

CHAPTER 1

*Overview and Background to
S&E Regional Operational
Programme*

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1.1 National Development Plan and Regional Development

The National Development Plan 2000–2006 identifies balanced regional development as a key objective to be achieved over the period of the Plan. While the positive impact of the unprecedented economic growth experienced over the period 1994 to 1999 in Ireland is evident across the country as a whole, the rapid pace of this growth and the pattern of development, as manifested in increasing urbanisation and clustering of economic activity, have raised issues, particularly in relation to the imbalance between and within Regions in the distribution of national economic and social progress.

The key issues in this regard are

- ◆ the growth and expansion of the Greater Dublin area, giving rise to problems of congestion and housing shortage
- ◆ the rapid growth of major urban centres outside Dublin and their role in driving the development of their hinterlands and providing a counterbalance to Dublin
- ◆ the implications of these trends for smaller towns and villages and rural areas
- ◆ the social, economic and environmental consequences of these trends

- ◆ the role of infrastructural provision in facilitating and promoting development at regional as well as at national level
- ◆ how the investments needed to underpin sustained economic progress at the national level might, at the same time, more effectively advance balanced regional development
- ◆ the relationship between economic and social planning, physical planning and land use policies.

The regionalisation arrangements negotiated by the Irish authorities in the context of the Agenda 2000 Agreement, namely the designation of the country into two NUTS II Regions, were part of the response to these issues. The new Regions are

- (a) the Border, Midland and Western (BMW) Region which has retained Objective 1 status for Structural Funds for the full period to 2006
- (b) the Southern and Eastern (S&E) Region which will qualify for a six-year phasing-out regime for Objective 1 Structural Funds up to the end of 2005.

The Government's objective for regional policy is to achieve balanced regional development in order to reduce the disparities between and within the two Regions *and* to develop the potential of both to contribute to the greatest possible extent to the continuing prosperity of the country. Policy to this end will be advanced in parallel with policies to ensure that development is sustainable, with full regard to the quality of life, social cohesion and conservation of natural and cultural heritage.

The specific designation of the two Regions is part of the process of achieving more balanced regional development, in that it enables a clear focus on the key issues facing each of the Regions and allows for a differentiation and targeting of policies in a manner which recognises their key attributes and needs. In particular, it has highlighted the differentiation in the level and rate of development between the more prosperous S&E Region and the BMW Region and has thus emphasised the priority which needs to be afforded to the latter in terms of investment and development.

1.2 The S&E Region

The NUTS II Southern and Eastern Region comprises the following constituent NUTS III Regional Authority areas and their respective counties.

Regional Authority Area	Counties
Dublin Region	Dublin City, Dún Laoghaire–Rathdown, Fingal, South Dublin
South-East Region	Carlow, Tipperary S.R., Waterford City and County, Wexford, Kilkenny
South-West Region	Cork City and County, Kerry
Mid-West Region	Clare, Limerick City and County, Tipperary N.R.
Mid-East Region	Kildare, Meath, Wicklow

1.3 S&E Operational Programme

The S&E Regional Operational Programme (OP) comprises four major sub-programmes as follows.

Priority (Sub-programme)	Expenditure 2000-2006 (G million)	
	Total	S&E Region EU Funds Contribution
Local Infrastructure	3045.12	273.77
Local Enterprise Development	625.50	110.03
Agriculture and Rural Development	543.23	67.60
Social Inclusion and Childcare	1164.87	120.34
Total Expenditure	5378.72	571.74

Current prices

Detailed information on the objectives, strategies and targets for each of these sub-programmes is set out at Priority (Sub-programme), measure and sub-measure level in the individual chapters dealing with the relevant Priority (Sub-programme).

Given the scale of the NDP and the reduced EU contribution, selectivity in the application of Structural Funds within the overall development effort is now appropriate. Normally an OP would be the method of drawing down Structural Funds and would need only contain details and measures in relation to Structural Funds and matching expenditure. However, in order to better manage the whole development effort contemplated in the National Development Plan, it has been agreed that the Operational Programme should reflect the total development effort while at the same time clearly distinguishing between those elements co-funded by the EU and purely nationally funded measures. This document is set out in a manner which gives effect to this. Chapter 3 identifies those elements of the Operational Programme which are co-funded by the EU. In addition at Priority (Sub-programme) level, the co-funded measures and the contribution of the EU to each are clearly identified.

The Structural Funds Regulations only apply in respect of the EU co-financed measures. However, to provide for the cohesive and comprehensive management of all aspects of the development effort contained in the Operational Programme, non-co-financed measures will be subject to similar monitoring and evaluation requirements. The details in this regard are set out in the Implementation Chapter.

1.4 Requirements of the Operational Programme

Article 18 of the Structural Funds Regulation prescribes the content of each OP as including the priorities of the programme, their consistency with the relevant Community Support Framework, their specific targets, quantified where they lend themselves to quantification, and an evaluation of the impact expected in accordance with Article 41 (2), i.e. the impact in relation to the social and economic situation, the environmental situation and the situation in terms of equality as between men and women. In addition, a summary description of the measures and their compliance with the aid schemes pursuant to Article 87 of the Treaty and an indicative financing Plan are required. Descriptions of the measures are provided under each of the chapters dealing with the Priorities (Sub-programmes), while compliance with State Aids is set out in the required format in Annex A.

Given the wide range of measures included under each of the Regional OP Priorities and the complementary impact of the inter-regional OPs, it is difficult to identify indicators which can be directly and solely related to the impact of the OP at Priority level. However, a set of indicators at measure level which capture the major effort of the proposed investment at Priority level has been identified as a proxy for such indicators. These indicators are solely indicative of progress on the implementation of the Priorities and will not form the basis for determining the application of the Performance Reserve. The Priority level indicators are as follows.

Priority	Indicator	Measurement
Local Infrastructure	Access	<ul style="list-style-type: none"> Number of kilometres improved under Non-National Roads measure Potential population connected to the Internet
Local Enterprise	Employment	<ul style="list-style-type: none"> Net new jobs created in Tourism Net new jobs created in Micro-enterprise
Agriculture and Rural Development	Environment Employment	<ul style="list-style-type: none"> Water Quality relating to Agriculture Net new jobs created under rural development measures
Social Inclusion and Childcare	Social Inclusion	<ul style="list-style-type: none"> Net new Childcare places provided Long-term unemployment rate

Baseline data and targets for 2003 and 2006 for each of these indicators will be identified in the Programme Complements. In addition, qualitative information on impacts has been set down for each of the Priorities in the relevant chapters of the Operational Programme. In addition, given the significant investment in Childcare measures and the objective of increasing female participation in the workforce, information on employment participation rates by gender for those aged 20 to 50 by age of children will be compiled as part of the National Census in 2001 and 2006 subject to agreement with the Central Statistics Office on the specific format of the data.

Article 41 of the Structural Funds Regulation (Council Regulation (EC) No 1260/1999 of 21 June 1999) requires that an ex-ante evaluation of the situation in the Region be set out in the Operational Programme. Article 41(2) provides that this evaluation shall cover, inter alia, an evaluation of the social and economic situation in the Region, including trends in the labour market, an ex-ante evaluation of the environmental situation in the region and an evaluation of the situation in terms of equality between men and women with regard to labour market opportunities, including access to education and vocational training, the establishment of women in business and the reconciliation of family and working life. This evaluation is set out in Chapter 2 of the Programme and has taken account of the ex-ante studies commissioned in the context of the National Development Plan, namely, the ESRI Study entitled *National Investment Priorities for the Period 2000 to 2006* and the study by Fitzpatrick Associates on the S&E Region. Account has also been taken of the separate ex-ante evaluation of the National Development Plan by the CSF Evaluation Unit.

Technical matters in relation to the Managing Authority and matters in relation to management of the programme, evaluation and the Monitoring Committee, as required under Article 18(2) (d), are set out in Chapter 8.

1.5 Consultation

There was intensive consultation in the formulation of the National Development Plan. This included submissions from and meetings with the Social Partners and the Regional Authorities. A major study, *National Investment Priorities for the Period 2000 to 2006*, was undertaken by the ESRI on behalf of the Government. In addition, two comprehensive studies were undertaken by Fitzpatrick and Associates on investment priorities for the two NUTS II Regions and the Minister for Finance also met with a delegation from the Regional Assembly to brief them on the Plan and to seek their input.

Since the publication of the Plan, a major regional seminar involving the Regional Assembly, all local authorities, the social partners, and a wide range of local, regional and national bodies and NGOs, in the economic, social and environmental areas,

was held which was attended by the whole Government. In addition, the Taoiseach, Tánaiste and Minister for Finance met with the Regional Assembly to obtain their views on the plan following its publication. The results of these consultations have been reflected in the drafting of the Operational Programme.

The OP itself was presented to the Regional Assembly who approved it prior to its submission to the Commission. In addition, a draft of the OP was sent to Comhar (National Sustainable Development Partnership) for its views in line with the commitment in paragraph 1.7.1.3 of the CSF. Comhar responded on 17 July with its views and these have been taken into account in the finalisation of the OP.

CHAPTER 2

Ex-Ante Evaluation and Development Strategy

2

Ex-Ante Evaluation and Development Strategy

2.1 Demographic Profile of the S&E Region

The key demographic indicators for the Region are set out in the following table.

	<i>State</i>	<i>S&E Region</i>
Population (000s) % Total	3,626	73%
Area (Sq Km) % Total	68,895	53%
Urban : Rural	58% : 42%	68% : 32%
Pop Density (per Sq Km)	53	73
Major Urban Centres	5	4
Towns over 10,000	23	16
Towns (5,000-10,000)	26	18

Source: CSO Census of Population, 1996

The S&E Region, which comprises 73% of the population, is characterised by a predominantly urban population concentrated in a relatively small number of centres. The settlement density of the Region, at an average of 73 persons per square kilometre, is well in excess of the national average of 53 persons per square kilometre. However, these statistics mask the considerable variations in population spread in the S&E Region.

Some 71% of the population of the S&E Region live in towns or cities with populations over 1,500. However, the greatest level of urbanisation is in the East of the Region. Contrasting this urban profile, counties such as Kerry, Clare, Tipperary, Waterford, Carlow, Kilkenny and Wexford have a largely rural settlement pattern. In many of these areas population density would be closer to that prevailing in the BMW Region, i.e. about 30 persons per square kilometre. The overall settlement pattern in the rural areas of the S&E Region is very weak and this is reflected in the population spread. Dublin is over five times the size of Cork, the second largest city, and there are only two other centres in the Region with more than 40,000 inhabitants, namely Waterford and Limerick. However, these four major urban centres have been particularly influential in terms of population change and economic development in the Region.

Dublin's population increased by over half a million from 1971 to 1996, while the remaining major urban centres have also experienced considerable growth. A 1997 NESC Report entitled *Population Distribution and Economic Development* gives a micro-analysis of population patterns and found that there has been an increase in the population of the larger population centres and a decline or lack of growth in the populations living in rural areas – although some corridors of growth can be detected in the rural areas adjacent to major sections of national roads. The Report also found that the urban focus on the East of the Region is due in large part to the “influence of Dublin as a pole of attraction”. In the most recent inter-censal period, the Mid-East region (NUTS III) had the highest rate of population growth. The other large urban centres are also demographically and economically important as there is clear evidence of established commuting patterns to such areas. While such interaction between large urban areas and their rural environs can have a positive economic effect on those less developed areas, it may also have a detrimental effect, without the necessary policies, by leading to the growth of “dormitory towns” with little connection to their hinterlands.

The rise in population over the past number of years, particularly in Dublin and the other major urban centres, has placed huge strains on infrastructural services and has led to greater demands for investment in areas such as housing, water supply, sanitary services, roads, public transport, telecommunications, education and energy. Meanwhile, there are also smaller towns and villages which are lagging behind in terms of economic development, and which require investment in infrastructural facilities and urban and village renewal in order to increase their attractiveness as places to live and work. Such investment will encourage more spatially balanced socio-economic development and will ease capacity constraints in the major urban centres.

2.2 Economic Profile

The significant variation in population distribution evident in the S&E Region is manifest in the economic profile of the Region. The table below shows that the

economic structure of the Region is broadly similar to that of the State as a whole and that the Gross Value Added (GVA) of the Region, at 102% (as a percentage of EU GVA), is higher than the national average of 93%. Such statistics are largely influenced by the strong economic performance of the Dublin Region over the past number of years. Data from the CSO Regional Accounts 1996, show that Dublin and the Mid-East counties have a GVA at 12.4% above the EU average, while the Mid-West and South-East are 16.6%, and 16.9% below the EU average respectively. The Region does, however, possess the major growth drivers necessary to spread the economic success of the major urban centres to other, smaller urban centres and surrounding rural areas. It is essential that these catalysts for economic development, such as the availability and quality of human capital, the presence of educational and training facilities, a well-developed physical infrastructure and a strong urban structure, are exploited so that economic growth can be more evenly distributed throughout the Region.

Gross Value Added (GVA) *	State	S&E Region
Index of GVA per capita (96)	100	110
% of EU Average GVA (96)	93	102
Distribution of Total GVA (91:96)	100	79% : 80%
Agriculture, Forestry, Fishing	100	66% : 65%
Industry (including building)	100	78% : 81%
Services	100	81% : 81%

* GVA at basic prices is the same as GDP at basic prices which is the official measure of economic activity at regional level within the EU

Despite the fact that it is predominantly urban in character, the S&E Region accounts for almost two-thirds of the national output in agriculture, forestry and fishing, reflecting the presence there of generally good farm structures. However, the primary sector's contribution to GVA has continued to fall, partly reflecting the difficulties that farmers have been experiencing nationally over the past number of years. The Region also accounts for over 80% of the national output in high value-added areas such as manufacturing, building and construction and market and non-market services. Between 1991 and 1996, the S&E Region experienced strong growth in the manufacturing, building and construction sector from 78% to 81% of national GVA. This resulted in a relative decline in the services share of output during the period.

2.3 Employment and Earnings

Nationally, unemployment rates are at their lowest in twenty years and significantly below the European average. These positive national labour market conditions are mirrored in the S&E Region. In the period 1986 to 1996, national employment rose

by nearly 20%. The S&E Region – and particularly the greater Dublin area – accounted for nearly 75% of this growth. Almost 76% of the country's labour force reside in the S&E Region.

The other major urban centres in the Region, i.e. Cork, Limerick and Waterford, have also experienced strong economic growth as a result of new inward investment in high-technology industry and pharmaceuticals, the expansion of existing firms in these sectors and increased employment in the services sector. There has also been significant employment growth in medium-sized urban centres such as Wexford, Kilkenny and Clonmel, with employment increasing by over 30% in the ten years to 1996.

The labour force in the S&E Region has also grown considerably over the past number of years. This is due in large part to the significant rise in female participation in the workforce which had increased from 32% of the workforce in 1986 to 54% by 1998, over three times the growth rate of male employment. As in the Border, Midland and Western Region, long-term unemployment has fallen at a faster rate than overall unemployment in the S&E Region, from 92,200 in 1993 to 46,500 in 1998. At almost 30% of the total unemployed in 1996, youth unemployment (i.e. unemployment among those under the age of 25) remains quite high in comparison with adult unemployment.

A sectoral breakdown of employment in the S&E Region shows that 21% of the labour force are employed in Commerce, Insurance, Finance and Business Services while almost 17% are employed in professional services. Census data also show that, in 1996, almost 26% of those in the S&E Region were employers, managers and professionals. The only sector which has seen a decline in employment participation is the primary sector which has declined slightly from almost 8% in 1993 to just 7% in 1998. While a high proportion of the labour force in the S&E Region is employed in semi-skilled, skilled and managerial/professional jobs, ensuring that the average earnings in the Region are above the national average, almost 68% of all unskilled workers also reside in the Region.

	<i>State</i>	<i>S&E Region</i>
National Labour Force ¹	100%	75.2%
Employment Ratio* ¹	57.9%	54.9%
Unemployment Rate ¹	5.7%	5.4%
Third-Level Qualifications** ²	20%	21%
Average Earnings (£) ³	14,872	15,600

* Number employed/people of working age (15–64 years)

** As a % of the population aged 15 and over

1 Quarter National Household Survey Q2, 1999

2 CSO Census 1996

3 CSO Household Budget Survey, 1995

2.4 Educational Attainment

The rapid expansion of the Irish economy in recent years is due in large part to a strong growth in the population of working age and a general rise in education levels, thanks to increased investment in human capital over the past twenty years. Taken as a whole, educational attainment in the S&E Region is quite high and the number of those with third-level qualifications exceeds the national average by 1%. The numbers who have been educated only up to primary level is decreasing – there has been a reduction of 9% in the period 1993 to 1998, mirroring the upward national trend as regards educational achievement. As regards secondary-level education, 74% of the population in the S&E Region have achieved educational qualifications to this level, the majority of these being female (580,100 as opposed to 542,500 males).

The presence of six Universities in the S&E Region as well as nine Institutes of Technology means that the inhabitants of the Region have comparatively better opportunities to access third-level education than those who live in the BMW Region. This may be reflected in the fact that the proportion of the population with a third-level degree has increased by 25% in the S&E Region, while the corresponding figure for the BMW Region is only 19%. Of those who attend third-level institutions in the State, 80% are from the S&E Region. However, third-level participation is not spread evenly within the Region and the lower proportion of people in the South-East (NUTS III) who participate in third-level education is notable in this regard. On a gender basis, third-level participation is split more or less evenly between men and women in the Region. However, there is greater participation of males in degree-level courses, while a higher number of females pursue non-degree-level studies.

2.5 Disadvantaged Areas

Despite the considerable economic successes of the country in general and the S&E Region in particular, there still remain significant pockets of deprivation and social exclusion. The considerable economic success of the capital city and the major urban centres in the Region has resulted in a lack of balance in development both within the Region and across the State as a whole. In addition, areas of economic and social disadvantage continue to exist in both urban and rural areas, even within major growth areas. Ironically, it is the areas of greatest economic success which suffer the highest rates of unemployment in the country and, in this regard, the S&E Region contains the greatest number of long-term unemployed and socially marginalised people.

The 1996 Census of Population shows that, of the 110 areas identified as having very high rates of unemployment, 75 of them or nearly 70% of the total were located in the major urban centres of Dublin (47), Cork city (12), Limerick city (11) and

Waterford city (5). Areas of deprivation can also be found in the other urban centres in the Region such as Tralee, Ennis, Wexford, Kilkenny, Clonmel and Carlow. These areas, in particular in the cities, suffer from the effects of cumulative disadvantage, with problems such as long-term unemployment, drug addiction, low levels of education, skills deficits, homelessness and endemic crime. While data show that the unemployment rate in areas of multiple disadvantage has tended to fall at a more rapid rate than unemployment generally, it remains at levels well above the national average.

The increasing non-viability of small farming enterprise over the past number of years due to difficult market access, poor land and poor infrastructure has been a major factor in the depopulation of the more rural and remote areas in the S&E Region. Unemployment rates in such areas, although decreasing in line with national trends are still significantly above the regional average. In particular, small farmers in these areas are experiencing hardship due to the lack of off-farm employment opportunities which are essential to bolster low agricultural incomes and sustain basic living standards.

In accordance with Article 18.2(a) of EC 60/1999, the expected impacts on the economic and social situation in the Region of the priorities of the Operational Programme are set out in the individual chapters dealing with the various priorities.

2.6 Environment

A detailed evaluation of the environmental situation and Ireland's commitment to the protection of the environment in line with Community policies is set out in the Community Support Framework. These commitments will be reflected in the procedures relating to the implementation of the measures under the Operational Programme.

Evaluation of Specific Aspects of the Environment

Overview:

As was stated above there is significant variation across the S&E Region in terms of industrialisation and population density, which is reflected in geographical differences in impact on the quality of the environment. In the urban areas and larger centres of the Region, the environment is under significant development pressure from urbanisation, housing development and urban sprawl, general infrastructure congestion and increased vehicle ownership. The quality of the environment in the more rural and remote areas of the Region is generally of a higher quality in most respects. However, in all areas, the pressure on the environment is continuing to

increase due to the growth in population and the general acceleration of economic development and from specific factors such as changed agricultural practices and the development of industry.

With the significant growth in population and rising living standards, there is increasing demand in the S&E Region for housing and economic and other social infrastructure, particularly energy, roads, and water, sewage and waste services. Increasing consumption is giving rise to pressure on resources and increased waste, particularly in the larger towns and urban areas. Vehicle ownership continues to increase strongly which is increasing congestion, and noise and air pollution, particularly in these larger centres. The increase in the number of visitors, of second or holiday houses and of large-scale seaside resort development are putting additional pressures on the environment in many coastal areas of the Region.

