



**SUBMISSION IN RESPONSE TO THE DRAFT RURAL
DEVELOPMENT PROGRAMME 2014 - 2020**

**On behalf of Rural
Local Development Companies**

**By
ILDN Strategic Policy Group**

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INTRODUCTION

The recent publication of the draft Rural Development Programme (RDP) 2014–2020 by DAFM, and the consultation event on the LEADER element of RDP organised by DECLG has invited stakeholders to make further submissions in relation to the content of the final RDP which will be submitted to the EU as part of the Irish Partnership Agreement. ILDN, the representative network body for the 35 LAGs or Local Development Companies in Ireland sets out below proposals for the final draft of the programme.

1. LEADER MEASURES

The draft RDP invites comments and suggestions from relevant stakeholders in relation to possible themes / needs to be supported under the LEADER element of RDP 2014 – 2020. While ILDN would refer to our more detailed submission made in 2013 which is broader in scope, we are happy to make this further submission which is focused on the questions posed around the themes and needs to be supported under LEADER element for 2014 – 2020.

ILDN is broadly supportive of the themes identified in the RDP draft for the LEADER programme, but would also reference **additional areas of activity** as outlined below and in section 2 of this document.

The key themes/sectors set out below are not intended to be a definitive list of LEADER actions but rather an indicative list of the potential of the RDP to support economic development and job creation. It is crucially important that the programme is not confined to a limited list of eligible sectors, as occurred to the detriment of the current RDP. Such an approach will lead to enormous difficulties with project eligibility for LAGs and the Departments by creating a rigid and prescriptive enterprise eligibility regime.

- **Rural Economic Development/ Enterprise Supports & Job Creation,**
 - including support, advice and funding to rural businesses, entrepreneurs and alternative farm enterprises to support the creation and development of rural micro and small enterprises
 - the development of general and industry specific business skills
 - the uptake of new / improved business processes and technologies (including individual and group / cluster supports)
 - animation of innovation and the development of commercial niches in a range of sectors
 - facilitation of farm families and rural dwellers to make changes to their economic circumstances and avail of the economic opportunities offered by the RDP

Including (but not exclusively) for the following sectors;

- Artisan Foods
- Renewable Energy / energy efficiency
- Marine related business
- Social Enterprise

- Creative Industries
 - Tourism
 - Agri-business
 - Services to business
 - Waste recycling
 - Assistance to farmers and producers with growing their business, business skills acquisition and knowledge transfer
 - Fostering innovation, at individual level and the creation of clusters & producer groups, EIPs
 - Advice/Support for small farm families, young farmers, women and farm transitions
 - Better integration of primary producers into the food chain through short-supply chains, common marketing strategies of local products etc.
 - Support for rural job creation initiatives which target greater participation of young and older male workers and low-skilled workers
- **Basic Services for Rural Communities and Areas (All rural areas)**
This following are indicative actions which could be supported under this measure;
 - Investments in the creation, improvement or expansion of small scale community infrastructure
 - Investment in broadband infrastructure in rural areas (creation, improvement / expansion) through innovation and adding value to mainstream broadband initiatives
 - ICT and business skills for rural enterprises and innovative use of information technologies
 - Support for exploiting internet / new high-tech technologies for rural enterprise and citizens (for example in rural tourism, new enterprises, e-government)
 - Recreation, Heritage and Culture
 - Building the knowledge and skills base of rural areas & small towns (Innovation Hubs)
 - Support for coordinated approaches to Community Shops
 - Investment in local approaches to improving labour market participation of vulnerable rural groups, for example, low skilled youth, men, older people and the underemployed
 - Support for the drawing up of Village and Community Plans
 - Co-operation Measure activities, including diversification of farming activities into alternatives such as health care, social integration, social farming and environmental education.

- **Environment**

This could involve facilitating co-ordinated approaches and access to locally focused agricultural schemes, clusters, advisory groups and ensuring high potential for adaptation to climate change. Examples include the following;

- Outcome based conservation projects
- Sustainable water quality & management, efficiency, harvesting
- Biodiversity
- Support for Organic Farming & accessing national schemes
- Climate Mitigation Measures
- Renewable Energy
- Environmentally sustainable approaches to tourism and destination development and marketing
- Cooperation projects and approaches combating climate change

The importance of effective ‘animation’ in the programme must be emphasised. Without this key component of development support, the programme will not be able to support local capacity building and will become a top-down ‘scheme’ for high capacity communities, farmers and rural dwellers.

