



Border, Midland & Western
Regional Assembly
Investing in Your Future



Ireland's EU Structural Funds
Programmes 2007 - 2013

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EUROPEAN REGIONAL
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**Submission to the
Green Paper on Local Government
Public Consultation**

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BMW Regional Assembly

The Square

Ballaghaderreen

Co. Roscommon

Tel: 094 986 2970

Fax: 094 986 2973

Website: www.bmwassembly.ie

RECOMMENDATIONS	
Role of Regional Governance in Ireland	
Develop Existing Activities of Regional Assemblies	Develop a greater role in the administration of public policy outside of structural funds
	Deliver strategic investment programmes to the regions
	Further develop specialisation in EU structural funds programme administration
	Widen participation in EU-wide networks of NUTS II Regions for best practice
	Continue managing INTERREG Programmes Initiatives
	Develop a formal consultation mechanism on relevant EU policy issues
Added-Value Potential for the Delivery of EU Structural Funding	Structural funds should be provided directly to the Regional Assemblies and the remaining 'matched funding' should be provided by the exchequer to facilitate the development and roll-out of value-added regional initiatives and investment programmes
Regional Innovation Strategies	Regional bodies should be given the responsibility for Regional Innovation Strategies in conjunction with Enterprise Ireland
Regional Competitiveness	The National Competitiveness Council should construct annual Regional Competitiveness Benchmarks
	Regional Bodies should be given a new remit for Regional Competitiveness in conjunction with Forfás
Regional Transport Strategies	Regional bodies should be given the power to develop regional transport strategies in conjunction with the Department of Transport which should align with Transport 21
Direct Regional Elections	Consideration should be given to the development of a political mandate for regional bodies via direct regional elections to Regional Assemblies and/or Regional Authorities

Regional Policy Co-Ordination at National Level	
Regional Policy Co-ordination at National Level	Re-designation of a Government Department or Unit of Government with overarching responsibility for regional development
Cost Effective and Efficient Delivery of Sub-National Public Services	Regional bodies should be allowed to act for the local authorities in respect of areas identified by the Indecon Review of Local Government Finances that are appropriate for administration at the local level
Standardisation of Boundaries	All public bodies should move towards a standardisation of regional boundaries
Regional Planning Guidelines (RPGs)	Regional Planning Guidelines should be enforced by the Regional Authorities in the context of delivering the NSS goals at regional level

1. Introduction

The Border, Midland and Western (BMW) Regional Assembly welcomes this opportunity to make a submission to the Green Paper on Local Government. This consultation process presents a timely and real opportunity to access the structures and functions of regional and local government actors in Ireland. Irish regional policy has largely been 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. **There is an urgent need to evolve a coherent Irish regional policy with clear measurable aims, specific resource allocations and appropriate governance mechanisms at national and regional level.**

This paper will concentrate on the regional governance aspects only of local government reform, it would not be appropriate to make recommendations on other elements of local government.

1.1 Weak Regional Governance Structures

The structures and functions of regional government are especially weak in Ireland, this is largely due to an operating environment dominated by a highly centralised administration. The primary unit for sub-national government has been the county and not the region. County and city councils, make up the core of the local administrative system in terms of power, functions and finance. The regional political bodies in Ireland, two Regional Assemblies and eight Regional Authorities, have limited powers.

Regional Assemblies (2)	Regional Authorities (8)
Established	
In 1999, to give effect to the division of the country into two regions for Structural Funds purposes	In 1994, following the recommendations of the report on 'Local Government Re-Organisation and Reform' (1990)
Core Functions	
Manage and Monitor Regional Operational Programmes	Formulate and monitor the implementation of Regional Planning Guidelines
Monitoring the impact of EU and Irish Exchequer Funding in their Assigned Region	
Promote the Co-ordination of Public Services in their Assigned Region	
Political Representation	
Elected Representatives nominated from constituent local authorities in each region (they must also be members of Regional Authorities) (BMW has 29 members, while the S&E has 41)	Elected Representatives nominated from constituent local authorities in each region. (Total number of members ranges between 21-27)

1.2 Consequences of Current Regional Governance in Ireland

The consequences for the broader economy of the currently weak tier of regional government are as follows:

1. Weak articulation of the territorial dimension in national plans;
2. Limited regional policy co-ordination at national level;
3. Poor delivery of the goals of the National Spatial Strategy;
4. Production of policies damaging to regional development;

5. Poor co-ordination of public investment and services;
6. Unsustainable settlement and commuting patterns;
7. National competitiveness is undermined; and
8. Regional Assemblies and Regional Authorities have no autonomy to initiate investment actions.

2. Role of Regional Governance in Ireland

2.1 Role for Regional Assemblies

The Regional Assemblies have been successful in effectively executing their powers and functions as currently exist. There is now an opportunity for them to develop their activities and build upon the expertise gained in the management and monitoring of the 2000-2006 Operational Programmes (OPs), their participation in EU Programmes and their policy analysis role.

