



# Northern & Western Regional Assembly

Mr. Robert Wiggins  
Economic Policy Division  
Department of the Taoiseach  
Upper Merrion Street  
Dublin 2

March 13th 2019

Dear Mr. Wiggins,

Re: National Reform Programme

Department of Taoiseach has sought our feedback on the European Semester 2019 and the National Reform Programme. Can I take this opportunity to acknowledge the consultation process and I greatly appreciate the occasion to respond.

Firstly can I commend the Department for progressing the 2018 recommendations and the overriding success of the national economic recovery. I would like to make two observations relating to:

- 1/ GDP growth and regional disparities
- 2/ Implementation of the National Development Plan and National Planning Framework

Relating to these observations we ask that the National Reform programme references the role of Regional Assemblies and particularly the NPF delivery instrument - Regional Spatial and Economic Strategies.

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## 1/ GDP Growth

As outlined in the CSR Ireland reported 7.5 % GDP year-on-year (y-o-y) growth in the first nine months of 2018, a level well above the euro area average. However, the headline figures remain inflated by the activities of multinational companies operating in the country. The economy is expected to have grown by 6.8 % in 2018 and real GDP is forecast to grow by 4.1 % in 2019 and 3.7 % in 2020 (European Commission, 2019a).

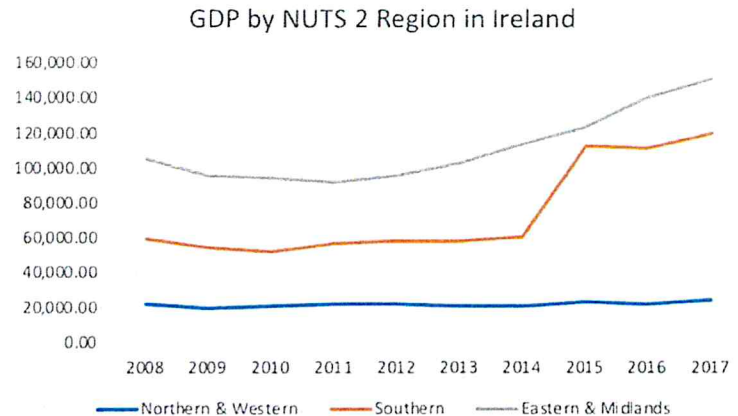
Regional disparities in Ireland are significant and have been increasing over the last decade. Ireland has rather high regional economic disparities compared to other EU countries in terms of GDP per capita (Graph 1.3). Between 2000 and 2016, GDP per capita in the Southern and Eastern region increased by 74 %, 63percentage points more than in the Border, Midland and Western region and the increase accelerated after 2012. By 2016, GDP per capita in the Southern and Eastern region was 2.6 times higher than in the Border, Midland and Western region. The Dublin area, with 40 % of Ireland's population, contributed by 62 percentage points to GDP growth between 2000-2016.

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Tionól Réigiúnach an Tuaiscirt agus an Iarthair

The Country Specific Report recognises the stark regional disparities in Ireland but from our perspective does not highlight the impact suitably or make any recommendations to address the imbalance.

The National Planning Framework has recognised the weaker urban infrastructure in the Border, Midland and West region and the underinvestment in infrastructure. This has resulted in startling figures with ultimately a two track economy - Dublin, east and south growing whilst the North & West has flatlined. It essentially represents a 'flatline' of growth in the NWRA region.