2. SCOPE FOR LEADER METHODOLOGY TO DELIVER IN NON-LEADER MEASURES - outline of type of activities and examples of potential actions, plus case studies

LEADER is a methodology recognised for its capacity to engage a broad range of rural actors in the development of socio economic aspects of rural communities. For RDP 2014–2020, LEADER will be programmed under Priority 6: Promoting Social Inclusion, Poverty Reduction and Economic Development in rural areas.

ILDN welcomes the acknowledgement that the LEADER method is now identified within the regulatory framework as a measure that can address more than one priority and can in fact assist in a broader set of ‘focus areas’ as set out under the other five priorities. This is an important development, but its relevance may not yet be fully appreciated by the MA. A recognised weakness of the 4 Axis model of the current RDP has been the limited use of the LEADER approach across the overall RDP. This has been related to a design issue rather than any lack of desire amongst the stakeholders within the sector to broaden the scope of the LEADER method.

The draft RDP LEADER section notes “the need to ensure the effective and coordinated use of all available resources in rural areas, physical and human, to support local development of rural areas”. This stated objective is very much in line with the acknowledged potential of LEADER to be utilised for the delivery of relevant objectives across all RDP priorities, and if fully embraced, has the potential to address previous design shortcomings in the Axes system.

- However the very limited allocated budget to the LEADER methodology for 2014-2020 is a significant constraint which requires some lateral thinking in order for the method to be fully utilised across the wider RDP and to make the RDP relevant to local rural communities through engaging their collective energies, skills and knowledge in developing and implementing local solutions to important rural social and economic challenges.

- This broader approach to tackling the overall needs of rural communities is key to the LEADER approach to rural development and in the context of European / national funds is important in demonstrating the significant value of such investment into rural areas as well as the agricultural sector.
- In addition to LEADER, the draft RDP outlines a number of national schemes: Agri-Environment Climate Measures, Areas of Natural Constraint, On Farm Capital Investment, Knowledge Transfer Measures, Support for Collaborative and Quality Focused Measures, and Targeted Supports. These national schemes respond to many of the 'Focus Areas' outlined under the RDP priorities and have associated budget lines for the duration of the RDP. **Appendix 1** maps the other Focus Areas under the other 5 priorities most relevant to Priority 6 (LEADER) and the related RDP Schemes as outlined in RDP draft (*Environment Focus Areas mapped in green*). This highlights the potential complementarity and possible linkages across the RDP priorities and related national RDP Schemes

Environment

- All Priority 4 and 5 Focus Areas fall under the Environment theme and these activities will represent 30 percent of the RDP priority budget. Securing buy in to environmental schemes and developing effective renewable energy and climate initiatives requires effective local animation in order to stimulate local take up. This theme is one where the LEADER methodology could provide additional value.

Thematic Sub-programmes

- Article 7 provides the possibility for MSs to design and implement Thematic sub-programmes for specific needs such as small farms, short supply chains, climate change and mitigation /adaption and biodiversity, water quality, youth and women. The support rates laid down in Annex II of RDP Regulation may be increased by an additional 10 percent for activities supported through a framework of Thematic Sub-programmes covering these specific areas. This extra flexibility could be utilised through the LEADER method with the associated additional budget being made available to LAGs to channel to local innovative approaches addressing the specific needs of these target groups.
- In order to maximise the use of the LEADER method across all the RDP priorities and in particular in the support of the Environment theme and possible Sub-programme areas outlined above and in Appendix 1, mechanisms need to be developed to allow LAGs who include local approaches to these actions in their Local Development Strategy (LDS) to channel some funding from the other RDP priorities to aid local take up and involvement in the schemes and focus areas concerned.

For example, a LAG that promotes artisan food enterprise start up in its business plan, should be able to access additional funding from the national Artisan Cooperation Scheme to support specific local initiatives to assist in shorter supply chains, improve marketing, production and skills and support collaborative processes. Similarly, a LAG that promotes

environmental or renewable energy opportunities through LEADER should also be able to tap into funding from other RDP measures to further support local initiatives and improve adoption and take-up of national schemes.

Case Study

The County Clare Wood Energy Project (CCWEP) was established in 2005 by the LAG in Co. Clare, in partnership with Teagasc. The objective of the project was to stimulate demand for wood energy from local farm forest thinning sources and to develop a local wood energy supply chain which would generate economic benefits for farm forest owners and the local economy. The project has in the intervening years seen the installation of a number of wood chip boilers in the county and the establishment of several farmer based wood chip supply clusters. The project has also led to the establishment of a number of wood energy businesses in the county which are providing employment in rural areas.