In agriculture, the main pressures on the environment stem from intensive fertiliser use, agricultural wastes and acidifying emissions. On a more localised basis, there are problems arising from intensive animal rearing and, in uplands and coastal areas, of overgrazing. Moreover, agriculture is a significant contributor to greenhouse gas emissions, accounting for over 30% of Ireland's total emissions of such gases. Notwithstanding major improvements in pollution control, licensing and regulation, increasing industrial production, and in particular larger scale industry such as the production of pharmaceuticals, is putting its own pressures on the environment. This pressure is not limited to urban areas which have particular problems arising from population density. Some rural areas outside of the main centres support large-scale industry and energy production, which is having a knock-on effect in these areas.

Nevertheless, viewing the situation from a more general perspective, the pressures on the environment in the Region, while mounting over the last thirty years or so, have not reached the level of intensity experienced over the course of the last century in many other European countries. Thus, as regards many aspects of the Region's environment, the main imperatives are either to protect existing high-quality conditions or to reverse the relatively minor worsening that has taken place.

Water Quality:

By the 1995–1997 survey period, the length of river channel in the Region classified as unpolluted (Class A) fell to less than 70%. This is a continuation of a trend which emerged with the general economic development of the 1960s, and which strengthened with the changed agricultural practices in the 1970s and 1980s and with the unprecedented economic growth of more recent years.

The main present threat to the water quality of lakes and rivers in the Region is excessive enrichment (eutrophication) by nutrients such as phosphorus and nitrogen, especially the former. The principal sources of these nutrients in the Region are agricultural activities and the discharge of domestic and industrial waste.

Intensive fertiliser use generally has contributed to eutrophication of surface waters and affected the quality of groundwater. Moreover, spillages of animal slurry and silage effluent into watercourses, which are not uncommon, add to the problem caused by fertiliser use. The growth of industry, especially agri-business and intensive pig and poultry production, has also contributed to pollution at local level. Municipal discharges were once a major source of pollution but that problem is being brought under control through investment in sewage treatment plants.

A national strategy, *Managing Ireland's Rivers and Lakes – A Catchment Strategy against Eutrophication*, to tackle all sources of phosphorus inputs to rivers and lakes was launched by the Department of Environment and Local Government in May 1997. As part of the strategy, three major catchment-based projects are under way. Of these, two are located in the S&E Region – the Boyne/Liffey catchment and the Suir catchment. In addition, there will be major investment elsewhere in the Region in Water and Waste Water infrastructure and Rural Water. The catchment-based strategy is underpinned by Phosphorus Regulations laid down in July 1998, the main provisions of which are that

- ◆ there should be no further deterioration in the quality of rivers and lakes
- ◆ improvements must be achieved by end-2007 in the condition of rivers and lakes found to be polluted in the 1995–1997 period.

Not surprisingly, the quality of river waters varies across the Region. In the 1995–1997 survey period, the percentage river channel length in Class A (unpolluted) ranged from over 85% in Cork/Kerry to 45% in the eastern counties. As regards the condition of lakes, the Environmental Protection Agency (EPA) estimates that there has been little change in the extent of water pollution since 1991–1994, adding that, in general, the overall water quality in the lakes remains high. Group schemes in the S&E are largely sourced from public water supply networks or from groundwaters. As a result, water quality variation is not as marked as in the BMW Region and the need for the widespread introduction of water treatment and disinfection is not as great.

Groundwater monitoring in the period 1995–1997 suggests that there was no widespread pollution of aquifers in the Region but there was evidence of total and faecal coliform bacteria in drinking water supplies drawn from groundwaters. In addition, recent evidence also suggests localised pollution of groundwater by nitrates in some areas. The quality of bathing waters in the Region has remained high with most bathing areas meeting the minimum EU standards. While there are some localised problems, marine pollution in the Region is relatively low.

Waste:

One of the most significant environmental issues facing the Region over the programme period is the effective management of the increasing levels of waste being

generated through growing output from increased population and affluence. This is underlined by the fact that municipal waste rose by almost 12% in volume over the period 1995–1998, with 0.6 tonnes of waste generated per capita. The total estimated waste generated in the S&E Region in 1998 was 1,577,000 tonnes. Of this, an estimated 1,260,000 tonnes was disposed of directly to landfill.

Although landfill is regarded in environmental terms as the least desirable option, the Region is heavily reliant on this practice. The challenge now is to implement the proposals detailed in the regional and local Waste Management Plans being adopted by local authorities to deal with the Region's waste problem. These proposals provide for a modern, integrated waste management infrastructure to ensure the maximum diversion from landfill to reuse, recovery and recycling processes consistent with national objectives and targets.

Air:

The air quality in the less urbanised areas of the S&E Region is generally of a high standard. The implementation of smoke control legislation in the larger urban centres of Dublin, Cork, Waterford and Limerick has had a significant effect in mitigating the impact of increased population and resulted in lower levels of sulphur dioxide than would otherwise have been the case, particularly during the winter heating season. As indicated above, agriculture is also a significant contributor to greenhouse gas emissions.

Ireland is a signatory of the Kyoto and Gothenburg Protocols which commit it to reduction targets in emissions of greenhouse gases and certain other air pollutants. Policies aimed at reducing the former are set out in the National Climate Change Strategy as approved by the Government recently. Meeting the targets of both Protocols will require measures such as greater efficiency in energy use and, in the agricultural sector, greater use of band-spreading and/or soil injection of slurry, change from nitrogenous fertilisers, possible livestock reductions etc., which should also help to ease the problem of agricultural discharges into water courses. As regards industry, activities with major polluting potential are regulated by the operation of IPC licensing phased in since 1994. Moreover, smoke control legislation applies to all the major urban centres in the Region.

Built Environment:

The built environment of the Region is of varied quality but the situation has, for the most part, improved in recent years as a result of the Village and Urban Renewal Measure under the last Plan and of tax incentives for the rehabilitation of designated areas. Nevertheless, as a result of continuing economic growth, the built heritage remains under pressure of redevelopment because older buildings do not offer the same economic opportunities and facilities as modern, purpose-built ones. Against this background, it is important that the intrinsic value of the architectural heritage is recognised and protected in an appropriate manner, and that redevelopment is sensitive to the local environment.

Archaeological Heritage:

There are 66,000 protected archaeological sites and monuments in the Region, or 55% of the national total. Although those sites of national significance are well protected, they do face the threat posed by increasing numbers of visitors, both Irish and from overseas. Sites of lesser significance remain under threat, mainly from two domestic sources, namely the intensification of agricultural production and the infrastructural and other needs of an expanding economy and population.

Natural Heritage:

The natural heritage of the Southern and Eastern Region is rich and varied. Habitats of European importance in the Region include blanket bog, sand dunes, lagoons, alluvial forests, yew woods, fens and limestone pavement along with other important habitats. Species of importance present in the region include freshwater mussels, various fish species, bat species and otter as well as certain vascular plants and bryophytes (mosses). At the time of approval of this OP, there were 144 sites comprising some 360,000 hectares in the Region receiving statutory protection under the European Communities (Natural Habitats) Regulations, 1997. Of these sites 111 had been formally transmitted to the European Commission as candidate Special Areas of Conservation. The remaining 33 sites are subject to domestic appeal processes. Additionally, under the European Birds Directive, Ireland has designated 46 Special Protection Areas in the Region totalling over 270,000 hectares. However outside of designated areas the natural heritage is coming under pressure from the forces outlined above.

A National Heritage Plan is being developed to produce, for the first time, an integrated plan for the protection of Ireland's national heritage. The aim of this Plan will be to provide for the protection, conservation, management and preservation of the State's natural, archaeological, architectural, artistic and historic heritage, and of landscapes, waterways and archives. As already noted, the CSF (para 2.5.4) contains certain commitments in relation to Natura 2000, specifically to submit proposed lists under the Habitats Directive (Article 4(1)) together with related scientific information within six months of the adoption of the CSF, in addition to guaranteeing not to allow sites to be protected under Natura 2000 to deteriorate during operations part-financed by the structural funds in the interim. These commitments will be respected in the implementation of this Operational Programme.

Compliance with EU Policies and Environmental Integration

Among the main principles underlying Ireland's strategy are the precautionary principle and the principle of integration. The precautionary principle requires that emphasis should be placed on dealing with the causes, rather than the results, of environmental damage and that where significant evidence of environmental risk exists, appropriate precautionary action should be taken. Among the measures in place to give effect to this principle is Environmental Impact Assessment (EIA),

which will be used as part of the development consent process for all major projects that are likely to have a significant effect on the environment, e.g. roads and environmental services, being undertaken as part of this programme. In addition, the requirements of Directive 79/409/EEC on the conservation of wild birds and Directive 92/43/EEC on the conservation of natural habitats will be complied with.

The principle of integration involves embedding environmental considerations in a range of policies, plans and programmes to enable them to be addressed in an effective and comprehensive manner and to ensure that such policies, plans and programmes support the objective of sustainability.

Integration has been given effect in this Operational Programme as follows:

- ◆ the carrying out of a pilot eco-audit of this Operational Programme
- ◆ the input by Comhar (the National Sustainable Development Partnership) to this Operational Programme prior to its finalisation
- ◆ the use of environmental criteria in project selection
- ◆ the use of appropriate environmental indicators and the inclusion of the environmental dimension in OP evaluations; environmental indicators will be incorporated, where appropriate and feasible, in the Programme Complement in order to qualify, as far as possible, the environmental impact of the measures contained in the OP (see below)
- ◆ inclusion of environmental representation on the Monitoring Committee
- ◆ implementation of project level EIAs where appropriate
- ◆ provision of additional information on environmental matters for all bodies involved in project selection and in programme management
- ◆ the implementation, monitoring and review mechanisms for the National Greenhouse Gas Abatement Strategy and the arrangements for ongoing review of the Operational Programmes will be co-ordinated so as to maximise mutual complementarity.

2.7 Pilot Eco-Audit

As indicated in the CSF, the pilot eco-audit element of the process will involve implementing agencies reporting on

- ◆ the significant positive or negative environmental impacts, whether direct or indirect. In identifying these impacts, the eco-audit will, in particular, quantify as far as possible the environmental effects, and their significance, on the state of the environment

- ◆ the means by which the programmes will contribute to the protection and improvement of the environment and a description of measures to eliminate/mitigate any harmful environmental impacts likely to arise
- ◆ identification of environmental policies, standards and licensing requirements with which the programme and/or projects will comply and provision for assessment of impact following implementation.

An eco-audit checklist is presented for each priority in Annex D.

Summary

The main challenges the S&E Region now faces in terms of protecting the environment and supporting biodiversity are

- (a) arresting and reversing the deterioration in the quality of rivers and lakes due to excessive inputs of nutrients
- (b) better management of and reducing solid waste
- (c) protecting the urban environment from degradation due to population, transport and other factors
- (d) protecting the countryside, coastal and marine areas, and their flora and fauna
- (e) protecting and maintaining environmentally sensitive areas
- (f) supporting the achievements of national commitments in respect of greenhouse gases and other emissions
- (g) managing land use strategically.

To address these challenges, the protection and improvement of the environment, incorporating both EU policies and National policies in relation to sustainable development, will be integrated into the implementation of the Operational Programme for the Region, in particular through institutional arrangements, the use of environmental criteria in project selection criteria and the implementation of project level EIAs, where appropriate.

In accordance with Article 18.2(a) and 41.2 of the Structural Funds Regulations, the expected impacts on the environment of the Priorities of the Programme are set out in the individual chapters dealing with the various Priorities.

2.8 Equality

As the Irish economy has prospered, the position of women has also improved. This can be attributed not only to economic growth but also to the increase in female educational completion levels and reducing family size, which facilitates greater labour force participation. Between 1993 and 1999, the Irish labour force increased by 285,000 (an average of over 3% per annum) with virtually all of this increase relating to women, whose participation rate rose from 38% in 1993 to 46% by the second quarter of 1999. Male participation showed a more modest increase, from 68% to 70%, over the same period. However, analysis of the employment situation reveals regional differences in labour force growth. Between 1993 and 1998 the overall labour force in the S&E Region grew by 18% compared to only 9% in the BMW Region. There was a significant increase in the female participation rate in the S&E Region from 47% to over 54% and the rate of growth in female employment in the S&E Region, at 40%, was over three times the growth in male employment.

As such, the current degree of female participation in the labour market compared to previous levels represents a dramatic increase by any standards and is most marked for married women with children who have completed second-level education and those aged 25 to 50. As mentioned previously, this change in the female participation rate is strongly related to a change in educational participation and completion, a change that is particularly prominent as regards the female population which tends to have a slightly higher level of educational completion than the male population. While the majority of women in the older age groups have only a primary education, the vast majority of those in their late twenties have at least completed upper secondary education. Moreover, the composition of entrants to third-level education has now shifted in favour of women. CSO data from 1997 show that 50% of all those in the S&E Region with third-level education are women. Furthermore, the recent education report of the ESF evaluation unit on Equal Opportunities between Men and Women indicates that women constituted 43% of all participants benefiting from ESF supported education and training in 1994–1999. The highest female labour force participation rates are for those with third-level education and this has increased over the past decade from what was already a relatively high level. In contrast, participation amongst those with only primary education is still low and has shown little change since 1988.

Despite the considerable increase over the past decade female participation in the labour force is still low relative to several of our EU partners. The average female labour force participation rate in the fifteen EU member states is 58%, with countries such as Denmark (74%), the Netherlands (61%) and the United Kingdom (68%) considerably exceeding this level. On the other hand the level of female participation in the Irish labour force is 50%. It must also be borne in mind that women account for more than 70% of those in part-time employment. The majority of those in part-time work are married women, of whom 30% were part-time compared to 14% of single women. While these statistics may reflect choice for mothers of

young children, they may also be related to the lack of suitable childcare options available. Moreover, ESRI research on male-female wage differentials shows that an average hourly gender pay gap of approximately 20% still exists across the economy, reflecting high levels of sex segregation in the labour market. Almost 80% of women who work are employed in the service sector, compared to 49% of men, whereas women are under-represented in expanding occupations such as electrical and electronic jobs and as proprietors and managers.

The Government shares the European Union's commitment to equality of opportunity and has incorporated this horizontal principle into the National Development Plan 2000–2006. The strategy which will be used to improve equal opportunities between men and women in the S&E Region is gender mainstreaming, an approach which involves the consideration of the impact of policies and programmes on women and men at all stages of policy development. This mainstreaming policy will be applied in addition to positive action measures and use of existing legislation to maximise equality of opportunity for women and men. This focus on gender equality will have a considerable impact on the ability of women in the S&E Region to participate fully in society, while advancing other priorities of the NDP, namely social inclusion, rural development and employment and human resource development.

The *Report of the Joint Oireachtas Committee on Women's Rights* (1994) stated that "policy initiatives directed at improving the status of women in Irish society have not benefited rural women as much as other women". In rural areas of the Region, women face particular difficulties such as lack of access to training and employment opportunities, lack of childcare and elder care support and poor representation in decision making bodies. Rural areas also tend to have a higher dependency ratio, a factor which impacts more on women who are the main carers for children and the elderly. These care responsibilities mean that women in the S&E Region find it particularly difficult to avail of regular paid employment. Deficiencies in appropriate childcare provision and the resultant inability of women to avail of the opportunities afforded by the expanding jobs market has meant that, while female participation in rural areas has increased, it has not yet achieved optimal levels.

Under the National Development Plan, one of the criteria in the selection process will be the impact of a proposed project on equality of opportunity, particularly gender equality. Where data do not currently exist as regards the impact of the various measures under the Regional Operational Programmes, statistical information will be gathered. Such compilation of information regarding participation and access on a gender disaggregated basis will assist in the design of projects to ensure that they contribute to the greatest possible extent to gender equality. The promotion of active interventions to foster gender equality in project work-plans will be encouraged.

In accordance with Articles 18.2(a) and 41.2 of the Structural Funds Regulation, the expected impacts on equality of the priorities of the Programme are set out in the individual chapters dealing with the various priorities.

2.9 SWOT Summary of the Region

In summary, the Southern & Eastern Region is characterised by

- ◆ a relatively well-qualified and skilled workforce
- ◆ extensive training and educational facilities, in particular a strong network of third-level institutions
- ◆ a strong base of industry and services, yielding high per capita Gross Value Added (GVA)
- ◆ generally good agricultural land and a relatively strong agri-food sector
- ◆ a strong and vibrant urban network, parts of which have achieved, or are close to reaching, a critical mass in terms of self-generating economic activity
- ◆ a relatively well-developed infrastructure, including inter-urban transport systems and access to import/export gateways.

The Region also has its weaknesses, however, such as

- ◆ congestion and capacity constraints arising from an over-stretched infrastructure
- ◆ an under-developed public transport system
- ◆ unbalanced regional development, with unsustainable development in the major urban centres and a lack of development in many rural areas, towns and villages
- ◆ poor agricultural structure in parts of the Region, such as the South-West and West Clare
- ◆ high levels of economic and social exclusion in urban centres and remote rural areas.

2.10 Objectives for the S&E Region

While the S&E Region has witnessed considerable economic growth over the last Plan period, the above analysis shows that the Region still faces a number of difficulties in order to maintain this growth in a sustainable, equitable and spatially balanced manner. The challenges and objectives for the Region are as follows:

- ◆ consolidate and build on the Region's recent economic performance, especially regarding employment and reductions in long-term unemployment, thereby maintaining the Region's key role in national economic competitiveness

- ◆ address urban congestion and general bottlenecks to growth, particularly as regards economic and social infrastructure and human resources
- ◆ facilitate more balanced and sustainable economic growth across the Region
- ◆ further develop counter balances to Dublin, relieving pressure on the capital and its hinterland, and distributing growth more evenly throughout the Region
- ◆ support the further development of agriculture, agri-business and the seafood sector
- ◆ promote social inclusion in deprived urban and rural areas
- ◆ maintain a viable rural economy.

These development challenges must be faced and overcome in order to ensure that the economic successes of the Region will continue over the Plan period to the advantage of all. The measures planned under the Inter-Regional Operational Programmes, reinforced by those in the Regional OPs, are aimed at achieving these objectives.

2.11 Strategy for Accelerating the Development of the S&E Region

As regards the S&E Region, the primary objective of the Government over the term of the NDP 2000-2006 is the consolidation of the Region's economic growth and the promotion of further growth which will encourage the development of the Region in a sustainable, socially equitable and spatially balanced manner. The positive effects of the development of urban centres on their hinterlands mean that there must be continued investment in such centres as major growth drivers and as the basis for sustainable development. However, the fact that the recent economic successes of the Region have been concentrated in and around the major urban centres has led to capacity constraints in these areas, particularly in Dublin, while other parts of the Region are lagging behind in terms of infrastructure and industry/services base. Moreover, social exclusion is a feature of many areas within the Region, particularly in the major urban centres.

In the Government's approach to consolidating development of the S&E Region, the central aim is to spread the presence in the Region of the key drivers of sustainable economic growth, particularly in the productive sector, more widely across the Region. The strategy to achieve this aim recognises the fact that the key determinants of sustained economic performance both nationally and at regional level are

- ease of access to domestic and foreign markets
- a modern communications and e-commerce network
- back-up research and technology infrastructure which is accessible to enterprises in all sectors
- a well-developed educational system
- a highly qualified and skilled work force
- high quality physical infrastructure, including inter-urban transport and energy transmission systems
- an adequate supply of housing
- a good overall quality of life
- a high quality and sustainable environment.

The areas that are best endowed with these characteristics are those containing larger urban centres which serve as development Gateways by having a strategic location relative to the surrounding territory and possessing good social and economic infrastructure and support services. Gateways are, therefore, strategically placed to drive growth in their zones of influence and can generate a dynamic of development which embraces the complementarity between city, town, village and country. Within national and regional spatial structures of economic development, Gateways occupy a pivotal position, performing a dual function of bringing economic growth to the Region and spreading economic growth within the Region. Within the S&E Region, the four major urban centres – Dublin, Cork, Limerick and Waterford – function fully as Gateways. Outside of these locations a number of other larger towns and clusters in the Region are showing the potential to attract development to both themselves and their respective zones of influence.

The designation of Gateways and their related functional areas in the S&E Region – and in the country as a whole – is a task that will be included in the National Spatial Strategy, which is currently being prepared and due for completion by the end of 2001. The preparation of the National Spatial Strategy will take account of existing work in this area including the analyses of both the ESRI and the Regional Studies. The Strategy will be prepared as part of a broad planning strategy for the country as a whole, which will

- ◆ identify broad spatial development patterns for areas and set down indicative policies in relation to the location of industrial development, residential development, rural development and tourism and heritage
- ◆ develop and present a dynamic conception of the Irish urban system, together with its links to rural areas, which recognises and utilises their economic and social inter-dependence.

