on regional development in Ireland the Government must establish clear measurable targets for regional policy and prioritise investment in the lesser developed regions with a commitment to invest higher per capita sums in these regions. Therefore, not only should clear measurable regional targets be set out but there should also be a real commitment of resources for these targets.

The breakdown of all forecast expenditure by NUTS II Region that was included in the previous NDP has been withdrawn. It will therefore be impossible to gauge whether regions at NUTS II level are getting appropriate levels of investment over the 2007-13 period. The Regional Assembly had recommended the retention and extension of regional ring-fencing and is very disappointed with the Government's decision not to provide this in the new NDP.

The new NDP 2007-13 has broad rhetorical objectives for regional development, but no specific targets. Concepts such as 'potential' do not lend themselves to evaluation. The strategy is to invest consistent with the framework provided by the NSS. However, the NSS does not quantify targets, it has weak implementation and limited monitoring arrangements – all of these must be strengthened. The regional policy framework fares unfavourably when compared to the National Action Plan for Poverty and Social Inclusion which sets out clear measurable targets, has agreed monitoring arrangements with agencies (e.g. Combat Poverty Agency) and units of Government (e.g. Office of Social Inclusion) directly involved.

Recommendations:

1. Regional policy goals should be framed in clear measurable terms.
2. That expenditure allocation by region should now be provided as a complement to the new NDP.

4.5 Monitoring Regional Competitiveness & Progress

There is strong acknowledgement and understanding internationally of the regional foundations of national competitiveness. In Ireland all analysis of competitiveness is exclusively at the national level. There is insufficient emphasis on building regional competitiveness.

Recommendations:

1. National Competitiveness Council's Annual Report sets out the competitiveness of Ireland very well, a benchmarking report should also be developed for the regions on an annual basis.
2. That a suite of regional impact indicators be collected and reported upon as part of the NDP monitoring process.

¹⁸ National Development Plan 2000-2006. p.43.

4.6 Mechanism to Steer Regional Investment

It is clear from the table 2 that there has been an under-spend in the BMW Region over the 2000-06 period. Furthermore, the commitment to a significantly higher **per capita expenditure** in the BMW Region envisaged in the NDP 2000-2006 has not materialised as illustrated in table 2.

Table 2: Forecast vs Actual Expenditure per Capita NDP 2000-2006

BMW Region	Forecast Expenditure	Actual Expenditure
	€18,226m	€15,060m
Population (2006 Census)	1,134,316	1,134,316
Expenditure per capita	€16,068	€13,277
S&E Region	Forecast Expenditure	Actual Expenditure
	€38,962m	€39,444m
Population (2006 Census)	3,105,532	3,105,532
Expenditure per capita	€12,546	€12,701

While it is acknowledged that some of the under-spend arises from a shortfall in some demand-led private sector schemes, the same factors applied in the S&E Region, where the expenditure has exceeded forecast overall. We do not consider that this necessarily represents a lack of Government commitment to regional balance, but rather it reflects the absence of any mechanism within Government to steer investment towards under-developed regions.

5. Conclusion

The NDP 2007-2013 represents a significant investment in a broad range of economic and social areas in Ireland over the next seven years, one of the key issues is going to be effective implementation and adherence to the overarching framework of the National Spatial Strategy with the underlining strategic aim of achieving balanced regional development. This will ensure that the benefits will be evenly spread positively impacting on Ireland's competitiveness and that of the BMW Region.

The BMW Regional Assembly would like to thank An Taoiseach, Mr. Bertie Ahern T.D., Mr. John Gormley T.D., Minister for the Environment, Heritage and Local Government, and Mr. Eamon O'Cuiv T.D., Minister for Community, Rural and Gaeltacht Affairs for taking the time to read this submission and to agreeing to meet with representatives from the BMW Regional Assembly. We look forward to discussing these matters in further detail and to working in partnership with the Government to achieve more spatially balanced regional development in Ireland through the development and effective implementation of regional policy.