The project had been delivered with a modest level of financial support for animation, facilitation, training, technical support, marketing and promotion. See www.ccwep.ie for more information.

3. FUNDING OF RDP

- **LEADER Co-funding Rate**

ILDN are seeking a minimum co-funding rate of 46% for the LEADER measures of the RDP. This rate is essential in order to maintain a reasonable level of funding for the programme. Even with this minimum level of co-funding at €283m, the overall size of the programme will be much diminished from its current level.

- **Access to Non-LEADER Measures Funding**

ILDN welcomes the scope outlined in the draft RDP for the LEADER methodology to be used in a number of RDP measures. However, for that potential to be realised additional funding must be made available by DAFM from the non-LEADER measure budgets. If this funding is not made available to LAGs, the level of LEADER activity across the programme will be minimal and the impact of LEADER will not be visible outside of the specific LEADER measures. The use of Sub-programmes as outlined above and possible increase of support rates by an additional 10% as allowed for in the Regulation is worth exploring.

- **Preparatory Funding**

The RDP regulations allow for the provision of preparatory funding for the preparation of Local Development Strategies by potential LAGs for the RDP 2014-2020. It is ILDN's understanding that this funding can come from existing or future programme budgets. It is essential that the Departments include the provision of preparatory funding in the Operational Programme which will be submitted to the European Commission.

- **Up-front Payments to LAGs**

The RDP regulations also allow for the provision of 50% up-front payments to LAGs. This provision needs to be written into the OP.

- **Multi-Annual Status of LEADER Budget**

The current programme has seen a sea change in the management of the LEADER budget. The programme budget is essentially being managed as an annual budget. This has caused considerable problems for the LAGs, the image of the programme and its delivery on the ground. The multi-annual cycle of the LEADER budget needs to be better understood and facilitated by all Government Departments concerned. ILDN would strongly urge that the budget re-allocation decisions made in the current programme should not be repeated in the next RDP.

- **Administration / Animation**

Article 35 of the Common Provisions Regulation (EU) No 1303/2013 outlines the support from the ESI Funds for community-led local development. ILDN welcomes the clarity outlined in section 2 and notes that the support rate for running costs and animation for LAGs is now set at 25 % of the total public expenditure incurred within the community-led local development strategy.

4. LOCAL DEVELOPMENT STRATEGY PLANNING & START-UP TIMESCALE

Developing the highest quality Local Development Strategies (LDS) will be a key component in the successful delivery of the LEADER element of the Rural Development Programme 2014-2020. Irish LAGs, with the support of ILDN, aim to produce the most effective, innovative and integrated LDS in the EU based on;

Experience - Irish LAGs uniquely across Europe each have over 18 years of experience, collectively providing full-country coverage in shaping and delivering the LEADER LDS. The process of developing the LDS in other parts of the EU was identified as deeply flawed by the European Court of Auditors. Irish LAGs were amongst the few that were seen to have a clear link between the needs of the local area and the strategies delivered in the LDS. Each Irish LAG has evolved through a number of iterations of the LEADER Approach since the early 1990's and have gained valuable experience each time in improving the construct of the key strategies that are employed in the LDS, and are shaped in a unique fashion to meet local needs.

Linkages & Value Added – Irish LAGs have developed a working relationship with a range of public and private investors in sustainable development. Irish LAGs have evolved to provide an effective platform or bridge between a range of 'investors' and 'beneficiaries'. This is made possible by having a broad strategic base (LDS) that can provide an opportunity for a number of different types of investment to work in parallel. Through this approach each funding programme/investment achieves its own targets whilst also gaining 'added value and impact' from up-stream or down-stream actions supported by other programmes or initiatives. Thus in designing their LDS, Irish LAGs will be in a position to look at both the 'direct' and 'associated' investment opportunities and impacts for the LEADER element of the Irish RDP 2014-2020.

Unique Positioning – The Local Development Strategy is an expression of the needs, ambitions and priorities of local communities which are expressed in a series of integrated strategies. Irish LAGs as Community Led Organisations are embedded within the Irish Community and Voluntary Sector in a manner that no other type of organisation has achieved. This will provide the Irish LEADER LAGs with an important channel of information in the preparation, drafting and completion of the LDS.

Quality Supports – In the recent review of the key elements of developing a high quality LDS by the European Network for Rural Development (ENRD) one of the essential characteristics identified was the role played by experienced LAG staff. The Irish LAGs have teams of dedicated and talented administrators, auditors, development workers and project managers who have been central to the design and delivery of a LDS for many years.