In the interim, the task of consolidating development in the S&E Region and accelerating development in the more peripheral and remote areas of the Region will proceed with the implementation of the S&E Regional Operational Programme in conjunction with the Inter-Regional Operational Programmes. Through these actions and the operation of market forces, the development of existing and potential Gateways in the Region will continue. The National Spatial Strategy will be a significant input to and will inform the future direction of regional policy and development. As the results of the National Spatial Strategy with its longer time horizon of twenty years become available, appropriate adjustments will be made. In particular, the completed National Spatial Strategy will be used to inform the mid-term review of the various Operational Programmes in 2003.

The three Inter-Regional Operational Programmes will make a significant contribution to the socio-economic development of the S&E Region. The Economic and Social Infrastructure OP will improve road and rail links, in particular the major inter-urban routes within the Region and between the Region and the rest of the country. It will also improve public transport provision, particularly in urban areas. All these measures will help reduce congestion and support more balanced development within the S&E Region. The Employment and Human Resources Development OP will provide significant investment in the Region for education, training, skills development, lifelong learning and other schemes designed to support the maximum involvement of the Region's population in economic activity. In particular, the Employment and Human Resources Development OP will contribute to greater social inclusion as many of the schemes are focused on supporting the unemployed and those seeking to return to work to do so. The Productive Sector OP will assist the Region in promoting foreign direct investment and the development of small and medium sized enterprises. In addition, support for Research and Innovation will help embed research in indigenous companies and will support further economic development. In addition, the substantial EU and national expenditure under the EAGGF Guarantee CAP Rural Development Plan will significantly benefit farm incomes in rural areas. The representation on the Inter-Regional Operational Programme Monitoring Committees being afforded each of the Regional Assemblies will support the greater integration of policies and initiatives under both the Regional and Inter-Regional OPs.

2.12 Role of the Regional Operational Programme

The Regional Operational Programme will complement the Inter-Regional OPs and extend their impact at local level across the Region as a whole through the following strategies:

- ◆ maintain and improve the transport infrastructure to provide easier access to employment, training and social opportunities and to markets for employers wishing to establish enterprises in more remote areas

- ◆ provide effective linkages to the National Road network and to the public transport system
- ◆ support the establishment of high value added information and services sector enterprises in the Region by providing access to advanced communications and e-commerce infrastructure and services
- ◆ improve the quality of the environmental, cultural, social and recreational infrastructure so as to enhance the attractiveness of the Region, as a place to live, visit, work or establish an enterprise and to contribute to sustainable development
- ◆ increase per capita GVA by improving the quality of the labour supply, supporting the development of innovation systems at regional level and the establishment of high quality jobs within reasonable commuting distance
- ◆ support the regeneration of rural communities by providing alternative sources of income for farmers, rural dwellers, the underemployed and those engaged in marginal economic activity, through farm diversification measures, area-based rural development initiatives and by moving production up the value chain
- ◆ augment employment opportunities in the less developed and economically disadvantaged rural areas of the Region through the promotion of Tourism, Forestry, Fishery Harbours, Aquaculture Development and Gaeltacht/Islands
- ◆ provide structural aid and back-up support in rural areas, especially targeted at young farmers so as to support the production of commercially viable quality product at farm level and to promote the protection of the environment
- ◆ provide support through a comprehensive programme of measures for those seeking access to training, those wishing to enter or return to the workforce, especially women, and for family and community development.

These strategies will be implemented via four major Priorities (Sub-Programmes) namely, Local Infrastructure, Local Enterprise Development, Agriculture and Rural Development and Social Inclusion and Childcare. These Sub-Programmes will complement the major expenditure under the Inter-Regional Programmes by focusing on the specific development needs of the Region. In addition, the substantial EU and national expenditure amounting to G4.988bn (£3.928bn) for the State under the EAGGF Guarantee funded CAP Rural Development Plan (which is not part of the CSF) will support the environment (REPS), compensatory allowances in disadvantaged agricultural areas, forestry and an early retirement scheme for farmers and will boost farming incomes in the Region and contribute on a continuing basis to the rural economy.

2.13 Co-operation with Northern Ireland

Co-operation with Northern Ireland has been placed on a new footing under the provisions of the Multi-Party Agreement reached in Belfast on 10 April 1998. In this regard, the North-South provisions of the Multi-Party Agreement provide for the setting up of a North-South Ministerial Council and outlines a new institutional framework and context within which co-operation between the two parts of the Island are to be taken forward. The agreement thus paves the way for closer and more co-ordinated action between the relevant authorities in both jurisdictions which will have the effect of maximising the benefits of proposed investment to their respective economies and of delivering real improvements for the people of both parts of the Island. Reflecting the importance both jurisdictions attach to making progress in this area, North-South Co-operation is identified as a strategic priority in the Community Support Frameworks for both Ireland and Northern Ireland.

The economies in both parts of the Island have changed dramatically over the past decade. In particular, their improved economic performance is reflected in the headline labour market indicators with unemployment now registering below the EU 15 average rate in both parts of the Island. Convergence to EU standards has been such that, under the 2000–2006 round of EU Structural funds, Northern Ireland and the S&E Region of Ireland no longer qualify for full Objective 1 status. However, this level of improvement in relation to Northern Ireland masks some of the sub-regional and local disparities, in particular the lower level of development and the lower rate of social and economic growth in areas immediately adjacent to the Border and also the western part of Northern Ireland. For this reason, projects having a North-South dimension involving communities and enterprises outside of the immediate border areas will be particularly encouraged so that these communities can also contribute to, participate in and benefit from the economic, social, recreational and cultural opportunities arising from the new beginning signalled by the British Irish Act, 1999, and in the institutional arrangements arising from it.

During the previous round of Structural Funds, progress in cross-border co-operation has been significant and points up the potential for real inter-action between the two economies in the future. Significant developments have been effected at the level of local authorities, non-governmental organisations, the voluntary, community and business sectors and by central government and, in many cases, these sectors have been directly involved in implementing EU Programmes. Networks of county councils in both jurisdictions have produced cross-border integrated plans for their areas. The main employer and trade union organisations North and South have also produced joint papers on developing North-South and East-West co-operation within a European context. Equally, the major farming organisations commissioned a report on the current position of farming on both sides of the Border.

While specific EU Programmes (e.g. Interreg, Peace and Reconciliation) and other initiatives (e.g. International Fund for Ireland) have contributed significantly to cross-border co-operation and understanding, there is a need now for an increasing

focus on the benefits which can flow from greater co-ordination of national investment generally under North-South co-operation.

Investment under the Operational Programme for the S&E Region, which is focused in an appropriate manner, can be an enabling factor which facilitates greater co-operation and involvement between communities and enterprise on both sides of the Border in a manner which will support economic and social regeneration in these areas. In addition, it can support and underpin increased co-operation between the authorities in both jurisdictions. Such investment can also contribute to greater understanding between both communities and also greater social cohesion. To ensure that the benefits of investment under the OP are maximised for these communities the potential for North-South co-operation will be one of the considerations to be taken into account in relation to investment decisions under the S&E Regional Operational Programme and will be integrated into the project selection criteria for appropriate measures.

The investment proposed under the S&E Regional OP will complement the significant investment proposed under the Inter-Regional OPs along with the contribution from the Peace OP and Community Initiatives. (Details in relation to the contribution of the Inter-Regional OPs to North-South co-operation are set out in the respective OPs.) Because of the more local nature of the S&E Regional OP, and the fact that the S&E Region does not have a border with Northern Ireland, the potential within the Programme for clearly identifiable North-South co-operation initiatives is limited. Notwithstanding this, North-South co-operation is possible on an all-Ireland basis, and each of the Priorities (Sub-Programmes) will in their own way contribute to social and economic development to the benefit to both parts of Ireland.

Under the **Local Infrastructure Priority**, improvements in Non-National Roads will ease commuting for business, economic and social reasons between towns and villages while also providing access to the National Primary Road Network, which will benefit communities both North and South. Investment in e-commerce and advanced communications infrastructure and services, making broad band communications available more widely in the region, will facilitate greater interaction between business and consumers throughout the Island and will remove some of the disadvantages of peripherality for those living in the more remote areas. Both regions will also benefit from improvements in transport and access infrastructure, e.g. seaports and regional airports. Investment in cultural, heritage and recreational facilities will provide additional amenities for the communities living in these areas while at the same time making them more attractive as places to visit. In environmental services, there are opportunities for co-operation between both jurisdictions, in particular, co-ordination in the provision of infrastructure in order to avoid duplication and over-capacity. Investment in Inland Waterways provides a significant opportunity for institutional co-operation in that this investment will be administered by one of the new Implementation Bodies established under the British Irish Act, 1999.

Under the **Local Enterprise Development Priority**, there are significant opportunities to foster greater co-operation between businesses North and South. Significant in this regard is the establishment of the Trade and Business Development Body, a cross-border implementation body which offers a new opportunity for supporting the development of enterprise and trade on a North/South basis. Contributing to this, the micro-enterprise measures under this Priority will support and foster the development of mutually beneficial link-ups and alliances between firms in the S&E Region and in Northern Ireland. Within the tourism sector the branding of Tourism Ireland is already in place and operates on an all-island basis. There are also opportunities for co-operation and development under the Forestry Measure, and especially for third-level institutions under the Regional Innovation Strategy Measure. Finally, the Aquaculture and Marine Matters Body provides an institutional framework for co-operation in respect of the Fishery Harbours, Gaeltacht/Island Harbours and Aquaculture Measure.

Under the Good Friday Agreement, agriculture was identified as one of the six areas for North/South co-operation. Arising from this, the role of the existing Steering Group on Cross-Border Development will examine the scope for a common approach to the feasibility of developing cross-border strategies and rural development research. Both of these types of measure have been specifically provided for in the **Agriculture and Rural Development Priority**.

Under the **Social Inclusion and Childcare Priority** most of the projects are community based and locality specific. However, under this Priority, there are clearly opportunities for fostering links between disadvantaged communities on both sides of the border. Experience under OPLURD has demonstrated the benefits of disadvantaged communities learning from each other and sharing experiences and resources. As such, the Local Development Measure and the Community Development and Family Support Measure under this priority will provide funding for initiatives involving co-operation between such communities on an all-Ireland basis. In addition, youth exchanges have been identified as a key means of fostering greater social and cultural understanding between communities, which is the first step to true reconciliation. In this regard funding will be provided under the Youth Services Measure for exchange programmes aimed at fostering understanding between all communities on both sides of the border.

Greater detail on areas of co-operation and indicative levels of investment within the OP contributing to such co-operation will be set out at measure and sub-measure level in the Programme Complement. At this stage, a minimum sum of G300 million has been identified within the total NDP allocation for North-South Co-operation. However, at the first meeting of the North-South Ministerial Council Special EU Programmes Sector on 16 June, 2000, the Ministers agreed that the existing joint text in the Community Support Framework should be strengthened further by the inclusion of the following additional text:

The European Commission and the Authorities of Ireland and Northern Ireland emphasise that the provision of G400 million for North/South Co-operation is a minimum and all parties are committed to optimising the level of, and accompanying investment in, North/South co-operation. This objective will be kept under specific and continual review both in the development and implementation of the Operational Programmes North and South and by the EU Programmes Body in the ongoing discharge of its responsibility in this area.

Having regard to this commitment, it is intended that, within the Programme Complements for the S&E Regional OP, the potential for North-South co-operation will be clearly identified and that indicative allocations for projects contributing to North-South co-operation will also be identified. In addition, the Special EU Programmes Body will be a member of the Monitoring Committee for the S&E Regional Operational Programme.

CHAPTER 3

***EU Structural Funds Support
for the Operational Programme***

3

EU Structural Funds Support for the Operational Programme

3.1 Details on Priorities and Measures

The specific measures and the contribution of the various Structural Funds are summarised in this chapter. The detailed Financial Tables showing the precise contribution from each fund at Priority (Sub-Programme) level for each year, together with the directly matching national finance, is attached to the Commission Decision approving this Operational Programme. The decision forms an integral part of the Operational Programme. The individual chapters on each of the OP Priorities provide additional details on the measures, the contribution of the Funds and the impact of the Priority on the Region. In this regard Chapter 4 provides information on the Local Infrastructure measures, Chapter 5 on Local Enterprise Development measures, Chapter 6 on Agriculture and Rural Development measures and Chapter 7 on Social Inclusion and Childcare measures.

3.2 The EU Structural Funds

EU Structural Funds support for the Operational Programme for the S&E Region is provided through the European Regional Development Fund (ERDF), the European Agriculture Guidance and Guarantee Fund (EAGGF), the European Social Fund (ESF) and the Financial Instrument for Fisheries Guidance (FIFG).

These funds are specifically designed to aid those Regions which are lagging behind, to promote economic and social progress in areas facing structural difficulties and to facilitate increased employment through training and human resource development. As such, the Structural Funds' contribution to this Operational Programme will further the aims of the National Development Plan, 2000–2006, in particular its commitment to the advancement of balanced regional development and the promotion of social inclusion.

<i>Regional Operational Programme for the S&E Region (Gm)</i>					
Priority	Total OP Expenditure	Total CSF	Structural Fund Contribution	Matching Public Expenditure	Private Contribution
Local Infrastructure	3,045.12	785.46	273.77	246.75	264.94
Local Enterprise Development	625.50	375.71	110.03	101.55	164.13
Agriculture and Rural Development	543.23	316.84	67.60	67.60	181.64
Social Inclusion and Childcare	1,164.87	255.40	120.34	101.20	33.86
Total	5378.72	1733.41	571.74	517.10	644.57

Current prices

<i>Breakdown by Fund of EU Structural Fund support for the OP (Gm)</i>						
Priority	EAGGF	FIFG	ESF	ERDF	SF Contribution	Total CSF
Local Infrastructure				273.77	273.77	785.46
Local Enterprise Development	12.60	9.61		87.82	110.03	375.71
Agriculture and Rural Development	67.60				67.60	316.84
Social Inclusion and Childcare			82.34	38.00	120.34	255.40
Total	80.20	9.61	82.34	399.59	571.74	1733.40

Current prices

3.3 ERDF Expenditure

The largest element of total CSF support for the Operational Programme for the S&E Region will come from the ERDF and will be spread across measures under the Local Infrastructure, the Local Enterprise Development and the Social Inclusion and Childcare Priorities. A total of G399.59 m will be provided from the ERDF which will focus on the following measures.

3.3.1 Local Infrastructure Priority

Non-national Roads

Under this measure, the EU co-financed Specific Improvement Grant Scheme will support development and upgrading of non-national roads, including Regional and Local Roads which are important to balanced regional development. In this context, full account will be taken of the evolving National Spatial Strategy in determining the roads to be co-financed.

Rural Water

Under this measure, and subject to certain conditions, all group water schemes which do not meet the required standards for drinking water, as set out in the EU Directive on Drinking Water Quality, and/or where existing supply is deficient relative to current or projected demand, will be brought up to the requisite standards.

Waste Management

ERDF funding will focus on recovery and recycling facilities under this measure.

Urban and Village Renewal

ERDF investment under this measure will concentrate on renewal and rejuvenation schemes as well as the restoration of public buildings of significant architectural and heritage merit.

E-Commerce

ERDF investment under this measure is aimed at ensuring that the S&E Region has access to advanced communications and e-commerce infrastructure in order to enable it to participate fully in the Information Society in a socially inclusive manner.

3.3.2 Local Enterprise Development Priority

Tourism:

ERDF funding will support three sub-measures under this heading, namely

Development of Major Attractors and Special Interest Pursuits sub-measures, both of which are designed to generate tourism employment and income where few opportunities in this regard currently exist.

Tourism/Environmental Management sub-measure which will encourage better management of the relationship between the tourism industry and the environment.

Micro-enterprises

ERDF assistance for this measure will be targeted at supporting the development and competitiveness of local enterprise through the provision of grant aid and the funding of training initiatives where market failure exists.

Regional Innovation Strategies

ERDF support will aim to facilitate the provision of incubation space for the establishment of high potential businesses, with a particular emphasis on the role of the Institutes of Technology in this regard. Funding will also be provided for mentoring and advisory support services.

Fishery Harbours, Gaeltacht/Island Harbours and Aquaculture

ERDF funding for this measure will be expended under the Port Infrastructure Improvement Programme sub-measure. This sub-measure is aimed at providing improved port infrastructure and service facilities at key strategic fishery harbours, together with the construction and upgrading of berthage and related facilities at smaller harbours and landing places throughout the Region.

3.3.3 Social Inclusion and Childcare Priority

Childcare

ERDF funding will complement Exchequer investment in the Capital Grant Scheme for Childcare Facilities sub-measure which is designed to increase the number of childcare places available, while creating a quality environment for children through the provision of capital grants for refurbishment and construction of facilities.

Contribution of ERDF to co-financed measures (Gm)						
Priority	Measure	Sub-measure	Total CSF	ERDF contribution	Matching Public Expenditure	Private contribution
Local Infrastructure	Non-national roads		269.67	134.84	134.83	0.00
	Rural Water		69.14	23.17	23.17	22.80
	Waste Management		52.08	26.04	26.04	0.00

Current prices

Contribution of ERDF to co-financed measures (Gm)						
Priority	Measure	Sub-measure	Total CSF	ERDF contribution	Matching Public Expenditure	Private contribution
	Urban and Village Renewal		88.38	44.19	44.19	0.00
	E-Commerce		302.69	43.78	16.77	242.14
	Technical Assistance		3.50	1.75	1.75	0.00
Local Enterprise Development	Tourism	Development of Major Attractors and Tourism/ Environmental Management	106.32	27.68	27.69	50.95
	Micro-enterprises		145.81	32.58	32.58	80.66
	Regional Innovation Strategies		27.65	13.20	14.45	0.00
	Fishery Harbours, Gaeltacht/ Island Harbours and Aquaculture	Port Infrastructure Improvement Programme	26.80	14.36	12.44	0.00
Social Inclusion and Childcare	Childcare	Capital Grant Scheme for Childcare Facilities	81.22	38.00	31.86	11.36
Total			1,173.26	399.59	365.77	407.91

Current prices

*Council Regulation No 1260/99 does not require indicative financial allocations at measure level. Under the regulation such information is required only at Programme Complement stage. This information is therefore provided for information purposes only.

3.4 EAGGF Support

EAGGF funding under the OP will total G80.2m and will be focused on measures under the Local Enterprise Development and Agricultural and Rural Development Priorities (Sub-Programmes), as follows:

3.4.1 Local Enterprise Development Priority

Under this Priority, all EAGGF funding will be targeted at the following sub-measures of the Forestry Measure.

Woodland Improvement sub-measure

This will develop and enrich the quality of the total forest estate.

Harvesting sub-measure

This measure is designed to support investment in harvesting machinery to provide for steady growth in the harvesting fleet in line with the increasing output from woodland.

3.4.2 Agriculture and Rural Development Priority

Under this Priority, assistance from the EAGGF will be directed at the following measures.

General Structural Improvement

Under the Farm Waste Management sub-measure, EAGGF funding will be used to enable farmers to carry out investments related to farm waste storage, silage storage, livestock housing to prevent poaching and soil erosion during the winter months, also investment in mobile equipment for the disposal of slurry and investment in a number of pilot medium-sized waste disposal facilities. Under the improvements in Dairy Hygiene Standards sub-measure, aid will be available to farmers for the provision of new or upgraded milk production facilities. Preferential rates of aid will be available both for smaller and younger farmers under these sub-measures.

General Rural Development

Under the sub-measure on Area Based Rural Development Initiatives, EAGGF funding will be available for a variety of rural development projects falling within the terms of Council Regulation (EC) No 1257/1999 on Support for Rural Development.

Contribution of EAGGF to co-financed measures (Gm)						
Priority	Measure	Sub-measure	Total CSF	EAGGF contribution	Matching Public Expenditure	Private contribution
Local Enterprise Development	Forestry	Woodland Development	22.93	10.04	10.04	2.84
		Harvesting	19.84	2.56	2.56	14.73
Agricultural and Rural Development	General Structural Improvement	Farm waste management	222.14	44.43	44.43	133.28
		Dairy Hygiene	52.37	10.47	10.47	31.43
		General Rural Area Based Development Initiatives	42.33	12.70	12.70	16.93
Total			359.61	80.20	80.20	199.21

Current prices

*Council Regulation No 1260/99 does not require indicative financial allocations at measure level. Under the Regulation such information is required only at Programme Complement stage. This information is therefore provided for information purposes only.

3.5 FIFG Expenditure

FIFG funding under the S&E Regional Operational Programme will total G9.61m to be expended under the Aquaculture sub-measure of the Fishery Harbours, Gaeltacht/Island Harbours and Aquaculture Measure of the Local Enterprise Development Priority (Sub-Programme). Total investment under this sub-measure over the term of the NDP will be G26.35m.

