

European Cohesion Policy in Ireland

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The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between member countries and regions. With a budget of **€347 billion** for 2007–2013, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

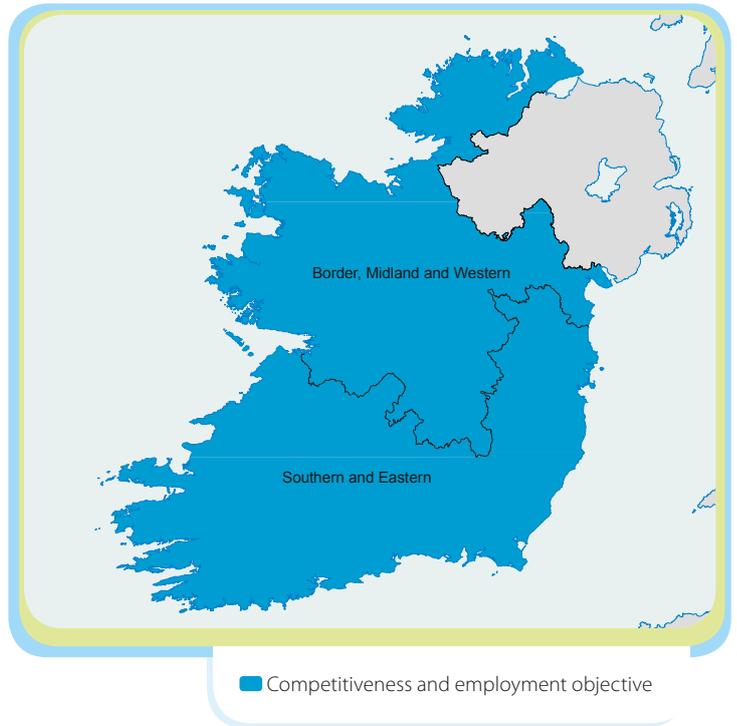
IMPACT AND RESULTS OF COHESION POLICY IN IRELAND

Between 2000 and 2006, Gross Domestic Product (GDP) increased in size by almost 50%, a growth rate of 6% per year. Commission estimates suggest that national GDP towards the end of the period was around 1.5% higher than it otherwise would have been without EU support.

Support for transport mainly helped to finance national road construction and public transport, with some support also for the local road network. This has resulted in the reduction of Ireland's infrastructure deficit as compared with the rest of the EU and made it a more attractive place for foreign companies to invest in. Specific projects included:

- the completion of 5 major inter-urban roads, including the M1/M4 between Dublin and Galway and the M1/M9 between Kilkullen

Cohesion Policy 2007–13



and Waterford, as part of 555 km of motorways constructed during the 7-year period, with significant savings in travel time;

- the Dublin Port Tunnel road;
- the completion of the M50 Dublin ring road;
- the completion of the LUAS light railway in Dublin;
- the completion of phase 1 of the DART (the rail line around the coast) upgrade in Dublin;
- the provision of some 100 additional buses in Dublin;
- the upgrading and expansion of capacity on the mainline rail network;
- a 'Rural Transport Initiative' which piloted local bus services for rural communities.

A SNAPSHOT OF ACHIEVEMENTS

- Estimated 1.5% increase in GDP
- Completion of Luas light railway in Dublin
- 555 km of new motorways
- Laying of high speed internet cable for broadband networks



Investment in environmental infrastructure resulted in an increase in water treatment capacity equivalent to providing some 770 000 people with clean drinking water, and the completion of waste water projects, adding sufficient capacity to meet the needs of over 3 million people.

EU funding has supported various Research & Development (R&D) and innovation initiatives including the Conway Institute of Biomolecular and Biomedical Research and the National Institute for Cellular Biotechnology, both based in Dublin. Support was also provided to incubation centres in the Institutes of Technology as a means of delivering innovation and technology to the regions.

The sea fisheries industry benefited from EU funding to finance the renewal, modernisation or safety improvement of around 400 fishing vessels.

European funding helped to co-finance a significant increase in childcare places by 13 500.