Recommendations:

- ⇒ Develop a greater role in the administration of public policy;
- ⇒ Deliver strategic investment programmes to the regions;
- ⇒ Further develop specialisation in EU structural funds programme administration;
- ⇒ Widen participation in EU-wide networks of NUTS II Regions for best practice;
- ⇒ Continue management of Interrreg Programmes initiatives; and
- ⇒ Develop a formal consultation mechanism on relevant EU policy issues.

2.2 Added-Value Potential for the Delivery of EU Regional Programmes

The Regional Assemblies since their establishment in 1999 have been the designated Managing Authorities for the Regional OPs in their respective regions. This has enabled Ireland to avail of significantly higher levels of EU Structural Funds over the 2000-06 and 2007-13 programming periods. However, all public investment must be pre-financed from the central exchequer and there is no mechanism to enable the Regional Assemblies to prioritise investment in certain actions or to undertake further innovative actions.

A restructuring of the EU Structural Fund programming approach could have an important impact on the effectiveness of delivery of regional policy in Ireland. The UK programming system is more closely aligned to the aim of achieving additionality and added-value from EU regional programmes. Structural funds should provide additionality to funding at regional level, this could be achieved in Ireland by adopting a more strategic approach to programme management that would encourage a more considered way of thinking at local and regional level.

The UK system of managing Structural Funds provides such a model. In general, partnership arrangements are very wide and inclusive, with a range of local actors involved. The Managing Authority negotiates directly with the Implementing Bodies and agrees funding packages to address specific regional concerns, using the EU funding as leverage for this. In the current Irish system which was introduced at a time when exchequer resources were limited and EU funding allocations were very high, all investment has been and remain pre-financed by the exchequer. As a consequence co-financed schemes are generally administered as un-differentiated national programmes and do not have a strategic regionally specific investment focus.

The UK system adopts a ‘match funding’ approach, whereby Structural Funds meet only a proportion of funding towards projects (usually up to a maximum of 50% per project), the balance has to be made up by the recipient nation. This largely comes from the host government but does not necessarily have to come from central government. Full use of Structural Funding cannot be used if the necessary match funding cannot be secured.

The EU multi-annual programming approach provides greater continuity and strategic focus. It is built upon an overall strategy and an associated financial plan that requires common agreement amongst a wide range of partners. In this way the European Community shares risk with the regions. This method has also several other benefits:

1. Leveraging of Private Sector Funding: this method has led to more and enhanced projects which have leveraged additional private sector funding that might otherwise have remained untapped.
2. Innovative Policy and Practice: alongside a tendency towards more extended projects (“think big”) Structural Fund programmes have supported genuine innovations in policy and practice.
3. Catalyst for Regional Partnership: the emphasis that this programming method has placed on the principle of partnership has provided a vehicle for improved partnership structures at regional and local level.
4. Capacity Building: the capacity built through Structural Fund programmes has contributed to extending formal or actual decision capacities of lower levels up to fully administrative functions, such as improved monitoring systems and the lasting effects of the now prevailing evaluation culture.
5. Mainstreaming of Regional Priorities: priorities identified for each of the regions have received more attention than they might otherwise have done under purely national programmes.

Recommendation:

⇒ Structural funds should be provided directly to the Regional Assemblies and the remaining ‘matched funding’ should be provided by the exchequer to facilitate the development and roll-out of value-added regional initiatives.

2.3 Co-Production of Regional Investment Priorities

Ireland’s competitiveness is the key to future economic growth. The components of national competitiveness are well understood as a result of the work of the National Competitiveness Council among others. However, the contribution and functioning of regional competitiveness has not received as much attention in Ireland as it has received elsewhere. There is ample empirical evidence that regions are potential arenas for competitive advantage and competitiveness is therefore intimately bound up with successful regional economic development. It must also be recognised that the competitiveness of the state as a whole is comprised of the competitive strengths of its constituent regions.

Wide disparities between regions, such as exist in Ireland, are not conducive to either national or regional competitiveness. Improving regional competitiveness and tackling regional disparities requires that regions be in a position to attract inward investment and grow indigenous enterprises. The level of innovation within a region is intrinsically linked to its competitiveness. Thus, firms in regional locations, in order to

compete in a knowledge-intensive global economy, need to be encouraged and supported to become more innovative. With the exception of the Shannon Region there appears to be no coherent regional innovation strategies in place in Ireland's regions and no state organisation has responsibility for their creation.

Irish science policy is expressed in the Strategy for Science, Technology and Innovation 2006-2013 (SSTI). This sets out national goals in respect of research and development, technology transfer and innovation. In most EU member states innovation policy is within the competence of regional administrations and there are comprehensive Regional Innovation Strategies in place with significant resources dedicated to their delivery. This is not the case in Ireland. Opportunity for transfer of best practise is lost because there are no equivalent structures in Ireland and the regional level does not engage with international regional innovation networks. Furthermore, the pattern of investment under the SSTI is exacerbating existing regional weaknesses in R&D capacity.

