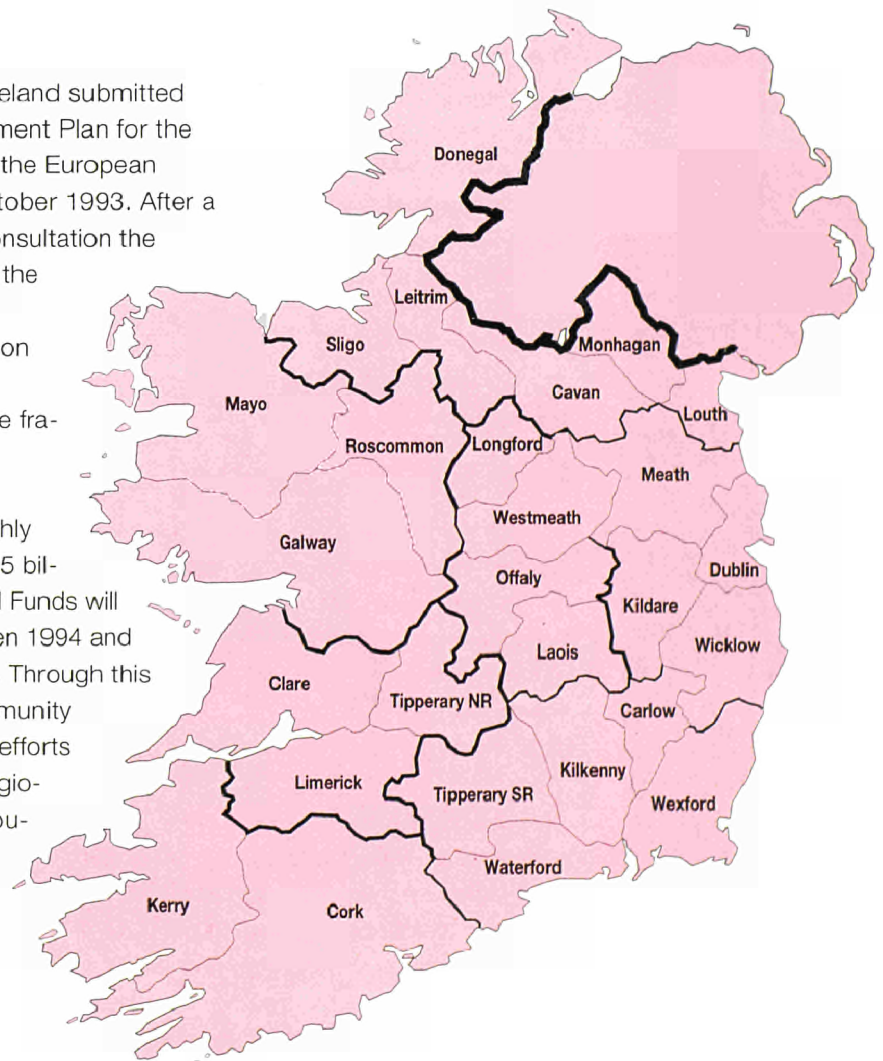


November 1994 - EN

Summary of the CSF for Ireland (Objective 1)

The Structural Funds and the development of Ireland, 1994-1999

The Government of Ireland submitted the National Development Plan for the period 1994-1999 to the European Commission on 8 October 1993. After a period of extensive consultation the Commission adopted the Community support framework for Ireland on 13 July 1994. This agreement lays out the framework for the mobilisation of the ECU 5.62 billion (roughly equivalent to IRL £4.45 billion) that the Structural Funds will bring to Ireland between 1994 and the end of the century. Through this contribution the Community seeks to support the efforts of the national and regional authorities in encouraging the country to accelerate the rate of its development.



Ireland and Europe

Over the course of the last six years the Irish economy has performed well. In 1988 GDP per capita was 64% of the EC average, by 1993 this figure is expected to have risen to 78%. Up until 1993, the economy expanded at a rate of 5% per annum for five consecutive years. Meanwhile inflation has been kept relatively low at a rate of 2.5% over the 1989-93 period, compared with the EC average of 4.75%. The Punt has also maintained its place relative to other European currencies.