6. Summary of Recommendations

Sectoral Policy Issues

Roads

1. Transport 21: It is crucial that investment projects under Transport 21 for the BMW Region are prioritised and that a clear timeframe is established.
2. NSS & Transport 21: All road programmes under Transport 21 should relate to the NSS as the strategic instrument for guiding future investment in order to enhance regions potential to counterbalance the economic dominance of the Greater Dublin area. The development of roads should be seen as an essential feature of the NSS, and of North-South connectivity.

Public Transport

1. Rail: There are few obstacles to working on existing disused lines compared to a new line and therefore work on the Western Rail Corridor should be proceeding sooner. Developments of other links (e.g. Athlone-Mullingar) and the double-tracking of the Galway-Athenry line should be progressed.
2. Western 'Atlantic' Corridor: The development of the Western 'Atlantic' Corridor needs to be prioritised to act as a counterbalance to the Dublin-Belfast economic corridor.
3. Quality Bus Corridors: The timeframe for the implementation of a Quality Bus Corridors for Galway City should be prioritised and delivery of QBCs to other gateway towns should be examined.

Aviation Policy

1. The Government should develop an overarching regional air connectivity policy going beyond the existing PSO arrangement which relates to internal connectivity only. Increased international connectivity can be optimised by supporting the development of Knock and Galway airports in particular. Knock International Airport, the only major international airport in the BMW Region, presents an excellent opportunity in this capacity, particularly since the region suffers from a lack of direct international access.
2. Provision should be made to improve the transport links serving existing airports in terms of bus, road and rail, including the Western Rail Corridor: this can effectively extend their respective catchment areas and provide greater choice for passengers which in turn will enable an increase in services. This will bring benefits for inward investment, indigenous enterprise and tourism.

RTDI in the BMW Region

We recommend that the Chief Science Adviser and the Office of Science, Technology and Innovation in the Department of Enterprise, Trade and Employment should be tasked with bringing forward proposals to achieve a better spatial distribution of public investment in Science and RTDI. This can be achieved by:

1. The creation of a ring-fenced research fund for institutions in the BMW Region.
2. Improve synergies between national R&D policy and regional innovation policy.
3. Creating incentives for partnering and collaboration with weaker institutions.
4. Implementing a territorial impact analysis of the Government's SSTI policy.

Sustainable Energy

In order to facilitate the development of a sustainable energy industry in BMW Region, we recommend that the government addresses the obstacles that exist in terms of the financing and administration of renewable energies as well as putting in place further incentives to make sustainable energy an attractive industry option.

Broadband Access

1. A faster delivery of universal broadband access throughout the BMW Region.
2. Introduce regulation as a means to accelerate local loop unbundling by Eircom and provide a return on investment for other telecommunication companies.
3. Address the high number of line failures within broadband enabled area.

Foreign Direct Investment Policy

IDA Ireland should be asked to re-affirm its commitment to targeting at least 50% of green-field investments to the BMW region.

Tourism Policy

1. Develop flagship tourism projects in a number of areas in the BMW Region.
2. Deliver world class outdoor activity products e.g., walking, cycling, golf, equestrian and water sports and cultural products.
3. Develop strategic clusters to enhance the marketability of individual attractions.
4. Invest in an enhanced regional marketing campaign.

Water Pricing Policy

In order to offset the negative implications of this policy on rural development all 'Future domestic' activities should be treated as being part of the domestic sector, whereby the DEHLG will continue to provide funding to meet the costs of water services to this sector or at a minimum we recommend a reduction of this burden on local authorities.

Implementation of Regional Policy

Regional Policy Framework

1. The Department of Finance should have a stronger regard for regional and spatial issues in their economic appraisal guidelines. These procedures/guidelines should be reviewed by the Department of Finance in consultation with broader regional interests in order to incorporate wider socio-economic and multi-criteria analysis.
2. Regional bodies should have a more explicit role in national investment planning as partners and not just consultees.
3. The remit of the Spatial Planning Unit within the Department of the Environment should be considerably broadened and strengthened to include responsibility for the co-ordination of regional development policy across Government and not just the NSS dimension of regional policy.