Recommendations:

- ⇒ The National Competitiveness Council should undertake the construction of an annual regional competitiveness benchmarking study in order to determine the relative competitive position of the regions and identify investment priorities.
- ⇒ Regional investment strategies should be designed to enhance the endowments of the regions which are fundamental to their competitiveness. Such endowments include physical and knowledge infrastructure, the skills level of the workforce and quality of life.
- ⇒ Regional Bodies (Regional Assemblies / Authorities) should be given the remit for regional competitiveness (along with Forfás), the development of regional innovations strategies (in conjunction with Enterprise Ireland) and regional transport strategies (in conjunction with the Department of Transport).

2.4 Direct Regional Elections

At present there are no direct elections to either the Regional Assemblies or to the Regional Authorities. This lack of political mandate for politicians who sit on regional bodies means that they effectively have no political powers to implement policy but rather make decisions on largely administrative functions.

Recommendation:

- ⇒ Consideration should be given to the development of a political mandate for Regional bodies via direct regional elections to Regional Assemblies and/or Regional Authorities.

3. Regional Policy Co-ordination at National Level

3.1 Policy Co-ordination at National Level

No single Government Department or unit of Government has overall responsibility for regional policy. This 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.

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. The outcome of the NDP 2000-06 fell short of the targeted investment in the BMW Region where significant ‘under-spends’ occurred. This highlights the fact that there is no effective mechanism within Government to ‘steer’ this policy domain.

Sectoral policy in Ireland is generally planned centrally based on national strategies. Although the impacts of sectoral policy also occurs regionally, the differential regional impacts of national policies and strategies are rarely, if ever determined at the policy planning stage. There is a need to go beyond general statements that a particular strategy will have broad positive regional impacts. A more detailed assessment of where the impact will occur and whether this impact will contribute towards regional convergence or divergence is required. Related to this is the need for greater policy differentiation and a shift away from a ‘one-size-fits all’ approach.

Recommendations:

- ⇒ The designation of a specific unit of Government with an explicit remit to advise Government Departments and Agencies on regional policy, to monitor the regional impacts of national policies and to work more closely with Regional Assemblies and Regional Authorities to advance regional policy in Ireland;
- ⇒ Regional bodies should have a more explicit role in national investment planning and there should be a shift to a co-production mechanism for regional policy;
- ⇒ Regional bodies should be charged with co-production of regional investment priorities in conjunction with Government within future NDP frameworks; and
- ⇒ Regional bodies should strengthen their policy analysis and project appraisal capacity.

3.2 Cost Effective Sub-National Public Service Provision

The delivery of public services may in some cases be most efficient at regional level rather than at national or county level. Indecon’s Review of Local Government Finance advocated the advantages of service provision at regional level; ‘the provision of local authority services should be delivered on the most cost effective geographical basis, which due to economies of scale, may not in many cases be aligned with current local authority structures’¹. Areas that might be better managed at a regional level such as revenue, rent collection and water services were identified.

Recommendations:

- ⇒ Regional Bodies should be allowed to act for the local authorities in respect of areas identified by the Indecon Review that are appropriate for administration at the regional level.

¹ Indecon 2005. Indecon Review of Local Government Financing p.205.

3.3 Standardisation of Boundaries of Regional Bodies

There is a need to harmonise the use of regional boundaries by all public bodies in Ireland. Few regional organisations fall in line with the NUTS II or NUTS III regional boundaries and this has implications for the provision of effective public administration.

Recommendation:

⇒ All public bodies should move towards a standardisation of regional boundaries.

3.4 Spatial Planning and Regional Planning Guidelines

In the planning hierarchy that currently applies in Ireland:

1. National Spatial Strategy
2. Regional Planning Guidelines
3. County Development Plans
4. Local Area Plans

The Regional Planning Guidelines (RPGs) have the least prominence and are arguably the most important in terms of delivering the National Spatial Strategy. The continued urban sprawl, unsustainable settlement and commuting patterns reflect a failure to implement RPGs. Much greater attention needs to be paid to enforcement of the RPGs and greater authority afforded to them in the overall planning system.

Improved co-ordination of policy development and implementation is needed. For example, improved integrated planning is required to accommodate anticipated population increases. Provision of education and health infrastructure by national agencies must be better co-ordinated with physical planning by local and regional authorities.

Recommendation:

⇒ RPGs should be given greater legal status to ensure enforcement and prioritised to delivery NSS Goals.

This submission was approved at the 54th meeting of the Border Midland and Western Regional Assembly on the 18th July 2008.

If there are any queries in relation to this submission, please contact:
Adrian O'Donoghue, Policy & Research Officer at aodonoghue@bmwassembly.ie