EUROPEAN INVESTMENT IN IRELAND – 2007–13

For 2007–13, Ireland has been allocated **€900 million** in total Cohesion Policy funding: €750 million under the Regional Competitiveness and Employment¹ Objective and €150 million under the European Territorial Co-operation Objective.

Ireland has 2 regional programmes for the Border, Midland and Western region and the Southern and Eastern region funded by the ERDF. The third country-wide programme is funded by the ESF.

FUNDS FOR IRELAND, IN MILLIONS €, 2007–13

Objective	Fund	EU	National Public	Total
Regional Competitiveness and Employment	ERDF	375	564	939
	ESF	375	982	1 357
Total Regional Competitiveness and Employment		750		
Total European Territorial Co-operation*	ERDF	150	-	150
TOTAL		900	1 546	2 446

Figures have been rounded up

* Each Territorial Co-operation programme includes a minimum of 15% co-financing from each participating Member State.

DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The re-launch of the Union's Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union's agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called 'Lisbon objectives'.

Ireland has made a strong commitment to gear its Structural Funds investment towards Lisbon-related activities to promote growth and jobs, with a focus on the promotion of innovation, ICT and the knowledge economy, renewable energies and sustainable public transport.

MAIN PRIORITIES OF COHESION POLICY IN IRELAND, 2007–13

- Nearly €160 million earmarked in support of **R&D and innovation**. The objective is to boost R&D and innovation in areas and institutions (mainly Institutes of Technology) where this capacity has been lacking in the past. The aim is to double the number of PhD graduates during the programming period.
- €212 million to be invested in **education and training**.
- Nearly €42 million in **transport infrastructure** and **accessibility**.
- €16 million to nurture **entrepreneurship** and promote **innovative start-up companies**.
- Protecting the **environment**, promoting sustainable growth and combating the effects of **climate change** also rank highly, with planned Cohesion Policy investment amounting to around €153 million.

SPECIAL INITIATIVES

PEACE III - The EU has always played a major role in supporting the peace process in Northern Ireland, as reflected in its proposals in 2004 to provide a third generation of the Peace and Reconciliation programme (PEACE III) unique to the region. It is a distinctive EU Structural Funds Programme within the European Territorial Co-operation Objective framework, with an overall goal to reinforce progress towards a peaceful and stable society, and to promote reconciliation in Northern Ireland and the border region of the Republic of Ireland.

International Fund for Ireland - The EU also contributes to the International Fund for Ireland (IFI), an international body established by the UK and Irish governments in 1986.

THE ESSENTIALS 2007–13

- €212 million for education, training and measures to help people become more employable
- Nearly €160 million for R&D and innovation
- €153 million to protect the environment, promote sustainable growth and fight climate change
- Over €40 million to improve transport infrastructure and accessibility

¹ The Regional Competitiveness and Employment Objective is applicable to 172 regions in the EU, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as to boost their employment levels. It should be noted that the rural development and fisheries policies are separate and do not form part of this brochure.

● BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Co-operation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Co-operation Objective** is financed through the ERDF for the period 2007–2013 and supports cross-border, transnational and interregional co-operation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

With a budget of €150 million allocated under this objective, **Ireland participates in 10 territorial co-operation programmes:**

- 3 cross-border co-operation programmes which cover internal EU borders (Ireland/Wales; Ireland/UK; Northern Ireland/Border region of Ireland/Western Scotland). This includes the PEACE programme.
- 3 transnational co-operation programmes which cover larger areas of co-operation – 'North-West Europe', 'Atlantic Area' and 'Northern Periphery'.
- all 4 interregional co-operation programmes (total budget for all the 27 EU Member States: €443 million)²: INTERACT II, URBACT II, ESPON and INTERREG IVC.

² INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT - thematic city networks, INTERACT - support for co-operation programme management organisation, ESPON - an observation network for spatial planning.



