

**Western Development Commission (WDC)
Joint Oireachtas Committee on Rural and Community Development**

RE: Invitation to discuss “Past Performance and Future Strategy”

1. Opening statement :

As stated by our Chairperson, the Western Development Commission welcomes the opportunity today to address the Joint Oireachtas committee on Rural and Community development today.

As previously mentioned, the WDC is a statutory body formed in 1998, promoting economic and social development in the Western Region of Ireland. We operate under the aegis of our parent Department, the Department of Rural and Community Development (DRCD). The general functions of the WDC are set out in the Western Development Commission Act as broadly being “*to promote [], foster and encourage economic and social development in the Western Region*”.

The WDC has developed a way of working that delivers a unique and effective response to the development challenges of a predominantly rural region. It delivers a critical capacity to the Western Region to identify, design and implement economic development and growth. Furthermore, it adds value and regional ‘sensitivity’ to the work of national and international bodies and actively engages with regional interests. The WDC has sought to establish a capability for future growth both for the region and all its citizens.

The WDC currently has the following key Strategic Goals¹, which are outlined in our current *Strategic Statement*, namely:

- “To inform and influence policy-making on economic and social development in Ireland’s Western Region through high quality analysis.”
- “To promote the benefits of living, working and doing business in Ireland’s Western Region.”
- “To encourage the development of the Western economy based on the sustainable development of the Western Region’s strengths and resources.”
- “To provide risk capital to micro, small and medium sized and social enterprises (in their start-up and expansion phases) through the WDC Investment Fund (WIF).”

We are fully aligned with current and emerging national policy and best practice in the area of Regional Development .The recent “*Programme for a Partnership Government*”², included a specific commitment to re-enforce the role of the WDC to support the implementation of the regional jobs plans in the West and North-West. We also work with the Government to give realisation to the relevant commitments in *Project 2040* and the on-going *Regional Spatial and Economic strategies*.

Similarly the recent strategic statement of our parent department, which includes a strategic goal to enhance Regional Development, states as an objective to “*strengthen the role of the Western Development Commission in contributing to regional and national policy objectives*”.

¹WDC Current strategic statement 2015-18 <https://www.wdc.ie/wp-content/uploads/FINAL-WDC-SS-2015-2018-EN-16pg-v2.pdf>

² www.taoiseach.gov.ie/eng/Work_Of_The_Department/Programme_for_Government/A_Programme_for_a_Partnership_Government.pdf pg. 41

Past performance - The Impact of the WDC in recent years

I would now like to address the specific request of the committee to briefly comment on our past performance in the undertaking of our Regional Development remit.

The WDC, through its collaborative efforts in recent years, has directly supported hundreds of regional enterprises. Through partnering with regional stakeholders, relevant national and international bodies, and the departments, the WDC has also supported or created almost 5000 total jobs.

Critically it has acted as an enabler for our regions wider development through mentoring, advocacy and access to finance solutions for partners such as Local Authorities, LEO's, Enterprise Ireland, the Design and Craft council of Ireland, Leader etc. Through our innovative regional promotional platform (www.lookwest.ie) we have created and supported an identity for thousands of citizens engaging in events and programmes.

In summary the key performance outcomes of recent years for the organisation have included:

- Investment in regional jobs - Since 2010 the WDC has sourced and directed over €13M in total funding towards regional enterprise and employment growth through exchequer, EU and its own revolved funds.
- Realisation of regional jobs – In recent years approx. 2700 direct jobs and 5000 total (indirect and direct), have been significantly supported by the WDC in the region (Many through our WIF facility).
- Regional policy and analysis capability – This offering of the WDC has provided a regional capacity for analysis and policy review which has led to advances in critical areas such as broadband roll out, proliferation of the gas network to towns in the region, showcasing novel growth sectors such as the creative economy and ensuring the region is at the forefront of national initiatives such as *project2040*, *RSES*, and recently the *CEDRA initiative*.
- The WDC also offers the region a unique strategic Regional Development capacity to design and implement, with stakeholders, solutions for sustainable socio-economic growth within the Western region. This has led over the years to the realization of initiatives in key regional growth sectors such as :
The creative economy growth program the *Creative West*. Where the WDC has championed and supported a critical opportunity in a sector containing around 5000 regional businesses. We have delivered targeted micro-loan offerings, a €2M regional film fund, an export platform; all have been developed and offered by us with partners to grow this sector. In 2018 NUIG have estimated the sector now has approx. 13,000 people working in it. In 2009 when the WDC launched the *Creative West* initiative the direct employment was around 11,000 direct employees.
The WDC has also supported the Renewable Energy/Green economy regional sector. Through access to finance and sourced EU funding the WDC has delivered initiatives that have led to increased jobs and installed capacity within the regional sector. Installations and businesses in Donegal, Athenry etc. attest to these efforts.
- Similarly in recent years and responding to stakeholder needs, we have created a regional capability to access EU programming resources and funds – From a standing start in 2009 the WDC now has a regional capacity to develop and deliver significant funding across a range of key growth sectors. In 2018 the WDC are engaged in 9 EU projects with a total value exceeding €18M, and have supported a wide and diverse range of regional clients and stakeholders to benefit from this capacity, for example :
 - a. Almost 120 creative industry businesses in the region have access to international markets through the www.mycreativeedge.eu marketing platform. E.g. *Derry Hick sticks Mayo*, *Black hen design Roscommon*, *Howling hamster games Galway*, and *Secret life of plastics Ennis*.