The economy is expected to continue to grow at a relatively fast rate, however there remain quite deep-rooted structural difficulties that need to be addressed. For instance, Ireland has the highest proportion of people aged between 15-65 in the Union, amounting to 59% of the total population. However, the ratio of economically active people against total population in Ireland falls below the EC average; a figure that reflects the extent and severity of unemployment, which in 1993 stood at 18%.

The Community support framework

The Irish authorities adopted the multi-document approach meaning that decisions are taken separately on the Community support framework (CSF) and the individual operational programmes (OP). The Community support framework identifies four principle priorities:

- the productive sector
- economic infrastructure
- human resources
- local urban and rural development.

These four priorities will be met by nine operational programmes.

The Community support framework is a programming document describing priority fields for the part-financing of a range of projects. Operational measures still need to be added, however, before project promoters can submit applications for assistance.

The Commission will adopt these measures in the form of operational programmes and global grants, proposals for some of which have already been received from the national and regional authorities, the bodies responsible for circulating information on and administering all the instruments adopted.

Economic weaknesses

The Irish economy has certain weaknesses that have to be addressed. The small, open, agriculture dependent economy makes it vulnerable to policy decisions taken internationally such as the Reform of the CAP or provisions in the GATT agreements.

Likewise, high levels of out-migration which impact on the labour market, depend to a large extent on the economic conditions in the larger, neighbouring, trading-partners. The peripheral island location and the sparsely populated country creates difficulties for businesses in all sectors: electricity ge-

neration costs are high; transportation is time consuming and costs are elevated. Ireland has traditionally been characterised by a high-level of out-migration, averaging 0.9% of the population over the late 1980s. Various demographic trends (falling off of emigration, population bulge etc.) have led to a significant growth in the size of the labour force. Although total employment expanded between 1990 and 1993 by 1.5%, this has not been sufficient to absorb the rise in the number of people looking for jobs - leading to an endemic level of youth and long-term unemployment.

The employment market is characterised by a relatively high proportion of people who have completed higher education, against a substantial number that have no formal qualifications at all. This is clearly linked to national investment in education which, although being proportionally higher than in most EC countries, tends to be concentrated on higher education at the expense of primary and secondary levels. Total employment in the productive sector is broadly comparable with other EU countries, however there tends to be a contrast between Irish firms and the foreign owned sector. Industrial investment from abroad is technologically advanced and highly productive; accounting for 50% of the total net manufacturing output, but for only about 20% of the total employment. Indigenous industry is weaker whilst research and technology development also lags behind other regions of Europe.

Ireland remains dependent on agricultural activity which is often small scale and not as productive as in other agricultural regions of the Community. The fisheries sector is making an increasingly important contribution to the economy of coastal areas although again the fleet is small sized and requires modernisation. Aquaculture has increased and there is more potential for increased fish processing.

Tourism is an increasingly important economic player but the potential of the sector could be developed further. The industry is highly seasonal with identifiable gaps in the structure and facilities available to the tourist.

Priorities

The Community support framework sets out four priority areas for assistance:

1 The productive sector

Despite economic growth, unemployment has continued to rise, underlining the need for continuing support for the productive sector in order to generate high and sustainable levels of employment creation.

Actions under Priority 1 cover:

- industrial development (including the food industry)
- agriculture
- forestry
- rural development
- fisheries
- tourism

2 Economic infrastructure

The Irish economy is dependent on exports and tourism. To encourage further growth Priority 2 actions cover:

- transport and communications infrastructure
- the development of the energy supply
- environmental services to ensure growth potential in tourism and agriculture as well as industry.

3 Human resources

There is to be an emphasis on preventative actions, the promotion of more active labour market measures and employment intensive growth, including:

- the strengthening of education, training and employment structures
- initial education and training/employment aids
- continuing education and training
- programmes for the disadvantaged

4 Local urban and rural development

Economic growth will seek to mobilise the energies of individuals and communities throughout the country.