Timescale for Programme Start-Up

ILDN would agree with the European Commission view that the 2014-2020 LEADER RPD Programme should be operational from January 1st 2015. However recent statements from the Department of Environment, Community and Local Government would suggest a slippage in this timetable. ILDN would urge that this situation be addressed immediately. Additionally there is uncertainty regarding the provision of preparatory funding required by potential Irish LAG's to underpin the preparation of their LDS 2014-2020. The European Commission have stated clearly that these resources should be made available and ILDN would urge that this matter is also addressed without delay. The European Commission have stated that the minimum planning period for the development of a LDS is 6 months, with the optimal period being 12 months.

5. OTHER ISSUES

• Programme Evaluation Indicators

Since its inception, the LEADER programme has suffered from the inadequacy of the evaluation indicators used to determine its effectiveness. The use of non-LEADER specific indicators has undermined the developmental nature of the programme and has failed to capture its achievements. The ENRD and the European Commission have undertaken considerable work on evaluation indicators which ILDN hope will be evident in the new programme.

• Networking

The networking arrangements for the current programme have not served the LAGs well. The top-down nature of the networking service was not effective and encouraged little engagement by LAGs in the service. ILDN would strongly urge both Departments to revisit this aspect of the RDP and to consult with the LAGs in designing any new networking model.

• Independent Appeals System

The Appeals system operated under the current programme needs to be reviewed. Such a system needs to be independent in order to be effective. The current system involves a considerable level of overlap between personnel at different stages of the appeals process. This lack of separation has undermined the confidence of LAGs in the appeals process and has resulted in a finding by the Office of the Ombudsman that the LEADER appeals system is not independent. ILDN strongly urges the establishment of an Independent Appeals system under the new RDP.

Appendix 1

LEADER Priority	P6 Focus Areas	Related RDP Priority Focus Areas where LEADER can add value and help deliver on objectives	Related RDP Agri Schemes
P6	1A Facilitating diversification from agriculture sector, creating new small enterprises and other forms of job creation	<p>4A Restoring and preserving biodiversity, including in Natura 2000 areas and High Nature Value farming and the state of European landscapes</p> <p>5B Increasing efficiency in energy use in agriculture and food processing</p> <p>5C Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of bio-economy</p> <p>5E Fostering carbon sequestration in agriculture and forestry</p> <p>1A Fostering innovation and knowledge base in rural areas</p> <p>2A Facilitating restructuring of farms facing major structural problems</p> <p>3A better integrating primary producers into the food chain.</p>	<p>1. Targeted Output based agri-env projects:</p> <ul style="list-style-type: none"> • Output based agri-env projects (Section 2c) <p>4. Knowledge Transfers Measures:</p> <ul style="list-style-type: none"> • Competitive Fund for Knowledge Transfer Groups & EIPs • Water Quality/Biodiversity/Renewable Energy & Climate change adaptation • Succession Planning / Young Farmers & role of Women in farms <p>5. Collaborative & Quality Focused Measures:</p> <ul style="list-style-type: none"> • New Farming partnership opportunities tackling local Structural constraints for women and young farmers / intergenerational (5A) • Promoting Artisan Food, shortening local supply chains, processing & marketing (5B) • Quality Schemes for Groups of primary producers for Beef & Lamb – developing & marketing place based distinctive products inc trade fairs, food festivals food tourism (5C)
	1B Fostering local development in rural areas	<p>4B Improving water management</p> <p>5A Increasing efficiency in water use by agriculture</p> <p>2B Facilitating generational renewal in agricultural sector</p> <p>3B Supporting farm risk management</p>	<p>Article 7 – Possible Thematic sub-programmes:</p> <ul style="list-style-type: none"> • Support for small-farm restructuring, viability and facilitating Young Farmer set-up, business and succession planning inc (Art 19). • short supply chains, climate change mitigation • Support for maximising opportunities for women in agriculture • Supporting activities that are designed to promote social inclusion whilst also tackling environmental issues such as environmental protection, waste recycling, energy efficiency, and renewable energy. • Promote a dynamic and inclusive rural economy with fair access to services and basic amenities, inc community infrastructure
	1C Enhancing accessibility to, use and quality of ICT in rural areas	1C Fostering lifelong learning and vocational training in the agricultural and forestry sectors	<ul style="list-style-type: none"> • Funding of fast broadband in rural areas • Development of general and, potentially, industry specific business skills in rural areas.