Aquaculture

This sub-measure will provide grant assistance for private sector initiatives from both individuals and groups to support the development of the industry, and will also supply technical resources to support enterprise development, environmental sustainability, quality assurance and research studies to evaluate the technical and economic feasibility of aquaculture.

Contribution of FIFG to co-financed measures (Gm)						
Priority	Measure	Sub-measure	Total CSF	FIFG contribution	Matching Public Expenditure	Private contribution
Local Enterprise Development	Fishery Harbours, Gaeltacht/Island Harbours and Aquaculture	Aquaculture	26.35	9.61	1.79	14.95
Total			26.35	9.61	1.79	14.95

Current prices

*Council Regulation No 1260/99 does not require indicative financial allocations at measure level. Under the Regulation such information is required only at Programme Complement stage. This information is therefore provided for information purposes only.

3.6 ESF Expenditure

ESF funding in the amount of G82.33m will contribute to the “Support for Staffing Costs” and the “Childcare Quality Improvement Programme” sub-measures of the Childcare Measure.

Support for Staffing Costs

This sub-measure will improve the quality of childcare provision in disadvantaged areas by assisting community-based projects to fund the salary costs of qualified childcare workers.

Quality Improvement Programme

This sub-measure is designed to support improvements in the quality of childcare service provision generally through the training and education of childcare workers and the establishment of support networks for childcare providers.

Contribution of ESF to co-financed measures (Gm)						
Priority	Measure	Sub-measure	Total CSF	ESF contribution	Matching Public Expenditure	Private contribution
Social Inclusion and Childcare	Childcare	Support for Staffing Costs	147.46	70.74	59.37	17.35
		Quality Improvement Programme	26.72	11.59	9.97	5.15
Total			174.18	82.33	69.34	22.50

Current prices

*Council Regulation No 1260/99 does not require indicative financial allocations at measure level. Under the Regulation such information is required only at Programme Complement stage. This information is therefore provided for information purposes only.

CHAPTER 4

*Local Infrastructure Priority
(Sub-Programme)*

4

Local Infrastructure Priority (Sub-Programme)

4.1 Introduction

The quality of its economic and social infrastructure is an important determinant of the quality of life in a locality and plays a key role in choices as to where to live and work – for the native born, the choice is whether to remain or migrate and for the potential inward migrant, whether or not to move to the area. Crucial factors in this regard are ease of access by means of both public and private transport from home to the workplace, and the availability of and access to schools, shops, social, recreational, community and medical facilities, all of which play a major role in locational decisions.

The total expenditure under this Priority (Sub-Programme) amounts to G3,045.12m. The CSF underlines the importance of local infrastructure to regional economic and social development and, in acknowledgement thereof, it envisages a contribution of G273.77m from the ERDF to this Priority over the Plan period.

The following measures will be supported.

Gmillion	EU Structural Funds Contribution (ERDF) Expenditure	Matching Public	Private Contribution
Non-National Roads	134.84	134.83	0.00
Rural Water	23.17	23.17	22.80
Waste management*	26.04*	26.04	0.00
Urban and Village Renewal	44.19	44.19	0.00
E-commerce/Advanced Communications	43.78	16.77	242.14
Regional Airports	-	-	
Seaports	-	-	
Culture, Recreation and Sports	-	-	
Technical Assistance	1.75	1.75	0.00
Total	273.77	246.75	264.94

Current prices

* The Waste Management Measure will also receive assistance from the Cohesion Fund.

4.2 Regional Context

The S&E Region is not a homogenous area. While considerable economic growth has been achieved throughout the Region over the last Plan period, this has been centred predominantly around the Region's four main cities and the larger urban centres. This has led to capacity constraints and labour shortages in such areas, while the more remote, less developed rural sub-regions have suffered from the negative effects of peripherality and isolation. Investment in Local Infrastructure over the term of the NDP 2000–2006 will increase access to such locations, promote them as places in which to live, work or establish an enterprise and improve the quality of life for resident communities. In this way, such investment will also advance the National Development Plan commitments to the promotion of balanced regional development, social inclusion and rural development.

The S&E Region has an extensive non-national road network. The peripheral nature of rural towns and villages means that public transport is often not an option for inhabitants. Therefore, dependence on road infrastructure is high in such areas. However, over half of these roads require either restoration or reconstruction. A poor road network also acts as a disincentive to inward investment and reduced employment opportunities – 65% of firms surveyed in the Mid-West believe that the low quality of the road network has reduced their competitiveness. The lack of incentive to invest in the less economically developed areas of the Region caused by a low quality road network necessitates travelling to larger urban areas in order to avail of employment and education/training opportunities. This is exemplified by the fact that some 8% of the Region's population travel more than fifteen miles to school, college or work, which constitutes a rise of 3% since 1986.

However, it must be noted that a large percentage of those who do commute over large distances each day reside in the Mid-East Region and work in Dublin, a factor which has been a major contributor to infrastructural bottlenecks in Dublin and its hinterland.

A high proportion of the population of the S&E Region is connected to public local infrastructure facilities such as a public sewer (70%) and public water mains (79%). A relatively low share of the populace utilise group water schemes (8%). However, those who do are inhabitants of those sub-regions characterised as being predominantly rural in nature, i.e. more remote areas of the Mid-West, South-West and the South-East. While water supplied through public mains is generally of a high standard, the EPA's 1996 Report on drinking water quality found that approximately 40% of privately sourced supplies provide poor water quality and are in breach of the test parameters in the EU Drinking Water Directive.

Increasingly, the variety and availability of cultural, recreational and sports facilities located in a particular area are becoming vital components in individuals' decisions as to where to live and work. In today's economic climate, employment opportunities are no longer the overriding concern – quality of life as embodied in the recreational amenities on offer is also an important consideration. The provision of facilities to meet these wide and differing needs is essential in order to entice people to live in particular areas and thereby alleviate pressure on larger urban centres. While many of these services will be supplied by the private sector, public funding will be required to provide supporting investment in areas for which the market does not provide. Support will also be provided for the more socially and economically blighted areas of the Region through investment in urban and village renewal. This will enhance such areas as places in which to live and work, while improving the quality of life for resident communities.

4.3 Objectives of Local Infrastructure Priority (Sub-Programme)

The primary objectives of the Local Infrastructure Priority (Sub-Programme) are to

- ◆ complement and give a more regional focus to the investment planned under the Economic and Social Infrastructure Operational Programme
- ◆ improve access within the Region to employment, training and social opportunities
- ◆ extend facilities for tourists and business visitors to the Region
- ◆ encourage inward investment to less economically developed areas within the Region
- ◆ enhance the quality of life in socially and economically deprived areas throughout the Region in order to promote such areas as places in which to live, work or start a business

- ◆ tackle bottlenecks and problems of congestion/constraint in major urban centres.

These objectives will be achieved over the term of the NDP through investment in non-national roads, rural water, waste management, e-commerce, regional seaports and airports, urban and village renewal and culture, recreation and sports facilities under the Local Infrastructure Priority (Sub-Programme) of the S&E Regional Operational Programme. Funding of these measures will encourage inward investment in less developed areas, improve the quality of life in economically depressed places, advance communications and e-commerce linkages and facilitate ease of access for both people and goods throughout the Region.

4.4 Strategy

This Priority (Sub-Programme) will support the implementation of a number of strategies central to the Regional Operational Programme, namely

- ◆ maintain and improve the transport infrastructure to provide easier access to employment, training and social opportunities and to markets for employers wishing to establish enterprises in more remote areas
- ◆ support the establishment of high value added information and services sector enterprises in the Region by providing access to advanced telecommunications infrastructure
- ◆ improve the quality of the environmental, cultural, social and recreational infrastructure so as to enhance the attractiveness of the Region as a place in which to live or establish an enterprise or as a place to visit.

4.5 Measures

4.5.1 Non-National Roads Measure

The non-national roads measure is designed to assist local authorities, in conjunction with their own resources, to improve the non-national road network and complete the Non-national Roads Restoration Programme through the provision of capital and current grants. The measure will complement investment in the national road network and in public transport under the Economic and Social Infrastructure Operational Programme.

The ERDF will provide funding to support the implementation of this measure.

Projects will be funded from Local Authority own resources with additional support coming from a range of Exchequer-funded schemes operated by the Department of Environment and Local Government, namely Restoration Programme (Maintenance and Improvement), Discretionary Maintenance and Improvement Grants, Block Grants to Urban Authorities, Specific Improvement Grants Scheme and Road Grants to Facilitate Development. Separate from these schemes an **EU Co-financed Specific Improvement Grant Scheme** will support development and upgrading of non-national roads including Regional and Local (urban and county) Roads which are important to balanced regional development in the context of the evolving National Spatial Strategy. The primary focus of this scheme within the overall measure will be on the following:

- ◆ the provision of links to strategic transport infrastructure and facilities, particularly the national road network
- ◆ the improvement of roads providing access to industrial production facilities and indigenous raw materials, including food and forest products
- ◆ the improvement of designated tourist routes, roads (including scenic routes) within tourism areas and roads providing access to tourism areas
- ◆ the improvement of roads providing access to regional ports, fisheries harbours, regional airports and public transport facilities
- ◆ road improvement works which make a significant contribution to local development or the attraction of economic development to an area
- ◆ the improvement of road pavements and the replacement, reconstruction or strengthening of bridges to cater for increased EU vehicle weight limits
- ◆ the provision/improvement of roads which contribute to alleviating urban congestion and bottlenecks to growth. In major urban centres interventions may be complemented by the more general development or policies derived from the DTI Strategy, in particular by promoting a modal shift towards public transport, cycling and walking, as outlined in Section 3.2.1. of the CSF.

4.5.2 Rural Water Measure

The measure will provide funding for investment in water treatment, disinfection and distribution equipment for group water schemes to ensure that they can provide an adequate supply of water within their catchment area which meets the requirements of the Directive on Drinking Water Quality. During the term of the Plan, all group water schemes, which do not currently meet the required standards for drinking water and/or where existing supply is deficient relative to current/projected demand, will be brought up to the requisite standards.

Where applicable, investments will be complemented by appropriate source protection measures.

This investment measure will be set in the context of a more comprehensive application of the polluter pays principle. The Government has already approved a framework that will result in full cost recovery from non-domestic users of the marginal capital and operational costs of providing them with water and waste water services. This framework provides that the cost of providing water services to domestic users will be met in a transparent way through the capital budget of the Department of the Environment and Local Government and the Local Government Fund. The Irish Authorities will inform the Commission of the measures taken for the progressive implementation of the polluter pays principle before the mid-term review.

The funding for this measure will include support from the ERDF. This support will be provided only where at least 50% of the usage/consumption is by the non-domestic sector and where appropriate charging is being introduced in line with the Irish Government's policy framework for the application of the polluter pays principle.

Under the measure, funding will be provided to group schemes for 85% of the approved construction cost, subject to a cost limit of £6,000 per house to provide new or upgraded rural water supplies.

A 100% capital grant will be provided for essential disinfection and filtration equipment for sub-standard group water sources, where a group scheme is dependent on a quality-deficient private source and where there is no alternative public water supply available. Certain subsidies in respect of operational costs incurred in connection with the provision of domestic water supply will also be paid to the group schemes on an ongoing basis.

4.5.3 Waste Management Measure

The waste management measure will provide funding for investment in waste recovery infrastructure for municipal waste, to be developed in accordance with regional and local Waste Management Plans (WMPs), and hazardous waste landfill capacity to be provided in accordance with the National Hazardous Waste Management Plan.

The waste management infrastructure supported under this measure is required if Ireland is to meet its national waste recovery targets, namely

- ◆ diversion of 50% of household waste from landfill
- ◆ a minimum 65% reduction in biodegradable municipal waste consigned to landfill

- ◆ the development of biological treatment facilities with an annual capacity of up to 300,000 tonnes of organic waste
- ◆ materials recycling of 35% of municipal waste
- ◆ recovery of at least 50% of construction and demolition waste within a five-year period, with a progressive increase to at least 85% over fifteen years.

National waste policy is based fundamentally on the internationally recognised hierarchy of options which accords preference to

- ◆ waste prevention and minimisation
- ◆ materials reuse and recycling (including biological treatment)
- ◆ energy recovery
- ◆ environmentally sound disposal of residual wastes.

It is necessary to move from the current one-dimensional approach to waste management, which is heavily dependent on landfill of municipal and other wastes, to an integrated approach which will better reflect and give effect to the waste hierarchy, the polluter pays principle and the requirements of EU law. Accordingly, local authorities have jointly undertaken the development of a number of regional WMPs providing for improved waste services and an integrated waste management infrastructure which will support the achievement of specified policy objectives and targets.

This measure will be supported by the ERDF which will focus on recovery and recycling facilities.

It is anticipated that **Cohesion Fund** assistance will be used to support the investment involved in the planning and procurement of waste management infrastructure provided for in regional Waste Management Plans. This could involve support for individual large projects but it may be more commonly used to support the planning and procurement costs of most or all of the range of facilities required for a Region, using Public Private Partnership (PPP) arrangements to implement an integrated approach to the provision of the infrastructure.

There is considerable scope for the increased participation of the private sector in all areas of waste management in Ireland through the development of Public Private Partnerships (PPPs) between local authorities, as the implementers of the regional WMPs, and private sector interests with expertise in the waste area. This may entail the private sector becoming involved in the design, building, financing and operating of particular facilities with the investment recouped through concession type contracts which would allow for the ultimate cost to be borne by the waste producer in accordance with the polluter pays principle.

4.5.4 Urban and Village Renewal Measure

The Urban and Village Renewal Measure will stimulate environmental improvements by upgrading city, town and village locations to make them more attractive places in which to live and work, to encourage social and economic development and to facilitate and support the development of tourism and tourism-related activity. In implementing the measure, account will be taken of the extensive experience gained over the course of the previous scheme and this will be reflected in the scheme guidelines currently being developed. In addition, specific provision will be made for initiatives aimed at the protection and conservation of public buildings of historical significance.

The Urban and Village Renewal Measure represents both a continuation and expansion of the previous scheme and will, in many cases, complement investment under appropriate measures of other operational programmes, the Town Renewal Tax Incentive Scheme, the Integrated Area Plans under the Urban Renewal Tax Incentive Scheme, and the Department of the Environment and Local Government's grants scheme for private protected structures.

The measure will be supported by a contribution from the ERDF which will focus on renewal and rejuvenation schemes as well as the restoration of public buildings of significant architectural and heritage merit.

4.5.5 E-Commerce and Advanced Communications Systems Measure

The emerging Information Society poses specific infrastructural and service challenges for regions, particularly those heavily reliant on traditional forms of economic activity. An advanced communications/electronic commerce sector is a prerequisite to, and catalyst for, continued economic development. It provides the basic infrastructure for the new information, communications and digital industries and is altering traditional industries, the ways in which work is organised, the interaction between consumers and businesses and society in general. It is therefore critical that the S&E Region has access to such advanced communications and electronic commerce infrastructure and services if it is not to be disadvantaged in the Information Society.

The CSF underlines this imperative and acknowledges that public support is essential to fill the gaps in infrastructure and services and simultaneously drive demand for new services and activities to contribute to economic and social development and cohesion in the Region. Consequently, this measure, which assists the provision of advanced communications and e-commerce infrastructure and services, will be supported by ERDF funding of G43.78 million out of a total co-financed expenditure of G302.69 million, in order to ensure that the benefits of the emerging new economy are evenly spread.

The measure will stimulate investment in, and accelerate the development of, cost effective advanced communications and electronic commerce infrastructure and services in the S&E Region, including alternative and shared infrastructure and services solutions, with the objective of supporting balanced regional development. Support will also encourage investment in reinforcing regional and local networks, including their reliability and resilience at various levels. Peripheral, remote and less developed areas will be foremost in the target group for the measure and the competitive selection of projects will include criteria aimed at ensuring that citizens and communities have the widest access possible to public information and services through the roll out of such infrastructure and services.

The measure will leverage investment which would not otherwise take place by adjusting relative producer prices in the provision of advanced communications and electronic commerce infrastructure and services and, thereby, bring investment to a more optimal social and regional level. This will facilitate the redistribution of economic activity from congested and more developed areas to less developed and peripheral areas and will promote a more inclusive Information Society. The measure will facilitate the provision of public information and services electronically in the S&E Region in order to enhance access, reduce costs and deliver a wider range of services to all citizens. The project selection process will favour projects which include public service and social inclusion dimensions and support will also be targeted at developing education and research communications and networks infrastructure. It is envisaged that a proportion of the funding will be targeted at assisting electronic commerce and corporate infrastructure demonstration-type projects aimed at promoting demand for, and utilisation of, advanced communications and e-commerce infrastructure and services.

4.5.6 Regional Airports Measure

The measure involves the provision of grant assistance for incremental infrastructural improvement works and upgrades in facilities at Kerry and Waterford regional airports to maintain viability and safety of the existing infrastructure.

This measure is not co-funded by the CSF.

4.5.7 Seaports Measure

Under the measure, funding will be provided over the Plan period to support the provision of new and upgraded infrastructure in areas where deficiencies have been identified, including strengthening intermodal connections between ports and road and rail networks, and to increase the capacity utilisation of existing assets through the use of new technologies including EDI, port user networks and advanced cargo management systems. Assistance will also be provided to those

regional ports and harbours which will disengage from commercial cargo/transport activities and transfer to alternative uses.

This measure is not co-funded under the CSF.

4.5.8 Culture, Recreation and Sports Measure

Under this measure, funding will be provided for a wide range of projects which are designed to consolidate and expand existing infrastructure in cultural, recreational and sporting amenities and to safeguard the environment and the nation's cultural heritage in a manner which can contribute positively to the social, leisure and educational opportunities available to the community. The measure incorporates a number of sub-measures targeted at specific areas for action.

Sub-measure 1 – Recreation and Sports Facilities

Under this sub-measure, funding will be provided to local authorities and, where appropriate, voluntary and community organisations towards the provision or the upgrading of sport and recreational facilities to meet the needs of the Gateways which will be identified in the National Spatial Strategy and the existing needs of disadvantaged communities in this regard.

Sub-measure 2 – National Collecting Institutions

Funding will be provided for improvements to the infrastructure and facilities of national cultural collecting institutions funded by the Minister for Arts, Heritage, Gaeltacht and the Islands.

Sub-measure 3 – Arts and Culture Facilities

Under this sub-measure, funding will be provided for commissioning new infrastructure or enhancements of existing infrastructure for the arts, including exhibition space, and facilities for the performing arts.

Sub-measure 4 – Habitat Protection and Conservation

Under this sub-measure, funding will be provided for new visitor facilities at significant sites, including national parks and nature reserves, for taking lands into State ownership for conservation and amenity purposes and for compensatory payments to landowners who suffer a loss of income as a result of the designation of their lands as Special Areas of Conservation (SACs) under the Habitats Directive (Council

Directive No 92/43/EEC). The funding will support a greater appreciation of the importance of preserving and conserving the natural environment and habitats.

Sub-measure 5 – Heritage Conservation

Under this sub-measure, a programme to support the conservation and presentation of monuments and historic properties in State care will be implemented.

Sub-measure 6 – Inland Waterways Development

Under this sub-measure funding will be provided for the conservation, including the reconstruction, refurbishment and enhancement, of navigable inland waterways, in particular the canal network, as a national and community amenity resource.

This measure is not co-funded under the CSF.

4.5.9 Technical Assistance Measure

The Technical Assistance Measure is a stand alone measure within the Local Infrastructure Priority. It is a measure which applies across the entire Operational Programme and, consequently, is not part of the suite of measures designed to contribute to the achievement of the specific objectives of the Local Infrastructure Priority. It is included within this priority simply for ease of presentation.

Under this measure, funding will be provided in accordance with Rule 11 of Commission Regulation (EC) 1685/2000 of 18 July 2000 to cover costs in relation to areas such as Management, Monitoring Control, OP-level Information and Publicity and Mid-Term Evaluation of the Operational Programme. Information and publicity for measures in the OP will be funded from the provision for the individual measures and/or from the budgets of the relevant implementing agencies. The Technical Assistance Measure will also cover the cost of recoupment of approved costs of the EU Operational Committees of the Regional Authorities (at NUTS 111 Level) in the S&E Region. The Measure will be administered by the Southern and Eastern Regional Assembly under the general control of the Operational Programme Monitoring Committee. Details of the proposed technical assistance and the arrangements for managing the Programme will be subject to the approval of the Monitoring Committee.

Total funding of G3.5m will be provided in the Priority (Sub-Programme) for this measure, of which the ERDF will contribute 50% or G1.75m.