Ireland participates in 3 cross-border, 3 transnational and all 4 interregional co-operation programmes

Ireland

€900 million
for 2007–13

**Boosting
growth, jobs and
competitiveness**



Regional Policy on the ground

LUAS LIGHT RAIL SYSTEM, DUBLIN (CONNOLLY TO TALLAGHT)

The Luas (Irish for 'speed') is a light rail system serving Dublin, the first such system in the city since the closure of the last of the Dublin tramways.

By November 2006, over 50 million journeys had been made on the system. Around 90 000 Luas trips are made each day. In 2007, the system carried 28 million passengers, a growth of 10% on 2006.

There are currently two Luas lines: the Green Line commenced operations on 30 June 2004, while the Red Line opened on 26 September 2004. It is one of 450 light rail systems operating in cities around the world. As of 2008, the system has 36 stations and 25 km (15 miles) of track.

The development of the Luas Red Line (Connolly to Tallaght) was facilitated by EU funding of €82.5 million under the European Regional Development Fund (ERDF).

REDEVELOPMENT OF LOUGH KEY FOREST AND LEISURE PARK

Located in a scenic and historic area, Lough Key Forest and Leisure Park consists of approximately 350 hectares of mixed woodland, a lake and a number of small islands. The three-mile-wide lake, Lough Key, itself is the star attraction of the Park. The Park constitutes one of the most extensive and picturesque forest parks in Ireland. Notable features include the gardens, nature walks, archaeological sites, ring-forts and boat trips to the islands.

In the mid-1990s, Coillte, the State-owned forestry and land management company that owns the Park, initiated a major redevelopment project in partnership with Roscommon County Council to give new life to an established visitor attraction and fresh dynamism to the local economy.

The historic backdrop now encompasses a landmark cluster of unique attractions serving the needs of a 21st-century visitor with a new lakeside centre providing an ideal gateway for gentle leisure activities or more energetic pursuits in the Park.

The redeveloped Lough Key Forest and Leisure Park opened to the public in April 2007. Projected visitor numbers for the first year of operation are 60 600, rising to 121 300 by the fifth year. When fully operational, the Park will directly provide 12-16 jobs. It will also facilitate the creation of further indirect employment opportunities in areas such as catering, education and water- and land-based recreational activities.

As well as providing increased employment opportunities in the local area, both directly and indirectly, Lough Key Forest and Leisure Park is a flagship project for the region. It also acts as an anchor for a number of other visitor attractions in the area, thereby supporting the establishment of a regional cluster of tourism products and services.

The total cost amounted to €9 million, with an EU contribution of nearly €6 million.

For more details: <http://www.loughkey.ie/>

REGIONAL INCUBATION CENTRES: WWW.GMIT.IE/IIBC

European funding has supported the development of Regional Incubation Centres in the Border Midland and Western region in Ireland. These have a twofold objective: to support and facilitate the emergence of new market-led and knowledge-based companies in the region and to forge strategic links between college campuses and the world of industry and commerce.

Since starting up a business can be such a challenge, a business incubation facility is often necessary to help nurture young companies in those first few years until they have established themselves with products or services in an international setting.

A range of business development support is available for client companies, such as financial, legal, sales, marketing and export development, including mentoring and networking facilities. Six projects (total capital grant value of €13.8 million, with an EU contribution of €10.4 million) were up and running by the end of 2007, with 54 enterprises in place, employing a total of 175 employees. Of the 54 enterprises, 22 are engaged in collaborative innovation or commercialisation activities with their host institution. One such incubation centre is the Innovation in Business Centre (IIBC) at the Galway-Mayo Institute of Technology (GMIT), which supports the development of new enterprises in the region by providing incubation space and business development support for the nurturing of new ideas and the commercialisation of applied research. It offers incubation facilities and a supportive environment to potential entrepreneurs to assist them in taking their ideas from concept to full commercialisation.



Regional Incubation Centres help nurture young companies



More information

EU Regional Policy

http://ec.europa.eu/regional_policy/

Cohesion Policy in Ireland

http://ec.europa.eu/regional_policy/atlas2007/ireland/index_en.htm

National website

<http://www.ndp.ie/>

European Social Fund

<http://ec.europa.eu/social/>