This is to be done through assisting and encouraging local enterprise, employment and urban/rural renewal.

Quantified objectives

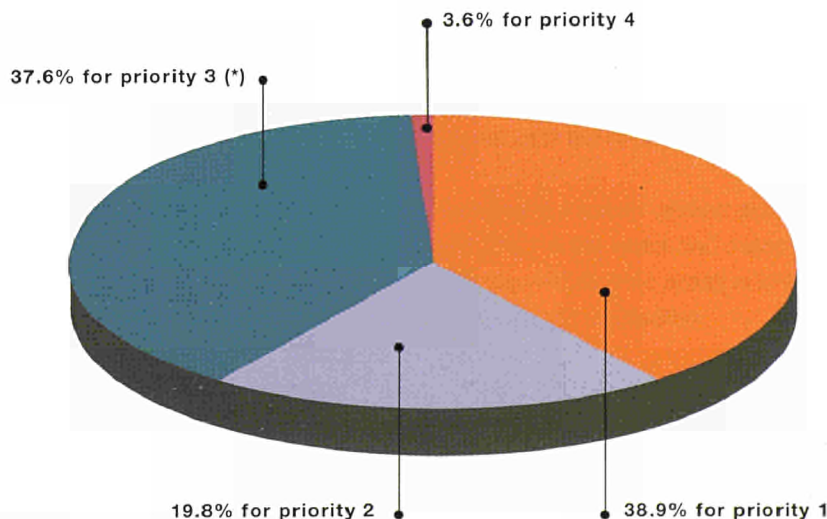
The Irish authorities, in partnership with the Commission, have agreed a set of specific objectives to be met for each priority included in the CSF. Wherever possible these objectives will be further developed and quantified within the separate operational programmes. In instances where an exact quantification is inappropriate, the OPs will set out qualitative goals to work towards.

For instance, attainment in education is an area that is clearly quantifiable, and the goal has been set of raising the number of young people leaving school with a leaving certificate from the present figure of 77.4% to 90% by 1999. Meanwhile, other strategic goals, such as those concerning the protection of the environment from pollution, are more complex and less easily measured except in qualitative terms. Nevertheless such indicators are equally important in developing the long-term competitiveness of the Irish economy.

The CSF indicators focus as far as possible on the final impact of expenditures, rather than concentrating unduly on measuring physical inputs and outputs. These latter indicators are more concerned with monitoring than evaluation and will therefore be incorporated within specific operational programmes

Effective evaluation is central in ensuring the efficient use of resources. However many of the proposed indicators are subject to external factors which may require that the objectives that have been set out be reviewed and amended over the life time of the CSF.

The division of Structural Fund resources by priority area



(*) Including HR actions linked directly to the other priorities.

Financing the investment

(million ECU)

Priorities	Total Struct. Funds 1 = 2 + 3 + 4 + 5	Structural Funds				Cohesion fund 6	EIB/ECSC Loans 7	National/ public funding 8	Private funding 9	Total cost 10 = 1+8+9
		ERDF 2	ESF 3	EAGGF 4	FIFG 5					
1 The productive sector	2508	1099	324	1038	47			813	2290	5611
Industry	1029	720	154	155				362	1470	2861
Agriculture, forestry and rural development	945		62	883				327	495	1767
Fisheries	78	25	6		47			20	79	177
Tourism	456	354	102					104	246	806
2 Economic infrastructure	1113	1113						779	85	1977
Transport	888	888						518		1406
Energy and communications	108	108						136	71	315
<i>(of which energy)</i>	<i>(70)</i>	<i>(70)</i>						<i>(93)</i>	<i>(71)</i>	<i>(234)</i>
Environmental services	78	78						34	14	126
Hospital infrastructure	39	39						91		130
3 Human resources	1732	160	1572					630		2362
4 Local urban and rural development	257	180	57	20				110	53	420
Technical assistance	10	10						3		13
Total	5620	2562	1953	1058	47			2335	2428	10,383
Cohesion fund						1530		229		1530

Measures

1 The productive sector

Industry

Despite strong industrial performance over the last few years there is need for continued support. A greater share of resources will be directed towards the indigenous productive sector (particularly the food sector) and towards promoting SME development. Also in need of attention are:

- deficiencies in the equity market
- improving linkages with non-indigenous companies
- enhancing competitiveness and export propensity
- reorientation in favour of repayable forms of finance.