4.6 Impacts of Local Infrastructure Priority (Sub-Programme)

4.6.1 Impact on Environment

While road transportation can be associated with negative impacts on the environment, in terms of overall emissions, noise, visual intrusion, property severance and impact on residential/shopping areas and sensitive areas, the improvement schemes will have a number of positive environmental impacts. In rural areas, better road surfaces, improved road alignments and more attractive road verging will enhance the physical appearance of the countryside. In urban areas, they will alleviate congestion, reduce concentrations of emissions and eliminate damage to building structures from heavy vehicles, greatly improving the quality of urban life. In addition, improved road surfaces will reduce the negative impact and damage which poor surfaces have on both public and private vehicles. In any instances where non-national road projects are likely to have significant adverse effects on the environment, they will be subject to the comprehensive Environmental Impact Assessment (EIA) process. Moreover, the framework for air quality management being developed by the EPA, including the use of the new mobile quality monitoring units will, over time, enable air quality in the S&E Region to be better assessed, and local authorities will be required to establish air quality monitoring in urban centres with significant or growing populations coupled with increasing vehicle numbers as part of the overall monitoring of air quality by the EPA.

Compared to the BMW Region, a higher proportion of households in the S&E Region have access to mains water supply and sewerage facilities. However, there is a significant number of individual private schemes in rural parts of the Region, including some of those around large urban centres, which do not meet EU drinking water standards. Moreover, in areas close to the urban centres, strong economic growth has created additional environmental pressures, particularly as regards ground water supplies, which must be addressed. Investment in group water schemes to ameliorate this situation will obviously have a positive environmental impact.

Recent economic growth has placed a major strain on waste management infrastructure throughout the Region. With regard to investment in waste management, all new waste facilities will be subject to appropriate regulatory controls, the development and operation of proposed facilities will have no significant adverse impact on the environment, while there will be positive benefits arising from a reduction in reliance on municipal waste landfill, and improved waste recovery performance.

Building on the experience gained under the previous scheme, increased investment in Urban and Village Renewal will have a significant positive impact on the physical environment of target locations by enhancing their attractiveness as places in which to live and work and to visit. Some of the most economically, physically and environmentally blighted areas in the S&E Region are in large urban centres, generally city centre areas or areas of extensive social housing in deprived suburbs.

This measure will improve the built environment of such locations and will also help to ensure optimal use of existing infrastructure.

Investment in advanced communications infrastructure and services under the E-Commerce and Communications Measure has the potential to significantly reduce the impact of distance and time on socio-economic activity. Therefore, such investment will facilitate the development of less developed areas and the relief of congestion in developed areas.

Under the Culture, Recreation and Sports Development Measure, projects pertaining to the protection and conservation of habitats and heritage sites will, by their nature, have a beneficial impact on the environment. Designation of areas under Natura 2000 and the Habitats Directive will make a major contribution to the maintenance of biodiversity, and the preservation, protection and improvement of the quality of the environment, including the conservation of natural habitats and of wild fauna and flora.

Where any of the foregoing measures have a significant direct effect on the environment, all efforts will be made at the project selection stage to ensure that the integrity of the environment is not compromised and that appropriate mitigating measures are put in place. For example, all infrastructural works with regard to sea-ports will comply with national regulations on EIA and where a negative impact is anticipated, ameliorative measures will be employed as part of the project.

4.6.2 Impact on Equality

Local Infrastructure, while not an obviously gender differentiated area, impacts differently on women and men across many sectors. As women are more reliant on public transport than men, investment in non-national roads will decrease bus journey times and increase safety levels on currently sub-standard rural roads. This investment will also lead to greater ease of access to larger urban centres which provide training and employment opportunities.

Such gender differences also arise with regard to Urban and Village Renewal. As women have less access to private cars than men, are generally more dependent on public transport and spend more time with children, they have different environmental needs to those of men. For example, women place more emphasis on the importance of secure and well-lit environments, on dished kerbs, fewer steps and safe play areas for children. Women's particular environmental needs will be taken into account by consulting women's groups on the rejuvenation of local and urban areas.

As part of the monitoring arrangements for the OP, gender disaggregated information will be collected and monitored at measure level to identify the numbers of women and men using certain local infrastructure facilities, including regional airports and culture, recreation and sports facilities. Moreover, the National

Development Plan stipulates that the impact of proposed projects under these measures on gender equality will form part of the criteria for selection.

4.6.3 Impact on Poverty

As indicated above, the Non-National Roads Measure will have the effect of reducing the peripherality of rural and coastal regions and so increase the potential in these areas for the development of local enterprise, particularly in small-scale agribusiness, forestry, tourism, fishing and aquaculture. It will also facilitate their access to local towns and also the access of these towns to the national road system. The measure will also complement investment in public transport under the Economic and Social Infrastructure OP which is so important to disadvantaged communities. The overall impact should be to make the Region a more attractive place to live in, work in or visit and thus raise its level of development. That, in turn, will have a positive impact on poverty, both urban and rural.

The Rural Water Measure will benefit all sections of rural society but it will be particularly advantageous to economically disadvantaged communities and households who may not have the resources to provide their own individual water supply.

With regard to the Waste Management Measure, the EU Polluter Pays Principle requires that waste generators pay directly the full costs of waste collection, treatment and disposal, so as to provide a direct economic incentive for waste reduction and recovery. The cost of improved waste management infrastructure and practice will be reflected in increased charges for waste services, whether provided by the private or public sector. However, low-income households facing difficulties in this regard may seek a waiver of service charges by local authorities or seek assistance under relevant social welfare schemes. Moreover, improved waste management services will support economic development at local level and provide increased and ongoing employment opportunities.

The Urban and Village Renewal Measure will contribute to the alleviation of poverty through the employment opportunities it will create, and through the environmental improvements introduced in run-down and disadvantaged areas, particularly in inner city areas.

Regional harbours and ports sustain jobs both directly and indirectly and, therefore, make a valuable contribution to the economic life of remote coastal communities, with few if any alternative sources of employment, and their hinterlands. The development and capacity expansion of such ports under the Seaports Measure will maintain jobs in economically depressed areas, while investment in the transition of some economically non-viable ports to alternative uses will create other, varied sources of employment, thereby alleviating poverty.

4.6.4 Impact on Rural Development

The Non-National Roads Measure is designed to improve access to remote and rural areas which suffer from the effects of peripherality and isolation. Implementation of the measure will improve access to and from these areas for local enterprises, tourists, workers and those seeking access to employment, training, educational and social opportunities. It will also make the areas served more attractive as places in which to live and work. In these ways, it will promote rural development.

The Rural Water Measure will also support rural development. The provision of clean water to rural dwellers will improve the quality of their lives and make these areas more attractive as places in which to live and work, and to visit. Furthermore, it will improve the capacity of rural areas to exploit economic opportunities which require the availability of clean water, e.g. tourism.

The Waste Management Measure will benefit all sections of rural society. While major waste management facilities will tend to be located near major urban centres, to facilitate cost effectiveness and efficiency, the networks of smaller supporting facilities which will attract assistance under this measure will be more dispersed throughout the Region and will therefore tend to facilitate overall rural development.

The Urban and Village Renewal Measure will have a positive effect on rural development by improving the quality of the built environment in the small towns and villages which are social and economic centres for rural dwellers.

The Regional Airports Measure should have a positive effect on rural development by improving accessibility to the Region for tourism or business purposes.

Regional harbours and ports play a key role in the local economies in which they are situated. They are the locus of economic activity for remote coastal communities with few alternative sources of employment and play a vital part in supporting local industry by providing a sustainable transport mode for imports and exports, maintaining fishery fleets and acting as marine tourism centres. Planned investment under this Programme will ensure the continued survival of these ports, which is essential for the promotion of balanced regional development. Outside of the key strategic ports, the availability of adequate facilities in small regional ports to handle trade in their natural hinterlands is an essential support to local industries. Regional ports provide a local economic focus supporting local suppliers and industry by facilitating the shipping of goods inwards and outwards with low transport costs. Their economic value can often be indirect in terms of commercial activity and spend. The implementation of the Seaports Measure will address capacity and infrastructural deficiencies constraining growth, while maximising the use of existing assets. The investment provided under the measure will also create opportunities for the development of marine tourism and water-based activities and improve access for coastal and island communities in a

manner which will contribute towards a more balanced geographical distribution of economic activity in the Region.

By providing access to sporting recreational and cultural activities and opportunities on a wider regional basis, the Culture, Recreation and Sports Measure will ensure that target areas will become more attractive as places to live and work in and to visit, thus sustaining vibrant communities in more remote areas and attracting enterprise. In this regard, it is to be noted that there has been a very significant increase in cultural and heritage tourism, which is a key growth sector for the Region with over 600,000 overseas visitors to Ireland annually, indicating a special or particular interest in heritage and culture. The measure will therefore have a positive impact on poverty and rural development. In addition, a requirement in relation to the management policy of any funded facility will be specific provision for access for socially disadvantaged people.

4.7 Co-operation with Northern Ireland

The Local infrastructure Priority has the potential to contribute significantly to the promotion of North/South co-operation over the term of the Plan. In the non-national roads area, there has been considerable co-operation between road authorities both in Ireland and Northern Ireland in connection with the re-opening of cross border roads. Insofar as the EU Co-Financed Specific Improvement Grants Scheme is concerned, when seeking applications from local authorities each year, and having regard to the types of schemes eligible under the measure, local authorities will be asked to have regard to the possibilities of enhanced North/South co-operation and to consult with the relevant Northern authorities where this is appropriate.

There is also substantial scope for co-operation in the waste management sector and it is anticipated that North/South developments in this sector can be arranged through collaboration between authorities on both sides. Co-operation can be pursued in a number of ways, including co-ordination in the provision of infrastructure in order to avoid duplication and over-capacity, adoption of joint approaches to the management of certain classes of waste and agreement on arrangements for the movement of waste between both jurisdictions.

The Urban and Village Renewal Measure, while impacting on North/South co-operation in a less direct way, will also promote greater interaction. In general, this measure will concentrate on the physical improvement of towns and villages throughout the Region and will not involve a North/South element per se. However, infrastructural improvements in these areas will have a beneficial effect for tourists visiting the Region, including those from Northern Ireland. Moreover, local authorities will be requested to consider any opportunities which would further North/South co-operation in drawing up their Urban and Village Renewal Strategy documents.

Under the E-Commerce Measure, the grant-assisted investment in communications and e-commerce infrastructure and services under the measure will facilitate greater North-South co-operation. In terms of implementation, the scope for North-South co-operation will principally rest with information and communications operators co-ordinating the activities for which they are seeking assistance in both the North and South.

The amenities supported under the Sports and Recreation Facilities sub-measure will be available to users from both North and South, whether for competition or training purposes under the auspices of the various National Governing Bodies of Sport (the majority of which operate on an all-Ireland basis) and their affiliated clubs, or, in the case of leisure facilities, to members of the public generally.

CHAPTER 5

Local Enterprise Development Priority (Sub-Programme)

Local Enterprise Development Priority (Sub-Programme)

5.1 Introduction

The Local Enterprise Development Priority (Sub-Programme) will play a key role in promoting sustainable economic growth and in employment creation in the S&E Region, as well as helping to improve competitiveness and equal opportunity.

The total expenditure under this Priority (Sub-Programme) amounts to G625.5 million. The CSF underlines the importance of the measures under the Local Enterprise Development Priority (Sub-Programme) to regional economic and social development and, in acknowledgement thereof, it envisages a contribution of just over G110 million from the Structural Funds (ERDF, EAGGF and FIFG) to this Priority over the Plan period.

The measures within the Local Enterprise Development Priority (Sub-Programme) and the EU Structural Funds support for each are in the table (page 64).

The S&E Region has experienced considerable economic success over the term of the National Development Plan 1994-1999. However, with rising affluence and diminishing levels of unemployment, the goals of the current Plan are more complex and greater focus must be put on those who are most disadvantaged and have not reaped the benefits of recent growth. Studies show that the Region's economic growth has been predominantly centred around the large urban centres and has not significantly filtered down to the more remote rural and coastal areas. Dublin,

Cork, Limerick and Waterford, together with the cluster of urban centres in the South-East have witnessed increases in employment levels of up to 30%, while many rural and coastal areas have experienced little or no growth as a result of the declining importance of the primary sector in terms of national GVA and their inability to attract investment. In order to rejuvenate the more economically depressed rural and coastal constituents of the S&E Region, the positive qualities which they possess such as their natural resources, established fishing/aquaculture base, and the potential for the establishment of local enterprise must be fostered and developed.

Measure	Gmillion					
	EAGGF	FIFG	ERDF	Total Structural	Matching Public Funds	Private Contribution
Tourism	-	-	27.68	27.68	27.69	50.95
Micro-enterprises	-	-	32.58	32.58	32.58	80.66
Regional Innovation Strategies	-	-	13.20	13.20	14.45	0.00
Forestry	12.60	-	-	12.60	12.60	17.57
Fishery Harbours, Aquaculture Development	-	9.61	14.36	23.97	14.23	14.95
TOTAL	12.60	9.61	87.82	110.02	101.55	164.13

Current prices

The Local Enterprise Development Priority (Sub-Programme) of the S&E Regional OP will reinforce and complement investment in Research, Technological Development and Innovation (RTDI), Industry, Marketing and Fisheries under the Productive Sector Operational Programme. Through investment in research, local enterprise, tourism and the indigenous sectors, the Local Enterprise Development Priority (Sub-Measure) will ensure that the National Development Plan, 2000–2006, meets its objectives with regard to the consolidation of the S&E Region's economic growth and the distribution of this growth in a spatially balanced and sustainable manner.

Within the Sub-Programme, there will be a significant focus on the more peripheral and remote areas of the region which have not benefited as much as the larger urban areas from the growth in tourism, in enterprise or in the developing research sector. The Priority will also provide support for sectors such as forestry, fisheries and aquaculture, which are particularly suited to development in more rural and remote areas of the Region, providing alternative sources of income and employment to those involved in subsistence farming.

5.2 Objectives

The primary objectives of the Local Enterprise Development Priority (Sub-Programme) are to

- ◆ complement and give a more regional focus to the investment planned under the Productive Sector Operational Programme
- ◆ facilitate more balanced economic growth throughout the Region
- ◆ support the further progress of fisheries and aquaculture development
- ◆ provide support for an extended range of tourism products including regional attractions and “clusters” of attractions and facilities
- ◆ create viable off-farm job opportunities
- ◆ develop internal capacity building and new business and technology skills throughout the Region.

5.3 Strategy

The objectives of the Priority (Sub-Programme) will be met through investment in tourism, micro-enterprises, regional innovation systems, forestry and fishery harbours, aquaculture and Gaeltacht/island harbours. The Priority will support the realisation of a number of strategies central to the Regional Operational Programme, namely

- ◆ develop viable off-farm job opportunities which will provide alternative sources of income for those who can no longer make an adequate income from agriculture
- ◆ provide appropriate and relevant advice and training to those who wish to establish a small local enterprise and to foster a culture of entrepreneurship
- ◆ increase the presence of the major drivers of social and economic progress across the Region as a whole
- ◆ support infrastructure, training and diversification measures which will develop and increase the viability of the primary sector in remote rural and coastal areas.

5.4 Measures

5.4.1 Tourism Measure

The Tourism Measure is designed to broaden the tourism base and enhance product range within the Region in an environmentally sustainable manner so as to increase the opportunities for employment, particularly in more rural and remote areas. Successful realisation of the tourism strategy set out in this measure will be dependent on the delivery by relevant local and other authorities of the necessary infrastructure, facilities and controls.

Sub-measures 1, 2 and 3 of the Tourism Measure will be supported by the ERDF. However ERDF assistance will not support further projects in the Dublin area and, in other major tourism resorts, only projects designed to alleviate congestion will be earmarked for support.

The Tourism Measure incorporates five sub-measures as follows.

Sub-measure 1 – Development of Major Attractors

Under this sub-measure, there will be support for investment in up to six strategically located major new day-visitor attractions where none currently exist, and also in the packaging, presentation and, where necessary, completion of a limited number of significant clusters of attractions in less developed tourist areas which have the potential to generate greater tourism revenue and stimulate private investment in the provision of further tourist services.

Sub-measure 2 – Special Interest Pursuits

Under this sub-measure, funding will be provided in the less developed tourist areas for the development of special interest pursuits including cycling, walking, horse-riding, angling, marine and health tourism.

Sub-measure 3 – Tourism/Environmental Management

This sub-measure will promote the better management of the relationship between tourism and the environment.

Sub-measure 4 – Angling

Funding will be provided to support the development of the tourist and recreational inland and sea angling sector via the improvement, conservation and expansion of fishery habitats and stocks, the provision of training facilities for tourists and service providers, the supply of technical advice for fisheries development and the strategic promotion and marketing of the angling product in overseas and domestic markets.

Sub-measure 5 – Marine Tourism

Under this sub-measure, funding will be provided for projects, particularly those involving co-operation and partnership between the private and public sector, which are designed to build critical mass within the sector and to improve the quality and capacity of this resource within the Region in an environmentally sustainable way.

5.4.2 Micro-enterprises Measure

The Micro-enterprises Measure is designed to support the development and competitiveness of local enterprise and support the move of such enterprise up the value chain. **The funding for this measure will include support from the ERDF Funds.** Community assistance under the Micro-enterprises Measure will be targeted at projects where there is market failure.

The measure encompasses 2 sub-measures.

Sub-measure 1 – Selective Financial Intervention

Under this sub-measure, financial assistance will be provided selectively towards the establishment and development of micro-enterprises participating in appropriate capability development programmes in areas or sectors of greatest need or potential, in particular more remote and peripheral areas of the Region where rural decline is most pressing. Assistance at the following levels will be available:

- ◆ a maximum grant of 50% of the cost of eligible fixed assets or £50,000, whichever is the lesser, in the case of investments not exceeding £100,000. The portion of financial intervention in excess of 40% to be in refundable form
- ◆ in exceptional circumstances and only where it can be demonstrated that labour shortages do not exist, employment grants at a maximum of £5,000 per job, subject to a limit of ten jobs
- ◆ at least 25% of the financial assistance shall be in repayable form, i.e. refundable aid or preference share financing
- ◆ 60% of the cost of engaging in a feasibility study or preparing a business plan, subject to a maximum limit of £5,000 per project.

Sub-measure 2 – Entrepreneurial and Capability Development

Under the sub-measure, funding will be provided for programmes aimed at increasing entrepreneurial managerial capability of individuals and firms through training

and development initiatives targeted at students in second-level schools and colleges, mentoring programmes for entrepreneurs, and development and delivery of dedicated training modules in core management skills for managers/promoters of micro-enterprises. In particular, the benefits of Information Technology and E-Commerce as an essential tool for business development and capacity enhancement will be strongly promoted as will the Women in Business initiative.

5.4.3 Regional Innovation Strategies Measure

One of the significant barriers to balanced regional development is the lack of facilities for third-level graduates and research institutes to create appropriate employment opportunities in their own locality. Areas which have been able to provide incubation space in close proximity to third-level colleges have demonstrated that high potential companies can be fostered through the provision of appropriate space and facilities. This is particularly the case in relation to applied research which is linked to local firms and which has commercial application.

This measure will assist the cost of the provision of such facilities in the Region, with a specific focus on the role of the Institutes of Technology. Research and consultancy activities which aim to improve the facilities available for collaborative work with local industry will be able to avail of these facilities. The measure will also support some of the costs associated with providing dedicated mentoring and advisory support services to operate in conjunction with these facilities and for the provision of focused support for technology-based delivery mechanisms which will allow better access for industry to research training. The measure could also support larger scale initiatives such as Technology Parks, where major investment would make a substantial difference to the economy of the Region. The emphasis within the measure will be on research and development initiatives that have the potential to be translated into commercially viable projects or have commercial application in the short to medium term, particularly those which respond to the needs of SMEs.

During the period of the Operational Programme, it is expected that proposals will emerge from the Region, capitalising on the particular technological resources and challenges which exist there and this “bottom up” approach will be actively encouraged to ensure local involvement and commitment. Such proposals could include regionally led studies, the provision of appropriate infrastructure and collaborative mechanisms to deliver technology to the Region.

These actions will become the cornerstone of regional R&D policy and will play a key role in supporting the overall research and development infrastructure at regional level. In this regard, they will be an addition to and complement the National Industry and Collaborative RTI Programmes which were implemented over the period of the previous Operational Programme. They will also complement and connect to the EU Business Innovation Centres (BICs), funded by the Industrial

Development Agencies, which will support further business and commercial development of innovative companies emerging from third-level institutions and other high potential start-ups at regional level.

Support will be provided from the ERDF for this measure over the period of the Programme so as to improve and enhance the research and development infrastructure and capacity in the Region.