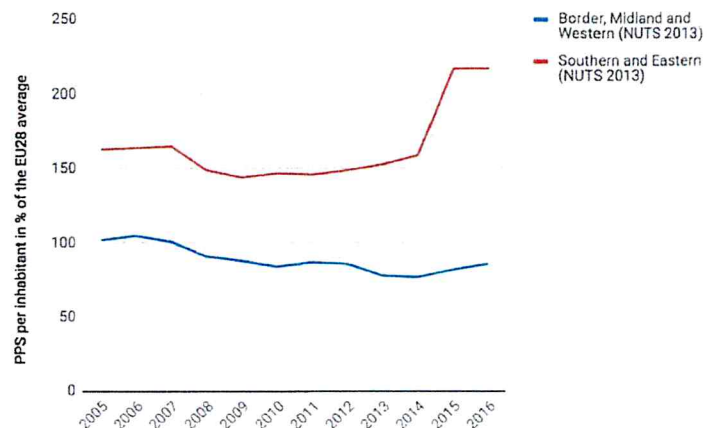


This has resulted in the region moving back in category from 'Developed' to 'Region in Transition' according to Eurostat.

Eurostat has confirmed that funding will remain allocated across three sets of regions (less developed, transition, and more developed regions) in the post-2020 period.

The concept of NUTS is that each country in the EU is divided into different territorial areas at descending levels.

So in the case of Ireland, the country as a whole is classified as NUTS Level 1, this is then broken into a number of large regions which are NUTS Level 2 (or NUTS2), these are further broken into smaller regions which are NUTS Level 3 (or NUTS3) and then local authority areas are below that (called LAU, or Local Administrative Unit).



For EU funding purposes, Ireland has two NUTS2 regions, both defined as 'more developed' for 2014-2020, but this is set to radically change with the Border, Midland and West (BMW) now moving back in category to region in 'transition', as stated above.

The reason the BMW region moves back in category is that it has a GDP per capita between 75 to 100 % of EU average GDP. The category of 'more developed regions' (Southern & Eastern) will include EU regions whose GDP per capita is above 100 % of the average GDP of the EU-27.

The net result means that the BMW region has been reclassified as being a 'transition region' and will receive a enhanced co-financing rate of 55% with the S & E Region receiving a maximum co-financing rate of 40% from the EU budget.

This presents an opportunity to follow policy in the NPF by positively discriminating towards the Northern and Western Region. It is imperative that the Reform Programme weights further consideration at sub-national level.

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## 2/ Implementing the National Planning Framework: Regional Spatial and Economic Strategies (RSES)

The National Planning Framework (NPF) is the spatial representation of Government policy in Ireland and the overriding policy for converging sectoral policy and investment through the NDP. The NPF is explicit in achieving a vision for 2040 by developing a new region-focused strategy for managing growth. Regional governance and regional development are essential cogs for translating and delivering national policy at a local scale. The three Regional Assemblies are tasked to co-ordinate, promote and support the strategic planning and sustainable development of the regions.

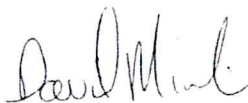
From an administrative and planning point of view, Ireland is divided into three regions: the Northern and Western, Southern, and Eastern and Midland Regional Assembly areas. We need to manage more balanced growth between these three regions because at the moment Dublin, and to a lesser extent the wider Eastern and Midland area, has witnessed an overconcentration of population, homes and jobs. We cannot let this continue unchecked resulting in a 50:50 growth pattern distributed between the Eastern and Midland region, and the Southern and Northern and Western regions, with 75% of the growth to be outside of Dublin and its suburbs.

Each of the Regional Assemblies has a leadership role to play in identifying regional policies and coordinating initiatives that support the delivery and implementation of national planning policy. The primary vehicle for this is the preparation and implementation of Regional Spatial and Economic Strategies. These strategies will provide regional level strategic planning and economic policy in support of the implementation of the National Planning Framework and provide a greater level of focus around the National Policy Objectives and National Strategic Outcomes of the NPF.

It is imperative that the National Reform Programme recognise Ireland's Regional tier of government and the role they will play up to 2040 in facilitating investment, enhancing competitiveness and supporting the overall national economy achieve the 10 National Strategic Outcomes.

To conclude can I again thank you and your Department for the opportunity to feed into the process and I hope there are valid points for your consideration.

Yours Sincerely



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David Minton  
Director