General Mechanisms for Implementation of Regional Policy

1. The designation of a specific unit with a specific remit to advise Government Departments and Agencies, to monitor the regional impacts of national policies, to work more closely with Regional Assemblies and Authorities to advance regional policy in Ireland.

2. There should be a greater direct regional input into policy development, rather than treating regional bodies as just another 'consultee'.

Setting Regional Policy Targets

1. Regional policy goals should be framed in clear measurable terms.
2. That expenditure allocation by Region should now be provided as a complement to the new NDP.
3. National Competitiveness Council's Annual Report sets out the competitiveness of Ireland very well, a benchmarking report should also be developed for the regions on an annual basis.
4. That a suite of regional impact indicators be collected and reported upon as part of the NDP monitoring process.

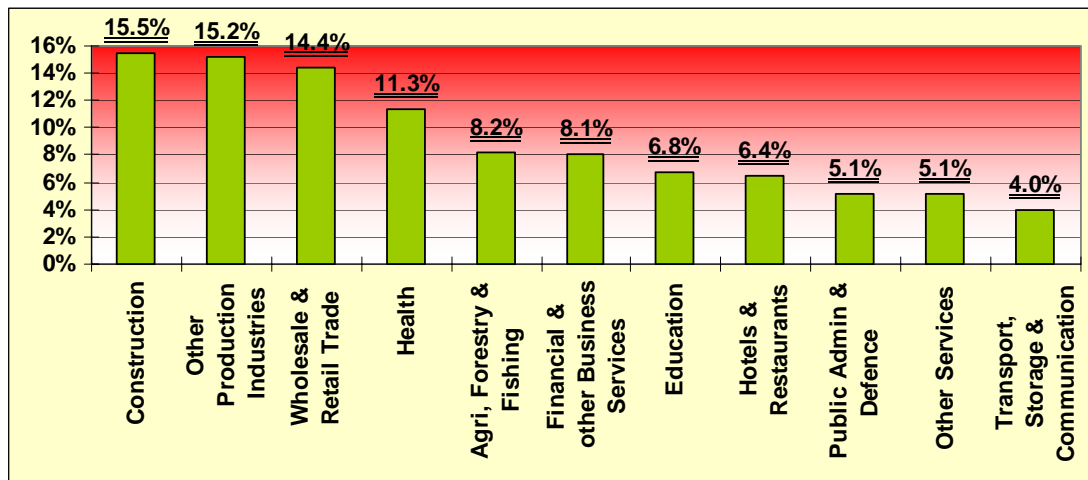
Appendices

Table A1: Regional Socio-Economic Indicators

	Year	State	BMW	S&E
Population (000s)	2006	4,234.8	1,134.3	3,105.5
Population Increase 2000-2006 (%)		8.2	9.3	7.9
Labour Force (000s)	2007*	2,194.1	567.9	1,626.3
Unemployment Rate (%)	2007*	4.5	4.8	4.4
Labour Force Participation Rate (%)	2007*	63.4	61.7	64.1
Labour Force with 3rd Level Qualification	2007*	34.2	28.8	36.0
Disposable Income per capita (state=100)	2004	100	93.2	102.5
GVA per person (state=100)	2004	100	72.7	109.9
GVA per capita (EU27=100)	2004	141.5	102.9	155.5

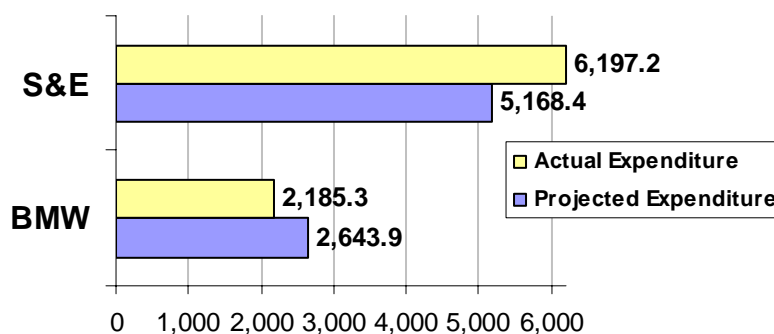
Sources: CSO (2004) County Incomes and Regional GDP, *CSO (2007) QHNS Q2 and CSO (2007) Census 2006.