5.4.4 Forestry Measure

The Forestry Measure is designed to improve existing woodlands, develop urban and amenity woodland (including facilities and infrastructure), re-establish forest plantations damaged by fire, windblow, frost disease and other natural causes, support promotion of forestry, downstream development supports, harvesting grants, technical assistance and forest roads.

The CSF is committing EAGGF funding to sub-measures 1 and 2 of this measure to sustain and support the development of Forestry in the Region.

The measure comprises four sub-measures.

Sub-measure 1 – Woodland Improvement

This sub-measure will improve the overall quality of the total forest estate by encouraging the improvement of neglected or low-quality broadleaf and coniferous woodland. The sub-measure will also provide for the enrichment of existing native/semi-native woodlands and for the extension of those areas. Concentration will be on native Irish species. The sub-measure will also provide for the establishment of amenity and urban woodland and the reconstitution of damaged woodland.

Sub-Measure 2 – Harvesting

This sub-measure is designed to support investment in harvesting machinery to provide for steady growth in the harvesting fleet in line with the increasing output from woodland.

Sub-Measure 3 – Forestry Development

This sub-measure will provide the back-up supports required for the full realisation of the objectives of the overall measure. It is designed to contribute to the development of the forestry sector. Objectives of this sub-measure include the development of rural economies through encouraging participation in the forestry sector,

supporting projects and associations of forest holders aimed at the development of forestry as a sustainable and efficient enterprise, encouraging diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes, improving and rationalising the processing and marketing of forestry products, promotion of new outlets for the use and marketing of forestry products, and providing back-up support for the efficient implementation of the programme.

Sub-Measure 4 – Forest Roads

This sub-measure is designed to allow access for plantation development, maintenance and fire protection and to facilitate efficient timber extraction. The policy in this area as stated in the Strategic Plan is to encourage the building and upgrading of forest roads and to develop an efficient, safe and environmentally compatible road network which optimises harvesting and transport costs.

(Compliance with Council Regulation (EC) No 1257/1999 on Support For Rural Development: see additional Forestry section at end of this chapter.)

*5.4.5 Fishery Harbours, Gaeltacht/Island Harbours and Aquaculture Measure**

This measure is targeted at rural and coastal communities who depend on fishing, aquaculture and related fish enterprises for their income. The measure is designed to support the development of the industry so as to increase the viability of these communities, to provide alternative sources of income for them and to contribute to national and regional economic growth through the sustainable exploitation of fish resources.

Sub-measure 1 will be supported by ERDF and sub-measure 3 will receive support from FIFG Funds.

The measure incorporates three sub-measures.

Sub-measure 1 – Port Infrastructure Improvement Programme

Under this sub-measure, funding will be provided to support the provision, development and improvement of port infrastructure and port service facilities (including ice plants, auction halls, handling and storage facilities) at key strategic fishery harbours, and the construction and improvement of berthage and related facilities

* For the purposes of the EU Regulations the Fishery Harbours sub-measures and the Aquaculture sub-measure will be treated as full measures.

at smaller harbours and landing places, throughout the Region. These facilities will be available to all on equal terms.

Sub-measure 2 – Gaeltacht/Island Harbours

Under this sub-measure, funding will be provided for improvements to harbour infrastructure so as to improve access for Island and Gaeltacht communities which, because of their geographical isolation and inadequate harbour infrastructure, are hindered in their development. These facilities will be available to all on equal terms.

Sub-measure 3 – Aquaculture Development Programme

Under this sub-measure, grant assistance will be provided for private sector initiatives, from both individuals and groups, to support the development of the aquaculture industry, including expansion of production facilities to sustainable critical mass for intensive, extensive and new species, the development/enhancement of supporting infrastructure (in landing, handling, depuration and primary packing) and initiatives designed to improve sustainability, efficiency, safety and competitiveness of the aquaculture industry. Under the sub-measure, technical resources to support enterprise development, environmental sustainability, quality assurance and research studies to evaluate the technical and economic feasibility and the performance of the aquaculture sector will also be funded.

5.5 Impacts of Local Enterprise Development Priority (Sub-Programme)

5.5.1 Environmental Impact

In accordance with the Treaty of Amsterdam, the National Development Plan 2000–2006 aims to pursue the objectives of social and economic development in an environmentally sustainable way. The environmental quality of the S&E Region is generally very good and this standard must be preserved in the face of significant planned investment in industrial, infrastructural and sectoral growth. The measures under the Local Enterprise Development Priority (Sub-Programme) will ensure that the environmental integrity of the S&E Region is maintained over the term of the Plan.

The more popular tourist destinations in the Region are to some extent suffering from congestion impacts arising from increasing visitor numbers and related traffic. Together with the increased number of second or holiday homes and large-scale seaside resort developments, these are imposing additional demands on environmental and community resources. The more balanced spatial spread of tourists

which the Tourism Measure is designed to encourage, should reduce environmental pressure on congested areas. Under the Tourism Measure, all projects will be required to demonstrate environmental sustainability and must be undertaken in accordance with best practice in relation to environmental, heritage and habitat protection. In addition, the Tourism Environmental Management sub-measure is specifically targeted at the environmental protection of such areas.

The project selection criteria of the Micro-enterprises Measure will provide that projects which are harmful or potentially harmful to the environment will be ineligible for support. Furthermore, the project applicant must conform to the highest EU standards as regards physical planning and emission controls.

As the Forestry Measure is based on the principle of sustainable forest management, this will have a positive effect on the environment. The use of appropriate machinery on environmentally sensitive sites is an important consideration in the harvesting application process (guidelines for which will be published this year) and acts as a safeguard for the environment.

The Fishery Harbours, Gaeltacht Islands and Aquaculture Measure will have both a positive and a negative impact on the environment. Further development of remote and peripheral areas will put pressure on local infrastructure. However, it should help stem migration towards urban areas where environmental pressures are greatest. While aquaculture can have damaging effects on the marine environment and on wild fish-stocks, promoters seeking funding will be required to implement best practice in relation to environmental management. Studies to monitor the impact of aquaculture on the marine environment will also be undertaken. All projects receiving funding will be vetted for compliance with environmental regulations and with industry codes of practice including, as appropriate, the preparation of Environmental Impact Assessments.

5.5.2 Equality Impact

Under the National Development Plan, it is required that all projects which receive funding have consideration for equality of opportunity, particularly gender equality. In general, measures under the Local Enterprise Development Priority (Sub-Programme) will impact positively on gender equality. Tourism growth offers additional employment opportunities with a very balanced male/female ratio of 48% to 52% in the sector. Women account for over 40% of positions at management level and the industry offers immediate prospects and flexibility to women wishing to return to paid employment. The projects funded under this measure will be targeted, for the most part, at more peripheral and remote areas where employment opportunities for women close to their homes are minimal.

The Women in Business initiative under the Micro-Enterprises Measure will be extended nationwide to further national equality aims. It will address in a compre-

hensive way the development and establishment of women's networks, the design of strategies to unblock the particular impediments affecting would-be women entrepreneurs, and the formulation and implementation of appropriate management development programmes.

Fishing and aquaculture production tends to be male-dominated. However, upstream and downstream activities (feed production, fish processing and packaging) provide employment opportunities near home for women living in coastal communities. As such, investment in fishery harbours, aquaculture and onshore facilities will provide job opportunities for women and will contribute to greater equality of opportunity as between men and women. In addition, infrastructure investment will improve access to education, training and employment opportunities for island dwellers and open up opportunities for tourism revenue from island visitors, both of which will benefit women.

As part of the monitoring arrangements for the Operational Programme, gender-disaggregated information will be collected and monitored at measure level, where appropriate, to identify the impact of measures on gender equality. Moreover, the National Development Plan stipulates that the impact of proposed projects under these measures on gender equality will form part of the criteria for selection. The details of how this is to be implemented will be dealt with in the Programme Complement.

5.5.3 Impact on Poverty

Despite Ireland's rapid economic growth there are still many areas throughout the S&E Region which experience poverty and social disadvantage. The job opportunities created through the Local Enterprise Development Priority (Sub-Programme) will go some way towards alleviating such problems at a local level.

The primary objective of the Tourism Measure is the more balanced dispersal of the economic benefits of tourism growth, which will impact positively on job creation and, therefore, poverty. The tourism industry offers employment potential, in particular for disadvantaged groups living in remote and rural areas. It also offers a range of lower skilled employment opportunities for the long-term unemployed and early school leavers.

The projected level of new job creation and associated value added under the Micro-enterprises Measure will also assist in poverty relief, particularly through the support of viable "on farm" enterprises.

The Forestry Measure, through its promotion of the development of marginal land, will also create alternative sources of employment in rural areas. In this context, each 1,000 hectares of forest will generate more than fifteen full-time jobs over the rotation.

Some of the most severely disadvantaged non-urban areas are peripheral coastal regions, including the islands. The Fishery Harbours, Gaeltacht Islands and Aquaculture Measure will provide investment for the development of such areas, thereby expanding the local jobs market. In addition, harbour facilities provide vital access infrastructure for island dwellers who may wish to avail of education, training or employment opportunities on the mainland.

5.5.4 Impact on Rural Development

The S&E Region is highly urbanised but yet is also characterised by great diversity. While the Region contains four of the largest cities in the State, it also encompasses a number of rural sub-regions and remote areas which have not shared in the economic benefits of the last decade. One of the principal aims of the NDP is to promote greater regional and sub-regional spread of economic growth.

The Local Enterprise Development Priority (Sub-Programme) will greatly alleviate rural decline and encourage greater rural development. In rural areas, tourism often provides an additional source of income to small farmers on low incomes who might otherwise have to leave the land. Extending the tourist season will lead to more secure employment and more balanced regional distribution which will contribute to the regeneration of depressed areas and aid regional economic development.

Based locally within counties, the Enterprise Boards are particularly aware of the needs of local enterprise and provide a valuable service in supporting and advising on enterprise development. The Micro-enterprise Measure will play an important role in contributing to increased employment opportunities within the Region, particularly for rural dwellers who depend on these smaller scale enterprises for employment.

The Forestry Measure will have a positive impact on rural development supporting, as it does, a primary industry which provides employment in rural areas, including areas of otherwise marginal land.

The Fishery Harbours, Gaeltacht Islands and Aquaculture Measure will have similar effect on remote, peripheral coastal communities with few, if any, alternative sources of employment and will also supplement seasonal incomes from farming and tourism. The measure will therefore facilitate the social and economic development of these areas and in this way will contribute to the alleviation of poverty, to greater social cohesion and rural development generally.

5.6 Co-operation with Northern Ireland

Opportunity exists within the Local Enterprise Development Priority for the advancement of North/South co-operation through the mutual fostering of

business and employment growth. Within the tourism sector, the branding of Tourism Ireland is already in place and operates on an all island basis. Projects in these areas which have a cross-border dimension will be particularly encouraged. The Angling sub-measure offers additional opportunities for co-operation on cross-border tourism and recreational angling projects. There is also scope for the Regional Fisheries Boards to undertake projects either with the FCILC or the Fisheries Conservation Board in Northern Ireland.

The Forestry Measure will encourage North/South co-operation among the beneficiaries of each sub-measure, with particular emphasis on the development of cross-border urban and amenity afforestation, semi-native woodlands, new technology, aid to associations, harvesting and forest road infrastructure.

Arising from the British Irish Act, 1999, the establishment of the Trade and Business Development Body offers a new opportunity for supporting the development of enterprise and trade on a North/South basis. This is an important development for the Micro-enterprises Measure. Of course, much co-operation is already taking place, and equally, it is for enterprises themselves to take the lead in exploiting the full potential of the island economy. The establishment of the Body, along with the other Implementation Bodies, offers a new opportunity and provides new tools with which to take co-operation and common action forward. Funding of the Trade and Business Development Body is shared North/South on a one-third/two-thirds basis, respectively. The total budget for the Body is expected to exceed £14 million annually when fully operational.

5.7 Additional Information on Forestry

The following additional information is provided in relation to the Forestry Measures in accordance with Council Regulation (EC) No 1257/1999 on Support for Rural Development (*Official Journal of the European Commission, L160/80 of 26/6/1999*).

Consultation

In addition to the consultation which took place on the Operational Programme generally which is outlined in Chapter 1, the following Departments were also consulted formally on the measures: Arts, Heritage, Gaeltacht and the Islands; Environment and Local Government; Finance; Enterprise, Trade and Employment and Agriculture, Food and Rural Development. In addition, formal consultations were held by way of seminars in Athlone on 30 November 1999 and in Portlaoise on 21 February 2000. Representatives of all stakeholders, including the forestry sector, Government Departments and Agencies and NGOs were invited to both seminars. Finally, in the discussions on the National Programme for Prosperity and

Fairness, which involved the four Social Partner pillars, the following areas for action in the forest sector were identified

- ◆ development of farm forestry
- ◆ support for structural development
- ◆ development of targeted training programmes for the sector.

The views arising from these consultations were taken into account in formulating the forestry measures and the issues listed above are integral objectives of the forestry aspects of the Regional Operational Programme. More specific issues raised will be considered in the context of the Regional Operational Programme and will be addressed in the guidelines and conditions pertaining to the implementation of the measures.

General Compliance with Council Regulation (EC) No 1257/99 on Support for Rural Development

Council Regulation (EC) No 1260/1999 lays down the general provisions as regards conformity with the Structural Funds in the period 2000–2006. Article 40.1 of Council Regulation (EC) No 1257/1999 on Support for Rural Development states that “rural development measures financed by the EAGGF Guidance Section shall form part of the programming for Objective 1 Regions according to Regulation (EC) No 1260/1999”. Accordingly, the latter type measures (co-funded) are included in the Community Support Framework (CSF) for Ireland 2000–2006 and must meet its overall requirements.

Council Regulation 1257/1999 also imposes additional general requirements on Member States when implementing the various aid measures which fall within the scope of that Regulation, e.g. maximum aid intensities, exclusion of support falling under other CAP support schemes, research, promotion of agricultural products, animal disease eradication etc. The Irish Authorities have complied with these conditions in drawing up the Regional Operational Programme.

Furthermore, under the same Regulation, participants under individual measures have to fulfil certain other eligibility conditions such as

- (a) economic viability,
- (b) minimum environmental requirements and
- (c) possess adequate skills and competence.

These conditions together with rates of aid, project selection criteria, etc. will be set down in the Programme Complement, except in the case of co-funded measures where these details are given in this Operational Programme.

Indicators and Targets

In January 2000, the Commission (DG AGRI) produced a draft document containing a set of very detailed indicators which they proposed using across all Member States for all agricultural and rural development measures, including forestry, which come under the terms of the new Council Regulation on Support for Rural Development already mentioned. This document was discussed for the final time at the STAR Committee on 24 May 2000 and the intention of the Department of Marine and Natural Resources is to select key indicators from this document for insertion at sub-measure level in the Programme Complement. The Indicators will be set at a baseline, mid-term and final level for each sub-measure. There will be at least one indicator for each scheme operating under these sub-measures.

Justification for Proposed Co-funded Measures

The Mid-Term Review of the Operational Programme for Agriculture, Rural Development and Forestry 1994-1999 found that all of the elements now covered in the Regional Operational Programmes were individually necessary. The report also stated that there was no obvious deadweight, displacement, or other factors apparent that would lessen the impact of the measure, expressed in terms of long-term value added and employment effects. Furthermore, the measure should broadly help in promoting the concept of sustainability, whereby development takes on the ecological, social, and economic (multi-purpose) dimensions of forestry. The ex-ante evaluation of the NDP and the Regional Study undertaken by Fitzpatrick and Associates also recognised the benefits arising from investment in forestry, particularly in rural areas.

The *Woodland Improvement Sub-measure* is aimed at the improvement of the overall quality of the forest estate, enrichment and enlargement of the native and semi-native woodland, establishment of amenity and urban woodland and the reconstitution of damaged woodland. The sub-measure will provide grant-aid under the following categories:

- ◆ Semi-native Woodland
- ◆ Woodland Improvement
- ◆ Urban Woodland
- ◆ Amenity Woodland
- ◆ Reconstitution of Woodland.

(The Urban and Amenity Woodland schemes will include funding for amenities such as pathways and seating for picnic areas.)

The viability of forestry under this sub-measure will be demonstrated through its social, ecological and economic contribution to Rural Development.

Support for forestry projects under this sub-measure will be conditional on:

- compliance with Code of Practice and environmental guidelines for the forestry sector
- the farmer or his agent possessing adequate occupational skill and competence.

The maximum total investment per project eligible for support under this measure will be £1.27m.

The added-value from the improvement of this land will have benefits for the landowner directly, the public and downstream industries.

The provisions of Article 29(3) of Commission Regulation 1750/99 will apply in the case of co-funded measures.

The *Harvesting Sub-measure* is designed to support investment in harvesting machinery to maintain growth in the harvesting fleet in line with increasing output from woodland. In addition, it is designed to provide incentives for increased investment in environmentally compatible machinery. The Harvesting sub-measure will allow for much needed investment in modern and efficient machinery which will benefit efficient extraction and lead to better quality timber and less damage to the extraction sites. The grant-aid will ensure beneficiary companies continue to operate efficiently and economically, thereby retaining existing employment and generating new employment, particularly in rural areas.

Support for enterprises under this sub-measure will be conditional on:

- the submission of annual accounts demonstrating the economic viability of the enterprise
- compliance with the Code of Practice and environmental guidelines for the forestry sector.

The maximum total investment per project eligible for support under this sub-measure will be £1.27m.

Rates of Aid for Co-funded Measures		
Sub-measure	Eligibility	Aid Rate
Woodland Improvement	<ul style="list-style-type: none"> • Projects will be selected by reference to, species suitability, silvicultural suitability, management/maintenance plan, environmental considerations and the necessity of the proposed works on the basis of a detailed profile of the project. • Projects which fulfil the eligibility criteria will be identified following an inspection by technical staff. • Promoters will have to demonstrate that the project/business is economically viable and that they are competent to undertake the projects. 	<p>100% of effective costs subject to a specified limit as follows.</p> <p>Woodland Improvement, Semi-native Woodland and Urban and Amenity: Conifers €2,539.5/ha, Broadleaves €4,444/ha</p> <p>Reconstitution: Conifer €3,174.35/ha Broadleaves €6,729.6/ha</p> <p>Total investment eligible for support is £1.27m</p>
Harvesting	<ul style="list-style-type: none"> • Projects will be selected by reference to potential to impact on the environment and maintaining harvesting capacity and will be assessed by reference to a standard list of requirements, e.g. business plan, audited accounts, tax clearance certificate. • Promoters will have to demonstrate that the project/business is economically viable and that they are competent to undertake the projects. • First time applicants will be subject to a control visit and interview. 	<p>Maximum of 40% of effective costs</p> <p>Total investment eligible for support £1.27m.</p>

State Aids

Community Guidelines for State Aid in the Agriculture Sector (2000/C 28/02) set out the position which is to apply as regards State Aids for Agriculture in the period 2000–2006. The following table places each measure proposed within the context of these new Guidelines.

Measure	Sub-Measure	Regulation 1257/99	Date State Aid Notification	State Aid No	Approval Letter ref	Duration of Scheme
Forestry	Woodland Improvement	Article 30: 1.2	Co-financed	N/a	N/a	2000-2006
	Annual premium for ecological forestry	Article 32: 2				
	Semi-native Woodland Not funded elsewhere	Article 33:11				
	Reconstitution	Article 30:1.6				
	Harvesting	Article 30: 3	Co-financed	N/a	N/a	2000-2006
	Forestry Development	Article 30: 3,4,5	To be notified	N/a	N/a	2000-2006
		Article 33: 5,6,7,10				
	Forest Roads	Article 30: 3	To be notified	N/a	N/a	2000-2006

Notes

- a) The maximum aid intensities will be respected in particular in Article 32(2).
- b) The Community Guidelines on Agriculture will be used pending the issuing of forestry guidelines.
- c) Aid will not be paid in respect of Annex I products.

CHAPTER 6

Agriculture and Rural Development Priority (Sub-Programme)

6

Agriculture and Rural Development Priority (Sub-Programme)

6.1 Introduction

Primary agriculture accounted for 4.7% of Total National GDP in 1998 and the total agri-food sector (including agriculture, food, drinks and tobacco) accounted for 11.5% of GDP. Employment in agriculture accounts for 8.7% of total employment and the agri-food sector as a whole contributes 11.8% to national employment. The agri-food sector accounted for 10.2% of Irish exports in 1998 and is estimated to be responsible for 27% of net foreign earnings from exports.