- b. Renewable energy businesses are gaining access to markets, support and innovation funds to develop and grow their businesses in the region e.g. *Proair in Galway*, which is now evolving to EI support in order to grow further
 - c. Through our EU capacity we have offered scores of stakeholders and hundreds of SME's, access to EU expertise and resources e.g. *Local authorities, HEI's, Údarás, SEAI, Marine institute, Design and Craft council , Galway film centre, etc.*
- The WDC has also developed and delivered to the region a unique, Regional “access to finance” capability. The *Western Investment Fund* (WIF) is a critical component in the WDC's abilities to undertake its remit .This innovative solution to regional disparities was established by the Irish Government to be a unique source of risk funding to projects, businesses and communities in the region. Significantly it has increased the regional access to venture capital (VC) funding from 3% of total deals done in the state to over 7% in the last 10 years. Thereby addressing a key market failure for businesses in the region.
Cumulative gains to date include:
 - €48 million invested
 - 140 enterprises supported – Details available
 - €208 M additional investment leveraged
 - 2,500 jobs directly supported, 5000 in total
 - Capital reserves available for more growth projects

Due to its dynamic and significant performance in supporting access to finance for regional businesses and its strength, the WIF offers the WDC an enhanced range of opportunities to realize regional growth opportunities.

- Regional identity – The www.Lookwest.ie platform has both given the region a brand with real reach (over 1M visits since launch, almost 20,000 social media “friends”), but has also allowed local authorities, organisations, individuals, and business engage with one another in all things of the West. Novel collaborations such as a *Talent Tool* for the region are examples of how this work strives to retain and attract human capital and thus inward investment to the region.

2. Current context for the Region

The WDC seek to achieve a significant step-change in the effectiveness of key parts of our regional economy (70% of which is rural in nature). The goal of the WDC would be to upgrade the diversity and nature of the regional economy to make the region better able to sustain continuous long-term growth and contribute even more to the national success story.

Whilst recognising that our region is primarily rural in nature, it is understood that urban centres (such as Galway) may effectively anchor the regional growth. This is a positive aspect. What would make it an indispensable aspect is designing the support policies to effectively disperse the economic benefits to the wider hinterlands. As such consideration for design and implementation of effective spatial and economic development strategies will need to be considered to support such an aim. The WDC look forward to fully supporting the RSES process in helping realise this ambition.

Whilst in the main the WDC has today sought to inform the members on its recent strong past performance in delivering both on its remit and on the applicable national and regional policy directives, it is also important to note the current efforts on formulating an appropriate future strategy for the organisation.

Today the WDC is advancing the formulation of its next strategic statement. This is being led by the board who have appointed a dedicated sub-committee for the purpose of guiding and co-ordinating the work-plan for identifying the goals of the 2019-2023 strategic statement.

So in conclusion, the WDC has demonstrated a strong performance in terms of its remit of fostering and supporting economic growth within its geographical boundaries. This is seen in the capacity, reach, investment and job support numbers outlined in this submission. However it remains apparent that the identified growth areas merit consideration on how to continue to maintain and indeed accelerate this rate of primarily indigenous regional socio-economic growth. Opportunities are apparent and regional support to unlock their potential is essential not only to develop a sustainable modern economy in the region but also in addressing potential disparities.

I would like to take this opportunity afforded to us by the committee to note the efforts of the WDC staff and board present and past for all their efforts in our endeavours.

One again Chair, may I extend gratitude, to you and the committee for affording us the opportunity to discuss this matter with you today.

Ian Brannigan,

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Western Development Commission

Dr. Deirdre Garvey

Chairperson
Western Development Commission