A targeted approach will develop areas of competitive advantage as well as offering softer forms of support such as marketing and advisory services.

Research and technological development

Under-investment on RTD has tended to hold the Irish economy back. The CSF aims to encourage the use of technology and to increase business expenditure on RTD.

Emphasis is to be placed on co-financing private sector RTD, especially within indigenous industry. Other measures will focus on increasing RTD capacity and capability. The development of training in RTD and the strengthening of RTD links between higher education and industry as well as management training programmes for experienced research personnel will be supported.

A special RTD coordinating committee is to be set up in order to ensure consistency and focus across RTD activities supported under the other priority areas.

Agriculture, forestry and rural development

The improvement of agriculture covers:

- increased efficiency in production
- environmentally friendly farming techniques
- animal welfare and hygiene standards
- diversification from agricultural production
- improved processing and marketing of agricultural produce
- development of non-farm rural sectors
- income maintenance in the less favoured areas

Forestry: Support for the afforestation of agricultural land is to be complemented by training measures in forestry.

Rural development: The mainstream intervention in rural development under the Local Urban and Rural Development OP will continue to be complemented by the LEADER programme which is to play an important role in developing experimental actions and transferable models.

Fisheries

A fleet decommissioning scheme will run alongside the renewal and modernisation programme for the fishing fleet. Likewise fisheries harbours investment is designed to upgrade harbour infrastructure and facilities.

More efficient aquaculture production is to be complemented by:

- improvements in the fish processing sector
- the promotion of fish products
- marine research
- training measures to ensure the efficiency, safety, quality and business skills necessary within the sector.

Tourism

Beyond the operational programme for tourism, the tourism industry will also benefit under the heading of rural development, and possibly also local development.

Increased emphasis will be placed on:

- marketing
- actions to redress the seasonal nature of the industry
- the filling of critical gaps in the tourism product and activities.

Further projects in partnership with the private sector are envisaged as well as interventions benefiting the cultural sector in Dublin and the regional cultural centres.

Training in tourism related skills is to be provided in the hotel and catering industries as well as new areas such as culture, heritage and recreation.

Monitoring Committee

A monitoring committee will be responsible for the overall coordination of structural operations, including those within the CSF and the Community Initiatives, as well as those under the Community grant and loan instruments. The monitoring committee will present interim assessments and propose possible amendments to the CSF as the need arises. In addition, individual monitoring committees will oversee the implementation of the various operational programmes.

The committees will comprise representatives of the local and national authorities and other competent authorities and bodies involved in executing the actions of the CSF. The Commission and the European Investment Bank will also appoint members of the committees.

In addition, operational committees will be established for each of the eight sub-regional authorities. They will comprise locally-elected representatives, central and local government officials, the social partners, the voluntary sector and the Commission. The sub-regional committees are kept informed by the CSF and OP Monitoring Committees and they may give their opinions on any aspect of the implementation of the CSF.

2 Economic infrastructure

Transport

Expenditure is to be concentrated on the national primary roads with 70% of funds being concentrated on four strategic corridors, with the possible inclusion of other routes.

The rail network requires realistic assessments of rail's capacity to meet market needs to ascertain the level of investment required. Investment in airports will be concentrated on the three state airports of Cork, Dublin and Shannon with the objectives of raising passenger capacity and increasing annual cargo tonnage.

The upgrading of port facilities will have to take into account market needs and avoid the displacement of traffic from competing ports. Improvements are planned for Dublin, Cork, Waterford and Rosslare. The potential benefits of other proposals are to be evaluated.

In addition, an integrated package of measures will be implemented to improve the Dublin transport system.