As it is an indigenous sector, agriculture has strong linkages within the economy, and has a geographic spread throughout the country. At the same time, as a rural industry, composed mainly of family farms, it is the mainstay of many fragile rural communities in areas that have not fully shared in the recent economic success of Ireland. It has, therefore, a unique role in addressing the problem of social exclusion in rural areas.

Besides these economic and social dimensions, Ireland's agriculture also plays a determining role in the creation and maintenance of the greater part of our physical environment. It is clear, therefore, that the agri-food sector will remain central to the economic and social development of Ireland into the new millennium.

The further development of the agricultural sector in Ireland, as in other Member States, is largely determined by the Common Agricultural Policy (CAP) and

international agreements especially related to the World Trade Organisation. The outcome of the Agenda 2000 negotiations on the reform of the CAP sets the framework within which the agricultural industry will develop in the immediate future. That framework is built around improving the competitiveness of the European agricultural and agri-food sectors on internal and world markets and, side by side with that policy, the recognition of the need for a more integrated rural policy which reaches beyond the farm and which also encompasses the protection of the rural environment.

6.2 Regional Context

The following Table outlines the agriculture situation in the S&E Region.

1998	State	Southern and Eastern Region
Total employment	1,494,500	1,131,500
Agriculture	129,100	74,800
Agriculture as a % of total employment	9%	7%
Number of farms	146,300	71,700
Average family farm income (£)	11,042	14,312
Average UAA (ha)	32.9	39.4
Average age	52	51

Source: CSO

Farm incomes in the S&E Region are nearly twice that pertaining in the BMW Region and represent 130% of the national average. This is due largely to better land, larger farm sizes which on average are 50% larger than those in the BMW Region, better agricultural structures and a better age structure. However, comparisons between the S&E and BMW Regions in relation to agriculture can be misleading because the S&E Region covers counties Clare and Kerry both of which are designated as disadvantaged agricultural areas under EU rules and, in fact, parts of all of the other counties are also designated as disadvantaged. This means that the persistent overall weaknesses in agriculture of small farm size, poor age structure and low income from farming apply equally in many of these areas. It is also worth noting that the main market measures under the CAP apply to farmers throughout the country as a whole.

6.3 Objectives for Agriculture

The overall objectives for agriculture and related rural development under the National Development Plan are:

- ◆ to ensure that primary agriculture becomes more competitive and market oriented
- ◆ to foster environmentally sustainable systems of production
- ◆ to provide other sources of income for farmers through diversification of activities both on and off farm
- ◆ to promote rural development generally by harnessing voluntary and community effort at local level.

The implications of the recent reform of the CAP under Agenda 2000, especially the new Council Regulation (EC) No 1257/1999 on Support for Rural Development (*Official Journal of the European Commission, L160/80 of 26/6/1999*), were taken into account in drawing up the strategies to address the above broad objectives. In addition, the publication by the Government of the White Paper on Rural Development in August 1999 (*Ensuring the Future – A Strategy for Rural Development in Ireland*, August 1999, Department of Agriculture and Food) commits Ireland to a specific framework for action in a number of areas to achieve a coherent rural development policy. It is also important to bear in mind that it is the CAP market measures which will have the major impact in determining the development of mainstream Irish agriculture over the coming period.

6.4 Overall Strategy

The following proposed strategies and corresponding measures seek to support the structural development of agriculture as a whole in the years 2000-2006.

Strategies	Priority Measures
1 Improve farm structures	Installation Aid for Young Farmers (b), (c) Early Retirement for Farmers (a)
Improve animal breeding, welfare, hygiene, product quality	Improvement in: Cattle Breeding Infrastructures (c) Equine Breeding Infrastructures (c) Animal Welfare (b), (c) Animal Disposal (b), (c) Dairy Hygiene (b), (c) Grain Storage Facilities (b), (c)
2 Provide incentives for the protection of the environment	Rural Environment Protection Scheme (REPS) (a) Farm Waste Management (b), (c)
Prevent pollution from farm waste	

Strategies	Priority Measures
3 Develop the horticulture, potato and organic sectors Develop the sport horse industry at farm level and other alternative enterprises	Improvements in: Horticulture (b), (c) Potatoes (b), (c) Organic Sector (b), (c) Equine Quality (b), (c) Housing Facilities for Alternative Enterprises (b), (c)
4 Provide specific annual income support for disadvantaged farmers under Council Regulation (EC) No 1257/1999 on Support for	Compensatory Allowances in Disadvantaged Areas (a)
5 Provide rural enterprise support measures especially those contained in the White Paper on Rural Development	Farm Relief Service (b), (c) Western Investment Fund (b), (c) Rural Development Fund (b), (c) Area Based Rural Development Initiative (b), (c)
6 Focus on quality products and food safety at processing level and assist the further development of the food industry	Capital Investment (including Annex 1 products within Council Regulation 1257/99) (d) Marketing (d) RTDI (d) Training (e)
7 The provision of back-up research, advice and training in the agriculture, food and related rural development areas	Measures by Teagasc in the Advisory (b) and (c) and Training (e) and Research areas and the latter also by other institutions (d)

The above measures will fall to be implemented under a number of Operational Programmes, namely

- (a) CAP Rural Development Plan
- (b) BMW Regional Operational Programme
- (c) S&E Regional Operational Programme
- (d) Productive Sector Operational Programme
- (e) Employment and Human Resources Development Operational Programme.

6.4.1 CAP Rural Development Plan

The major structural expenditure in agriculture will, in fact, take place under the CAP Rural Development Plan which is co-funded by the Guarantee side of the EAGGF (FEOGA) and is, therefore, outside of the Structural Funds/Community

Support Framework for Ireland. The measures covered by this Plan (which is expected to be approved by the European Commission in September 2000) are as outlined above at (a) namely Early Retirement for Farmers, Compensatory Allowances in designated disadvantaged agricultural areas, a Rural Environment Protection Scheme (REPS) and Forestry.

While the Plan will be implemented on a national basis, it will be of fundamental importance to both Regions and total public funding of G4,988m (**including G2,389m of EU Funds**) has been made available over the 2000-2006 period.

6.4.2 Objectives of the Priority (Sub-Programme)

The objectives have already been outlined above for agriculture as a whole and apply equally to the S&E Region.

6.4.3 Strategy

The strategy for the Regional Programmes is to concentrate specifically on the following elements:

- ◆ improve farm structures, including animal welfare, hygiene, product quality
- ◆ provide incentives for the protection of the environment and prevent pollution from farm waste
- ◆ develop the horticulture, potato and organic sectors and develop other alternative enterprises, including the sport horse industry, at farm level
- ◆ provide rural enterprise support measures, especially those contained in the White Paper on Rural Development
- ◆ provide back-up advisory services in the agriculture and related rural development areas.

The Agriculture and Rural Development Priority (Sub-Programme) will complement other measures in the Regional Operational Programmes and the Inter-regional OPs by supporting development within rural communities and, in this way, contributing to the key objective of more balanced regional development. In the less developed areas of the S&E Region, where the farm structures are particularly poor and many smaller farms do not have the capacity to support full-time farming, measures designed to support the development of off-farm income and agricultural diversification will be particularly important.

6.5 Priority Measures under the Agriculture and Rural Development Sub - Programme

The following table sets down the specific priority measures involved in the Sub-Programme on Agriculture and Rural Development in the S&E Region and the corresponding allocation of Public Funds (including EU co-financing) for the 2000-2006 period.

Table in Current Prices for Each Year		Council Regulation 1257/99 (Article and Indent)	Southern and Eastern Region Total Public (Gm)	EAGGF 50% (Gm)
Measure 1: General Structural Improvement			164.490	54.902
(i)	Installation Aid for Young Farmers	Article 8	22.697	
(ii)	Farm Waste Management	Article 4	88.855	44.427
		"	"	3.994
(iii)	Improvement of Dairy Hygiene Standards	"	20.950	10.475
		"	"	1.747
(iv)	Improvement of Animal Welfare Standards-Pigs	"	7.560	
(v)	Animal Carcase Disposal	Article 33	0.693	
(vi)	Development of Grain Storage Facilities	Article 4	7.681	
(vii)	Improvement of Cattle Breeding Infrastructures	Article 33,9	3.433	
(viii)	Improvement of Equine Breeding Infrastructures	"	6.880	
Measure 2: Alternative Enterprises			28.884	-
(i)	Development of the Horticulture Sector	Article 4	13.066	
(ii)	Development of the Potato Sector	"	3.433	
(iii)	Development of the Organic Sector	Article 4 and 33,4	4.126	
(iv)	Improvement in Equine Quality On Farm	"	1.379	
(v)	Housing/Handling Facilities for Alternative Enterprises	Article 4	6.880	
Measure 3: General Rural Development			44.025	12.698
(i)	Area-based Rural Development Initiative	Article 33, 4, 5, 6, 7, 9, 10, 11	25.395	12.698
		"	9.003	
(ii)	Western Investment Fund (Clare only)	State Aid	5.501	
(iii)	Rural Development Fund	State Aid	4.126	
Measure 4: Services for Agriculture and Rural Development			33.013	-
(i)	Teagasc Advisory Services	State Aid	30.948	
(ii)	Farm Relief Services	Article 33,5	2.065	
Total Gm			270.412	67.600

Note: The Total Public Expenditure in the above table includes both EU co-financed and non-co-financed expenditure.

6.6 General Compliance with Council Regulation (EC) No 1257/1999 on Support for Rural Development

Council Regulation (EC) No 1260/1999 lays down the general provisions as regards conformity with the Structural Funds in the period 2000-2006. Article 40.1 of Council Regulation (EC) No 1257/1999 on Support for Rural Development states that "rural development measures financed by the EAGGF Guidance Section shall form part of the programming for Objective 1 Regions according to Regulation (EC) No 1260/1999". Accordingly, the latter type measures (co-funded) are included in the Community Support Framework for Ireland 2000-2006 (CSF) and must meet the overall requirements of the CSF.

Council Regulation 1257/1999 also imposes additional general requirements on Member States when implementing the various aid measures which fall within the scope of that Regulation, e.g. **no aid can be allowed for investments which lead to increased production where no normal market outlets can be found**; maximum aid intensities, exclusion of support falling under other CAP support schemes, research, promotion of agricultural products, animal disease eradication etc. The Irish Authorities have complied with these conditions in drawing up the Operational Programme for the S&E Region.

Furthermore, under the same Regulation, participants under individual measures have to fulfil certain other eligibility conditions such as

- (a) economic viability
- (b) minimum environmental requirements
- (c) possess adequate skills and competence.

These conditions together with rates of aid, project selection criteria etc. will be set down in the Programme Complement, except in the case of co-funded measures where these details are given at Operational Programme level.

Finally, aid available under Article 33, which is all-embracing in terms of aid and coverage (rural dwellers as well as farmers are eligible), needs to be monitored to ensure duplication does not arise with other local development type measures which might be co-funded by the ERDF or, indeed, fully funded by the Exchequer. Accordingly, applicant groups under the Area Based Rural Development Initiative will have to demonstrate a close and harmonious working relationship with official agencies, including local authorities, County Enterprise Boards, Area Partnership Companies and LEADER+ Groups. Liaison will involve the following.

County Enterprise Boards (CEBs):

The Department of Agriculture, Food and Rural Development (DAFRD) will seek evidence to the effect that a close working relationship has been established between the CEBs and the Area Based Rural Development Initiative Groups.

Area Partnership Companies:

In accordance with the Report of the Task Force on the Integration of Local Government and Local Development Systems, applicant groups will also be requested to contact Area Development Management Ltd. (ADM) to explore the possibility of delivering both the National Mainstream Programme, LEADER+ and the Local Development Programmes through one agency or adopt a more integrated approach to delivering these programmes, e.g. joint committee etc. Copies of the summary plans to be submitted by applicant groups will be furnished to ADM to facilitate discussions.

County Development Boards:

These Boards also have been established in each county and groups (e.g. Leader, Area Partnerships, Community Groups etc.) will have to participate with these Boards in order to ensure the cohesion from a county perspective of the various local development funds available.

LEADER+ and PEACE Programmes :

LEADER+ themes cover very specific areas and the projects involved cannot also be aided under the Area Based Rural Development Initiative. However, it is envisaged that a number of LEADER+ Groups will also operate the Area Based Rural Development Initiative. Where there are two Groups operating separate Programmes in the one area, provision will be made by the Area Based Rural Development Groups to avoid duplication by, for example, having a nominee from the local LEADER+ Group on their board.

6.6.1 Consultations

Chapter I has already outlined the overall consultations which have taken place under the National Development Plan. In addition, four rounds of detailed consultations took place with the designated agricultural Social Partners between November 1999 and January 2000 on the Agriculture and Rural Development Priority. Many issues were raised during these discussions on eligibility conditions for the various schemes, e.g. minimum and maximum income levels, inadequacy of funding etc. While the consultations were taking place, formal negotiations on a new National Agreement with all Social Partners were also taking place leading to the publication of the *Programme for Prosperity and Fairness* in February 2000. Among other things, this Agreement resulted in

- ◆ greater flexibility to the conditions of individual schemes
- ◆ an increase in the grant available under the Scheme of Installation Aid for Young Farmers

- ◆ commitment by the Government to the continued funding of the various capital investment measures during the period of the Agreement (up to 2002).

6.6.2 Justification for Co-funded Measures

As can be seen from the table setting out the priority measures for funding, three sub-measures have been selected for co-funding from the EU, namely

- (a) Farm Waste Management
- (b) Improvement of Dairy Hygiene Standards
- (c) Area-Based Rural Development Initiative.

As regards (a), this scheme was given a high priority rating in the Mid-Term Review of the CSF 1994-1999 and was allocated extra funds. It will now play a fundamental role in enabling farmers to ensure that their on-farm waste management standards are fully maintained especially in areas which are due to be designated as Nitrate Vulnerable Zones. All farmers participating must comply with minimum environmental, hygiene and animal welfare requirements as set down in the document entitled Good Farming Practice and annexed to this Operational Programme.

As regards (b), the need for continued funding for on-farm investment was recognised in the Ex-Ante Evaluation of the National Development Plan (CSF Evaluation Unit, November 1999) although it was emphasised that funding should be targeted at small scale producers. It is the intention to target aid accordingly and details will be contained in the Programme Complement but, of course, under the new Council Regulation on Support for Rural Development (EC) No 1257/1999, economic viability of the farm must also be demonstrated at the time of application for aid. The same environmental requirements apply as at (a) above.

As regards (c), this sub-measure was selected for co-funding because it is essentially based on the LEADER Community Initiative. The aim is to mainstream this Initiative which has been acknowledged by independent evaluators as making a very useful contribution to the economic and social development of rural areas.

6.6.3 Compliance with EU Policy on State Aids

Community Guidelines for State Aid in the Agriculture Sector (2000/C 28/02) set out the position which is to apply as regards State Aids for Agriculture in the period 2000–2006. The following table places each measure proposed within the context of these new Guidelines. Formal notifications for approval have been made to the Commission in all appropriate cases. As indicated in the footnote to the Table,

where non-Annex 1 products are involved, the notification requirements under Article 88(3) EC must be respected. Either aid is given in the form of *de minimis* (or under a future block exemption) or under a notified and approved aid scheme included in the following State Aid table.

State Aids							
Measure	Sub-Measure	Community Guidelines for Agriculture 2000/C 28/02 Relevant Paragraph	Date of State Aid Notification	State Aid Number	Approval Letter Reference	Duration of Scheme	
Measure 1 General Structural Improvement	Installation Aid for Young Farmers	Para. 7	17/5/2000	N295/2000		2000-2006	
	Farm Waste Management	Para. 4	Co-financed	Not applicable	Not applicable	2000-2006	
	Improvement of Dairy Hygiene Standards	Para. 4	Co-financed	Not applicable	Not applicable	2000-2006	
	Improvement of Animal Welfare Standards (Pigs)	Para. 4	5/7/2000	N461/2000		2000-2006	
	Animal Carcase Disposal	Para. 5.6.2	5/7/2000	N461/2000		2000-2006	
	Development of Grain Storage Facilities On Farm	Para. 4	5/7/2000	N461/2000		2000-2006	
	Development of Cattle Breeding Infrastructure	Para. 15	5/7/2000	N461/2000		2000-2006	
	Development of Equine Breeding Infrastructure	Para. 14 & 15	5/7/2000	N461/2000		2000-2006	
	Measure 2 Alternative Enterprises	Development of the Horticulture Sector	Para. 4	5/7/2000	N461/2000		2000-2006
		Development of the Potato Sector	Para. 4	17/5/2000	N297/2000		2000-2006
Development of the Organic Sector		Para. 4	5/7/2000	N461/2000		2000-2006	
Improvement in Equine Quality On Farm		Para. 15, 4.3 & 14.1	5/7/2000	N461/2000		2000-2006	
Housing/Handling Facilities for Alternative Enterprises		Para. 4.1	7/5/2000	N296/2000		2000-2006	

State Aids						
Measure	Sub-Measure	Community Guidelines for Agriculture 2000/C 28/02 Relevant Paragraph	Date of State Aid Notification	State Aid Number	Approval Letter Reference	Duration of Scheme
Measure 3 General Rural Development	Area-based Rural Development Initiative	(1)	Co-financed	Not applicable	Not applicable	2000-2006
	Western Investment Fund	(1)	(a) 7/6/1999	N 324/99	SG(2000) D/104752 of 5/7/2000	2000-2006
			(b) 21/12/99 (c) 21/12/99	N6/2000 N72/2000	19/7/00 Not yet approved	
Measure 4 Services for Agriculture and Rural Development	Rural Development Fund	(2)	Not applicable	Not applicable	Not applicable	2000-2006
	Teagasc Advisory Services	Para. 14	5/7/2000	N461/2000		2000-2006
	Farm Relief Services	Para. 14.1	5/7/2000	N461/2000		2000-2006

(1) The projects to be submitted will have to be in conformity with Para. 4.3 for Annex 1 products and with the Guidelines on National Regional Aid (OJ C 74, 10.3.1998 p. 2) for non-Annex 1 products. Where aid is classified as "de minimis", adequate controls will be put in place to ensure that the total amount of aid to the beneficiary does not exceed 100,000 Euro over a period of three years.

(2) As stated in the Agricultural Guidelines, p. 19, aid for Research and Development is subject to the Community Framework for State Aid for Research and Development (OJ C 45, 17.2.1996 p. 5 as subsequently amended in relation to agriculture, OJ C 48, 13.2.1998, p. 2). The Framework states that "public financing of R&D activities by public non-profit-making higher education or research establishments is normally not covered by Article 92 (1) of the EC Treaty". Consequently, aid for research activities covered by public research institutes would not come within the terms of a notifiable State Aid.

6.7 Measures

- ◆ General Structural Improvement
- ◆ Alternative Enterprises
- ◆ General Rural Development
- ◆ Services for Agriculture and Rural Development

Note: The detailed eligibility conditions etc. will be given in the Programme Complement except in the case of the three partly co-funded schemes where details are incorporated in this Operational Programme.

6.7.1 General Structural Improvement

This measure seeks to make improvements in farm structures, the environment, animal welfare and hygiene standards and better quality products, and incorporates eight sub-measures as follows.

Sub-Measure (i): Installation Aid for Young Farmers

A premium of G9,523 (£7,500) payable to farmers under 35 years of age (who meet certain eligibility criteria) to help cover the costs of first setting-up in farming.

Sub-Measure (ii): Farm Waste Management (partly co-funded by the EAGGF)

A scheme of grant aid for farmers for the provision of farm waste storage, silage storage, livestock housing necessary to prevent poaching and soil erosion during the winter months and mobile equipment for the application of farm waste. In addition, it is proposed to provide grant aid for up to five medium-sized pilot waste processing facilities. The aim is to facilitate the management of farm waste and to improve farm structures, water quality and working conditions for farmers.

The scheme is confined to beef, sheep and dairy farmers. In accordance with Article 6 of Council Regulation 1257/1999, **the investment proposed cannot lead to increased production as beef, sheep and milk are in surplus and this requirement has been inserted into the conditions of the scheme.** Other detailed eligibility conditions especially in fulfilment of Article 5 are set down below.

Eligibility Criteria/Grant Rates/ Investment Ceiling	Eligibility Criteria
	Possession of adequate occupational skills and competence (see Programme Complement).
	No increase in production is allowed as a result of investment aid.
	<i>Pilot Waste Processing Facilities:</i> A business plan will be required as a basis for assessing eligibility of projects for grant aid.
	Rates of Aid
	15-150 Income Units – 40% grant rate applicable in all areas
	151-200 Income Units –20% grant rate applicable in all areas
	Additional Aid
	For young trained farmers under 35 years of age an additional 15% grant aid in disadvantaged agricultural areas and 5% grant aid in other areas will be payable.
	Mobile Equipment
	20% rate of grant subject to a maximum investment of G7,618 (£6,000).
	Pilot Waste Processing Facilities
	40% grant rate subject to a maximum of G126,970 (£100,000).
	Investment Ceilings
	G50,790 (£40,000) per holding.