Figure A1: Persons Employed in BMW Region by Economic Sector Q2 2007



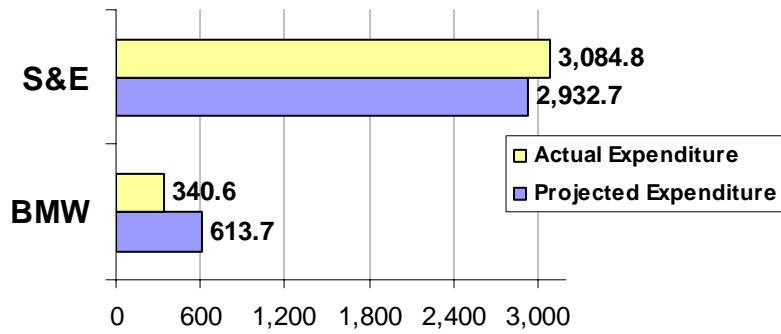
Source: CSO (2007) QHNS Q2

Figure A2: National Roads Priority, Projected/Actual Expenditure 2000-06, €m



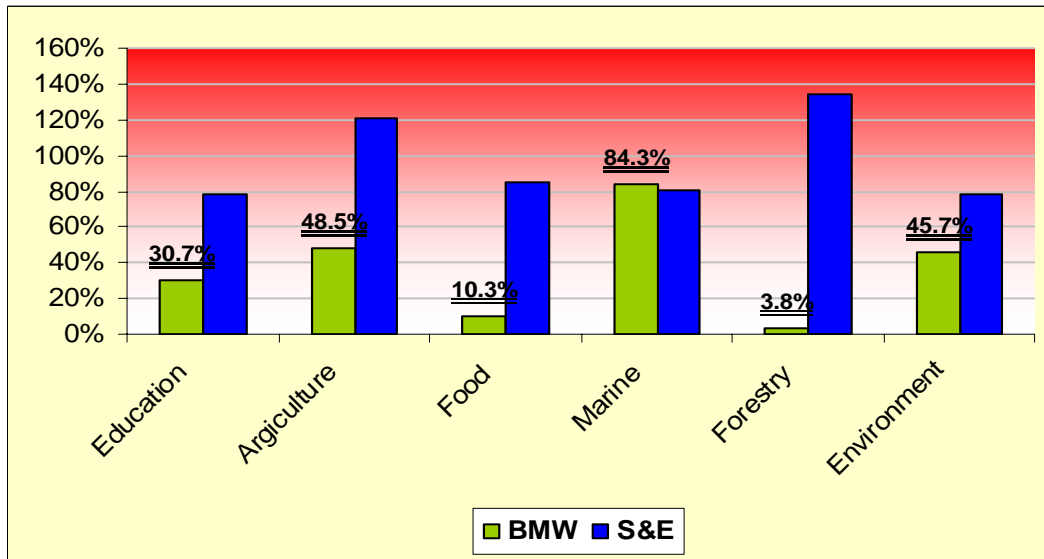
Source: ESIOF Annual Implementation Report 2006

Figure A3: Public Transport Priority, Projected/Actual Expenditure 2000-06, €m



Source: ESIOP Annual Implementation Report 2006.

Figure A4: RTDI Priority, Expenditure as a % of Forecast 2000-2006 by Sector



Source: PSOP Annual Implementation Report 2006.