Energy and communications

Energy: Structural Fund interventions will concentrate on activities that are not commercially viable but nevertheless produce wider macro economic benefits.

These may include:

- the construction of a peat fired power station
- energy efficiency measures
- Combined Heat and Power (CHP)
- renewable and alternative energies
- rural energy networks

Post, telecommunications: Community support is to be awarded towards the construction of three new regional mail depots and automating counter facilities in less densely populated areas of the country. Continued investment is planned with Community support in key areas such as switching, the increasing deployment of fibre optic cables and the extension of mobile coverage.

Environmental services

Further work in environmental services include:

- water supply and waste water treatment
- solid waste management (municipal and hazardous waste)

- coastal management and protection
- environmental monitoring, research and development

Hospital infrastructure

The construction of a new general teaching hospital in Tallaght, County Dublin, constitutes a major health investment project. This installation will provide valuable employment opportunities in the area as well as significantly upgrading the health care services of the capital.

3 Human resources

The strengthening of education, training and employment structures

Measures aim to improve the responsiveness to economic and technological developments. Measures are to include:

- the training of teachers, trainers and educational management personnel
- curriculum development
- a coherent comprehensive system of independent certification
- labour market research and analysis with an emphasis on identification and forecasting of skill needs
- systematic evaluation of measures taken
- active measures for the promotion of equal opportunities

Initial education and training/employment aids

At the first and second level, an integrated set of measures will form a YOUTHSTART programme with the objective of helping the young to start in working life through education, training and support measures. At third and post-graduate level, certificate and diploma training courses in technical and business skills will be expanded.

Continuing education and training

Skills training for the unemployed with periods of placement in industry will be continued and developed, as well as training and support for the unemployed to create and maintain enterprises. For those in employment, provision has been made for a training support scheme aiming to help the labour force adapt to industrial change and to changes in production systems.

Likewise the training support scheme will improve skills at all levels of the workforce with the training of managers in SMEs being a priority.

Programmes for the disadvantaged

Measures to combat exclusion from the labour market will be targeted at the long-term unemployed and persons with disabilities through:

- second chance education
- skills training and retraining
- guidance and counselling
- work experience and employment aids

4 Local urban and rural development

Local development has increased significance, reflecting the need to mobilise the energies of individuals and communities throughout the country. Assistance will be given to promote local enterprise, employment and urban renewal through an operational programme supporting the activities of county enterprise boards, action to counter disadvantage by realising the development potential of designated disadvantaged areas and other communities, and also urban renewal in cities, towns and villages.

Some achievements between 1989 and 1993

In February 1991 work started under the Tourism and the Interreg programmes on the reconstruction and refurbishment of the Ballinamore and Ballyconnell canal to link the River Shannon in the Irish Republic with the lake system of the Upper and Lower Lough Erne in Northern Ireland. This project, which was completed in the spring of 1994, involved the replacement and automation of the lock system, widening and deepening of the canal itself and the rebuilding of 33 bridges. Following the re-opening of the canal, 750 kilometres of inland waterways are now available for recreation. The total cost in Ireland was 30 million Irish pounds of which the ERDF contributed 75%.

The Regional Technical College at Tallaght in County Dublin was opened in September 1992 with 624 full-time and 400 part-time students. Courses offered include five National Certificate/Diploma qualifications of two years in business studies (including marketing, accounting and languages), as well as computer science, electronics and mechanical engineering. Two courses in professional cookery and hospitality skills are aimed at supporting the hotel and tourism industries. A community development training programme is offered to adults to train community workers with special emphasis on the handicapped. This particular course is unique to Tallaght. The total cost of the college was 15 million pounds, 50% of which was contributed by the Community through the operational programme for training infrastructure and the training of trainers.

Twenty-eight major improvement projects on national primary roads were completed at a cost of £387 million (of which 75% was provided by the ERDF), involving the construction of 34 km of motorways, 38 km of dual carriageway and the improvement of 65 km of single carriageway. Those completed include the Clonee (N3), Athlone (N4), Newbridge (N7), Glanmire (N8), Bray/Shankill (N11) and Bunratty (N18) by-passes.