Sub-Measure (iii): Improvements in Dairy Hygiene Standards (partly co-funded by the EAGGF)

A scheme of grant aid for farmers for the provision of new or upgraded milk production facilities. Apart from improving farm structures and hygiene standards, this scheme will also contribute towards the protection of the environment.

In accordance with Article 6 of Council Regulation 1257/1999, **the investment proposed cannot lead to increased production as milk is a surplus product and this requirement has been inserted into the conditions of the scheme.** Other detailed eligibility conditions in fulfilment of Article 5 are set down below.

Eligibility Criteria/Grant Rates/ Investment Ceiling	Eligibility Criteria
	Restricted to a holding with a minimum threshold of 20 Income Units from farming together with sufficient other income, which can include all household income, to ensure the economic sustainability of the holding under the current operator. A maximum threshold of 200 Income Units including off-farm income will also apply. (See Programme Complement regarding calculation of Income Units.)
	The Income Units will take account of all off-farm income at a rate of G254 (£200) gross off-farm income per unit.
	For a minimum period of five years, farm in accordance with Good Farming Practice in relation to the environment, animal welfare and hygiene as annexed to this Operational Programme.

Eligibility Criteria/Grant Rates/ Investment Ceiling	Eligibility Criteria
	<p>Restricted to a holding with a minimum threshold of 20 Income Units from farming together with sufficient other income, which can include all household income, to ensure the economic sustainability of the holding under the current operator. A maximum threshold of 200 Income Units including off-farm income will also apply. (See Programme Complement re calculation of Income Units.)</p> <p>The Income Units will take account of all off-farm income at a rate of G254 (£200) gross off-farm income per unit.</p> <p>For a minimum period of five years, farm in accordance with Good Farming Practice in relation to the environment, animal welfare and hygiene as annexed to this Operational Programme.</p> <p>Possession of adequate occupational skills and competence (see Programme Complement).</p> <p>No increase in production is allowed as a result of investment aid</p> <p>Rates of Aid 15-150 Income Units – 40% grant rate 151-200 Income Units – 20% grant rate</p> <p>Additional Aid For young trained farmers under 35 years of age an additional 15% grant aid in disadvantaged agricultural areas and 5% grant aid in other areas will be payable.</p> <p>Investment Ceilings Maximum investment ceiling of G31,743 (£25,000) per holding.</p>

Sub-Measure (iv): Improvements in Animal Welfare Standards-Pigs

This involves the provision of support for pig producers designed to contribute to improvements in animal welfare standards.

Sub-Measure (v): Animal Carcase Disposal

A grant scheme for collectors of fallen animals for the provision of processing facilities, storage and other buildings, transport and effluent treatment facilities will be provided. This scheme will enable farmers to dispose of dead animals using a safe and reliable collection system, thus avoiding the necessity for on-farm burial. It should make an important contribution to environmental protection.

Sub-Measure (vi): Development of Grain Storage Facilities On-Farm

The scheme will provide investment assistance for upgrading of existing grain storage facilities and installation of a limited amount of additional storage facilities on farms. The scheme should help alleviate the serious bottlenecks which occur at commercial intake points at harvest time due to the low level of storage facilities on farms. This in turn will significantly improve both quality and hygiene standards.

Submeasure (vii): Cattle Breeding Infrastructures

It is proposed to provide grant aid for the following:

- ◆ development work by the Irish Cattle Breeding Federation (ICBF) on cattle breed improvement programmes
- ◆ provision of computer hardware and development of suitable software systems and the upgrading of recording/testing facilities and equipment by ICBF
- ◆ provision of computer hardware and the purchase and/or development of software systems for other industry organisations for upgrading cattle registration, recording and data processing systems and the upgrading of recording/testing facilities and equipment by those organisations for the purpose of providing relevant and accurate data through the most efficient and effective communications linkage to the main ICBF system operating on breed improvement programmes.

Submeasure (viii): Improvement of Equine Breeding Infrastructures

Grant aid will be provided for projects aimed at improving the quality and production of both thoroughbred and non-thoroughbred horses as follows:

- ◆ Quality Non-Thoroughbred Horse Production, including work on the formulation of genetic indices for stallions, random blood sampling/DNA testing to verify pedigree and up-grading of registration systems and for the promotion and marketing of Irish non-thoroughbred horses

- ◆ Quality Thoroughbred Horse Production, including education, training and promotion in the areas of Equine Health and Husbandry, Stud Management and Safety, Nutrition and Quality Breeding through courses, information workshops and advertising
- ◆ Equine Research, including the costs of dedicated research into equine diseases and breeding and the capital cost of buildings and equipment to facilitate the delivery of enhanced diagnostic and ancillary services at the Irish Equine Centre
- ◆ Surveys and other data collection and analysis work for the development of a reliable database for the thoroughbred and non-thoroughbred horse sectors which will provide essential information on breeding, sales, exports, performance of Irish horses abroad and employment in the sector.

6.7.2 Alternative Enterprises

Under this measure support will be provided to farmers and producers involved in or seeking to develop alternative enterprises outside of mainstream farming with a particular emphasis on Horticulture, Potatoes, Organic Farming and Horses. The aim is to provide alternative income-generating activities to farmers and other rural dwellers as increased production in mainstream agriculture is no longer feasible. The measure incorporates five sub-measures as follows.

Sub-Measure (i): Development of the Horticulture Sector

The development of the horticulture sector will be assisted by aiding investments in specialised capital plant and equipment in commercial horticulture. The aim is to produce quality competitive products which comply with specified environmental requirements.

Sub-Measure (ii): Development of the Potato Sector

Funding for investment in new or improved storage and other marketing facilities for potato growers commercially engaged in the Potato Sector will be provided. The aim is to provide adequate supplies of quality potatoes on a year round basis to meet market requirements.

Sub-Measure (iii): Development of the Organic Sector

The development of the Organic Sector will be assisted specifically by providing aid to new and existing organic operators towards equipment and facilities for production, preparation, grading, packing, storage and distribution of organic products. In

addition, aid will be provided to support the establishment of group marketing structures to facilitate the organised marketing of organic products and the rationalisation of the current inspection system. The Organic Market is still a very small but growing market in Ireland and, apart from offering the possibility of increased revenue from a quality product, the scheme should contribute to the protection of the environment.

Sub-Measure (iv): Improvement of Equine Quality On-Farm

Support will be provided to maximise the potential of non-thoroughbred horse breeding and production as a viable alternative farm enterprise by providing grant aid to farmers to produce horses selectively, using strict quality criteria. The sub-measure will involve grants for the purchase of top quality stallions for use in the non-thoroughbred sector, for stallion performance testing and for breeding of foals from pre-selected top quality mares registered in non-thoroughbred horse Stud Books.

Sub-Measure (v): Housing/Handling Facilities for Alternative Enterprises

Support will be provided for the provision of housing and handling facilities for horses, deer, rabbits, goats and other acceptable non-quota species, provided the applicant can demonstrate the viability of the project from an independent assessment.

6.7.3 General Rural Development

The publication by the Government of the White Paper on Rural Development in August 1999 (*Ensuring the Future – A Strategy for Rural Development in Ireland*, August 1999, Department of Agriculture and Food) commits Ireland to a specific framework for action in a number of areas in order to achieve a coherent rural development policy.

The General Rural Development measure will make a significant contribution to this process. It is designed to support farmers and rural dwellers in general. Through the measure, assistance will be provided to support research into rural development policy and to the development of enterprises which will generate alternative off-farm sources of income. The measure will thus contribute to the retention of population and viable communities in these areas. It will also contribute to the alleviation of poverty and disadvantage associated with peripherality. The measure incorporates three sub-measures as follows.

Sub-Measure (i): Area Based Rural Development Initiative (partly co-funded by the EAGGF)

Funding will be provided for area-based local groups to carry out approved business plans covering administration, animation, networking, including women's networks, training, rural tourism/agri-tourism, local crafts and services, alternative farm enterprises, including small scale food processing and small scale environmental activities. The sub-measure essentially aims to mainstream LEADER II activities as the new Community Initiative (LEADER+) will be focused on a very limited range of activities.

The main areas under which support is proposed are set out in the table below.

Areas for Support	Within the Scope of Council Regulation 1257/1999	EAGGF Co-funding Proposed	State Aid Only
Technical support for rural communities	—	—	Yes
Training and recruitment assistance	—	—	Yes
Craft enterprises and local services	Article 33, Indents 5, 10	Yes	No
Exploitation of local produce	Article 33, Indents 4, 7, 9	Yes	No
Environmental improvement	Article 33, Indents 6, 11	Yes	No
Transnational and inter-territorial co-operation	—	No	Yes
Rural tourism	Article 33 Indents 7, 10	Yes	No

Eligibility Conditions

It is not possible at this stage to set down detailed eligibility conditions because implementing groups have yet to be selected and detailed operating rules drawn up. However, where support is granted to non-Annex 1 projects, aid limits will conform with the relevant regimes as set down in the Guidelines on National Regional Aid (OJ C74,10.3.1998, p. 2). In general, projects would be expected to fall under the *de minimis* rule and, in such cases, adequate controls will be put in place to ensure that the total amount of public aid to the beneficiary does not exceed 100,000 Euro over a three year period.

As already indicated, mechanisms will be put in place to ensure that duplication of aid does not arise either with co-funded or non-co-funded measures

- (a) within the Regional Operational Programme
- (b) between Programmes
- (c) in relation to any other investment measures implemented by State agencies.

Sub-Measure (ii): Western Investment Fund

The Western Investment Fund was established under the Western Development Commission Act, 1998. Under this sub-measure support will be provided to the Fund to undertake an investment programme. The Fund will provide loans and take equity in a small number of strategically important investments, in business, start-up and growth oriented small and medium enterprises (SMEs), including SMEs run by women, and in community based developments aimed at encouraging enterprise development in the Western Region (as defined under the Western Development Commission Act, 1998, – namely the Counties of Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo). The fund will be an additional, complementary support providing funding which is geared to the enterprise environment in the Western Region. It may not, however, provide grant aid. As regards the S&E Region, the Fund will apply in County Clare only.

Sub-Measure (iii): Rural Development Fund

Funding will be provided to finance research, including collaboration in policy orientated rural research, by research organisations and third-level institutions, and to finance evaluations and pilot actions where appropriate. Support will also be provided for specific assignments focused on important policy questions such as gender and social inclusion issues in rural areas, in order to provide information and advice to policy makers.

*6.7.4 Services for Agriculture and Rural Development**Sub-Measure (i): Advisory Services (Teagasc)*

Teagasc will implement a comprehensive support programme through its Rural Viability Service to encourage, stimulate and support farm families who are striving to achieve viability and to assist them in analysing their current position, identifying the threats to their viability and opportunities for additional income generation. The support programme will include analysis, the formulation of a simple development plan with particular emphasis on the environment, food safety/quality assurance and information technology, the provision of training and support for community based action.

Sub-Measure (ii): Farm Relief Services

This sub-measure will facilitate the expansion of existing farm relief services by providing training for new and existing personnel, undertaking research to identify the needs, demands and opportunities for the services as they arise and building and equipping further local offices.

6.8 Indicators

The following key indicators have been selected at Priority (Sub-Programme) level.

Indicator	Class	Baseline Year	Baseline	Mid-Term Target	Final Target 2006
Water Quality (a)					
Water course unpolluted	Impact	1995-1997	67%		80%
Water course polluted due to agriculture:					
• slightly		"	18%		20%
• moderately		"	14%		0%
• seriously		1987-1990	1%		0%
Rural Development (b)					
Number of net full-time equivalent jobs created	Impact	2000	0		Increase

Source: (a) Environmental Protection Agency
(b) Department of Agriculture, Food and Rural Development/Groups

As regards detailed indicators, the position is as follows: back in January 2000, the Commission (DG AGRI) produced a draft document containing a set of very detailed indicators which they proposed using across all Member States for all agricultural and rural development measures which come under the terms of the new Council Regulation on Support for Rural Development already mentioned. This document was discussed for the final time at the STAR Committee on 24 May 2000 and the intention of the Department of Agriculture, Food and Rural Development is to select key indicators from this document for insertion at Sub-Measure level in the Programme Complement. The detailed indicators, as appropriate, will also be collected separately to facilitate future evaluation across Member States and will be included as an Annex to the Programme Complement.

6.9 Impacts of Agriculture and Rural Development Priority (Sub-Programme)*6.9.1 Impact on the Environment*

The major environmental issues facing Ireland as outlined in the Community Support Framework for Ireland are as follows:

- (a) meeting commitments to control greenhouse gases and other emissions into the atmosphere
- (b) halting the decline in the quality of rivers and lakes caused by excessive inputs of nutrients
- (c) reducing and managing waste
- (d) protecting the urban environment from degradation due to transport and other pressures
- (e) protecting the natural resources of the countryside, coastline and marine areas
- (f) improving the strategic management of land use.

As a first step in addressing the above issues, the Government has agreed that environmental policy must be integrated with all elements of the National Development Plan 2000-2006. Agriculture will participate fully in this process and will need to address issues mentioned at (a), (b) and (e) above.

In relation to (a) above, cognisance will be taken of the National Climate Change Strategy recently prepared by the Department of Environment and Local Government to ensure that Ireland meets its target under the Kyoto Protocol. As expected the Strategy sets target reductions in methane and nitrous oxide to be achieved, and the Department of Agriculture, Food and Rural Development is currently examining a range of options to these ends.

As regards (b), in relation to the use of excessive nutrients, the continuation of the Rural Environment Protection Scheme (REPS) under the new CAP Rural Development Plan (funded by the Guarantee side of the EAGGF and, therefore, outside of the Structural Funds) should ensure very positive results in this area. Of more fundamental importance in the future, however, will be the designation of Nitrate Vulnerable Zones which has already been referred to in Chapter 2.

As regards (e), two points arise for agriculture, protection of Natura Sites and the overgrazing issue, which have been referred to in Chapter 2. The latter problem has already been tackled. Interim national framework plans for all commonages have already been put in place and these plans required an immediate reduction

in sheep numbers in all commonages in the six western counties. The position as regards the completion of the new individual commonage frameworks is that plans for the six western counties are largely complete and will be fully complete by the end of 2000, with the remainder to be completed in 2001.

Agenda 2000 and the Environment

Under the Agenda 2000 Agreement, the integration of environmental concerns is central to the CAP Reform element and, in future, all farmers receiving EU aid under the CAP or under the Structural Funds must practise farming in accordance with minimum EU and national environmental requirements. These requirements are set down in Council Regulation (EC) No 1257/1999 on Support for Rural Development (Articles 5,14 and 23) and Commission Regulation (EC) No 1750/1999 which lays down detailed rules for the implementation of the above Regulation (Articles 19 and 28). In addition, under the horizontal Council Regulation (EC) No 1259/1999 on Common Rules for Direct Supports Schemes under the CAP, Member States must take appropriate environmental measures to ensure the protection of the environment.

The Department of Agriculture, Food and Rural Development intends to implement the minimum requirements set down under the Rural Development Regulation by requiring farmers in receipt of EU aid to farm in accordance with *Good Farming Practice*. This document which has been incorporated into the CAP Rural Development Plan, 2000-2006, covers thirteen areas of activity where farmers must comply with certain environmental, hygiene and animal welfare requirements. A copy of this document is included at Annex E of this Operational Programme.

Impact of the Agriculture and Rural Development Priority on the Environment

The overall impact should be very positive. In the first instance, the sub-measure to be operated by Teagasc Advisory Services will focus on a specific number of strategic areas, i.e. the environment, food safety/quality assurance and information technology. In relation to the environment, the focus will be on attracting the maximum number of farmers to participate in REPS. It has already been demonstrated that improved practices on REPS farms are reducing the loss of nutrients to water bodies and the other measures in REPS are protecting habitats and the rural landscape. Also, as can be seen, substantial funding is being allocated to improving the environment through a major farm waste management programme and also improving dairy hygiene and animal welfare and grain standards. The Animal Carcass Disposal sub-measure should have a positive impact on the environment as it will provide a safe means for the disposal of animal carcasses and thus minimise disease risks. All actions carried out under the Alternative Enterprises Measure will be subject to environmental conditions and small scale environmental projects will be welcomed under the Area Based Rural Development Initiative.

6.9.2 Equality

The position in relation to equality and the agriculture sector is that ownership of family farms is mainly in the hands of men (over 90%) and, therefore, men generally have the deciding role in investment developments which take place on farms, including the acquiring of skills etc. Nevertheless, many women benefit considerably from the various schemes in operation in the agriculture area.

Two recent developments should help to progress equal opportunities in relation to agriculture. The first one is the setting up of the Network of Female Farmers by Macra na Feirme under the NOW Community Initiative. To ensure continuity in this area when the latter funding has expired, it is the intention of the Department of Agriculture, Food and Rural Development to make provision for network activities under the new Area Based Rural Development Initiative already referred to under Measure 3 above. Secondly, a new Advisory Committee on the Role of Women in Agriculture was established by the Minister for Agriculture, Food and Rural Development in September 1999. The areas which the Committee were asked to address by mid-2000 are:

- ◆ education and training, including the use of information technology
- ◆ the under-representation of women at political and rural organisation level
- ◆ social inclusion
- ◆ personal finance and other economic and legal issues.

As regards this particular priority, all sub-measures will, of course, be open equally to men and women and data will be compiled on a gender basis wherever possible. All approved groups under the Area-Based Rural Development Initiative sub-measure will be required to ensure satisfactory representation for women at board level and will be encouraged to facilitate and encourage the full involvement of women in both community activity and in privately funded projects. All group activities must be available equally to men and women. The principle of equity underpins the strategies for rural development set out in the White Paper on Rural Development.

The DAFRD is committed to working with the Department of Justice, Equality and Law Reform with a view to identifying how the Gender Impact Assessment Guidelines can be implemented effectively in the agricultural sector.

6.9.3 Rural Development/Poverty

The White Paper on Rural Development (*Ensuring the Future – A Strategy for Rural Development in Ireland*, August 1999, Department of Agriculture and Food) already

referred to under Measure 3 above, had the following to say in relation to the continuing important role of agriculture in the whole rural development process:

Although the economic character of rural areas is no longer synonymous with agriculture, the sector remains the single most important contributor to the economic and social viability of rural areas. Agriculture employs a significant proportion of the rural population and, while employment is declining in relative terms, the sector continues to play a defining role in the rural landscape and is a conduit for major public support for rural communities. Agriculture is, and will remain in future, critical to the well being of the rural economy and, in many areas, represents the main option for economic activity. Maintenance of a healthy agriculture sector is, therefore, an essential component of a comprehensive rural development strategy.

The White Paper is a comprehensive and integrated expression of Government policy on many elements pertinent to the needs of rural communities. It acknowledges that Government intervention is required in order to ensure balanced regional development and to provide a particular focus on addressing social inclusion needs. The strategy set out in the White Paper endorses and supports the objectives contained in the National Anti-Poverty Strategy and will ensure that the overall strategy for rural development is underpinned by a socially inclusive dimension.

A number of institutional arrangements have been put in place to ensure that the strategy outlined in the White Paper can be implemented and the Department of Agriculture, Food and Rural Development has been given the central role in this process. In addition, the very substantial funding being provided under the CAP Rural Development Plan (outside of the Structural Funds) – G4.988bn (£3.928bn) for the State – for the environment (REPS), compensatory allowances in disadvantaged agricultural areas, forestry and an early retirement scheme for farmers will boost farming incomes and contribute on a continuing basis to the rural economy. The CAP Plan will particularly benefit the designated disadvantaged agricultural areas located in the Region which will benefit significantly through the Compensatory Allowances Scheme. In addition, the REPS is especially geared to extensive farming which is practised in the more disadvantaged areas of the Region.

6.10 North/South Co-operation

Under the Good Friday Agreement, agriculture was identified as one of the six areas for North/South co-operation. Arising from this, the role of the existing Steering Group on Cross-Border Rural Development will examine the scope for a common approach to the feasibility of developing cross-border area-based strategies and rural development research.

On the Southern side, the National Rural Development Forum, which meets twice yearly, will be helpful in identifying suitable themes to be examined.

Accordingly, funding will be set aside from within the overall allocation for the sub-measures on the Area Based Rural Development Initiative and the Rural Development Fund, under Measure 3 – General Rural Development, with some EAGGF co-financing in the case of the former sub-measure, to advance this process. In relation to that sub-measure, only eligible projects with a cross-border dimension and coming within the scope of Council Regulation 1257/1999 will be co-financed by the EAGGF Fund.