Useful addresses

The full text of the Community support framework can be obtained from:

Government Supplies Agency
4-5 Harcourt Road
Dublin 2
Tel: +353 1 66 13 111
Fax: +353 1 47 80 645

More information on the operational programmes is available from the national authorities responsible for implementing the CSF:

Department of Finance
EC Structural Funds Section
Upper Merrion Street
IRL - Dublin 2.
Tel: +353 1 676 75 71
+353 1 678 99 36

Department of Enterprise and Employment
Kildare Street
IRL - Dublin 2.
Tel: +353 1 661 44 44

Area Development Management
Holbrook House
Holles Street
IRL - Dublin 2.
Tel: +353 1 66 13 611

For more information

In order to promote overall harmonious development, the Community has adopted a policy focusing on economic and social cohesion with concentration on non-repayable financial assistance on five priority objectives.

Objective 1

Structural adjustment of regions whose development is lagging behind

Objective 2

Economic conversion of areas seriously affected by industrial decline

Objective 3

Combating long-term unemployment and facilitating the integration into working life of young people and those threatened with exclusion from the labour market

Objective 4

Preventive measures to combat unemployment associated with industrial change

Objective 5a

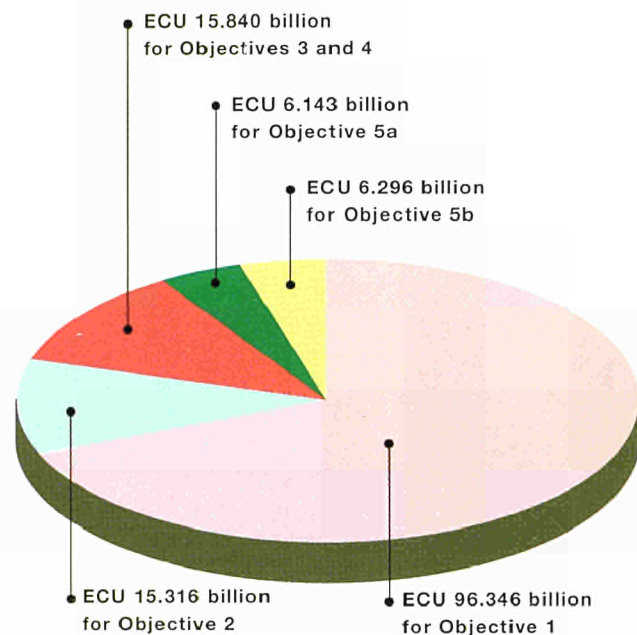
Structural adaptation of agriculture and fisheries

Objective 5b

Economic diversification of vulnerable rural areas

Objectives 1, 2 and 5b are regionally targeted and give rise to measures part-financed by the Structural Funds in certain regions, or parts of regions, recognized as eligible. For Objectives 1 and 5b the lists of eligible regions and areas are fixed for 1994-1999. For Objective 2 the list is fixed for 1994-1996. Measures part-financed by the Structural Funds under Objectives 3, 4 and 5a may be implemented throughout the Community.

During the period 1994-1999, the Structural Funds - European Regional Development Fund (ERDF), European Social Fund (ESF), Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG) - will have at their disposal a total appropriation of ECU 141.471 billion.



«Part-financing» is the operative term because, in most cases, the Structural Funds can defray only part of the total cost of projects:

- up to 85% in the remotest regions and certain Greek islands
- up to 80% in the Objective 1 regions of Spain, Greece, Ireland and Portugal
- up to 75% in the other Objective 1 regions
- up to 50% for Objectives 2, 3, 4 and 5b.

Other Community sources of financing are available, such as grants from the Cohesion Fund and the EFTA countries for the four eligible countries (GR, ES, IRL and PT), and EIB and ECSC loans. Complementary national financing may be of private or public origin (national, regional or local).



European Commission
Directorate-General for Regional Policies

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